



MANAGEMENT DISCUSSION & ANALYSIS OF

FINANCIAL CONDITIONS & RESULTS OF OPERATIONS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2014

FORM 51-102F1

This Management's Discussion and Analysis ("MD&A") is an overview of the activities of **Goldsource Mines Inc.** (the "Company" or "Goldsource") for the three and nine months ended September 30, 2014. The MD&A is intended to help the reader understand the Company's operations, financial performance and present and future business environment. The MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2014 and 2013 and the related notes contained therein which have been prepared under International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The following should also be read in conjunction with the audited financial statements, the related MD&A for the year ended December 31, 2013, and all other disclosure documents of the Company. 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 MD&A is November 21, 2014. This MD&A contains forward looking information. Reference to the risk factors described on pages 7 to 8 and in the "Cautionary Statement" on page 9 of this MD&A is advised.

OVERVIEW OF THE BUSINESS

Goldsource Mines Inc. (TSX-V: GXS) is a Canadian resource company engaged in exploration and development. Goldsource is working aggressively to develop its advanced-stage, 100%-owned Eagle Mountain Gold Property ("Eagle Mountain Property") in Guyana, South America towards initial staged production in 2015. Goldsource is led by an experienced management team, proven in making exploration discoveries, achieving construction on time and budget, and fast-tracking production. Goldsource's other mineral interests presently consist of coal exploration properties located in Saskatchewan.

OUTLOOK

The Company's current focus is to progress the development of the Eagle Mountain Property towards the commencement of initial staged production in 2015. The Company does not presently have the funds to carry out these developments and plans to source the funds through equity or debt financing or a combination thereof by Q1, 2015.

HIGHLIGHTS OF THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2014

- On September 16, 2014, the Company filed a Preliminary Economic Assessment ("PEA") Technical Report (the "Report") compliant with National Instrument 43-101 *Standards of Disclosure for Mineral Projects* ("NI 43-101") for the Company's Eagle Mountain Property. Conceptually, the PEA results suggest the project has low capital and operating costs, minimized technical risk and a short development timeline. Goldsource is extremely pleased with the PEA results for this relatively low-risk phase of development for the Eagle Mountain Property. The results exhibit very attractive rates of return. The creativity of the phased construction approach, its modular design and the simplicity of the mining and processing of the low-strip ratio saprolite material have resulted in an optimized development scenario for this deposit (refer to **Exploration section** for further discussion on PEA highlights).
- Goldsource's subsidiary Stronghold Guyana Inc. ("Stronghold") holds a prospecting license on the approximately 5,050 hectare Eagle Mountain Property. In August 2014, the Guyana Geology and Mines Commission granted a Medium Scale Mining Permit (the "Permit") to Kilroy Mining Inc. ("Kilroy") to mine gold, diamonds, precious metals and minerals on a 250 hectare portion within Eagle Mountain's Property. As the Permit is required under Guyana law to be held by a Guyanese national, Stronghold has entered into agreements with Kilroy, a private arm's length Guyanese company pursuant to which Stronghold and Kilroy will jointly operate the Property. Kilroy has granted Stronghold the exclusive right to conduct mining operations on the Property including any additional areas acquired by Kilroy. Stronghold will fund all expenditures on the Property and receive 100% of all revenues, subject to applicable government royalties and a 2% net smelter return royalty to Kilroy as compensation for its participation. As part of the agreements, Goldsource issued Kilroy 250,000 common shares of the Company, subject to a 12-month hold period.
- On April 14, 2014, the Company adopted a new "rolling 10%" Stock Option Plan (the "New Plan"), which was approved by Shareholders on June 11, 2014. The New Plan replaces and supersedes the Company's previous fixed number stock option plan that was originally adopted in May 2009. The stock option plan authorizes the grant of stock options to executive officers and directors, employees and consultants enabling them to acquire common stock of the Company to a maximum of 10% of the then issued and outstanding share capital. The exercise price of any option will be the market price of the Company's stock as at the date of the grant. The options can be granted for a maximum term of 10 years with vesting determined by the Board of Directors.
- On March 6, 2014, the Company executed an Amendment Agreement with Omai Gold Mines Ltd. ("OGML"), a subsidiary of IAMGOLD Corporation with respect to the Eagle Mountain Property. The summary of amending terms includes:
 - I. Goldsource will issue to OGML 3,389,279 common shares (**issued**).
 - II. Goldsource shall pay OGML, US\$3,025,500.94 ("Initial Payment") in cash or, at Goldsource's option in common shares of Goldsource, at a price per share equal to a five percent (5%) discount to the Volume Weighted Average Price ("VWAP") of Goldsource's common shares for the twenty trading days prior to issuance, upon the earlier of:
 - a. If average market price of gold is US\$1,400/oz. or higher upon achieving total production of 40,000 ounces of gold, then the Initial Payment is due 90 days after 40,000 ounces have been produced, otherwise payment to be made 90 days after 50,000 ounces produced from the Project, or

HIGHLIGHTS OF THIRD QUARTER AND NINE MONTHS ENDED SEPTEMBER 30, 2014 (continued)

- b. Ninety days after having completed one year of gold production under a large scale Mining License issued by the GGMC, or
 - c. Five days after the date on which the 20-day VWAP of Goldsource exceeds \$0.75 per share, provided such date is not earlier than March 1, 2015.
- ///. Goldsource shall pay OGML, an additional US\$5,000,000 ("Final Payment") in cash or at Goldsource's option, US\$2,500,000 cash and US\$2,500,000 in common shares of Goldsource, at a price per share equal to a five percent (5%) discount to the 20-day VWAP of Goldsource's common shares. The Final Payment shall be made one year after the earlier of:
 - a. The payment set out in, ("II a.") above has been made, or
 - b. After having completed one year of gold production under a large scale Mining License issued by the GGMC.
- On February 28, 2014, Goldsource and Eagle Mountain Gold Corp. ("EMGC") completed their combination as jointly announced on November 26, 2013. As a result, the shareholders of EMGC became shareholders of Goldsource and a corporation into which EMGC was amalgamated became a wholly owned subsidiary of Goldsource. Pursuant to the combination, each common share of EMGC has been exchanged for 0.52763 of a common share of Goldsource. Accordingly, a total of 29,173,691 common shares of Goldsource were issued. As part of the transaction, all outstanding EMGC share purchase options and warrants were exchanged at the exchange ratio of 0.52763 resulting in 1,340,182 new Goldsource options and 16,981,001 new Goldsource warrants exercisable for common shares of Goldsource at exercise prices ranging from \$0.16 to \$3.79 per share. The options and warrants issued by Goldsource were on the same terms and conditions as those exchanged by the EMGC holders.

EXPLORATION

EAGLE MOUNTAIN PROPERTY, Guyana

Eagle Mountain Property is an advanced, 100%-owned gold project. The project consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, South America, approximately 200 kilometers southwest of the capital Georgetown and 45 kilometers from the historical Omai gold mine, which was in production from 1993 to 2005.

In September 2014, Goldsource filed a PEA 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 Report was completed 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.

Resource Estimate (NI 43-101 Technical Report, dated June 15, 2014)

Category	Tonnes ⁽¹⁾	Au g/t	Ounces Au
Indicated	3,921,000	1.49	188,000
Inferred	20,635,000	1.19	792,000

⁽¹⁾ A block cut-off value of 0.5 g/t Au was applied to all resource blocks. All numbers are rounded.

The current resource covers only a small portion of the property so there is excellent potential for expansion. The deposit remains open in three lateral directions and at depth, showing strong mineralization along its edges.

The PEA's conceptual approach encompasses a "Phase I" starter open cut for mining at 1,000 tonnes per day ("tpd") with subsequent low impact and low cost gravity-only processing. Upon successful completion of Phase I, the Company plans to systematically install and operate three additional similar plants over a four-year schedule with a cumulative rate of 3,500 to 4,000 tpd. Conceptually, additional processing plants will be paid for through operating cash flow. The project has several potential opportunities to accelerate PEA-defined production once initial success in Phase I is achieved.

PRELIMINARY ECONOMIC ASSESSMENT HIGHLIGHTS (NI 43-101 Technical Report, June 15, 2014)

The PEA incorporates a gold price of \$1,250 per ounce gold. Highlights of the Base Case economic estimates are as follows:

- Pre-tax Net Present Value ("NPV") (5%) of US\$69.4 million and after-tax NPV (5%) of US\$45.6 million.
- Pre-tax NPV (7%) of \$61.1 million and after-tax NPV (7%) of US\$39.8 million.
- Pre-tax Internal Rate of Return ("IRR") of 84% and after-tax IRR of 63%.
- Phase I, pre-production capital costs of US\$5.9 million including a 15% contingency.
- Total capital costs including all proposed expansions (Phase II, III & IV expansions) and sustaining capital are estimated at US\$24.2 million.
- Cash operating costs, exclusive of sustaining capital, for saprolite mine life averages US\$480 per ounce gold including a 15% contingency.
- Cost per tonne of mill feed averages US\$8.96.
- Pre-tax undiscounted operating cash flow before capital expenditures totalling US\$123.4 million.
- 8-year LOMP PEA mine plan totalling 8.6 million tonnes at an average grade of 1.20 g/tonne gold (diluted and recoverable).

EXPLORATION (continued)

- Of the 8.6 million tonnes, only 7.3 million tonnes (undersize sub-2mm) grading 1.20 g/tonne gold will be conceptually processed. The remaining tonnes (oversize larger than 2mm) would be stockpiled for further metallurgical test work and potential further processing.
- Conceptually, the first four years of gold production would be 5,600, 14,400, 21,600 and 28,800 ounces gold, respectively.
- Life of mine production of an estimated 168,700 ounces gold from gravity-only processing at estimated 60% recovery.
- Inventory of 161,900 oz Au in settlement ponds from gravity-only processing rejects for potential future reprocessing using standard technologies.
- Not considered in the PEA are the in-situ "fresh-rock" resources of Indicated 2,331,000 tonnes @ 1.52 g/tonne Au containing 114,000 oz and Inferred 13,433,000 tonnes @ 1.13 g/tonne, containing 486,000 oz (both at 0.5 g/t Au cut-off).

The Eagle Mountain Property mining and processing schedules are based on a phased-approach model with four phases proposed over four years. Phase I mining rates would be 1,000 tpd (one 12-hour shift, 7-days per week) in year one ramping up to 4,000 tpd by year four. Conventional open cut mining of soft weathered rock (gold mineralized saprolite) is proposed using a team of excavators, bulldozers and wheel-loaders to excavate and separate materials within the open cut with downhill gravity transport by slurry to the processing facility. The stripping ratio is low and estimated at an average of 0.9:1 (waste:ore) over mine life. No blasting or truck hauling is required for mineralized saprolite. The Phase I capital costs summary is as follows:

Capital expense item (Phase I)	Estimated cost (US\$)
Mining equipment purchases	\$1,167,000
Process plant including, lab, refinery, construction and EPCM	2,345,000
Tailings	468,000
Road Rehabilitation and Maintenance	315,000
Indirect (Includes Working Capital)	828,000
Contingency at 15%	769,000
Initial capital including contingency	\$5,892,000

Financing for the capital expenditures is anticipated to be completed by Q1, 2015. As at the date hereof, the Company has not incurred any Phase I capital costs.

RECOMMENDATIONS & FUTURE OPPORTUNITIES

The majority of the proposed plant feed consists of Inferred mineral resources. Further sampling and surveying should be carried out within and surrounding the proposed pits in an effort to upgrade Inferred blocks to higher resource categories with adequate quality assurance and quality control and additional density data collection.

Resources are open in most directions and good potential exists to initially expand mineralized saprolite. Further drilling is recommended to potentially expand resources for consideration in the phased development of the project.

This project envisions screening-out any material that is larger than 2mm and stockpiling it for potential further processing. If this material were ground finer in a grinding mill, it could be fed into the proposed processing plant. Further metallurgical testing and economic analysis should be carried out to determine whether this gold could be profitably recovered.

Using gravity processing methods alone, gold recovery is expected to be 60% with the remainder of the gold flowing to the tailings storage area. Most of this gold may be recovered with further processing such as flotation or cyanidation. Further metallurgical testing and economic analysis should be carried out to determine whether this gold could be profitably recovered from the tailings. This work should also include further tailings characterization and deposition properties.

Based on the positive results of the PEA, mineral resource estimates should be updated, the economic analysis refined and updated, and a mineral reserve statement prepared to a Pre-Feasibility Study level. Mining the "fresh" rock that would require drilling and blasting should be considered during this work. A budget of US\$820,000 is recommended for this work to bring the project to a Pre-Feasibility Study Level, which is proposed as follows:

Proposed Work Program Costs	Unit	Unit Cost	Cost (US\$)
Definition Auger drill and trench Saprolite Inferred Resources	2000 metres	US\$25/m	\$50,000
Auger drill tailings pond area for potential gold resource	300 metres	US\$25/m	8,000
Sample analysis for drilling and trenching	2000 samples	US\$20/s	40,000
Bulk testing for Met test work	Lump sum		150,000
Milling oversize (+2mm) and concentrating			
Flotation			
Cyanidation			
Geotechnical and Hydrogeological Work	Lump sum		100,000
Resource update	Lump sum		60,000

Proposed Work Program Costs	Unit	Unit Cost	Cost (US\$)
Preliminary Feasibility Study	Lump sum		150,000
Tailings testwork on densities and settlement rates	Lump sum		25,000
Saprolite Resource expansion drilling and trenching on PL	1650 metres	\$100/m	165,000
Miscellaneous & Contingency		10%	72,000
Total Proposed			\$820,000

For the nine month period ended September 30, 2014, the Company has not incurred any costs towards this work program.

DEVELOPMENT UPDATE

Goldsource anticipates completing construction financing in Q1 2015. Final detailed work is currently being completed on the project in preparation for development and construction in Q1, 2015. This ongoing work includes;

- Bulk sample metallurgical test work at Met Solve labs in Langley, BC, Canada – Pending Final Report.
- Finalizing process flow-sheet for design and construction with assistance from Sepro Mineral Systems of Langley, BC, Canada.
- Mining equipment quotes for purchasing a fleet and processing plant.
- Construction of road from Madhia Town to Eagle Mountain camp (6.5 km) – Quotes received, Scope of Work defined.

BORDER COAL PROJECT, Saskatchewan

The Company currently holds 23 coal mineral licenses comprising 11,305 hectares. These licenses were granted by the Saskatchewan Ministry of Energy and Resources and cover all of the coal deposits discovered to date as well as areas that are considered favourable for the discovery of additional coal deposits. For the nine month period ended September 30, 2014, the Company incurred \$62,176 (2013 - \$88,404) in annual rental fees which is included in general exploration on the statement of operations.

Resource Estimate (NI 43-101 Technical Report, dated March 19, 2012)

Category	(000's Tonnes) *
Indicated	117,017
Inferred	33,003

*based on using an average coal density of 1.38 from lab and downhole geological test work

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. The Company is holding the project on a care and maintenance basis until such time as a suitable market and/or applicable conversion process can be identified or until such time as an appropriate partner can be identified to advance the project. The annual care and maintenance cost for the project is approximately \$100,000.

RESULTS OF OPERATION AND FINANCIAL CONDITION

Summary of Quarterly Results

The following financial data is selected information for the Company for the eight most recently completed financial quarters, prepared in accordance with IFRS:

	Q3 September 30, 2014	Q2 June 30, 2014	Q1 March 31, 2014	Q4 December 31, 2013	Q3 September 30, 2013	Q2 June 30, 2013	Q1 March 31, 2013	Q4 December 31, 2012
Revenues	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Comprehensive loss for the period	(329,082)	(398,928)	(209,064)	(3,867,216)	(177,451)	(286,281)	(111,565)	(15,809,181)
Loss per share - basic and diluted	(0.00)	(0.01)	(0.00)	(0.14)	(0.01)	(0.01)	(0.00)	(0.58)
Total assets ^{(1) (2)}	8,123,024	8,364,952	8,167,491	588,229	4,185,946	4,313,789	4,597,943	4,693,453
Total liabilities ⁽²⁾	155,439	176,570	535,271	95,969	77,705	53,006	83,064	67,009

¹⁾ The significant loss and corresponding decrease in assets recorded in the fourth quarter of 2012 and 2013 resulted primarily from impairment charges taken on the carrying value of the Border Coal Project and the Joint Venture with Westcore Energy Ltd. ("Westcore").

²⁾ The significant increase in assets and liabilities in Q1 2014, primarily relates to the combination with EMGC and the related net assets acquired.

RESULTS OF OPERATION AND FINANCIAL CONDITION (continued)**Comparison of the three and nine months ended September 30, 2014 to September 30, 2013**

Net loss and comprehensive loss was \$329,082 for the third quarter and \$937,074 for the first nine months of 2014, compared to \$177,451 and \$575,298, respectively for 2013. The principal differences and significant amounts of note are as follows:

- General and administrative expenses increased to \$259,811 (2013 - \$147,790) for the third quarter, primarily due to an increase in remuneration of \$112,481 (2013 - \$56,239) over the period. General and administrative expenses increased to \$750,405 (2013 - \$468,689) for the nine months ended September 30, 2014, primarily due to an increase in remuneration and professional expenses. Remuneration expenses increased to \$309,123 (2013 - \$165,941) and professional fees increased to \$138,860 (2013 - \$91,084) with the addition of new corporate personnel and professional expenditures from the amalgamation with EMGC.
- Share based compensation increased to \$71,232 (2013 - \$24,909) during the third quarter and \$223,165 (2013 - \$57,095) during the nine months ended September 30, 2014, due to the vesting of a greater number of stock options. The Company granted 2,075,000 (2013 - 875,000) incentive stock options during the nine months ended September 30, 2014 to directors, officers, employees and consultants, with a weighted average fair value per option granted of \$0.13 (2013 - \$0.12) for total value of \$302,284 (2013 - \$108,167).
- Under IFRS, held-for-trading securities are to be recorded at fair value at each reporting date, with the resulting gains or losses recorded in the statement of operations. At September 30, 2014, the Company's held-for-trading securities consist of 675,000 (2013 - 675,000) Westcore common shares and 300,000 (2013 - Nil) Para Resources Inc. common shares. The Company recorded an unrealized gain on held-for-trading securities of \$750 (2013 - \$Nil) for the third quarter and a loss of \$21,000 (2013 - \$54,000) for the nine month period ended September 30, 2014.
- Other income for the nine months ended September 30, 2014, was \$50,000 (2013 - \$Nil). The Company recovered \$50,000 from Para Resources Inc. in relation to a promissory note receivable that EMGC had written off during fiscal 2013.

OFF-BALANCE SHEET ARRANGEMENTS

As at September 30, 2014, 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.

CASHFLOWS

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.

For the period ended September 30,	Three months ended		Nine months ended	
	2014	2013	2014	2013
Cash-flows from:				
Operating Activities	(234,131)	(116,993)	(1,427,341)	(451,677)
Financing Activities	(5,978)	-	2,338,942	-
Investing Activities	(287,881)	100,297	(599,886)	432,954
Net increase (decrease) in cash	(527,990)	(16,696)	311,715	(18,723)
Cash beginning of period	1,052,325	28,768	212,620	30,795
Cash end of period	524,335	12,072	524,335	12,072

Operating Activities

Refer to "results of operation section" above for discussion on operating activities.

Financing Activities

On February 28, 2014, Goldsource completed a private placement of 17,142,858 units at a price of \$0.14 per unit for gross proceeds of \$2.4 million. Each unit consisted of one common share of Goldsource and one-half of a warrant of Goldsource, with each whole warrant being exercisable for one common share of Goldsource at a price of \$0.20 per share for three years until February 28, 2017. No commission or finder's fee was payable on the private placement. The Company incurred \$61,058 in share issuance costs, of which \$15,375 is in relation to fiscal 2013, during the nine month period ended September 30, 2014. Proceeds from the private placement were used for general working capital purposes and expenditures related to the Eagle Mountain Property.

CASHFLOWS (continued)

Investing Activities

During the nine month period ended September 30, 2014 the Company redeemed short term investments of \$125,000 (2013 – \$425,000).

The Company incurred \$200,859 (2013 - \$Nil) in transaction costs, and acquired \$36,711 (2013 - \$Nil) in cash while completing the combination with EMGC.

The Company incurred \$289,092 (2013 - \$Nil) during the third quarter and \$569,176 (2013 - \$Nil) during the first nine months of 2014 on exploration and evaluation expenditures on the Eagle Mountain Property, refer to highlights of third quarter and note 8 on our unaudited condensed consolidated interim financial statements.

Goldsourc received \$1,211 (2013 - \$297) during the third quarter and \$8,438 (2013 - \$7,954) during the first nine months of 2014 from interest on short term investments.

LIQUIDITY AND CAPITAL RESOURCES

		September 30, 2014	December 31, 2013
Assets			
Cash and short term investments	(i) \$	524,335	\$ 338,562
Other current assets	(i)	106,186	46,054
Non-current assets		7,492,503	203,613
Total Assets		8,123,024	588,229
Liabilities			
Current liabilities	(ii)	155,439	95,969
Working Capital	(i-ii) \$	475,082	\$ 288,647

Cash and short term investments increased primarily from the completion of the \$2.4 million private placement. 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 programs, availability of financing and industry conditions. Although the Company has cash of \$524,335 and working capital of \$475,082 as at September 30, 2014, the Company's ability to continue for the next 12 months is dependent on the ability of the Company to raise debt or equity financing to meets its planned business objectives and commitments, including the development of the Eagle Mountain Property (Refer to Exploration section for cost details). The Company believes it will be able to raise capital as required in the short term, but recognizes there will be risks involved that may be beyond its control.

Non-current assets have increased significantly during the nine month period ended September 30, 2014, in relation to the net assets acquired from the combination with EMGC.

RELATED PARTY TRANSACTIONS

During the nine month period ended September 30, 2014, the Company entered into the following transactions with related parties:

Legal Fees

Legal fees of \$76,920 (2013 - \$59,173), which were included in professional fees, \$32,596 (2013 - \$Nil) for share issuance costs and \$92,580 (2013 - \$Nil) for transaction costs were paid or accrued to Koffman Kalef LLP, a law firm in which an officer of the Company is a partner, of which \$15,234 (2013 - \$2,363) was payable at September 30, 2014. The Company recognized \$3,255 (2013 - \$1,631) in share-based payments to this partner.

Key Management Compensation

		September 30, 2014	September 30, 2013
Salaries and short-term benefits ⁽¹⁾			
Remuneration on the statement of operations	\$	211,250	\$ 123,750
Share-based payments		202,732	52,202
	\$	413,982	\$ 175,952

⁽¹⁾ Total remuneration recorded in the statement of operations paid to the President, Chief Executive Officer, Chief Operating Officer and Chief Financial Officer of Goldsource.

RELATED PARTY TRANSACTIONS (continued)

Other Transactions

The Company shares rent, salaries, administrative services and other reimbursable expenses with SilverCrest Mines Inc., a company related by common directors and officers. During the nine month period ended September 30, 2014, the Company incurred \$131,330 (2013 - \$84,292) for its share of these expenses, of which \$28,047 (2013 - \$35,316) was payable at September 30, 2014.

OUTSTANDING SHARE CAPITAL

Capital stock

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

As at September 30, 2014 and at the date hereof, the Company had 79,379,557 common shares outstanding. In addition the Company had 4,119,708 outstanding share purchase options and 26,622,430 outstanding warrants which, if exercised, would result in fully diluted common shares outstanding of 110,121,695.

More information on these instruments and the terms of their conversion is set out in note 10 of our unaudited condensed consolidated interim financial statements.

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
Commitment to September 30, 2015	29,789
	\$ 29,789

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, short term investments, held-for-trading securities, taxes receivable, deposit and accounts payable and accrued liabilities. The carrying value of taxes receivable and accounts payable and accrued liabilities approximate their fair values due to the short periods until settlement. The Company's cash, short term investments and held-for-trading securities are measured using the fair value hierarchy level 1 inputs. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

CHANGES IN ACCOUNTING STANDARDS

The Company has adopted the following new standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

- IFRS 8 – Operating Segments
- IAS 32 – Financial Instruments: Presentation
- IAS 36 – Impairment of Assets
- IFRIC 21 – Levies.

The adoption of these new accounting standards had no material impact on the Company's condensed consolidated interim financial statements.

RISK FACTORS

Risk management is an ongoing exercise upon which the Company spends a substantial amount of time. The following factors are those which are the most applicable to the Company. The discussion which follows is not inclusive of all potential risks.

Risks Inherent in the Mining Business

The business of exploring for mineral resources is inherently risky. Few properties that are explored 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, including the Eagle Mountain Property, will result in commercially viable mining operations.

Whether a mineral deposit will be commercially viable depends on a number of factors, some of which are: the particular attributes of the deposit, such as size, grade and proximity to infrastructure; metal prices which are highly cyclical; and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental

RISK FACTORS (continued)

protection. The exact 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. There is no certainty that the expenditures made by the Company towards the search, evaluation and development of mineral deposits will result in commercial quantities of ore.

No History of Earnings or Production Revenues

The Company has no history of earnings and has not commenced commercial production on any of its properties. The Company has experienced losses from operations and expects to continue to incur losses for the foreseeable future. There can be no assurance that the Company will be profitable in the future. The Company's operating expenses and capital expenditures are likely to increase in future years as needed consultants, personnel and equipment associated with advancing exploration, and, if permitted, development and, potentially, commercial production of its properties, are added. The amounts and timing of expenditures will depend on the progress of ongoing exploration and development, the results of consultants' analyses and recommendations, the rate at which operating losses are incurred, the execution of any joint venture agreements with strategic partners, the Company's acquisition of additional properties, government regulatory processes and other factors, many of which are beyond the Company's control. The Company expects to continue to incur losses unless and until such time as its properties enter into commercial production and generate sufficient revenues to fund its continuing operations. The development of the Eagle Mountain Property and other properties will require the commitment of substantial resources. There can be no assurance that the Company will generate any revenues or achieve profitability.

Financing Risks

The Company's financial resources are limited. Substantial financial resources and sources of operating cash flow will be required in order to advance the exploration and development of the Eagle Mountain Property. There can be no assurance that the Company will be able to obtain adequate financing to bring the Eagle Mountain Property into production or that the terms of such financing will be favourable. Failure to obtain such financing could result in delay or indefinite postponement of further exploration and development of mineral exploration projects with the possible loss of such properties.

Licenses and Permits

The Company's operations require licenses and permits from various governmental authorities. Medium scale mining permit is required under Guyana law to be held by a Guyanese national. The Company, through its wholly owned subsidiary, has entered into an agreement with a private arm's length Guyanese company to jointly operate the Eagle Mountain Property. Although the required permits have been obtained by its joint operator, management believes the Company and its joint operator holds all material licenses and permits required under applicable laws and regulations and that 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.

Mineral Reserve and Resource Estimates

Where used by the Company, figures for mineral 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. The Eagle Mountain Technical Report 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 PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no assurance that mineral resources will be upgraded to mineral reserves as a result of continued exploration. Until reserves or resources are actually mined and processed, the quantities of mineralization and metal grades must be considered as estimates only. Any material change in the quantity of mineral reserves, mineral resources, grades and recoveries may affect the economic viability of the Eagle Mountain Property. In addition, there can be no assurance that gold recoveries or other metal recoveries in small scale laboratory tests will be duplicated in a larger scale test under on-site conditions or during production. Fluctuations in gold and other base or precious metals prices, results of drilling, metallurgical testing and production and the evaluation of studies, reports and plans subsequent to the date of any estimate may require revision of such estimate. Any material reductions in estimates of mineral resources or reserves could have a material adverse effect on the Company's results of operations and financial condition.

Mining Capital and Operating Costs

The capital costs required by the Eagle Mountain Property may be significantly higher than anticipated. Capital and operating costs, production and economic returns, and other estimates contained in the Company's current technical report may differ significantly from those provided for in future studies and estimates and from management guidance, and there can be no assurance that the Company's actual capital and operating costs will not be substantially higher than currently anticipated. In addition, delays to construction and exploration schedules may negatively impact the net present value and internal rates of return from the Eagle Mountain Property as set forth in the technical report. Similarly, there can be no assurance that historical rates of production, grades of ore processed, rates of recoveries or mining cash costs will not experience fluctuations or differ significantly from current levels over the course of the mining operations conducted by the Company.

RISK FACTORS (continued)

Additional risks and uncertainties currently not known to the Company or that the Company considers immaterial may also impair the business operations of the Company. 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.

CAUTIONARY STATEMENT AND DISCLAIMER

Certain statements contained in this MD&A and elsewhere constitute "forward-looking statements" within the meaning of applicable 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 MD&A contains forward-looking statements pertaining to the following: planned exploration and development of the Eagle Mountain Property; plans related to the business and other matters that may occur in the future; costs, timing and results of exploration and development activities of the Eagle Mountain Property; information with respect to the Company's future financial and operating performance; and expectations regarding the ability to raise capital and the availability of funds.

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 ability to obtain financing on acceptable terms; conditions in general economic and financial markets; availability of drilling and related equipment; availability of skilled labour; timing and amount of capital expenditures; laboratory and other related services are available and perform as contracted; 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 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 and reserve estimations; receipt, maintenance and security of permits and mineral property titles; environmental and other regulatory risks; project cost overruns or unanticipated costs and expenses; operating and hazards risks and limitations on insurance risk; competition for local and international market share; fluctuations in commodity product 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.

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.

QUALIFIED PERSON

Technical information contained in this MD&A has been prepared by or under the supervision of N. Eric Fier, CPG, P.Eng, and Chief Operating Officer for Goldsource, who is a 'Qualified Person' for the purpose of NI 43-101.