



### PDAC March 2010

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GXS: TSX.V

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This presentation contains forward-looking statements which address future events and conditions which are subject to various risks and uncertainties. The Company's actual results, programs and financial position could differ materially from those anticipated in such forward-looking statements as a result of numerous factors, some of which may be beyond the Company's control. These factors include: the availability of funds; the timing and content of work programs; results of exploration activities and development of mineral properties, the interpretation of drilling results and other geological data, the uncertainties of resource and reserve estimations, receipt and security of mineral property titles; project cost overruns or unanticipated costs and expenses, fluctuations in commodity prices, currency fluctuations and general market and industry conditions.

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# **Goldsource Properties**

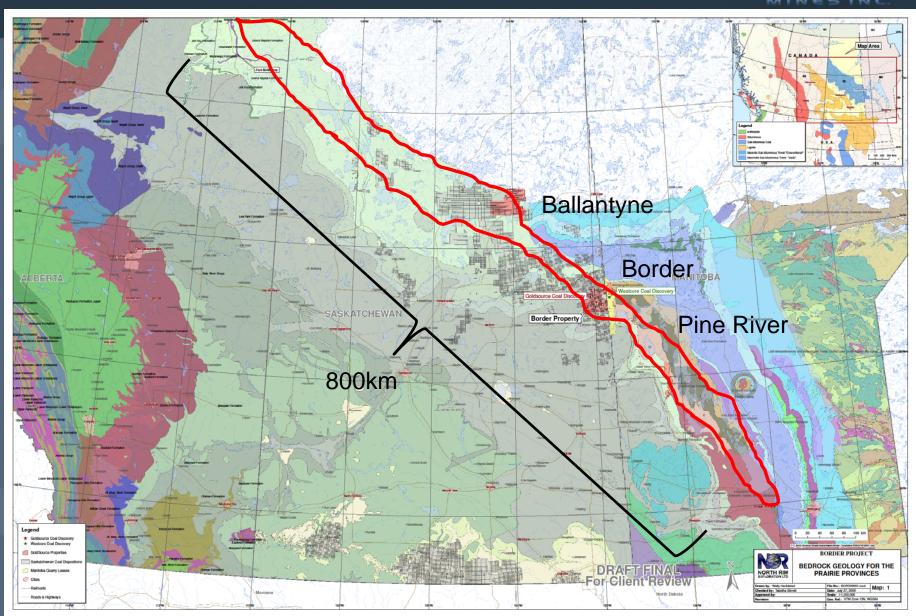
(Durango Trend Is Developing)





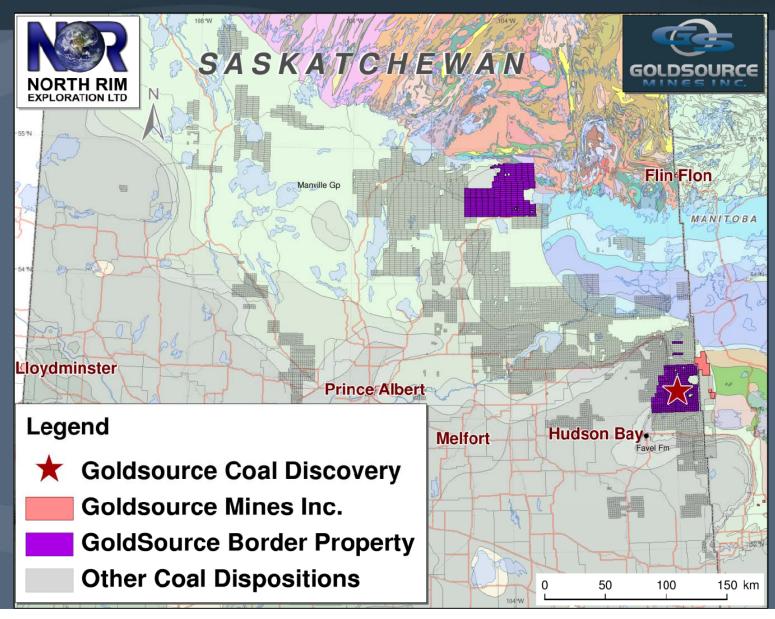
# **Durango Trend Potential**





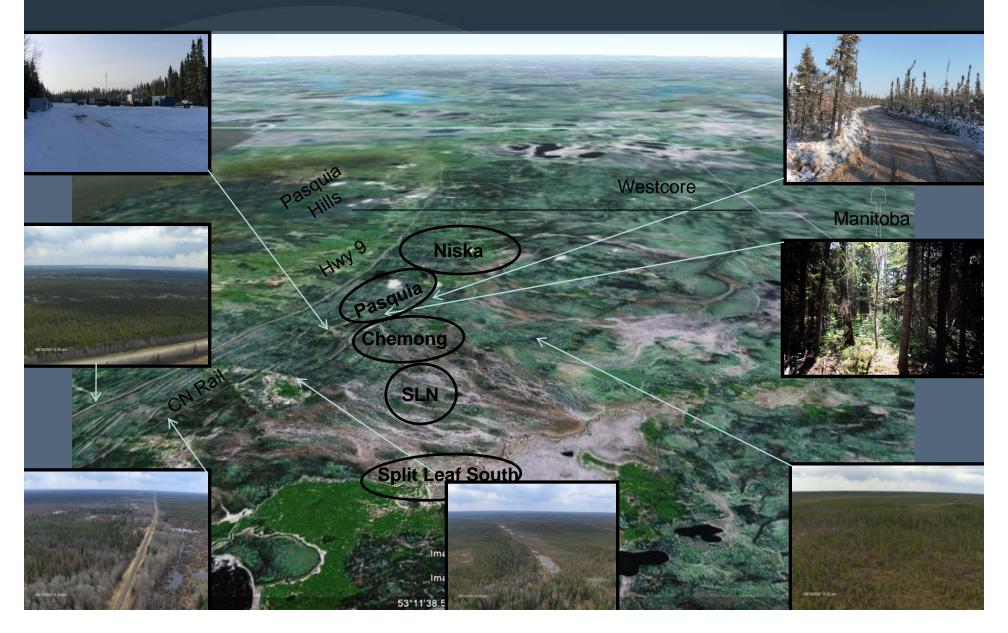
# **Goldsource Coal Dispositions**





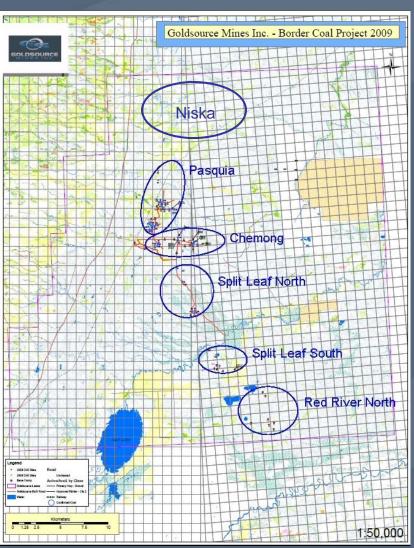
# Border Physiography (looking North)





### **Border Resources**





		Coal Resources (Tonnes) Summary*				
Sub-basin	Deposit	ASTM Rank	Strip Ratio (SR) (waste: coal)	Indicated (000)	Inferred (000)	Speculative (000)
Niska	Niska 108		3.3:1	-	66,100	ı
Niska	Niska 107		4.3:1	-	23,500	-
Pasquia	Pasquia 96		12.7:1	-	-	3,500
Pasquia	Pasquia 98	Sul	9.0:1	-	-	3,800
Pasquia	Pasquia 5	b - b	12.5:1	5,400	-	-
Pasquia	Pasquia 5 SE	itι	7.6:1	3,400	-	i
Pasquia	Pasquia 2	it u m i n o	4.1:1	26,600	-	•
Chemong	Chemong 3		4.6:1	9,100	-	-
Chemong	Chemong 6	s n	5.3:1	9,500	-	i
Chemong	Chemong 20	Α-	7.4:1	4,000	-	1
Chemong	Chemong 7	С	12.3:1	1	-	1,800
Chemong	Chemong 100		14.8:1	1	-	2,700
Split Leaf	SL 39		8.1:1	5,500	-	i
Split Leaf	SL 114		13.1:1	-	-	6,900
	TOTAL			63,500	89,600	18,700
	Wt. Average Strip Ratio		5.3:1	5.8:1	3.5:1	12.3:1

<sup>\*</sup>Based on a coal bulk density of 1.36 cc/g and variable "As Received Total Moisture". Strip ratio is based on an assumed 35 degree cut wall. The Resource estimate complies with NI 43-101 Standards and GSC Paper 88-21 on "A Standardized Coal Resource/Reserve Reporting System for Canada". All numbers are rounded.

### Highlights



- 2009 Programs and Totals
  - Operated a 36 man-camp at Chemong Crossing
  - 20 holes drilled, 3267m, 119 holes drilled to date totaling 17000m
  - \$12 million spent to date
  - 60% discovery rate improving with refinement of geophysical signatures
  - 6 discrete sub-basins defined, 15 thermal coal deposits with coal thickness up to 100m, average 25m, est. deposit size of 2 million to 66 million tonnes

### **Border Depositional Environment**



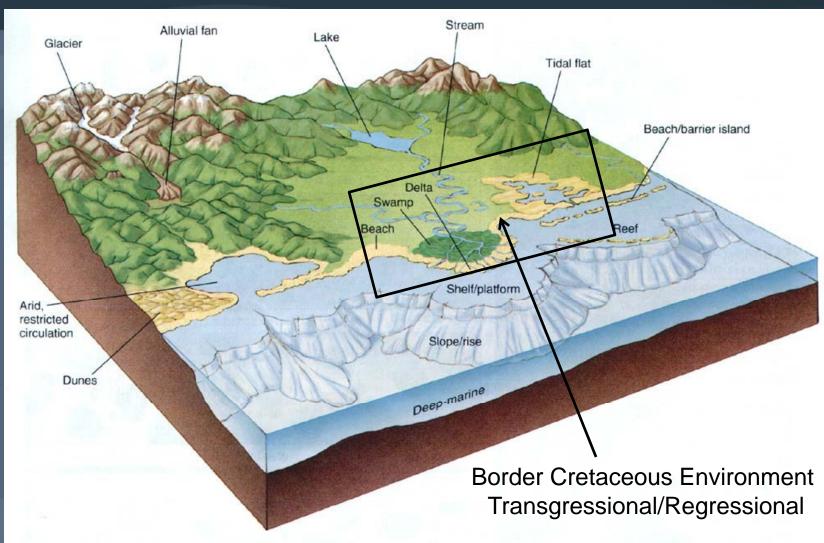


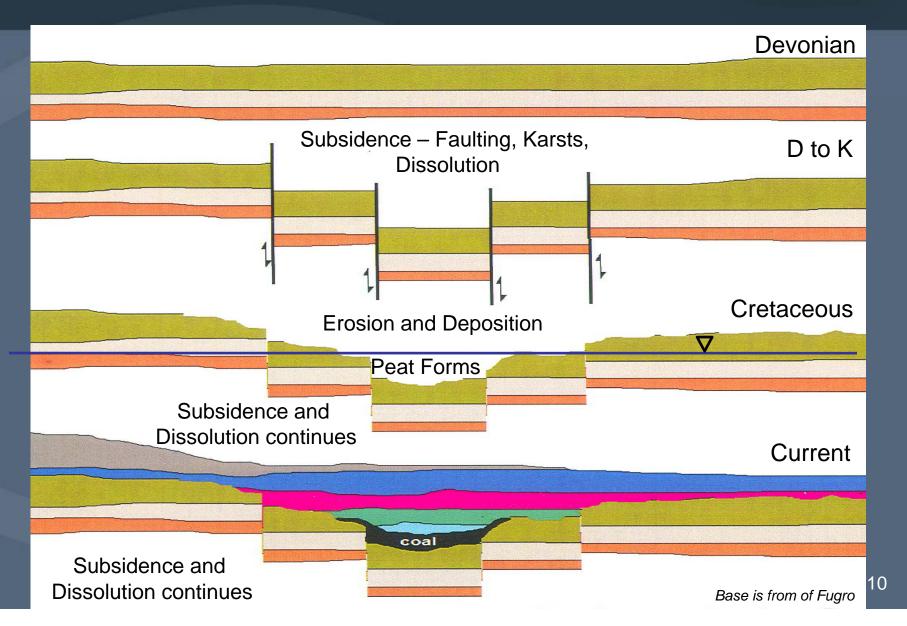
FIGURE 4.2

Typical sedimentary depositional environments.

(Adapted from Jones, 2001: Laboratory Manual for Physical Geology, 3rd edition.)

## **Conceptual Coal Deposition**





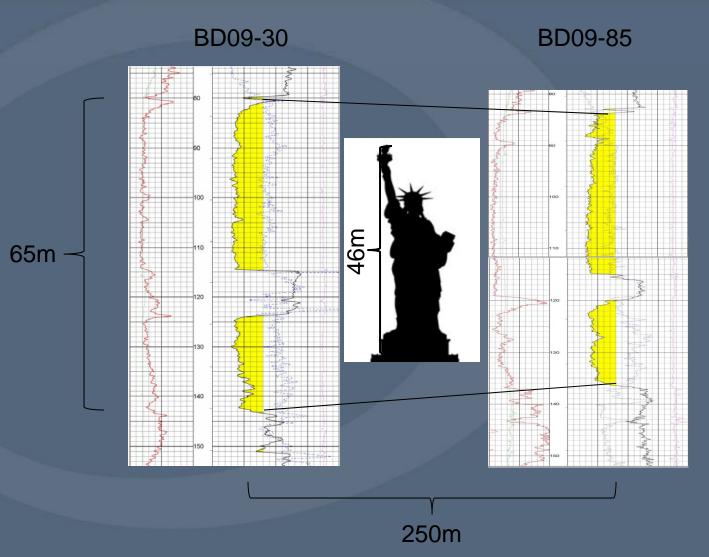
# Preliminary Stratigraphic Column



		CENOZOIC	5						
JURASSIC CRETACEOUS									
UPPER JURASSIC				LOWER CRETACEOUS			UPPER CRETACEOUS	QUATERNARY	
TITHONIAN (1-	Course		ALBIAN (112) /	APTIAN (121)	ALBIA	N (112)	SANTONIAN (86)	HOLOCENE (0.8)/PLEISTOCENE (1.8)	AGE[Ma]
SUCCESS S	Ed.		CANT MANNVIL		SPINNEY HILL COLORADO GROUP	LOWER JOLI FOU COLORADO GROUP	FIRST WHITE SPECKLED SHALE	GLACIAL DRIFT	
									100
3.00m to		3.00m to 16.00m	<1.00m to 100.00m	21.00m to 107.00m	20.00m to 40.00m	6.00m to 47.00m	10.00m to 25.00m	12.00m to 45.00m	in contract in



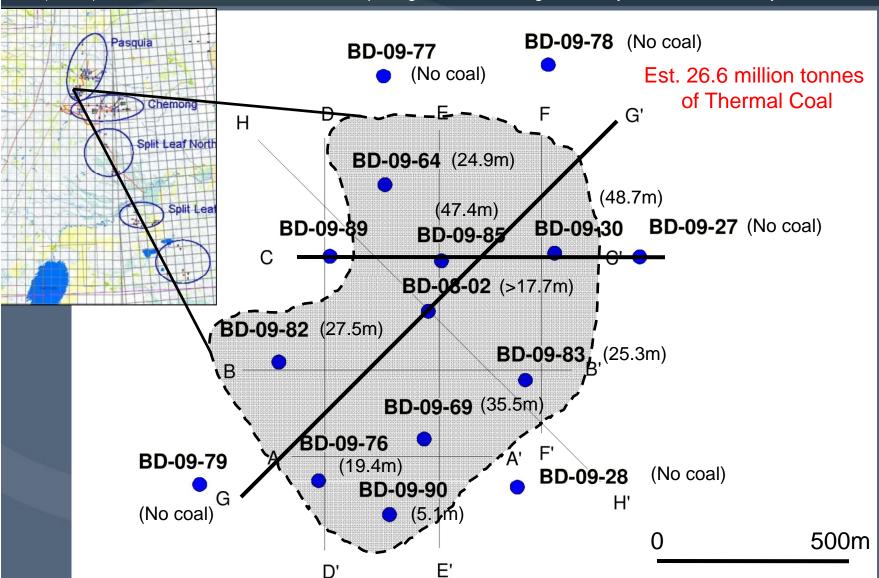
# **Border Downhole Geophysics**



#### **Type Deposit - Pasquia 02 Plan**



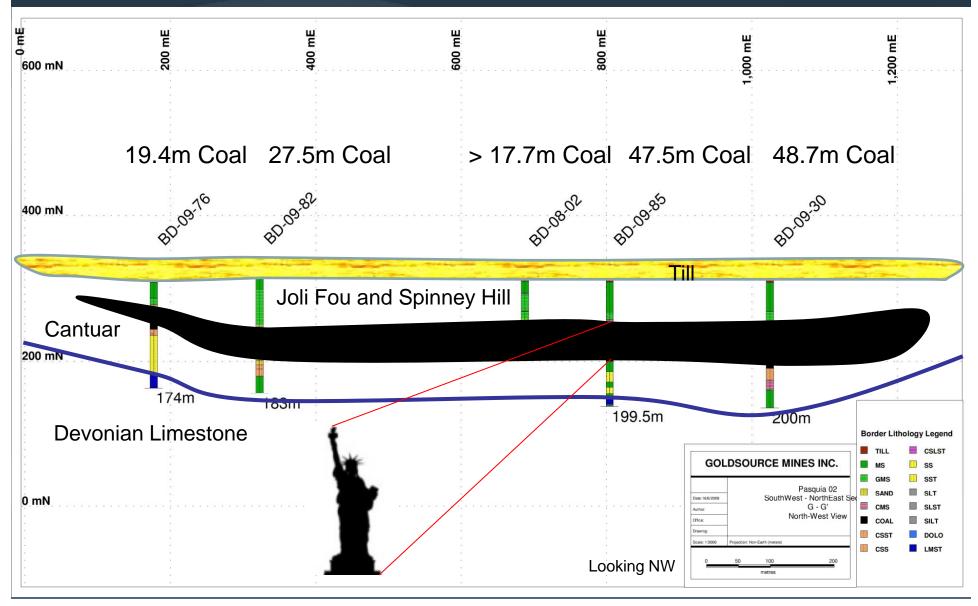
(47.4m) = Cumulative Coal thickness without /partings based on Loring Labs analysis, cutoff 1.6 density



#### Pasquia 02 Section G-G'



(47.5m) = Cumulative Coal thickness without/partings based on Loring Labs analysis, cutoff 1.6 density



# **Canada Thermal Coal Comparatives**



					Reserves	Resources	Capacity		As Received
MINE	OPERATOR	LOC	COAL RANK	STRIP	TOTAL	TOTAL	MTPY	Market	CV-BTU
Brooks	Sherritt	AL	Subbit A	11.6 to 1	7.2		4.0	Local Plan	8,988
Highvale	Sherritt	AL	Subbit B	6 to 1	65.3		13.0	Local Gen	7,942
Genesee	Sherritt	AL	Subbit B	6 to 1	207.3	63.0	5.6	Local Gen	7,850
Dodds Round Hill	Sherritt	AL	Subbit B	10 to 1	533.4	839.7	6.0	Gas Plan	7,560
Whitewood	Sherritt	AL	Subbit B	6 to 1	26.5		1.4	Local Gen	7,283
Paintearth	Sherritt	AL	Subbit B	9 to 1	43.2	49.7	3.5	Local Gen	7,615
Border	Goldsource	SK	Subbit A/C	5 to 1	/	172.0	3 to 6	Local Plan Export ?	5,700-7,600
Sheerness	Sherritt	AL	Subbit C	5 to 1	57.0		4.0	Local Gen	7,325
Firebag	Total/Sinopec	AL	Subbit C	<20 to 1		154.0		Local Plan	3000-7000
Wapiti	Hillsborough	ВС	Subbit B	>12 to 1		50.5	2.0	Local Plan	6,950
Boundary Dam	Sherritt	SK	Lignite	9 to 1	181.7	42.8	6.5	Local Gen	6,636
Poplar River	Sherritt	SK	Lignite	8 to 1	122.8	250.8	4.0	Local Gen	5,137
Bienfait	Sherritt	SK	Lignite	10 to 1	58.5		1.2	Local Gen	6,825
Hat Creek	BC Hydro	вс	Lignite/Subbit	<15 to 1	750.0	1000.0		Local Plant	5,800

### Border "Conceptual" Coal Operation



#### General Parameters

- Power Plants; minimum life of 30 years for economic viability.
- 100 Megawatts of power = approximately 1 million tonnes of coal /year.
- < 10% Ash considered for export, higher Calorific Value.</li>
- Coal Liquefaction; 1 ton of Sub-Bit coal = 1 to 4 barrels of oil equivalent.

#### Assumptions @ Border Parameters

- Preliminary Economic Assessment at a threshold of 100 million tonnes. Current est. gross value of Border coal is \$1.7 to \$3.4 billion (\$10 to \$20/tonne).
- Strip Ratio of 5:1, as low as 3.3:1, economically competitive.
- 3 to 6 million tonnes per year = est. 300 to 600 MW power plant or 10 to 20% of Saskatchewan's current power needs.
- Barrels of oil equivalent potential; 200 to 400,000,000 barrels with an estimated gross value of \$14 to \$21 billion dollars (\$70/barrel).
- Significant additional work is required to determine economic viability.

#### **GXS Conclusions**



- Aggressive 2009 Programs defined 172 million tonnes of Thermal Coal.
- Significant additional potential, only 10% of Border property explored to date. Ballantyne and Pine River are untested.
- Opportunities; More Energy is needed in Saskatchewan. Alternatives are higher cost Nuclear, Wind, Gas.
- Risks; Potential high capital cost depending on political support and green movement.
- Border is the first significant coal resource along the developing
  Durango Trend which represents an "Emerging New Energy Source
- New Proprietary Geophysical and Geological Tools for Coal Exploration are emerging to assist with discoveries.

#### **Next Steps**



- 2010 GXS budgets; \$1 to 2 million at Border. Initial drilling at Ballantyne and Pine River for \$2 million.
- Proceed with Preliminary Economic Assessment for Border;
  - Conceptual infrastructure requirements roads, rail, general site plan, alternative power plant locations
  - Washability upgrading Research and Development
  - Environmental Baseline work to begin
  - Partnership with power plant providers Clean coal technology
  - Review coal upgrading and liquefication technologies
  - Preliminary Economics capital and operating costs, coal market
  - Complete Preliminary Economic Assessment in first half of 2010

### **Share Capital**



Issued and Outstanding	19.3 Million
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Warrants & Options 1.97 Million

Shares Issued, Fully diluted 21.4 Million

Current Market Capitalization \$43 Million

Share Price (52 week Low/High) \$0.92 - \$2.93

### 20 Metres (65.6 Feet) of Coal



