



GoldsourcE Updates Progress On Saskatchewan Diamond Properties

TSX-V: GXS

For Immediate Release

VANCOUVER, B.C. October 17, 2006 – GoldsourcE Mines Inc. (the “Company”) is pleased to report on the progress to date of its diamond exploration program in Saskatchewan. GoldsourcE began exploration for diamondiferous kimberlites in Saskatchewan with the acquisition in late 2005 of a 90% interest in two blocks of mineral claims (Sturgeon Lake Claims and Cowan Lake Claims), which comprise the Big River Property located in central Saskatchewan. The Sturgeon and Cowan Lake claim blocks are centered approximately 30 and 90 kilometres northwest of Prince Albert, respectively and total approximately 273,260 hectares. Subsequent to this acquisition, the company raised \$ 5.9 million by way of private placement to fund its exploration activities.

Historic Activities

Prior to the Company’s efforts, the most recent, serious exploration work on the Big River Property (Sturgeon Lake claims) was carried out more than 10 years ago. Although the area includes the site of the first discovery of diamonds in Saskatchewan, it has never been systematically explored using current geophysical techniques or applying the extensive knowledge base that has been developed for the kimberlite pipes of the Fort à la Corne area. Work carried out by previous operators on the Sturgeon Lake claim block and immediate area included 5 core and 27 rotary drill holes. Intercepts of kimberlite were reported in 19 holes in four widely separated areas. The two holes for which detailed analyses are available reported recoveries of micro-diamonds and significant indicator minerals from both holes.

Land Acquisition (see attached map)

Subsequent to the initial property acquisition, the Company acquired an additional 186,000 hectares of mineral claims (the “Deban” claim block) covering the favourable geologic horizons between its Sturgeon Lake block and its Cowan Lake block to the northwest. The Company controls a 90% interest in the Big River Property which now comprises a block of contiguous claims totalling approximately 459,260 hectares.

Based on independent research, the Company acquired 100% interest in approximately 148,600 hectares of mineral claims (the Border claim blocks) in the eastern portion of the province and is staking an additional 11,500 hectares to cover a second prospective area (the “Cross Roads” claim block). The Company’s entire land position is now in the order of 620,000 hectares which will serve as a basis for ongoing exploration work in an effort to discover Saskatchewan’s second major diamondiferous kimberlite field.

Airborne Geophysics

A 3900 line kilometer airborne geophysical survey, contracted to Fugro Airborne Surveys of Ottawa, Ontario (“Fugro”) was completed in early February, 2006 and provided extensive magnetic and electromagnetic geophysical data over the Sturgeon Lake claim block.

In June of this year, the Company completed a second Fugro airborne survey that totalled 11,075 line kilometres in three separate areas including most of the Cowan Lake and Border claim blocks and the entire Cross Roads claim block. The initial interpretations have been received and have identified several priority targets in each of the three areas which will be subject to follow-up geophysical programs and possible drilling. The subsequent examination of a number of secondary targets will follow, depending in part on the results obtained from the priority targets.

The Company utilized the services of Dr. Jovan Silic, Ph. D (Geophysics) of Flagstaff GeoConsultants, Australia for on-site supervision of the airborne geophysical programs and interpretation of the data. The Fugro data gathering system, in conjunction with interpretation using Dr. Silic’s proprietary software has been extremely successful in identifying and delineating kimberlite bodies in the Fort à la Corne area of Saskatchewan.

Drilling

The Company has completed 6 drill holes on its Sturgeon Lake claim block. Three holes tested priority geophysical targets that exhibited electro-magnetic resistivity ("EM") signatures somewhat similar to those generally associated with kimberlite pipes in the Fort à la Corne area. One of these holes intersected approximately 2.2 metres of what appears to be a fine grained pyroclastic unit within mudstones that are stratigraphically the same units that contain kimberlites in the Fort à la Corne area. This unit has been sampled for further study and if it proves to be kimberlitic it will be a significant new kimberlite occurrence well removed from previous areas of interest.

The remaining three drill holes tested kimberlite occurrences identified by previous operators in the Sturgeon Lake area. These holes served to confirm local stratigraphy and helped to define the extent and nature of the known kimberlite occurrences and their relationship to the recently acquired magnetic and electro-magnetic data. Only one minor intercept of kimberlite was encountered in the hole drilled nearest to the Sturgeon Lake occurrence.

Continuing Program

Mr. Scott Drever, President of Goldsource states; "We have acquired a substantial land position in what we believe to be the most favourable, unexplored areas in Saskatchewan that are prospective for diamondiferous kimberlites. We have completed magnetic and electromagnetic airborne surveys over a substantial portion of our land position and have been rewarded with some very attractive drill targets. We will do the ground follow-up where necessary and expect to drill the targets in order of priority over the upcoming months. We intend to continue this aggressive approach to land acquisition, target identification through airborne geophysics and drilling of the priority targets as a method of achieving our corporate goal of the discovery of a second diamondiferous kimberlite field in Saskatchewan."

Please visit our newly designed web site at www.goldsourcemines.com for additional information.

The Qualified Person for this news release is N. Eric Fier, CPG, P. Eng.

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 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, undue reliance should not be placed on forward-looking statements.

On Behalf of the Board of Directors of Goldsource Mines Inc.

"J. Scott Drever"

J. Scott Drever, President

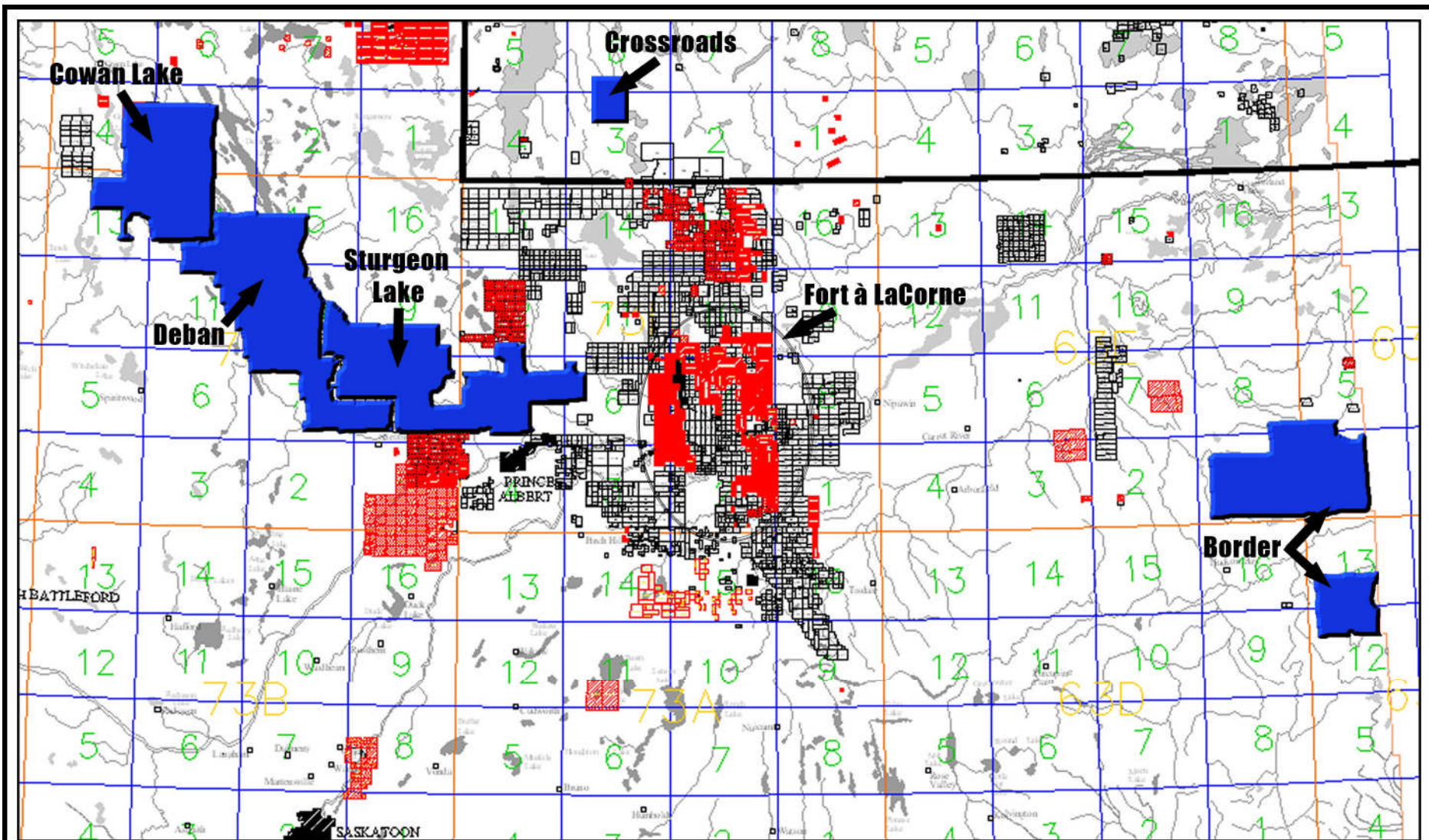
The TSX-Venture Exchange has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

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