



## **Goldsource Mines and Eagle Mountain Gold Announce Proposed Business Combination**

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**November 26, 2013** - Goldsource Mines Inc. (TSX-V: GXS) (FWB: G5M) (“**Goldsource**”) and Eagle Mountain Gold Corp. (TSX-V: Z) (FWB: E9X) (OTCQX: EMGCF) (“**Eagle Mountain**”) are pleased to announce that they have signed an agreement dated November 25, 2013 (“**Letter Agreement**”) for a business combination of the two companies.

Eagle Mountain is working to advance its Eagle Mountain gold project in Guyana, South America. This project has an existing NI 43-101 compliant resource of 188,000 indicated ounces and 792,000 inferred ounces of gold located on 250 hectares of the 5,050-hectare prospecting license (“PL”) with excellent potential for expansion of resources and nearby initial infrastructure for development. An estimated 40% of the gold resource is considered mineralized saprolite which will be the initial focus of development with the remaining 60% as fresh rock. The saprolite and fresh rock both remain open laterally and to depth, showing strong mineralization along defined edges. Outcropping mineralized saprolite is potentially suitable for initial low cost - low strip ratio open pit mining and gravity processing.

Goldsource is a company engaged in the exploration and development of its new coal field in the Province of Saskatchewan. It has aggressively drilled only a portion of this new thermal coal field and has discovered 17 coal deposits of various sizes with coal zone thicknesses up to 126 metres within the permit area of the Border Coal Project. This project has a NI 43-101 compliant indicated resource of 117 million tonnes of coal and an inferred resource of 33 million tonnes of coal.

The proposed transaction will, in the opinion of management of both companies, provide the combined company with several key advantages to rapidly advance the Eagle Mountain gold project:

- Strong management with development, operational and Guyana experience.
- Management with ability to finance in difficult markets through a proven successful business model used on previous projects.
- Potential for phased development and production in current saprolite resources with consideration for future fresh rock expansion.
- Potential for a “fast tracked” phased production start-up with low capital and operating costs.

**J. Scott Drever, President of Goldsource stated:** “The proposed transaction with Eagle is the opportunity that Goldsource has been seeking for some time. It matches our management skill sets with a gold deposit that can be brought into initial production in a short period of time with minimal capital and low production costs per ounce. We will take a phased approach business model with incremental increases in production at reasonable capital costs with cash flow being directed towards the development of larger facilities and increased production levels.”

**Ioannis (Yannis) Tsitos, President & CEO of Eagle Mountain Gold stated:** “Our Board and myself are very pleased to have concluded this agreement with Goldsource Mines Inc. This proposed “merger of equals” is the most important milestone in our corporate history to date. In such difficult economic times for the mining industry, this transaction is proof of the inherent value of the Eagle Mountain gold deposit. With such an asset base and a recommended Board and Management team with such financial and mining expertise, we are confident that we will serve the new company very well in its future development activities. Eagle Mountain Gold, and now the new Goldsource team share a desire to be part of a development, which will not only create value for the merged companies’ shareholders, but one that can also make important contributions to the development of Guyana and the well-being of the Guyanese people.”

Pursuant to the business combination, Eagle Mountain will amalgamate with a wholly-owned subsidiary of Goldsource. Goldsource will issue that number of common shares to shareholders of Eagle Mountain equal to 100% of the issued and outstanding, shares of Goldsource at the date of closing such that, following closing but prior to completion of the Equity Finance (see below), 50% of the outstanding common shares of Goldsource will be held by former Eagle Mountain shareholders and 50% of the outstanding common shares of Goldsource will be held by Goldsource shareholders.

Based on the number of common shares of Goldsource currently outstanding (27,033,729) and the number of common shares of Eagle Mountain currently outstanding (50,402,805), subject to adjustments at closing, this would result in an exchange ratio of 0.53635 Goldsource common shares in respect of each Eagle Mountain share (“**Initial Exchange Ratio**”).

The Letter Agreement also provides for the following:

- Within five business days of the Letter Agreement, Goldsource will lend to Eagle Mountain \$50,000 to be used by Eagle Mountain for specified expenditures.
- Goldsource and Eagle Mountain are each required to raise by way of equity private placement (“**Initial Placements**”) prior to December 15, 2013 not less than \$250,000, and the Initial Exchange Ratio will be adjusted to account for the Initial Placements.
- Unless otherwise determined before closing, the name for the publicly traded combined entity following closing will be Goldsource Mines Inc.
- Goldsource is required to complete an equity financing (“**Equity Finance**”) effective upon closing of the Business Combination for a minimum of \$1.5 million to be comprised of common shares and warrants of Goldsource. The Equity Finance will not be included in calculation of the Initial Exchange Ratio and will not exceed 25% of the outstanding common shares of Goldsource calculated on a fully diluted basis following completion of the Business Combination and Equity Finance.
- If the Business Combination is completed, it is anticipated that Goldsource will have a total of 54,067,458 common shares issued and outstanding, subject to adjustment for the Placements. Assuming completion of the minimum amount of Equity Finance, Goldsource will have approximately \$2.0 million in cash and cash equivalents following closing.

The boards of directors of both companies have unanimously approved the Letter Agreement. Pursuant to the Letter Agreement, each company has agreed not to solicit third party interest in alternative transactions. Each company has also agreed to pay a \$250,000 break fee to the other if it terminates the Letter Agreement to accept a superior proposal.

The proposed transaction is subject to confirmatory due diligence, the negotiated settlement and execution of a definitive agreement, regulatory approvals including approval of the TSX Venture Exchange, the approval of Eagle Mountain shareholders, the approval of the shareholders of Goldsource, if required, and other customary conditions. Subject to the satisfaction of these conditions, the Business Combination is expected to be completed on or before January 31, 2014 or such later date as may be agreed by the parties. However, there can be no assurance that the conditions will be satisfied or that the proposed transaction will be completed as proposed, if at all.

Upon completion of the Business Combination, the board of directors of Goldsource will be reorganized to consist of five directors, three of which are on the current Goldsource board (J. Scott Drever, Steven B. Simpson and Graham C. Thody) and one of which is on the current Eagle Mountain board (Ioannis Tsitos) and one of which is an independent nominee of Eagle Mountain (Jonathan Dubois-Phillips).

### **J. Scott Drever, Director and CEO**

Mr. Drever has plus 40 years of international experience in mineral exploration and development and mining operations. Mr. Drever has served as an executive officer and director of a number of public companies listed on the TSX and the TSX Venture Exchange including the Dome Mines Group, Placer Dome Ltd., Blackdome Mining Corporation, DiamondWorks Ltd. and SilverCrest Mines Inc.. Mr. Drever has extensive experience with international mining corporations in corporate management, strategic planning, finance and corporate development.

### **Ioannis (Yannis) Tsitos, Director and President**

Mr. Tsitos has over 28 years experience in the Mining Industry, having spent 19 years with BHP Billiton group. He has lived and worked in South Africa, Ecuador, Greece and United Kingdom, and has been working in Canada since 2000. Originally a physicist-geophysicist, he left BHP Billiton in December 2007, where he had the title of New Business Manager for Minerals Exploration. He holds a B.Sc. degree in Physics from the University of Athens and a Master's degree in Applied Geophysics and Geology from the University of Birmingham, U.K. In addition, he has done management and finance studies as part of an MBA program with Herriot Watt University, Edinburgh. Mr. Tsitos brings to the Company a wealth of knowledge and extensive experience in the mining sector focused on exploration and development for a wide spectrum of commodities, from gold, base metals, nickel and diamonds to bulk minerals such as bauxite, coal and iron ore. He has done business in 32 countries. He has been instrumental in the identification, negotiation and execution of more than 50 exploration & mining agreements with juniors, majors, as well as with state exploration and mining companies. Mr. Tsitos has also been part of two discovery teams with BHP Billiton in porphyry-copper and nickel-sulphide deposits. He is currently a Director of First Bauxite Corporation and Kensington Court Ventures Inc.

### **Graham C. Thody, Independent Director and Chairman**

Mr. Thody is a member of the British Columbia Institute of Chartered Accountants ("BCICA") as well as the Canadian Institute of Chartered Accountants. He served as a member of the BCICA By-Laws Committee for several years. Mr. Thody has also served as a Director and Executive Member of the Lions Gate Hospital Foundation, as well as the Chair of their Finance Committee. He holds a bachelor of Commerce degree (Marketing) from the University of British Columbia. He was a Partner of Nemeth Thody Anderson, Chartered Accountants of Vancouver BC from 1979 to 2007. His practice focused on audits of reporting companies, participation in the Initial Public Offering Process, corporate mergers and acquisitions as well as domestic and international tax matters. He is currently a director of several reporting corporations which are involved in mining exploration and development throughout North, Central and South America.

### **Steven B. Simpson, Independent Director**

Mr. Simpson has been an Australian certified practicing accountant (CPA) since 1977. He is also a Chartered Secretary and member of the Institute of Directors. He is a Commerce graduate from the University of New South Wales and is a former partner of Price Waterhouse (now PriceWaterhouseCoopers LLP) in both the Australian and Asian markets. Mr. Simpson sits on the board of publicly listed companies and is a member of audit committees in Singapore for such companies. Mr. Simpson is a principal of Triton Advisory Group, a mergers and acquisitions, fixed income trading, asset management and corporate advisory group located in Singapore.

### **Jonathan Dubois-Phillips, Independent Director**

Jonathan Dubois-Phillips is a finance professional with a successful career spanning Asia, North America, and Europe. In his most recent role, Mr. Phillips was Managing Director Finance, for Ivanhoe Capital Corporation. Based in Vancouver and with responsibilities in Hong Kong, he worked on finance matters for the founder's publicly traded and privately held companies. He is a former investment banker who spent more than eight years with Lehman Brothers in the Principal Transactions/Global Real Estate Group. While at Lehman, Jonathan was involved in over US\$10 billion of real estate debt and equity transactions, investing the firm's balance sheet. Post-Lehman, Jonathan moved to Nomura International, Japan's largest investment bank, when Nomura acquired Lehman's key Asian personnel. At Nomura, Jonathan was a Managing Director in the Asset Finance group based in Hong Kong. Jonathan has a Masters of Business Administration from INSEAD, and a Bachelor of Commerce from the University of British Columbia in Urban Land Economics.

### **Barney Magnusson, Chief Financial Officer**

Barney Magnusson has more than 30 years of experience in corporate finance and public company management. Mr. Magnusson is a former Senior Officer and Director of three mining companies that developed producing mines: Dayton Mines Inc. (Chile), High River Gold Mines Ltd. (Manitoba, Canada) and Brohm Resources Inc. (South Dakota, USA). He is currently CFO of SilverCrest Mines Inc. He has dealt extensively with international finance and investment communities.

### **N. Eric Fier, CPG, P.Eng, Chief Operating Officer**

N. Eric Fier is a Certified Professional Geologist (USA) and Engineer (Canada) with over 25 years of experience in the international mining industry including exploration, acquisition, development and production of numerous mining projects in Guyana, Chile, Brazil, Central America, Mexico and Peru.. He has in-depth knowledge of project evaluation and management, reserve estimation and economic analysis, construction, as well as operations management. Mr. Fier previously worked as Chief Geologist with Pegasus Gold Corp., Senior Engineer & Manager with Newmont Mining Corp. and Project Manager with Eldorado Gold Corp. and is currently President and COO of SilverCrest Mines Inc. Mr. Fier served as a principal consultant for Goldsource's Saskatchewan Border coal project before his appointment to COO.

The current executive officers of Goldsource will remain in place and Mr. Ioannis Tsitos of Eagle Mountain will be appointed President such that executive management will be as follows:

J. Scott Drever	-	Chief Executive Officer
Ioannis (Yannis) Tsitos	-	President
N. Eric Fier	-	Chief Operating Officer
Barney Magnusson	-	Chief Financial Officer

Further information on the proposed transaction is anticipated to be included in an information circular to be sent to the shareholders of Eagle Mountain and if required, Goldsource.

**For Further Information:**

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**FORWARD-LOOKING STATEMENTS**

*This news release contains “forward-looking statements” within the meaning of Canadian securities legislation. Such forward-looking statements concern Goldsource and Eagle Mountain’s (the “Company’s”) anticipated results and developments in the Company’s operations in future periods, planned exploration and development of the Eagle Mountain project, plans related to its business and other matters that may occur in the future. These statements relate to analyses and other information that are based on expectations of future performance, including silver and gold production and planned work programs. Statements concerning mineral resource estimates may also constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the Eagle Mountain property is developed.*

*Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation: risks related to precious and base metal price fluctuations; risks related to fluctuations in the currency markets (particularly the Guyanese dollar, Canadian dollar and United States dollar); risks related to the inherently dangerous activity of mining, including conditions or events beyond control of the Company, and operating or technical difficulties in mineral exploration, development and mining activities; uncertainty in the Company’s ability to raise financing and fund the development of the Eagle Mountain project; uncertainty as to actual capital costs, operating costs, production and economic returns, and uncertainty that development activities will result in a profitable mining operation at Eagle Mountain; risks related to mineral resource figures being estimates based on interpretations and assumptions; risks related to governmental regulations and obtaining necessary licenses and permits; risks related to the business being subject to environmental laws and regulations; risks relating to inadequate insurance or inability to obtain insurance; risks related to potential litigation; risks related to the global economy; risks related to the Eagle Mountain project being located in Guyana, including political, economic, social and regulatory instability. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking statements. The Company’s forward-looking statements are based on beliefs, expectations and opinions of management on the date the statements are made. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.*

*The information provided in this news release is not intended to be a comprehensive review of all matters and developments concerning either Goldsource or Eagle Mountain. It should be read in conjunction with all other disclosure documents of the two Companies. The information contained herein is not a substitute for detailed investigation or analysis.*