

(TSX-V: GXS) (OTCBB: GXSFF) (FWB: G5M)

VANCOUVER, July 11, 2016 /CNW/ - [Goldsource Mines Inc.](#) ("Goldsource" or the "Company") is pleased to report the production results for the second quarter ("Q2") and for the first half ("H1") of 2016 at its Eagle Mountain Gold Project ("Eagle Mountain") located in Guyana, South America. Phase I of Eagle Mountain is based on a Preliminary Economic Assessment ("PEA") dated June 15, 2014, which calls for a 1,000 tonnes per day ("tpd") open pit - gravity plant with post-commissioning and ramp up cash operating costs of US\$500 to US\$600 per ounce of gold. Please refer to the Company's website at [www.goldsourcemines.com](http://www.goldsourcemines.com) and the Company's filing on SEDAR for further information on the PEA.

#### Eagle Mountain Production Highlights Q2, 2016 vs Q1, 2016:

- Processed 48,098 tonnes; 450% increase.
- Average throughput of 641 tpd; 296% increase.
- Estimated gravity recovery to concentrate of 47%; 18% increase.

N. Eric Fier, CPG, P.Eng and Chief Operating Officer, commented, "The Eagle Mountain commissioning period and commercial production milestones in H1, 2016 were a challenge on several levels with a tightly constrained initial capital requirement of US\$5.9 million, as budgeted in the PEA. With perseverance, our team was able to complete the Phase 1 "Proof of Concept" project under the initial budget. All significant project risks have been minimized for moving forward to increased production with anticipated positive cash flow in H2, 2016."

#### Eagle Mountain Gold Mine Statistics<sup>(2)(3)(4)</sup> Q2, 2016 Q1, 2016 % Change H1 Total /

	Total	Total		Average
Mined tonnes	50,695	9,814	417%	60,509
Processed tonnes at minus 2mm	48,098	8,742	450%	56,840
Average tpd <sup>(1)</sup> processed	641	162	296%	441
Average estimated gold grade, gpt	0.37	0.91	(59%)	0.46
Estimated gravity recovery for plant	47%	40%	18%	46%
Estimated gravity recovery for table	61%	60%	2%	60%
Gold ounces produced	145.2	55.1	164%	200.3
Gold ounces sold	200.3	0.0	100%	200.3

(1) Based on PEA of 25 operating days per month.

(2) All numbers are rounded.

(3) The Company achieved commercial production on June 20, 2016, which was defined as achieving a minimum 80% of the 1,000 tonnes per day nameplate capacity and a minimum 45% recovery in gold concentrate on average over a period of 30 continuous days. Commercial production does not imply economic viability.

(4) Processing mass balance and reconciliation is based on daily sampling at site and offsite gold analysis at Actlabs in Georgetown, Guyana, which is an independent certified lab. Standard practice mined volumes are used and drill hole assays, also from Actlabs, are used for mine reconciliation.

During Q2, 2016, Eagle Mountain processed 48,098 processed tonnes, with average of 641 tpd (Q1, 2016: 162 tpd). For the 30 continuous days prior to June 20, 2016, Eagle Mountain processed an average of 916 tpd.

As initially planned, the average grade dropped from 0.91 gpt gold to 0.37 gpt gold while optimizing the plant with lower grade material. Current low grade material is considered pre-strip for mining anticipated higher grade material in Q3, 2016. Estimated average grade for the beginning of July is approximately 0.80 gpt gold at a 0.0:1 strip ratio, transitioning to greater than 1.0 gpt gold in August.

Estimated gravity recovery to concentrate averaged 47% for Q2, 2016 (Q1, 2016: 40%). The increase in recovery was due to optimization of the process plant. H2, 2016 recovery rates are expected to be similar to Q2, 2016.

The Company poured 145.2 ounces of gold and sold 200.3 ounces of gold at an average realized price of US\$1,264 per ounce.

## Release of Second Quarter Financial Results

Goldsourc plans to release its Q2, 2016 unaudited Condensed Consolidated Interim Financial Statements and Management's Discussion & Analysis & Quarterly Highlights after market close on August 16, 2016. The Qualified Person under National Instrument 43-101 - Standards of Disclosure for Mineral Projects for this news release is N. Eric Fier, CPG, P.Eng, and Chief Operating Officer for Goldsourc, who has reviewed and approved its contents.

## ABOUT GOLDSOURCE MINES INC.

[Goldsourc Mines Inc.](http://www.goldsourcmines.com) ([www.goldsourcmines.com](http://www.goldsourcmines.com)) is a Canadian resource company that has recently achieved commercial production for Phase I at its 100%-owned Eagle Mountain Gold Project, located in Guyana. Goldsourc is led by an experienced management team, proven in making exploration discoveries and achieving project construction on time and on-budget.

Ioannis (Yannis) Tsitos  
President  
[Goldsourc Mines Inc.](http://www.goldsourcmines.com)

## CAUTIONARY STATEMENT AND FORWARD-LOOKING DISCLAIMER

Management's production decision for the Eagle Mountain Gold Project is not based on a feasibility study of mineral reserves demonstrating economic and technical viability. This project has a much higher risk of economic or technical failure and may adversely impact the Company's projected profits, if any. The risks associated with this decision are set forth in the Company's latest annual management's discussion and analysis available on the Company's website and the under Goldsourc's SEDAR profile on [www.sedar.com](http://www.sedar.com).

This news release contains "forward-looking statements" within the meaning of Canadian securities legislation. Such forward-looking statements concern Goldsourc's strategic plans and expectations in the PEA for the development of the Eagle Mountain Gold Project; the amount of future production of gold over any period; cash operating costs per ounce of gold; life of mine; estimated pre-production cost; the amount of expected grades and ounces of metals, gold recoveries mine life and gold production rates of the Eagle Mountain Gold 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: conditions in general economic and financial markets; ability to realize the PEA and develop and finance the project; accuracy of the interpretations and assumptions used in calculating inferred mineral resource estimates; availability of mining equipment; availability of skilled labour; timing and amount of capital expenditures; performance of available laboratory and other related services; and future operating costs. The actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors including: 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; uncertainty as to actual capital costs, operating costs, production and economic returns at the Eagle Mountain Gold Project; reliance on the PEA; 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 news release if these beliefs, estimates and opinions or other circumstances should change, except as otherwise required by applicable law.

Neither TSX-V nor its Regulation Services Provider (as that term is defined in policies of the TSX-V) accepts responsibility for the adequacy or accuracy of this release.

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