GOLDSOURCE MINES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2022

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, 2022. The MD&A should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2022 and 2021 and the related notes contained therein 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 24, 2023. 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" or "Project"), including the Eagle Mountain and Salbora deposits and exploration prospects; information regarding high-grade areas projected from sampling results; the impact of the novel coronavirus ("COVID-19") pandemic on the timing and completion of exploration programs, technical reports and studies, including the Company's Preliminary Economic Assessment ("PEA") scheduled for 2023; 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, the amount of expected grades and ounces of metals, gold recoveries, mine life, and gold production rates for the Project; and expectations regarding the Company's ability to manage capital resources and meet working capital requirements.

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

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

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

QUALIFIED PERSON

Technical information contained in this MD&A has been prepared by or under the supervision of N. Eric Fier, CPG, P.Eng, and Executive Chairman 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 Gold Project for which it has a 100% interest in the Eagle Mountain Prospecting License ("EMPL") and the Kilroy Mining Permit (collectively the "Property"), save and exempt all claims lawfully held and occupied. The Property consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, South America. 4,784 hectares (11,820 acres) of the Eagle Mountain Property relate to the Eagle Mountain Prospecting License while 266 hectares (660 acres) relate to the Medium Scale Mining Permit held by Kilroy Mining Inc. ("Kilroy"), a Guyanese Company, on which Stronghold Guyana Inc. ("Stronghold"), a wholly-owned subsidiary of Goldsource, has a long-term lease with a 2% net smelter return royalty. Within the EMPL there are third-party small-scale claims ("Artisanal Claims") that predate the Company's Property. The Artisanal Claims that are licensed or recommended for license total approximately 123 hectares (305 acres). Additionally, one medium scale permit (referred to as Bishop Growler) is located in the central part of the EMPL north-east of the Eagle Mountain resource area. This was under an option and purchase agreement by Goldsource in 2018/19 that has since expired. Goldsource constantly reassesses the size of its land package as exploration work is completed.

On April 7, 2022, the Company announced an updated Mineral Resource Estimate ("2022 MRE"). The 2022 MRE reflected the Company's infill and expansion drilling completed in 2021 and is comprised of an estimated 31.1 million tonnes ("Mt") grading 1.18 grams per tonne ("gpt") gold for 1,183,000 oz of gold in Indicated Resources, and 18.4 Mt grading 0.98 gpt gold for 582,000 oz of gold in Inferred Resources. The 2022 MRE includes the Eagle Mountain and Salbora deposits in addition to the Toucan and Powis prospects. Eagle Mountain and Salbora, in particular, feature gold mineralization starting at surface in saprolite (soft rock, meaning the weathered, oxidized layer) and extending into the underlying fresh rock. The 2022 MRE was estimated at 0.30 gpt gold cut-off grade for saprolite and 0.50 gpt gold cut-off grade for fresh rock. It was defined by a total of 772 core holes for 75,430 metres drilled, which includes infill and exploration drilling up to December 31, 2021.

A description of the resource methodology for the 2022 MRE is detailed in the Company news release dated April 7, 2022, and in a report titled "Eagle Mountain Gold Project, Potaro – Siparuni Region Guyana, NI 43-101 Technical Report", dated May 24, 2022, with an effective date of April 5, 2022 located on the Company's website and on SEDAR. The 2022 MRE will be used as a basis for a PEA scheduled for 2023. The PEA will focus on shallow, low strip ratio open pits with priority given to saprolite mineralization to establish initial low capex-intensity gold production. For fresh rock mineralization, trade-off studies are currently underway to evaluate options for the development timeline of a fresh rock expansion and the production scale with a focus on staging the development capex and maximizing the utility of the in-place infrastructure provided by a saprolite operation.

The 2022 program focused on drilling and generative exploration activities as well as a significant increase in technical work for the delivery of a pre-feasibility study. The Company's 2022 exploration and engineering objectives were as follows:

1) An initial 11,000-metre drilling program ("2022 - Phase 1"), which included testing of known target areas along the Salbora-Powis trend; and infill drilling of the Eagle Mountain deposit to upgrade new inferred mineralization.
2) The re-initiation of a generative exploration program, inclusive of geochemistry, and trenching, among other techniques, to add to the pipeline of prospective greenfield gold targets for follow-up drilling.
3) Complete and compile additional engineering data, including metallurgical, hydrogeology, geotechnical, and environmental to support the completion of a prefeasibility study focusing on establishing potential reserves in shallow and low strip ratio open pits.

Generative exploration has seen a lesser focus in recent years as the Company's activities centred on expanding the mineral resources of the Eagle Mountain and Salbora deposits. Consequently, there remains a number of under-explored areas, including several with historical artisanal workings on the western and eastern sides of the EMPL.

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

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

- Estimated at 0.30 gpt gold cut-off grade for the saprolite and 0.50 gpt gold cut-off grade for the fresh rock.
- Numbers have been rounded to reflect the precision of a Mineral Resource estimate. Totals may vary due to rounding.
- Gold cut-off has been calculated based on a gold price of US$1,600/oz, mining costs of US$1.5/tonne ("t") for saprolite-transition and US$2.0/t for fresh rock, processing costs of US$6.0/t for saprolite-transition and US$12.0/t for fresh rock, and mine-site administration costs of US$3.0/t. Metallurgical recoveries of 95% are based on prior test work of Eagle Mountain deposit composite samples.
- Mineral Resources conform to NI 43-101 and the 2019 CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines and 2014 CIM Definition Standards for Mineral Resources & Mineral Reserves.
- The Company is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing, or political factors that might materially affect these Mineral Resource estimates.
- Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The quantity and grade of reported Inferred Resources in this Mineral Resource estimate are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as Indicated or Measured Resources, however, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

2. HIGHLIGHTS

The Company's key events and highlights during the year ended December 31, 2022 and to date include:

Eagle Mountain Project Activities – 2022

During 2022, the Company incurred $4.5 million of exploration and evaluation expenses for the Eagle Mountain Gold Project (refer to section 3 below – Results of Operations and Financial Condition). As at December 31, 2022, the Company's cumulative exploration and evaluation expenditures, including acquisition costs, on the Eagle Mountain Gold Project totaled $41.8 million, of which $35.1 million is related to exploration activities.

Generative Exploration

In 2022, the Company commenced its generative exploration program, which focused on underexplored areas outside of both the 2022 MRE outline and the Salbora-Powis trend with the aim of locating additional mineralized areas and corridors within the EMPL. During 2022, the Company completed 25,750 metres of auger lines sampled at 25-metre intervals for a total of 1,030 auger sites and 3,385 metres of auger drilling that was principally focused in the northeast and northwest corners of the EMPL. Additionally, 604 metres of trenching was completed during 2022.

During H2, 2022, the focus of the generative program shifted to an area called North Zion, which is 600 metres north of the 2022 MRE. Refer to the Drilling and Trenching section below for trenching results announced on December 13, 2022.

[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.

Drilling and Trenching

On March 11, 2022, the Company announced drill results for the Soca prospect within the Eagle Mountain Prospecting License. Reported results represented 20 core holes totaling 3,126 metres drilled in late 2021. Drilling intersected mineralization along an estimated 250 metres of strike and down to 170 metres depth, with high-grade gold intervals as well as broader zones of lower grade mineralization. Drill hole EMX21-010 intersected 6.0 metres grading 18.31 gpt gold at 130 metres vertical depth. This included a higher-grade sub-interval of 1.5 metres grading 69.96 gpt gold. Additionally, drill hole EMX21-012 intersected 9.0 metres grading 9.29 gpt gold at 103 metres vertical depth, EME21-167 intersected 21.0 metres grading 3.13 gpt gold at 105 metres vertical depth, EME21-171 intersected 36.0 metres grading 2.12 gpt gold at 77 metres vertical depth, and EME21-161 intersected 13.5 metres grading 4.70 gpt gold within a wider zone of 54.0 metres grading 1.31 gpt gold at 55 metres vertical depth. While Soca shares certain characteristics with the Eagle Mountain and Salbora deposits, the Soca mineralization is associated more directly with quartz saturation alteration and quartz veining, thereby providing a new style of mineralization for consideration along the Salbora-Powis trend.

On December 13, 2022, the Company announced drill and trenching results for a new discovery, called North Zion, and additional drill results from the Montgomery, South Toucan, and Ann prospects at the Eagle Mountain project. The North Zion prospect, located 600 metres north of the 2022 MRE, was one of several new areas tested as part of the Company's generative program. At North Zion, the Company completed 2 trenches including 126 channel samples over 254 metres and 7 core holes totaling 378 metres. Trench NZTR22-005 returned 40.0 metres grading 5.16 gpt gold in saprolite down the length of the trench and 14.0 metres grading 1.25 gpt gold. From the base of the trench, 24 auger holes at 5-metre spacing tested up to 6 metres depth. Significant intercepts include 4.5 metres grading 8.22 gpt in NZTR22—005A10 and 5.5 metres grading 2.21 gpt in NZTR22—005A9. Core drilling intersected mineralization beneath the trench and in drill holes to the south in the direction of the Eagle Mountain deposit. Drill hole EMD22-256 intersected 6.0 metres grading 0.63 gpt gold from surface in saprolite and an additional 12.0 metres grading 2.04 gpt gold at 15 metres vertical depth in saprock. Drill hole EMD22-262 intersected 6.0 metres grading 1.34 gpt at 41 metres vertical depth. EMD22-262 is located 100 metres north of the current MRE limit, with new mineralization occurring along trend from the known mineralization. Additionally, the Company completed 21 core holes totaling 1,606 metres at the Montgomery, South Toucan, and Ann prospects. At Montgomery, drill hole EMD22-225 intersected 12.0 metres grading 1.12 gpt gold at 39 metres vertical depth. At Toucan, drill hole EMD22-240 intersected 31.5 metres grading 0.60 gpt gold in saprolite at 30 metres vertical depth. At the Ann prospect, drill hole EMD22-213 intersected 6.0 metres grading 4.46 gpt gold at 39 metres vertical depth.

In 2022, the Company completed approximately 8,017 metres of core drilling, with tight-spaced variography and exploration drilling accounting for 1,497 metres and 6,520 metres, respectively. Highlights of the 2022 drill program are as follows:

- Tight-spaced variography drilling comprised of 24 holes at 5-metre spacing for 1,497 metres in the Eagle Mountain deposit.

- In H1, 2022, exploration drilling was focused on early-stage target areas, including to the east and southeast of the Saddle area of the Eagle Mountain deposit to test for lateral extensions of the sub-horizontal mineralized zones on the opposite side of the topographic ridge formed by dolerite dykes and sills; a north-south striking geophysical anomaly to the southeast of the Salbora deposit; and follow-up drilling in the Ann prospect area to test for lateral extensions of mineralized zones. These areas did not produce significant mineralization. While continuation of the structures controlling mineralization was observed in the Saddle and Ann areas, dolerite and porphyritic intrusions constrained the potential for lateral extensions.

- In H2, 2022, exploration drilling was focused on the delineation of known prospects along the Salbora-Powis trend, including Toucan and Montgomery, as well as infill drilling of the Eagle Mountain deposit with targets derived from ongoing geostatistical work, completed by ERM Consultants Canada Ltd., of the 2022 MRE and drill database.

Engineering

Metallurgical Test Program

- In 2022, a metallurgical test program was conducted by SGS Canada Inc. ("SGS"), 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 ("OMC"), includes grinding, leaching, hardness and abrasion testing to establish design criteria for a prefeasibility-level study. 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.
- On February 2, 2023, the Company announced results from the metallurgical testing, which demonstrated high gold recoveries and positive implications for plant design. Using conventional processing techniques, gold recoveries averaged 95% for saprolite and 90% for fresh rock composites.

- With positive implications for plant design, saprolite gold recoveries were generated with a coarse grind size of 80% passing 165 microns. Considering an estimated 50% (by mass) of the saprolite samples were already finer than 150 microns, after screening the potential exists for a high proportion of the saprolite material to report directly to a leach circuit without upfront grinding. Accordingly, as part of the plant design work the Company will review opportunities for significant capital and operating cost reductions by considering the advantageous features of the saprolite as it relates to size distribution and its soft rock characteristics.
- Fresh rock gold recoveries averaged 92% in the main Eagle Mountain deposit and 84% in the satellite Salbora deposit and Toucan prospect. Results were based on a conventional grind size distribution of 80% passing 80 microns.

Pit Shell Analysis and Geostatistics

- In 2022, the Company engaged ERM Consultants Canada Ltd. to complete pit optimization iterations using the 2022 MRE as the basis for scenario analyses. This work is expected to (1) help inform mining rates and pit sequencing for various production and phased development scenarios; and (2) combined with a geostatistical review of the existing MRE block model and drill holes, derive a probabilistic model for infill drilling to target the conversion of more Inferred Resources to pit-constrained Indicated Resources.

2022 MRE

The 2022 MRE, reported on April 7, 2022, comprises:

- 31.1 Mt grading 1.18 gpt gold for 1,183,000 oz of gold contained in Indicated Resources; and
- 18.4 Mt grading 0.98 gpt gold for 582,000 oz of gold in Inferred Resources.

The MRE includes the Eagle Mountain and Salbora deposits as well as the earlier-stage Toucan and Powis prospects. Gold mineralization starts at surface in saprolite with the base of the saprolite marked by a narrow transition zone and extending into the underlying fresh rock. Overall, the saprolite and transition contain 35% of the gold in Indicated Resource and 24% in Inferred Resource.

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

Eagle Mountain Prospecting License

Pursuant to the 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. On August 19, 2022, the Guyana Geology and Mines Commission approved the first one-year renewal of the EMPL, which will expire on October 18, 2023.

Ann Mining Claim Option-Purchase Agreement

On August 8, 2022, the Company and the optionor amended the terms of the option agreement to acquire 100% interest in the Ann Mining Claim, at the Minnehaha Creek area located within the Eagle Mountain Gold Project. Pursuant to the amended terms, the Company and the optionor agreed 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 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 2023; and
- US$250,000 upon the exercise of the option.

Eagle Mountain Project Activities – 2023

The 2023 work program comprises concurrent exploration and engineering activities. Exploration is expected to include generative programs and drilling to test new targets within the EMPL as well as expansion and infill drilling to facilitate ongoing engineering studies. Engineering activities will be focused on the delivery of a Preliminary Economic Assessment and technical work to advance a Prefeasibility Study.

The Company's 2023 exploration and engineering objectives include:

- An initial 5,300-metre drilling program, which will include 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;
- The generative program will focus on building the pipeline of early-stage exploration targets within the EMPL and include work in underexplored areas of the prospecting license; and
- Delivery of a PEA, which will focus on shallow, low strip ratio open pits with priority given to saprolite mineralization to establish initial low capex-intensity gold production. For fresh rock mineralization, trade-off studies are currently underway to evaluate options for the development timeline of a fresh rock expansion and the production scale with a focus on staging the development capex and maximizing the utility of the in-place infrastructure provided by a saprolite operation.

On March 23, 2023, the Company announced the 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 mineral resources to indicated mineral 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 with the upper 17.5 metres downhole within saprolite. Drill hole EMD22-265 intersected 7.5 metres grading 7.27 gpt gold from surface within saprolite and drill hole EMD22-268 intersected 18.0 metres grading 3.80 gpt gold from surface in saprolite and saprock/hard rock, including an interval of 10.5 metres grading 5.95 gpt gold. At No.1 Hill, drill hole EMD22-230 intersected 3.0 metres grading 2.36 gpt gold within saprolite and drill hole EMD22-235, located approximately 60 metres outside the 2022 MRE outline, intersected 3.0 metres grading 5.64 gpt gold in saprolite. At Kilroy, drill hole EMD23-270 intersected 16.5 meters grading 1.94 gpt gold in near-surface saprolite and drill hole EMD22-207 intersected 21.8 metres grading 1.48 gpt gold from surface in saprolite. At Bacchus, drill hole EMD22-245 intersected 6.0 metres grading 0.87 gpt gold from surface within saprolite. These drilling results suggest a reasonable expectation that some inferred mineral resources may be upgraded to indicated mineral resources and mineralization may be expanded in certain areas.

Since January 1, 2023, the Company completed 728 metres of core drilling.

a. Corporate

During the year ended December 31, 2022, corporate highlights include the following:

<u>Legal Settlement</u>

- In November 2019, Kilroy received a demand for foregone customs duty and taxes of $419,272 ($73,056,644 Guyanese dollars) from the Guyana Revenue Agency ("GRA"). 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 on the purchase of mining equipment. In March 2022, the Company received a court judgement stating that Kilroy was indebted to the GRA for the customs and duty taxes in the amount of $73,056,644 Guyanese dollars. On June 14, 2022, the Company entered into a settlement agreement with the GRA for $84,337 ($14,695,437 Guyanese dollars). The settlement deemed the case fully settled and released the Company from all claims arising from this matter.

<u>Board Update</u>

- On June 20, 2022, the Company held its Annual General Meeting ("AGM"), where shareholders voted in favour of all items of business, including the election of each of the director nominees: N. Eric Fier, Haytham Hodaly, Graham Thody, Drew Anwyll, and Ioannis Tsitos. In addition, shareholders voted for the re-appointment of Davidson & Company LLP, Chartered Professional Accountants, as auditor of the Company and approved the Company's 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, Mr. Tsitos as President, Kimberly Newsome as Vice President of Finance, Bernard Poznanski as Corporate Secretary, and Mr. Thody as Lead Director.

<u>Stock Options and Warrants</u>

- 30,000 stock options with exercise prices ranging from $0.80 to $1.30 per common share were forfeited, and 172,500 stock options with exercise prices ranging from $1.30 to $1.70 per common share expired unexercised.

- 3,349,803 warrants with exercise prices ranging from $1.10 to $1.60 per common share expired unexercised.

- The Company granted 1,590,000 stock options to directors, officers, employees and a consultant with exercise prices ranging from $0.40 to $0.48 per share for a period of five years. These stock options vest immediately, except for 50,000 stock options 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, respectively.

Subsequent to December 31, 2022

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

b. COVID-19 Update

The Company's business could be adversely affected by the effects of the ongoing outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"). The Company cannot accurately predict the nature and extent of the impact the COVID-19 pandemic may have on the Company's operations due to the constantly changing conditions, including the emergence of variants of the virus and the potential for further waves of the virus. The continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs, and other factors that depend on future developments beyond the Company's control. In addition, COVID-19 adversely affected the economies and financial markets of many countries (including Canada and Guyana), resulting in an economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital. The impacts of COVID-19 on the Company's exploration activities, including the impact on the timing of its planned preliminary economic assessment, 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:

	2022	2021	2020
Loss and comprehensive loss for the year (1)	$ (6,112,922)	$ (9,520,263)	$ (9,119,806)
Loss per share - basic and diluted	$ (0.12)	$ (0.20)	$ (0.25)
Total assets (2)	$ 10,614,181	$ 16,439,605	$ 11,932,182

(1) Loss and comprehensive loss decreased in 2022 from 2021 as the Company incurred $4.5 million in exploration expenditures on the Eagle Mountain Project in 2022, compared to $7.9 million incurred in 2021 (excluding plant, property and equipment construction costs and purchases).

(2) Total assets decreased in 2022 from 2021 primarily due to the decrease in cash and cash equivalents as the Company did not raise additional funds during 2022, and the reduction of plant, property and equipment due to depreciation and impairment.

Summary of Quarterly Results

	Q4 December 31, 2022	Q3 September 30, 2022	Q2 June 30, 2022	Q1 March 31, 2022	Q4 December 31, 2021	Q3 September 30, 2021	Q2 June 30, 2021	Q1 March 31, 2021
Comprehensive loss for the period	(1,824,187)	(1,079,801)	(1,378,349)	(1,830,585)	(3,061,262)	(2,460,085)	(1,975,271)	(2,023,645)
Loss per share - basic and diluted	(0.03)	(0.02)	(0.03)	(0.04)	(0.06)	(0.05)	(0.04)	(0.05)

Comprehensive losses for each quarter in 2022 decreased relative to the same quarters in 2021, primarily due to the overall decrease in drilling activity at the Eagle Mountain Project as operations transitioned to a higher proportion of generative exploration. Expenses during 2021 were above normal run rates as the Company focused on infill and expansion drilling of the Eagle Mountain and Salbora deposits in preparation for the 2022 MRE Update. Comprehensive loss was significantly higher in Q4, 2021, compared to Q4, 2022, due to the increase in drilling expenses, technical consulting services, and remuneration to support increased operations.

Comparison of the three months and years ended December 31, 2022 and 2021

During the three months and year ended December 31, 2022, comprehensive losses were $1,824,187 and $6,112,922 respectively, compared to $3,061,262 and $9,520,263 for the same periods in 2021. The principal differences and significant amounts are as follows:

	Three months ended December 31,			Year ended December 31,			
	2022	2021	Variance	2022	2021	Variance	Variance Explanation
Exploration and evaluation expenditures	1,079,546	2,124,423	(1,044,877)	4,549,476	7,909,980	(3,360,504)	The decrease in exploration and evaluation expenditures is a result of reduced drilling run-rates consistent with the transition to a higher proportion of earlier-stage generative exploration. Exploration activities in 2021 were above normal run rates as the Company focused on infill and expansion drilling of the Eagle Mountain and Salbora deposits in preparation for the 2022 MRE.
Foreign exchange (gain) loss	29,073	30,235	(1,162)	(200,208)	(296,645)	96,437	The Company is primarily exposed to foreign exchange risk through holding US dollars. The decrease in foreign exchange gain during the year ended December 31, 2022 is due to lower amounts of US dollars held, offset by the appreciation of the US dollar in relation to the Canadian dollar during the year. The foreign exchange loss in Q4, 2022 is due to the appreciation of the Canadian dollar in relation to the US dollar during the period.
Interest income	(20,693)	(6,789)	(13,904)	(57,242)	(28,653)	(28,589)	The increase in interest income is due to higher interest rates in 2022.
Legal settlement	-	-	-	84,337	-	84,337	The legal settlement relates to the legal claim for forgone customs and duty taxes owed to the Guyana Revenue Agency (refer to Section 2a - Corporate). In Q2, 2022, the Company reached a settlement with the Guyana Revenue Agency for the amount of $84,337 ($14,695,437 Guyanese dollars).
Loss (gain) on change in rehabilitation provision	(8,649)	(53,631)	44,982	61,518	23,992	37,526	The increase in the loss on change in rehabilitation provision in the year ended December 31, 2022, is due to the use of higher long term inflation rate estimates. The decrease in the gain on change in rehabilitation provision in Q4, 2022, compared to Q4, 2021 is due to lower long term inflation rate estimates in Q4 when compared to Q3. In Q4, 2021, long-term inflation rates were expected to decrease significantly, whereas in Q4, 2022 a gradual reduction in inflation was expected, resulting in a smaller gain on change in 2022. In addition, there was reduced exploration activity in 2022, when compared to 2021, resulting in fewer additions to the retirement obligation in 2022 when compared to 2021, which is driven by exploration activity per quarter.
Professional fees	17,169	36,606	(19,437)	87,080	138,493	(51,413)	The decrease in professional fees is due to a decrease in professional accounting fees incurred in 2022 and one-off expenses incurred in 2021, including website redesign fees and legal costs associated with the share consolidation. No similar expenses were incurred in 2022.
Remuneration	182,801	265,935	(83,134)	661,395	712,243	(50,848)	The decrease in remuneration is due a decrease in year-end bonuses, partially offset by salary increases in 2022.
Share-based compensation	452,834	535,905	(83,071)	493,235	586,169	(92,934)	The decrease in share-based compensation expense during 2022 is primarily due to the decrease in the Company's share price in 2022, compared to 2021. Share price is used in the Black-Scholes Option Pricing Model to measure the fair value of stock options at the grant date. The share price decrease is offset by the increase in the number of stock options granted (1,590,000 in 2022 vs 960,000 in 2021).

During the three months and year ended December 31, 2022, exploration and evaluation expenditures were $1,079,546 and $4,549,476 respectively, compared to $2,124,423 and $7,909,980 for the same periods in 2021. The significant variances between these periods include the following:

Exploration and evaluation expenditures	Three months ended December 31, 2022	2021	Variance	Year ended December 31, 2022	2021	Variance	Variance Explanation
Assays	32,732	116,853	(84,121)	196,346	437,478	(241,132)	The decrease in assays expense is due to decreased drilling activity during 2022, resulting in fewer core samples being sent for assaying.
Camp costs	150,380	219,281	(68,901)	672,639	905,368	(232,729)	The decrease in camp costs is due to reduced camp capacity as a result of decreased drilling activity in 2022. During 2021, camp capacity was higher than normal due to additional contractors and drill crews at the Eagle Mountain camp to support the increased drilling activity.
Depreciation	31,141	45,754	(14,613)	152,191	259,045	(106,854)	The decrease in depreciation expense in 2022 is due to several capital assets being fully depreciated in 2021 and the impairment of a bunk house in 2022.
Drilling	70,859	511,830	(440,971)	666,281	2,914,026	(2,247,745)	The decrease in drilling expense is a result of decreased exploration activity in 2022 (8,017 meters drilled in 2022 vs 25,956 meters drilled in 2021), as the Company transitioned to the 2022 - Phase 1 drilling program. In 2021, the Company had increased drilling capacity to focus on infill and expansion drilling in preparation for the 2022 MRE.
Operations and general	217,007	133,925	83,082	726,944	521,535	205,409	The increase in operations and general expense in 2022, compared to 2021, is due to several one-off expenses including significant equipment repairs and maintenance, office relocation costs, and costs associated with demobilizing select exploration equipment out of Eagle Mountain. The increase is further attributable to increased travel and timing of purchases of supplies required at the Eagle Mountain camp during Q4, 2022.
Salaries	443,033	634,941	(191,908)	1,684,682	1,987,579	(302,897)	The decrease in salaries expense is due to reduced drilling during 2022 resulting in fewer personnel required to assist with operations of both the Company-owned and contractor drill rigs, offset by salary increases and severance payments.
Share-based compensation	25,347	50,741	(25,394)	25,347	50,741	(25,394)	The decrease in share-based compensation expense during 2022 is primarily due to the decrease in the Company's share price in 2022, compared to 2021. Share price is used in the Black-Scholes Option Pricing Model to measure the fair value of stock options at the grant date. The share price decrease is offset by the increase in the number of stock options granted to staff directly involved in exploration activities (107,500 in 2022 vs 95,000 in 2021).
Technical services and consulting	109,047	411,098	(302,051)	425,046	834,208	(409,162)	The decrease in technical services and consulting expenses in 2022 is primarily due to the decrease in drilling activity, offset by an increase in legal fees during 2022. In 2022, the Company engaged technical consultants to conduct metallurgical testing and studies; whereas in 2021, the Company paid consulting fees to a contractor for drilling services and to technical consultants for a biodiversity survey and PFS Gap Analysis.

4. LIQUIDITY AND CAPITAL RESOURCES

a. Assets

At December 31, 2022, Goldsource held cash and cash equivalents of $2,608,197 (2021 – $8,410,211). The Company continues to monitor cash resources against anticipated expenditures associated with advancing the Eagle Mountain Project. In Q4, 2022 and Q1, 2023, the Company has decreased its expenditures to conserve its cash balance. Other current assets consist of amounts receivable of $11,827 (2021 – $22,098) and prepaid expenses and other of $378,815 (2021 – $237,293), which include prepaid expenses of $191,387 (2021 - $136,956), prepaid supplies of $93,111 (2021 - $87,526), rental deposits of $39,292 (2021 - $Nil) and restricted cash of $55,025 (2021 - $12,811).

The Company has deposits totalling $283,677 (2021 - $264,243), including $279,829 (US$206,200 and $100,000 Guyanese dollars) (2021 – $261,818 (US$206,200)) which is pledged as a reclamation site bond in the form of a non-interest-bearing bank guarantee deposit to the Guyana Geology and Mines Commission ("GGMC") for exploration permits on the Property.

Property, plant and equipment decreased to $679,294 (2021 – $841,165), primarily due to the impairment of a bunk house of $14,949 (2021 - $Nil) and depreciation of $191,383 (2021 – $297,117), offset by property and equipment additions of $44,461 (2021 – $398,724). Significant additions include ATVs and the construction of additional buildings at the Eagle Mountain Project camp.

b. Liabilities

As at December 31, 2022, current liabilities include accounts payable and accrued liabilities of $286,251 (2021 – $546,876), which relate to various contractual commitments in the normal course of business.

As at December 31, 2022, the Company recorded a rehabilitation provision of $493,796 (2021 – $409,234). The present value of the rehabilitation provision was calculated using an effective discount rate of 5% (2021 – 5%) and reflects anticipated cash flows to be incurred over approximately the next five years. The undiscounted and uninflated value of these obligations is $452,935 (US$350,310) (2021 – $447,888 (US$346,431)) calculated using a long-term inflation rate assumption of 5% for 2023 and 3% for 2024 to 2027 (2021 – 4.5% for 2021 and 1% for 2022 to 2027).

c. Liquidity Outlook and Risks

As at December 31, 2022, the Company had cash and cash equivalents of $2.6 million (2021 – $8.4 million), accumulated losses of $81.7 million (2021 – $75.8 million) and working capital[2] of $2.7 million (2021 – $8.1 million). As at April 24, 2023, the Company held cash of $1.4 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. In the fourth quarter of 2022 and first quarter of 2023, the Company has significantly reduced higher cost exploration and engineering activities and corporate expenditures to manage the cash balance. Similarly, the Company's budget for 2023 has been scaled to reflect a reduced burn-rate for expenditures. 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. 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 2022, or which may have a material effect going forward.

The Company leases office space and has one other lease which is considered a short-term lease and as such is included in the consolidated statement of loss and comprehensive loss and not the consolidated statement of financial position.

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

Commitments for minimum lease payments in relation to the lease are payable as follows:

Undiscounted lease payments		2022		2021
Not later than 1 year	$	-	$	59,572

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

		2022		2021
Opening balance	$	55,021	$	101,739
Interest expense		4,551		13,677
Interest paid		(4,551)		(13,677)
Payment of principal portion of lease liabilities		(55,021)		(46,718)
Balance, end of year	$	-	$	55,021

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 $279,829 (US$206,200 and $100,000 Guyanese dollars) (2021 – $261,818 (US$206,200)) reclamation site bond, held by the GGMC for exploration permits on the Eagle Mountain Gold Project.

Goldsource's subsidiary, Stronghold, holds a prospecting license on the Eagle Mountain Property ("EMPL"). 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. On August 19, 2022, the GGMC approved the first one-year renewal of the EMPL, which will expire on October 18, 2023. 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 2022, the Company entered into the following transactions with related parties:

a. Key management compensation

The Company's key management personnel have the authority and responsibility for planning, directing, and controlling the activities of the Company and include the Company's Chief Executive Officer ("CEO"), President, Vice President of Finance ("VP Finance"), Executive Chairman, and directors.

Key management personnel compensation is summarized as follows:

		2022		2021
Management remuneration[1]	$	673,500	$	691,042
Directors fees		60,000		45,000
Share-based compensation[2]		468,096		557,463
	$	1,201,596	$	1,293,505

[1] The Company paid management fees to companies controlled by the President and Executive Chairman and remuneration to the CEO and VP Finance. During 2022, management remuneration of $297,333 (2021 - $314,559) 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 2022, legal fees of $30,746 (2021 – $43,585), included in professional fees, and capital stock issuance costs of $Nil (2021 – $85,484) were paid to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner.

c. Other transactions

During 2022, the Company recognized share-based compensation of $Nil (2021 - $2,671) to Nathan Fier who is an immediate family member of the Executive Chairman. The share-based compensation incurred to this consultant was recorded as exploration and evaluation expenditures.

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 2022, the Company was allocated $85,893 (2021 – $118,162) for its share of these expenses, of which $25,120 (2021 – $29,408) was payable to SilverCrest at December 31, 2022.

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, and lease 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, 2022. Where material, these risks are reviewed and monitored by the Board of Directors.

9. OUTSTANDING SHARE CAPITAL

As of April 24, 2022, the Company had the following common shares, share purchase warrants and options issued and outstanding:

Issued & Outstanding Shares:			52,289,680
	$ per share	Expiry	
Warrants:	$1.10 - $1.40	May 20, 2023	6,080,715
Options:	$0.40 - $1.40	November 17, 2023 – December 15, 2027	3,752,500
Fully Diluted			62,122,895

10. RISK FACTORS

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

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

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

Risks Inherent in the Mining Business

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

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

No History of Earnings or Production Revenues

The Company has experienced losses from operations and expects to continue to incur losses for the foreseeable future. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures are likely to increase in future years as needed consultants, personnel, and equipment associated with advancing exploration, development and potentially, commercial production of its properties, are added. The 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 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 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 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, operate 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 2014 PEA 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 2014 PEA 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 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 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 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 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 CEO, President, 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 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 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, 2022, the Company pledged a $279,829 (US$206,200 and $100,000 Guyanese dollars) reclamation site bond to the GGMC for exploration permits on the Eagle Mountain Gold Project.