



GOLDSOURCE MINES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

QUARTERLY HIGHLIGHTS

SEPTEMBER 30, 2021

1. OVERVIEW

Goldsource Mines Inc. (the “Company” or “Goldsource”) is a Canadian resource company engaged in exploration activities. It is headquartered in Vancouver, BC, and its common shares trade on the TSX Venture Exchange (“TSX-V”) under the symbol “GXS” and on the OTCQB under the symbol “GXSFF”. This Interim Management’s Discussion and Analysis – Quarterly Highlights (“Interim MD&A”) is an overview of all material information about the Company’s operations, liquidity, and capital resources for the three and nine months ended September 30, 2021. The Interim MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2021 and 2020 and the related notes contained therein which have been prepared under International Accounting Standard 34 – Interim Financial Reporting as issued by the International Accounting Standards Board. The following should also be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2020 and 2019, and the related notes contained therein. 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 first, second, third, and fourth quarters of the Company’s fiscal years are referred to as “Q1”, “Q2”, “Q3”, and “Q4”, respectively.

The effective date of this Interim MD&A is November 22, 2021. This Interim MD&A contains forward looking information. Reference to “7. Cautionary Statements and Disclaimers” is advised.

All amounts are in Canadian dollars unless noted.

2. HIGHLIGHTS

The Company’s key events and highlights during the nine months ended September 30, 2021 and to date include the following:

a. Eagle Mountain Gold Project

Overview

The Company’s focus is the Eagle Mountain Gold Project (“Eagle Mountain” or “Project”) for which it has a 100% interest in the Eagle Mountain Prospecting License (“EMPL”) and the Kilroy Mining Permit (collectively the “Property”). The Property consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, South America. 4,784 hectares (11,860 acres) of the Eagle Mountain Property relate to the Eagle Mountain Prospecting License while 266 hectares (660 acres) relate to the Medium Scale Mining Permit held by Kilroy Mining Inc. (“Kilroy”), a Guyanese Company, on which Stronghold Guyana Inc. (“Stronghold”), a wholly-owned subsidiary of Goldsource, has a long-term lease with a 2% net smelter return royalty. Goldsource constantly reassesses the size of its land package as exploration work is completed.

On February 22, 2021, Goldsource announced an updated Mineral Resource Estimate (“MRE”), with the result exceeding the top end of the objective range, which since 2019 was set at between 1.3 and 1.6 million ounces (“oz”) of gold (or “Au”). The MRE comprised an estimated 23 million tonnes (“Mt”) grading 1.14 gpt for 848,000 oz gold contained in Indicated Resources and 25 Mt grading 1.09 gpt for 868,000 oz gold contained in Inferred Resources. The MRE includes the Eagle Mountain and Salbora deposits, both of which feature gold mineralization starting at surface in saprolite (soft rock, meaning the weathered, oxidized layer) and extending into the underlying fresh rock. The updated MRE is defined by a total of 674 core holes for 57,550 metres drilled, as well as 158 auger drill holes for 532 metres drilled, which includes infill and exploration drilling up to November 6, 2020.

The five primary objectives for the 2021 drill program are as follows:

- 1) Infill drilling of the 2021 MRE to upgrade a significant portion of mineralization currently classified as Inferred Resource to the Measured and Indicated categories;
- 2) Testing for new lateral extensions of the dip slope sub-horizontal zones of the Eagle Mountain deposit including Baboon, Bacchus, No.1 Hill and Ounce Hill, and to the north, west and southwest currently outside of the 2021 MRE;
- 3) Follow-up exploration of several new target areas along the prospective Salbora-Powis trend, such as the Toucan, Powis, Ann and Montgomery prospects where the potential exists for Salbora-style mineralization;
- 4) Compile 2021 data, further update the MRE in the second half (“H2”) of 2021 and use as the basis for a Pre-Feasibility Study (“PFS”) in 2022; and
- 5) Pursue potential geological, geophysical and other geoscientific studies and analyses that will assist the Company to prioritize target areas near the Company’s EMPL.

The H2, 2021 MRE will be used as a basis for a PFS focusing on establishing a shallow, low strip open-pittable mineral reserve. Opportunities for a phased development plan will be evaluated, specifically with initial and baseline production provided by soft-rock saprolite material followed by an expansion to incorporate the fresh rock mineralization. The PFS is expected to be delivered in 2022.

Based on the updated MRE¹ announced on February 22, 2021, the Company's mineral resources at the Eagle Mountain Project are as follows:

Classification	Tonnes (000 t)	Gold* (gpt)	Ounces Au (oz)
Indicated			
Saprolite	11,000	0.95	353,000
Fresh rock	12,000	1.32	495,000
Total	23,000	1.14	848,000
Inferred			
Saprolite	5,000	0.82	140,000
Fresh rock	20,000	1.16	728,000
Total	25,000	1.09	868,000

* Estimated at 0.30 gpt gold cut-off grade for the saprolite and 0.50 gpt gold cut-off grade for the fresh rock.

- Numbers have been rounded to reflect the precision of a MRE. Totals may vary due to rounding.
- Gold cut-off has been calculated based on a gold price of US\$1,500/oz, mining costs of US\$1.5/tonne mined ("t") for saprolite and US\$2.0/t mined for fresh rock, processing costs of US\$6.0/t milled for saprolite and US\$12.0/t milled for fresh rock, and mine-site administration costs of US\$3/t milled. Metallurgical recoveries of 95% are based on prior test work.
- Mineral Resources conform to National Instrument 43-101 ("NI 43-101"), and the 2019 CIM Estimation of Mineral Resources & Mineral Reserves Best Practice Guidelines and 2014 CIM Definition Standards for Mineral Resources & Mineral Reserves.
- The Company is not aware of any environmental, permitting, legal, title, taxation, socio-economic, marketing or political factors that might materially affect these Mineral Resource estimates.
- Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. The quantity and grade of reported Inferred Resources in this MRE are uncertain in nature and there has been insufficient exploration to define these Inferred Resources as Indicated or Measured Resources, however, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

Eagle Mountain Project Activities – 2021

During the nine months ended September 30, 2021, the Company incurred \$5.8 million of exploration and evaluation expenses for the Eagle Mountain Gold Project (please refer to section 3 below – Results of Operations and Financial Condition). As at September 30, 2021, the Company's cumulative exploration and evaluation expenditures, including acquisition costs, on the Eagle Mountain Gold Project totaled \$35 million, of which \$28.4 million is related to exploration activities.

During the period from January 1, 2021 to November 22, 2021, the Company completed the following drilling:

	Total Number of Holes	Total DDH Metres Drilled	Number of Announced Holes	DDH Metres Drilled and Announced
2021 (to November 22)	208	25,668	187	21,728
Infill Drilling	98	10,123	116	11,480
Exploration and Expansion Drilling	110	15,544	71	10,248

¹ The updated MRE was prepared by CSA Global Consultants Canada Ltd. in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition. Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. Refer to the MRE news release, dated February 22, 2021.

Drilling

Since January 1, 2021, the Company has completed approximately 25,668 metres of core drilling, the majority of which represents infill and expansion drilling of the Eagle Mountain deposit. Please refer to the Company's news releases dated January 6, 2021, February 8, 2021, March 30, 2021, June 17, 2021, August 12, 2021, October 7, 2021, and November 17, 2021.

On January 6, 2021, the Company announced drill results for the Ann Mining Claim. This included four core holes totalling 766 metres and an initial discovery located 2.5 kilometres along trend from Salbora and 1.0 kilometre along trend from the previous most southernly known mineralization at Powis. This discovery has expanded the prospective strike of the Salbora-Powis trend to 4.5 kilometres from Ann in the south to Montgomery in the north.

On February 8, 2021, the Company announced high-grade drill results for the Ounce Hill area, located in the northeast of the Eagle Mountain deposit. Infill drill holes EMM21-007 and EMM21-008, which targeted an area that had previously been drilled on a wide spacing (greater than 50 metres), returned grades well above prior results. Drill hole EMM21-007 intersected 20.38 gpt gold over an estimated true width of 34 metres and EMM21-008 intersected 3.41 gpt over an estimated true width of 24.0 metres, with gold mineralization starting from surface and within saprolite.

On March 30, 2021, the Company announced additional drill results for the Ounce Hill and Bacchus areas of the Eagle Mountain deposit. At Ounce Hill a further 651 metres were drilled, including drill hole EMM21-009 which extended the high-grade area, previously defined by holes EMM21-007 and EMM21-008, a further 50 metres to the east. EMM21-009 intersected 2.02 gpt gold from surface over an estimated true width of 44 metres. Mineralization in EMM21-009 extended beyond the saprolite into the underlying fresh rock by 22.5 metres with the intersection grading 2.69 gpt gold. The Company also completed 554 metres of drilling in the Bacchus area which is a target for resource expansion. Infill holes EMD20-150 intersected 21.0 metres grading 1.44 gpt gold and EMD20-149 intersected 37.5 metres grading 1.05 gpt gold.

On June 17, 2021, the Company announced drill results for the Bottle Bank area of the Eagle Mountain deposit and for the Toucan Prospect along the Salbora-Powis trend. At Bottle Bank, the Company completed 1,414 metres of infill drilling. Drilling in a central area of Bottle Bank within the Indicated Mineral Resource has confirmed elevated gold grade-thicknesses at surface and at depth within the shallow sub-horizontal zones of the Eagle Mountain deposit. Drill holes EME21-108 intersected 21.0 metres grading 2.61 gpt gold from surface, EME21-110, which extended the higher-grade area, intersected 16.0 metres grading 1.96 gpt gold, and EME21-111 intersected 10.5 metres grading 2.71 gpt gold. At the Toucan Prospect, the Company completed 1,416 metres of exploration drilling. Drill holes EME21-095 intersected 6.0 metres grading 18.14 gpt gold starting 100.5 metres down the hole and EME-21-094 intersected 60.0 metres grading 0.70 gpt gold starting 49.5 metres down the hole.

On August 12, 2021, the Company announced additional infill and expansion drill results for the Zion and Bacchus areas situated in the eastern and northern locations of the Eagle Mountain deposit. Reported results represented 43 core holes totaling 3,786 metres from the Zion and Bacchus areas. The results are providing added definition to the near surface sub-horizontal mineralized zones of the Eagle Mountain deposit, where continuity of mineralization is being confirmed and zones are being expanded, this time, in the Zion and Bacchus areas. At the Zion area, drill hole EMM21-041 intersected 6.0 metres grading 15.73 gpt gold starting 57 metres down the hole, immediately below and outside of the February 2021 MRE outline. At Bacchus, infill hole EMD20-150 intersected 21.0 metres grading 1.44 gpt gold from surface. Overall, for both Zion and Bacchus, recent drill results have intersected mineralization where it is being modelled as Inferred and has also expanded the zones laterally. Moreover, at depth immediately outside of the modelled resource outline (within 20 metres), drilling has intersected narrower mineralization, but with higher gold grades. These high-grade zones have now been intersected in several holes.

On October 7, 2021, the Company announced additional infill and expansion drill results for the Friendly, Bacchus, Bottle Bank, No. 1 Hill and Baboon areas of the Eagle Mountain deposit. Reported results were for 55 core holes totaling 7,886 metres. At the Friendly, Bacchus and Bottle Bank areas, the Company completed 5,379 metres of infill and expansion drilling. Expansion drilling in the gap between the Friendly and Bacchus areas intersected mineralization in several structures outside of the February 2021 MRE outline. Drill hole EME21-129 intersected 27.0 metres grading 3.87 gpt gold starting 51 metres down the hole. At Bottle Bank, infill drilling within the area with Inferred Mineral Resources confirmed elevated gold-grade thicknesses at surface and at depth. Drill holes EME21-115 intersected 9.0 metres grading 1.66 gpt gold, EME21-116 intersected 4.5 metres grading 4.22 gpt gold, and EME21-127 intersected 8.5 metres grading 1.10 gpt gold. The Company completed 2,507 metres of drilling at the No.1 Hill and Baboon areas. Drill hole EMD21-154 in No.1 Hill intersected a high-grade interval of 1.5 metres grading 32.72 gpt gold starting 43.5 metres down the hole. At the Baboon area, expansion drilling confirmed that the mineralized zones extend approximately 250 metres southeast of the February 2021 MRE outline, with several thicker intervals at depth, highlighted by drill hole EMM-044A, which intersected 18.0 metres grading 1.46 gpt gold.

On November 17, 2021, the Company announced results for 29 core holes totaling 3,269 metres from the Bacchus, Bottle Bank, No. 1 Hill and Bucket Shaft areas of the Eagle Mountain deposit and 7 core holes totaling 803 metres for the Salbora Deposit. These represent the final set of infill and expansion drill results from the 2021 program and are expected to be the last of the drill results to be included in the updated MRE. In the No. 1 Hill area, infill hole EMD21-193 intersected 21.0 metres grading 1.32 gpt starting 93 metres down the hole within the Inferred Mineral Resource. Separately, EMD21-193 intersected a broad interval of high-grade gold mineralization in the upper part of the hole. From 6.0 metres down the hole and within saprolite, EMD21-193 intersected 16.5 metres grading 20.04 gpt gold. Expansion drilling in the Bowl area intersected several new sub-horizontal zones at depth in fresh rock, which the Company interprets as a continuation of the zones of No.1 Hill approximately 250 metres to the south-east. The uppermost zone in expansion hole EMX21-004 intersected 1.5 metres grading 9.69 gpt starting 39.0 metres down the hole. In the Salbora deposit, drill hole EME21-153 intersected 4.5 metres grading 7.70 gpt gold starting 112.5 metres down the hole and EME21-155 intersected 1.5 metres grading 37.86 gpt gold starting 124.5 metres down the hole. These higher-grade intersections, approximately 80-100 metres below the Inferred Mineral Resource outline, are now interpreted to correspond with the interaction of sub-horizontal zones, similar to those of the Eagle Mountain deposit, with the sub-vertical breccias structures of Salbora.

One of the Company's primary objectives in 2021, with the focus being in the first nine months, was the completion of infill and expansion drilling of the Eagle Mountain and Salbora deposits in preparation for an updated MRE. This drilling was designed to upgrade a significant portion of current near-surface Inferred Mineral Resources to the Indicated category through infill drilling and to test for lateral and depth extensions through expansion drilling. Overall, the program has demonstrated that the tenor of mineralization is strongest within the central part of the areas of the Eagle Mountain deposit. Towards the periphery, mostly in areas with Inferred resources, the tenor of mineralization is less either due to lower grades or thinner zones.

In September, with the majority of the infill and expansion drilling complete for 2021, the program transitioned to more of an exploration focus, testing known geophysical and artisanal mining areas primarily along the Salbora-Powis trend. Based on preliminary success with the Toucan Prospect, and the presence of a number of high priority targets, in Q3, 2021 the Company expanded the scope of the exploration component, adding approximately 5,000 metres to the 2021 drill program.

Biodiversity

In June 2021, the Company engaged Environmental Management Consultants Inc. of Georgetown, Guyana, to conduct a comprehensive biodiversity study. This entails dry and wet season surveys of plants and animals. Both the wet and dry season surveys were complete by the end of Q3, 2021. The 2021 biodiversity study will supersede the study completed in 2013, and will serve to facilitate permitting efforts.

Mineral Resource Estimate

During Q3, 2021, the Company engaged CSA Global Consultants Canada Ltd ("CSA Global"), an ERM Group company, to complete an updated MRE and the accompanying NI 43-101 technical report for the Eagle Mountain Project. CSA Global also prepared the February 2021 MRE.

b. Corporate

During the nine months ended September 30, 2021, corporate highlights include the following:

- Effective June 4, 2021, the Company completed a 10 to 1 share consolidation of its issued share capital on a ten (10) old for one (1) new basis. The Company will continue to trade under the symbol "GXS" on the TSX-V. All references to capital stock, warrants, options and per share data have been adjusted retrospectively and rounded down to reflect the Company's 10 to 1 share consolidation.
- The Company issued 1,640,000 common shares at a price of \$0.90 per share for gross proceeds of \$1,476,000 upon the exercise of warrants.
- The Company completed a private placement of 11,500,000 units at a price of \$1.10 per unit for gross proceeds of \$12,650,000. Each unit consisted of one common share and one-half warrant. Each warrant entitles the holder to purchase one common share at a price of \$1.40 until May 20, 2023. The Company paid cash commissions of \$729,000 and issued 330,716 agents' warrants with a total fair value of \$230,451. Each agent warrant is exercisable to acquire one common share at a price of \$1.10 until May 20, 2023. The Company incurred capital stock issuance costs of \$236,644 in connection with the private placement. The Company plans to use the proceeds for ongoing exploration and pre-feasibility work at Eagle Mountain and for general corporate purposes.
- The Company issued 65,000 common shares at prices ranging from \$0.60 to \$1.00 per common share for gross proceeds of \$43,000 upon the exercise of options.

- 3,656,656 warrants with exercise prices ranging from \$0.90 to \$2.00 expired unexercised.
- 105,000 stock options with exercise prices ranging from \$1.00 to \$1.70 were forfeited, and 7,500 stock options with an exercise price of \$2.80 expired unexercised.

Subsequent to September 30, 2021:

- On October 15, 2021, the Company made an option payment in the amount of \$24,127 (US\$20,000) pursuant to the Ann Mining Claim Option Agreement;
- On October 15, 2021, the Company appointed Kimberly Newsome as Vice President of Finance of the Company and granted her 30,000 stock options that can be exercised at a price of \$0.94 per share until October 15, 2026. These stock options vest over a four-year period with 25% vesting after each of 1 year, 2 years, 3 years, and 4 years after the grant date, respectively;
- Mr. N. Eric Fier, the Company's Vice President of Finance, has agreed to remove the title of Vice President of Finance on October 15, 2021. Mr. Fier will keep the title of Executive Chairman of the Company;
- The Company granted a total of 17,500 stock options to an employee and a consultant that can be exercised at a price of \$0.94 per share until October 15, 2026. These stock options vest immediately except for 10,000, which vest over a one-year period with 25% vesting after each of three months, six months, nine months and twelve months after the grant date, respectively;
- 5,000 stock options with an exercise price of \$1.30 per common share were forfeited unexercised; and
- On October 22, 2021, Stronghold entered into a new office rental agreement for a period of two years commencing January 1, 2022, for monthly payments of US\$3,000.

c. COVID-19 Update

The Company's business could be adversely affected by the effects of the ongoing outbreak of respiratory illness caused by the novel coronavirus ("COVID-19"). Since early March 2020, significant measures have been implemented in Canada, Guyana, and the rest of the world by governmental authorities in response to COVID-19. The Company cannot accurately predict the impact COVID-19 will have on the ability of third parties to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In particular, the continued spread of COVID-19 globally could materially and adversely impact the Company's business including without limitation, employee health, limitations on travel, the availability of industry experts and personnel, restrictions on planned drill programs, and other factors that depend on future developments beyond the Company's control. In addition, COVID-19 has resulted in a widespread health crisis that has adversely affected the economies and financial markets of many countries (including Canada and Guyana), resulting in an economic downturn that may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital. In 2021, Goldsource had instances of COVID-19 at the Eagle Mountain Property; however, with mitigation and ongoing testing measures this has not resulted in a material impact on operations. The current circumstances are dynamic and the impacts of COVID-19 on the Company's exploration activities, including the impact on the timing of its planned pre-feasibility study, cannot be reasonably estimated at this time. The recent increase in COVID-19 cases and variants globally may impact the Company's operations due to additional government mandated shutdowns or closures.

3. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Comparison of the three and nine months ended September 30, 2021 and 2020

During the three and nine months ended September 30, 2021, comprehensive losses were \$2,460,085 and \$6,459,001 respectively, compared to \$1,978,412 and \$5,117,657 for the same period in 2020. The principal differences and significant amounts to note are as follows:

	Three months ending September 30,			Nine months ending September 30,			Variance Explanation
	2021	2020	Variance	2021	2020	Variance	
Exploration and evaluation expenditures	2,338,856	1,687,515	651,341	5,785,557	4,337,627	1,447,930	The increase in exploration and evaluation expenditures is attributable to increased exploration activity. Expenses during 2020 were below normal run rates as exploration activities were temporarily suspended from April 5 to June 11, 2020 due to COVID-19.
Foreign exchange (gain) loss	(220,598)	83,596	(304,194)	(326,880)	87,902	(414,782)	The Company is primarily exposed to foreign exchange risk through holding US dollars. The foreign exchange gain during 2021, compared to a loss in 2020, is due to larger amounts of US dollar cash held, and the appreciation of the US dollar in relation to the Canadian dollar during the period.
General and administrative expenses	51,633	35,576	16,057	135,599	106,270	29,329	The increase in the Company's activity during 2021 resulted in an increase in general and administrative expenses such as insurance, subscriptions, and transfer agent and filing fees.
Loss on change in rehabilitation provision	49,553	-	49,553	77,623	-	77,623	The loss on change in rehabilitation provision relates to the change in estimates and rehabilitation obligations for the processing plant, which was fully impaired during Q4, 2020.
Remuneration	137,096	96,842	40,254	446,308	304,743	141,565	The increase in remuneration is due to salary increases, additional staff, and recruitment costs during 2021, which is offset by severance costs paid to the former Chief Financial Officer during 2020.
Share-based compensation	16,230	886	15,344	50,264	19,224	31,040	The increase in share-based compensation expense during 2021 is due to the timing of stock options granted during 2020 and 2019, respectively. During 2020, all stock options were granted in Q4, whereas in 2019, stock options subject to vesting terms were granted in Q1, Q2 and Q4. Additionally, stock options granted in Q4, 2020 vest over a three-year period while options granted in 2019 vest over a one-year period, resulting in an increase in share-based compensation expense in 2021.

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QUARTER ENDED SEPTEMBER 30, 2021

TSX.V:GXS

During the three and nine months ended September 30, 2021, exploration and evaluation expenditures were \$2,338,856 and \$5,785,557 respectively, compared to \$1,687,515 and \$4,337,627 for the same period in 2020. The significant variations between these periods included the following:

Exploration and evaluation expenditures	Three months ending September 30,			Nine months ending September 30,			Variance Explanation
	2021	2020	Variance	2021	2020	Variance	
Assays	163,943	94,419	69,524	320,625	183,373	137,252	The increase in assays expense is due to increased drilling activity during 2021, thus resulting in a larger number of core samples sent for assaying.
Camp costs	292,087	159,145	132,942	686,087	375,301	310,786	The increase in camp costs results from increased camp capacity and additional drill crews at the Eagle Mountain camp. In addition, camp costs decreased during 2020 due to the suspension of exploration activities.
Depreciation	57,487	141,913	(84,426)	213,291	600,144	(386,853)	The decrease in depreciation expense in 2021 is due to the impairment of the processing plant in Q4, 2020, and write off of several assets held in Guyana during 2020. No similar impairments occurred during 2021. This is offset by the increase in capital assets purchased during 2021.
Drilling	1,156,730	918,461	238,269	2,435,377	1,619,581	815,796	The increase in drilling expense is a result of added drilling capacity and increased drill utilization rates compared to 2020, when exploration activities were suspended from April 5 to June 11, 2020 due to COVID-19.
Operations and general	143,074	(15,526)	158,600	361,565	303,269	58,296	The increase in operations and general expense in 2021 is a result of over accrued expenses in Q2, 2020, reversed in Q3, 2020, as well as increased camp capacity at the Eagle Mountain camp.
Salaries	463,283	370,529	92,754	1,352,638	1,107,283	245,355	The increase in salaries expense results from salary increases and additional personnel hired to support the increased drilling activity at Eagle Mountain.
Technical services and consulting	62,252	18,574	43,678	415,974	148,676	267,298	The increase in technical services and consulting expenses during 2021 is due to technical consultants engaged by the Company to conduct a biodiversity survey and consulting fees paid to a drilling contractor.

4. LIQUIDITY AND CAPITAL RESOURCES

a. Assets

At September 30, 2021, Goldsource held cash and cash equivalents of \$11,172,430 (December 31, 2020 – \$4,052,594). Goldsource continues to monitor cash resources against anticipated expenditures associated with advancing the Eagle Mountain Project. Other current assets totalling \$247,969 consist primarily of prepaid expenses and other of \$238,052 (December 31, 2020 – \$193,744) and amounts receivable of \$9,917 (December 31, 2020 – \$38,177).

The Company has deposits totalling \$270,487, including \$262,071 (US\$206,200) (December 31, 2020 – \$262,718 (US\$206,200)) which is pledged as a reclamation site bond in the form of a non-interest-bearing bank guarantee deposit to the Guyana Geology and Mines Commission for exploration permits on the Property.

Property, plant and equipment increased to \$845,375 (December 31, 2020 – \$739,558), primarily due to property and equipment additions of \$347,497 (September 30, 2020 – \$120,717), offset by depreciation of \$241,680 (September 30, 2020 – \$643,540). Significant additions include a drilling mast, ATVs, excavator, and construction of additional rooms and bunk houses for the Eagle Mountain camp.

b. Liabilities

At September 30, 2021, current liabilities include accounts payable and accrued liabilities of \$746,529 (December 31, 2020 – \$365,183), which relate to various contractual commitments in the normal course of business.

As at September 30, 2021, the Company recorded a rehabilitation provision of \$459,018 (December 31, 2020 – \$359,913). The present value of the rehabilitation provision was calculated using an effective discount rate of 5% (December 31, 2020 – 5%) and reflects anticipated cash flows to be incurred over approximately the next seven years. The undiscounted value of these obligations is \$445,142 (US\$344,250) (December 31, 2020 – \$438,573 (US\$339,000)) calculated using a long-term inflation rate assumption of 7% for 2021 and 3% for 2022 to 2027 (December 31, 2020 – 0.8%).

c. Liquidity Outlook and Risks

As at September 30, 2021, the Company had cash and cash equivalents of \$11.2 million (December 31, 2020 – \$4.1 million), accumulated losses of \$72.8 million (December 31, 2020 – \$66.4 million) and working capital² of \$10.6 million (December 31, 2020 – \$3.9 million). As at November 22, 2021, the cash and cash equivalents held by the Company are \$9.6 million.

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 program, availability of financing, and industry conditions. The Company's ability to continue as a going concern is dependent on its ability to raise debt or equity financing and discover economically viable mineral deposits.

Ongoing exploration work at Eagle Mountain may be delayed or disrupted, will require substantial additional financing, and is subject to a number of factors many of which are beyond the Company's control. Although the Company has been successful in raising funds to date, there is no assurance that future equity capital or debt facilities will be available to the Company in the amounts or at the times desired by the Company or on terms that are acceptable to it, if at all.

² Working capital is a non-IFRS measure widely used in the mining industry and which the Company defines as current assets less current liabilities, as reported in the condensed consolidated interim statements of financial position. In the context of liquidity, it relates to the maintenance of sufficient current asset balances to settle current liabilities, as they come due in the normal course of business.

5. COMMITMENT, EVENTS AND UNCERTAINTIES

Other than disclosed below, there was no commitment, event or uncertainty which materially affected the Company's operations, liquidity, and capital resources during Q3, 2021, or which may have a material effect going forward.

On October 1, 2015, as amended May 7, 2018, the Company entered into a lease agreement for office space, commitments for minimum lease payments are as follows:

Undiscounted lease payments	September 30, 2021		December 31, 2020	
Not later than 1 year	\$	60,395	\$	60,395
Later than 1 year and not later than 5 years		14,276		59,572
	\$	74,671	\$	119,967

In November 2019, Kilroy received a demand for foregone customs duty and taxes from the Guyana Revenue Agency ("GRA"). The GRA alleges that the joint venture agreement between Kilroy and Stronghold has breached the terms of the customs duty and tax exemption granted to Kilroy during 2015 and 2016 on the purchase of mining equipment. The GRA seeks payment of \$425,920 (\$73,056,644 Guyanese dollars). Management has been advised that these claims are without merit and intends to defend against the claim. Accordingly, the Company has not accrued any amounts related to this claim.

The Company is exposed to legal claims during the normal course of business. Management believes the claims are without merit and do not impact the financial statements.

6. RELATED PARTY TRANSACTIONS

During the nine months ended September 30, 2021, the Company entered into the following transactions with related parties:

a. Key management compensation

The Company's key management personnel have the authority and responsibility for planning, directing, and controlling the activities of the Company and include the Company's Chief Executive Officer ("CEO"), President, Executive Chairman and Vice President of Finance ("VP Finance"), former Chief Financial Officer ("former CFO"), and directors. Key management personnel compensation is summarized as follows:

	Nine months ended September 30, 2021		Nine months ended September 30, 2020	
Management remuneration ⁽¹⁾	\$	378,750	\$	246,213
Directors fees		33,750		27,000
Share-based compensation ⁽²⁾		46,369		-
	\$	458,869	\$	273,213

⁽¹⁾ The Company paid management fees to companies controlled by the President and VP Finance and remuneration to the CEO. Remuneration and severance were paid to the former CFO during the nine months ended September 30, 2020.

⁽²⁾ Share-based compensation is the vested portion of the fair value at the grant date of stock options awarded to key management personnel.

b. Legal fees

During the nine months ended September 30, 2021, legal fees of \$41,018 (September 30, 2020 – \$45,810), included in professional fees, and capital stock issuance costs of \$85,484 (September 30, 2020 – \$90,414) were paid to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner.

c. Other transactions

The Company has a cost sharing agreement with SilverCrest Metals Inc. ("SilverCrest"), a company related by common directors and officers (N. Eric Fier and Graham Thody), whereby the Company shares salaries, administrative services, and other expenses. During the nine months ended September 30, 2021, the Company was allocated \$94,872 (September 30, 2020 – \$107,345) for its share of these expenses, of which \$42,672 (December 31, 2020 – \$32,849) was payable to SilverCrest at September 30, 2021.

7. CAUTIONARY STATEMENTS AND DISCLAIMERS

a. Risk Factors

In addition to liquidity risks described in section 4, readers of this Interim MD&A are directed to read the “Risk Factors” contained in the Company’s Annual MD&A dated April 27, 2021, available on www.goldsourcemines.com and under the Company’s SEDAR profile on www.sedar.com. Important risk factors to consider among others are:

- Impact of COVID-19;
- Risks inherent in the mining business;
- No history of operations or earnings;
- Licenses and permits;
- Mineral resource estimates;
- Mining capital and operating costs;
- Financing risks;
- Key employees; and
- Environmental risks and hazards.

b. Forward-Looking Statement

This Interim MD&A contains “forward-looking statements” within the meaning of 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 Interim MD&A contains forward-looking statements pertaining to the following: exploration and drilling programs at the Eagle Mountain Project, including the Eagle Mountain and Salbora deposits and exploration prospects; information regarding high grade areas projected from sampling results; the impact of the COVID-19 pandemic on the timing and completion of exploration programs, technical reports and studies, an additional resource update scheduled for Q4, 2021, and PFS scheduled for 2022 contemplating a low cost open pit mining operation (subject to the resolution of the novel coronavirus pandemic); information with respect to projected capital and operating costs, the amount of future production of gold over any period, the amount of expected grades and ounces of metals, gold recoveries, mine life, and gold production rates for the Project; and expectations regarding the Company’s ability to manage capital resources and meet working capital requirements.

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 conditions in general economic and financial markets; precious metals prices; the ability to realize technical studies and develop and finance the project; the accuracy of the interpretations and assumptions used in calculating Inferred Mineral Resource estimates; the availability of mining equipment and skilled labour; the timing and amount of capital expenditures; the performance of available laboratory and other related services; effects of regulation by governmental agencies; future operating costs; and the impact of the COVID-19 pandemic.

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 Interim 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 estimations; the receipt, maintenance and security of permits and mineral property titles; environmental and other regulatory risks; project cost overruns or unanticipated costs and expenses; uncertainty as to actual capital costs, operating costs, production and economic returns; uncertainty that development will result in a profitable mining operation for the Project; operating and hazards risks and limitations on insurance; fluctuations in precious metals prices; currency fluctuations; political and economic risks; and public health concerns (including health epidemics or outbreaks of the communicable diseases such as the COVID-19 pandemic); 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 Interim MD&A if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

c. Qualified Person

Technical information contained in this Interim MD&A has been prepared by or under the supervision of N. Eric Fier, CPG, P.Eng, and Executive Chairman (former VP Finance) for Goldsource, who is a 'Qualified Person' for the purpose of NI 43-101.