GOLDSOURCE MINES INC.

INTERIM FINANCIAL STATEMENTS
(*Unaudited – Prepared by Management*)

MARCH 31, 2005
FIRST QUARTER

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

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

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

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

	March 31, 2005	December 31, 2004
		(audited)
ASSETS	$	$
Current		
Cash and cash equivalents	1,092,517	266,604
Short term investments	-	909,080
Receivables and prepaid expenses	4,765	1,370
Total Current Assets	1,097,282	1,177,054
Mineral properties *[note 3]*	150,969	147,209
	$ 1,248,251	$ 1,324,263
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 3,000	$ 24,420
Total Current Liabilities	3,000	24,420
Shareholders' Equity		
Share capital *[note 5]*	2,392,643	2,392,643
Contributed surplus *[note 5]*	4,243,287	4,243,287
Deficit	(5,390,679)	(5,336,087)
Total Shareholders' Equity	1,245,251	1,299,843
	$ 1,248,251	$ 1,324,263

See accompanying notes

On behalf of the Board:

"J. Scott Drever" Director
DIRECTOR'S SIGNATURE

"Graham C. Thody" Director
DIRECTOR'S SIGNATURE

The accompanying notes are an integral part of these financial statements.

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

	Three Months Ended March 31	
	2005	**2004**
EXPENSES	$	$
Administrative services	6,315	7,977
Management fees	15,000	30,000
Office and general	(787)	5,726
Professional fees	29,623	17,302
Rent and telephone	5,713	5,172
Shareholder communications	642	5,728
Transfer agent and regulatory fees	2,986	6,616
Loss before other items	(59,492)	(78,521)
Other items		
Interest income	(4,900)	(974)
Foreign exchange gain	-	(7,130)
Net loss for the period	(54,592)	(70,417)
Deficit, beginning of the period	(5,336,087)	(5,059,618)
Deficit, end of the period	$ (5,390,679)	$ (5,130,035)
Basic and diluted loss per share	$ (0.01)	$ (0.02)
Weighted average number of shares outstanding	4,689,431	3,041,079

The accompanying notes are an integral part of these financial statements.

GOLSOURCE MINES INC.
INTERIM STATEMENTS OF CASH FLOWS
(Unaudited - Prepared by Management)

	Three Months Ended March 31, 2005	2004
OPERATING ACTIVITIES		
Net loss for the period	$ (54,592)	$ (70,417)
Items not affecting cash:		
Changes in operating assets and liabilities		
Receivables and prepaid expenses	(3,395)	(4,644)
Accounts payable and accrued liabilities	(21,420)	(9,9961)
Cash used in operating activities	(79,407)	(85,022)
INVESTING ACTIVITIES		
Exploration costs on mineral properties	(3,760)	(2,092)
Short term investments	909,080	-
Cash (used in) provided by investing activities	905,320	(2,092)
FINANCING ACTIVITIES		
Issuance of share capital	-	141,750
Cash provided by financing activities	-	141,750
Increase in cash and cash equivalents	825,913	54,636
Cash and cash equivalents, beginning of period	266,604	991,493
Cash and cash equivalents, end of period	$ 1,092,517	$ 1,046,129
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS

Until September 30, 2003, the Company's principal business activity was the production and sale of gold and silver from its Cikidang mine in Java, Indonesia. The Company was also involved in the exploration and development of mineral properties in Indonesia. Effective September 30, 2003 the Company disposed of all its Indonesian assets and operations and its principal business activity became the exploration for and the development of precious metal deposits in North, South and Central America.

The ability to recover any investment in any exploration or development properties will be dependent upon the Company obtaining the necessary financing to complete exploration, development and construction of processing facilities, obtaining government approvals and attaining future profitable production of the mineral resources, if any or the receipt of proceeds from the disposition of the interest therein.

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

These interim financial statements have been prepared using the same accounting policies as used in the financial statements for the year ended December 31, 2004 and should be read in conjunction with the audited financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management’s opinion, been properly prepared using careful judgement with reasonable limits of materiality. These interim financial statements should be read in conjunction with the most recent audited annual financial statements. The significant accounting policies follow that of the most recently reported annual financial statements.

Mineral properties

The Company capitalizes all acquisition, exploration and development costs related to exploration and development of mineral properties on a property-by-property basis. The costs of abandoned properties are charged to income in the year of abandonment or when it is determined that potential for discovery of economic mineralization is limited.

The costs of producing properties are amortized using the unit of production method based upon estimated reserves. The amounts recorded as mineral properties represent costs to date and do not necessarily reflect present or future values.

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Cash and cash equivalents and short-term investments

Cash and cash equivalents include highly liquid investments with original maturities of three months or less.

Short-term investments comprise highly liquid Canadian dollar denominated guaranteed investment certificates with terms to maturity greater than ninety days, but not more than one year, that are readily convertible to contracted amounts of cash.

Short-term investments are carried at the lower of cost or recoverable amount.

3. MINERAL PROPERTIES

Omineca Mining Division, British Columbia

On December 18, 2003, the Company entered into an option agreement to acquire a 100% interest in 20 claim units covering an area of 500 hectares in the Omineca Mining Division of British Columbia. The Company can earn an initial 80% interest in the claims by making staged cash payments of $145,000 and completing exploration expenditures of $500,000 over a four year period. Upon the exercise of the initial option, the Company has a further option to acquire the remaining 20% by paying $750,000 in cash or at the discretion of the Company, a combination of cash and common shares of the Company provided that the share component does not exceed 50% of the value of the total payment.

	March 2005	Transactions	December 2004
Option payments	$ 45,000	$ -	$ 45,000
Deferred exploration expenditures			
Camp costs	5,805	-	5,805
Engineering consulting	5,852	3,760	2,092
Filing fees	1,300	-	1,300
Geological services	7,300	-	7,300
Geophysical survey	65,969	-	65,969
Line cutting	19,743	-	19,743
	105,969	3,760	102,209
	$ 150,969	$ 3,760	$ 147,209

3. MINERAL PROPERTIES

	December 2004	Transactions	December 2003
Option payments	$ 45,000	$ 25,000	$ 20,000
Deferred exploration expenditures			
Camp costs	5,805	5,805	-
Engineering consulting	2,092	2,092	-
Filing fees	1,300	1,300	-
Geological services	7,300	7,300	-
Geophysical survey	65,969	65,969	-
Line cutting	19,743	19,743	-
	102,209	102,209	-
	$ 147,209	$ 127,209	$ 20,000

The following option payments and exploration expenditures will be required to maintain the acquisition agreement in good standing should the Company elect to do so:

	Option Payments	Cumulative Exploration Expenditures
Upon Execution - December 18, 2003 (paid)	$ 20,000	$ Nil
On or before December 31, 2004 (paid)	25,000	50,000
On or before December 31 2005	50,000	150,000
On or before December 31. 2006	50,000	300,000
On or before December 31, 2007	$ Nil	$ 500,000

4. RELATED PARTY TRANSACTIONS

During the three month period the Company paid management fees of $15,000 [2004 - $30,000] to a company owned by an officer and director of the Company.

5. SHARE CAPITAL

(a) *Authorized*

Unlimited number of common shares without nominal or par value
Unlimited Class “A” preference shares without nominal or par value
Unlimited Class “B” preference shares without nominal or par value

5. SHARE CAPITAL

(b) Issued and fully paid - common shares

	Capital Stock Number	Capital Stock Amount	Contributed Surplus Amount	Total
Balance, December 31, 2003	2,514,431	$ 1,875,893	$ 4,171,419	$ 6,047,312
Exercise of stock options	675,000	141,750	-	141,750
Issuance of share capital pursuant to private placement	1,500,000	375,000	-	375,000
Stock-based compensation	-	-	71,868	71,868
Balance, December 31, 2004 and March 31, 2005	4,689,431	$ 2,392,643	$ 4,243,287	$ 6,635,930

Stock options

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

At March 31, 2005, the Company had outstanding stock options, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
300,000	$0.35	July 8, 2009
100,000	$0.30	December 8, 2009

Stock option transactions and the number of stock options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2003	675,000	$ 0.21
Granted	400,000	0.34
Exercised	(675,000)	0.21
As at December 31, 2004 and March 31, 2005	400,000	0.34
Number of options currently exercisable	400,000	$ 0.34

Warrants

On July 21, 2004 the Company closed a non-brokered private placement of 1.5 million Units at a price of $0.25 per Unit for gross proceeds of $375,000. Each Unit consisted of one common share of the Company and one common share purchase warrant expiring on July 21, 2006. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.35 per share for a term of two years. If the closing trading price for common shares of the Company is $1.00 per share or greater for ten consecutive trading days, the Company may elect to provide notice to holders of the Warrants and the Warrants will then expire 30 days after the date notice is given.