MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

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, 2019. The MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2019 and 2018 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. Additional information related to the Company is available for view on SEDAR at www.sedar.com and on the Company's website www.goldsourcemines.com.

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

The effective date of this MD&A is April 27, 2020. This MD&A contains forward looking information.

All amounts are in Canadian dollars unless noted.

CAUTIONARY STATEMENT AND DISCLAIMER

This MD&A contains "forward-looking statements" within the meaning of Canadian securities legislation. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In particular, the MD&A contains forward-looking statements pertaining to the following: exploration and drilling programs at Eagle Mountain, including the Salbora and Toucan areas; information regarding high grade areas projected from sampling results; timing and completion of a preliminary feasibility study on a low cost large scale open pit gravity cyanidation operation (subject to the resolution of the novel coronavirus ("COVID-19") pandemic; information with respect to projected capital and operating costs, the amount of future production of gold over any period, the amount of expected grades and ounces of metals, gold recoveries, mine life, and gold production rates of Eagle Mountain; and expectations regarding the Company's ability to manage capital resources and meet working capital requirements.

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

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

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

QUALIFIED PERSON

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

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1. OVERVIEW

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

The Company's focus is its Eagle Mountain Gold Project ("Eagle Mountain"). Its 100% interest in the Eagle Mountain Property (the "Property") consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, South America. 4,784 hectares (11,860 acres) of the Eagle Mountain Property relate to the Eagle Mountain Prospecting License while 266 hectares (660 acres) relate to the Medium Scale Mining Permit held by Kilroy Mining Inc. Goldsource constantly reassesses the size of its land package as exploration work is completed.

Goldsource's current objective is to build a critical mass of resources of 1.3 to 1.6 million ounces of gold (or "Au") grading greater than 1.0 grams per tonne ("gpt") Au, based on a low strip ratio (waste:ore), open pit operation, through expansion of the main Eagle Mountain Gold deposit and additional discoveries of both saprolite and hard rock gold mineralization. The Company believes that this will support the completion of a Pre-Feasibility Study ("PFS") on a low cost large-scale, 4,000 to 5,000 tonnes per day, open pit gravity-cyanidation operation.

Currently, the Company's resources at Eagle Mountain, based on the 2014 Preliminary Economic Assessment[1] ("PEA") are as follows:

Category	Tonnes	Gold Grade (gpt)*	Contained Ounces Gold
Indicated	3,921,000	1.49	188,000
Inferred	20,635,000	1.19	792,000

The following table shows only saprolite resources:

Category	Tonnes	Gold Grade (gpt)*	Contained Ounces Gold
Indicated	1,590,000	1.45	74,100
Inferred	7,202,000	1.32	305,600

*Estimated at 0.5 gpt cut-off for gold.

To expand and re-categorize current saprolite and hardrock resources from the Inferred category to the Indicated and Measured categories, Goldsource has defined several greenfield exploration targets within the Property, as well as expansion and in-fill areas within the existing geological resource wireframe; relevant drill programs commenced in May 2017 and continue to date.

The most important exploration drilling highlight for 2019 was the discovery of the Salbora gold deposit located 1.7 km Northwest of the main Eagle Mountain gold deposit. Subsequently to December 31, 2019, two additional discoveries at Powis and Toucan have been announced (see details below).

During 2019 and for the period from January 1, 2020 to April 27, 2020, the Company completed the following drilling:

Year	Total Number of Holes	Total DDH Meters Drilled	Number of Announced Holes	DDH Meters Drilled and Announced
2019	74	13,922	61	11,303
2020	25	5,932	11	1,866
Salbora Deposit (incl. above)	40	7,973	33	6,194

[1] Refer to Technical Report titled "Preliminary Economic Assessment of the Eagle Mountain Saprolite Gold Project, Guyana", effective June 14, 2014 and dated September 12, 2014 ("PEA"). The Company cautions that the PEA is preliminary in nature in that it is based on inferred 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 results or recommendation of the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

2. HIGHLIGHTS

The Company's key events and highlights during 2019 and to April 27, 2020 include the following:

a. Eagle Mountain Gold Project

2019 Eagle Mountain Activities

Permitting
On October 18, 2019, the Eagle Mountain Prospecting Licence ("EMPL") was renewed by Guyana Geology and Mines Commission ("GGMC") for another three-year period with the typical conditions required for maintaining concessions. The EMPL covers an area of 4,784 hectares.

Drilling
During 2019, the Company primarily focused its drilling on the Salbora discovery which was announced on January 23, 2019. The 2019 Salbora exploration results have initially drill-tested a gold mineralized footprint of approximately 600 metres long by 10 to 150 metres wide (narrowing to the south) by 75 to 150 metres deep, and is open to depth and along strike (please refer to 2019 news releases dated January 23, March 6, August 28, and November 13). As of April 27, 2020, there are 40 total drill holes for a total of 7,973 metres in Salbora. The weighted average grade of the drill intercepts from these announced diamond core drilling at Salbora Hill in this initial footprint is approximately 2.79 gpt Au.

The most significant results from diamond drilling at Salbora and peripheral targets announced to December 31, 2019 are:

Hole ID	From (m)	To (m)	Drilled Interval (m)[1]	Au (gpt)[2]	Hole ID	From (m)	To (m)	Drilled Interval (m)[1]	Au (gpt)[2]
EMD18-052	0.0	44.7	44.7	2.82	EME19-015	142.5	154.5	12.0	4.93
EMD18-053	0.0	69.0	69.0	6.52	EME19-016	17.5	75.0	57.5	2.55
EMD18-054	0.0	39.0	39.0	2.78	EME19-017	157.5	172.5	15.0	0.78
EMD18-055	0.0	49.5	49.5	2.90	EME19-018	109.0	110.5	1.5	0.75
EMD18-056	0.0	55.5	55.5	1.19	EME19-018	175.0	176.5	1.5	3.53
EMD18-057	0.0	49.5	49.5	2.36	EME19-019	137.0	213.5	76.5	1.18
EMD19-058[3]	0.0	49.5	49.5	2.95	EME19-020	75.5	77.0	1.5	0.63
EMD19-059	13.5	87.0	73.5	0.64	EMD19-079	108.0	109.5	1.5	0.63
EMD19-061	22.5	24.0	1.5	2.71	EMD19-081	108.0	109.5	1.5	1.20
EMD18-063	30.0	31.5	1.5	3.87	EMD19-082	147.0	163.5	16.5	0.53
EME19-012	39.0	61.5	22.5	0.76	EMD19-083	130.5	148.5	18.0	0.53
EME19-013	48.0	87.0	39.0	1.75	EMD19-084	22.5	28.5	6.0	1.27
EME19-014	100.5	109.5	9.0	0.68	EMD19-086	103.5	105.0	1.5	0.93
EME19-015	16.0	96.0	80.0	2.07	EMD19-088	18.0	27.0	9.0	1.07

(1) True thickness is approximate 80 to 100% of drill thicknesses except where noted.
(2) Cutoff grade of 0.3 gpt Au.
(3) Vertical hole in near vertical structure to test mineralization to depth.

Of the 40 total holes drilled at Salbora and peripheral targets (not including the Apollo target), seven holes had results below the Company's cut off grade of 0.3 gpt Au. Seven diamond drill holes have been completed in 2020 and have not yet had assays received to date, or have assays under interpretation.

Geophysical survey
On August 28, 2019, the Company announced initial geophysical survey results conducted since April 2019, which outline the results of the Phase I ground geophysical survey (induced polarization, resistivity and magnetics), including the presence of at least five sulphide-rich target areas with a cumulative strike length of approximately four kilometres. While not all sulphides are gold rich, these are encouraging

targets for follow up drilling. Salbora is located within an estimated 600-metre-long by 100 metre wide sulfide-rich geophysical anomaly. Following identified geophysical (IP/Resistivity) targets, the Company has expanded Salbora to the North, and has also discovered the Toucan and Powis deposits discussed above. The Company began exploring other geophysical targets in 2019. Drilling results on the geophysical target, Friendly, are pending.

On November 13, 2019, the Company announced the expansion of the ground geophysical survey. Phase II ground geophysics included an additional 62 line-kilometres of gradient array Induced Polarization ("IP"), 62 line-km of high-resolution ground magnetic survey and 10 line-km of Pole-Dipole ("PDP") detailing IP survey over selected targets. The total ground geophysical coverage was expanded to an area of approximately 7.5 square kilometres and the ground IP/Resistivity and magnetic surveys were successfully completed in January 2020. Additional geophysical anomalies merit further exploration and will be drill tested in 2020.

2020 Eagle Mountain Activities

Drilling

Since January 1, 2020, the Company has completed approximately 6,000 metres of core drilling. Drilling has resulted in the discovery of the Toucan target, and further discoveries at the Powis Target (please refer to the Company's news releases dated February 5, 2020 and April 14, 2020, respectively).

Powis is an area of extensive historical artisanal workings, 600 metres along strike from the Toucan target which has a historic adit grading 18.5 gpt gold over a 23.0 metre length (in-vein). The most significant results from the inclined diamond drilling at Powis announced to date are:

Hole ID	From (m)	To (m)	Drilled Interval (m)(1)	Au (gpt)(2)
EME19-027	10.0	11.5	1.5	0.72
EME19-028	7.0	8.5	1.5	11.97
EME19-029	38.5	41.5	3.0	0.50
EMD19-090	78.0	79.5	1.5	0.67
EMD19-096	81.0	91.5	10.5	9.94
EMD19-098	94.5	96.0	1.5	10.91

(1) True thickness is approximate 80 to 100% of drill thicknesses except where noted.

(2) Cutoff grade of 0.3 gpt Au.

Of the 10 core holes drilled at or near the Powis target, results from four holes are below the Company's cut off grade of 0.3 gpt Au.

The Toucan target is located within the north-south trending Salbora-Powis structural corridor (est. two kilometres in length) adjacent to the Eagle Mountain Gold Project. When combined with historic data, these results suggest that the Toucan discovery is initially 250 metres long by 20 to 40 metres wide, open along strike and to depth, and may be connected to the recently announced Powis discovery, 600 metres to the south. The following table shows the Company's most significant results (uncut, undiluted) for the Toucan target:

Hole ID	From (m)	To (m)	Drilled Interval (m)(1)	Au (gpt)(2)
EMD20-102	21.0	87.0	66.0	1.35
EMD20-103	67.5	84.0	16.5	0.88
EMD20-104	0.0	7.5	7.5	0.40
	19.5	22.5	3.0	0.70
	36.0	37.5	1.5	1.12
	102.0	105.0	3.0	0.71
EMD20-105	36.0	37.5	1.5	0.50
	46.5	82.5	36.0	2.10

Note: All numbers rounded.
(1) True widths variable depending on hole's inclination.
(2) Cutoff grade of 0.3 gpt Au.

Historic drilling and work at the Powis and Toucan targets were completed as follows:

- Limited diamond core drilling over parts of Powis and Toucan took place between 1970s and 2008.
- The Guyana Geological Survey, now called GGMC in 1970s was searching for molybdenum in the Powis area and drilled nine holes (see Table below). These holes did not recover saprolite nor assay all intervals for gold.
- In 1997, Golden Star Resources Ltd. ("GSR") drilled two holes in Toucan near the historic Coolie adit. (see Table below). Partial core has survived and had been re-assayed by IAMGOLD Corporation ("IAMGOLD") in 2008.
- In 2008, IAMGOLD drilled three additional holes in the Powis area (see Table below), with their core surviving to date.
- Construction of an exploration adit (the "Coolie Adit") in the 1940's potentially done by Anaconda Mining Company. The adit was re-sampled and re-assayed by IAMGOLD in 2006.

The following table shows the most significant results from the above historic results (uncut, undiluted) in the Powis and Toucan targets. The Company is not treating the historical drill intercept mineralization estimates and other sampling intercepts from GSR, Geological Survey or IAMGOLD as current mineral resources or reserves, has not verified them and is not relying on them. The Company is currently only using them to guide its exploratory drilling work but plans to conduct work to further verify the historic results in the future.

Targets	Hole ID	From (m)	To (m)	Drilled Interval (m)(1)	Au (gpt)(2)	Sampled by other companies
Powis & Toucan	EM018	15.0	22.5	7.5	0.50	GSR
Powis & Toucan	EM019	8.5	37.6	29.1	0.51	GSR
Powis	EMD08-021	86.0	97.0	11.0	1.77	IAMGOLD
Powis	EMD08-035	0.0	7.2	7.2	2.12	IAMGOLD
Powis	EMD08-036	29.8	31.0	1.2	3.66	IAMGOLD
Toucan	Historic Adit	0.0	6.0	6.0	0.70	IAMGOLD
Toucan		15.0	37.0	22.0	19.30	IAMGOLD
Toucan	Pit A	0.0	26.5	26.5	2.39	IAMGOLD
Toucan	Creek outcrop 1	0.0	3.5	3.5	9.38	IAMGOLD
Toucan	Creek outcrop 2	0.0	3.0	3.0	3.32	IAMGOLD
Toucan	Telford North Pit	22.0	31.8	9.8	1.00	IAMGOLD
Toucan		52.0	60.0	8.0	0.60	IAMGOLD
Powis	EHD02	67.0	79.0	12.0	2.10	Geological Survey
Powis	EHD03	203.8	231.8	28.0	1.05	Geological Survey
Powis	EHD08	210.7	212.7	2.0	1.07	Geological Survey
Powis	EHD09	51.4	53.4	2.0	2.52	Geological Survey
Powis	EHD14	45.5	61.5	16.0	0.64	Geological Survey
Powis	EHD15	170.4	172.4	2.0	4.06	Geological Survey
Toucan	TRC18-003	34.0	42.0	8.0	0.90	Goldsource

Note: All numbers rounded.
(1) True widths variable depending on hole's inclination.
(2) Cutoff grade of 0.3 gpt Au.

Historically, previous companies focused on the Eagle Mountain deposit for its near surface bulk mineable potential with smaller high-grade targets, like Powis and Toucan, of lesser priority. Goldsource believes these targets, like Salbora that was discovered in 2019, could add significant ounces to help obtain its critical mass to complete its ongoing PFS.

In the next nine months, subject to Guyana COVID-19 restrictions being lifted, the Company plans to operate three drills to complete additional expansion and in-fill drill holes for 5,000 to 7,500 metres at Eagle Mountain including extensions of Salbora, Powis, Toucan, Friendly Target and the Eagle Mountain Gold deposit.

With a minimum monthly burn rate during the COVID-19 suspension, $7.0 million in cash and no debt on the balance sheet, Goldsource is uniquely positioned to advance Eagle Mountain during these challenging market conditions to deliver an updated resource estimate to support an ongoing PFS for the project.

b. Corporate

The Company's 2019 corporate highlights since January 1, 2019 are as follows:

Financings

- the Company completed a private placement of 26,000,000 units at a price of $0.05 per unit for gross proceeds of $1,300,000, of which $438,404 was received prior to December 31, 2018. Each unit consisted of one common share and one warrant. Each warrant entitles the holder to purchase one common share at a price of $0.09 until January 17, 2021. Cash finder's fees totalling $28,500 were paid in connection with the private placement. As planned, the Company used the proceeds of the private placement for the Eagle Mountain resource expansion, PFS costs and general corporate purposes.
- the Company completed a private placement of 62,330,000 units at a price of $0.12 per unit for gross proceeds of $7,479,600. Each unit consisted of one common share and one-half warrant. Each warrant entitles the holder to purchase one common share at a price of $0.20 until April 11, 2021. The Company paid cash commissions of $503,756 and issued 3,739,800 agents' warrants with a total fair value of $403,195 in connection with the private placement. Each agent warrant entitles the holder to purchase one common share at a price of $0.12 per share until April 11, 2021. The Company has used a portion of the proceeds of the private placement for the Eagle Mountain resource expansion, PFS costs, and general corporate purposes.

Stock Options

- the Company granted 8,300,000 stock options to directors, officers, employees, and consultants with an exercise price ranging from $0.06 per share to $0.14 per share for a period ranging from three to five years. These stock options vest immediately except for 1,050,000, which vest over a one-year period with 25% vesting after each of three months, six months, nine months, and twelve months after the grant date.
- the Company issued 200,000 common shares at $0.10 per common share for gross proceeds of $20,000 upon the exercise of stock options and 3,700,400 common shares at $0.10 per common share and 28,800 common shares for $0.12 per common share for gross proceeds of $373,496 upon the exercise of warrants.
- 600,000 stock options with an exercise price ranging from $0.20 to $0.28 were forfeited, and 1,400,000 stock options with an exercise price of $0.24 expired unexercised.

Board Update

- on May 30, 2019, Goldsource held its Annual General Meeting of Shareholders ("AGM") in Vancouver, BC. Shareholders voted in favor of all items of business, including fixing the number of directors at four and the re-election of each of the director nominees: N. Eric Fier, Haytham Hodaly, Graham Thody, and Ioannis Tsitos. In addition, shareholders voted and re-appointed Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company and approved the Company's "rolling 10%" Stock Option Plan.
- at the Board of Directors meeting following the AGM the Board re-appointed Mr. Fier as Chairman of the Board and COO, Mr. Tsitos as President, Nicholas Campbell as Chief Financial Officer ("CFO"), Bernard Poznanski as Corporate Secretary, and Mr. Thody as Lead Director.
- the Company appointed Mr. Drew Anwyll to the Board, effective November 18, 2019. The Company granted 500,000 stock options to Mr. Anwyll that can be exercised at a price of $0.08 per share until November 18, 2024. These stock options vest immediately.

Subsequent to December 31, 2019

- On February 24, 2020, the Company issued 600,000 common shares at $0.09 per common share for gross proceeds of $54,000 upon the exercise of warrants.
- On March 24, 2020, the Company completed a private placement of 60,026,500 units at a price of $0.11 per unit for gross proceeds of $6,602,915. Each unit consisted of one common share and one-half warrant. Each warrant entitles the holder to purchase one common share at a price of $0.16 until September 24, 2022. The Company paid cash commissions of $371,777 and issued 3,571,590 agents' warrants in connection with the private placement. Each agent warrant entitles the holder to purchase one common share at a price of $0.11 per share until March 24, 2022. The Company plans to use a portion of the proceeds of the private placement for the Eagle Mountain resource expansion, PFS costs, and general corporate purposes.

- On April 6, 2020, the Company announced protocols to minimize exposure to respiratory illness caused by COVID-19. Since early March 2020, several significant measures have been implemented in Canada, Guyana and the rest of the world by authorities in response to the increased impact from COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs and other factors that depend on future developments beyond the Company's control. In addition, the significant outbreak of a contagious disease has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including Canada and Guyana), resulting in a potential economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital, in 2020. Following the policies and guidelines, relevant to the COVID-19 pandemic, by both Canadian and Guyanese authorities, the Company temporarily suspended its drilling and exploration activities at Eagle Mountain for a period of 30 days, beginning April 8, 2020. The 30-day shutdown period may be amended, as required. While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities, including the duration and impact on its planned resource update and PFS cannot be reasonably estimated at this time.

3. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Selected Annual Information

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

	2019	2018	2017
Loss and comprehensive loss for the year (1)	$ (6,661,753)	$ (3,710,462)	$ (3,657,611)
Loss per share - basic and diluted	$ (0.02)	$ (0.02)	$ (0.02)
Total assets (2)	$ 13,228,654	$ 10,933,947	$ 11,586,766

(1) Loss and comprehensive loss increased significantly in 2019 from 2018 as the Company incurred $4.7 million in expenditures on Eagle Mountain in 2019 (excluding plant and equipment construction costs and purchases).

(2) Increase in total assets over the years shown above is primarily due to the funds received from the private placements completed during 2019.

Comparison of the three months and years ended December 31, 2019 and 2018

During the three months and year ended December 31, 2019, comprehensive losses were $2,321,259 and $6,661,753 respectively, compared to $877,518 and $3,710,462 for the same periods in 2018. The principal differences and significant amounts to note are as follows:

	Three Months Ending December 31,			Year Ending December 31,			
	2019	2018	Variance	2019	2018	Variance	Variance Explanation
Exploration and evaluation expenditures	1,648,972	708,167	940,805	4,696,288	2,845,994	1,850,294	This difference was due to increased exploration activity at the Eagle Mountain Gold Project as the Company focused work on expanding Eagle Mountain's saprolite resource through drilling. During 2019, when compared to the same period during 2018, the Company had increased drilling costs of $1,144,297, camp costs of $257,515, salaries of $412,010, assay costs of $123,316, operational costs of $190,115, technical services and consulting costs of $59,615, and share based compensation of $50,929. These increases were offset by a decrease in depreciation expense of $387,592, with $333,933 of the change in depreciation attributable to the change in the estimated useful life of the processing plant. (see section "4. Liquidity and Capital Resources, a. Assets" below).
Share-based compensation	209,823	592	209,231	565,953	116,423	449,530	The Company granted 8,800,000 incentive stock options during 2019 (2018 – 1,800,000), with a weighted average fair value per option granted of $0.10 (2018 – $0.10) for total value of $1,055,732 in 2019 (2018 – $131,675).
Remuneration	158,011	82,704	75,307	661,679	344,631	317,048	The change is due to the increase in allocation of corporate staff time that was shared between the Company and SilverCrest Metals Inc. ("SilverCrest"), and the recruiting costs and salary for additional staff in 2019.
Interest income	(22,317)	(429)	(21,888)	(88,176)	(2,527)	(85,649)	Interest income has increased due to the Company holding a greater amount of cash and cash equivalents in 2019 than in 2018.
Shareholder and investor relations	38,954	1,580	37,374	130,484	46,860	83,624	The change is due to contracts entered into during 2019, between the Company and investor relations firms hired to provide financial relations, media relations and public market development services for the Company.
Tradeshow and travel	15,203	11,219	3,984	99,701	27,315	72,386	The Company attended a larger number of trade shows, which included travel, accommodation, and advertising materials, as compared to 2018.
Foreign exchange loss (gain)	6,158	(14,243)	20,401	70,968	(8,205)	79,173	This difference is due to changes in the value of the Canadian dollar compared to the US dollar since 2018. As at December 31, 2019, the Company is primarily exposed to foreign exchange risk through holding US dollars.
Impairment loss	126,046	-	126,046	126,046	-	126,046	The imapirment loss is due to the termination of the Bishop Growler purchase option agreement , resulting in the impairment of mineral properties equal to the payments made according to the purchase option agreement.
Loss on Disposal of PPE	64,397	-	64,397	64,397	-	64,397	The loss on disposal of PPE relates to the disposal of construction in process assets.
Interest Expense	6,373	-	6,373	27,714	-	27,714	The Company's adoption of IFRS 16 on January 1, 2019 has resulted in the recording of interest expense on the lease liability.

Summary of Quarterly Results

	Q4 December 31, 2019	Q3 September 30, 2019	Q2 June 30, 2019	Q1 March 31, 2019	Q4 December 31, 2018	Q3 September 30, 2018	Q2 June 30, 2018	Q1 March 31, 2018
Comprehensive loss for the period	(2,321,259)	(1,852,040)	(1,297,511)	(1,190,943)	(877,518)	(917,637)	(936,985)	(978,322)
Loss per share - basic and diluted	(0.01)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)	(0.00)

Comprehensive losses for each quarter in 2019 increased relative to the quarters in 2018, primarily due to overall increase in activity and headcount at Eagle Mountain and head office. The increase in comprehensive loss in Q4, 2019 is described in the next section below. The increase in comprehensive loss in Q3, 2019 was primarily the result of increased exploration activities at Eagle Mountain as the Company focused work on expanding Eagle Mountain saprolite resource through drilling. The increase in drilling commenced mid Q2, 2019, resulting in an increase in the comprehensive loss in Q2, 2019 when compared to Q2, 2018. The increase in comprehensive loss in Q1, 2019 was primarily due to the result of share-based compensation granted in the period.

Fourth Quarter Changes

The net loss and comprehensive loss was $2,321,259 for Q4, 2019, compared to $877,518 for Q4, 2018. The principal differences and significant amounts to note are as follows:

- Exploration and evaluation expenditures at Eagle Mountain increased to $1,648,972 (Q4, 2018 – $708,167) during Q4, 2019. Overall, during Q4, 2019, the Company had more equipment in use and more contractors and personnel on site when compared to Q4, 2018.
- Renumeration expense increased to $158,011 (Q4, 2018 – $82,704). This is due to the addition of a full-time staff member at the Vancouver office, as well as an increase in the allocation of staff costs from SilverCrest.
- During Q4, 2019, the Company had share based compensation expense of $209,823 (Q4, 2018 – $592). The Company did not grant stock options during Q4, 2018, while 4.5 million stock options were granted to directors, officers, employees, and contractors of the Company during 2019.
- During Q4, 2019, shareholder and investor relations expense increased to $38,954 (Q4, 2018 – $1,580). This was due to an increase in the number of firms contracted to perform investor relations services for the Company.
- During Q4, 2019, impairment loss increased to $126,046 (Q4, 2018 – Nil). This is due to the termination of the Bishop Growler property purchase option agreement and impairment of the payments previously made in accordance with the agreement.
- During Q4, 2019 loss on disposal of PPE increased to $64,397 (Q4, 2018 – Nil). This is due to the disposal of construction in process assets being disposed of in the period. No similar transaction occurred in 2018.

4. LIQUIDITY AND CAPITAL RESOURCES

a. Assets

At December 31, 2019, Goldsource held cash and cash equivalents of $3,159,068 (2018 – $398,144). Goldsource continues to monitor cash resources against anticipated expenditures associated with advancing Eagle Mountain. Other current assets totalling $121,783 consist primarily of prepaid expenses of $58,635 (2018 – $69,293) and amounts receivable of $62,641 (2018 – $30,701).

The Company has a deposit of $268,387 (US$206,200) (2018 – $265,610 (US$194,540)) 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 $3,067,855 (2018 – $3,464,341), primarily due to depreciation of $534,980 (2018 – $918,753), offset by the purchase of equipment of $126,880 (2018 – $40,531), with significant purchases including purchase of vehicles, a generator, core saws, a fogging machine, the construction of bunk houses at the Eagle Mountain camp; and the recognition of a right of use asset upon initial adoption of IFRS 16 of $173,493. During the 2019, the Company changed its estimate for the remaining useful life for the processing plant. The Company now estimates that the processing plant's useful life will end in 2027. The effect of these changes on actual and expected deprecation expense, included in exploration and evaluation expenditures, is as follows:

	2019	2020	2021	2022	2023	Later
(Decrease) increase in depreciation expense	(201,565)	(201,565)	(201,565)	(201,565)	1,316	804,946

b. Liabilities

At December 31, 2019, current liabilities include accounts payable and accrued liabilities of $475,417 (2018 – $327,600), which relate to various contractual commitments in the normal course of business. In addition, for the adoption of IFRS 16 effective January 1, 2019, lease liabilities amounted to $140,813 as at December 31, 2019.

As at December 31, 2019, the Company recorded a rehabilitation provision of $391,051 (2018 – $410,709), which was also included in property, plant and equipment. During 2019, the Company changed its estimate for when rehabilitation costs would be realized. The Company now estimates that rehabilitation costs will be incurred in 2027. As a result, the Company recorded a reduction of the rehabilitation provision, and a corresponding reduction of the related asset, of $45,536. The present value of the rehabilitation provision was calculated using an effective discount rate of 5% (2018 – 5%) and reflects anticipated cash flows to be incurred over approximately the next nine years (2018 – four years). The undiscounted value of these obligations is $429,185 (US$332,000) (2018 – $419,899 (US$325,000)), calculated using a long-term inflation rate assumption of 2.4% (2018 – 2.2%).

c. Liquidity Outlook and Risks

While the Company currently has no source of revenue, management believes its cash and cash equivalents of $3.2 million, as of December 31, 2019, will be sufficient to fund its minimum exploration activities and general working capital for the next 12 months. Subsequent to December 31, 2019, the Company received gross proceeds of $6.6 million upon the closing of a brokered private placement. The Company intends to use the proceeds from this private placement as outlined in "2. Highlights b - Corporate". At April 27, 2020, the Company had cash and cash equivalents of $7.0 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.

5. COMMITMENT, EVENTS AND UNCERTAINTIES

Other than disclosed below, there was no commitment, event or uncertainty which materially affected the Company's operations, liquidity and capital resources during 2019, or which may have a material effect going forward.

- On October 1, 2015, as amended May 7, 2018, the Company entered into a lease agreement for office space which requires the Company to make the following lease payments:

Undiscounted lease payments		December 31, 2019
Not later than 1 year	$	60,395
Later than 1 year and not later than 5 years		119,967
	$	180,362

- In November 2019, Kilroy Mining Inc. ("Kilroy") received a demand for foregone customs duty and taxes from the Guyana Revenue Agency ("GRA"). The GRA alleges that the joint venture agreement between Kilroy and Stronghold Guyana Inc., a wholly owned subsidiary of the Company, has breached the terms of the customs duty and tax exemption granted to Kilroy during 2015 and 2016 on the purchase of mining equipment. The GRA seeks payment of $445,719 ($73,056,644 Guyanese dollars). Management has been advised that these claims are without merit and intends to defend against the claim. Accordingly, the Company has not accrued any amounts related to this claim.

6. CONTINGENCIES

Eagle Mountain

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

I. Goldsource will issue to OGML 3,389,279 common shares (issued);
II. Goldsource shall pay OGML, US$3,025,501 ("Initial Payment") in cash or, at Goldsource's option, in common shares of Goldsource, at a price per share equal to a five percent (5%) discount to the Volume Weighted Average Price ("VWAP") of Goldsource's common shares for the 20 trading days prior to issuance, upon the earliest to occur of the following:

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

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

The Company pledged a $268,387 (US$206,200) (December 31, 2018 – $265,610 (US$194,540)) reclamation site bond, held by the GGMC for exploration permits on the Eagle Mountain Gold Project.

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

Border Coal Project

Minera Pacific Inc., a company controlled by an officer of Goldsource, is entitled to receive a $700,000 feasibility payment if the Company completes an independent positive feasibility study on the Border Coal Project and is entitled to a 2% gross overriding royalty on commercial production.

7. RELATED PARTY TRANSACTIONS

During 2019, the Company entered into the following transactions with related parties:

Key management compensation

The Company's key management personnel have the authority and responsibility for planning, directing, and controlling the activities of the Company and include the Company's President, COO, and CFO. Key management personnel compensation is summarized as follows:

		2019		2018
Management remuneration[(1)]	$	367,500	$	222,375
Directors fees		15,000		-
Share-based compensation[(2)]		427,430		92,778
	$	809,930	$	315,153

[(1)] The Company paid management fees to Maverick Mining Consultants Ltd. ("Maverick") and Laurium Mining Services Inc., companies controlled by the COO and the President, respectively, and paid remuneration and short-term benefits to the CFO. At December 31, 2019, $Nil (2018 – $10,500) of management fees were owing to Maverick.

[(2)] Share-based compensation is the fair value of the vested portion of stock options that have been granted to directors and officers of the Company.

Legal fees

During 2019, legal fees of $27,675 (2018 – $43,979), included in professional fees, legal fees of $Nil (2018 – $737), capitalized as acquisition costs, and capital stock issuance costs of $73,260 (2018 – $56,473) were paid or accrued to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner, of which $1,377 (2018 – $35,003) was payable at December 31, 2019.

Other transactions

During 2019, the Company paid remuneration of $4,917 (2018 – $2,625) and recognized share-based compensation of $6,714 (2018 – $4,862) to Nathan Fier and Stephany Fier, consultants who are immediate family members of the COO. Remuneration and share-based payments incurred to these consultants were recorded as exploration and evaluation expenditures.

The Company has a cost sharing agreement with SilverCrest, a company related by common directors and officers (N. Eric Fier, Nicholas Campbell, and Graham Thody), whereby the Company shares salaries, administrative services, and other expenses. During 2019, the Company was allocated $210,639 (2018 – $138,541) for its share of these expenses, of which $36,428 (2018 – $79,105) was payable to SilverCrest at December 31, 2019.

During 2017, the Company obtained a promissory note from a company controlled by the Company's COO. The loan was repaid during 2018.

8. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments consist of cash and cash equivalents, marketable securities, deposit, and accounts payable. The carrying value of accounts payable approximates the fair value due to the short periods until settlement. The Company's cash and cash equivalents and marketable securities are measured using level 1 inputs. The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, foreign currency risk, credit risk, interest rate risk and market risk. Please refer to note 13 of the audited consolidated financial statements for the year ended December 31, 2019. Where material, these risks are reviewed and monitored by the Board of Directors.

9. CHANGES IN ACCOUNTING POLICIES

There were no changes to the Company's accounting policies during Q4, 2019. Refer to the audited consolidated financial statements for the three and twelve months ended December 31, 2019 (note 2) for information on the adoption of IFRS 16 which occurred in Q1, 2019.

10. OUTSTANDING SHARE CAPITAL

As of April 27, 2020, the Company had the following common shares, share purchase warrants and options issued and outstanding:

Issued & Outstanding Shares:			374,803,610
	$ per share	Expiry	
Warrants:	$0.09 - $0.20	August 10, 2020 – September 24, 2022	103,008,112
Options:	$0.06 - $0.28	October 1, 2020 – December 23, 2024	14,385,000
Fully Diluted			492,196,722

11. 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.

Impact of COVID-19

The Company's business could be adversely affected by the effects of the recent outbreak of respiratory illness caused by COVID-19. Since early March 2020, several significant measures have been implemented in Canada, Guyana and the rest of the world by authorities in response to the increased impact from COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including due to uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of the COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs and other factors that depend on future developments beyond the Company's control. In addition, the significant outbreak of a contagious disease has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including Canada and Guyana), resulting in a potential economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital, in 2020. Following the policies and guidelines, relevant to the COVID-19 pandemic, by both Canadian and Guyanese authorities, the Company temporarily suspended its drilling and exploration activities at Eagle Mountain for a period of 30 days, beginning April 8, 2020. The 30-day shutdown period may be amended, as required.

While the impact of COVID-19 is expected to be temporary, the current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities, including the duration and impact on its planned resource update and PFS 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 Gold Project, will result in commercially viable mining operations.

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

No History of Earnings or Production Revenues

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

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

Licenses and Permits

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

Mineral Resource Estimates

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

Mining Capital and Operating Costs

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

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

Financing Risks

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

Key Employees

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

Environmental Risks and Hazards

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

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

As at December 31, 2019, the Company pledged a US$206,200 ($268,387) reclamation site bond to the GGMC for exploration permits on the Eagle Mountain Gold Project.