MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2020

This Management's Discussion and Analysis ("MD&A") is an overview of the activities of Goldsource Mines Inc. (the "Company" or "Goldsource") for the three months and year ended December 31, 2020. The MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2020 and 2019 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company's website www.goldsourcemines.com.

The first, second, third, and fourth quarters of the Company's fiscal years are referred to as "Q1", "Q2", "Q3", and "Q4", respectively.

The effective date of this MD&A is April 27, 2021. This MD&A contains forward looking information.

All amounts are in Canadian dollars unless noted.

CAUTIONARY STATEMENT AND DISCLAIMER

This MD&A contains "forward-looking statements" within the meaning of Canadian securities legislation. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which 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 such forward-looking statements. In particular, the MD&A contains forward-looking statements pertaining to the following: exploration and drilling programs at the Eagle Mountain Project ("Project"), including the Eagle Mountain and Salbora deposits and exploration prospects; information regarding high grade areas projected from sampling results; the impact of the COVID-19 pandemic on the timing and completion of exploration programs, technical reports and studies, including the Company's resource update for the Project announced on February 22, 2021, an additional resource update scheduled for H2 2021, and Pre-Feasibility Study ("PFS") scheduled for 2022 contemplating a low cost open pit mining operation (subject to the resolution of the novel coronavirus ("COVID-19") pandemic; information with respect to projected capital and operating costs, the amount of future production of gold over any period, the amount of expected grades and ounces of metals, gold recoveries, mine life, and gold production rates for the Project; and expectations regarding the Company's ability to manage capital resources and meet working capital requirements.

Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. Assumptions have been made regarding, among other things: the conditions in general economic and financial markets; precious metals prices; the ability to realize technical studies and develop and finance the project; the accuracy of the interpretations and assumptions used in calculating inferred mineral resource estimates; the availability of mining equipment and skilled labour; the timing and amount of capital expenditures; the performance of available laboratory and other related services; effects of regulation by governmental agencies; future operating costs; and the impact of the COVID-19 pandemic.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this MD&A: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties; the interpretation of drilling results and other geological data; the uncertainties of resource estimations; the receipt, maintenance and security of permits and mineral property titles; environmental and other regulatory risks; project cost overruns or unanticipated costs and expenses; uncertainty as to actual capital costs, operating costs, production and economic returns; uncertainty that development will result in a profitable mining operation for the Project; operating and hazards risks and limitations on insurance; fluctuations in precious metals prices; currency fluctuations; political and economic risks; and public health concerns (including health epidemics or outbreaks of the communicable diseases such as the COVID-19 pandemic); and general market and industry conditions.

Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made. The Company undertakes no obligation to update or revise any forward-looking statements included in this MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

QUALIFIED PERSON

Technical information contained in this MD&A has been prepared by or under the supervision of N. Eric Fier, CPG, P.Eng, and Executive Chairman and Vice-President of Finance for Goldsource, who is a 'Qualified Person' for the purpose of National Instrument 43-101 ("NI 43-101").

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1. OVERVIEW

Goldsource is a Canadian resource company engaged in exploration activities. It is headquartered in Vancouver, BC and its common shares trade on the TSX Venture Exchange under the symbol "GXS" and on the OTCQB under the symbol "GXSFF".

The Company's focus is the Eagle Mountain Gold Project ("Eagle Mountain" or "Project") for which it has a 100% interest in the Eagle Mountain Prospecting License ("EMPL") and the Kilroy Mining Permit (collectively the "Property"). The Property consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, South America. 4,784 hectares (11,860 acres) of the Eagle Mountain Property relate to the Eagle Mountain Prospecting License while 266 hectares (660 acres) relate to the Medium Scale Mining Permit held by Kilroy Mining Inc., a Guyanese Company, on which Stronghold, a subsidiary of Goldsource, has a long-term lease with a 2% net smelter return royalty. Goldsource constantly reassesses the size of its land package as exploration work is completed.

Since 2019, the Company's stated objective has been to expand and upgrade mineral resources at the Eagle Mountain Project, targeting an interim mineral resource of between 1.3 and 1.6 million ounces ("oz") of gold (or "Au") with a grade greater than 1.0 grams per tonne ("gpt") Au hosted in shallow open pits. The exploration program over this period, which included in excess of 30,000 metres of drilling, was devised to deliver on this objective while also targeting new discoveries.

On February 22, 2021, Goldsource announced an updated Mineral Resource Estimate ("MRE"), with the result exceeding the top end of the objective range. The MRE comprised an estimated 23 million tonnes ("Mt") grading 1.14 gpt for 848,000 oz gold contained in Indicated Resources and 25 Mt grading 1.09 gpt for 868,000 oz gold contained in Inferred Resources. The MRE includes the Eagle Mountain and Salbora deposits, both of which feature gold mineralization starting at surface in saprolite (soft rock, meaning the weathered, oxidized layer) and extending into the underlying fresh rock. The updated MRE is defined by a total of 674 core holes for 57,550 metres drilled, as well as 158 auger drill holes for 532 metres drilled, which includes infill and exploration drilling up to November 6, 2020.

The five primary objectives for the 2021 drill program are as follows:

1) Follow-up exploration of several new target areas along the prospective Salbora-Powis trend, such as the Toucan, Powis, Ann and Montgomery prospects where the potential exists for Salbora-style mineralization;
2) Testing for new lateral extensions of the dip slope sub-horizontal zones of the Eagle Mountain deposit including Baboon, No.1 Hill and Ounce Hill, and to the north, west and southwest currently outside of the 2021 MRE; and
3) In-fill drilling of the 2021 MRE to upgrade a significant portion of mineralization currently classified as Inferred Resource to the Measured and Indicated categories
4) Compile 2021 data, further update the MRE in H2 2021 and use as the basis for a Pre-feasibility Study in 2022.
5) Pursue potential geological, geophysical and other geoscientific studies and analyses that will assist the Company to prioritize target areas near the Company's EMPL.

The H2, 2021 MRE will be used as a basis for a PFS on a low cost large-scale, 4,000 to 5,000 tonnes per day open pit gold mining operation. Opportunities for a phased development plan will be evaluated, specifically with initial and baseline production provided by soft-rock saprolite material followed by an expansion to incorporate the fresh rock mineralization. The PFS is expected to be delivered in 2022.

Based on the updated MRE[1] announced on February 22, 2021, the Company's mineral resources at the Eagle Mountain Project are as follows:

Classification	Tonnes (000 t)	Gold* (gpt)	Ounces Au (oz)
Indicated			
Saprolite	11,000	0.95	353,000
Fresh rock	12,000	1.32	495,000
Total	**23,000**	**1.14**	**848,000**
Inferred			
Saprolite	5,000	0.82	140,000
Fresh rock	20,000	1.16	728,000
Total	**25,000**	**1.09**	**868,000**

* Estimated at 0.30 gpt gold cut-off grade for the saprolite and 0.50 gpt gold cut-off grade for the fresh rock.

[1] The updated MRE was prepared by CSA Global in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition. Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. Refer to the MRE news release, dated February 22, 2021.

- Numbers have been rounded to reflect the precision of a Mineral Resource Estimate. Totals may vary due to rounding.
- Gold cut-off has been calculated based on a gold price of US$1,500/oz, mining costs of US$1.5/tonne mined ("t") for saprolite and US$2.0/t mined for fresh rock, processing costs of US$6/t milled for saprolite and US$12/t milled for fresh rock, and mine-site administration costs of US$3/t milled. Metallurgical recoveries of 95% are based on prior test work.
- Mineral Resources conform to NI 43-101, and the 2019 CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines and 2014 CIM Definition Standards for Mineral Resources & Mineral Reserves.
- The Company is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing or political factors that might materially affect these Mineral Resource estimates.
- Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The quantity and grade of reported Inferred Resources in this Mineral Resource Estimate are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as Indicated or Measured Resources, however, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

2. HIGHLIGHTS

The Company's key events and highlights during the period include the following:

Eagle Mountain Project Activities – 2020

During 2020, the Company incurred $5.8 million of exploration and evaluation expenses for the Eagle Mountain Gold Project (please refer to section 3 below – Results of Operations and Financial Condition). As at December 31, 2020, the Company's cumulative exploration and evaluation expenditures, including acquisition costs, on the Eagle Mountain Gold Project totaled $29.3 million, of which $22.7 million is related to exploration activities.

	Total Number of Holes	Total DDH Metres Drilled	Number of Announced Holes	DDH Metres Drilled and Announced
2020	112	16,322	92	13,721
2021 (to April 27)	63	6,434	33	3,154

Geophysical survey

During Q1, 2020, the Company successfully completed the expansion of the ground geophysical survey. Phase II ground geophysics included an additional 62 line-kilometres of gradient array Induced Polarization ("IP"), a 62 line-km of high-resolution ground magnetic survey and a 10 line-km of Pole-Dipole ("PDP") detailing IP survey over selected targets. Given the dense tropical forest cover, limited outcrop exists over Eagle Mountain Project. Therefore, the geophysical results in addition to geochemical, structural, lithological and other geological information derived from previous drilling are guiding further exploration on the Property.

Mineral Resource estimate

During 2020, the Company engaged CSA Global Consultants Canada Ltd. ("CSA Global"), an ERM Group company, to provide Goldsource with an independent assessment and gap analysis of geology and gold mineralization to guide the Company's current drill program and enable conversion of significant Inferred mineral resources into the Indicated classification, and a MRE update for the Eagle Mountain gold deposit and a maiden MRE for the other gold discoveries hosted on the Property, including the Salbora gold deposit.

Drilling

During 2020, the Company completed approximately 16,322 metres of core drilling. The program resulted in the discoveries of the Powis, Toucan, and Montgomery targets along the Salbora-Powis trend, and the expansion of the Friendly, No. 1 Hill, and Baboon areas of the Eagle Mountain deposit. Please refer to the Company's news releases dated February 5, 2020, April 14, 2020, May 20, 2020, July 29, 2020, October 22, 2020 and December 3, 2020.

North-South Corridor (defined by the Salbora deposit and the Montgomery, Waterline, Toucan, Powis and Ann prospects)

The Toucan target is located within the north-south trending Salbora-Powis structural corridor west and adjacent to the Eagle Mountain deposit. The Company announced the discovery of the Toucan target on April 14, 2020, reporting four holes over 694 metres. When combined with previous work, these results suggest that the Toucan discovery is initially 250 metres long by 20 to 40 metres wide, open along strike and to depth, and may be connected to the Powis target, 600 metres to the south. The Toucan target was not included in the February 2021 MRE. Follow-up drilling is planned for 2021.

The Powis target is an area of extensive historical artisanal workings. On February 5, 2020, the Company reported initial drill results for seven drill holes, totalling 1,319 metres. On July 29, 2020, the Company announced infill drill results of five core holes for 1,389 metres. The prospect remains open, and there is a gold mineralized footprint of 200 metres long by 40 metres wide to a minimum depth of 200 metres. The Powis target was not included in the February 2021 MRE. Follow-up drilling is planned for 2021.

The Montgomery target represents a new discovery approximately 1.5 kilometres north of the Salbora deposit within the Salbora-Powis structural trend. On December 3, 2020, the Company announced drill results for 16 core holes totaling 3,298 metres.

On October 20, 2020 the Company entered into an option and purchase agreement to acquire a 100% interest in the Ann Mining Claim, at the Minnehaha Creek area, for total consideration of US$290,000. The terms of the agreement include immediate access to the land (10 hectares) for exploration purposes for 2 years, the right to purchase the claim for US$250,000, and the right to terminate the agreement at any time. If not exercised, the option will expire after 2 years. The Company made an option payment of $25,186 (US$20,000) upon the signing of the agreement. The remaining payments are scheduled as follows:

- US$20,000 in October 2021; and
- US$250,000 upon the exercise of the option.

During late 2020, the company commenced drilling on the Ann Mining Claim and on January 6, 2021 announced drill results for four core holes totalling 766 metres. This included an initial discovery located 2.5 kilometres along trend from Salbora and 1.0 kilometre along trend from the previous most southernly known mineralisation at Powis, thereby expanding the prospective strike of the Salbora-Powis trend to 4.0 kilometres from Ann in the south to Montgomery in the north.

Eagle Mountain Deposit and Extensional Targets

Extensional drilling of the Eagle Mountain deposit focused on the No.1 Hill and the adjacent Baboon areas to the west and southwest of the 2014 mineral resource outline. Geologically, the No. 1 Hill and Baboon areas show the same characteristics to the main Eagle Mountain deposit with gold located in shallowly dipping mineralized zones within chloritic fractures containing pyrite crosscutting granodiorite (granitoid), with silicification. On July 29, 2020, the Company announced drill results at the No. 1 Hill area for five core holes for 595 metres. On October 22, 2020, the Company announced drill results at the No. 1 Hill and Baboon areas for 11 core holes for 1,814 metres. Initial estimates for the No. 1 Hill and Baboon areas were included in the February 2021 MRE for the Eagle Mountain deposit. Follow-up step-out and in-fill drilling is planned for 2021.

In-fill drilling activities focussed on the Kilroy area, where hole positioning has been designed to re-categorize inferred to indicated resources. On October 22, 2020, the Company announced the in-fill drilling results of 15 core holes for 724 metres that provided confirmation of historical results and the geological model. On December 3, 2020, the Company announced in-fill drill results for 13 core holes totaling 822 metres.

Eagle Mountain Project Activities – 2021

Since January 1, 2021, the Company has completed approximately 6,434 metres of core drilling. Drilling has resulted in the discovery of the Ann prospect along the Salbora-Powis trend and a previously unknown high-grade feature in the Ounce Hill area of the Eagle Mountain deposit (please refer to the Company's news releases dated January 6, 2021, February 8, 2021 and March 30, 2021).

On February 8, 2021, the Company announced high-grade drill results for the Ounce Hill area, located in the northeast of the Eagle Mountain deposit. In-fill drill holes EMM21-007 and EMM21-008, which targeted an area that had previously been drilled on a wide spacing (greater than 50 metres), returned grades well above prior results. Drill hole EMM21-007 intersected 20.38 gpt gold over an estimated true width of 34 metres and EMM21-008 intersected 3.41 gpt over an estimated true width of 24.0 metres, both in surface and in saprolite.

On March 30, 2021, the Company announced additional drill results for the Ounce Hill and Bacchus areas of the Eagle Mountain deposit. At Ounce Hill a further 651 metres were drilled, including drill hole EMM21-009 which extended the high-grade area, previously defined by holes EMM21-007 and EMM21-008, a further 50 metres to the east. EMM21-009 intersected 2.02 gpt gold from surface over an estimated true width of 44 metres. Mineralization in EMM21-009 extended beyond the saprolite into the underlying fresh rock by 22.5 metres with the intersection grading 2.69 gpt gold. The Company also completed 554 metres of drilling in the Bacchus area which is now a target for resource expansion. In-fill holes EMD20-150 intersected 21.0 metres grading 1.44 gpt gold and EMD20-149 intersected 37.5 metres grading 1.05 gpt gold.

Updated MRE

The MRE update, reported on February 22, 2021, comprises 23 million tonnes grading 1.14 gpt gold for 848,000 oz contained in Indicated Resources and 25 million tonnes grading 1.09 gpt gold for 868,000 oz of gold in Inferred Resources. The MRE includes the Eagle Mountain and Salbora deposits, both of which feature gold mineralization starting at surface in saprolite (soft rock) and extending into the underlying fresh rock. The saprolite is estimated to contain 42% of the gold in Indicated Resources and 16% of the gold in Inferred Resources. The updated MRE is defined by a total of 674 core holes for 57,550 metres drilled, as well as 158 auger drill holes for 532 metres drilled, which includes infill and exploration drilling up to November 6, 2020. Additional infill and expansion drilling since the 2014 PEA contributed to the significant increase in Indicated Resources, while the discovery of the Salbora deposit and extensions to the Eagle Mountain deposit with the Friendly and No. 1 Hill areas being added to mineral resources.

The Company is planning a second resource update in the second half of 2021. This will incorporate results from expansionary and infill drilling at the Eagle Mountain deposit and exploration drilling along the prospective Salbora-Powis trend targeting Salbora-style mineralization.

Three drill rigs are currently operating at the Eagle Mountain Gold Project. The Company plans to complete 16,500 metres of drilling in 2021, with approximately 40% to 50% of the budgeted metres earmarked for in-fill drilling of the February 2021 MRE. With increased geological knowledge, several areas previously un-explored have become targets and will be tested with surface auger sampling and trenching to concentrate further drilling programs in new areas as discussed above.

a. Corporate

During the year ended December 31, 2020, corporate highlights include the following:

Financing

- On March 24, 2020, the Company completed a private placement of 60,026,500 units at a price of $0.11 per unit for gross proceeds of $6,602,915. Each unit consisted of one common share and one-half warrant. Each warrant entitles the holder to purchase one common share at a price of $0.16 until September 24, 2022. The Company paid cash commissions of $371,777 and issued 3,571,590 agents' warrants with a fair value of $290,708 in connection with the private placement. Each agent warrant entitles the holder to purchase one common share at a price of $0.11 per share until March 24, 2022. The Company incurred capital stock issuance costs of $213,992 in connection with the private placement. The Company plans to use a portion of the proceeds of the private placement for the Eagle Mountain resource expansion, PFS costs, and general corporate purposes.

Stock Options and Warrants:

- The Company granted 5,425,000 stock options to directors, officers, employees, and consultants with an exercise price ranging from $0.125 to $0.13 per share for a period of five years. These stock options vest immediately except for 50,000, which vest over a one-year period with 25% vesting after each of three months, six months, nine months, and twelve months after the grant date and 1,000,000 stock options, which vest over a three-year period with 33% vesting after each of one year, two years, and three years after the grant date.
- The Company issued 16,643,499 common shares at prices ranging from $0.09 to $0.12 per common share for gross proceeds of $1,508,933 upon the exercise of warrants.
- 33,457,601 warrants with exercise prices ranging from $0.09 to $0.10 expired unexercised.
- 1,000,000 stock options with exercise prices ranging from $0.10 to $0.21 were forfeited, and 3,110,000 stock options with an exercise price ranging from $0.16 to $0.21 expired unexercised

Board Update

- On June 15, 2020, the Company held its Annual General Meeting, where shareholders voted in favour of all items of business, including the election of each of the director nominees: N. Eric Fier, Haytham Hodaly, Graham Thody, Drew Anwyll, and Ioannis Tsitos. In addition, shareholders voted for the re-appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company and approved the Company's "rolling 10%" Stock Option Plan.
- At the Board of Directors meeting following the AGM, the Board re-appointed Mr. Fier as Chairman of the Board and Chief Operating Officer ("COO"), Mr. Tsitos as President, Bernard Poznanski as Corporate Secretary, and Mr. Thody as Lead Director.
- Nicholas Campbell, Chief Financial Officer, resigned his position effective June 15, 2020. Mr. Fier assumed the position of Vice-President of Finance ("VP Finance").

- The Company appointed Stephen Parsons as Chief Executive Officer ("CEO") of the Company and granted him 1,000,000 stock options that can be exercised at a price of $0.125 per share until November 16, 2025. These stock options vest over a three-year period with 33% vesting after one year, two years, and three years after the grant date, respectively.
- Mr. Fier resigned as COO of the Company in November 2020, he has retained the titles of VP Finance and Executive Chairman.

Subsequent to December 31, 2020

- the Company issued 16,400,000 common shares at a price of $0.09 per common share for gross proceeds of $1,476,000 upon the exercise of warrants;
- 75,000 stock options with an exercise price of $0.28 per common share expired unexercised; and
- 36,566,562 warrants with exercise prices ranging from of $0.09 to $0.20 expired unexercised.

b. COVID-19 Update

The Company's business could be adversely affected by the effects of the outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"). Since early March 2020, significant measures have been implemented in Canada, Guyana, and the rest of the world by governmental authorities in response to COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs, and other factors that depend on future developments beyond the Company's control. In addition, COVID-19 has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including Canada and Guyana), resulting in an economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital. In compliance with guidance issued by the Guyanese government, as a precautionary measure, the Company suspended exploration activities at the Eagle Mountain Property on April 5, 2020 and resumed exploration activities on June 11, 2020. In Guyana, COVID-19 restrictions are still in place. However, the International airport in Georgetown, Guyana was re-opened on October 12, 2020. In 2020, Goldsource had instances of COVID-19 at the Eagle Mountain Property; however, with mitigation and ongoing testing measures this has not resulted in a material impact on operations. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities, including the impact on the timing of its planned pre-feasibility study, cannot be reasonably estimated at this time. The recent increase in COVID-19 cases and variants globally may impact the Company's operations due to additional government mandated shutdowns or closures.

3. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Selected Annual Information

The following financial data has been prepared in accordance with IFRS:

	2020	2019	2018
Loss and comprehensive loss for the year [(1)]	$ (9,119,806)	$ (6,661,753)	$ (3,710,462)
Loss per share - basic and diluted	$ (0.02)	$ (0.02)	$ (0.02)
Total assets [(2)]	$ 11,932,182	$ 13,228,654	$ 10,933,947

(1) Loss and comprehensive loss increased significantly in 2020 from 2019 as the Company incurred $5.8 million in expenditures on Eagle Mountain in 2020 (excluding property, plant and equipment construction costs and purchases), and reported a loss on impairment of the processing plant of $1.7 million.

(2) Total assets decreased in 2020 from 2019 due to impairment of the processing plant during Q4, 2020.

Summary of Quarterly Results

	Q4 December 31, 2020	Q3 September 30, 2020	Q2 June 30, 2020	Q1 March 31, 2020	Q4 December 31, 2019	Q3 September 30, 2019	Q2 June 30, 2019	Q1 March 31, 2019
Comprehensive loss for the period	(4,002,149)	(1,978,412)	(1,473,213)	(1,666,032)	(2,321,259)	(1,852,040)	(1,297,511)	(1,190,943)
Loss per share - basic and diluted	(0.00)	(0.01)	(0.00)	(0.01)	(0.01)	(0.01)	(0.00)	(0.00)

Comprehensive losses for each quarter in 2020 increased relative to the same quarters in 2019, primarily due to overall increase in activity at Eagle Mountain and head office. The increases in comprehensive losses in Q1 – Q3, 2020 were primarily the result of increased exploration activities at Eagle Mountain as the Company focused on completion of the MRE, released on February 22, 2021. A reduction in exploration and evaluation expenditures during Q2, 2020 related to the COVID-19 pandemic, resulted in a decrease in comprehensive loss compared to Q3 and Q4, 2019. The decrease in comprehensive loss in Q1, 2020 compared to Q3 and Q4, 2019 is due to decreased exploration activities in the period due to the timing of contract drillers return to the Eagle Mountain camp. Comprehensive loss in Q4, 2020 increased due to exploration activities at Eagle Mountain, including the addition of a third drill rig to the property, as well as the recording of the impairment of the processing plant.

Comparison of the three months and years ended December 31, 2020 and 2019

During the three months and year ended December 31, 2020, comprehensive losses were $4,002,149 and $9,119,806 respectively, compared to $2,321,259 and $6,661,753 for the same periods in 2019. The principal differences and significant amounts to note are as follows:

	Three months ending December 31,			Year ending December 31,			
	2020	2019	Variance	2020	2019	Variance	Variance Explanation
Loss on disposal of PPE	-	64,397	(64,397)	-	64,397	(64,397)	The loss on disposal of PPE recorded in 2019 relates to the disposal of construction in process assets in Q4, 2019.
Exploration and evaluation expenditures	1,600,144	1,875,730	(275,586)	5,798,558	4,923,046	875,512	The decrease in Q4, 2020, compared to Q4, 2019, is primarily due to the decreased exploration activity on the Eagle Mountain property in Q4, 2020 as a result of a suspension of drilling from November 18 to 27, 2020 due to COVID-19 cases at camp and the timing of drill crew rotations during Q4, 2020 compared to Q4, 2019. These factors offset the increase in exploration and evaluation expenditures, resulting from an increase in the allocation of head office expenses, which are attributable to exploration activities, to the Company's subsidiary. The overall increase in exploration and evaluation expenditures at Eagle Mountain in 2020, compared to 2019, is due to the increased exploration activity on the property in 2020, including the addition of a third drill. This was offset by the suspension of drilling and exploration activities from April 5 to June 11, 2020 and temporary suspension of activity in Q4, 2020 due to COVID -19.
Foreign exchange loss	174,042	6,158	167,884	261,944	70,968	190,976	This difference is due to changes in the value of the Canadian dollar compared to the US dollar since 2019. As at December 31, 2020, the Company is primarily exposed to foreign exchange risk through holding US dollars.
Loss on impairment of mineral properties	-	126,046	(126,046)	-	126,046	(126,046)	Impairment loss recorded in 2019 is due to the termination of the Bishop Growler purchase option agreement, resulting in the impairment of mineral properties equal to the payments made under the purchase option agreement.
Loss on impairment of PPE	1,664,644	-	1,664,644	1,664,644	-	1,664,644	Impairment loss on PPE is related to the impairment of the processing plant in Q4, 2020.
Interest income	(12,341)	(22,317)	9,976	(53,731)	(88,176)	34,445	The decrease in interest income in 2020 compared to 2019 is due to a lower interest rate environment driven by global economic downturn as a result of COVID-19.
Marketing	29,887	53,579	(23,692)	175,937	229,607	(53,670)	The decrease in marketing expenses in 2020 to compared to 2019 is due to travel restrictions limiting travel to trade shows and conferences, caused by the COVID-19 pandemic.
Remuneration	84,318	(33,761)	118,079	502,736	469,907	32,829	The overall increase in remuneration in 2020 compared to 2019 is due to salary increases and additional staff in 2020 compared to 2019, as well as severance paid to the former CFO in 2020. The recovery of remuneration expense in Q4, 2019 is due to an allocation of head office salary expenses, related to services rendered by the Company to its subsidiary, to exploration and evaluation expenditures.
Share-based compensation	416,281	209,823	206,458	435,505	565,953	(130,448)	The increase in share-based compensation in Q4, 2020, compared to Q4, 2019, is due to the timing of stock option grants. All stock options granted in 2020 were granted in Q4 whereas in 2019, stock options were granted in Q1, Q2, and Q4. The overall decrease in share-based compensation in 2020 compared to 2019 is due to 5,425,000 stock options being granted in 2020, compared to 8,800,000 in 2019.

During the three months and year ended December 31, 2020, exploration and evaluation expenditures were $1,600,144 and $5,798,558 respectively, compared to $1,875,730 and $4,923,046 for the same periods in 2019. The significant variations between these periods included the following:

Exploration and evaluation expenditures	Three Months Ending December 31, 2020	Three Months Ending December 31, 2019	Variance	Year Ending December 31, 2020	Year Ending December 31, 2019	Variance	Variance Explanation
Assays	74,423	119,874	(45,451)	257,796	323,113	(65,317)	The decrease in assay expense during 2020 is due to the timing of delivery of core samples. Core samples are sent in batches to be assayed due to the remote location of the Eagle Mountain camp. The decrease in assay costs during 2020, when compared to 2019, is due to fewer core samples sent to be assayed during the year, as well as fewer multi-element tests performed on the core samples.
Camp costs	181,098	192,575	(11,477)	556,399	613,127	(56,728)	The decrease in camp costs during 2020, compared to 2019, is due to temporary suspension of drilling in 2020 due to COVID-19, as well as the timing of drilling crews arrival on site during Q4, 2020 compared to Q4, 2019.
Depreciation	121,206	118,126	3,080	721,350	470,611	250,739	The increase in depreciation expense for the period is due to the purchase of capital assets during 2020, as well as an adjustment in the expected useful lives of assets held in Guyana.
Drilling	361,547	514,119	(152,572)	1,839,599	1,277,450	562,149	The decrease in drilling expense in Q4, 2020, compared to Q4, 2019, is due to temporary suspension of drilling due to COVID-19 cases at camp as well as the timing of drill crew rotations. The overall increase in drilling expense in 2020 is due to increased drilling on the Eagle Mountain property during 2020 (16,322 meters drilled in 2020 vs 13,922 meters drilled in 2019), as well as the addition of a third drill.
Operations and general	83,920	227,785	(143,865)	503,180	513,695	(10,515)	The decrease in camp costs during Q4, 2020 is due to temporary suspension of drilling due to COVID-19 and the corresponding decrease in supplies required for operations at the Eagle Mountain camp, as well as the timing of drilling rotations. The overall expenditures in 2020 were consistent with the expenditures in 2019, due to increased operational costs as a result of increased drilling during 2020, offset by the suspension of activity from April 5 to June 11, 2020 due to COVID-19.
Salaries	669,164	628,528	40,636	1,662,772	1,445,140	217,632	The increase in salaries during 2020 results from additional personnel hired to support the increased drilling activity in 2020.

4. LIQUIDITY AND CAPITAL RESOURCES

a. Assets

At December 31, 2020, Goldsource held cash and cash equivalents of $4,052,594 (2019 – $3,159,068). Goldsource continues to monitor cash resources against anticipated expenditures associated with advancing the Eagle Mountain Project. Other current assets totalling $231,921 consist primarily of prepaid expenses of $191,714 (2019 – $58,635) and amounts receivable of $38,177 (2019 – $62,641).

The Company has deposits totalling $271,362, including $262,718 (US$206,200) (2019 – $268,387 (US$206,200)) which is pledged as a reclamation site bond in the form of a non-interest-bearing bank guarantee deposit to the GGMC for exploration permits on the Property.

Property, plant and equipment decreased to $739,558 (2019 – $3,067,855), primarily due to the impairment of the processing plant of $1,664,644 (2019 - $Nil) and depreciation of $779,292 (2019 – $534,980), slightly offset by the purchase of equipment of $156,184 (2019 – $126,880). Significant purchases included a vehicle and ATV's as well as the construction of additional bunk houses for the Eagle Mountain camp.

b. Liabilities

At December 31, 2020, current liabilities include accounts payable and accrued liabilities of $365,183 (2019 – $475,417), which relate to various contractual commitments in the normal course of business.

As at December 31, 2020, the Company recorded a rehabilitation provision of $359,913 (2019 – $391,051), which was included in the loss on impairment of property, plant and equipment. The present value of the rehabilitation provision was calculated using an effective discount rate of 5% (2019 – 5%) and reflects anticipated cash flows to be incurred over approximately the next eight years. The undiscounted value of these obligations is $438,573 (US$339,000) (2019 – $429,185 (US$332,000)), calculated using a long-term inflation rate assumption of 0.8% (2019 – 2.4%).

c. Liquidity Outlook and Risks

As at December 31, 2020, the Company had cash and cash equivalents of $4.1 million (2019 – $3.2 million), accumulated losses of $66.4 million (2019 – $57.8 million) and working capital [2] of $3.9 million (2019 – $2.7 million). As at April 27, 2021, the cash and cash equivalents held by the Company are $3.1 million.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets which are revised periodically based on the results of its exploration program, availability of financing, and industry conditions. The Company's ability to continue as a going concern is dependent on its ability to raise debt or equity financing and discover economically viable mineral deposits.

Ongoing exploration work at Eagle Mountain may be delayed or disrupted, will require substantial additional financing, and is subject to a number of factors many of which are beyond the Company's control. Although the Company has been successful in raising funds to date, there is no assurance that future equity capital or debt facilities will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all.

[2] Working capital is a non-IFRS measure widely used in the mining industry and which the Company defines as current assets less current liabilities, as reported in the consolidated statements of financial position. In the context of liquidity, it relates to the maintenance of sufficient current asset balances to settle current liabilities, as they come due in the normal course of business.

5. COMMITMENT, EVENTS AND UNCERTAINTIES

Other than disclosed below, there was no commitment, event or uncertainty which materially affected the Company's operations, liquidity, and capital resources during 2020, or which may have a material effect going forward.

- The Company leases office space and has one other lease which is considered a short-term lease and as such is included in the consolidated statement of comprehensive loss and not the consolidated statement of financial position. Commitments for minimum lease payments in relation to lease are payable as follows:

Lease liability		2020		2019
Lease liability	$	101,739	$	140,813
Less: current portion		(55,720)		(55,720)
Long-term portion	$	46,019	$	85,093

Undiscounted lease payments		2020		2019
Not later than 1 year	$	60,395	$	60,395
Later than 1 year and not later than 5 years		59,572		119,967
	$	119,967	$	180,362

Changes to the Company's lease liability was as follows:

		2020		2019
Opening balance	$	140,813	$	-
Lease liability due to initial application of IFRS 16		-		173,493
Interest expense		21,321		27,714
Interest paid		(21,321)		(27,714)
Payment of principal portion of lease liabilities		(39,074)		(32,680)
Balance, end year	$	101,739	$	140,813

- In November 2019, Kilroy Mining Inc. ("Kilroy") received a demand for foregone customs duty and taxes from the Guyana Revenue Agency ("GRA"). The GRA alleges that the joint venture agreement between Kilroy and Stronghold Guyana Inc., a wholly owned subsidiary of the Company, has breached the terms of the customs duty and tax exemption granted to Kilroy during 2015 and 2016 on the purchase of mining equipment. The GRA seeks payment of $437,463 ($73,056,644 Guyanese dollars). Management has been advised that these claims are without merit and intends to defend against the claim. Accordingly, the Company has not accrued any amounts related to this claim.

- The Company is exposed to legal claims during the normal course of business. Management believes the claims are without merit and do not impact the financial statements.

6. CONTINGENCIES

Eagle Mountain

On March 6, 2014, the Company executed an Amendment Agreement with Omai Gold Mines Ltd. ("OGML"), a subsidiary of IAMGOLD Corporation with respect to the Property. The summary of amending terms includes:

I. Goldsource will issue to OGML 3,389,279 common shares (issued);

II. Goldsource shall pay OGML, US$3,025,501 ("Initial Payment") in cash or, at Goldsource's option, in common shares of Goldsource, at a price per share equal to a five percent (5%) discount to the Volume Weighted Average Price ("VWAP") of Goldsource's common shares for the 20 trading days prior to issuance, upon the earliest to occur of the following:

  a. If average market price of gold is US$1,400 per ounce or higher upon achieving total production of 40,000 ounces of gold, then the Initial Payment is due 90 days after 40,000 ounces have been produced; otherwise, payment is to be made 90 days after 50,000 ounces have been produced from Eagle Mountain;
  b. 90 days after having completed one year of gold production under a large-scale Mining License issued by GGMC; and
  c. Five days after the date on which the 20-day VWAP of Goldsource exceeds $0.75 per share.

III. Goldsource shall pay OGML, an additional US$5,000,000 ("Final Payment") in cash or, at Goldsource's option, US$2,500,000 cash and US$2,500,000 in common shares of Goldsource, at a price per share equal to a five percent (5%) discount to the 20-day VWAP of Goldsource's common shares. The Final Payment shall be made one year after the earlier to occur of the following:
   a. The payment set out in II a above has been made; and
   b. One year of gold production having been completed under a large-scale Mining License issued by the GGMC.

The Company pledged a $262,718 (US$206,200) (2019 – $268,387 (US$206,200)) reclamation site bond, held by the GGMC for exploration permits on the Eagle Mountain Gold Project.

Goldsource's subsidiary Stronghold holds a prospecting license on the Property. In August 2014, the GGMC granted a Medium Scale Mining Permit (the "Permit") to Kilroy to mine gold, diamonds, precious metals and minerals on a portion of the Property. As the Permit is required under Guyana law to be held by a Guyanese national, Stronghold has entered into agreements with Kilroy, a private arm's length Guyanese company, pursuant to which Stronghold and Kilroy will jointly operate Eagle Mountain. Kilroy has granted Stronghold the exclusive right to conduct mining operations on Eagle Mountain including any additional areas acquired by Kilroy. Stronghold will fund all expenditures on Eagle Mountain and receive 100% of all revenues, subject to applicable government royalties and a 2% net smelter royalty ("NSR") to Kilroy as compensation for its participation. As part of the agreements, Goldsource issued to Kilroy 250,000 common shares of the Company.

7. RELATED PARTY TRANSACTIONS

During 2020, the Company entered into the following transactions with related parties:

a. Key management compensation

The Company's key management personnel have the authority and responsibility for planning, directing, and controlling the activities of the Company and include the Company's President, CEO, Executive Chairman and VP Finance, former Chief Financial Officer ("former CFO"), and directors. Key management personnel compensation is summarized as follows:

		2020		2019
Management remuneration[1]	$	422,776	$	367,500
Directors fees		36,000		15,000
Share-based compensation[2]		354,693		427,430
	$	813,469	$	809,930

[1] The Company paid management fees to companies controlled by the President and VP Finance, remuneration to the CEO, and remuneration and severance to the former CFO.
[2] Share-based compensation is the vested portion of the fair value at the grant date of stock options awarded to key management personnel.

b. Legal fees

During 2020, legal fees of $49,196 (2019 – $27,675), included in professional fees, and capital stock issuance costs of $90,414 (2019 – $73,260) were paid or accrued to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner, of which $Nil (2019 – $1,377) was payable at December 31, 2020.

c. Other transactions

During 2020, the Company paid remuneration of $Nil (2019 – $2,917) and recognized share-based compensation of $Nil (2019 – $6,714) to Nathan Fier (son of the VP Finance, providing technical services to the Company). Remuneration and share-based payments incurred to this consultant were recorded as exploration and evaluation expenditures.

The Company has a cost sharing agreement with SilverCrest, a company related by common directors and officers (N. Eric Fier and Graham Thody), whereby the Company shares salaries, administrative services, and other expenses. During 2020, the Company was allocated $132,182 (2019 – $210,639) for its share of these expenses, of which $32,849 (2019 – $36,428) was payable to SilverCrest at December 31, 2020.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, marketable securities, deposit, and accounts payable. The carrying value of accounts payable approximates the fair value due to the short periods until settlement. The Company's cash and cash equivalents and marketable securities are measured using level 1 inputs. The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, foreign currency risk, credit risk, interest rate risk and market risk. Please refer to note 13 of the audited consolidated financial statements for the year ended December 31, 2020. Where material, these risks are reviewed and monitored by the Board of Directors.

9. OUTSTANDING SHARE CAPITAL

As of April 27, 2021, the Company had the following common shares, share purchase warrants and options issued and outstanding:

Issued & Outstanding Shares:			407,247,109
	$ per share	Expiry	
Warrants:	$0.11 - $0.16	March 24, 2022 – September 24, 2022	33,498,050
Options:	$0.06 - $0.17	June 15, 2021 – December 10, 2025	17,375,000
Fully Diluted			458,120,159

10. RISK FACTORS

Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks.

Activities of the Company may be impacted by the spread of COVID-19.

The Company's business could be significantly adversely affected by the effects of a widespread global outbreak of contagious disease, including the outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will continue to have on third parties' ability to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions to planned drill and construction programs and other factors that will depend on future developments beyond the Company's control. In addition, the significant outbreak of contagious disease in the human population has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including those in which the Company operates), resulting in an economic downturn that could negatively impact the Company's operating results and ability to raise capital.

Risks Inherent in the Mining Business

The business of exploring for mineral resources is inherently risky. Few properties that are explored are ultimately developed into producing mines. The business involves significant financial risks over a significant period of time that even a combination of careful evaluation, experience and knowledge may not eliminate. It is impossible to ensure that the Company's current or proposed exploration programs, and in particular, the Eagle Mountain Gold Project, will result in commercially viable mining operations.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital. There is no certainty that the expenditures made by the Company towards the search, evaluation and development of mineral deposits will result in commercial quantities of ore.

No History of Earnings or Production Revenues

The Company has experienced losses from operations and expects to continue to incur losses for the foreseeable future. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures are likely to increase in future years as needed consultants, personnel and equipment associated with advancing exploration, development and potentially, commercial production of its properties, are added.

The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties, government regulatory processes and other factors, many of which are beyond the Company's control. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The ongoing development of the Eagle Mountain Gold Project will continue to require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

Licenses and Permits

The Company's operations require licenses and permits from various governmental authorities. A medium scale mining permit is required under Guyana law to be held by a Guyanese national. The Company, through its wholly owned subsidiary, has entered into an agreement with a private arm's length Guyanese company to jointly operate the Eagle Mountain Gold Project. Required permits have been obtained by the Company's joint operator and management believes that the Company and its joint operator hold all material licenses and permits required under applicable laws and regulations for operation of the Eagle Mountain Gold Project on the Eagle Mountain Property and that they are presently complying in all material respects with the terms of such licenses and permits. However, the terms and conditions of such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to further explore and develop its properties and, with reference to development of a mining operation on Eagle Mountain, operation of mining facilities or to maintain continued operations that economically justify the cost.

Mineral Resource Estimates

Where used by the Company, figures for mineral resources are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved or that reasonable levels of recovery will be realized. The Eagle Mountain Gold Project PEA Technical Report, and subsequent Mineral Resource Update, are preliminary in nature in that they are based largely on Inferred and Indicated Mineral Resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be characterized as mineral reserves, and there is no certainty that the PEA or MRE will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no assurance that mineral resources will be upgraded to mineral reserves as a result of continued exploration. Until resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral resources, grades and recoveries may affect the economic viability of the Eagle Mountain Gold Project. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production. Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources could have a material adverse effect on the Company's results of operations and financial condition.

Mining Capital and Operating Costs

The capital costs required by the Eagle Mountain Gold Project have been significantly higher than anticipated. Capital and operating costs, production and economic returns, and other estimates contained in the Company's current PEA may also differ significantly from those provided for in future studies and estimates and from management guidance, and there can be no assurance that the Company's actual capital and operating costs will not be substantially higher than currently anticipated. In addition, delays to construction and exploration schedules may negatively impact the net present value and internal rates of return from the Eagle Mountain Gold Project as estimated in the PEA. Similarly, there can be no assurance that rates of production, grades of ore processed, rates of recoveries or mining cash costs estimated in the PEA will not experience fluctuations or differ significantly over the course of actual mining operations at Eagle Mountain.

Additional risks and uncertainties currently not known to the Company or that the Company considers immaterial may also impair the business operations of the Company. If any such risks or uncertainties actually were to occur, the Company's business, prospects, financial condition and operating results could be materially harmed. While it is not possible to eliminate all of the risks inherent to the mining business, the Company strives to manage these risks, to the greatest extent possible, to ensure that its assets are protected.

Financing Risks

The Company's financial resources are limited. Substantial financial resources and sources of operating cash flow will be required in order to advance the exploration and development of the Eagle Mountain Gold Project. There can be no assurance that the Company has adequate financing to bring the Eagle Mountain Gold Project into production at a consistent rate or that the Company will be able to obtain additional financing if required, or that the terms of such financing will be favorable. Failure to obtain such financing could result in delay or indefinite postponement of development of the Eagle Mountain Gold Project or further exploration and development of other mineral exploration projects with the possible loss of such properties.

Key Employees

The Company is dependent on the services of its key executives, in particular, the Company's President, CEO, VP Finance, as well as other highly skilled and experienced executives and personnel. Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in acquisition, exploration, development and operation of mining properties is limited and competition for such persons is intense. The departure of any of its key executives and failure of the Company to replace any key executives or employees could impair the efficiency of its operations and have an adverse impact on the Company's future development.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. The Company believes it is currently in compliance in all material respects with all applicable environmental laws and regulations. There is no assurance that any future changes in environmental regulation, will not adversely affect the Company's operations or affect the mineral resource estimates of the Eagle Mountain Gold Project. The costs of compliance with changes in environmental regulations have the potential to reduce the profitability of future operations.

Mining is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of a property and unknown to the Company. To the extent the Company is subject to uninsured environmental liabilities, the payment of such liabilities would negatively impact the Company's financial position and could have a material adverse effect on the Company. Should the Company be unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on the Company. The Company may not have coverage for certain environmental losses and other risks as such coverage cannot be purchased at a commercially reasonable cost.

As at December 31, 2020, the Company pledged a $262,718 (US$206,200) reclamation site bond to the GGMC for exploration permits on the Eagle Mountain Gold Project.