MANAGEMENT DISCUSSION & ANALYSIS FORM 51-102F1

SEPTEMBER 30, 2009
THIRD QUARTER

FORWARD LOOKING STATEMENTS

Certain statements contained in this Management Discussion and Analysis (the "MD&A") and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance of achievements of the company to materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made.

PRELIMINARY INFORMATION

The MD&A is an overview of the activities of **Goldsource Mines Inc.** (the "Company") for the three and nine month periods ended September 30, 2009. The MD&A should be read in conjunction with the Company's unaudited interim financial statements for the period ended September 30, 2009 and the audited financial statements for the year ended December 31, 2008 and the notes attached thereto, which are prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP). All amounts are stated in Canadian dollars unless otherwise indicated.

The effective date of this Management Discussion & Analysis is November 20, 2009.

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 .

OVERALL PERFORMANCE

The Company's 2008 discovery of major, thermal coal occurrences in east-central Saskatchewan has resulted in the aggressive exploration and development of this new coal discovery. The Company has drilled 119 holes and found substantial coal resources in 15 deposits with an expenditure of $12 million since the discovery. Overall, the estimated coal resources at Border consist of 63.5 million Indicated tonnes plus 89.6 million Inferred tonnes, and 18.7 million Speculative tonnes.

The Company continues to focus its efforts on the delineation of these coal occurrences identified on the Border Property in east-central Saskatchewan and has acquired two other coal properties of merit in Saskatchewan and Manitoba that will be explored.

Highlights for the reporting period are as follows:

- The Border summer drilling program was successfully completed on August 24, 2009 with a total of 20 core holes drilled. Approximately $7.9 million has been spent on the Border Project for the nine month period to September 30, 2009.
- Six broader sub-basins with 15 discrete coal deposits have been defined with drilling to August 31, 2009 which include Chemong PasquiaSplit Leaf North, Split Leaf South, Red River North, and Niska.
- Of the total 119 holes drilled at Border to the end of the period, coal was intercepted in a total of 57 holes and 44 contain aggregate coal intercepts ranging from 10 to 100 metres in true thickness.
- To date, 899 samples of the coal intervals from Border have been compiled to provide average proximate analyses for each Area, Ranking of coal is sub-bituminous A to C.
- Resource estimation for NI 43-101 technical reporting was underway during the period for Border with summary results and resource estimates announced in a news release dated November 9, 2009 (See Subsequent Events).
- Fugro Airborne Surveys Corp. has completed flying approximately 5,000 line-kilometers of new airborne survey at Border, Ballantyne and Manitoba properties. Final results have been received and are being assessed for 2009-2010 winter drilling**.**
- Work program permitting at Ballantyne in Saskatchewan and Pine River in Manitoba is ongoing for a winter drill program. Approximately 7,000m of drilling is being planned for winter drill programs at Border, Ballantyne, and Pine River.

EXPLORATION PROPERTIES

(A) Border Property, Saskatchewan

In April of 2008, the Company announced the completion of two holes on the Border property which intercepted a coal seam, including partings, of approximately 25.0 and 35.0 metres in thickness at a depth of approximately 80 metres. The holes were approximately 1.5 kilometres apart.

These two holes were the discovery holes for what is now developing into a new major coal field with potential for district and regional coal occurrences. Due to the nature of the coal in the discovery holes it was presumed that it was a single coal seam, it was named the "Durango Seam" and the developing trend was named the "Durango Trend". It has since been determined that the coal occurrences identified to date are discrete deposits of varying dimensions.

On August 24, 2009 a summer drilling program at Border was completed with a total of 20 HQ core holes drilled totaling 3,267 metres. Of the 119 holes drilled at Border to date, coal was discovered in a total of 57 holes and 44 contain aggregate coal intercepts ranging from 10 to 100 metres in true thickness. Details of the hole locations, coal intervals and analytical results can be found in press releases on the Company's web site at www.goldsourcemines.com and in the Company's SEDAR file at www.sedar.com .

Six sub-basins with 15 discrete coal deposits have been defined with drilling to August 31, 2009 and include the following deposits; Chemong, Pasquia, Split Leaf North, Split Leaf South, Red River North, and Niska. The coal deposits vary in areal extent but range in size from approximately 0.3km by 0.3km up to 2km by 2km.

The average thickness of the coal in the Pasquia 02 Area is 27.8 metres. In the Chemong 03 Area, however, the average thickness is approximately 25 metres and reaches a maximum true thickness of 100 metres. These extraordinary thicknesses can provide large tonnages within a relatively small area.

Resource estimation for NI 43-101 technical reporting was underway during the period for Border. A summary of the report and the initial resource estimate for Border were press released on November 9, 2009 (See Subsequent Events). It is expected that a preliminary assessment of the minability and economic viability of the project will be commenced subsequent to the release of the resource report.

In June, Fugro Airborne Surveys Corp. began flying approximately 5,000 line kilometres of new Geotem EM airborne survey over areas not previously flown at Border, Ballantyne, Pine River and a number of other separate target areas within Saskatchewan and Manitoba. This data is being reviewed with priority targets to be included in this year's drill program. Each of the known coal deposits within the Border Project area are identifiable with a distinctive geophysical signature which now allow potential targets to be prioritized with a reasonably high degree of certainty of intersecting coal.

During the nine month period ended September 30, 2009 the Company incurred $124,752 on permit applications and $7,931,830 on exploration costs on the Border property. Most of the expenses incurred on the property during this period consist of drilling $2,644,649 site support $1,115,027, operations $629,921, air charter $571,510, roads and pad construction $553,024, geophysical services $527,347, camp rental $497,361 and personnel and related costs $496,475.

(B) Ballantyne Property, Saskatchewan

The Company has received issuance of 250 coal permit certificates from the Saskatchewan Ministry of Energy and Resources for coal applications filed by the Company. The permits cover the Ballantyne property located southeast of Wapawekka Hills, Saskatchewan. The area is easily accessible with highways and secondary improved gravel roads and is approximately 50km southwest of the village of Deschambault Lake.

The initial coal permits comprise a total of approximately 184,496 hectares (1,845 square kilometres). The permits allow the Company to explore the area for coal over a period of three years with two possible 6 month extensions. The permits are convertible to 15 year leases with subsequent renewals.

The Company is currently permitting a drill program for the Ballantyne property with approximately 10 - 15 holes to be completed in winter of 2009. Priority drill locations are accessible year-round. The program is being designed to test the historic coal intercepts and identify potentially shallower targets, provide preliminary information on coal quality, and give insight into the extent of potential coal basins. An airborne geophysical survey was completed by Fugro Airborne Surveys Corp. over the Ballantyne permits in July 2009 which will enable the application of proprietary data processing developed at Border to assist in defining priority targets at Ballantyne.

During the nine month period ended September 30, 2009 the Company incurred $7,500 on permit applications and $136,001 on exploration costs on the Ballantyne property which primarily relates to geophysical services.

EXPLORATION PROPERTIES (continued)

(C) Manitoba Properties

In 2008, the Company applied for quarry permits to cover prospective coal deposits in twelve areas in Manitoba which required cash deposits totaling $4.25 million. Subsequent to the initial applications but prior to the issuance of the quarry permits, the Company re-configured and reduced the number of hectares applied for, such that $3.03 million of the initial deposits were refunded. The remaining Manitoba quarry deposit of $1.22 million is refundable upon completion of a qualifying work program. Quarry Permits for all Manitoba properties were pending at September 30, 2009 but subsequently the Company received 8 quarry permits from the Manitoba Mines Branch totaling approximately 44,670 hectares.

An airborne geophysical survey was completed by Fugro Airborne Surveys Corp. over the Manitoba properties in July of 2009 which will enable the application of proprietary data processing developed at Border to assist in defining priority targets in Manitoba and further refinement of the land acquisition process.

During the nine month period ended September 30, 2009 the Company received a net deposit refund on permit applications of $188,244 and incurred $553,397 on exploration costs in Manitoba. Most of the expenses incurred during this period were incurred for geophysical services $368,544 and drilling $156,244.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to date primarily through the issuance of common shares. The Company currently has no operations from which to derive revenues. It receives minor income from interest on cash balances.

Net cash used in investing activities for the nine month period ended September 30, 2009 was $1,618,197. Cash used during the period consists of $8,591,439 spent on mineral properties and $74,070 on equipment. The Company redeemed $6,723,757 of short term investments during the period and recovered $323,555 on a drilling advance to fund the investing activities.

There were no financings in the nine month period ended September 30, 2009. The Company received cash proceeds of $123,050 from the exercise of stock options.

The Company has sufficient working capital to complete its exploration programs on its Border, Ballantyne and Manitoba Properties as well as its administrative obligations planned for 2009. The Company has met all its material commitments to date in 2009.

As a mineral exploration company the Company is reliant upon equity financings to fund its exploration activities. However, there can be no assurance that the Company will be successful in obtaining additional future financing particularly in the present economic environment. The following table contains selected financial information of the Company's liquidity and capital resources:

	September 30, 2009	December 31, 2008
	$	$
Cash	650,588	2,757,014
Short term investments	5,003,082	11,723,757
Mineral properties	14,189,642	6,398,051
Working capital	5,303,973	13,983,244

FINANCIAL PERFORMANCE

Results of operations for the three months ended September 30, 2009 and 2008

The net loss for the three months ended September 30, 2009 is $621,312 as compared to $4,076,084 in 2008. The significant loss in the previous period was primarily due to the write off of the Big River and Crossroads mineral properties in 2008. The Company had an operational activity increase in the period compared to 2008. The significant costs incurred are as follows:

FINANCIAL PERFORMANCE (continued)

Results of operations for the three months ended September 30, 2009 and 2008

- Investor relations $46,214 (2008 - $7,000), office and general $33,661 (2008 - $6,217) and travel and related costs $31,670 (2008 - $17,382) increased due to greater operational activity in the period.
- Stock based compensation amounted to $395,450 (2008 - $74,125) due to a greater number of options vesting in the period as compared to the same period in 2008.
- Interest income decreased to $4,379 (2008 - $107,027) due to decreased funds on deposit and lower interest with comparative period in 2008.
- Future tax recovery was $Nil (2008 - $643,316) as no mineral property write off occurred in the period.

Results of operations for the nine months ended September 30, 2009 and 2008

The net loss for the nine months ended September 30, 2009 is $1,626,576 as compared to $4,436,402 in 2008. The significant loss in the previous period was primarily due to the write off of the Big River and Crossroads mineral properties in 2008. The Company had an operational activity increase in the period compared to 2008. The significant costs incurred are as follows:

- Insurance $50,451 (2008 - $23,691), investor relations $93,225 (2008 - $9,111), office and general $65,138 (2008 - $10,833), shareholder communications $44,259 (2008 - $19,943), trade shows and conferences $33,054 (2008 - $5,495) and travel and related costs $41,109 (2008 - $19,980) increased due to greater operational activity in the period.
- Professional fees amounted to $135,456 (2008 - $137,678) due to various contractual matters and additional accounting services relating to the new accounting software implementation.
- Stock based compensation amounted to $1,118,786 (2008 - $293,625) due to the Company granting 1,475,000 (2008 – 655,000) stock options, 628,750 vested in the period as compared to 445,000 for the same period in 2008.
- Interest income decreased to $148,728 (2008 - $172,054) due to decreased funds on deposit and lower interest with comparative period in 2008.
- Future tax recovery was $Nil (2008 - $643,316) as no mineral property write off occurred in the period.

SUMMARY OF QUARTERLY RESULTS

The following financial data is selected information for the Company for the eight most recently completed financial quarters:

Period	Revenue ($)	Net Income (Loss) ($)	Net Loss per Share ($)
September 30, 2009	-	(621,312)	(0.08)
June 30, 2009	-	(799,681)	(0.05)
March 31, 2009	-	(205,583)	(0.01)
December 31, 2008	-	(542,177)	(0.03)
September 30, 2008	-	(4,076,084)	(0.22)
June 30, 2008	-	(319,418)	(0.02)
March 31, 2008	-	(40,900)	(0.00)
December 31, 2007	-	3,439	0.00

The net loss per share is calculated on a weighted average, basic and fully diluted basis. The large net loss for the quarter ended September 30, 2008 was due primarily to the write-off of mineral property expenditures and for the quarter ended June 30, 2009 and September 30, 2009 the net loss was primarily due to stock based compensation expense.

INVESTOR RELATIONS ACTIVITIES

During the nine month period ended September 30, 2009, the Company personnel performed the majority of investor relations services. Investor relations activities consist mainly of web-site and print advertising. Shareholder communications comprises communicating with existing shareholders, broadcasting news releases, printing, production work for the Company's website, and direct website expenses. The Company also attends trade shows on a regular basis to present the affairs and merits of the Company to potential investors.

SUBSEQUENT EVENTS

On October 13, 2009 the Company paid $50,000 to Minera Pacific Inc. pursuant to the MPI Agreement for the acquisition of two properties.

On October 30, 2009 the Company received 8 quarry coal permits from the Manitoba Mines Branch totaling approximately 44,670 hectares.

On November 9, 2009 the Company announced the NI 43-101 compliant, initial thermal coal resource estimated by Moose Mountain Technical Services for the Company's Border property near Hudson Bay, Saskatchewan. This coal resource estimation is based on 119 diamond drill holes totaling approximately 17,370 metres of core drilling. Three phases of core drilling since 2008 have been completed at Border to establish this initial estimated coal resource.

Overall, the estimated coal resources at Border consist of 63.5 million Indicated tonnes plus 89.6 million Inferred tonnes, and 18.7 million Speculative tonnes. The Inferred and Speculative resources are limited only by the current lack of drill hole data within an already defined geophysical anomaly. Further drilling is planned that may convert the majority, if not all, of the Inferred and Speculative tonnes into the Indicated Resource category.

Border coal quality summary, as determined by Loring Labs of Calgary, Alberta, indicate that:

- Border coal is ranked a Sub-bituminous A to C according to ASTM standards. The previously stated bituminous ranking by Loring was re-ranked to sub-bituminous based on petrographic analysis.
- As Received Ash ranges from 11.7 to 22.1% by weight (wt) which is similar to currently producing coal mines in Alberta;
- As Received Total Moisture content ranges from 17.7 to 33.4% (wt) which is standard for sub-bituminous coals. Total Moisture includes inherent and surface moisture as received by the laboratory;
- Equilibrium Moisture which is the approximate amount of moisture inherent in the coal averages 22% (wt) from a Total Moisture of approximately 31% (selective samples). This indicates that a reduction in moisture is therefore possible with a subsequent increase in Calorific Value (CV). Further test work is being planned to fully analyze this upgrading concept.
- As Received Sulphur ranges from 1.5 to 3.2% (wt);
- As Received Calorific Value (Heat Value) ranges from 13,335 to 17,594 KJ/Kg (5,734 to 7,565 BTU/lb) using AR Ash and Total Moisture. A majority of the resource is above 7,300 BTU/lb AR which is similar to currently producing coal mines in Alberta; and
- Air Dried Calorific Value (Heat Value) ranges from 18,027 to 21,977 KJ/Kg (7,750 to 9,450 BTU/lb) using an average AD laboratory value of 5%, as dried by Loring.

On November 19, 2009 the Company granted 25,000 incentive stock options to a consultant with an exercise price of $1.58 until November 19, 2014.

OFF-BALANCE SHEET ARRANGEMENTS

At September 30, 2009 the Company had no off-balance sheet arrangements, such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instrument obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) Paid or accrued $90,000 (2008 - $67,500) for management fees to a company owned by an officer and director of the company.

b) Paid or accrued $67,421 (2008 - $91,968) for legal fees which were included in professional fees and $Nil (2008 - $59,461) for share issue costs paid to a law firm of which an officer of the Company is a partner.

Included in accounts payable and accrued liabilities at September 30, 2009 is $9,664 (2008 - $2,804) due to a law firm of which an officer of the company is a partner.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

PROPOSED TRANSACTIONS

In the normal course of business, the Company evaluates property acquisition transactions and, in some cases, makes proposals to acquire such properties. These proposals, which are usually subject to Board, regulatory and, sometimes, shareholder approvals, may involve future payments, share issuances and property work commitments. These future obligations are usually contingent in nature and generally the Company is only required to incur the obligation if it wishes to continue with the transaction. As of this date, the Company has a number of possible transactions that it is examining. Management is uncertain whether any of these proposals will ultimately be completed.

CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2009, the Company adopted the new CICA issued Section 3064, “Goodwill and Intangible Assets”, which replaces Section 3062, “Goodwill and Other Intangible Assets”. This new standard provides guidance on the recognition, measurement, presentation and disclosure of goodwill and intangible assets. The adoption of this standard did not have a material impact on the Company’s interim financial statements.

In January 2009, the Emerging Issues Committee of the CICA issued EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This abstract provides guidance on how to take into account credit risk of an entity and counterparty when determining the fair value of financial assets and financial liabilities, including derivative instruments. The adoption of this abstract did not have a material impact on the Company’s interim financial statements.

In March 2009, the Emerging Issues Committee of the CICA issued EIC-174, Mining Exploration Cost. This abstract provides guidance on the accounting and the impairment review of capitalized exploration costs. The adoption of this abstract did not have a material impact on the Company’s interim financial statements.

NEW ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards (“IFRS”)

In February 2008, the Canadian Accounting Standards Board confirmed that Canadian public enterprises will need to adopt International Financial Reporting Standards effective for years beginning on or after January 1, 2011. Accordingly, the Company will be required to adopt IFRS on January 1, 2011. The transition will require the restatement for comparative purposes of amounts reported by the Company for the year ended December 30, 2010. The conversion to IFRS from Canadian GAAP may materially affect the Company’s reported financial position and results of operations and will affect the Company’s accounting policies, information technology and data systems, internal control over financial reporting, and disclosure controls and procedures.

The transition may also impact business activities, such as foreign currency and hedging activities, certain contractual arrangements, debt covenants, capital requirements and compensation arrangements. The Company is currently evaluating the impact of the transition to IFRS on its financial reporting systems and business activities and ensuring the appropriate personnel resources and training are in place to ensure an efficient transition.

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 its capital to safeguard the Company's ability to continue as a going concern, 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 September 30, 2009 the Company did 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 institutions.

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. A 1% change in the market interest rates would not have a significant effect on the Company's loss and comprehensive loss for the period.

INDUSTRY AND ECONOMIC FACTORS AFFECTING PERFORMANCE

Certain factors affect the Company's ability to finance and to carry on normal business. These include commodities prices, competition amongst exploration firms for attractive mineral properties, the interest of investors in providing high-risk equity capital to exploration companies, and the availability of qualified staff and drilling equipment to conduct exploration. For the Company, which is focused on exploration and development of natural resources, the availability of equity funds is a very important factor.

RISKS AND UNCERTAINTIES

Mineral exploration and development involves a high degree of risk and few properties are ultimately developed into producing mines. Should any resource be defined on the Company's properties there can be no assurance that the mineral resources can be commercially mined or that processing will produce economically viable, saleable products.

Future operations, if any, of the Company, including development activities and commencement of production on its properties, will require permits from various federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Companies engaged in the development and operation of mines and related facilities generally experience increased costs and delays in production and other schedules as a result of the need to comply with the applicable laws, regulations and permits. There can be no assurance that all permits which the Company may require for the construction of any mining facilities and conduct of mining operations will be obtainable on reasonable terms or that such laws and regulations would not have an adverse effect on any mining project which the Company might undertake. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions.

Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

OUTSTANDING SHARE CAPITAL

As at September 30, 2009 the Company had outstanding 19,759,181 common shares. In addition the Company had outstanding 3,063,500 share purchase options for total diluted shares outstanding of 22,822,681.

As at the date hereof, the Company has outstanding 19,759,181 common shares. In addition the Company has outstanding 3,088,500 share purchase options for total diluted shares outstanding of 22,860,181. The increase in outstanding share purchase options represents 25,000 new options granted to a consultant.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

MANAGEMENT'S REPORT ON DISCLOSURE CONTROLS AND PROCEDURES

Management of the Company, under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, is responsible for the design and operations of internal controls over financial reporting. There have been no changes in the Company's disclosure controls and procedures during the nine month period ended September 30, 2009.

DISCLAIMER

This document 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 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.

The information provided in this document is not intended to be a comprehensive review of all matters and developments concerning the Company. It should be read in conjunction and in context with all other disclosure documents of the Company. The information contained herein is not a substitute for detailed investigation or analysis on any particular issue. No securities commission or regulatory authority has reviewed the accuracy or adequacy of the information presented.

Certain data included in this document may be historical in nature and as such may not conform to the requirements of NI- 43-101, may not have been verified by the Company's qualified person and therefore should not be relied upon.