GOLDSOURCE MINES INC.

MANAGEMENT DISCUSSION & ANALYSIS

DECEMBER 31, 2010
FOURTH 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. 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, 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 year end December 31, 2010. The MD&A should be read in conjunction with the Company's audited financial statements for the year ended December 31, 2010 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 April 13, 2011.

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.

QUALIFIED PERSON

Technical information contained in this MD&A has been prepared by or under the supervision of N. Eric Fier, CPG, P.Eng, who is a 'Qualified Person' for the purpose of National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101"). He has verified the data comprising such technical information, including sampling, analytical and test data underlying the information or opinions contained herein. [Note: the complete NI 43-101 reports may be viewed on SEDAR at www.sedar.com].

OVERALL PERFORMANCE

The Company's discovery of major thermal coal occurrences in east-central Saskatchewan in 2008 resulted in aggressive exploration and development of this new coal discovery. Since the initial discovery, Goldsource has drilled 146 holes, and found substantial coal resources in 17 deposits with an expenditure of approximately $16 million since the discovery. Overall, the estimated coal resources at Border consist of 79.1 million Indicated tonnes plus 34.9 million Inferred tonnes, and 61.1 million Speculative tonnes as stated in the "Technical Report on the Border Coal Property, Resource Estimation" dated March 15, 2011 by Marston Consultants of Calgary, AB ("Marston") and EBA Engineering Consultants of Vancouver, BC ("EBA") and posted on SEDAR at www.sedar.com.

On June 27, 2008, the Company issued 1,532,000 common shares at a price of $11.75 per common share for gross proceeds of $18,001,000 pursuant to a brokered private placement.

Goldsource entered into an agreement on December 10, 2009 with Westcore Energy Ltd. ("Westcore"), in which the Company agreed to apply its proprietary geophysical matrix to Westcore's Fugro airborne geophysical data, and to provide Westcore with specific drill sites on its Saskatchewan and Manitoba coal lands. As partial consideration, Westcore initially issued 100,000 common shares to Goldsource. On March 22, 2010, Westcore announced the discovery of several significant coal deposits adjacent to the Company's Border Property. The Success Criteria set out in the agreement have been satisfied, and Goldsource received an additional 1 million shares of Westcore, a 25% working interest in Westcore's coal lands in Saskatchewan and Manitoba and on December 17, 2010 entered into a 75%/25% joint venture agreement.

The Company continues to focus its efforts on the delineation of the coal occurrences identified on the Border Property in east-central Saskatchewan and to examine potential markets and processes that can utilize Border coals.

OVERALL PERFORMANCE (continued)

Highlights for the reporting year are as follows:

- Goldsource concluded its winter drilling program in April 2010. The Company drilled 27 core holes at its Border Project, which encountered several thick coal zones including a 126.5-metre deposit, 8 drill holes on its Pine River Property, and five drill holes on its Ballantyne Property. A total of 177 coal samples were sent to Loring Laboratories Ltd. in Calgary, AB for proximate analyses and additional testing. Two geotechnical and one hydrological drill holes were completed.

- In March 2010, retained Marston and EBA to complete a Preliminary Economic Assessment (PEA). The report was completed and filed on SEDAR in March 2011 with positive results based on preliminary economics for a coal to liquids conversion process.

- In April 2010, Fugro Geophysics of Ottawa completed a detailed airborne gravity geophysical program over priority coal deposits at Border. The gravity survey was implemented to test the coal deposit boundaries and better define coal deposit size. Successful definition of coal boundaries within +/- 20 metres appears to be possible using these airborne survey techniques. Several new or expanded coal targets were defined and are expected to be drill-tested in 2011.

EXPLORATION PROPERTIES

(A) Border Property, Saskatchewan

In April 2008, Goldsource announced the completion of two holes on the Border property which intercepted a coal seam, including partings, of approximately 25 and 35 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 major coalfield with potential for district and regional coal occurrences. It has since been determined that the coal occurrences identified to date are found in 17 discrete deposits of varying dimensions individually containing coal resources ranging from 3.4 million tonnes to 21.6 million tonnes.

Goldsource completed a winter drilling program at Border on April 9, 2010 with 27 core holes drilled. Details of the hole locations, coal intervals and analytical results as established in the Company's NI 43-101 "Technical Report on the Border Coal Property, Resource Estimation" prepared by Moose Mountain Technical Services dated December 24, 2009 can be found on the Company's website at www.goldsourcemines.com and filed on SEDAR at www.sedar.com.

On March 1, 2010, Goldsource retained Marston and EBA to complete a Preliminary Economic Assessment (PEA). The Border winter drilling program concluded on April 9, 2010 with 3,768 metres drilled. Environmental baseline work under the direction of EBA commenced with emphasis on collecting data and reporting on results for the PEA.

During the year ended December 31, 2010 the Company incurred $242,549 on acquisition and holding costs and $3,422,579 on exploration costs on the Border property. Most of the expenses incurred on the property during the year consist of technical consultants $812,011, drilling $623,107, roads and pad construction $366,814, geophysical services $322,405, operations and general $311,351, site support $227,387, camp rental $217,290, personnel and related costs $165,246 and fuel $157,673.

On March 15, 2011 filed on SEDAR at www.sedar.com its Preliminary Assessment ("PA") NI 43-101 Technical Report for its Border Coal Project in Saskatchewan. This report was prepared by Marston and EBA. The results are positive based on preliminary economics for a coal to liquids (CTL) conversion process.

Coal to Liquids Project Economic Parameters

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

EXPLORATION PROPERTIES (continued)

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

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

• Consider coal liquefaction (CTL) processes which are based on standard petroleum refinery technologies to convert coal to liquids, in particular to high value transportation fuels.

• Complete bulk sampling of 5-10 tonnes to test CTL technologies, to develop or refine plant design, produce an updated product slate and product yield estimates and update the capital and operating cost estimates.

• A rigorous marketing study is recommended to determine the impact of bringing these products, in the projected quantities, to the marketplace.

• Consider locating the processing facilities closer to the Province’s main natural gas transmission and other product pipelines in southern Saskatchewan. This may provide an economic benefit on the cost side as well as possibly providing easier access to the market for the finished products.

• Consider several potential CTL technologies that could be used to monetize the Border resource, such as the Quantex Energy Inc. (Quantex) of Calgary, AB, CTL processing or the Synthesis Energy Systems (“SES”) gasification processing which may have significantly lower capital and operating costs. These processes however, require further testing before being demonstrated as a proven commercial technology.

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

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

Resource Estimates

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

Revised Coal Resources at the Border Project

Category	December 24, 2009 (000's Tonnes)	March 15, 2011 (000's Tonnes)
Indicated	63,500	79,161
Inferred	89,600	34,893
Speculative	18,700	61,183

EXPLORATION PROPERTIES (continued)

2011 Plan

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

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

(B) Ballantyne Property, Saskatchewan

The Company 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.

In April 2010, five drill holes totalling 569 metres were completed at the Ballantyne property in Saskatchewan to test airborne geophysical targets. No coal was intercepted in these holes.

During the year ended December 31, 2010 the Company incurred $629,542 on exploration expenditures on the Ballantyne property which primarily relates to $282,706 on roads and pad construction , $110,862 on site support costs, $102,094 on operations and general and $98,222 on drilling costs.

As a result of poor exploration results, the Company will allow the permits to lapse on their expiry dates. The Company has written off the accumulated mineral property expenditures of $1,026,635 to operations effective December 31, 2010.

(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. On October 30, 2009 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.

The Pine River winter drilling program commenced in December 2009 with continued drilling in January 2010. On January 31, the program was terminated due to consultation issues between local First Nations and the Government of Manitoba which the government neglected to complete prior to the Company's drill start up. The Company requested a refund from the Government of Manitoba of the deposits on the Pine River Quarry Permits until these consultation issues are settled. Deposits of approximately $1.22 million were returned to the Company on March 17, 2010. A total of 8 holes were completed in Manitoba with minor coal intercepts.

During the year ended December 31, 2010 the Company incurred $296,410 on exploration expenditures in Manitoba with most of the expenses related to drilling $159,363 and operations and general $50,856.

As a result of poor exploration results, the Company has allowed certain permits to expire and has written off the accumulated mineral property expenditures of $1,202,421 to operations effective December 31, 2010. The Company received $1,330,818 in quarry permit refunds during fiscal 2010.

EXPLORATION PROPERTIES (continued)

Westcore Energy Ltd. Agreement

The Company entered into an agreement with Westcore Energy Ltd. ("Westcore") dated December 10, 2009 pursuant to which the Company agreed to apply its proprietary geophysical matrix to Westcore's Fugro airborne geophysical data and to provide Westcore with specific drill sites on its Saskatchewan and Manitoba coal lands. As partial consideration, Westcore initially issued 100,000 common shares to Goldsource.

In March 2010, Westcore was successful in drilling at least one intercept consisting of not less than 10 metres of coal on each of two drill targets identified by Goldsource so the following additional conditions applied:

- Westcore issued an additional 1 million common shares to the Company;
- The Company earned a 25% working interest in all of Westcore the existing coal lands in Saskatchewan and Manitoba;
- Westcore and the Company entered into a 75% / 25% joint venture agreement dated December 17, 2010 with terms and conditions standard to mining industry joint ventures. As part of the joint venture agreement Westcore is requested to expend an additional $3 million on the aforementioned lands before the Company will be required to contribute its 25% share of expenditures. The Company has contributed its 100% interest in its 10 sections of coal permits that are within the Hudson Bay North Block located adjacent to the Company’s Border Property in Saskatchewan. A management committee comprises two representatives from Westcore and two from the Company, with voting determined by the participating interest held by each party. There is a 15% royalty for coal mined with the Government of Saskatchewan; and
- In the event that Westcore acquires interests from time to time in any additional prospective coal properties in Saskatchewan or Manitoba, the Company shall have the option to acquire a 25% joint venture participating interest therein.

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 income from interest on cash balances and short term investments.

Net cash used in investing activities for the year ended December 31, 2010 was $121,931. Cash used during the year consists of $4,705,119 spent on mineral properties and $3,768 on equipment acquisition. The Company redeemed $3,500,000 of short term investments during the year and received $1,330,818 as refunds of deposits from quarry permit applications.

There were no financings in the year ended December 31, 2010. The Company received cash proceeds of $8,990 from the exercise of stock options.

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 Company’s working capital as at December 31, 2010 was $1,233,194. The Company completed a PEA on the Border property in March 2011, which reported the project has the potential to be technically and economically feasible based on a coal to liquids conversion process. A major capital project such as this requires a combination of favourable investment climate, timing, commodity pricing and technology changes to demonstrate rates of return commensurate with the capital at risk. Management believes this combination of circumstances is achievable but there is no certainty these results can be realized. Management recognizes the project requires a special expertise and financial capacity to bring it to fruition and will actively seek out a participant with these capabilities. Management intends to pursue the recommendations of the PEA report and has begun to arrange financing to fund these programs.

The following table contains selected financial information of the Company’s liquidity and capital resources:

		2010		2009		2008
Cash	$	132,634	$	355,751	$	2,757,014
Short term investments	$	752,992	$	4,257,976	$	11,723,757
Mineral properties	$	16,058,621	$	15,006,883	$	5,423,156

FINANCIAL PERFORMANCE

Results of operations for the year ended December 31, 2010 and December 31, 2009

The net loss for the year ended December 31, 2010 is $2,868,364 as compared to $2,151,595 in 2009. The principal differences and significant amounts of note are as follows:

- Administration services and management remuneration increased to $283,908 (2009 - $205,045) due to utilization of more personnel by the Company compared with 2009.
- Investor relations decreased to $30,786 (2009 - $121,834) due to a reduction in marketing expenditure.
- Professional fees decreased to $153,922 (2009 - $200,377) due to a reduction in accounting services relating to the implementation in 2009 of new accounting software.
- Interest income decreased to $12,879 (2009 - $154,848) due to decreased funds on deposit.
- Service income amounted to $1,510,000 (2009 - $Nil) which comprised $710,000 from the initial value attributed to 1million Westcore common shares, $750,000 from the initial value attributed to the 25% working interest earned in Westcore's existing coal lands in Saskatchewan and Manitoba and $50,000 from a reclass against the Border Property in 2009 to service income from the initial value attributed to 100,000 Westcore common shares (see Westcore Energy Ltd. Agreement section).
- Stock based compensation decreased to $1,176,779 (2009 - $1,413,998) due to a decrease in the fair value of options granted. The decrease was offset by an additional $519,250 that resulted from extending expiry date to December 23, 2015 on 775,000 stock options due to expire on December 31, 2010. The Company granted 725,000 (2009 – 1,500,000) incentive stock options with a weighted average fair value per option granted of $0.84 (2009 - $1.17).
- Unrealized loss on held-for-trading securities amounted to $297,000 (2009 – gain ($10,000)) on valuation of the Company's 1.1million Westcore common shares. Under Canadian GAAP held-for-trading securities are to be recorded at fair value (marked to market) at the balance sheet date and the resulting gains or losses are to be included in the results for the year.
- Write–off of mineral property expenditures was $2,229,056 (2009 - $NIL). Due to poor exploration results management are allowing certain permits on the Ballantyne and Manitoba properties to lapse on their expiry date and elected to record the accumulated expenditures in operations effective December 31, 2010.

Results of operations for the three months ended December 31, 2010 and December 31, 2009

The net loss for the three months ended December 31, 2010 is $2,090,153 as compared to $ 525,019 in 2009. The principal differences and significant amounts of note are as follows:

- Stock based compensation increased to $651,038 (2009 - $295,212) due to the additional $519,250 that resulted from the extension in October 2010 of the expiry date on 775,000 stock options.
- Service income amounted to $1,160,000 (2009 - $Nil), unrealized loss on held-for-trading securities amount to $217,000 (2009 – gain ($10,000)) and write-off of mineral properties amounted to $2,229,056 (2009 - $Nil) as noted above.

SELECTED ANNUAL INFORMATION

		2010		2009		2008
Total revenues	$	Nil	$	Nil	$	Nil
Net loss for the year	$	(2,868,364)	$	(2,151,595)	$	(4,978,579)
Net loss per share (1)	$	(0.14)	$	(0.11)	$	(0.27)
Total assets (2)	$	18,258,447	$	20,090,107	$	20,542,629
Total long term financial liabilities	$	Nil	$	Nil	$	Nil
Future income taxes	$	Nil	$	Nil	$	Nil
Cash dividends declared per share	$	Nil	$	Nil	$	Nil

(1) All per share amounts are calculated on a weighted average basis.
(2) Total assets decreased in 2010 primarily as a result of a $2,229,056 write-off of mineral properties. There were no financings in fiscal 2010.

SUMMARY OF QUARTERLY RESULTS

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

Period		Revenues		Net Loss		Net Loss per Share (1)
Q4 December 31, 2010	$	Nil	$	(2,090,153)	$	(0.10)
Q3 September 30, 2010	$	Nil	$	(71,452)	$	(0.00)
Q2 June 30, 2010	$	Nil	$	(368,655)	$	(0.02)
Q1 March 31, 2010	$	Nil	$	(338,104)	$	(0.02)
Q4 December 31, 2009	$	Nil	$	(525,019)	$	(0.03)
Q3 September 30, 2009	$	Nil	$	(621,312)	$	(0.03)
Q2 June 30, 2009	$	Nil	$	(799,681)	$	(0.04)
Q1 March 31, 2009	$	Nil	$	(205,583)	$	(0.01)

(1) All per share amounts are calculated on a weighted average basis.

The large net loss for the second and third quarter of 2009 due to stock based compensation.

INVESTOR RELATIONS ACTIVITIES

Management and company personnel currently perform all investor relation services. There are no external investor relation contracts or commitments at December 31, 2010. 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 EVENT

On March 15, 2011, the Company released a Preliminary Assessment NI 43-101 Technical Report for its Border Coal Project in Saskatchewan. (See Exploration Properties section).

COMMITMENT

The Company has entered into an operating lease agreement for office space. This agreement requires the Company to make the following lease payments:

		Office Lease
Year ending December 31, 2011		49,491
Year ending December 31, 2012		28,870
	$	78,361

OUTSTANDING SHARE CAPITAL

Capital stock

a) Unlimited number of common shares without nominal or par value.

b) Unlimited number of preferred shares without nominal or par value (none outstanding).

As at December 31, 2010 and at the date hereof, the Company had outstanding 20,010,533 common shares. In addition the Company had outstanding 3,607,500 share purchase options for total diluted shares outstanding of 23,618,033.

OFF-BALANCE SHEET ARRANGEMENTS

As at December 31, 2010, 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 $165,000 (2009 - $120,000) for management fees to two companies controlled by officers and directors of the Company.

b) Paid $60,000 (2009 - $Nil) for project management fees to an officer of the Company which are included in mineral property expenditures.

c) Paid or accrued $83,446 (2009 - $87,945) for legal fees which are included in professional fees to a law firm of which an officer of the Company is a partner.

d) The Company shares rent, salaries and administrative services with a company related by common directors and officers. The Company incurred $173,386 (2009 - $114,699) for their share of rent, salaries and administrative expenses.

e) Minera Pacific Inc. has two directors and officers in common with the Company. During the year ended December 31, 2010, the Company issued 121,875 (2009 – 75,000) and paid $25,000 (2009 - $150,000) in cash pursuant to the terms of a property agreement.

Included in accounts payable and accrued liabilities at December 31, 2010 is $3,581 (2009 - $11,595) due to a law firm of which an officer of the Company is a partner and $8,996 (2009 - $16,827) due to an officer and director of the Company.

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.

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 shareholders' equity as capital. The Company manages the capital structure and makes adjustments 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 at the date hereof, 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 has in place a planning and budgeting process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company's cash is invested in business accounts with a quality financial institution and which is available on demand for the Company's programs, and is not invested in any asset backed commercial paper. However, the Company will require significant additional funding in the future to continue to explore and develop its Border coal property. Accordingly, there is a risk that the Company may not be able to secure adequate funding on reasonable terms, or at all, at that future date.

c. Credit Risk

Credit risk is the risk of potential loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to its liquid financial assets including cash, short term investments and amounts receivable. The Company limits exposure to credit risk on liquid financial assets through maintaining its cash and short term investments with a high-credit quality financial institution. Receivables are due primarily from government agencies.

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 as they are generally held with large financial institutions. As at the date hereof, with all other variables unchanged, a 1 percentage point change in interest rates would not have a significant impact on the Company's loss and comprehensive loss for the year.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)

e. Market Risk

The Company's exposure to market risk arises from their held-for-trading securities in Westcore. There is a risk the Company would recognize a loss as a result of a decrease in the fair value of the investment given the nature of Westcore, a mining exploration company.

Financial instruments carrying value and fair value

The Company's financial instruments consist of cash, short term investments, securities, amounts receivable and accounts payable and accrued liabilities. The carrying value of amounts receivable and accounts payable and accrued liabilities approximate their fair values due to the short periods until settlement.

CICA Handbook Section 3862 prioritizes the inputs into three levels that may be used to measure fair value:

a) Level 1 – Applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

b) Level 2 – Applies to assets or liabilities for which there are inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly such as quoted prices for similar assets or liabilities in active markets or indirectly such as quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions.

c) Level 3 – Applies to assets or liabilities for which there are unobservable market data.

As at December 31, 2010, the Company's classification of financial instruments within the fair value hierarchy is summarized as follows:

	Level 1	Level 2	Level 3	Total
Cash	$ 132,634	$ -	$ -	$ 132,634
Short term investments	$ 752,992	$ -	$ -	$ 752,992
Held-for-trading securities	$ 473,000	$ -	$ -	$ 473,000

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.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

In February 2008, the Canadian Accounting Standards Board ("AcSB") confirmed that Canadian public enterprises need to adopt IFRS effective for years beginning on or after January 1, 2011. The Company's first mandatory filing under IFRS will be the unaudited interim financial statements for the quarter ending March 31, 2011, with comparative financial information for the quarter ended March 31, 2010 , an opening balance sheet as at January 1, 2010 and full disclosure of all new IFRS policies.

The first audited annual financial statements will be for the year ending December 31, 2011, with comparative financial information for the year ended December 31, 2010. Although IFRS uses a conceptual framework similar to GAAP, there are significant differences in recognition, measurement and disclosure.

In January 2010, the Company's management assessed the impact of adoption to IFRS and concluded that an adoption date will be January 1, 2011 and a transition date January 1, 2010.

The Company's financial controller and CFO examined the impact of the changes in accounting policies per IFRS and attended seminars on the adoption and implementation of IFRS. The examination revealed a number of key accounting areas where IFRS differs from current Canadian GAAP and also identified alternatives in those and other key areas. The Company reviewed its existing accounting system along with its internal and disclosure control process and concluded that they would not need significant modification as a result of the Company's conversion to IFRS.

Goldsource identified the following IFRS standards that will have the most material impact on the Company:

Property, Plant and Equipment ("PP&E")

Under IFRS, PP&E can be measured at fair value or at cost while under Canadian GAAP, the Company has to carry PP&E on a cost basis and the revaluation is prohibited.

Upon adoption of IFRS, the Company had to determine whether to elect a cost model or revaluation model. Goldsource has elected to adopt the cost model under IFRS.

In accordance with International Accounting Standard (IAS) 16 "Property, Plant and Equipment", upon acquisition of significant assets, the Company will need to allocate an amount initially recognized in respect of an asset to its component parts and accounts for each component separately when the components have different useful lives or the components provide benefits to the entity in a different pattern. Componentization is not expected to impact the Company's PP&E balance.

Impairment of Assets

Canadian GAAP generally uses a two-step approach to impairment testing: first comparing asset carrying values with undiscounted future cash flows to determine whether impairment exists; and then measuring any impairment by comparing asset carrying values with discounted cash flows. IAS 36, "Impairment of Assets" uses a one-step approach for both testing and measurement of impairment, with asset carrying values compared directly with the higher of fair value less costs to sell and value in use (which uses discounted future cash flows).

IFRS also requires the reversal of any previous asset impairments, excluding goodwill, where circumstances have changed. Canadian GAAP prohibits the reversal of impairment losses.

The potential for asset impairments will increase in the future.

Exploration and Evaluation Assets

Under the Company's current accounting policy, acquisition costs of mineral properties, together with direct exploration and development expenses incurred thereon are capitalized.

Upon adoption of IFRS, the Company has to determine the accounting policy for exploration and evaluation assets. The Company can decide to apply the International Accounting Standards Board ("IASB") Framework which requires exploration expenditures to be expensed and capitalization of expenditures only after the completion of a feasibility study or keep the existing Company policy, if relevant and reliable.

The Company has elected to continue to capitalize its exploration and evaluation expenditures.

INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS") (continued)

Share Based Payments

IFRS and Canadian GAAP largely converge on the accounting treatment for share based transactions with only a few differences.

Under IFRS, the estimate for forfeitures must be made when determining the number of equity instruments expected to vest, while under Canadian GAAP forfeitures can be recognized as they occur. The Company used an estimate of zero forfeitures when determining the number of equity instruments expected to vest during fiscal 2010.

IFRS requires each instalment to be treated as a separate share option grant, because each instalment has a different vesting period, and hence the fair value of each instalment will differ. Unlike IFRS, Canadian GAAP provides the option to use the straight-line method or the attribution method to account for graded-vesting features. Canadian GAAP allows either accelerated or straight line method of amortization for the fair value of stock options under graded vesting. The Company uses the accelerated amortization method and therefore the adoption of IFRS 2 will not have a significant impact on the Company's financial statements.

IFRS, unlike Canadian GAAP, extends the application of accounting for employee share-based payments to include "others providing similar services" (e.g. non-executive directors). In other words, the accounting for transactions with individuals who are not employees of the company (e.g. consultants) may nonetheless follow the guidance set out for employee share-based payments under IFRS. Under Canadian GAAP, transactions with consultants are considered transactions with non-employees and follow guidance separate than that specified for transactions with employees.

Future Income Taxes

As with Canadian GAAP, deferred income taxes under IFRS are determined using the liability method for temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, and by generally applying tax rates applicable to the Company to such temporary differences. Deferred income taxes relating to temporary differences that are in equity are recognized in equity and under IFRS subsequent adjustments thereto are backward traced to equity.

IFRS prohibits recognition where deferred income taxes arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable net earnings.

Implementing IAS 12, Income Taxes is not expected to have an impact on the financial statements. However, as events and circumstances of the Company's operations change that give rise to future income taxes, IAS 12 will be applied.

Presentation and Disclosure

Disclosure requirements under IFRS generally contain more breadth and depth than those required under Canadian GAAP and, therefore, will result in more extensive note references. The Company is continuing to assess the level of presentation and disclosures required to its consolidated financial statements.

IFRS 1 – First-time adoption of International Financial Reporting Standards ("IFRS 1")

IFRS 1 governs the first-time adoption of IFRS. In general, accounting policies adopted in accordance with IFRS are to be applied retrospectively. IFRS 1 provides entities adopting IFRS for the first time with a number of optional and mandatory exceptions, to the general requirement for full retrospective application of IFRS. Mandatory exceptions include estimates, hedge accounting, and non-controlling interests and derecognition of financial assets and financial liabilities. Optional exceptions include decommissioning liabilities included in property, plant and equipment, share-based payments, cumulative translation adjustments, borrowing costs, among others. Set forth below are the IFRS 1 elected and mandatory exemptions that were applied by the Company on conversion.

Share-based payments

IFRS 1 permits the application of IFRS 2 Share Based Payments only to equity instruments that had not vested by the date of transition to IFRS. The Company has applied this exemption and will only apply IFRS 2 for equity instruments that had not vested by January 1, 2010.

Estimates

IFRS 1 specifies that estimates made under prior GAAP are not to be changed on transition to IFRS unless they were in error. Information acquired after the date of the estimate is not to be applied retroactively.

Goldsource continues to monitor standards development as issued by the International Accounting Standards Board and the Canadian Institute of Chartered Accountants Accounting Standards Board, as well as regulatory developments as issued by the Canadian Securities Administrators, which may affect the timing, nature or disclosure of the Company's adoption of IFRS.

RISK FACTORS

Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. A number of factors could negatively affect the Company's business and the value of the Company's common shares, including the factors listed below. Additional risks and uncertainties currently not known to Goldsource, or that the Company considers immaterial may also impair the business operations. If any such risks or uncertainties actually were to occur, the Company's business, prospects, financial condition and operating results could be materially harmed. While it is not possible to eliminate all of the risks inherent to the mining business, the Company strives to manage these risks, to the greatest extent possible, to ensure that its assets are protected.

Financing risks

Goldsource has sufficient financial resources to fund its general administrative costs but will require additional funds to carry out planned recommendations of the PEA report at its Border Property. There are no revenues from operations and no assurances that sufficient funding will be available to conduct further exploration and development of its projects. If the Company's exploration and development programs are successful, additional funds will be required for development of one or more projects. Failure to obtain additional funding could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties. It is intended that such funding will be obtained primarily from future equity issues. If additional funds are raised from the issuance of equity or equity-linked securities, the percentage ownership of the current shareholders of Goldsource will be reduced, and the newly issued securities may have rights, preferences or privileges senior to or equal to those of the holders of the Company's existing common shares. Goldsource's ability to raise the additional capital, and the cost of such capital, will depend upon market conditions from time to time. There can be no assurances that such funds will be available at reasonable cost or at all.

Dilution from further equity financing

If the Company raises additional funding by issuing additional equity securities, such financing may substantially dilute the interests of shareholders of the Company and reduce the value of their investment.

Risks inherent in the mining business

Coal exploration is inherently risky. Few exploration properties are ultimately developed into producing mines. The business involves significant financial risks over a significant period of time that even a combination of careful evaluation, experience and knowledge may not eliminate. It is impossible to ensure that the Company's current or proposed exploration programs will result in commercially viable mining operations.

Commercial viability of developing a coal reserve depends on a number of factors, such as: size and grade of the deposit; proximity to infrastructure; financing costs and governmental regulations that include regulations relating to prices, taxes, royalties, infrastructure, land use, importing and exporting of coal and environmental protection. The effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

Coal properties are often non-productive for reasons that cannot be anticipated in advance, and such operations may be subject to risks and hazards even after the commencement of mining operations. Potential risks include: availability of a suitably trained or trainable labour force; an effective working relationship between the Company and its labour force; successful renegotiation of labour contracts when they expire, particularly with respect to its unionized labour force and related collective agreement; environmental hazards; industrial accidents; unusual or unexpected geological formations or conditions; unanticipated metallurgical difficulties; the ability to acquire on a timely basis the equipment and materials necessary to operate the mine at full planned capacity; weather conditions (including historically unforeseen and unpredictable changes in weather patterns such as significantly increased severity of adverse conditions that may be brought about by the phenomenon of global warming or climate change); rock bursts, cave-ins or other ground control problems; seismic activity; flooding; water conditions; and coal or concentrate losses. The occurrence of any of the foregoing could result in damage to or destruction of coal properties or production facilities, personal injuries, environmental damage, delays or interruption of production, increases in production costs, monetary losses, legal liability and adverse government action.

Regulatory and environmental risks

The Company's exploration activities are subject to various laws and regulations governing the protection of the environment, exploration, development, waste disposal, toxic substances and other matters. New laws and regulations, amendments to existing laws and regulations or more stringent implementation of existing laws and regulations could have a material adverse impact on the Company, increase costs, cause a delay or prevent the development of new mineral properties. Goldsource believes it is currently in compliance in all material respects with all applicable environmental laws and regulations.

RISK FACTORS (continued)

Mining is subject to potential risks and liabilities associated with pollution of the environment and the disposal of waste products occurring as a result of coal exploration and production. Environmental liability may result from mining activities conducted by others prior to the Company's ownership of a property. To the extent Goldsource is subject to uninsured environmental liabilities, the payment of such liabilities would reduce the Company's otherwise available earnings and could have a material adverse effect on Goldsource. Should the Company be unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter into interim compliance measures pending completion of the required remedy, which could have a material adverse effect on the Company. In addition, Goldsource does not have coverage for certain environmental losses and other risks as such coverage cannot be purchased at a commercially reasonable cost.

Exploration and development

All of the properties in which Goldsource has an interest are in the early-to-advanced exploration stages only, and are without a demonstrated commercial body of coal. Development of the Company's mineral properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in the definition of commercial bodies of coal. The long-term profitability of the Company's operations, if any, will be in part directly related to the cost and success of its exploration and development programs, which may be affected by a number of factors.

Substantial expenditures are required to establish reserves through drilling, to develop processes to mine coal from the resources and, in the case of new properties to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized or coal deposit, no assurance can be given that minerals or coal will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

The marketability of any minerals or coal acquired or discovered may be affected by numerous factors, which are beyond the control of the Company and which cannot be accurately predicted, such as: the proximity and capacity of processing facilities; commodities markets; and governmental regulations, including regulations relating to royalties, allowable production and importing and exporting of minerals or coal.

Mineral reserve estimates

Where used by the Company, figures for coal resources are estimates and no assurance can be given that the anticipated tonnages and grades will be achieved, or that reasonable levels of recovery will be realized. Market fluctuations in the price of coal and/or a fluctuation in currency exchange rates may render certain coal resources uneconomic. Prolonged declines in the market price of coal may also render coal resources containing relatively lower grades of coal uneconomic to exploit. Such price fluctuations could materially reduce the Company's reported coal resources. Should such reductions occur, material write-downs of its investment in mining properties or the discontinuation of development might be required, and there could be material delays in the development of new projects and increased net losses.

Coal resources are concentrations or occurrences of coals that are judged to have reasonable prospects for economic extraction, but for which the economics of extraction cannot be assessed, whether because of insufficiency of geological information or lack of feasibility analysis, or for which economic extraction cannot be justified at the time of reporting. Consequently, coal resources are of a higher risk and are less likely to be accurately estimated or recovered than coal reserves.

Competition

The mineral industry is intensely competitive in all its phases. The Company competes with many companies possessing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees.

Licenses and permits

The Company's operations require licenses and permits from various governmental authorities. Goldsource believes it holds all material licenses and permits required under applicable laws and regulations, and believes it is presently complying in all material respects with the terms of such licenses and permits. However, such licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits that may be required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

RISK FACTORS (continued)

Operating hazards and risks

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company may have a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of precious metals, any of which could result in work stoppages, damage to property, and possible environmental damage. Although Goldsource currently maintains insurance to cover some of these risks, the nature of these risks is such that liabilities might exceed policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event Goldsource could incur significant costs that could have a materially adverse effect upon its financial condition.

Fluctuating prices

The Company's revenues, if any, are expected to be in large part derived from the mining and sale of mineral or coal products or interests related thereto. The price of these commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond Goldsource's control including international, economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, global or regional consumptive patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of commodities and therefore the economic viability of any of the Company's exploration or development projects cannot accurately be predicted.

No assurance of titles

The Company's title to its mineral properties may be subject to challenge. While title to the properties has been diligently investigated and, to the best of the Company's knowledge, title to all properties in which it has, or has the right to acquire, an interest is in good standing, this should not be construed as a guarantee of title.

Recent Canadian jurisprudence requires governments to consult with aboriginal peoples with respect to grants of mineral rights and the issuance or amendment of project authorizations. This may affect the Company's ability to acquire, either within a reasonable time frame or at all, effective mineral titles in Canada in which aboriginal title is claimed. The risk of unforeseen aboriginal title claims also exists in foreign jurisdictions, and could also affect existing operations as well as development projects and future acquisitions. These legal requirements may affect the Company's ability to expand or transfer existing operations or to develop new projects.

Substantial volatility of share price

In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the securities of many mineral exploration companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. The price of the Company's common shares is also likely to be significantly affected by short-term changes in mineral prices or in the Company's financial condition or results of operations as reflected in its quarterly financial reports. Other factors unrelated to the Company's performance that may have an effect on the price of its common shares include the following: the extent of analytical coverage available to investors concerning the Company's business may be limited if investment banks with research capabilities do not follow the Company's securities; lessening in trading volume and general market interest in the Company's securities may affect an investor's ability to trade significant numbers of the Company's common shares; the size of the Company's public float may limit the ability of some institutions to invest in the Company's securities.

Absolute assurance on Financial Statements

The Company prepares its financial statements in accordance with accounting policies and methods prescribed by Canadian generally accepted accounting principles. In the preparation of financial statements, management may need to rely upon assumptions, make estimates or use their best judgment in determining the financial condition of the Company. In order to have a reasonable level of assurance that financial transactions are properly authorized, assets are safeguarded against unauthorized or improper use and transactions are properly recorded and reported, the Company has implemented and continue to analyze its internal control systems for financial reporting. Although the Company believes that its financial reports and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance in that regard.

Lack of dividends

No dividends on the Company's common shares have been paid to date. The Company currently plans to retain all future earnings and other cash resources, if any, for the future operation and development of its business. Payment of any future dividends, if any, will be at the discretion of the Board of Directors after taking into account many factors, including the Company's operating results, financial condition, and current and anticipated cash needs.

RISK FACTORS (continued)

Potential conflicts of interest

The directors and officers of the Company may serve as directors and/or officers of other public and private companies, and may devote a portion of their time to manage other business interests. This may result in certain conflicts of interest. To the extent that such other companies may participate in ventures in which the Company is also participating, such directors and officers of the Company may have a conflict of interest in negotiating and reaching an agreement with respect to the extent of each company's participation. The laws of British Columbia, Canada, require the directors and officers to act honestly, in good faith, and in the best interests of the Company and its shareholders. However, in conflict of interest situations, directors and officers of the Company may owe the same duty to another company and will need to balance the competing obligations and liabilities of their actions.

There is no assurance that the needs of the Company will receive priority in all cases. From time to time, several companies may participate together in the acquisition, exploration and development of natural resource properties, thereby allowing these companies to: (i) participate in larger properties and programs; (ii) acquire an interest in a greater number of properties and programs; and (iii) reduce their financial exposure to any one property or program. A particular company may assign, at its cost, all or a portion of its interests in a particular program to another affiliated company due to the financial position of the company making the assignment. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, it is expected that the directors and officers of the Company will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

Employee recruitment and retention

Recruiting and retaining qualified personnel is critical to the Company's success. The Company is dependent on the services of key executives including the Company's President, Chief Financial Officer, Chief Operating Officer and other highly skilled and experienced executives and personnel focused on managing the Company's interests. The number of persons skilled in acquisition, exploration, development and operation of mining properties are limited and competition for such persons is intense. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. The Company could experience increases in its recruiting and training costs and decreases in its operating efficiency, productivity and profit margins. Failure of the Company to attract, hire and retain qualified personnel and the departure of any of its key executives could impair the efficiency of its operations and could have an adverse impact on the Company's future cash flows, earnings, results of operations and financial condition.

Conversion to IFRS

The Company's conversion to International Financial Reporting Standards ("IFRS") may materially impact the Company's reported financial position and results of operations. The conversion to IFRS may affect the Company's accounting policies, information technology systems, internal controls and disclosure controls and procedures.

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 year ended December 31, 2010.

DISCLAIMER

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.