INTERIM MANAGEMENT DISCUSSION & ANALYSIS

QUARTERLY HIGHLIGHTS

JUNE 30, 2016

This Interim Management's Discussion and Analysis – Quarterly Highlights ("Interim MD&A") is an overview of all material information about Goldsource Mines Inc.'s (the "Company" or "Goldsource") operations, liquidity and capital resources for the three and six months ended June 30, 2016. The Interim MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2016 and 2015 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, 2015 and 2014, 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 effective date of this Interim MD&A is August 24, 2016. This Interim MD&A contains forward looking information. Reference to the "Cautionary Statement and Forward-Looking Statement Disclaimer" on page 8-9 of this Interim MD&A is advised.

HIGHLIGHTS

Eagle Mountain Gold Project

Phase I of the Eagle Mountain PEA

In 2015, the Company proceeded with development of Phase I of the Eagle Mountain Gold Project ("Eagle Mountain") located in Guyana, South America, approximately 230 kilometres south west of the capital, Georgetown.

Phase I is based on a Preliminary Economic Assessment report titled "Preliminary Economic Assessment of the Eagle Mountain Saprolite Gold Project, Guyana", dated September 12, 2014 with an effective date of June 15, 2014 (the "PEA"). The PEA was prepared for the Company by A.C.A. Howe International Limited of Toronto, Canada and can be found under the Company's profile on SEDAR at www.sedar.com or on the Company's website www.goldsourcemines.com.

The Company cautions that the PEA is preliminary in nature in that it is based largely 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. Management's production decision for Eagle Mountain was not based on a feasibility study of mineral reserves demonstrating economic and technical viability. This project has a much higher risk of economic or technical failure and may adversely impact the Company's projected profits, if any. Consequently, although the Company's processing plant has reached commercial production, the Company considers itself to be an exploration stage company.

The Phase I capital costs summary as per the Eagle Mountain PEA and the Company's actual costs spent are as follows:

PEA Estimates				
Capital expense item (Phase I)	**Estimated cost (US$)**	**As at December 31, 2015 (US$)**	**Additions for the H1, 2016 (US$)**	**As of June 30, 2016 (US$)**
Mining equipment purchases	1,167,000	702,203	453,669	1,155,871
Process plant including, lab, refinery, construction and EPCM	2,345,000	2,338,650	79,817	2,418,468
Tailings	468,000	55,515	1,360	56,875
Road maintenance	315,000	465,314	22,908	488,222
Indirect (Includes Working Capital)	828,000	1,223,731	1,236,906	2,460,637
Contingency at 15%	769,000	-	-	-
Initial capital including contingency	**5,892,000**	**4,785,413**	**1,794,660**	**6,580,073**

Financing for the Phase I capital expenditures was completed on December 30, 2014. During 2015, the Company also received a loan of US$1 million to support the operating capital requirements during the commissioning phase. As at June 30, 2016, the Company incurred US$6,580,073 (CAD$8,474,061) in Phase I capital costs, of which US$3,784,288 (CAD$4,839,451) was recorded as property, plant and equipment and US$2,796,505 (CAD$3,634,611) was recorded under exploration and evaluation assets on the Consolidated Statement of Financial Position.

Six months ended June 30, 2016

The Company commenced commissioning for Phase I of Eagle Mountain on January 28, 2016 and completed commissioning on June 20, 2016, reaching commercial production by achieving an average minimum of 80% of the 1,000 tonnes per day ("tpd") name plate capacity and 45% recovery in gold concentrate, over a continuous 30 day period. Commercial production does not imply economic viability. The following table is a summary of the Eagle Mountain production statistics from January 28, 2016 to June 30, 2016.

Eagle Mountain Gold Mine Statistics[(2)(3)]	Q2, 2016 Total	Q1, 2016 Total	% Change	H1 Total / Average
Mined tonnes	50,695	9,814	417%	60,509
Processed tonnes at minus 2mm	48,098	8,742	450%	56,840
Average tpd[(1)] processed	641	162	296%	441
Average estimated gold grade, gpt	0.37	0.91	(59%)	0.46
Estimated gravity recovery for plant	47%	40%	18%	46%
Estimated gravity recovery for table	61%	60%	2%	60%
Gold ounces produced	145.2	55.1	164%	200.3
Gold ounces sold	200.3	0.0	100%	200.3

(1) Based on the Eagle Mountain PEA of 25 operating days per month.
(2) All numbers are rounded.
(3) Processing mass balance and reconciliation is based on daily sampling at site and offsite gold analysis at Actlabs in Georgetown, Guyana, which is an independent certified lab. Standard practice mined volumes are used and drill hole assays, also from Actlabs, are used for mine reconciliation.

During second quarter ("Q2") of 2016, the Company processed 48,098 tonnes, with average throughput of 641 tpd compared to the first quarter ("Q1") of 2016 throughput of 162 tpd. For the 30 continuous days prior to June 20, 2016, Eagle Mountain processed an average of 916 tpd.

As initially planned, the average grade dropped from 0.91 grams per tonne ("g/t") gold to 0.37 g/t gold with a focus on lower grade material during the plant optimization process. Current low grade material is considered pre-strip for mining anticipated higher-grade material in the latter part of the third quarter ("Q3") of 2016. Estimated average grade for the beginning of July is approximately 0.43 g/t gold with no strip, transitioning to 1+ g/t gold material in early September.

Estimated gravity recovery to concentrate averaged 47% for Q2, 2016 (Q1, 2016 – 40%). The increase in recovery was due to optimization of the process plant. The Company expects the recovery rates in the second half ("H2") of 2016 to be similar to Q2, 2016.

During Q2, 2016, the Company poured 145.2 ounces of gold and sold 200.3 ounces of gold, at an average realized price of US$1,264 per ounce.

Subsequent to June 30, 2016

Since July 1, 2016, the Company has processed 13,922 tonnes over 19 days, with average throughput of 732 tpd. During the same period, Goldsource poured 38 ounces of gold and sold 37 ounces of gold at an average price of US$1,336 per ounce. As a result, Eagle Mountain, during July and August, has performed below commercial production levels achieved June 20, 2016 (see news release dated June 21, 2016 and the PEA).

The reduction in throughput can be explained by the following:

- Truck shipping delays: In the first half ("H1") of 2016, Management elected to shift focus from development of Pit #6 (with material designed to be transported by a gravity fed chute) to the higher-grade and closer proximity Pit #4, which is at a lower elevation relative to the process plant, requiring the use of a truck to haul material. Management was originally expecting the delivery of a 40-tonne truck to site in late July to deliver higher-grade material from Pit #4 to the processing plant. A lack of tire availability and an error by the ground transportation freight forwarder resulted in a delay in the ground shipment, which significantly delayed the sea freight departure. The arrival of the truck in Guyana on August 23, 2016 has been confirmed, with an expected arrival on site in early September 2016.
- Low grade of available material: During the commissioning phase of Eagle Mountain, the focus was on processing low-grade material during the optimization process. The plan was to process lower-grade mineralization until higher-grade material could be exploited through the arrival of the 40-tonne truck to site. However, with the grade processed averaging just 0.43 g/t gold (below the 0.5 g/t cutoff grade for the Eagle Mountain resource) Management elected to stop processing material on July 23 to reduce the cost of onsite consumables and shift focus to developing access and mine preparation for the higher-grade material at Pit #4.
- Weather: Unexpectedly heavier rainfall due to "La Nina" at Eagle Mountain has made road access challenging, which contributed to additional downtime in July and August. Fewer weather related issues are expected as we move into the drier months of September through March.

While Eagle Mountain has underperformed in July and August, the Company expects to return to commercial production levels in September, based on the following:

- Purchase and operation of a 15-tonne truck: With the start of the dry season in Guyana, the Company was able to procure and operate a 15-tonne truck to begin stockpiling the higher-grade material from the higher-grade Pit #4. During dry weather this vehicle is capable of stockpiling 350-750 tpd. To date, the Company has stockpiled 5,913 tonnes of material from Pit #4. Once a sufficient higher-grade stockpile is built up, Management expects to resume processing operations prior to the arrival on-site of the 40-tonne truck.

- With the 40-tonne truck onsite in early September 2016, a throughput of 1,250-1,500 tpd from Pit #4 to the processing plant should be achieved.

2016 Guidance

Weather and a delay in the delivery of the 40-tonne truck procured in Q2, 2016 have impacted operations in Q3, 2016. In addition, Management has also applied for a permit from the Government of Guyana to operate a low impact intensive cyanide leaching circuit ("SLR unit") at Eagle Mountain, which is expected to substantially improve gold recovery and production from the mine. While the permit was originally expected in July 2016, to allow the SLR unit to be operational by October 2016, the permit has not yet been granted and there is no firm date for its issuance. As a result, the Company has revised its targets and assumptions previously announced in its news release dated June 21, 2016 as follows:

- The Company anticipates a total production of approximately 1,400-2,100 ounces of gold for 2016, down from the previous guidance of 3,600 ounces of gold in 2016. The revised production forecast is based on the following:
    - Average throughput of 1,000 tpd in September, ramping up to 1,500 tpd from October to December 2016, down from the previous guidance of 1,800 tpd.
    - Average gravity gold recovery of 50%. With an average table recovery of 50-60%, resulting in a net recovery to dore of 25-30%.
    - Mining focused on low strip higher-grade material in Pit #4 to increase the average grade and gold production.

Outlook

While the Company has reduced its 2016 production guidance, the phased expansion approach to Eagle Mountain remains intact. The throughput expansion plan and the contemplation of integrating an SLR unit into the process flow sheet warrants completion of a pre-feasibility study ("PFS") by the H1 of 2017. Management expects the PFS to support the design, purchase and deployment of the Phase II plant, which should increase throughput capacity to approximately 4,000 tpd. The Company expects to achieve this expansion through the implementation of the following:

- Night shift: A second (night) shift is to be phased in during the latter part of Q3, 2016.
- Phase II Plant: A second modified scrubber is to be added to the Phase II Plant and the current falcon concentrators are to be doubled from 2 to 4 units.
- Management is optimistic that the total cost of the Phase II expansion could be achieved for less than the US$18.3 million total capital budget outlined in the PEA (see news release dated August 1, 2014).

The Company continues to evaluate opportunities to improve recoveries and the average head grade at Eagle Mountain to increase production prior to the Phase II expansion. Opportunities include:

- Pit #4: Management expects to start processing material from Pit #4 in early September 2016. The average grade of the material in Pit #4 is estimated to average 1.4 g/t gold. Goldsource has procured a 15-tonne truck, which is currently onsite building a stockpile from Pit #4 with the larger 40-tonne articulating truck expected to arrive onsite in early September 2016.
- SLR unit: Management has been evaluating the potential to install an SLR unit to process the gravity gold concentrate and significantly improve the overall gold recovery. Goldsource began the permitting process in May 2016. If the Company obtains this permit, Goldsource would look to expedite the installation of the system to improve recovery and production and treat and recover gold from the onsite inventory of stockpiled table concentrate.
- Sluice box: A small sluice box has been installed to capture coarse gold before it flows into tailings. A substantially larger sluice box is under construction and is expected to be installed before the end of Q3, 2016. To date, the small sluice box is adding incremental recovery 0.5-1%. Management believes that the new expanded sluice box should increase the incremental recovery by up to 5%.

Corporate

Results of Annual General Meeting

Goldsource held its Annual General Meeting of Shareholders ("AGM") on Wednesday, June 22, 2016, in Vancouver, BC. Shareholders voted in favour of all items of business, including fixing the number of directors at four and the re-election of each of the director nominees: N. Eric Fier, Steven B. Simpson, Graham C. Thody and Ioannis (Yannis) 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 and Advance Notice Policy.

At the Board of Directors meeting following the AGM, the Board re-appointed Mr. Thody as Chairman of the Board, Mr. Tsitos as President, Mr. Fier as Chief Operating Officer, Nicholas Campbell as Chief Financial Officer and Bernard Poznanski as Corporate Secretary.

J. Scott Drever has retired as Chief Executive Officer and a director of Goldsource. Mr. Drever did not stand for re-election as a director at this year's AGM. Mr. Drever continues to be available to the Company as a consultant on an as needed basis.

Stock Options

During Q2, 2016, a total of 150,000 incentive stock options priced between $0.16 and $0.24 were exercised for aggregate proceeds of $30,000 and 5,237,785 share purchase warrants priced between $0.20 and $0.25 were exercised for aggregate proceeds of $1,263,107. In addition, a total of 38,750 incentive stock options priced between $0.20 and $0.28 were forfeited.

During Q1, 2016, the Company granted stock options to employees and consultants exercisable for 385,000 common shares of the Company at a price of $0.28 per share for a five year term expiring February 1, 2021. Of the stock options granted, 25,000 will be subject to a 12-month vesting schedule pursuant to which 25% vested on May 1, 2016 and a further 25% shall vest every 3 months thereafter until fully vested.

Loan Extension

In June 2016, the Company received a six months extension on its US$1 million loan (the "Loan") from Mitan Holdings Ltd. ("Mitan"), a company controlled by a director of Goldsource. In consideration for extending the Loan from December 21, 2016 to June 21, 2017, the Company paid Mitan a fee of US$10,000. The Loan extension gives the Company greater financial flexibility to further optimize Eagle Mountain and thus consider accelerating the expansion of the project. Refer to the "Highlights – Eagle Mountain Gold Project – Outlook" section for more information.

Subsequent Events

Subsequent to June 30, 2016, 4,211,052 share purchase warrants priced between $0.25 and $0.34 were exercised for gross proceeds of $1,071,758 and 200,000 incentive stock options priced at $0.19 were exercised for gross proceeds of $38,000. In addition, the Company granted stock options to a new employee to purchase an aggregate of 35,000 common shares of the Company at an exercise price of $0.42 per share for a five year term expiring August 24, 2021.

RESULTS OF OPERATION AND FINANCIAL CONDITION

Comparison of the six months ended June 30, 2016 with the same period in 2015
The net loss and comprehensive loss was $559,368 for H1, 2016, compared to $621,354 for the same period in 2015. The principal differences and significant amounts to note are as follows:

- Share-based compensation decreased to $45,728 (H1, 2015 – $243,868) for H1, 2016. The Company granted 385,000 (June 30, 2015 – 3,140,000) incentive stock options during Q1, 2016, with a weighted average fair value per option granted of $0.14 (2015 – $0.11) for total value of $53,453 (H1, 2015 – $343,534). Since December 2015, except for options granted to employees and consultants performing investor relations activities, option granted are fully vested on the date of grant.
- Rent and communications increased to $58,421 (H1, 2015 – $15,837) for H1, 2016 as a result of entering into an operating lease agreement for shared office space at the Company's head office during the fourth quarter of 2015 with SilverCrest Metals Inc. ("SilverCrest Metals").
- Remuneration expense increased to $270,572 (H1, 2015 – $232,889) for H1, 2016. The change was primarily from change in CFO and the increase in allocation of corporate staff time that is shared between the Company and SilverCrest Metals in 2016.
- Shareholder and investors relations decreased to $34,474 (H1, 2015 – $53,054) for H1, 2016 as a result of due to a reduction in number of investor related services rendered during H1, 2016 when compared to the same quarter in 2015.
- Tradeshows and travel increased to $52,130 (H1, 2015 – $7,898) for the H1, 2016 as a result of an increase in the number of tradeshows attended and the number of personnel attending the events.

Comparison of the three months ended June 30, 2016 with the previous quarter
The net loss and comprehensive loss was $324,906 for Q2, 2016, compared to $384,785 for Q1, 2016. The principal differences and significant amounts to note are as follows:

- General exploration expenditure increased to $13,136 (Q1, 2016 – $2,800) for Q2, 2016, primarily for the renewal of four leases related to its Border Coal Property.
- Share-based compensation decreased to $16,789 (Q1, 2016 – $28,939) for Q2, 2016. The Company granted nil (Q1, 2016 – 385,000) incentive stock options during Q2, 2016, with a weighted average fair value per option granted of $nil (Q1, 2016 – $0.14) for total value of $nil (Q1, 2016 – $53,453).

- Professional fees increased to $31,997 ($15,645) for Q2, 2016, primarily from the legal services rendered for the Company's AGM on June 22, 2016 and additional accounting and audit costs for fiscal 2015 not previously accrued for.
- Rent and communications decreased to $28,044 (Q1, 2016 – $30,377) for Q2, 2016 as a result from a one-time operating fee adjustment.
- Remuneration expense decreased slightly to $134,239 (Q1, 2016 – $136,333) for Q2, 2016, as a result of changes in the allocation of corporate staff time that is shared between the Company and SilverCrest Metals in 2016.
- Shareholder and investors relations increased to $20,101 (Q1, 2016 – $14,373) for Q2, 2016 as the Company distributed corporate material and held its AGM.

CASHFLOWS

As at June 30, 2016, cash and cash equivalents were $417,331 compared to $1,792,847 at December 31, 2015 and $4,092,726 at June 30, 2015.

The periods ended June 30,	Three months ended June 30, 2016	Three months ended June 30, 2015	Six months ended June 30, 2016	Six months ended June 30, 2015
Cash flows provided by (used in):				
Operating Activities	$ (365,155)	$ (141,361)	$ (671,709)	$ (450,548)
Financing Activities	1,473,913	-	1,449,334	-
Investing Activities	(975,522)	(1,399,122)	(2,153,141)	(2,682,550)
Net increase (decrease) in cash and cash equivalents	133,236	(1,540,483)	(1,375,516)	(3,153,098)
Cash and cash equivalents, beginning of period	284,095	5,633,209	1,792,847	7,245,824
Cash and cash equivalents, end of period	$ 417,331	$ 4,092,726	$ 417,331	$ 4,092,726

Operating Activities
Refer to "Results of Operation and Financial Condition" section for discussion on operating activities.

Financing Activities
During the six months ended June 30, 2016, the Company made its schedule interest payments of US$60,000 ($78,255) in relation to a US$1.0 million loan obtained in December, 2015 and obtained a six months extension to this loan by paying extension fee of US$10,000 ($12,718).

In addition, during H1, 2016, the Company received gross proceeds of $1,481,507 from the issuance of 6,107,785 common shares for the exercise of warrants and gross proceeds of $58,800 from the issuance 313,250 common shares for the exercise of options. The Company did not have any financing activity during the six months ended June 30, 2015.

Investing Activities
In relation to Eagle Mountain, the Company paid towards property plant and equipment $403,035 (Q2, 2015 – $1,297,758) during Q2, 2016 for a total of $774,100 (H1, 2015 – $2,185,777) during H1, 2016. In addition, the Company paid towards exploration and evaluation expenditures, $572,487 (Q2, 2015 – $126,820) during Q2, 2016 for a total of $1,379,383 (H1, 2015 – $522,242) during H1, 2016. Refer to "Liquidity and Capital Resources – Assets" section for more information.

Goldsource received $342 (H1, 2015 – $25,469) during H1, 2016 from interest on cash and cash equivalents.

LIQUIDITY AND CAPITAL RESOURCES

		June 30, 2016	March 31, 2016	December 31, 2015
Assets				
Cash and cash equivalents	(i)	$ 417,331	$ 284,095	$ 1,792,847
Other current assets	(i)	194,556	187,448	106,214
Non-current assets		16,643,825	15,323,869	14,109,506
Total Assets		17,255,712	15,795,412	16,008,567
Liabilities				
Current liabilities	(ii)	1,794,939	1,582,771	1,680,805
Working capital	(i – ii)	$ (1,183,052)	$ (1,111,228)	$ 218,256

Assets
At June 30, 2016, Goldsource held cash and cash equivalents of $417,331 (December 31, 2015 – $1.8 million). Goldsource continues to monitor cash resources against expenditures forecasts associated with advancing Eagle Mountain. Other Assets consist of taxes receivable of $10,370, prepaid expenses of $89,461 and held-for-trading securities for $94,725.

Property, plant and equipment increased to $4,922,399 (December 31, 2015 – $4,240,711). The significant items incurred during H1, 2016 were additional cost for Phase I construction in progress of $611,652, offset by gold sales of $269,303, change in estimate of rehabilitation provision of $48,026, and other equipment (including costs towards the purchase of an excavator) of $431,708. In comparison, during the six months ended June 30, 2015, property, plant and equipment increased to $2,225,141 which consisted of a deposit of $1,811,488 towards the acquisition of the Sepro processing plant, purchased a front loader for $69,941, purchased an excavator for $250,391 and purchased a trammel for $54,000.

On June 20, 2016, the Company completed commissioning of the processing plant for Phase I of Eagle Mountain, by achieving an average minimum of 80% of the 1,000 tpd name plate capacity and 45% recovery in gold concentrate, over a continuous 30 day period. At the completion of commissioning of the processing plant, the Company reclassified the carrying amount of $3,069,105 from Construction in Progress to Processing Plant. Depreciation also commenced for the Processing Plant on a straight-line basis over 7 years.

At June 30, 2016, exploration and evaluation assets increased to $11,422,349 (December 31, 2015 – $9,551,925) from expenditures incurred at Eagle Mountain. The significant items recorded as exploration and evaluation assets during the six months ended June 30, 2016 were $487,161 for camp costs, $433,845 for operations and general costs, $589,246 for salaries and $54,254 for technical services and consulting. In addition, the Company incurred other exploration expenditures during Q2, 2016 of $305,918, which comprised mainly of $92,434 for borrowing costs, $50,876 for share-based payments, $30,090 for road maintenance and $139,653 of depreciation from Eagle Mountain property, plant and equipment. In comparison, during the year ended December 31, 2015, the significant items incurred were $424,057 for camp costs, $463,293 for operations and general costs, $594,788 for road maintenance and $541,617 for salaries and $210,926 for other exploration expenditures, which comprised mainly of $32,487 for assays, $109,643 of depreciation on Eagle Mountain equipment and $34,737 for technical services and consulting.

Liabilities

At June 30, 2016, current liabilities include accounts payable and accrued liabilities of $495,292 (December 31, 2015 – $292,255), which relates to various contractual commitments in the normal course of business and loan payable of $1,299,647, which relates to the Loan as described in the "Highlights – Corporate" section above.

As at June 30, 2016, the Company recorded rehabilitation provision of $259,158 (December 31, 2015 – $203,690), which was also included in property, plant and equipment. The present value of rehabilitation provision, using an effective discount rate of 5%, is currently estimated at $259,158 (US$190,097) (December 31, 2015 – $203,690 (US$147,175)), reflecting anticipated cash flows to be incurred over approximately the next 7 years. The undiscounted value of these obligations is $323,516 (US$251,000) (December 31, 2015 – $283,028 (US$204,500)), calculated using a long-term inflation rate assumption of 0.5% (December 31, 2015 – 0.2%).

Liquidity Outlook

As at June 30, 2016, the Company has cash on hand of $417,331 (December 31, 2015 – $1.8 million), accumulated losses of $36.9 million (December 31, 2015 – $36.4 million) and a working capital deficiency of $1.2 million (December 31, 2015 – working capital of $218,256) inclusive of a current loan payable (note 7 in the accompanying interim financial statements) of $1.3 million (December 31, 2015 – $nil) due June 21, 2017. Subsequent to June 30, 2016, the Company received gross proceeds of $1.1 million for the exercise of warrants and options and approximately $60,000 (US$46,000) from recent gold sale. The Company may require additional funds during the next twelve months to maintain its operations and meet its working capital requirements.

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 financings, profitably operate Eagle Mountain and discover additional economically viable mineral deposits. Production at the name plate capacity for Phase I of the Eagle Mountain may be delayed or disrupted, 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 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.

COMMITMENT, EVENTS AND UNCERTAINTIES

As at June 30, 2016, these commitments totaled approximately $2,363,609 (paid) (December 31, 2015 – $2,363,609 (paid)) related to the construction of the plant at Eagle Mountain and totaled approximately $1,792,972 ($1,489,476 paid) (December 31, 2015 – $1,643,801 ($1,340,305 (paid)) related to other contractual agreements for Eagle Mountain. Subsequent to June 30, 2016, the Company paid a total of $48,484 towards the outstanding capital commitments.

RELATED PARTY TRANSACTIONS

During the six months ended June 30, 2016, the Company entered into the following transactions with related parties:

Legal fees

Legal fees of $19,507 (June 30, 2015 – $17,017), which were included in professional fees were paid or accrued to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner, of which $5,292 (December 31, 2015 – $4,583) was payable at June 30, 2016. The Company recognized $328 (June 30, 2015 – $2,230) in share-based payments to this officer.

Key management compensation

		June 30, 2016		June 30, 2015
Key management short-term benefits [1]	$	183,000	$	157,500
Share-based payments [2]		24,819		185,045
	$	207,819	$	342,545

(1) Goldsource's key management personnel have authority and responsibility for planning, directing and controlling the activities of the Company. Total key management remuneration was recorded in the statements of operations and comprehensive loss and paid to the President, former Chief Executive Officer, Chief Operating Officer and Chief Financial Officer of Goldsource.

(2) Share-based payments recorded for all directors and officers the Company and recognized in the statement of operations and comprehensive loss.

Other Transactions

Paid in remuneration $33,605 (June 30, 2015 – $nil) for technical services and recognized $4,365 (June 30, 2015 – $nil) in share-based payments to an employee who is an immediate family member of the Chief Operating Officer of the Company. Remuneration and share-based payments to this employee have been capitalized to the costs of Eagle Mountain, under exploration and evaluation assets.

The Company shared rent, salaries, administrative services and other reimbursable expenses with SilverCrest Mines Inc. ("SilverCrest Mines"), a company related by common directors and officers until September 30, 2015. During the six months period ended June 30, 2015, the Company incurred $108,582 for its share of these expenses, of which $48,601 was payable to SilverCrest Mines at June 30, 2015. Effective October 1, 2015, the Company and SilverCrest Mines terminated their agreement dated January 1, 2011 and concurrently, the Company and SilverCrest Metals, a newly incorporated company related by common directors and a common officer, entered into an allocation of costs agreement to share salaries, administrative services and other reimbursable expenses. During the six months ended June 30, 2016, the Company incurred $96,625 for its share of these expenses, of which $18,522 (December 31, 2015 - $78,565) was payable to SilverCrest Metals at June 30, 2016.

CAUTIONARY STATEMENT AND FORWARD-LOOKING STATEMENT DISCLAIMER

Risk factors

Readers of this Interim MD&A are encouraged to read the "Risk Factors" contained in the Company's Annual MD&A dated April 21, 2016, 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 reserve and resource estimates
- Mining capital and operating costs
- Financing risks
- Environmental risks and hazards

As of the date hereof, the Company also considers Key Employees a risk factor in addition to the previously reported risk factors outlined in the Annual MD&A. The Company is dependent on the services of its key executives, in particular, the Company's President, Chief Financial Officer, Chief Operating Officer, as well as other highly skilled and experienced executives and personnel. Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in acquisition, exploration, development and operation of mining properties is limited and competition for such persons is intense. The departure of any of its key executives and failure of the Company to replace any key executives or employees could impair the efficiency of its operations and have an adverse impact on the Company's future development.

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: strategic plans and expectations for the development of the Eagle Mountain Gold Project based on the PEA and variations to mining plans as mining operations progress and decreased gold production is encountered; information with respect to the metal price assumptions, cash flow forecasts, internal rate of return, 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 the Eagle Mountain Gold Project; timing, plans and expectations for receiving a cyanide leach permit, completing a pre-feasibility study and carrying out Phase II of the Eagle Mountain Gold Project; 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 and ability to positively adjust mining operations when assumptions and expectations on which mining operations are based are not fully met; 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 the Eagle Mountain Gold Project; reliance on the PEA for initial mining operations and on management decisions to appropriately adjust mining operations and depart from mining plans contemplated in the PEA when considered warranted; operating and hazards risks and limitations on insurance risk; fluctuations in precious metals prices; currency fluctuations; political and economical 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 MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

QUALIFIED PERSON

Technical information contained in this Interim MD&A has been prepared by or under the supervision of Mark Horan, P.Eng MSc. (Rhodes) BSc. Eng (Witwatersrand) Senior Mining Engineer for Tetra Tech EBA, who is a 'Qualified Person' for the purpose of NI 43-101.