GOLDSOURCE MINES INC.

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Unaudited & Prepared by Management

MARCH 31, 2007

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

	March 31, 2007	December 31, 2006
		(audited)
ASSETS	$	$
Current		
Cash and cash equivalents	167,180	4,213,837
Short term investments	4,039,090	-
Accounts receivables and prepaid expenses	10,999	20,256
	4,217,269	4,234,093
Mineral properties *[note4]*	3,790,901	3,790,015
	$ 8,008,170	$ 8,024,108
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	$ 34,479	$ 23,850
Future Income Taxes	689,710	689,710
Shareholders' Equity		
Share capital *[note6]*	8,901,524	8,901,524
Contributed surplus *[note 6]*	4,774,612	4,769,924
Deficit	(6,392,155)	(6,360,900)
	7,283,981	7,310,548
	$ 8,008,170	$ 8,024,108

See accompanying notes

On behalf of the Board:

"J. Scott Drever" Director
DIRECTOR'S SIGNATURE

"Graham C. Thody" Director
DIRECTOR'S SIGNATURE

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

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
EXPENSES		
Administrative services	$ 10,300	$ 9,900
Investor relations	-	25,115
Management fees	22,500	22,500
Office and general	4,681	5,234
Professional fees	15,341	23,565
Rent and telephone	5,940	6,365
Shareholder communications	-	2,817
Stock-based compensation *[note 6]*	4,688	49,000
Trade shows and conferences	4,247	25,934
Transfer agent and regulatory fees	4,660	6,140
Loss before other items	72,357	176,570
Other items		
Interest income	(41,102)	(43,398)
NET LOSS FOR THE PERIOD	(31,255)	(133,172)
DEFICIT, beginning of the period	(6,360,900)	(6,097,188)
DEFICIT, end of the period	$ (6,392,155)	$ (6,230,360)
Basic and diluted loss per share	$ (0.00)	$ (0.01)
Weighted average number of shares outstanding	17,648,181	16,653,181

See accompanying notes

GOLDSOURCE MINES INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW
(Unaudited – Prepared by Management)

	Three Months Ended March 31, 2007	Three Months Ended March 31, 2006
OPERATING ACTIVITIES		
Loss for the period	$ (31,255)	$ (133,172)
Stock-based compensation	4,688	49,000
Accrued interest	(39,090)	(39,452)
Changes in operating assets and liabilities		
Accounts receivable and pre-paid expenses	9,257	3,799
Accounts payable and accrued liabilities	10,629	(2,482)
	(6,681)	(82,855)
INVESTING ACTIVITIES		
Deferred mineral property acquisition costs	-	(44,594)
Mineral property expenditures	(886)	(358,167)
(Acquisition) redemption of short term investments	(4,000,000)	-
	(4,000,886)	(402,761)
DECREASE IN CASH AND CASH EQUIVALENTS	(4,046,657)	(525,068)
CASH AND CASH EQUIVALENTS, beginning of the period	4,213,837	1,332,144
CASH AND CASH EQUIVALENTS, end of the period	$ 167,180	$ 807,076
Supplemental cash flow information		
Interest paid	-	-
Income taxes paid	-	-

See accompanying notes

1. NATURE OF OPERATIONS

Goldsource Mines Inc. (the "Company") is exploring its mineral properties and has not yet determined whether its mineral properties contain mineral deposits that are economically recoverable. The recoverability of the carrying values of mineral properties is dependent upon the discovery of economically recoverable ore reserves in its mineral properties and the Company obtaining the necessary financing to complete exploration, development and construction of processing facilities, obtaining government approvals and attaining future profitable production of the mineral resources.

The Company was incorporated under the laws of the Yukon Territory on December 7, 1983 and effective August 3, 2005 was continued into the jurisdiction of the Province of British Columbia pursuant to the British Columbia Business Corporations Act.

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

These interim financial statements have been prepared using the same accounting policies as used in the financial statements for the year ended December 31, 2006 and should be read in conjunction with the audited financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Cash and Cash Equivalents and Short-Term Investments

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

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

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

Mineral Properties

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

2. SIGNIFICANT ACCOUNTING POLICIES continued

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

Flow-through Shares

The Company issued flow-through shares in 2005 to finance some of its exploration activities. Such shares were issued for cash in exchange for the Company giving up the tax benefits arising from the exploration expenditures. The amount of these tax benefits are renounced to investors in accordance with Canadian tax legislation. The Company records issuances of flow-through shares by crediting share capital for the full value of cash consideration received. The cost of the future tax benefits arising at the time that the Company renounces the eligible expenditures to the investors, is accounted for as a share issue cost.

The Company records future income tax assets that are caused by the renouncement of tax benefits as a recovery of income tax expense.

3. CHANGES IN ACCOUNTING POLICIES

The Company adopted three new accounting standards, effective January 1, 2007, related to financial instruments that were issued by the Canadian Institute of Chartered Accountants ("CICA"). These accounting policy changes were adopted on a prospective basis with no restatement of prior period financial statements. The new standards and accounting policy changes are as follows:

Financial Instruments – Recognition and Measurement (CICA Handbook Section 3855)

In accordance with this new standard, the Company now classifies all financial instruments as either held to-maturity, available-for-sale, held for trading or loans and receivables. Financial assets held to maturity, loans and receivables and financial liabilities other than those held for trading, are measured at amortized costs. Available-for-sale instruments are measured at fair value with unrealized gains and losses recognized in other comprehensive income. Instruments classified as held for trading are measured at fair value with unrealized gains and losses recognized on the statement of operations.

The Company has classified its cash equivalents as held to maturity and, therefore, is already carrying its investments at fair market value and no adjustment needs to be recorded. This change in accounting policy had no material effect on the Company's previous financial statements.

Comprehensive Income (CICA Handbook Section 1530)

Comprehensive income is the change in shareholders' equity during a period from transactions and other events and circumstances from non-owner sources. In accordance with this new standard, the Company would report a consolidated statement of comprehensive income (loss) and a new category, accumulated other comprehensive income, would be added to the shareholders' equity section of the consolidated balance sheet. The components of this new category would include unrealized gains and losses on financial assets classified as available-for-sale and the effective portion of cash flow hedges, if any. For the three month ended March 31, 2007, there was no comprehensive income (loss) or accumulated other comprehensive income to record.

3. CHANGES IN ACCOUNTING POLICIES continued

Hedges (CICA Handbook Section 3865)

The new standard specifies the criteria under which hedge accounting can be applied and how hedge accounting can be executed. The company has not designated any hedging relationship.

4. MINERAL PROPERTIES

(a) Big River Property, Saskatchewan

On October 25, 2005 the Company finalized an agreement with BEC International Corporation ("BEC") of Saskatoon, Saskatchewan to acquire a 90% interest in two blocks of mineral claims in the Big River Area of Saskatchewan (the "Property"). The Company will carry all costs of exploration and development on the Property to the conclusion of a positive Bankable Feasibility Study as defined in the purchase agreement. BEC may then elect to back-in to a 25% working interest in the Property by reimbursing to the Company 25% of all past expenditures, or retain a 10% carried working interest in the Property whereby the Company will fund BEC's share of capital and operating costs to be recovered solely from 80% of BEC's share of cash flow from any future production from the Property.

As consideration for the 90% interest in the Property, the Company paid BEC $55,000 in cash and issued 2.0 million common shares at an issue price of $0.40 per share, the fair market value. In connection with the transaction, the Company issued 188,750 common shares as a finder's fee at an issue price of $0.40 per share.

(b) Border and Crossroads Properties, Saskatchewan

On April 12, 2006 the Company finalized an agreement with Minera Pacific Inc., ("Minera") for the exclusive rights to use certain information generated from Minera's proprietary UMSERT Methodology which will assist the Company in identifying areas in Saskatchewan and Manitoba that may be prospective for diamonds.

In order to maintain the exclusive rights to use the Information, the Company has agreed to pay staged cash payments over a period of two years to Minera totaling $160,000 ($35,000 paid) and issue a total of 325,000 common shares of the Company (50,000 shares issued) over a period of four years and, by the end of the fifth year, pay an additional $500,000 or issue 250,000 common shares, whichever is the lesser, as determined by the Company in its sole discretion. The next payment is due on or before April 12, 2007 and will be for $50,000 and 50,000 common shares.

The Company has also agreed to pay to Minera $1,000,000 (Feasibility Payment) in the event that the Company completes an independent feasibility study on any property acquired by the Company as a result of the UMSERT Methodology. The Company has agreed to make non-refundable payments to Minera of $100,000 in each of the third, fourth and fifth years from the effective date of the Agreement as advances against the Feasibility Payment. Minera is further entitled to receive a 2% gross overriding royalty ("GOR") on commercial production from any such property, and the Company is entitled at any time to purchase one-half of the GOR for $2,000,000.

The Agreement may be terminated by the Company at any time upon written notice to Minera, in which case Minera may elect to receive an assignment of any properties acquired by the Company as a result of the UMSERT Methodology

4. MINERAL PROPERTIES continued

(b) Border and Crossroads Properties, Saskatchewan

As the Big River property was acquired through Section 85 of the income tax act, the tax basis is less than the accounting basis. Accordingly, in accordance with CICA Section 3465.44 a tax basis gross up on the property was recorded and offset by a future tax liability

MINERAL PROPERTY EXPENDITURES

	BIG RIVER, PROPERTY March 2007	**BORDER PROPERTY March 2007**	**CROSSROADS PROPERTY March 2007**	**TOTAL 2007**
Balance, beginning of the period	$ 3,097,504	$ 657,176	$ 35,335	$ 3,790,015
Additions				
Exploration costs:				
Assays and laboratory	-	-	-	-
Drilling	-	-	-	-
Exploration and other	-	-	-	-
Geophysical surveys	-	-	-	-
Technical consulting	886	-	-	886
	886	-	-	886
Balance, end of the period	$ 3,098,390	$ 657,176	$ 35,335	$ 3,790,901

2006	**BIG RIVER, PROPERTY**	**BORDER PROPERTY**	**CROSSROADS PROPERTY**	**TOTAL 2006**
Balance, beginning of the year	$ 1,601,786	$ -	$ -	$ 1,601,786
Additions				
Acquisition and staking costs	56,043	116,847	22,968	195,858
Exploration costs:				
Assays and laboratory	1,581	-	-	1,581
Drilling	573,696	-	-	573,696
Exploration and other	1,520	-	-	1,520
Geophysical surveys	781,401	516,343	-	1,297,744
Technical consulting	81,477	23,986	12,367	117,830
	$ 1,495,718	$ 657,176	$ 35,335	$ 2,188,229
Balance, end of the year	$ 3,097,504	$ 657,176	$ 35,335	$ 3,790,015

5. RELATED PARTY TRANSACTIONS

During the three month period ended March 31, 2007, the Company paid management fees of $22,500 [2006 - $15,000] to a company owned by an officer and director of the Company.

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized

Unlimited number of common shares without nominal or par value
Unlimited Class "A" preference shares without nominal or par value (none outstanding)
Unlimited Class "B" preference shares without nominal or par value (none outstanding)

Issued and fully paid - common shares

	Number	Share Capital Amount	Contributed Surplus Amount
December 31, 2004	4,689,431	2,392,643	4,243,287
Issued pursuant to acquisition of the Big River Mineral Property	2,188,750	875,500	-
Exercise of warrants	225,000	78,750	-
Issued pursuant to a private placement of flow-through shares	1,550,000	1,085,000	-
Issued pursuant to a private placement			
- for cash	7,932,500	4,759,500	-
- for services	67,500	40,500	-
Share issue costs	-	(320,917)	69,262
Stock-based compensation	-	-	399,000
December 31, 2005	16,653,181	8,910,976	4,711,549
Exercise of warrants	945,000	330,750	-
Issuance pursuant to acquisition of the Border Property	50,000	30,000	-
Future income taxes on renunciation of flow through shares	-	(370,202)	-
Stock-based compensation	-	-	58,375
December 31, 2006	17,648,181	$ 8,901,524	$ 4,769,924
Stock-based compensation	-	-	4,688
March 31, 2007	17,648,181	$ 8,901,524	$ 4,774,612

Stock Options

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

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS continued

At March 31, 2007, the Company had outstanding stock options, enabling holders to acquire common shares as follows:

Number of Shares	Exercise Price	Expiry Date
300,000	$0.35	July 08, 2009
100,000	$0.30	December 08, 2009
800,000	$0.90	December 23, 2010
75,000	$0.60	October 10, 2007
1,275,000		

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

	Number of Options	Weighted Average Exercise Price
As at December 31, 2004	400,000	$ 0.34
Granted	800,000	$ 0.90
As at December 31, 2005	1,200,000	$ 0.71
Granted	75,000	$ 0.60
As at December 31, 2006 and March 31, 2007	1,275,000	$ 0.71
Number of options currently exercisable	1,256,250	$ 0.71

Warrants

There were no Warrant transactions for the three months ended March 31, 2007.

At March 31, 2007 the following share purchase warrants enabling holders to acquire shares were outstanding:

Number of shares	Exercise price	Expiry date
3,047,500	$0.75	December 01, 2007
137,500	$0.75	December 09, 2007
1,057,370	$0.75	December 20, 2007
4,242,370		

For the year ended December 31, 2006:

(a) 945,000 warrants were exercised at $0.35 per share for proceeds of $330,750;

(b) 330,000 warrants expired on July 21, 2006.

In the event the closing trading price for the Company's shares is at or exceeds $1.25 per share for any 20 consecutive trading days during the second year of the term of the warrants, the Company may elect to provide notice to holders of the warrants and the warrants will then expire thirty days after the date on which notice was given.

6. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

Stock Based Compensation

The stock based compensation expense recognized based on vesting for the three month period was $4,688 (2006 - $49,000) leaving an unamortized balance of $4,687.

7. SUBSEQUENT EVENT

On April 12, 2007 the Company paid $50,000 and issued 50,000 common shares pursuant to the agreement with Minera Pacific Inc. pertaining to the Border and Crossroads Areas.

8. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2007	2006
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -