GOLDSOURCE MINES INC.

MANAGEMENT'S DISCUSSION & ANALYSIS

QUARTERLY HIGHLIGHTS

MARCH 31, 2024

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 OTCQX 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 months ended March 31, 2024. The Interim MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2024 and 2023 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, 2023 and 2022 and the related notes contained therein. Additional information related to the Company is available on SEDAR+ at www.sedarplus.ca 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 May 29, 2024. 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 three months ended March 31, 2024 and to date include:

a. Eagle Mountain Gold Project

Overview

The Company's focus is the Eagle Mountain Gold Project ("Eagle Mountain 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"), save and exempt all claims lawfully held and occupied. The Property consists of an area of approximately 5,050 hectares (12,480 acres) in central Guyana, South America. 4,784 hectares (11,820 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. Within the EMPL there are third-party small-scale claims ("Artisanal Claims") that predate the Company's Property. The Artisanal Claims that are licensed or recommended for license total approximately 123 hectares (305 acres). Additionally, one medium scale permit (referred to as Bishops Growler) is located in the central part of the EMPL, north-east of the Eagle Mountain resource area. This property is under an exploration agreement between the owner of the Bishops Growler Property and the Company until April 5, 2027. Goldsource constantly evaluates the size of its land package as exploration work is completed.

2024 Preliminary Economic Assessment

On January 16, 2024, the Company announced positive results for a Preliminary Economic Assessment ("PEA"). The PEA contemplates a fit-for-purpose, low capital cost ("capex") intensity phased development plan for the Project. The Project is designed to be a technically simple open pit mine with a 5,000 tonne per day ("tpd") gold processing plant. The mine design and equipment selection are tailored for the distinct requirements of Phase 1 and Phase 2 of the mine. Phase 1 provides 4.5 years of production from shallow (starting at surface), low strip ratio open pits targeting soft-rock saprolite resources and a processing plant design that accounts for the beneficial characteristics of saprolite ("Phase 1"). Phase 1 development capex is estimated at US$95.6 million ("M"), with a short payback period of 18 months. This is followed by Phase 2, the development of higher-grade open pit fresh rock resources, in which gold production is derived from a blend of fresh rock, transition rock and saprolite material ("Phase 2"). Phase 2 comprises 10.5 years of production, bringing the mine life to 15 years. Phase 2 development capex is estimated at US$46.6M and consists primarily of additional processing equipment, building off the substantial infrastructure provided in Phase 1.

PEA Highlights

- Robust project economics with a strong after-tax internal rate of return ("IRR") and after-tax net present value ("NPV").
- After-tax IRR of 57% and after-tax NPV discounted at 5% ("NPV5%") of US$292M at the base-case gold price of US$1,850 per ounce ("oz").
- After-tax IRR of 69% and after-tax NPV5% of US$388M at spot gold prices [1] of US$2,055 per oz.
- Average all-in sustaining costs ("AISC") of US$1,077 per oz of gold produced. Phase 1 AISC is estimated at US$829 per oz of gold.
- Projected average annual gold production of 66,500 oz per year for 15 years.
- Average mill head grade of 1.26 grams per tonne ("gpt") gold with an associated strip ratio of 2.1, and average mill gold recovery of 90.7%. Phase 1 mill head grade of 1.20 gpt gold with an associated strip ratio of 1.2, and mill recovery of 95.1%.

Economic Analysis Summary (Base Case and Spot Gold Price Assumptions)

	Units	**US$1,850/oz (Base Case)**		**US$2,055/oz (Spot)** [1]	
		Pre-Tax	After-Tax	Pre-Tax	After-Tax
IRR [3]	%	75%	57%	91%	69%
Payback Period [2]	Months	16	18	14	16
$NPV_{0\%}$ [3]	US$ M	605	443	793	585
$NPV_{5\%}$ [3]	US$ M	406	292	532	388
$NPV_{8\%}$ [3]	US$ M	326	232	428	309

(1) Spot gold prices on January 15, 2024.
(2) Estimated payback period for Phase 1 development capex.
(3) After-tax NPV and IRR estimates exclude existing in-country tax loss pools, which can be applied against taxes payable. NPV is calculated as of the commencement of construction and excludes all pre-construction costs.

Sensitivity of Estimates for After-Tax NPV, IRR and Payback Period to Changes in Gold Price.

Gold Price	**NPV5%**	**NPV8%**	**IRR**	**Payback Period**
US$/oz	**US$ M**	**US$ M**	**%**	**Months**
1,650	199	156	45%	21
1,750	246	194	51%	19
1,850	292	232	57%	18
1,950	339	269	63%	17
2,050	385	307	69%	16

Estimated Cash Flow

The economic analysis of the Project is based on the production and cost models developed for Phase 1, Phase 2, and Life of Mine ("LOM") construction, operating, and reclamation plans. The economic analysis uses a cash flow model at a base-case gold price of US$1,850 per oz. The model applies all Phase 1 pre-production capital costs ("development capex") in year 0 and Phase 2 development capex in years 4 and 5. The production scale for Phase 2 was established to maximize the utility of the 5,000 tpd Phase 1 processing infrastructure, minimizing the requirements for additional capex. The timing of the transition to Phase 2 was set based on projections for free cash flow, specifically to recover the Phase 1 development capex and generate significant surplus cash to fund Phase 2.

At the base-case gold price of US$1,850 per oz, the cumulative undiscounted after-tax free cash flow is estimated at US$443M and average annual after-tax free cash flow is estimated at US$37M for years 1 to 15. At the spot gold prices of US$2,055 per oz on January 15, 2024, cumulative undiscounted after-tax free cash flow is estimated at US$585M and average annual after-tax free cash flow at US$47M.

Capital and Operating Cost Estimates

Phase 1 development capex (pre-production capex) is estimated at US$95.6M (including contingency), of which US$56.5M is related to the processing plant (direct and indirect costs). Phase 2 development capex, primarily comprised of processing equipment to accommodate harder fresh rock, is estimated at US$46.6M with expenditures to commence in the second half of year 4. Total LOM capital expenditures are estimated to be US$295.6M. This includes US$20M for mine reclamation at the end of the LOM. Total LOM operating costs are estimated at US$786M. The operating cost estimate is based on the total amount of labour, materials, and consumables that will be required to fully execute the mining and processing plans for Phase 1 and 2.

Production Plan

The conceptual LOM plan estimates total gold production of 997,000 oz, of which 306,000 oz at AISC of US$829 per oz of gold are from Phase 1. Total recoverable gold is a subset of the Mineral Resource Estimate announced on April 7, 2022 ("2022 MRE[1]"), largely due to the Company's express focus on delivering a smaller, higher-grade "fit-for-purpose" project to enhance the overall development logistics in the context of the project particulars and market backdrop. The PEA mine plan is designed to maintain mill feed rates at 1.825 million tonnes ("Mt") per year (approximately 5,000 tpd) through Phases 1 and 2.

Classification	April 2022 MRE		2024 PEA Conceptual LOM Plan		Net Conversion of Tonnes (%)
	Mt	In-situ grade (gpt Au)	Mt	Mill head grade (gpt Au)	
Indicated					
Saprolite & Transition	12.4	1.04	11.3	1.08	90%
Fresh Rock	18.7	1.28	8.7	1.58	47%
All Indicated	31.1	1.18	20.0	1.30	64%
Inferred					
Saprolite & Transition	6.1	0.71	3.1	0.92	51%
Fresh Rock	12.3	1.12	4.1	1.32	33%
All Inferred	18.4	0.98	7.2	1.15	39%

Notes:
(1) Numbers have been rounded to reflect the precision of a MRE and PEA Conceptual Plan. Totals may vary due to rounding.
(2) Phase 1 saprolite-only mill feed grades reflects a sub-set of the 2024 LOM saprolite resources. The balance of the saprolite tonnes are processed in Phase 2, blended with fresh and transition rock.
(3) For the 2024 PEA Conceptual Plan, transition Indicated and Inferred resources were grouped with fresh rock resources and mined/processed in Phase 2. The 2022 MRE had grouped the transition material with the saprolite resources.

The PEA contemplates an open pit operation using contract mining. Mill feed for the processing plant is sourced from the primary Eagle Mountain deposit as well as satellite pits at the Salbora deposit and Toucan and Powis prospects, which are proximal (within approximately 1.5 kilometres) to the Eagle Mountain pit outline. Phase 1 considers initial gold production from saprolite mineralization during which time most of the mining will be "free dig" (i.e. not requiring blasting). This is followed by Phase 2 in which gold production will be derived from a blend of fresh rock, transition and saprolite mineralization. Phase 2 will require drilling and blasting of the fresh and transition rock to facilitate mining, material handling and processing.

PEA Preparation

The PEA was prepared by ERM Consultants Canada Ltd. with contributions from Soutex Inc. for aspects related to metallurgy and the processing plant in accordance with National Instrument 43-101 ("NI 43-101"). A description of the methodology for the PEA is detailed in the Company news release dated January 16, 2024, and in a technical report titled "Preliminary Economic Assessment for the Eagle Mountain Gold Project, Guyana, NI 43-101 Technical Report", dated March 1, 2024, with an effective date of January 16, 2024, located on the Company's website and on SEDAR+.

[1] The 2022 MRE was prepared by ERM Consultants Canada Ltd. in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards. Mineral Resources are not Mineral Reserves as they do not have demonstrated economic viability. Refer to the 2022 MRE news release dated April 7, 2022.

The PEA is based on the 2022 MRE which is comprised of an estimated 31.1 Mt grading 1.18 gpt gold for 1,183,000 oz of gold in Indicated Mineral Resources, and 18.4 Mt grading 0.98 gpt gold for 582,000 oz of gold in Inferred Mineral Resources. The 2022 MRE is contained in a technical report titled "Eagle Mountain Gold Project, Potaro – Siparuni Region Guyana, NI 43-101 Technical Report" dated May 24, 2022, with an effective date of April 5, 2022.

The Company's Mineral Resources for the Eagle Mountain Project, as defined by the 2022 MRE, are as follows:

Classification	Tonnes (000 t)	Gold (gpt)	Ounces Au (oz)
Indicated			
Saprolite & Transition	12,400	1.04	417,000
Fresh rock	18,700	1.28	766,000
Total	**31,100**	**1.18**	**1,183,000**
Inferred			
Saprolite & Transition	6,100	0.71	139,000
Fresh rock	12,300	1.12	443,000
Total	**18,400**	**0.98**	**582,000**

- 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 Mineral Resource estimate. Totals may vary due to rounding.
- Gold cut-off has been calculated based on a gold price of US$1,600/oz, mining costs of US$1.50/tonne ("t") for saprolite-transition and US$2.00/t for fresh rock, processing costs of US$6.00/t for saprolite-transition and US$12.00/t for fresh rock, and mine-site administration costs of US$3.00/t. Metallurgical recoveries of 95% are based on prior test work of Eagle Mountain deposit composite samples.
- Mineral Resources conform to 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 Mineral Resource estimate 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 Resources could be upgraded to Indicated Resources with continued exploration.

Eagle Mountain Project Activities – 2024

During the three months ended March 31, 2024, the Company incurred $590,098 in exploration and evaluation expenses for the Eagle Mountain Project (refer to section 3 below – Results of Operations and Financial Condition). As at March 31, 2024, the Company's cumulative exploration and evaluation expenditures, including acquisition costs, on the Eagle Mountain Project totaled $45.2 million, of which $38.5 million is related to exploration activities.

2024 Objectives

The 2024 work program consists of concurrent engineering, environmental and regulatory activities to establish Eagle Mountain as a low capex intensity gold development project. Environmental and regulatory activities will be focused on environmental authorizations and the mining license application for Eagle Mountain Phase 1.

Planned engineering activities include studies recommended in the 2024 PEA, notably trade-off studies related to tailings dam placement and design as well as options for power generation. Using the Company-owned drill rig, geotechnical drilling is planned to evaluate locations for tailings/waste deposition and infrastructure as well as for pit design parameters. Hydrology/hydrogeology studies will also inform pit design parameters and be used for water and contaminant balance analyses.

Environmental activities are planned to further advance comprehensive surveys to gather baseline environmental data including air quality, water quality, flora, fauna, and socio-economic factors. Environmental consultants will be engaged to evaluate potential impacts of the proposed mining activities and to develop mitigation measures as part of Environmental and Social Impact Assessment work, and an Environmental Management Plan for Phase 1.

Planned exploration activities include generative work within the EMPL and at properties where the Company has surface exploration agreements. The generative program will focus on building the pipeline of early-stage exploration targets. Additionally, modest-sized infill and expansion drill programs are planned to upgrade Inferred Resources that are within the PEA pit shells and to target mineralization proximal to but currently outside the PEA pit shells.

Mako Mining Corp. Transaction

On March 25, 2024, the Company entered into a definitive arrangement agreement with Mako Mining Corp. ("Mako"), pursuant to which Mako will acquire all of the issued and outstanding common shares of Goldsource in exchange for common shares of Mako by way of a court-approved plan of arrangement (the "Arrangement" or "Transaction"). Pursuant to the terms and conditions of the Arrangement, the holders of the issued and outstanding Goldsource shares will receive 0.22 of a common share of Mako (each whole share, a "Mako Share") for each Goldsource share held. The arrangement agreement contains customary deal-protection provisions including mutual non-solicitation covenants and a right of either party to match a superior proposal as defined in the arrangement agreement. Under certain circumstances, Mako or Goldsource may be entitled to a termination fee of $1.35 million. In the event that the Arrangement is terminated due to failure to obtain shareholder approval, the Company will be required to reimburse Mako for reasonable and documented expenses up to a maximum of $250,000. Concurrent with the execution of the arrangement agreement, funds managed by Wexford Capital LP (collectively, "Wexford"), Mako's largest shareholder, have provided Goldsource with a $2.0 million bridge loan to fund anticipated activities at Eagle Mountain through the completion of the Arrangement. The bridge loan is unsecured and will bear interest at a rate of 12% per annum, payable semi-annually, and will mature on March 25, 2025. The Arrangement is pending approval from Goldsource securityholders, the TSXV, and the British Columbia Supreme Court.

Generative Exploration

On January 30, 2024, the Company signed a one-year exploration agreement with a local landowner. The scope of the agreement encompasses surface exploration work on 20 medium-scale claims that are outside of the EMPL and contain artisanal workings. The Company does not have any liabilities associated with the exploration agreement. As of the date of this Interim MD&A, preliminary work included surface mapping of old pits and the collection of 120 samples for assay to determine prospectivity of the medium-scale licenses for further exploration.

On April 5, 2024, the Company entered into an exploration agreement with the owner of the Bishops Growler Medium Scale Mining Permit ("Bishops Growler Property"). Pursuant to the agreement, the Company has the right to perform exploration activities on the Bishops Growler Property for a period of 36 months, for total consideration of US$30,000. The exploration agreement payment schedule is as follows:

- US$10,000 within 10 business days of signing the agreement (paid);
- US$10,000 on April 5, 2025; and
- US$10,000 on April 5, 2026.

The scope of the agreement encompasses exploration work, which may include mapping, trenching, geophysical studies, sample collection and drilling on the Bishops Growler Property. As of the date of this Interim MD&A, preliminary work included mapping of outcrops.

In Q2, 2023, the Company signed a one-year exploration agreement with a local landowner. The scope of the agreement encompassed surface exploration work on three medium-scale claims that are proximal to the EMPL and contain artisanal workings. On May 2, 2024, the one-year exploration agreement expired. The Company is currently negotiating renewal terms for the exploration agreement.

Drilling

Since January 1, 2024, the Company completed approximately 475 metres of core drilling at the Eagle Mountain property, which primarily consists of infill drilling.

Eagle Mountain Prospecting License

Pursuant to the Guyana Mining Act, the term of prospecting licenses is three years with two rights of renewal of one year each, for a total of five years. After five years, the license may be further renewed through submission of a new license application. The Company was granted all previous renewals and new license applications. On August 11, 2023, the Guyana Geology and Mines Commission ("GGMC"), approved the second one-year renewal of the current EMPL, which will expire on October 18, 2024. On May 13, 2024, the Company submitted an application to GGMC for a new prospecting license for the Eagle Mountain Project.

Ann Mining Claim Option-Purchase Agreement

On October 20, 2020, the Company entered into an option and purchase agreement ("Option Agreement") to acquire a 100% interest in the Ann Mining Claim at the Minnehaha Creek area located within the Eagle Mountain Project, for total consideration of US$290,000. The terms of the agreement include immediate access to the land for exploration purposes for two years, the right to purchase the claim for US$250,000, and the right to terminate the agreement at any time, without any further liabilities. The Option Agreement was amended on August 8, 2022 to extend the option period for two additional years, expiring on October 20, 2024, for total additional consideration of US$40,000.

On April 4, 2024, the Company and the optionor amended the terms of the Option Agreement to extend the option period by two additional years, expiring on October 20, 2026, for total additional consideration of US$40,000. All other terms of the Option Agreement remain unchanged. The remaining payments are scheduled as follows:

- US$20,000 in October 2024;
- US$20,000 in October 2025; and
- US$250,000 upon the exercise of the option for the acquisition of the property.

To date, the Company has made all required option payments.

b. Corporate

During the three months ended March 31, 2024, corporate highlights include the following:

- 280,000 stock options with an exercise price of $1.30 per common share expired unexercised, and 42,500 stock options with exercise prices ranging from $0.60 to $1.30 per common share were forfeited;

Subsequent to March 31, 2024:

- On April 9, 2024, pursuant to a pending claim against a contractor who failed to complete road repairs at the Eagle Mountain property and failed to refund the deposit advanced of $9,513,000 Guyanese dollars, the court ordered the contractor to repay the deposit in full by October 9, 2025. Failure to repay the deposit within 18 months will result in the contractor owing interest on the full deposit amount at 6% per annum from December 18, 2023 to April 9, 2024, and 4% per annum thereafter until the deposit amount is fully paid.

- The Company issued 21,000 common shares at a price of $0.55 per common share for gross proceeds of $11,550 upon the exercise of warrants.

- The Company entered into an amendment for the Ann Mining Claim option and purchase agreement to extend the option period for two additional years, expiring on October 20, 2026, for total additional consideration of US$40,000.

- The Company entered into an exploration agreement with the owner of the Bishops Growler Property to allow the Company to perform exploration activities on the Bishops Growler Property for a period of 36 months, for total consideration of US$30,000.

c. Political Conflict

The Company's business could be adversely affected by the Bolivarian Republic of Venezuela's ("Venezuela") claims that the Essequibo area, which is within Guyana (west of the Essequibo River extending to the border of Venezuela) belongs to Venezuela. The internationally recognized border between Guyana and Venezuela was established in 1899 by an arbitration panel. The territory of Guyana, including the Essequibo area, has been continuously administered and controlled by Guyana since that time.

The Company's Eagle Mountain Project falls within this Essequibo area, the sovereign territory of Guyana. The Company's activities at Eagle Mountain, including exploration, technical and environmental studies, and ongoing coordination with governmental agencies, remain unaffected by Venezuela's claims, though the Company will continue to monitor the situation closely. Uncertainty caused by the political conflict may negatively impact the Company's financial position, financial performance, cash flows, and its ability to raise capital. The impacts of the conflict on the Company's planned exploration activities, including technical and engineering studies, cannot be reasonably estimated at this time.

3. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Comparison of the three months ended March 31, 2024 and 2023

During the three months ended March 31, 2024, comprehensive losses were $1,109,273, compared to $1,110,389 for the same period in 2023. The principal differences and significant amounts are as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023	Variance	Variance Explanation
Exploration and evaluation expenditures	590,098	713,302	(123,204)	The decrease in exploration and evaluation expenditures is due to a reduction in exploration activities in the period as the Company focused on the delivery of the PEA and the related NI 43-101 Technical Report, as well as due diligence work for the Mako Transaction.
Foreign exchange loss (gain)	(23,204)	29,085	(52,289)	The Company is primarily exposed to foreign exchange risk through holding US dollars and through transactions denominated in Guyanese dollars. The foreign exchange gain during 2024 is due to the appreciation of the US and Guyanese dollars in relation to the Canadian dollar during the period.
Loss (gain) on change in rehabilitation provision	(35,194)	54,738	(89,932)	The gain on change in rehabilitation provision in 2024 is driven by the decrease in projected future inflation rates during the period.
Professional fees	311,207	14,918	296,289	The increase in professional fees is due to increased legal and professional fees for due diligence work and the fairness opinion for the Mako Transaction.

During the three months ended March 31, 2024, exploration and evaluation expenditures were $590,098, compared to $713,302 for the same period in 2023. The significant variances between these periods include the following:

Exploration and evaluation expenditures	Three months ended March 31, 2024	Three months ended March 31, 2023	Variance	Variance Explanation
Camp costs	102,916	140,260	(37,344)	The decrease in camp costs is due to reduced camp occupancy as a result of decreased exploration activity in 2024.
Drilling	14,817	42,838	(28,021)	The decrease in drilling expense is the result of a decrease in drilling during 2024 (475 metres drilled in 2024 vs 683 metres drilled in 2023), to allow the Company to focus on the delivery of the PEA and the related NI 43-101 Technical Report, as well as the Transaction with Mako.
Salaries	284,436	350,603	(66,167)	The decrease in salaries expense is due to reduced personnel as a result of decreased exploration activity in 2024, partially offset by salary increases.
Technical services and consulting	55,081	25,276	29,805	The increase in technical services and consulting expenses during 2024 is primarily due to increased costs to complete the PEA and the related NI 43-101 Technical Report, as well as legal fees associated with the recovery of a deposit for road repairs.

4. LIQUIDITY AND CAPITAL RESOURCES

a. Assets

At March 31, 2024, the Company held cash and cash equivalents of $2,561,926 (December 31, 2023 – $1,449,188). The Company continues to monitor cash resources against anticipated expenditures associated with advancing the Eagle Mountain Project. Other current assets consist of amounts receivable of $15,633 (December 31, 2023 – $26,712) and prepaid expenses and other of $232,805 (December 31, 2023 – $303,241), which includes prepaid expenses of $98,455 (December 31, 2023 - $171,653), prepaid supplies of $78,242 (December 31, 2023 - $75,947), and restricted cash of $56,108 (December 31, 2023 - $55,641).

The Company has deposits totalling $284,242 (December 31, 2023 - $278,140), including $279,892 (US$206,200 and $100,000 Guyanese dollars) (December 31, 2023 – $273,884 (US$206,200 and $100,000 Guyanese dollars)) which is pledged as a reclamation site bond in the form of a non-interest-bearing bank guarantee deposit to the GGMC for exploration permits on the Property.

Property, plant and equipment decreased to $505,313 (December 31, 2023 – $541,282), due to depreciation of $30,445 (March 31, 2023 – $38,810) and the impairment of a building of $5,524 (March 31, 2023 – $Nil).

b. Liabilities

At March 31, 2024, current liabilities include accounts payable and accrued liabilities of $434,765 (December 31, 2023 – $306,571), which relate to various contractual commitments in the normal course of business, and loan payable of $2,003,945 (December 31, 2023 - $Nil). The loan is unsecured and bears interest at 12% per annum, payable semi-annually, and will mature on March 25, 2025. As at March 31, 2024, the Company accrued interest of $3,945 (March 31, 2023 - $Nil) in connection with the loan.

As at March 31, 2024, the Company recorded a rehabilitation provision of $1,028,634 (US$777,797) (December 31, 2023 – $1,050,883 (US$794,300)). The present value of the rehabilitation provision was calculated using an effective discount rate of 5.0% (December 31, 2023 – 5.0%) and reflects anticipated cash flows to be incurred in approximately 18 years. The undiscounted and uninflated value of these obligations is $1,089,953 (US$830,998) (December 31, 2023 – $1,089,953 (US$830,998)) calculated using a long-term inflation rate assumption of 4.4% for 2024 and 4.6% for 2025 to 2041 (December 31, 2023 – 4.0% for 2024 and 4.8% for 2025 to 2041).

c. Liquidity Outlook and Risks

As at March 31, 2024, the Company had cash and cash equivalents of $2.6 million (December 31, 2023 – $1.4 million), accumulated losses of $87.4 million (December 31, 2023 – $86.6 million) and working capital of $0.4 million (December 31, 2023 – $1.5 million). As at May 29, 2024, the Company held cash and cash equivalents of $1.6 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.

5. COMMITMENTS, 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 Q1, 2024, or which may have a material effect going forward.

On May 1, 2022, Stronghold entered into an agreement with a contractor to repair a road at the Eagle Mountain property. As required by the contract, Stronghold advanced a 30% deposit to the contractor in the amount of $9,513,000 Guyanese dollars, to facilitate the mobilization and commencement of the project. The contract specified that the road repairs should be completed within six months of the payment of the deposit, and that the contractor is liable for reimbursement of the 30% deposit if the work specified in the contract was not performed. The contractor failed to complete the road repairs and failed to refund the 30% deposit. On December 18, 2023, Stronghold filed a court order against the contractor for the recovery of the deposit. During the year ended December 31, 2023, the Company recorded a loss on write off of the 30% deposit of $60,298 ($9,513,000 Guyanese dollars) due to the uncertainty of recoverability. On April 9, 2024, the court ordered the contractor to repay the deposit in full by October 9, 2025, or interest will apply. As of the date of this MD&A, no payment has been received by the Company.

6. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2024, 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, Vice President of Finance ("VP Finance"), Executive Chairman, and directors. Key management personnel compensation is summarized as follows:

	Three months ended March 31, 2024	Three months ended March 31, 2023
Management remuneration(1)	$ 164,680	$ 164,000
Directors fees(2)	18,675	11,250
Share-based compensation(3)	826	4,296
	$ 184,181	$ 179,546

(1) The Company paid management fees to companies controlled by the President and Executive Chairman and remuneration to the CEO and VP Finance. During the three months ended March 31, 2024, management remuneration of $81,537 (March 31, 2023 - $66,586) was recorded in exploration and evaluation expenditures.

(2) The Company paid technical consulting fees to a director totalling $3,675 which was recorded in exploration and evaluation expenditures.

(3) 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 three months ended March 31, 2024, legal fees of $196,193 (March 31, 2023 – $3,339), included in professional fees were paid or accrued to Koffman Kalef LLP, a law firm of which an officer of the Company is a partner. As at March 31, 2024, $191,916 (December 31, 2023 – $4,492) was payable to Koffman Kalef LLP.

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, Bernard Poznanski, and Graham Thody), whereby the Company shares administrative services and other expenses, including employee benefits and salaries. During the three months ended March 31, 2024, the Company was allocated $18,376 (March 31, 2023 – $17,968) for its share of these expenses. On August 1, 2023, the Company entered into an agreement with SilverCrest to rent office space until July 31, 2024. During the three months ended March 31, 2024, the Company incurred $9,673 in rent expense pursuant to the rental agreement. As at March 31, 2024, $28,533 (December 31, 2023 – $7,894) was payable to SilverCrest for rent and other expenses paid by SilverCrest on behalf of the Company.

7. CAUTIONARY STATEMENT AND DISCLAIMER

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 8, 2024, available on www.goldsourcemines.com and under the Company's SEDAR+ profile at www.sedarplus.ca. Important risk factors to consider among others are:

- Political conflict;
- Risks inherent in the mining business;
- No history of earnings or production revenues;
- Licenses and permits;
- Mineral Resource estimates;
- Financing risks;
- Key employees; and
- Environmental risks and hazards.

b. Forward-Looking Statements

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, potential time delays 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; the results of the PEA; the economic potential and merits of the Project; the estimated amount and grade of Mineral Resources at the Project; the PEA representing a viable development option for the Project; the timing and particulars of the development phases as identified in the PEA; estimates with respect to LOM, operating costs, sustaining capital costs, Phase 1 and Phase 2 capex, AISC, cash costs, LOM production, mill throughput, NPV and IRR, payback period, production capacity and other production metrics; the estimated economic returns from the Project; Project enhancement opportunities; the completion of further expansion drilling; information regarding high-grade areas projected from sampling results; delivery of a Pre-Feasibility Study upon completion of technical studies; information with respect to projected capital and operating costs, the amount of future production of gold over any period; 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 of 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 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; and future operating costs.

The actual results could differ materially from those anticipated in these forward-looking statements as a result of the following risk factors, and risk factors stated 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 risks and hazards and limitations on insurance; fluctuations in precious metals prices; currency fluctuations; political and economic risks; relationships with, and claims by, local communities and indigenous populations; public health concerns; 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. Non-IFRS Financial Measures

The Company has included certain non-IFRS financial measures in this Interim MD&A, such as development capital expenditures, sustaining capital expenditures, total cash costs, AISC, and free cash flow, which are not measures recognized under IFRS and do not have a standardized meaning prescribed by IFRS. As a result, these measures may not be comparable to similar measures reported by other companies. Each of these measures used are intended to provide additional information to the user and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Non-IFRS financial measures used in this Interim MD&A and common to the gold mining industry are defined below:

Development capital expenditures represents the spending at new projects and/or expenditures at an existing operation that is undertaken with the intention to increase production levels or increase the mine life.

Sustaining capital expenditures are expenditures incurred during a production phase to sustain and maintain the existing assets so they can achieve constant expected levels of production from which the Company will derive economic benefits. Sustaining capital expenditures include expenditures for assets to retain their existing productive capacity as well as to enhance performance and reliability of the operations.

Total cash costs are reflective of the cost of production. Total cash costs reported in the PEA include mining costs, processing, general and administrative costs of the mine, off-site costs, refining costs, transportation costs and royalties. Total cash costs per ounce is calculated as total cash costs divided by gold ounces produced.

Site-level AISC and AISC per ounce are reflective of all of the expenditures that are required to produce an ounce of gold from operations. AISC reported in the PEA include total cash costs and sustaining capital, but exclude corporate, general and administrative, and exploration costs. AISC per ounce is calculated as AISC divided by gold ounces produced.

Free cash flows are revenues net of operating costs, royalties, capital expenditures and cash taxes.

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 statement 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.

d. 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 for Goldsource, who is a 'Qualified Person' for the purpose of NI 43-101.