



## **Goldsource Corporate Update**

### **ZEEP Transaction Closing Date Extended**

### **+ 100 Metre Coal Zones Intercepted at Border**

TSX-V: GXS

FWB: G5M

For Immediate Release

**VANCOUVER, B.C. November 4, 2011** – Goldsource Mines Inc. (“Goldsource” or the “Company”) announces that it has agreed with Zero Emissions Energy Plants (ZEEP) to extend the closing date of the business combination of Goldsource and ZEEP to December 31, 2011. A definitive Arrangement Agreement was announced September 1, 2011. In connection with the closing date extension, the date of the requisite Special Shareholders Meeting has been postponed and is being rescheduled for mid to late December.

Completion of the Arrangement is subject to the satisfaction of a number of conditions under the Arrangement Agreement, including receipt of the approval of the TSX Venture Exchange (the “Exchange”) to the listing of the ZEEP shares, approval of the Arrangement and election of new Directors by not less than 50% of the votes cast at the ZEEP shareholder meeting, approval of the Arrangement by not less than two-thirds of the votes cast at the Goldsource shareholder meeting, approval by the Supreme Court of British Columbia (the “Court”), receipt of all other required regulatory and third party approvals and consents; and such other conditions as may be required to complete and effect the Arrangement.

Under the amended terms of the Arrangement Agreement ZEEP is required to have completed a financing for minimum aggregate proceeds of \$11,000,000. ZEEP has received subscriptions for over \$5.0 million of the required financing and is in advanced discussions for the balance of the financing with financial institutions and investors.

The Company is also pleased to report that it has completed drilling 8 core holes in its most recent exploration program at its wholly-owned Border Project (“Border”) located near Hudson Bay, Saskatchewan, Canada. These holes, some of which encountered several thick coal zones in excess of 100 metres, were drilled in the Niska 105 (5 holes) and Pasquia 98 (2 holes) deposits as well one hole to test an airborne geophysical anomaly in the Red Deer area in Manitoba. Drilling on the property to date has discovered a total of 17 coal deposits at Border with good potential for additional coal discoveries ([see attached map](#)).

#### **Exploration program highlights are as follows:**

- A total of 8 holes completed with 1,308 metres drilled. Six out of eight holes encountering coal zone intercepts.
- The most significant coal zone intervals occurred in the Niska 105 sub-basin where 5 holes encountered true, aggregate thicknesses ranging from 69 to 119 metres (see table below).
- Infill drilling has given better definition to the Niska 105 deposits where the objective was to upgrade Speculative Resources to Indicated and Inferred Resources. A majority of the Speculative Resource at Niska 105 are expected to be converted to Indicated Resources with potential increase in overall resources.
- Niska 105 deposit is conveniently located adjacent to rail and, after completing the upgrade to Indicated Resources, should be a priority above other known Company deposits for near-future studies and potential development.

- Drilling has further defined a coal deposit at Pasquia 98. One drill hole intercepted a 3 metres thick coal seam. A previous hole drilled in this area encountered a 34.9 metre coal zone. Further drilling will be contemplated on this large geophysical anomaly.
- Environmental baseline work under the direction of EBA Engineering Consultants, a Tetra Tech Company, has continued with emphasis on data collection and reporting on results as a base for permitting and a possible Pre-Feasibility Study.

Numbering of the drill holes for this phase of exploration continues sequentially from previous programs beginning at BD11-141. Names of deposits are based on an identifier in the general location and the areas are designated according to the discovery hole numbers.

Hole ID	From	To	Coal Zone	Notes
	(m)	(m)	Interval *(m)	
BD11-142	73	76	3	Pasquia 98 deposit
BD11-143	80	199	119	Niska 105 deposit
BD11-144	85	185	100	Niska 105 deposit
BD11-145	61	174	113	Niska 105 deposit
BD11-146	71	161	90	Niska 105 deposit
BD11-147	74	143	69	Niska 105 deposit

\*The coal zone intervals are based on visuals (coal and carbonaceous material) and by down hole, e-log density of 1.6 g/cc or less.

Holes BD11-141 and BD11-148 were drilled in deposits, Pasquia 98 and Red Deer, Manitoba, respectively and showed no significant coal intercepts.

Initial identification of the intervals of coal in the table above is based on visual observations. The Company cautions against placing undue reliance on the visual observations of the coal until the results of the analytical work have been announced. Sampling and laboratory test work is ongoing.

Current coal resources at Border, as established in the Company's NI 43-101 "Preliminary Assessment Report on the Border Coal Project, Saskatchewan, Canada" prepared by Marston Canada Ltd. and EBA Engineering Consultants Ltd., a Tetra Tech Company on December 24, 2009 and available at [www.sedar.com](http://www.sedar.com), include:

- **Indicated Resources:** **79.1 million tonnes**
- **Inferred Resources:** **34.8 million tonnes**
- **Speculative Resources:** **61.1 million tonnes**

**J. Scott Drever, President stated:** "We believe that the ZEEP transaction, when completed will allow for an accelerated development of the coal deposits identified at Border. Raising the necessary financing has been a challenge for ZEEP in these volatile markets but we are confident that the transaction can be completed before year end. In the mean time this current phase of drilling is now completed and should expand our Indicated Resources while continuing to advance the understanding of the coal deposits and the nature of the geophysical targets being tested.

N. Eric Fier, CPG, P.Eng. and Qualified Person for this news release has reviewed and approved its contents.

**Goldsource Mines Inc.** is a Canadian resource company engaged in the exploration and development of Canada's newest coal field in the province of Saskatchewan. The Company has aggressively drilled only a portion of this new thermal coal field and has discovered 17 coal deposits of varying size with coal zone thicknesses up to 126 meters within the permit area of the Border Coal Project. Headquartered in Vancouver, BC, the Company is managed by experienced mining and business professionals.

*This news release contains forward-looking statements, which address future events and conditions, which are subject to various risks and uncertainties. The Company's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimations, receipt and security of coal permits and mineral property titles; project cost overruns or unanticipated costs and expenses, fluctuations in commodity product prices; currency fluctuations; and general market and industry conditions. Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made. The assumptions used in the preparation of such statements, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.*

***"J. Scott Drever"***

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**J. Scott Drever, President  
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