GOLDSOURCE MINES INC.

FINANCIAL STATEMENTS

(*Prepared by Management*)

MARCH 31, 2008

FIRST QUARTER

Notice of no Auditor review of Financial Statements.

The accompanying unaudited financial statements of the company have been prepared by and are the responsibility of the company's management.

The company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of financial statements by an entity's auditor.

GOLDSOURCE MINES INC.
BALANCE SHEETS
(Unaudited - Prepared by Management)

	March 31, 2008	December 31, 2007 (audited)
ASSETS	$	$
Current		
Cash and cash equivalents	23,872	9,625
Short term investments (note 3)	3,685,981	3,799,238
Amounts receivable and prepaid expenses	20,388	16,128
	3,730,241	3,824,991
Mineral properties		
Mineral property interests (note 4)	4,504,283	4,083,789
	$ 8,234,524	$ 7,908,780
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 395,951	$ 29,307
Future Income Taxes	643,316	643,316
Shareholders' Equity		
Share capital (note 6)	8,918,024	8,918,024
Contributed surplus (note 6)	4,779,299	4,779,299
Deficit	(6,502,066)	(6,461,166)
Total Shareholders' Equity	7,195,257	7,236,157
	$ 8,234,524	$ 7,908,780

Subsequent events (note 8)

See accompanying notes

On behalf of the Board:

"J. Scott Drever" Director
DIRECTOR'S SIGNATURE

"Graham C. Thody" Director
DIRECTOR'S SIGNATURE

GOLDSOURCE MINES INC.
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited - Prepared by Management)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
EXPENSES		
Administrative services	$ 9,400	$ 10,300
Management fees	22,500	22,500
Office and general	6,476	4,681
Professional fees	18,650	15,341
Rent and telephone	6,483	5,940
Shareholder communications	3,240	-
Stock-based compensation (note 6)	-	4,688
Trade shows and conferences	2,747	4,247
Transfer agent and regulatory fees	5,682	4,660
Travel	2,598	-
Loss before other items	77,776	72,357
Other items		
Interest income	(36,876)	(41,102)
Net and comprehensive loss for the period	(40,900)	(31,255)
DEFICIT, beginning of the period	(6,461,166)	(6,360,900)
DEFICIT, end of the period	$ (6,502,066)	$ (6,392,155)
Basic and diluted loss per share	$ (0.00)	$ (0.00)
Weighted average number of shares outstanding	17,698,181	17,648,181

See accompanying notes

GOLDSOURCE MINES INC.
CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited – Prepared by Management)

	Three Months Ended March 31, 2008	Three Months Ended March 31, 2007
OPERATING ACTIVITIES		
Loss for the period	$ (40,900)	$ (31,255)
Stock-based compensation	-	4,688
Accrued interest	113,257	(39,090)
Changes in operating assets and liabilities		
Amounts receivable and pre-paid expenses	(4,260)	9,257
Accounts payable and accrued liabilities	32,940	10,629
	101,037	(45,771)
INVESTING ACTIVITIES		
Mineral property expenditures	(86,790)	(886)
Acquisition of short term investments	-	(4,000,000)
	(86,790)	(4,000,886)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	14,247	(4,046,657)
CASH AND CASH EQUIVALENTS, beginning of the period	9,625	4,213,837
CASH AND CASH EQUIVALENTS, end of the period	$ 23,872	$ 167,180
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

See accompanying notes

1. NATURE OF OPERATIONS

Goldsource Mines Inc. (the "Company") was continued into the jurisdiction of the Province of British Columbia pursuant to the British Columbia Business Corporations Act on August 3, 2005.

The Company is in the process of exploring its mineral properties and has not yet determined whether its mineral properties contain ore reserves that are economically recoverable. The recoverability of the carrying values of mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties and the Company obtaining the necessary financing to complete exploration, development and construction of processing facilities, obtaining government approvals and attaining future profitable production of the mineral resources.

These financial statements have been prepared using Canadian generally accepted accounting principles applicable to a going concern and do not reflect adjustments related to the carrying values and balance sheet classification of assets and liabilities that would be necessary, were the going concern assumption inappropriate.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed by the Company are set out in Note 2 to the audited consolidated financial statements for the year ended December 31, 2007 and have been consistently followed in the preparation of these consolidated interim financial statements except that the company has adopted the following CICA standards effective for the Company's first quarter commencing January 1, 2008.

i) Assessing Going Concern (Section 1400)

The Accounting Standards Board (AcSB) amended the Section 1400, to include requirements for management to assess an entity's ability to continue as a going concern and to disclose material uncertainties related to events or conditions that may cast doubt upon the entity's ability to continue as a going concern. The adoption of this standard did not have an impact on these financial statements.

ii) Capital Disclosures (Section 1535)

This new pronouncement establishes standards for disclosing information about an entity's capital and how it is managed. Section 1535 also requires the disclosure of any externally-imposed capital requirements, whether the entity has compiled with them, and if not, the consequences (See Note 7).

iii). Financial Instruments – Disclosure (Sections 3862) and Presentation (Section 3863)

These new standards require additional disclosures to enable users to evaluate the significance of financial instruments for an entity's financial position and performance. In addition, qualitative and quantitative disclosures are provided to enable users to evaluate the nature and extent of risks arising from financial instruments (See Note 7).

iv). Determining whether a contract is routinely denominated in a single currency

This new standard considers 1) how the term "routinely denominated" in Section 3855.A34(d) should be interpreted, and 2) what factors can be used to determine whether a contract for the purchase or sale of a non-financial item such as a commodity is routinely denominated in a particular currency in commercial transactions around the world. The adoption of this standard did not have impact in these financial statements.

Effective January 1, 2009, the Company is required to adopt the following accounting standards update issued by the CICA:

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

i). Goodwill and intangible assets (Section 3064)

In February 2008, the CICA issued Section 3064, "Goodwill and Intangible Assets", which replaces Section 3062, "Goodwill and Other Intangible Assets". This new standards provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. Concurrent with the adoption of this standard, EIC 27, "Revenue and Expenditures in the Pre-operating Period", will be withdrawn. The impact of this new accounting standard on future financial statements is currently being assessed.

3. SHORT-TERM INVESTMENTS

Short-term investments comprise highly liquid Canadian dollar denominated guaranteed investment certificates with term to maturity of greater than 90 days but not more than one year. Short-term investment is carried at the lower of cost or recoverable amount. The counter-parties include Canadian based financial institutions. At March 31, 2008 the investments were yielding an interest rate of 4.10% with a maturity of January 2, 2009.

The fair market value of the Company's short-term investments approximate their carrying value at the balance sheet dates.

4. MINERAL PROPERTIES

(a) Big River Property, Saskatchewan

On October 25, 2005 the Company finalized an agreement with BEC International Corporation ("BEC") of Saskatoon, Saskatchewan to acquire a 90% interest in two blocks of mineral claims in the Big River Area of Saskatchewan (the "Property"). The Company will carry all costs of exploration and development on the Property to the conclusion of a positive Bankable Feasibility Study as defined in the purchase agreement. BEC may then elect to back-in to a 25% working interest in the Property by reimbursing to the Company 25% of all past expenditures, or retain a 10% carried working interest in the Property whereby the Company will fund BEC's share of capital and operating costs to be recovered solely from 80% of BEC's share of cash flow from any future production from the Property.

(b) Border and Crossroads Properties, Saskatchewan

On April 12, 2006 the Company finalized an agreement with Minera Pacific Inc., ("Minera") for the exclusive rights to use certain information generated from Minera's proprietary UMSERT Methodology which will assist the Company in identifying areas in Saskatchewan and Manitoba that may be prospective for minerals.

In order to maintain the exclusive rights to use the Information, the Company has agreed to pay staged cash payments over a period of two years to Minera totaling $160,000 ($85,000 paid) and issue a total of 325,000 common shares of the Company (100,000 shares issued) over a period of four years and, by the end of the fifth year, pay an additional $500,000 or issue 250,000 common shares, whichever is the lesser, as determined by the Company in its sole discretion. The next payment is due on or before April 12, 2008 and will be for $75,000 and 75,000 common shares.

4. MINERAL PROPERTIES (continued)

(b) Border and Crossroads Properties, Saskatchewan

The Company has also agreed to pay to Minera $1,000,000 (Feasibility Payment) in the event that the Company completes an independent feasibility study on any property acquired by the Company as a result of the UMSERT Methodology. The Company has agreed to make non-refundable payments to Minera of $100,000 in each of the third, fourth and fifth years from the effective date of the Agreement as advances against the Feasibility Payment. Minera is further entitled to receive a 2% gross overriding royalty ("GOR") on commercial production from any such property, and the Company is entitled at any time to purchase one-half of the GOR for $2,000,000.

The Agreement may be terminated by the Company at any time upon written notice to Minera, in which case Minera may elect to receive an assignment of any properties acquired by the Company as a result of the UMSERT Methodology.

MINERAL PROPERTY EXPENDITURES

MARCH 2008	Big River, SK, Canada	Border SK, Canada	Crossroads SK, Canada	Total 2008
Balance, beginning of the year	$ 3,282,255	$ 708,207	$ 93,327	$ 4,083,789
Additions				
Deposit on drilling contract	15,000	15,000	15,000	45,000
Exploration costs:				
Drilling	-	177,947	189,762	367,709
Exploration and other	-	2,300	247	2,547
Technical consulting	-	2,619	2,619	5,238
	15,000	197,866	207,628	420,494
Balance, end of period	$ 3,297,255	$ 906,073	$ 300,955	$ 4,504,283

2007	Big River, SK, Canada	Border SK, Canada	Crossroads SK, Canada	Total 2007
Balance, beginning of the year	$ 3,097,504	$ 657,176	$ 35,335	$ 3,790,015
Additions				
Acquisition and staking costs	-	33,250	33,250	66,500
Deficiency deposit	150,528	-	-	150,528
Exploration costs:				
Exploration and other	16,097	-	5,640	21,737
Technical consulting	18,126	17,781	19,102	55,009
	184,751	51,031	57,992	293,774
Balance, end of the year	$ 3,282,255	$ 708,207	$ 93,327	$ 4,083,789

5. RELATED PARTY TRANSACTIONS

During the three month period ended March 31, 2008, the Company paid management fees of $22,500 (2007 - $22,500) to a company owned by an officer and director of the Company.

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS

(a) Authorized

Unlimited number of common shares without nominal or par value
Unlimited Class "A" preference shares without nominal or par value (none outstanding)
Unlimited Class "B" preference shares without nominal or par value (none outstanding)

Issued and fully paid - common shares

	Share Capital		Contributed Surplus
	Number	**Amount**	**Amount**
December 31, 2006	17,648,181	8,901,524	4,769,924
Issued pursuant to acquisition of the Border and Crossroads Properties	50,000	16,500	-
Stock-based compensation	-	-	9,375
December 31, 2007 and March 31, 2008	17,698,181	$ 8,918,024	$ 4,779,299

(b) Stock Options

The Company has a stock option plan under which it is authorized to grant stock options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The exercise price of each option equals the market price of the Company's stock as calculated on the date of the grant. The options can be granted for a maximum term of 5 years.

There were no stock option transactions for the three months ended March 31, 2008.

At March 31, 2008, stock options were outstanding, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
300,000	$0.35	July 08, 2009
100,000	$0.30	December 08, 2009
800,000	$0.90	December 23, 2010
1,200,000		

(c) Warrants

There were no warrants outstanding at December 31, 2007 or March 31, 2008.

(d) Stock Based Compensation

The stock based compensation expense recognized based on vesting for the three month period was $Nil (2007 - $4,688) leaving an unamortized balance of $Nil (2007 - $4,687).

7. FINANCIAL INSTRUMENTS RISK EXPOSURE AND MANAGEMENT

The Company is exposed to various financial instrument risks and assesses the impact and likelihood of this exposure. These risks include liquidity risk, credit risk, and interest rate risk. Where material these risks are reviewed and monitored by the Board of Directors.

a. Capital Risk Management

The Company manages it capital to safeguard the Company's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders and benefits to other stakeholders, and to have sufficient funds on hand for business opportunities as they arise.

The Company considers the items included in the shareholder's equity as capital. The Company manages the capital structure and makes adjustment to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares through private placements, sell assets, incur debt, or return capital to shareholders. As of March 31, 2008 the Company does not have any debt and is not subject to externally imposed capital requirements.

b. Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company maintains sufficient cash balances to meet current working capital requirements. The Company is considered to be in the exploration stage. Thus, it is dependent on obtaining regular financings in order to continue its exploration programs. Despite previous success in acquiring these financings, there is no guarantee of obtaining future financings. The Company's cash is invested in business accounts with quality financial institutions and which is available on demand for the Company's programs, and is not invested in any asset backed commercial paper.

c. Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet it contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash and equivalents and amounts receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and equivalents with high-credit quality financial institutions.

The majority of the Company's cash and cash equivalents and short term investment are held with major Canadian based financial intuitions.

d. Interest Rate Risk

The Company's exposure to interest rate risk arises from the interest rate impact on its cash and cash equivalents. The Company's practice has been to invest cash at floating rates of interest, in cash equivalents, in order to maintain liquidity, while achieving a satisfactory return for shareholders. There is minimal risk that the Company would recognize any loss as a result of a decrease in the fair value of any guaranteed bank investment certificates included in cash and cash equivalents as they are generally held with large financial institutions.

8. SUBSEQUENT EVENTS

On April 23, 2008, the Company granted stock options to its directors, officers and consultants for the purchase of up to a total of 555,000 common shares of the Company at an exercise price of $0.38 per share. The Options have a 5 year term expiring April 23, 2013. All shares issuable pursuant to the exercise of the Options are subject to a four-month hold period commencing from the date the Options were granted and vest over eighteen months.

On May 8, 2008, options to purchase 3,500 common shares were exercised at a price of $0.90 per common share for proceeds of $3,150.