GOLDSOURCE MINES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

QUARTERLY HIGHLIGHTS

SEPTEMBER 30, 2023

1. OVERVIEW

Goldsource Mines Inc. (the "Company" or "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 ("TSX-V") under the symbol "GXS" and on the OTCQX under the symbol "GXSFF". This Interim Management's Discussion and Analysis – Quarterly Highlights ("Interim MD&A") is an overview of all material information about the Company's operations, liquidity, and capital resources for the three and nine months ended September 30, 2023. The Interim MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and 2022 and the related notes contained therein which have been prepared under International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board. The following should also be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2022 and 2021 and the related notes contained therein. Additional information related to the Company is available 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 Interim MD&A is November 23, 2023. This Interim MD&A contains forward looking information. Reference to "6. Cautionary Statements and Disclaimers" is advised.

All amounts are in Canadian dollars unless noted.

2. HIGHLIGHTS

The Company's key events and highlights during the nine months ended September 30, 2023 and to date include:

a. Eagle Mountain Gold Project

Overview

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"), save and exempt all claims lawfully held and occupied. The Property consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, South America. 4,784 hectares (11,820 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. ("Kilroy"), a Guyanese Company, on which Stronghold Guyana Inc. ("Stronghold"), a wholly-owned subsidiary of Goldsource, has a long-term lease with a 2% net smelter return royalty. Within the EMPL there are third-party small-scale claims ("Artisanal Claims") that predate the Company's Property. The Artisanal Claims that are licensed or recommended for license total approximately 123 hectares (305 acres). Additionally, one medium scale permit (referred to as Bishop Growler) is located in the central part of the EMPL, north-east of the Eagle Mountain resource area. This was under an option and purchase agreement by Goldsource in 2018/19 that has since expired. Goldsource constantly evaluates the size of its land package as exploration work is completed.

On October 20, 2020, the Company entered into an option and purchase agreement ("Option Agreement") to acquire a 100% interest in the Ann Mining Claim at the Minnehaha Creek area located within the Eagle Mountain Gold Project, for total consideration of US$290,000. The terms of the agreement include immediate access to the land for exploration purposes for two years, the right to purchase the claim for US$250,000, and the right to terminate the agreement at any time, without any further liabilities. On August 8, 2022, the Company and the optionor amended the terms of the Option Agreement to extend the option period for two additional years, expiring on October 20, 2024, for total additional consideration of US$40,000. All other terms of the Option Agreement remain unchanged. On October 18, 2023, the Company made an option payment of $27,332 (US$20,000) pursuant to the Ann Mining Claim Option Agreement. To date, the Company has made all required option payments.

On April 7, 2022, the Company announced an updated Mineral Resource Estimate ("2022 MRE"). The 2022 MRE reflected the Company's infill and expansion drilling completed in 2021 and is comprised of an estimated 31.1 million tonnes ("Mt") grading 1.18 grams per tonne ("gpt") gold for 1,183,000 oz of gold in Indicated Resources, and 18.4 Mt grading 0.98 gpt gold for 582,000 oz of gold in Inferred Resources. The 2022 MRE includes the Eagle Mountain and Salbora deposits in addition to the Toucan and Powis prospects. Eagle Mountain and Salbora, in particular, feature gold mineralization starting at surface in saprolite (soft rock, meaning the weathered, oxidized layer) and extending into the underlying fresh rock.

Overall, the saprolite and transition contain 35% of the gold in Indicated Resource and 24% in Inferred Resource. The Indicated Resource, representing 67% of the gold in the 2022 MRE, is laterally extensive and generally shallow. At the Eagle Mountain deposit the Indicated Resource extends from surface to a maximum depth of 150 metres and has an average depth of 35 metres. 75% of the Indicated Resource is within 50 metres of surface. At the Salbora deposit the Indicated Resource extends from surface to a maximum depth of 156 metres and has an average depth of 49 metres, and 58% of the Indicated Resource is within 50 metres of the surface.

The 2022 MRE was estimated at 0.30 gpt gold cut-off grade for saprolite and 0.50 gpt gold cut-off grade for fresh rock. It was defined by a total of 772 core holes for 75,430 metres drilled, which includes infill and exploration drilling up to December 31, 2021. A description of the resource methodology for the 2022 MRE is detailed in the Company news release dated April 7, 2022, and in a report titled "Eagle Mountain Gold Project, Potaro – Siparuni Region Guyana, NI 43-101 Technical Report", dated May 24, 2022, with an effective date of April 5, 2022 located on the Company's website and on SEDAR.

Based on the 2022 MRE[1] announced on April 7, 2022, the Company's mineral resources at the Eagle Mountain Project are as follows:

Classification	Tonnes (000 t)	Gold (gpt)	Ounces Au (oz)
Indicated			
Saprolite & Transition	12,400	1.04	417,000
Fresh rock	18,700	1.28	766,000
Total	**31,100**	**1.18**	**1,183,000**
Inferred			
Saprolite & Transition	6,100	0.71	139,000
Fresh rock	12,300	1.12	443,000
Total	**18,400**	**0.98**	**582,000**

- Estimated at 0.30 gpt gold cut-off grade for the saprolite and 0.50 gpt gold cut-off grade for the fresh rock.
- 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$1,600/oz, mining costs of US$1.5/tonne ("t") for saprolite-transition and US$2.0/t for fresh rock, processing costs of US$6.0/t for saprolite-transition and US$12.0/t for fresh rock, and mine-site administration costs of US$3.0/t. Metallurgical recoveries of 95% are based on prior test work of Eagle Mountain deposit composite samples.
- Mineral Resources conform to National Instrument 43-101 ("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 Resources could be upgraded to Indicated Resources with continued exploration.

The 2022 MRE will be used as a basis for a Preliminary Economic Assessment ("PEA") for which the Company anticipates release of the results in Q4, 2023. The PEA envisages a phased development plan to establish gold production from shallow, low strip ratio open pits. Phase 1 considers a low capex intensity development plan with gold production from soft rock saprolite mineralization. This will be followed by Phase 2, the development of fresh rock mineralization, in which gold production will come from a blend of fresh rock and saprolite. The plan for Phase 2 was defined by trade-off studies completed in 2023. The studies were undertaken to evaluate development options for the fresh rock, with a focus on a higher grade portion of the fresh rock resource, staging of the development to maximize the utility of the in-place infrastructure provided by Phase 1, and establishing the optimal production scale for the fresh rock mineral resources.

[1] The 2022 MRE was prepared by ERM Consultants Canada Ltd. in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards. Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. Refer to the 2022 MRE news release, dated April 7, 2022.

Eagle Mountain Project Activities – 2023

During the nine months ended September 30, 2023, the Company incurred $1.9 million in exploration and evaluation expenses for the Eagle Mountain Gold Project (refer to section 3 below – Results of Operations and Financial Condition). As at September 30, 2023, the Company's cumulative exploration and evaluation expenditures, including acquisition costs, on the Eagle Mountain Gold Project totaled $43.7 million, of which $37.0 million is related to exploration activities.

The 2023 work program is comprised of concurrent exploration and engineering activities. Exploration includes generative programs and drilling to test new targets within the EMPL as well as expansion and infill drilling to facilitate ongoing engineering studies. A summary of the PEA results is anticipated by year end.

The Company's 2023 exploration and engineering objectives include:

- A 2,800-metre drilling program, reduced from the initial 5,300-metre plan, which includes both exploration drilling along the north-south Salbora-Powis trend and targeted infill and expansion drilling of the 2022 MRE outline, testing saprolite and higher-grade fresh rock targets to support ongoing engineering work;
- A newly expanded generative program focusing on building the pipeline of early-stage exploration targets in underexplored areas of the prospecting license and other properties outside the prospecting license for which the Company has option and exploration agreements; and
- Delivery of PEA results, which will focus on gold production from shallow, low strip ratio open pits via a phased development plan. Phase 1 comprises a low capex intensity development plan for gold mineralization hosted in soft rock saprolite resources. Phase 2 incorporates the development of fresh rock resources that will be blended with saprolite for the duration of Phase 2 and the life of mine.

Generative Exploration

During the nine months ended September 30, 2023, the Company continued its generative exploration program, which focused on underexplored areas outside the 2022 MRE outline with the aim of identifying additional gold mineralization and prospective corridors within the EMPL. During the nine months ended September 30, 2023, the Company completed 3,725 metres of auger lines sampled at 25-metre intervals for a total of 149 auger sites and 256 metres of auger drilling that was principally focused on extensions of the North Zion area. During nine months ended September 30, 2023, the Company completed 897 metres of trenching split between the North Zion area and the Salbora-Powis trend. Additionally, 20 stream sediment samples and 40 pan concentrate samples were collected in areas of interest outside of the 2022 MRE outline.

In Q2, 2023 the Company signed a one-year exploration agreement with a local landowner. The scope of the agreement encompasses surface exploration work on three medium-scale claims that are outside of but proximal to the EMPL and contain artisanal workings. The Company does not have any liabilities associated with the exploration agreement. During the nine months ended September 30, 2023, preliminary work included stream sediment sampling and surface mapping.

Drilling

Since January 1, 2023, the Company completed approximately 2,499 metres of core drilling, the majority of which was outside the 2022 MRE area.

On March 23, 2023, the Company announced final drill results for the 2022 infill and expansion drill program. The program focused on the Ounce Hill, No.1 Hill, Kilroy, Zion, and Bacchus areas of the Eagle Mountain deposit. Reported results represented 33 core holes totaling 1,421 metres for an infill and expansion drill program designed to test shallow near-surface saprolite and fresh rock gold mineralization as defined in the 2022 MRE, with the objectives of converting Inferred Resources to Indicated Resources and providing further information for mine scheduling studies to be incorporated in the PEA. At Ounce Hill, drill hole EME22-184 intersected 22.0 metres grading 1.13 gpt gold from surface in the upper 17.5 metres downhole within saprolite. Drill hole EMD22-265 intersected 7.5 metres grading 7.27 gpt gold from surface within saprolite and drill hole EMD22-268 intersected 18.0 metres grading 3.80 gpt gold from surface in saprolite and saprock/hard rock, including an interval of 10.5 metres grading 5.95 gpt gold. At No.1 Hill, drill hole EMD22-230 intersected 3.0 metres grading 2.36 gpt gold within saprolite and drill hole EMD22-235, located approximately 60 metres outside the 2022 MRE outline, intersected 3.0 metres grading 5.64 gpt gold in saprolite. At Kilroy, drill hole EMD23-270 intersected 16.5 meters grading 1.94 gpt gold in near-surface saprolite and drill hole EMD22-207 intersected 21.8 metres grading 1.48 gpt gold from surface in saprolite. At Bacchus, drill hole EMD22-245 intersected 6.0 metres grading 0.87 gpt gold from surface within saprolite. These drilling results give a reasonable expectation that some Inferred Resources may be upgraded to Indicated Resources and mineralization may be expanded in certain areas.

On September 11, 2023, the Company announced drill results for the Soca and South Ann prospects, located approximately 1.5 and 1.1 kilometres, respectively, south of the 2022 MRE outline along the Salbora-Powis trend. Reported results represented 13 core holes totaling 1,653 metres. At the Soca prospect, drill hole EMD23-282 intersected 10.5 metres grading 4.41 gpt gold from 3.0 metres depth in saprolite, including an interval of 4.5 metres grading 9.80 gpt gold. Soca mineralization is associated with quartz saturation alteration with quartz veining, which at Soca and the other deposits along the Salbora-Powis trend exhibit localized higher gold grades. Recent drilling has extended the Soca prospect by 100 metres to the east, with the identification of two additional mineralized zones. At the South Ann prospect, drill hole EMD22- 175 intersected 12.0 metres grading 1.39 gpt gold from 51.0 metres down hole in quartz porphyry intrusion with quartz veining. Drilling at South Ann targeted an interpreted contact between a quartz-feldspar porphyry intrusion and granodiorite. Four drill holes, EME22-175 to EME22-177 and EME22-183, intersected gold mineralization, which has an aggregate strike length of 175 metres with several mineralized intervals.

Engineering

On February 2, 2023, the Company announced results from the 2022 metallurgical testing program, conducted by SGS Canada Inc. ("SGS") and comprised of 26 samples (9 saprolite and 17 fresh rock) for 750 kilograms collected from 49 drill holes representing all major areas within the 2022 MRE. The metallurgical program, designed in consultation with Orway Mineral Consultants, included grinding, leaching, hardness and abrasion testing to establish design criteria for a PEA and prefeasibility-level work. This study expanded on the metallurgical test work completed by SGS in 2018. The 2018 program included 22 saprolite samples from the Eagle Mountain deposit. Refer to the Company news release dated May 17, 2018.

The metallurgical testing program demonstrated high gold recoveries. Using conventional processing techniques, gold recoveries averaged 95% for saprolite and 90% for fresh rock composites. Saprolite gold recoveries were generated with a coarse grind size of 80% passing 165 microns, which has positive implications for plant design. Considering an estimated 50% (by mass) of the saprolite samples were already finer than 150 microns, after screening the potential exists for a high proportion of the saprolite material to report directly to a leach circuit without upfront grinding.

Accordingly, as part of the plant design work, the Company will review opportunities for significant capital and operating cost reductions by considering the advantageous features of the saprolite as it relates to size distribution and its soft rock characteristics. Fresh rock gold recoveries averaged 92% in the main Eagle Mountain deposit and 84% in the satellite Salbora deposit and Toucan prospect. Results were based on a conventional grind size distribution of 80% passing 80 microns.

Eagle Mountain Prospecting License

Pursuant to the Guyana Mining Act, the term of prospecting licenses is three years with two rights of renewal of one year each, for a total of five years. After five years, the license may be further renewed through submission of a new license application. The Company was granted all previous renewals and new license applications. On August 11, 2023, following a site visit on April 13, 2023, by senior officials from the Guyana Geology and Mines Commission ("GGMC"), the GGMC approved the second one-year renewal of the current EMPL, which will expire on October 18, 2024.

b. Corporate

During the nine months ended September 30, 2023, corporate highlights include the following:

- The Company granted 215,000 stock options to a director that can be exercised at a price of $0.30 per share until August 11, 2028. These stock options vest immediately;

- 127,500 stock options with an exercise price of $1.00 per common share expired unexercised, and 30,000 stock options with an exercise price of $1.40 per common share were forfeited;

- 6,080,715 warrants with exercise prices ranging from $1.10 to $1.40 per common share expired unexercised;

- The Company completed a non-brokered private placement of 7,507,000 units at a price of $0.36 per unit for gross proceeds of $2,702,520. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at a price of $0.55 until May 19, 2025. The residual value of the warrants of $75,070 was allocated to reserves. The Company paid cash commissions of $33,307 and issued 92,520 agents' warrants, with a total fair value of $8,131. Each agent warrant is exercisable to acquire one common share at a price of $0.55 until May 19, 2025. The Company incurred capital stock issuance costs of $48,308 in connection with the private placement. The Company plans to use the proceeds for ongoing exploration, engineering work, including technical studies required for a PEA, and general corporate purposes; and

- On June 8, 2023, the Company held its Annual General Meeting ("AGM"), whereby shareholders voted in favor of all items of business, including setting the number of directors at six, the re-election of each existing director, the appointment of Ms. Laurie Gaborit to the Board, the re-appointment of its auditors, and approval of the amended and restated "rolling 10%" stock option plan. Subsequent to the AGM, the Board re-appointed all executive officers and appointed Mr. Anwyll, Ms. Gaborit, Mr. Hodaly, and Mr. Thody to the Company's Audit Committee and Corporate Governance Committee.

Subsequent to September 30, 2023:

- 82,500 stock options with exercise prices ranging from $0.48 to $1.30 per common share were forfeited unexercised;

- On October 17, 2023, Stronghold renewed its office rental agreement for a period of two years commencing January 1, 2024, for monthly payments of US$3,000; and

- On October 18, 2023, the Company made an option payment of $27,332 (US$20,000) pursuant to the Ann Mining Claim Option Agreement.

c. COVID-19 Update

The Company's business could be adversely impacted by the novel coronavirus ("COVID-19"). The extent of the impact the COVID-19 pandemic will have on the Company cannot be determined at this time. These uncertainties arise from the inability to predict the impact of COVID-19 on the global economy and financial markets (including Canada and Guyana), and the duration of business disruptions due to impacts on workforce health, restrictions on planned drill programs, and other factors that depend on future developments beyond the Company's control.

3. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Comparison of the three and nine months ended September 30, 2023 and 2022

During the three and nine months ended September 30, 2023, comprehensive losses were $888,041 and $2,929,581 respectively, compared to $1,079,801 and $4,288,735 for the same period in 2022. The principal differences and significant amounts are as follows:

	Three months ended September 30,			Nine months ended September 30,			
	2023	2022	Variance	2023	2022	Variance	Variance Explanation
Exploration and evaluation expenditures	663,074	987,780	(324,706)	1,894,322	3,469,930	(1,575,608)	The decrease in exploration and evaluation expenditures is due to a planned temporary reduction in exploration and engineering activities during the first five months in 2023. Exploration and engineering activities increased towards budgeted levels effective June 2023.
Foreign exchange loss (gain)	(65,799)	(178,398)	112,599	37,726	(229,281)	267,007	The Company is primarily exposed to foreign exchange risk through holding US dollars and through transactions denominated in Guyanese dollars. The foreign exchange loss during the nine months ended September 30, 2023 is due to the significant appreciation of the Canadian dollar in relation to the US and Guyanese dollars during the first half of 2023. The loss is offset by the foreign exchange gain during the three months ended September 30, 2023, as a result of the appreciation of the US and Guyanese dollars in relation to the Canadian dollar during Q3, 2023.
General and administrative expenses	48,001	38,604	9,397	157,418	118,918	38,500	The increase in general and administrative expenses is due to the Vancouver office rent payments recorded as rent expense during 2023. During 2022, payments for the Vancouver office were recorded as a payment of the lease liability.
Legal settlement	-	-	-	-	84,337	(84,337)	In March 2022, the Company received a court judgement stating that Kilroy was indebted to the Guyana Revenue Agency ("GRA") for foregone customs and duty taxes in the amount of $73,056,644 Guyanese dollars. The GRA alleged that the joint venture agreement between Kilroy and Stronghold had breached the terms of the customs duty and tax exemption granted to Kilroy during 2015 and 2016 for the purchase of mining equipment. In 2022, the Company reached a settlement with the GRA for the amount of $84,337 ($14,695,437 Guyanese dollars).
Loss (gain) on change in rehabilitation provision	(22,592)	(3,386)	(19,206)	32,568	70,167	(37,599)	The gain on change in rehabilitation provision during Q3, 2023 is due to the decrease in projected inflation rates during the period, and the decrease in additions to the retirement obligation, which is driven by exploration activity per quarter. The loss on change in rehabilitation provision during the nine months ended September 30, 2023 is due to higher projected inflation rates for the years 2024 - 2027 in 2023 when compared to the same period in 2022.
Marketing	24,041	47,131	(23,090)	95,540	156,799	(61,259)	The decrease in marketing expenses in 2023 is primarily due to decreased participation in conferences, as well as fewer investor relations service providers contracted during the period.
Professional fees	52,045	14,437	37,608	153,266	69,911	83,355	The increase in professional fees is due to increased legal fees related to general business matters and professional advisory fees incurred in 2023. No similar expenses were incurred in 2022.
Remuneration	160,620	145,638	14,982	513,424	478,594	34,830	The increase in remuneration is due to salary increases in 2023.
Share-based compensation	47,214	17,581	29,633	59,912	40,401	19,511	The increase in share-based compensation expense during 2023 is due to 215,000 stock options granted, compared to 57,500 stock options granted in 2022. The increase in stock options granted is offset by the decrease in the Company's share price in 2023, when compared to 2022. Share price is used in the Black-Scholes Option Pricing Model to measure the fair value of stock options at the grant date.

During the three and nine months ended September 30, 2023, exploration and evaluation expenditures were $663,074 and $1,894,322 respectively, compared to $987,780 and $3,469,930 for the same period in 2022. The significant variances between these periods include the following:

Exploration and evaluation expenditures	Three months ended September 30, 2023	Three months ended September 30, 2022	Variance	Nine months ended September 30, 2023	Nine months ended September 30, 2022	Variance	Variance Explanation
Assays	51,035	60,630	(9,595)	77,839	163,614	(85,775)	The decrease in assays expense is due to a planned temporary reduction in samples delivered for chemical analysis. Assays expense increased towards budgeted levels beginning in June 2023.
Camp costs	89,653	145,150	(55,497)	315,186	522,259	(207,073)	The decrease in camp costs is due to reduced camp occupancy as a result of decreased drilling activity in 2023.
Depreciation	30,263	34,035	(3,772)	87,986	121,050	(33,064)	The decrease in depreciation expense in 2023 is due to several capital assets being fully depreciated in 2022.
Drilling	48,633	48,172	461	106,951	595,422	(488,471)	The small increase in drilling expense during Q3, 2023, when compared to Q3, 2022, is due to the timing of purchases of drilling consumables and parts required for the maintenance of the drill. The decrease in drilling expense during the nine months ended September 30, 2023 is the result of a planned decrease in exploration activity during 2023 (1,758 meters drilled in 2023 vs 7,142 meters drilled in 2022), to allow the Company to focus on technical studies to deliver the PEA.
Operations and general	102,550	134,182	(31,632)	286,269	509,937	(223,668)	The decrease in operations and general expense in 2023 is consistent with the reduced activity and staffing at the Eagle Mountain camp. In 2022, the Company incurred several one-off expenses including significant equipment repairs and maintenance, Stronghold's office relocation costs, and costs associated with demobilizing select exploration equipment out of Eagle Mountain. No similar expenses were incurred in 2023.
Salaries	278,674	388,965	(110,291)	886,416	1,241,649	(355,233)	The decrease in salaries expense is due to the reduced exploration activity in 2023, partially offset by salary increases and severance payments.
Technical services and consulting	62,266	176,646	(114,380)	133,675	315,999	(182,324)	The decrease in technical services and consulting expenses in 2023 is primarily due to a planned temporary decrease in exploration and engineering activity during the first five months of 2023. In 2022, the Company incurred increased legal expenses relating to the GRA demand letter, and engaged technical consultants to complete the 2022 MRE and conduct metallurgical testing and studies. In 2023, technical services and consulting expenditures primarily relate to PEA technical studies, geological studies and the completion of a LiDAR survey.

4. LIQUIDITY AND CAPITAL RESOURCES

a. Assets

At September 30, 2023, the Company held cash and cash equivalents of $2,482,879 (December 31, 2022 – $2,608,197). The Company continues to monitor cash resources against anticipated expenditures associated with advancing the Eagle Mountain Project. During the first five months of 2023, exploration and engineering expenditures were below budget. Upon closing of the May 2023 non-brokered private placement for gross proceeds of $2,702,520, these activities increased towards budgeted levels.

Other current assets consist of amounts receivable of $44,847 (December 31, 2022 – $11,827) and prepaid expenses and other of $306,766 (December 31, 2022 – $378,815), which include prepaid expenses of $163,204 (December 31, 2022 - $191,387), prepaid supplies of $83,316 (December 31, 2022 - $93,111), rental deposits of $4,074 (December 31, 2022 - $39,292) and restricted cash of $56,172 (December 31, 2022 - $55,025).

The Company has deposits totalling $284,712 (December 31, 2022 - $283,677), including $280,673 (US$206,200 and $100,000 Guyanese dollars) (December 31, 2022 – $279,829 (US$206,200 and $100,000 Guyanese dollars)) which is pledged as a reclamation site bond in the form of a non-interest-bearing bank guarantee deposit to the Guyana Geology and Mines Commission for exploration permits on the Property.

Property, plant and equipment decreased to $581,698 (December 31, 2022 – $679,294), due to depreciation of $111,070 (September 30, 2022 – $150,440), offset by an ATV purchased for the Eagle Mountain camp for $13,474.

b. Liabilities

At September 30, 2023, current liabilities include accounts payable and accrued liabilities of $220,880 (December 31, 2022 – $286,251), which relate to various contractual commitments in the normal course of business.

As at September 30, 2023, the Company recorded a rehabilitation provision of $547,023 (December 31, 2022 – $493,796). The present value of the rehabilitation provision was calculated using an effective discount rate of 5.0% (December 31, 2022 – 5.0%) and reflects anticipated cash flows to be incurred over approximately the next four years. The undiscounted and uninflated value of these obligations is $454,540 (US$351,503) (December 31, 2022 – $452,935 (US$350,310)) calculated using a long-term inflation rate assumption of 3.3% for 2023 and 4.5% for 2024 to 2027 (December 31, 2022 – 5.0% for 2023 and 3.0% for 2024 to 2027).

c. Liquidity Outlook and Risks

As at September 30, 2023, the Company had cash and cash equivalents of $2.5 million (December 31, 2022 – $2.6 million), accumulated losses of $84.5 million (December 31, 2022 – $81.7 million) and working capital[2] of $2.6 million (December 31, 2022 – $2.7 million). As at November 23, 2023, the Company held cash and cash equivalents of $2.0 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 condensed consolidated interim 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. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2023, 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 Chief Executive Officer ("CEO"), President, Vice President of Finance ("VP Finance"), Executive Chairman, and directors. Key management personnel compensation is summarized as follows:

	Nine months ended September 30, 2023	Nine months ended September 30, 2022
Management remuneration[1]	$ 492,000	$ 480,000
Directors fees	38,448	45,000
Share-based compensation[2]	55,527	29,928
	$ 585,975	$ 554,928

(1) The Company paid management fees to companies controlled by the President and Executive Chairman and remuneration to the CEO and VP Finance. During the nine months ended September 30, 2023, management remuneration of $208,244 (September 30, 2022 - $215,731) was recorded in exploration and evaluation expenditures.

(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 the nine months ended September 30, 2023, legal fees of $58,162 (September 30, 2022 – $28,199), included in professional fees, and capital stock issuance costs of $25,791 (September 30, 2022 – $Nil) were paid to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner.

c. Other transactions

The Company has a cost sharing agreement with SilverCrest Metals Inc. ("SilverCrest"), a company related by common directors and officers (N. Eric Fier, Bernard Poznanski, and Graham Thody), whereby the Company shares administrative services and other expenses, including employee benefits and salaries. During the nine months ended September 30, 2023, the Company was allocated $52,433 (September 30, 2022 – $67,834) for its share of these expenses. On August 1, 2023, the Company entered into an agreement with SilverCrest to rent office space until July 31, 2024. During the nine months ended September 30, 2023, the Company incurred $4,768 in rent expense pursuant to the rental agreement. As at September 30, 2023, $Nil (December 31, 2022 – $25,120) was payable to SilverCrest for rent or for other expenses paid by SilverCrest on behalf of the Company, and $19,572 (December 31, 2022 – $Nil) was receivable from SilverCrest for refundable rental deposits.

6. CAUTIONARY STATEMENT AND DISCLAIMER

a. Risk Factors

In addition to liquidity risks described in section 4, readers of this Interim MD&A are directed to read the "Risk Factors" contained in the Company's Annual MD&A dated April 24, 2023, available on www.goldsourcemines.com and under the Company's SEDAR profile on www.sedar.com. Important risk factors to consider among others are:

- Impact of COVID-19;
- Risks inherent in the mining business;
- No history of earnings or production revenues;
- Licenses and permits;
- Mineral resource estimates;
- Financing risks;
- Key employees; and
- Environmental risks and hazards.

b. Forward-Looking Statement

This Interim 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, potential time delays 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 Interim MD&A contains forward-looking statements pertaining to the following: exploration and drilling programs at the Eagle Mountain 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 PEA results which the Company anticipates in Q4, 2023; delivery of a PFS upon completion of technical studies; 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 of 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 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 following risk factors, and risk factors stated elsewhere in this Interim 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 risks and hazards 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 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 Interim MD&A if these beliefs, estimates, and opinions or other circumstances should change, except as otherwise required by applicable law.

c. Qualified Person

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