GOLDSOURCE MINES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023. The MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2023 and 2022 and the related notes contained therein which have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"). Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.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 8, 2024. 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, 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 MD&A contains forward-looking statements pertaining to the following: exploration and drilling programs at the Eagle Mountain Gold Project ("Eagle Mountain Project" "Eagle Mountain" or "Project"), including the Eagle Mountain and Salbora deposits and exploration prospects; the results of the Preliminary Economic Assessment ("PEA"); the economic potential and merits of the Project; the estimated amount and grade of Mineral Resources at the Project; the PEA representing a viable development option for the Project; the timing and particulars of the development phases as identified in the PEA; estimates with respect to Life of Mine ("LOM"), operating costs, sustaining capital costs, initial phase ("Phase 1") and second phase ("Phase 2") capital expenditures ("capex"), all-in sustaining costs ("AISC"), cash costs, LOM production, mill throughput, net present value ("NPV") and internal rate of return ("IRR"), payback period, production capacity and other production metrics; the estimated economic returns from the Project; Project enhancement opportunities; the completion of further expansion drilling; information regarding high-grade areas projected from sampling results; delivery of a Pre-Feasibility Study ("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; 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; and future operating costs.

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 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; relationships with, and claims by, local communities and indigenous populations; public health concerns; 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.

The Company has included certain non-IFRS financial measures in this MD&A, such as development capital expenditures, sustaining capital expenditures, total cash costs, AISC, and free cash flow, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. As a result, these measures may not be comparable to similar measures reported by other companies. Each of these measures used are intended to provide additional information to the user and should not be considered in isolation or as a substitute for measures prepared

in accordance with IFRS.
Non-IFRS financial measures used in this MD&A and common to the gold mining industry are defined below:

Development capital expenditures represents the spending at new projects and/or expenditures at an existing operation that is undertaken with the intention to increase production levels or increase the mine life.

Sustaining capital expenditures are expenditures incurred during a production phase to sustain and maintain the existing assets so they can achieve constant expected levels of production from which the Company will derive economic benefits. Sustaining capital expenditures include expenditures for assets to retain their existing productive capacity as well as to enhance performance and reliability of the operations.

Total cash costs are reflective of the cost of production. Total cash costs reported in the PEA include mining costs, processing, general and administrative costs of the mine, off-site costs, refining costs, transportation costs and royalties. Total cash costs per ounce is calculated as total cash costs divided by payable gold ounces.

Site-level AISC and AISC per ounce are reflective of all of the expenditures that are required to produce an ounce of gold from operations. AISC reported in the PEA include total cash costs and sustaining capital, but exclude corporate, general and administrative, and exploration costs. AISC per ounce is calculated as AISC divided by payable gold ounces.

Free cash flows are revenues net of operating costs, royalties, capital expenditures and cash taxes.

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 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 Mines Inc. 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".

The Company's focus is the Eagle Mountain 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 Bishops Growler) is located in the central part of the EMPL, north-east of the Eagle Mountain resource area. This property 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 January 16, 2024, the Company announced positive results for a PEA. The PEA contemplates a fit-for-purpose, low capex intensity phased development plan for the Project. Phase 1 comprises shallow (starting at surface), low strip ratio open pits targeting soft-rock saprolite resources and a processing plant design that accounts for the beneficial characteristics of saprolite. This is followed by Phase 2, the development of open pit fresh rock resources, in which gold production is derived from a blend of fresh rock, transition rock and saprolite material.

PEA Highlights

Robust project economics with a strong after-tax IRR and after-tax NPV.

- After-tax IRR of 57% and after-tax NPV discounted at 5% ("NPV5%") of US$292 million ("M") at the base-case gold price of US$1,850 per ounce ("oz").
- After-tax IRR of 69% and after-tax NPV5% of US$388M at spot gold prices [1] of US$2,055 per oz.

Shallow open pit with 15-year mine life and a quick payback period driven by a phased development plan.

- Phase 1 provides 4.5 years of production from low strip soft-rock saprolite resources offers low capex intensity, with development capex estimated at US$95.6M, and a short payback period of 18 months.
- Phase 2, the subsequent development of shallow and higher-grade fresh rock resources, brings the mine life to 15 years. Phase 2 development capex, estimated at US$46.6M, consists primarily of additional processing equipment, building off the substantial infrastructure provided in Phase 1.
- Average AISC of US$1,077 per oz of gold produced. Phase 1 AISC is estimated at US$829 per oz of gold.
- Projected average annual gold production of 66,500 oz per year for 15 years.
- Average mill head grade of 1.26 grams per tonne ("gpt") gold with an associated strip ratio of 2.1, and average mill gold recovery of 90.7%. Phase 1 mill head grade of 1.20 gpt gold with an associated strip ratio of 1.2, and mill recovery of 95.1%.

Economic Analysis Summary (Base Case and Spot Gold Price Assumptions)

	Units	US$1,850/oz (Base Case)		US$2,055/oz (Spot) [1]	
		Pre-Tax	After-Tax	Pre-Tax	After-Tax
IRR [3]	%	75%	57%	91%	69%
Payback Period [2]	Months	16	18	14	16
$NPV_{0\%}$ [3]	US$ M	605	443	793	585
$NPV_{5\%}$ [3]	US$ M	406	292	532	388
$NPV_{8\%}$ [3]	US$ M	326	232	428	309

(1) Spot gold prices on January 15, 2024.
(2) Payback period for Phase 1 development capex.
(3) After-tax NPV and IRR estimates exclude existing in-country tax loss pools, which can be applied against taxes payable. NPV is calculated as of the commencement of construction and excludes all pre-construction costs.

Sensitivity of Estimates for After-Tax NPV, IRR and Payback Period to Changes in Gold Price.

Gold Price	NPV5%	NPV8%	IRR	Payback Period
US$/oz	US$ M	US$ M	%	Months
1,650	199	156	45%	21
1,750	246	194	51%	19
1,850	292	232	57%	18
1,950	339	269	63%	17
2,050	385	307	69%	16

The PEA was prepared by ERM Consultants Canada Ltd. with contributions from Soutex Inc. for aspects related to metallurgy and the processing plant in accordance with NI 43-101. A description of the methodology for the PEA is detailed in the Company news release dated January 16, 2024, and in a technical report titled "Preliminary Economic Assessment for the Eagle Mountain Gold Project, Guyana, NI 43-101 Technical Report", dated March 1, 2024, with an effective date of January 16, 2024 located on the Company's website and on SEDAR+.

The PEA is based on the Mineral Resource Estimate announced on April 7, 2022 ("2022 MRE[1]"), which is comprised of an estimated 31.1 million tonnes ("Mt") grading 1.18 gpt gold for 1,183,000 oz of gold in indicated Mineral Resources, and 18.4 Mt grading 0.98 gpt gold for 582,000 oz of gold in inferred Mineral Resources. The 2022 MRE is contained in a technical 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.

Based on the 2022 MRE, 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$1.50/tonne ("t") for saprolite-transition and US$2.00/t for fresh rock, processing costs of US$6.00/t for saprolite-transition and US$12.00/t for fresh rock, and mine-site administration costs of US$3.00/t. Metallurgical recoveries of 95% are based on prior test work of Eagle Mountain deposit composite samples.
- 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 Resources could be upgraded to Indicated Resources with continued exploration.

[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.

2. HIGHLIGHTS

The Company's key events and highlights during the year ended December 31, 2023, and to date include:

Eagle Mountain Project Activities – 2023

During 2023, the Company incurred $2.8 million in exploration and evaluation expenses for the Eagle Mountain Project (refer to section 3 below – Results of Operations and Financial Condition). As at December 31, 2023, the Company's cumulative exploration and evaluation expenditures, including acquisition costs, on the Eagle Mountain Project totaled $44.6 million, of which $37.9 million is related to exploration activities.

The 2023 work program included exploration and engineering activities. Exploration work was comprised of generative programs and drilling to test new targets within the EMPL as well as expansion and infill drilling to facilitate ongoing engineering studies.

The Company's 2023 exploration and engineering objectives included:

- A 2,800-metre drilling program, consisting of 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, with a focus on gold production from shallow, low strip ratio open pits via a phased development plan.

Generative Exploration

In 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 year ended December 31, 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 the year ended December 31, 2023, the Company completed 1,126 metres of trenching mainly split between the North Zion area and the Salbora-Powis trend. Additionally, 20 stream sediment samples, 40 pan concentrate samples, and 46 grab samples were collected in areas of interest outside of the 2022 MRE outline including generative lands.

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 year ended December 31, 2023, preliminary work included stream sediment sampling and surface mapping.

Drilling

In 2023, the Company completed approximately 2,681 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 metres 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 results in 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 pre-feasibility 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 completed for the Company's PEA, the Company reviewed 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.

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. The Company is in the process of completing an application for a new prospecting license.

Ann Mining Claim Option-Purchase Agreement

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 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.

Subsequent to December 31, 2023, the Company and the optionor amended the terms of the Option Agreement to extend the option period by two additional years, expiring on October 20, 2026, for total additional consideration of US$40,000. All other terms of the Option Agreement remain unchanged. The remaining payments are scheduled as follows:

- US$20,000 in October 2024;
- US$20,000 in October 2025; and
- US$250,000 upon the exercise of the option for the acquisition of the property.

To date, the Company has made all required option payments.

Eagle Mountain Project Activities – 2024

Preliminary Economic Assessment

On January 16, 2024, the Company announced the results of a PEA, which contemplates a technically simple, open pit mine and 5,000 tpd gold processing plant. The mine design and equipment selection are tailored for the distinct requirements of Phase 1 and Phase 2. Phase 1 comprises of 4.5 years of production from low strip soft-rock saprolite resources with a low capex intensity and development capex estimated at US$95.6M, and a short payback period of 18 months. Phase 2 consists of the development of shallow and higher-grade fresh rock resources, bringing the mine life to 15 years. Phase 2 development capex is estimated at US$46.6M and consists primarily of additional processing equipment, building off the substantial infrastructure provided in Phase 1.

Estimated Cash Flow

The economic analysis of the Project is based on the production and cost models developed for the Phase 1, Phase 2, and LOM construction, operating, and reclamation plans. The economic analysis uses a cash flow model at a base-case gold price of US$1,850 per oz. The model applies all Phase 1 pre-production capital costs (development capex) in year 0 and Phase 2 development capex in years 4 and 5. The production scale for Phase 2 was established to maximize the utility of the 5,000 tonne per day ("tpd") Phase 1 processing infrastructure, minimizing the requirements for additional capex. The timing of the transition to Phase 2 was set based on projections for free cash flow, specifically to recover the Phase 1 development capex and generate significant surplus cash to fund Phase 2.

At the base-case gold price of US$1,850 per oz, the cumulative undiscounted after-tax free cash flow is estimated at US$443M and average annual after-tax free cash flow is estimated at US$37M for years 1 to 15. At spot gold prices of US$2,055 per oz on January 15, 2024, cumulative undiscounted after-tax free cash flow is estimated at US$585M and average annual after-tax free cash flow at US$47M.

Production Plan

The conceptual LOM plan estimates total gold production of 997,000 oz, of which 306,000 oz at AISC of US$829 per oz of gold are from Phase 1. Total recoverable gold is a subset of the 2022 MRE, largely due to the Company's express focus on delivering a smaller, higher-grade "fit-for-purpose" project to enhance the overall development logistics in the context of the project particulars and market backdrop.

Classification	April 2022 MRE		2024 PEA Conceptual LOM Plan		Net Conversion of Tonnes (%)
	Mt	In-situ grade (gpt Au)	Mt	Mill head grade (gpt Au)	
Indicated					
Saprolite & Transition	12.4	1.04	11.3	1.08	90%
Fresh Rock	18.7	1.28	8.7	1.58	47%
All Indicated	31.1	1.18	20.0	1.30	64%
Inferred					
Saprolite & Transition	6.1	0.71	3.1	0.92	51%
Fresh Rock	12.3	1.12	4.1	1.32	33%
All Inferred	18.4	0.98	7.2	1.15	39%

Notes:
(1) Numbers have been rounded to reflect the precision of a MRE and PEA Conceptual Plan. Totals may vary due to rounding.
(2) Phase 1 saprolite-only mill feed grades, as presented in PEA Highlights, reflects a sub-set of the 2024 LOM saprolite resources. The balance of the saprolite tonnes are processed in Phase 2, blended with fresh and transition rock.
(3) For the 2024 PEA Conceptual Plan, transition Indicated and Inferred resources were grouped with fresh rock resources and mined/processed in Phase 2. The April 2022 MRE had grouped the transition material with the saprolite resources.

The PEA contemplates an open pit operation using contract mining. Mill feed for the processing plant is sourced from the primary Eagle Mountain deposit as well as satellite pits at the Salbora deposit and Toucan and Powis prospects, which are proximal (within approximately 1.5 kilometres) to the Eagle Mountain pit outline. Phase 1 considers initial gold production from saprolite mineralization during which time most of the mining will be "free dig" (i.e. not requiring blasting). This is followed by Phase 2 in which gold production will be derived from a blend of fresh rock, transition and saprolite mineralization. Phase 2 will require drilling and blasting of the fresh and transition rock to facilitate mining, material handling and processing. The PEA mine plan is designed to maintain mill feed rates at 1.825 Mt per year (approximately 5,000 tpd) through Phases 1 and 2.

Capital and Operating Cost Estimates

Phase 1 development capex (pre-production capex) is estimated at US$95.6M (including contingency), of which US$56.5M is related to the processing plant (direct and indirect costs). Phase 2 development capex, primarily comprised of processing equipment to accommodate harder fresh rock, is estimated at US$46.6M with expenditures to commence in the second half of year 4. Total LOM capital expenditures are estimated to be US$295.6M. This includes US$20M for mine reclamation at the end of the LOM. Total LOM operating costs are estimated at US$786M. The operating cost estimate is based on the total amount of labour, materials, and consumables that will be required to fully execute the mining and processing plans for Phase 1 and 2.

2024 Objectives

The 2024 work program consists of concurrent engineering, environmental and regulatory activities to establish Eagle Mountain as a low capex intensity gold development project. Environmental and regulatory activities will be focused on environmental authorizations and the mining license application for Eagle Mountain Phase 1.

Planned engineering activities include those studies recommended in the January 2024 PEA, notably trade-off studies related to tailings dam placement and design as well as options for power generation. Using the Company-owned drill rig, geotechnical drilling is planned to evaluate locations for tailings/waste deposition and infrastructure as well as for pit design parameters. Hydrology/hydrogeology studies will also inform pit design parameters and be used for water and contaminant balance analyses.

Environmental activities are planned to further advance comprehensive surveys to gather baseline environmental data including air quality, water quality, flora, fauna, and socio-economic factors. Environmental consultants will be engaged to evaluate potential impacts of the proposed mining activities and to develop mitigation measures for Environmental and Social Impact Assessment work and an Environmental Management Plan for Phase 1.

Planned exploration activities include generative work within the EMPL and at properties where the Company has surface exploration agreements. The generative program will focus on building the pipeline of early-stage exploration targets. Additionally, modest-sized infill and expansion drill programs are planned to upgrade Inferred Resources that are within the PEA pit shells and to target mineralization proximal to but currently outside the PEA pit shells.

Generative Exploration

In Q1, 2024 the Company signed a one-year exploration agreement with a local landowner. The scope of the agreement encompasses surface exploration work on 20 medium-scale claims that are outside of the EMPL and contain artisanal workings. The Company does not have any liabilities associated with the exploration agreement. As of the date of this MD&A, preliminary work included surface mapping of old pits and the collection of 120 samples for assay to determine prospectivity of the medium-scale licenses for further exploration.

In Q2, 2024 the Company signed a 36-month exploration agreement with the owner of the Bishops Growler Medium Scale Mining Permit ("Bishops Growler Property"). The scope of the agreement encompasses exploration work, which may include mapping, trenching, geophysical studies, sample collection and drilling on the Bishops Growler Property.

Corporate

During the year ended December 31, 2023, corporate highlights include the following:

Financing

- 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 the PEA, and general corporate purposes.

Stock Options and Warrants

- The Company granted 2,040,000 stock options to directors, officers, and employees with exercise prices ranging from $0.29 to $0.30 per share for a period of five years. These stock options vest immediately.

- 127,500 stock options with an exercise price of $1.00 per common share expired unexercised, and 112,500 stock options with exercise prices ranging from $0.48 to $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.

Board Update

- 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 of the existing director nominees: N. Eric Fier, Haytham Hodaly, Graham Thody, Drew Anwyll, and Ioannis Tsitos, the appointment of Ms. Laurie Gaborit to the Board, the re-appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company, and approval of the amended and restated "rolling 10%" stock option plan.

- Subsequent to the AGM, the Board re-appointed Mr. Fier as Chairman of the Board, Stephen Parsons as Chief Executive Officer ("CEO"), Mr. Tsitos as President, Kimberly Newsome as Vice President of Finance ("VP Finance"), Bernard Poznanski as Corporate Secretary, and Mr. Thody as Lead Director. The Board then appointed Mr. Anwyll, Ms. Gaborit, Mr. Hodaly, and Mr. Thody to the Company's Audit Committee and Corporate Governance Committee.

Subsequent to December 31, 2023

- 42,500 stock options with exercise prices ranging from $0.60 to $1.30 per common share were forfeited unexercised;

- 280,000 stock options with an exercise price of $1.30 per common share expired unexercised; and

- On March 25, 2024, the Company entered into a definitive arrangement agreement ("Arrangement Agreement") with Mako Mining Corp. ("Mako"), pursuant to which Mako will acquire all of the issued and outstanding common shares of Goldsource in exchange for common shares of Mako by way of a court-approved plan of arrangement (the "Transaction"). Pursuant to the terms and conditions of the Arrangement Agreement, the holders of the issued and outstanding Goldsource shares will receive 0.22 of a common share of Mako (each whole share, a "Mako Share") for each Goldsource share held. The Arrangement Agreement contains customary deal-protection provisions including mutual non-solicitation covenants and a right of either party to match a superior proposal as defined in the Arrangement Agreement. Under certain circumstances, Mako or Goldsource may be entitled to a termination fee of $1.35 million. In the event that the Transaction is terminated due to failure to obtain shareholder approval, the Company will be required to reimburse Mako for reasonable and documented expenses up to a maximum of $250,000. Concurrent with the execution of the Arrangement Agreement, funds managed by Wexford Capital LP (collectively, "Wexford"), Mako's largest shareholder, have provided Goldsource with a $2.0 million bridge loan to fund anticipated activities at Eagle Mountain through the completion of the Transaction. The Bridge Loan is unsecured and will bear interest at a rate of 12% per annum, payable semi-annually, and will mature on March 25, 2025. The Transaction is pending approval from Goldsource securityholders, the TSXV, and the British Columbia Supreme Court.

- On April 4, 2024, the Company entered into an amendment for the Ann Mining Claim option and purchase agreement. Pursuant to the amended terms, the Company and the optionor agreed to extend the option period for two additional years, expiring on October 20, 2026, for total additional consideration of US$40,000. All other terms of the Option Agreement remain unchanged, including the right to terminate the agreement at any time without any further liabilities. The remaining payments are scheduled as follows:
    - US$20,000 in October 2024;
    - US$20,000 in October 2025; and
    - US$250,000 upon the exercise of the option.

- On April 5, 2024, the Company entered into an exploration agreement with the owner of the Bishops Growler Property. Pursuant to the agreement, the Company has the right to perform exploration activities on the Bishops Growler Property for a period of 36 months, for total consideration of US$30,000. The exploration agreement payment schedule is as follows:
    - US$10,000 within 10 business days of signing the agreement;
    - US$10,000 on April 5, 2025; and
    - US$10,000 on April 5, 2026.

3. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Selected Annual Information

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

	2023	2022	2021
Loss and comprehensive loss for the year [1]	$ (4,976,883)	$ (6,112,922)	$ (9,520,263)
Loss per share - basic and diluted	$ (0.09)	$ (0.12)	$ (0.20)
Total assets [2]	$ 9,282,242	$ 10,614,181	$ 16,439,605

(1) Loss and comprehensive loss decreased in 2023 from 2022 as the Company incurred $2.8 million in exploration expenditures on the Eagle Mountain Project in 2023, compared to $4.5 million incurred in 2022 (excluding property, plant and equipment construction costs and purchases). The decrease in loss during 2023, when compared to 2022, is partially offset by revisions to estimates associated with rehabilitation costs, resulting in an increase in the rehabilitation provision during Q4, 2023.

(2) Total assets decreased in 2023 from 2022 primarily due to the decrease in cash and cash equivalents used to fund the Company's operations and engineering activities, and the reduction of property, plant and equipment due to depreciation and impairment.

Summary of Quarterly Results

	Q4 December 31, 2023	Q3 September 30, 2023	Q2 June 30, 2023	Q1 March 31, 2023	Q4 December 31, 2022	Q3 September 30, 2022	Q2 June 30, 2022	Q1 March 31, 2022
Comprehensive loss for the period	(2,047,302)	(888,041)	(931,151)	(1,110,389)	(1,824,187)	(1,079,801)	(1,378,349)	(1,830,585)
Loss per share - basic and diluted	(0.04)	(0.01)	(0.02)	(0.02)	(0.03)	(0.02)	(0.03)	(0.04)

Comprehensive losses for Q1 and Q2, 2023, decreased relative to the same quarters in 2022, primarily due to a planned temporary reduction in exploration and engineering activities in the first five months in 2023. During Q3 and Q4, 2023, exploration activities decreased when compared to the same quarters in 2022, as the Company focused on technical and engineering activities for the delivery of the PEA. The decrease in exploration activity in Q4, 2023 when compared to Q4, 2022, was offset by the revision of rehabilitation cost estimates and a change in the estimated timing for the realization of rehabilitation costs, resulting in an increase in the Company's rehabilitation provision, as well as losses attributable to impairment of property, plant, and equipment, and the write off of a deposit, resulting in an increase in comprehensive loss for Q4, 2023, when compared to Q4, 2022.

Comparison of the three months and years ended December 31, 2023 and 2022

During the three months and year ended December 31, 2023, comprehensive losses were $2,047,302 and $4,976,883 respectively, compared to $1,824,187 and $6,112,922 for the same periods in 2022. The principal differences and significant amounts are as follows:

	Three months ended December 31,			Year ended December 31,			
	2023	2022	Variance	2023	2022	Variance	Variance Explanation
Exploration and evaluation expenditures	883,135	1,079,546	(196,411)	2,777,457	4,549,476	(1,772,019)	Exploration and evaluation expenditures were reduced in the first five months of 2023. In June 2023, on closing of an equity financing, expenditures increased towards budgeted levels. The decrease in exploration and evaluation expenditures during Q4, 2023 compared to Q4, 2022, is due to a reduction in drilling in the period as the Company focused on technical and engineering activities for the delivery of the PEA.
Foreign exchange loss (gain)	11,333	29,073	(17,740)	49,059	(200,208)	249,267	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 year ended December 31, 2023 is due to the significant appreciation of the Canadian dollar in relation to the US dollar and appreciation of the Guyanese dollar in relation to the Canadian dollar, during the year. The decrease in foreign exchange loss during Q4, 2023, compared to Q4, 2022, is primarily due to lower amounts of US dollars and Guyanese dollars held, and the appreciation of the Canadian dollar in relation to the Guyanese dollar during Q4, 2023.
General and administrative expenses	40,513	33,019	7,494	197,931	151,937	45,994	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	497,163	(8,649)	505,812	529,731	61,518	468,213	The increase in loss on change in rehabilitation provision in 2023 is driven by an increase in rehabilitation cost estimates and a change in the expected rehabilitation year. In Q4, 2023, the Company revised the reclamation cost estimates for the Eagle Mountain project and extended the reclamation year from 2027 to 2041, based on the 15-year mine life stated in the PEA. The revised estimates increased the rehabilitation obligation by $488,425.
Loss on write off of deposit	60,298	-	60,298	60,298	-	60,298	In 2022, the Company entered into an agreement with a contractor to repair a road at the Eagle Mountain site. The vendor failed to complete the road repairs and a refund of the deposit was not received by the Company. During the year ended December 31, 2023, due to the uncertainty of recoverability of the deposit, the Company wrote off the deposit in full. Refer to section 5 below for details.
Marketing	8,107	42,859	(34,752)	103,647	199,658	(96,011)	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	21,482	17,169	4,313	174,748	87,080	87,668	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	152,239	182,801	(30,562)	665,663	661,395	4,268	The increase in remuneration during 2023 is due to salary increases. The decrease in remuneration in Q4, 2023 is due to a decrease in bonuses paid, compared to Q4, 2022.
Share-based compensation	359,501	452,834	(93,333)	419,413	493,235	(73,822)	The decrease in share-based compensation expense during 2023 is due to the decrease in the Company's share price, 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. The decrease in share price is offset by the increase in stock options granted, 2,040,000 stock options were granted in 2023, compared to 1,590,000 stock options granted in 2022.

During the three months and year ended December 31, 2023, exploration and evaluation expenditures were $883,135 and $2,777,457 respectively, compared to $1,079,546 and $4,549,476 for the same periods in 2022. The significant variances between these periods include the following:

Exploration and evaluation expenditures	Three months ended December 31, 2023	Three months ended December 31, 2022	Variance	Year ended December 31, 2023	Year ended December 31, 2022	Variance	Variance Explanation
Assays	6,698	32,732	(26,034)	84,537	196,346	(111,809)	The decrease in assays expense is the result of decreased exploration activity during 2023, resulting in fewer samples delivered for chemical analysis.
Camp costs	85,457	150,380	(64,923)	400,643	672,639	(271,996)	The decrease in camp costs is due to reduced camp occupancy as a result of decreased drilling activity in 2023.
Depreciation	30,394	31,141	(747)	118,380	152,191	(33,811)	The decrease in depreciation expense in 2023 is due to several capital assets being fully depreciated in 2022 and the impairment of various capital assets in 2022 and 2023.
Drilling	27,060	70,859	(43,799)	134,011	666,281	(532,270)	The decrease in drilling expense is the result of a planned decrease in exploration activity during 2023 (2,681 metres drilled in 2023 vs 8,017 metres drilled in 2022), to allow the Company to focus on technical studies to deliver the PEA.
Operations and general	111,601	217,007	(105,406)	397,870	726,944	(329,074)	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	359,658	443,033	(83,375)	1,246,074	1,684,682	(438,608)	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	235,048	109,047	126,001	368,723	425,046	(56,323)	The decrease in technical services and consulting expenses during the year ended December 31, 2023, when compared to the year ended December 31, 2022, is primarily due to a planned temporary decrease in exploration and engineering activity during the first five months of 2023. In 2023, technical and consulting expenses consisted of the completion of geological studies, a LiDAR survey, and technical consultants engaged to complete the Company's PEA. 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. During Q4, 2023, significant costs to complete the PEA were incurred, resulting in an increase in technical services and consulting expenses in Q4, 2023 when compared to Q4, 2022.

4. LIQUIDITY AND CAPITAL RESOURCES

a. Assets

At December 31, 2023, the Company held cash and cash equivalents of $1,449,188 (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 $26,712 (2022 – $11,827) and prepaid expenses and other of $303,241 (2022 – $378,815), which include prepaid expenses of $171,653 (2022 - $191,387), prepaid supplies of $75,947 (2022 - $93,111), rental deposits of $Nil (2022 - $39,292) and restricted cash of $55,641 (2022 - $55,025).

The Company has deposits totalling $278,140 (2022 - $283,677), including $273,884 (US$206,200 and $100,000 Guyanese dollars) (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 GGMC for exploration permits on the Property.

Property, plant and equipment decreased to $541,282 (2022 – $679,294), due to depreciation of $141,580 (2022 – $191,383) and the impairment of buildings, vehicles and camp equipment of $24,152 (2022 - $14,949), offset by an ATV and excavator track purchased for the Eagle Mountain camp for $27,720.

b. Liabilities

At December 31, 2023, current liabilities include accounts payable and accrued liabilities of $306,571 (2022 – $286,251), which relate to various contractual commitments in the normal course of business.

In 2023, the Company revised its cost estimates and the expected timing for the realization of rehabilitation costs. The Company estimates rehabilitation costs will be incurred in 2041 (2022 – year 2027). As at December 31, 2023, the Company recorded a rehabilitation provision of $1,050,883 (2022 – $493,796). The present value of the rehabilitation provision was calculated using an effective discount rate of 5.0% (2022 – 5.0%) and reflects anticipated cash flows to be incurred in approximately eighteen years. The undiscounted and uninflated value of these obligations is $1,089,953 (US$830,998) (2022 – $452,935 (US$350,310)) calculated using a long-term inflation rate assumption of 4.0% for 2024 and 4.8% for 2025 to 2041 (December 31, 2022 – 5.0% for 2023 and 3.0% for 2024 to 2027).

c. Liquidity Outlook and Risks

As at December 31, 2023, the Company had cash and cash equivalents of $1.4 million (2022 – $2.6 million), accumulated losses of $86.6 million (2022 – $81.7 million) and working capital[2] of $1.5 million (2022 – $2.7 million). As at April 8, 2024, the Company held cash and cash equivalents of $2.5 million.

Subsequent to December 31, 2023, on March 25, 2024, Goldsource and Mako entered into a definitive arrangement agreement, pursuant to which Mako will acquire all of the issued and outstanding common shares of Goldsource in accordance with a court-approved plan of arrangement. Concurrent with the execution of the Arrangement Agreement, funds managed by Wexford, Mako's largest shareholder, have provided Goldsource with a $2.0 million bridge loan to fund anticipated activities at Eagle Mountain through the completion of the Transaction.

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 statement 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. COMMITMENTS, 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 2023, or which may have a material effect going forward.

The Company leases two office spaces which are considered short-term leases and as such are included in the consolidated statement of loss and comprehensive loss and not the consolidated statement of financial position. Changes to the Company's lease liability, associated with the Company's expired lease for office space, were as follows:

		2023		2022
Opening balance	$	-	$	55,021
Interest expense		-		4,551
Interest paid		-		(4,551)
Payment of principal portion of lease liabilities		-		(55,021)
Balance, end of year	$	-	$	-

On May 1, 2022, Stronghold entered into an agreement with a contractor to repair a road at the Eagle Mountain property. As required by the contract, Stronghold advanced a 30% deposit to the contractor in the amount of $9,513,000 Guyanese dollars, to facilitate the mobilization and commencement of the project. The contract specified that the road repairs should be completed within six months of the payment of the deposit, and that the contractor is liable for reimbursement of the 30% deposit if the work specified in the contract was not performed. The contractor failed to complete the road repairs and failed to refund the 30% deposit. On December 18, 2023, Stronghold filed a court order against the contractor for the recovery of the deposit. A court hearing date is set for April 9, 2024. As at December 31, 2023, the Company recorded a loss on the write off of the 30% deposit of $60,298 ($9,513,000 Guyanese dollars) (2022 - $Nil) due to the uncertainty of recoverability.

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 338,927 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 twenty trading days prior to issuance, upon the earlier of:
   a. If average market price of gold is US$1,400/oz. 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. Ninety days after having completed one year of gold production under a large-scale Mining License issued by the GGMC; or
   c. Five days after the date on which the 20-day VWAP of Goldsource exceeds $7.50 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; or
   b. After having completed one year of gold production under a large-scale Mining License issued by the GGMC.

The Company pledged a $273,884 (US$206,200 and $100,000 Guyanese dollars) (2022 – $279,829 (US$206,200 and $100,000 Guyanese dollars)) reclamation site bond, held by the GGMC for exploration permits on the Eagle Mountain Project.

Goldsource's subsidiary, Stronghold, holds a prospecting license on Eagle Mountain Property ("EMPL"). 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 Guyanese 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 to Kilroy as compensation for its participation. As part of the agreements, Goldsource issued to Kilroy 25,000 common shares of the Company.

7. RELATED PARTY TRANSACTIONS

During 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 CEO, President, VP Finance, Executive Chairman, and directors. Key management personnel compensation is summarized as follows:

		2023		2022
Management remuneration[1]	$	661,500	$	673,500
Directors fees		53,448		60,000
Share-based compensation[2]		408,979		468,096
	$	1,123,927	$	1,201,596

(1) The Company paid management fees to companies controlled by the President and Executive Chairman and remuneration to the CEO and VP Finance. During 2023, management remuneration of $300,160 (2022 - $297,333) 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 2023, legal fees of $63,507 (2022 – $30,746), included in professional fees, and capital stock issuance costs of $25,791 (2022 – $Nil) were paid to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner. As at December 31, 2023, $4,492 (2022 - $Nil) was payable to Koffman Kalef LLP.

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 2023, the Company was allocated $70,116 (2022 – $85,893) 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 2023, the Company incurred $14,075 in rent expense pursuant to the rental agreement. As at December 31, 2023, $7,894 (2022 – $25,120) was payable to SilverCrest for rent and other expenses paid by SilverCrest on behalf of the Company.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, restricted cash, amounts receivable, deposits, accounts payable and accrued liabilities. The carrying value of amounts receivable and accounts payable and accrued liabilities approximates the fair value due to the short periods until settlement. The Company's cash, cash equivalents and restricted cash 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 14 of the audited consolidated financial statements for the year ended December 31, 2023. Where material, these risks are reviewed and monitored by the Board of Directors.

9. OUTSTANDING SHARE CAPITAL

As of April 8, 2024, the Company had the following common shares, share purchase warrants and options issued and outstanding:

Issued & Outstanding Shares:			59,796,680
	$ per share	Expiry	
Warrants:	$0.55	May 19, 2025	3,846,020
Options:	$0.29 - $1.40	June 13, 2024 – December 1, 2028	5,387,500
Fully Diluted			69,030,200

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.

Political Conflict

The Company's business could be adversely affected by the effect of the ongoing boarder controversy between Guyana and the Bolivarian Republic of Venezuela ("Venezuela"). The internationally recognized border between Guyana and Venezuela was established in 1899 by an arbitration panel. Importantly, the territory of Guyana has been continuously administered and controlled by Guyana since that time. The Venezuelan government claims that the Essequibo territory, a large area within Guyana that is west of the Essequibo River extending to the border of Venezuela, belongs to Venezuela.

On December 3, 2023, the government of Venezuela held a consultative referendum over control of the Essequibo territory. The results of the referendum, including Venezuela's unilateral claim over the Essequibo territory and disregard for the jurisdiction of the International Court of Justice ("ICJ") in this matter have been widely discredited. The ICJ decided unanimously that "pending a final decision in the case, the Bolivarian Republic of Venezuela shall refrain from taking any action which would modify the situation that currently prevails in the territory in dispute, whereby the Co-operative Republic of Guyana administers and exercises control over that area". On December 14, 2023, officials from Venezuela and Guyana signed the Argyle Accord, which declared that force would not be used by either country, and that controversies between the two countries would be resolved in accordance with international law.

The Company's Eagle Mountain Project falls within this Essequibo area, the sovereign territory of Guyana. The Company's activities at Eagle Mountain, including exploration, technical and environmental studies, along with ongoing coordination with governmental agencies, remain unaffected by recent events, though the Company will continue to monitor the situation closely. Uncertainty caused by the political conflict may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital. The impacts of the conflict on the Company's planned exploration activities, including technical and engineering studies, cannot be reasonably estimated at this time.

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 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, environmental protection and political, legal or economic developments, including legal restrictions relating to mining and risks relating to expropriation. The exact effect of these factors cannot be accurately predicted, but a 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 for, 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 amount 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 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 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 Guyanese 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 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 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, operate mining facilities or 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 Project PEA's and MRE's 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's or MRE's 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 Project. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in larger scale tests 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 the 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.

Financing Risks

The Company's financial resources are limited. Substantial financial resources and sources of financing will be required in order to advance the exploration and development of the Eagle Mountain Project. There can be no assurance that the Company has adequate financing to bring the Eagle Mountain 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 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 CEO, President, and Executive Chairman, 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 the 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 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 which are 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, 2023, the Company pledged a $273,884 (US$206,200 and $100,000 Guyanese dollars) reclamation site bond to the GGMC for exploration permits on the Eagle Mountain Project.