



GoldsourcE Files Positive Preliminary Assessment Report for the Border Coal Project

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For Immediate Release

VANCOUVER, B.C. March 17, 2011 – GoldsourcE Mines Inc. (“GoldsourcE” or the “Company”) is pleased to report that its Preliminary Assessment (“PA”) NI 43-101 Technical Report for its Border Coal Project in Saskatchewan has been filed on SEDAR (www.sedar.com). As previously reported in a press release dated February 28, 2010, the results are positive based on preliminary economics for a coal to liquids (CTL) conversion process. This report was prepared by Marston Consultants of Calgary (“Marston”) and EBA Engineering Consultants of Vancouver (a Tetra Tech Company, “EBA”).

J. Scott Drever, President stated: “We are excited by the fact that our preliminary assessment showed a positive rate of return at this stage using an existing commercial process known to have high capital and operating costs. This is a clear indication that by making potential improvements in capital and operating costs, which may be possible through emerging technologies, we should be able to develop a system to monetize the value our coal asset and future energy source. Major capital projects such as this often require a combination of favorable investment climate, timing, commodity pricing and technology changes to demonstrate rates of return commensurate with the capital at risk. We believe that this combination of circumstances is achievable. We intend to pursue the recommendations of the report, in particular those relating to test work for alternative technologies. We recognize that the project requires a special expertise and financial capacity to bring it to fruition and will actively seek out a participant with these capabilities.”

Coal to Liquids Project Economic Parameters

Marston relied on CTL sources for the capital cost estimates associated with the coal to liquids facility. The total installed cost of the facility has been estimated to be \$1.94 billion and was allocated over five years with commencement depending on the rate of advancement of Pre-Feasibility and Feasibility studies. There would be an additional \$90 million dollars of sustaining capital required over the life the project. All capital and operating costs are to a Preliminary Assessment level and were established using quotes, experience, and factored industry standard numbers. Costs are to a +/-30% accuracy as are typical for this level of evaluation. Under the assumptions of the economic model and using a 5% discount rate, the discounted **Net Present Value of the project is estimated to be \$256 million.**

Under the assumptions of this Preliminary Assessment, the project will produce approximately 6.45 billion gallons of saleable products at production rates of approximately 14,000 barrels per day. With assumed market prices of \$2.25 per gallon for diesel and \$2.11 and \$1.29 per gallon for naptha and LPG/propane respectively, the estimated annual product revenues average \$425 million/year with estimated operating costs of approximately \$266 million/year. Based on the pro-forma development plan, technology for upgrading, and estimated costs of operations, the project generates a positive pre-tax internal rate of return of approximately 6.3% and a payback period of 13 years with a minimum project life of 30 years. Sensitivity analyses show that the project rate of return is much more sensitive to changes in revenue (product prices) than either operating or capital costs.

Marston, EBA and other independent qualified representatives conclude that, based upon this PA, development of the Border Coal project has the potential to be technically and economically feasible. The following recommendations were made to advance the project toward a Pre-Feasibility Study (PFS) level:

- Consider coal liquefaction (CTL) processes which are based on standard petroleum refinery technologies to convert coal to liquids, in particular to high value transportation fuels.
- Complete bulk sampling of 5-10 tonnes to test CTL technologies, to develop or refine plant design, produce an updated product slate and product yield estimates and update the capital and operating cost estimates.

- A rigorous marketing study is recommended to determine the impact of bringing these products, in the projected quantities, to the marketplace.
- Consider locating the processing facilities closer to the Province's main natural gas transmission and other product pipelines in southern Saskatchewan. This may provide an economic benefit on the cost side as well as possibly providing easier access to the market for the finished products.
- Consider several potential CTL technologies that could be used to monetize the Border resource, such as the Quantex Energy Inc. (Quantex) of Calgary, AB, CTL processing or the Synthesis Energy Systems ("SES") gasification processing which may have significantly lower capital and operating costs. These processes however, require further testing before being demonstrated as a proven commercial technology.

On-site power generation is still considered an alternative use for Border coal for energy production. However, the Border coals contain moderate to high amounts of sodium which causes problems (fouling) with coal-fired generators. Reduction in sodium may be possible with further test work. The PA recommends using of part of the bulk sample to carry testwork for sodium and sulphur reduction.

Based on the revised coal resources (see below), the project contemplates mining coal at a rate of 3.0 million raw tonnes per year (1.8 million clean tonnes per year) over a 30 year life. The proposed operations would produce just over 90 million tonnes (Mt) of run-of-mine (ROM) coal with clean coal production of about 54 Mt.

Resource Estimates

The revised resource estimates show a conversion of approximately 20% of the Inferred resources to the Indicated category with substantial additions to the speculative category. Decreases in the inferred category were due mainly to stricter definition of deposit boundaries provided by detailed airborne gravity surveys. The addition of the Niska 105 deposit accounted for much of the increase to the speculative category. There are a number of priority targets yet to be tested that could add to the overall resource base of the area.

REVISED COAL RESOURCES AT THE BORDER PROJECT		
Category	2009 (000's Tonnes)	2011 (000's Tonnes)
Indicated	63,500	79,161
Inferred	89,600	33,003
Speculative	18,700	61,183

The Company expects to carry out the following recommended work on Border Coal Project:

- collect a cumulative 5-10 tonne coal bulk sample from Pasquia 2, Chemong 3 and Niska 107 by way of large diameter drilling,
- do coal to liquids laboratory test work and sodium and sulphur reduction testing,
- drill to convert Speculative resources to Indicated for several of the Border deposits and,
- drill several new exploration targets including the Pasquia 98 basin and Red Deer basin for potential increased resources. Significant potential exists for additional coal resources which can possibly increase mine life and decrease capital and operating costs.
- compile the results of this bulk sample program and previous work into a PFS to be targeted for completion in 2012 and continue collecting environmental baseline data during 2011.

The estimated cost to complete the exploration and bulk sampling and testing program prior to a pre-feasibility study is US\$3 million.

The assessment is preliminary in nature and the economic analysis includes inferred resources that are considered too speculative geologically to have economic considerations applied to them in order to be categorized as mineral reserves. The mineral resources utilized in the study are not reserves and do not have economic implications. There is no certainty that the results of this preliminary assessment will be realized. This report complies with NI 43-101 standards.

Lara Reggin, P.Geo., Engineering Geologist and Project Director, EBA Engineering Consultants Ltd., Mohammed Dadmanesh, P.Eng., Mining Engineer and Project Manager, EBA Engineering Consultants Ltd, and James McQuaid P.Eng., Mining Engineer and Vice President of Marston Canada Ltd. are the Qualified Persons for this news release and have reviewed and approved its contents.

Goldsource Mines Inc. is a Canadian resource company engaged in the exploration and development of Canada's newest coal field in the province of Saskatchewan. The Company has aggressively drilled only a portion of this new thermal coal field and has discovered 17 coal deposits of varying size with coal zone thicknesses up to 126 meters within the permit area of the Border Coal Project. Headquartered in Vancouver, BC, the Company is well financed and is managed by experienced mining and business professionals.

This news release contains forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. The Company's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: 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 and reserve estimations, receipt and security of coal permits and mineral property titles; project cost overruns or unanticipated costs and expenses, fluctuations in commodity product prices; currency fluctuations; 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, undue reliance should not be placed on forward-looking statements.

"J. Scott Drever"

**J. Scott Drever, President
GOLDSOURCE MINES INC.**

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