



**GOLDSOURCE
MINES INC.**

MANAGEMENT'S DISCUSSION & ANALYSIS

QUARTERLY HIGHLIGHTS

SEPTEMBER 30, 2018

1. OVERVIEW

Goldsource Mines Inc. (the “Company” or “Goldsource”) is headquartered in Vancouver, BC and its common shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol GXS. This Interim Management’s Discussion and Analysis – Quarterly Highlights (“Interim MD&A”) is an overview of all material information about the Company’s operations, liquidity and capital resources for the three and nine months ended September 30, 2018. The Interim MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2018 and 2017 and the related notes contained therein which have been prepared under International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board. The following should also be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2017 and 2016, and the related notes contained therein. All amounts are stated in Canadian dollars unless otherwise indicated. 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. All amounts are stated in Canadian dollars unless otherwise indicated.

The effective date of this Interim MD&A is November 23, 2018. This Interim MD&A contains forward looking information. Reference to “7. Cautionary Statements and Disclaimers” is advised.

2. HIGHLIGHTS

The Company’s key events and highlights during the nine months ended September 30, 2018 and to November 23, 2018 include the following:

a. Eagle Mountain Gold Project

Overview

The Company’s main focus is its Eagle Mountain Gold Project (“Eagle Mountain”) located on its 100% owned Eagle Mountain Property (the “Property”), which consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, South America.

Goldsource’s current objective is to increase saprolite resources to a minimum of 600,000 ounces grading 1.0 to 1.5 grams per tonne (“gpt”) gold (“Au”) with a strip ratio of less than 1:1 (waste:ore). 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 tpd, open pit gravity-cyanidation operation.

Currently, the Company’s resources¹ at Eagle Mountain 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 total saprolite resources as per above and re-categorize current saprolite resources from the Inferred category to the Indicated category, Goldsource has defined exploration targets within the Property and commenced a drill program as of May 2017.

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.

Eagle Mountain Activities

- During Q1, 2018, the Company entered into an option agreement to acquire a 100% interest in the Bishop Growler Property, located three kilometres along the mineralized trend from Eagle Mountain, by making total payments of US\$525,000 over three years, with an additional US\$500,000 due upon the exercise of the option. The first payment of \$92,775 (US\$75,000) was paid in March 2018 upon execution of a definitive agreement.
- In January 2018, the diamond drill rig, which was purchased in Q3, 2017, became operational and was added to the Eagle Mountain exploration program. The Company's expansion drilling and trenching program includes the Bishop Growler Property, the Salbora Area (discovered in May, 2018), the Coolie Area and other targets. To Q3, 2018, the Company drilled an additional 110 Geoprobe "Sonic" drill core holes, 39 diamond drill core holes, and 230 auger holes. From May 2017 to September 30, 2018, the Company has drilled a cumulative 229 Geoprobe core holes, 39 diamond core holes, and 456 auger holes over 4,998 metres and sampled 35 trenches over 836 metres. Refer to "2018 Drilling and Trenching Summary" section below.
- The Company reported high metallurgical recoveries and positive grinding cost-benefit analysis at Eagle Mountain. The metallurgical results show an average gold recovery of 96.7%, of which 24.4% of the recovery was from gravity tests and the remaining recovery was through cyanidation. The metallurgical testwork was conducted by SGS Canada Inc. at Lakefield, Ontario under the supervision of Tetra Tech Inc. ("Tetra Tech"). The Company has retained the services of Tetra Tech, an independent Vancouver based company to complete a PFS for a potential large-scale open pit, gravity-cyanidation operation at Eagle Mountain. Refer to the Company's news releases dated May 17, 2018 and September 13, 2018 for more information.

2018 Drilling and Trenching Summary

- A summary of completed drill-holes and trenches from May 2017 to September 30, 2018 is as follows:

Time Period and Type of Drilling	Number of Holes or Trenches	Metres
<i>2017 Program (May to December)</i>		
Geoprobe Core Drilling	119	1,172
Auger Drilling	226	830
<i>2018 Program (January to September)</i>		
Diamond Core Drilling	46	1,650
Geoprobe Core Drilling	128	1,469
Auger Drilling	336	1,036
Sampling along Trenches	42	1,345
<i>Total Program to September 30, 2018</i>		
Total Core Drilling	293	4,291
Total Auger Drilling	562	1,866
Total Trenching	42	1,345

- The Company announced initial drill results for its drill program on August 28, 2017; November 16, 2017; May 24, 2018; July 12, 2018; and October 25, 2018. The most significant results from initial drilling and trenching are:
 - Hole EMCR17-32, with 19.0 metres grading 3.04 gpt gold;
 - Hole EMCR17-06, with 6.7 metres grading 7.51 gpt gold;
 - Hole EMCR17-26, with 12.0 metres grading 1.31 gpt gold;
 - Hole EMCR17-83, with 11.0 metres grading 1.99 gpt gold;
 - Hole EMCR17-86, with 10.5 metres grading 1.35 gpt gold;
 - Hole EMD18-011, with 6.0 metres grading 1.51 gpt gold;
 - Hole EMD18-018, with 21.4 metres grading 1.22 gpt gold;
 - Hole EMC18-057, with 8.0 metres grading 2.65 gpt gold;
 - Hole EMC18-066, with 2.0 metres grading 87.51 gpt gold;
 - Hole EMC18-085, with 1.0 metre grading 13.60 gpt gold;
 - Hole EMC18-094, with 17.0 metre grading 1.85 gpt gold;
 - Hole EMC18-095, with 15.0 metres grading 3.84 gpt gold;
 - Trench TRSB18-002, with 123.0 metres (horizontal width) grading 1.92 gpt gold;
 - Trench TRSB18-005, with 28.0 metres (horizontal width) grading 2.88 gpt gold; and
 - Trench TRSB18-011, with 37.0 metres (horizontal width) grading 1.70 gpt gold.

- For more information on the above drill results, please refer to the August 28, 2017; November 16, 2017; May 24, 2018; July 12, 2018; and October 25, 2018 news releases available on Goldsource's website www.goldsourcemines.com.
- From October 1, 2018 to November 23, 2018, the Company completed diamond drilling in 5 holes for 309 metres, geoprobe core drilling in 28 holes for 270 metres, auger drilling in 50 holes for 167 metres, and trenching in 4 trenches for 225 horizontal metres; assays were not available for these holes or trenches as at the date of this Interim MD&A.
- Given the success of the exploration program to date, the Company has extended its drill program to follow up on newly discovered mineralized saprolite areas, at a minimum of 1,500 metres. Subsequent to completion of this drilling program, the Company plans to release an updated resource estimate in H1, 2019.
- The company is in the process of renewing its Eagle Mountain prospecting license, which is due to expire in October 2019.

b. Corporate

The Company's 2018 corporate highlights since January 1, 2018, are as follows:

- In January 2018, the Company completed a private placement of 36,418,000 units at a price of \$0.05 per unit for gross proceeds of \$1.8 million, of which \$126,000 was received prior to December 31, 2017. Each unit consisted of one common share and one common share purchase warrant of Goldsource, with each warrant being exercisable for one common share of Goldsource at a price of \$0.10 per share until January 18, 2020. Finder's fees totaling \$51,930 were paid in connection with the private placement, of which \$39,930 was paid in cash. The remaining \$12,000 was paid with 240,000 units at a price of \$0.05 per unit. Each unit consisted of one common share and one warrant, which are exercisable on the same terms as those issued in the private placement except that they are non-transferrable. Proceeds from the private placement have been used for the Company's Eagle Mountain resource expansion, PFS costs, and general corporate purposes.
- In January 2018, Goldsource granted 1,800,000 stock options to directors, officers, employees, and consultants that can be exercised at a price of \$0.10 per share until January 31, 2023. These stock options vest immediately except for 100,000, 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, respectively.
- In February 2018, the Company announced that N. Eric Fier, a Director and the Chief Operating Officer ("COO") of the Company had also been appointed as the Executive Chairman of the Board of Directors. The former Chairman of the Board of Directors, Graham Thody, remained an Independent Director and Chairman of the Audit Committee of Goldsource and was appointed Lead Director of the Company.
- On May 31, 2018, Goldsource held its Annual General Meeting of Shareholders ("AGM") in Vancouver, BC. Shareholders voted in favour of all items of business, including fixing the number of directors at four and the reelection 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 Chief Operating Officer, Mr. Tsitos as President, Nicholas Campbell as Chief Financial Officer, Bernard Poznanski as Corporate Secretary, and Mr. Thody as Lead director.
- During Q2, 2018, 250,000 stock options expired unexercised.
- In August 2018, the Company completed a private placement of 18,294,544 units at a price of \$0.055 per unit for gross proceeds of 1,006,200. Each unit consisted of one common share and one-half common share purchase warrant of Goldsource. Each warrant entitles the holder to purchase one common share at a price of \$0.09 until August 10, 2020. In connection with the private placement, the Company incurred \$22,927 in capital stock issuance costs. The proceeds from this private placement has been and continues to be used of the Company's Eagle Mountain resource expansion, PFS costs and general corporate purposes.
- At November 23, 2018, the Company had cash of approximately \$152,000. See section 4. Liquidity and Capital Resources, for more information.

3. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

During the three and nine months ended September 30, 2018, net loss and comprehensive losses were \$917,637 and \$2,832,944, respectively, compared to \$845,437 and \$2,796,173 for the same periods in 2017. The principal differences and significant amounts to note are as follows:

- Exploration and evaluation expenditures increased to \$733,349 (Q3, 2017 – \$609,299) during Q3, 2018, for a total of \$2,137,827 during the first nine months of 2018 (first nine months of 2017 – \$1,813,838). This difference was due to increased exploration activity at the Eagle Mountain Gold Project as the Company focused work on expanding the Company's saprolite resource through drilling. During the first nine months of 2018, when compared to the same period in 2017, the Company increased assay costs by \$99,755, camp costs by 75,295, drilling by \$95,773 and salaries by \$49,146. These increases were offset by the decrease in operations and general by \$66,146, sales of gold by \$87,352, and technical services and consulting by \$36,723.
- Remuneration expense increased to \$85,141 (Q3, 2017 – \$62,184) during Q3, 2018, for a total of \$261,927 during the first nine months of 2018 (first nine months of 2017 – \$291,926). The change was primarily from the increase in allocation of corporate staff time that was shared between the Company and SilverCrest Metals Inc. ("SilverCrest") in 2018.
- Share-based compensation decreased to \$1,233 (Q3, 2017 – \$3,587) during Q3, 2018, for a total of \$115,831 during the first nine months of 2018 (first nine months of 2017 – \$213,962). The Company granted 1,800,000 (first nine months of 2017 – 2,525,000) incentive stock options during the first nine months of 2018, with a weighted average fair value per option granted of \$0.07 (first nine months of 2017 – \$0.16) for total value of \$131,675 (to Q3, 2017 – \$245,364).
- Tradeshow and travel expense decreased to \$nil (Q3, 2017 - \$25,159) during Q3, 2018, for a total of \$16,096 during the first nine months of 2018 (first nine months of 2017 - \$53,457). The change was primarily due to fewer tradeshow attended in Q2 and none attended in Q3 2018.
- Foreign exchange loss decreased to \$7,990 (Q3, 2017 – 48,105) during Q3 2018, for a total foreign exchange gain of \$6,038 during the first nine months of 2018 (first nine months of 2017 - \$81,787). The change was primarily due to more favorable exchange rates over the course of the year as compared to 2017.

4. LIQUIDITY AND CAPITAL RESOURCES

a. Assets

At September 30, 2018, Goldsource held cash and cash equivalents of \$559,257 (December 31, 2017 – \$268,849). Goldsource continues to monitor cash resources against anticipated expenditures associated with advancing Eagle Mountain. Other current assets totalling \$85,501 consist primarily of prepaid expenses of \$48,144 and amounts receivables of \$34,400 (December 31, 2017 – \$86,888 and \$21,287 respectively).

The Company has a deposit of \$253,048 (US\$194,540) which is pledged as a reclamation site bond in the form of a non-interest-bearing bank guarantee deposit to the Guyana Geology and Mines Commission for exploration permits on the Property.

Mineral property increased to \$6,668,283 (December 31, 2017 – \$6,575,508) as the Company entered into an agreement to acquire a 100% interest in the Bishop Growler Property (see section 2. Highlights, above, and Note 4 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2018).

Property, plant and equipment decreased to \$3,695,131 (December 31, 2017 – \$4,330,903), primarily due to depreciation offsetting equipment purchases. The significant additions during the nine months ended September 30, 2018 were the purchase of additional equipment for the portable sonic drill rig, and other equipment, totalling \$38,642. In comparison, during the nine months ended September 30, 2017, significant additions included the purchase and installation of the Krebs cyclone, Marok pump, and other equipment totalling \$264,493.

b. Liabilities

At September 30, 2018, current liabilities include accounts payable and accrued liabilities of \$253,446 (December 31, 2017 – \$352,018), which relate to various contractual commitments in the normal course of business. A promissory note of \$100,000 outstanding as of December 31, 2017 was fully repaid in January 2018.

As at September 30, 2018, the Company recorded rehabilitation provision of \$406,464 (December 31, 2017 – \$380,712), which was also included in property, plant and equipment. The present value of the rehabilitation provision, using an effective discount rate of 5% (December 31, 2017 – 5%), is currently estimated at \$406,464 (US\$271,656) (December 31, 2017 – \$380,712 (US\$262,515)), reflecting anticipated cash flows to be incurred over approximately the next four years. The undiscounted value of these obligations is \$417,586 (US\$323,250) (December 31, 2017 – \$410,828 (US\$318,000)), calculated using a long-term inflation rate assumption of 2.4% (December 31, 2017 – 2.1%).

c. Liquidity Outlook and Risks

As at September 30, 2018, the Company had cash and cash equivalents of \$559,257 (December 31, 2017 – \$268,849), accumulated losses of \$50.6 million (December 31, 2017 – \$47.9 million) and working capital of \$390,862 (December 31, 2017 – deficiency of \$62,814). The Company will require substantial additional funds to maintain its operations and meet its working capital requirements in the immediate future. These factors represent a material uncertainty that may cast a significant doubt about the Company's ability to continue as a going concern. Please refer to Note 1 of the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2018.

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 and development programs, 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, successfully renew its Eagle Mountain Prospecting License, profitably operate Eagle Mountain, and discover additional 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 to Q3, 2018, or which may have a material effect going forward.

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

	2019	2020	2021	2022	2023
Office lease	60,132	60,132	60,132	60,132	35,077

6. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2018, the Company entered into the following transactions with related parties:

Legal fees

Legal fees of \$20,237 (September 30, 2017 – \$17,147), included in professional fees, legal fees of \$737 (September 30, 2017 – \$Nil), capitalized as acquisition costs, and capital stock issuance costs of \$54,521 (September 30, 2017 – \$45,396) were paid or accrued to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner, of which \$30,994 (December 31, 2017 – \$12,782) was payable at September 30, 2018.

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 Chief Financial Officer ("CFO"). Key management personnel compensation is summarized as follows:

	Nine months ended September 30, 2018	Nine months ended September 30, 2017
Management remuneration ⁽¹⁾	\$ 167,625	\$ 160,729
Share-based compensation ⁽²⁾	92,778	186,428
	\$ 260,403	\$ 347,157

⁽¹⁾ During the nine months ended September 30, 2018, the Company paid management fees to companies controlled by the COO and the President of the Company, and paid remuneration and short-term benefits to the CFO. During the nine months ended September 30, 2017, the Company paid management fees to companies controlled by the CFO and the President of the Company.

⁽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.

Other transactions

The Company paid remuneration of \$2,625 (September 30, 2017 – \$26,559) and recognized share-based compensation of \$4,862 (September 30, 2017 – \$6,778) to an employee, (Nathan Fier), who is an immediate family member of the COO. Remuneration and share-based payments incurred to this employee 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, Graham Thody, and Nicholas Campbell), whereby the Company shares salaries, administrative services, and other reimbursable expenses. During the nine months ended September 30, 2018, the Company was allocated \$87,418 (September 30, 2017 – \$136,284) for its share of these expenses, of which \$41,420 (December 31, 2017 – \$61,104) was payable to SilverCrest at September 30, 2018.

During the nine months ended September 30, 2018, the Company fully repaid a promissory note to a company controlled by the Company's COO. During the nine months ended September 30, 2017, the Company incurred interest costs of \$22,443 on, and fully repaid, the Loan with Mitan, a company controlled by a former director of the Company.

7. CAUTIONARY STATEMENTS AND DISCLAIMERS**a. Risk Factors**

In addition to liquidity risks described in section 4, readers of this Interim MD&A are directed to read the "Risk Factors" contained in the Company's Annual MD&A dated April 4, 2018, available on www.goldsourcemines.com and under the Company's SEDAR profile on www.sedar.com. Important risk factors to consider among others are:

- Risks inherent in the mining business;
- No history of operations or earnings;
- Licenses and permits;
- Mineral resource estimates;
- Mining capital and operating costs;
- Financing risks;
- Key employees; and
- Environmental risks and hazards.

b. Forward-Looking Statement

This Interim MD&A contains "forward-looking statements" within the meaning of Canadian securities legislation. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. In particular, the Interim MD&A contains forward-looking statements pertaining to the following: exploration and drilling programs at Eagle Mountain and Bishop Growler; 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; information with respect 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; accuracy of the interpretations and assumptions used in calculating inferred mineral resource estimates; availability of mining equipment; availability of skilled labour; timing and amount of capital expenditures; 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 Interim MD&A: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties; the interpretation of drilling results and other geological data; the uncertainties of resource estimations; 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 Interim MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

c. Qualified Person

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