GOLDREA RESOURCES CORP.

Consolidated Financial Statements
(Expressed in Canadian Dollars Unless Otherwise Stated)

Years ended July 31, 2015 and 2014

SunRonkai LLP
CHARTERED PROFESSIONAL ACCOUTANTS

INDEPENDENT AUDITORS' REPORT

To the Shareholders of **Goldrea Resources Corp.**

We have audited the accompanying consolidated financial statements of Goldrea Resources Corp. (the "Company"), which comprise the consolidated statement of financial position as at July 31, 2015, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as at July 31, 2015, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes matter and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

Other Matter

The consolidated financial statements of the Company as at July 31, 2014 and for the year then ended were audited by another auditor who expressed an unmodified opinion on these financial statements on December 1, 2014.

SunRonkai LLP

Vancouver, Canada,
November 27, 2015

Chartered Professional Accountants

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GOLDREA RESOURCES CORP.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Expressed in Canadian Dollars Unless Otherwise Stated)

	July 31, 2015	July 31, 2014
	$	$
Assets		
Current Assets		
Cash and cash equivalents (note 5)	34,649	203,757
Marketable securities (note 6)	4,998	5,990
Accounts receivable	21,465	34,792
Prepaid expenses and advances	-	13,044
	61,112	257,583
Non-current Assets		
Due from related parties (note 7)	31,597	15,121
Reclamation deposits	46,000	62,176
Equipment (note 8)	7,778	9,089
Exploration and evaluation assets (note 9 and Schedule)	1	767,042
	85,376	853,428
Total Assets	146,488	1,111,011
Liabilites and Equity		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	111,381	109,152
Due to related parties (note 7)	4,042	24,500
	115,423	133,652
Equity		
Share capital (note 11(a))	28,660,573	28,470,973
Subscription receivable	15,000	-
Reserves (note 11)	1,865,868	1,865,868
Accumulated other comprehensive income (note 6 and 16)	(19,825)	(18,833)
Deficit	(30,490,551)	(29,340,649)
	31,065	977,359
Total liabilites and equity	146,488	1,111,011

Nature of Business and Going Concern (Note 1)

The accompanying notes are an integral part of the these consolidated financial statements.

"Larry Reaugh"	*"James Elbert"*
Director	Dirctor

GOLDREA RESOURCES CORP.

CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars Unless Otherwise Stated)

	Year ended	
	July 31, 2015	July 31, 2014
	$	$
Expenses		
Depreciation	2,144	2,859
Consulting fees	225,110	137,546
Office and administration	53,856	23,754
Professional fees	41,376	92,753
Rent	2,183	2,000
Shareholder communications	835	2,827
Transfer agent and filing fees	22,151	26,664
Write-down of taxes receivable	14,563	-
Write-down of reclaimation deposits	16,176	-
Write-down of exploration and evaluation assets (schedule)	773,462	-
	1,151,856	288,403
Other items		
Investment income	403	2,402
Foreign exchange gain (loss)	1,551	311
Net loss for the year from continuing operations	(1,149,902)	(285,690)
Gain (loss) from discontinued operations (note 10)	-	131,937
Net loss for the year	(1,149,902)	(153,753)
Other comprehensive income (loss)		
Unrealized income (loss) on available-for-sale marketable securities (note 6)	(992)	1,525
Other comprehensive loss for the year	(1,150,894)	(152,228)
Basic and diluted loss per share	(0.14)	(0.02)
Weighted average number of common shares outstanding - basic and diluted	8,150,878	7,537,925

The accompanying notes are an integral part of the these consolidated financial statements.

GOLDREA RESOURCES CORP.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Expressed in Canadian Dollars Unless Otherwise Stated)

	Share Capital		Reserves			other				
	Number of shares	Share capital	Stock Option	Warrants	Subscription receivable	comprehensive income (loss)	Deficit	Euity	Non-controlling interest	Total equity
	#	$	$	#	$	$	$	$	$	$
Balance, July 31, 2013	7,537,925	28,470,973	1,860,311	5,557	-	(20,358)	(29,186,896)	1,129,587	13,490	1,143,077
					-					
Loss and comprehensive loss for the year	-	-	-	-	-	1,525	(153,753)	(152,228)	(13,490)	(165,718)
Balance, July 31, 2014	7,537,925	28,470,973	1,860,311	5,557	-	(18,833)	(29,340,649)	977,359	-	977,359
Private placement	3,792,000	189,600	-	-	-	-	-	189,600	-	189,600
Subscription receivable	-	-	-	-	15,000	-	-	15,000	-	15,000
Loss and comprehensive loss for the year	-	-	-	-	-	(992)	(1,149,902)	(1,150,894)	-	(1,150,894)
Balance, July 31, 2015	11,329,925	28,660,573	1,860,311	5,557	15,000	(19,825)	(30,490,551)	31,065	-	31,065

The accompanying notes are an integral part of the these consolidated financial statements.

GOLDREA RESOURCES CORP.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars Unless Otherwise Stated)

	Year ended	
	July 31, 2015	July 31, 2014
	$	$
Cash Flow from Operating Activities		
Net loss for the year	(1,149,902)	(285,690)
Items not affecting cash:		
Depreciation	2,144	2,859
Write-down of accounts receivable	14,563	-
Write-down of reclamation deposits	16,176	
Write-down of exploration assets	773,462	-
	(343,557)	(282,831)
Changes in non-cash working capital items:		
Accounts receivable	(1,236)	86,646
Prepaid expenses	13,044	(11,398)
Due from related parties	(16,476)	-
Accounts payable and accrued liabilities	2,229	(265,771)
Due to related parties	(20,458)	9,832
Cash used in discontinued operations	-	(43,238)
Cash used in operating activities	(366,454)	(506,760)
Cash Flow from Investing Activities		
Exploration and evaluation costs	(6,421)	(13,637)
Proceeds on sale of Chinese subsidiaries	-	564,783
Equipment	(833)	-
Reclamation deposits	-	(11,500)
Cash provided by (used in) investing activities	(7,254)	539,646
Cash Flow from Financing Activities		
Shares issued for cash	189,600	-
Shares subscriptions received	15,000	-
Cash provided by financing activities	204,600	-
Increase (decrease) in cash and cash equivalents	(169,108)	32,886
Cash and cash equivalents, beginning of year	203,757	170,871
Cash and cash equivalents, end of the year	34,649	203,757
Income taxes paid	-	-
Interest expenses paid	-	-

The accompanying notes are an integral part of the these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN:

Goldrea Resources Corp. (the Company) was incorporated under the British Columbia Business Corporations Act on March 2, 1981. The Company is involved in the exploration and development of mineral properties located in North America and is currently in the exploration stage of its exploration and evaluation assets. The address of the Company's corporate and legal office is 1040 – 999 West Hastings Street, Vancouver, British Columbia, Canada V6C 2W2. The Company's common shares are traded on the Canadian Securities Exchange under the symbol "GOR".

These financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since inception. As at July 31, 2015, the Company had a working capital deficiency of $54,311 and an accumulated deficit of $30,490,551.

The Company has to raise additional financing to meet its obligations for the next twelve months. The ability of the Company to continue as a going concern depends upon its ability to raise the additional fund to complete the processing plant construction in Peru (note 15) and achieve profitable operations. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms favorable to the Company. There is material uncertainty that may cast significant doubt upon the ability of the Company to continue as a going concern.

There can be no assurance that the Company will be able to continue to raise funds, in which case, the Company may be unable to meet its obligations. The consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities, contingent obligations and commitments in other than the normal course of business and at amounts different from those in these consolidated financial statements.

2. BASIS OF PREPARATION:

a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The consolidated financial statements were authorized for issue by the Board of Directors on November 27, 2015.

b) Basis of measurement:

The consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available-for-sale financial assets, which are measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (Continued)

c) Functional and presentation currency:

The functional currency and the presentation currency of the Company and its subsidiaries is the Canadian dollar.

d) Use of estimates and judgments:

The preparation of these consolidated financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

i) Going concern presentation of the consolidated financial statements, which assumes the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due.

ii) The carrying value and the recoverability of exploration and evaluation assets, which are included in the statements of financial position. The cost model is utilized and the value of the exploration and evaluation assets is based on the expenditures incurred. At every reporting period, management assesses the potential impairment which involves assessing whether or not facts or circumstances exist that suggests the carrying amount exceeds the recoverable amount.

3. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis of presentation and consolidation:

The consolidated financial statements are presented in Canadian dollars unless otherwise stated. The consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, Goldrea USA Inc. and Goldrea Peru S.A. The Company disposed its Chinese subsidiaries (Goldrea Resources Hong Kong Ltd. and its 90% owned subsidiary, Rushan Goldrea Gold Inc. (“RGG”) in January 2014 (note 10).

All inter-company balances and transactions have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Foreign currency translation:

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date and non-monetary assets and liabilities are translated at historical rates. Foreign currency gains and losses arising from translation are included in profit or loss.

c) Financial instruments:

The Company classifies its financial instruments in the following categories: at fair value through profit or loss ("FVTPL"), loans and receivables, held-to-maturity investments, available-for-sale and other financial liabilities. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition. The classification and measurement of the Company's financial instruments are disclosed in note 16 to these consolidated financial statements.

A financial asset is classified at fair value through profit or loss if it is classified as held for trading in the near future or is designated as such upon initial recognition. They are initially and subsequently recorded at fair value and changes in fair value are recognized in profit or loss for the period.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and such assets are recognized initially at fair value and subsequently on an amortized cost basis using the effective interest method, less any impairment losses. Loans and receivables are included in current assets, except for maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets. Loans and receivable includes cash and cash equivalents, accounts receivable and due from related parties.

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Company's intention to hold these investments to maturity. They are initially recorded at fair value and subsequently measured at amortized cost. Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale financial assets are non-derivative financial assets that are designated as available-for-sale and are measured initially and subsequently at fair value. These are included in current assets. Marketable securities have been classified as available-for-sale. Unrealized gains and losses are recognized in other comprehensive income, except for impairment losses.

Non-derivative financial liabilities (excluding financial guarantees) are recorded at the date of obligation at fair value and are subsequently measured at amortized cost using the effective interest method. Other financial liabilities include account payable and accrued liabilities, other short term liabilities and due to related parties.

Regular purchases and sales of financial assets are recognized on the trade-date - the date on which the Company commits to purchase the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Financial instruments (Continued)

Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

d) Cash and cash equivalents:

Cash and cash equivalents consist of highly liquid investments that are readily convertible to known amounts of cash and have maturity dates of three months or less from the date of purchase.

e) Marketable securities:

Marketable securities include publicly traded common shares received as proceeds of mineral property option transactions and “share-for-debt” settlements of prior related party intercompany balances.

Marketable securities have been classified as available-for-sale and are carried at fair value based on quoted market prices.

f) Equipment:

Equipment is carried at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any cost directly attributable to bringing the asset to the location and condition necessary for its intended use and initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated using the following annual rates, which are used to estimate the useful lives of the assets:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%
Computer hardware	Declining balance	30%
Vehicles	Straight line	(5 years with 10% scrap value)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Equipment (Continued)

Equipment used in exploration and evaluation activities, where substantially all the economic life or value of the asset is expected to be derived from a specific project, are accounted for as dedicated assets and included as a separate category within the costs allocated to the related exploration stage exploration and evaluation assets. Amortization for dedicated assets is recorded as exploration and evaluation expenditure of the related project.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss.

Where an item of equipment is composed of major components with different useful lives, the components are accounted for as separate items of equipment. Expenditures incurred to replace a component of an item of equipment that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

On December 24, 2013, the Company announced that an agreement was reached to sell its interest in the Rushan Goldrea Gold property for a total of $1.5 million CDN. This sale included all vehicles, furniture, buildings and equipment held by RGG. See note 8 and note 10.

g) Exploration and evaluation assets:

These assets relate to mineral rights acquired and exploration and evaluation expenditures capitalized in respect of projects that are in the exploration or pre-development stage. Once a right to explore a mineral property has been secured, exploration and evaluation expenditures are capitalized and include the costs of acquiring licenses, costs associated with exploration and evaluation activity, and the fair value (at acquisition date) of exploration and evaluation assets acquired. Costs incurred before the Company has obtained the legal rights to explore a mineral property are expensed as incurred.

Government tax credits and option payments received are recorded as a reduction to the cumulative costs incurred and capitalized on the related property.

Exploration and evaluation assets are assessed for impairment if (**i**) sufficient data exist to determine technical feasibility and commercial viability, and (**ii**) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. Facts and circumstances as defined in *IFRS 6 exploration and evaluation assets* are as follows:

- the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; and

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Exploration and evaluation assets (Continued)

- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs. (see note 9)

h) Impairment of long-lived assets:

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous years.

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment.

i) Decommissioning obligations:

The liability for a decommissioning obligation, such as site reclamation costs, is recorded when a legal or constructive obligation exists and is recognized in the period in which it is incurred. The Company records the estimated present value of future cash flows associated with site reclamation as a liability when the liability is incurred and increases the carrying value of the related assets for that amount. The liability is accreted to reflect the passage of time and adjusted to reflect changes in the timing and amount of estimated future cash flows.

As at July 31, 2015 and 2014, the Company has determined that it does not have material decommissioning obligations.

j) Share capital:

Incremental costs directly attributable to the issuance of common shares are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded at an amount based on fair value on the date of issue.

The Company engages in equity financing transactions to obtain the funds necessary to continue operations and explore and evaluate exploration and evaluation assets. These equity financing transactions may involve issuance of common shares or units. Each unit comprises a certain number of common shares and a certain number of share purchase warrants. Depending on the terms and conditions of each equity financing transaction, the warrants are exercisable into additional common shares at a price prior to expiry as stipulated by the transaction. Warrants that are part of units are assigned nil value and included in capital stock with the common shares that were concurrently issued. Warrants that are issued as payment for agency fee or other transaction costs are accounted for as share-based payments.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Share-based payments:

The Company has an employee share purchase option plan. Share-based payments to employees are measured at the fair value of the instruments issued and amortized over their respective vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded in equity as the option reserve. The fair value of options is determined using a Black-Scholes pricing model, which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. The expected term to exercise is based upon historical data of the average hold period before exercise.

Expected volatility is estimated with reference to the historical share price volatility of the Corporation's share price.

l) Income taxes:

Income taxes are recorded using the balance sheet method whereby deferred tax assets and liabilities are recognized for the future tax consequences attributable to temporary differences between the balance sheet carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that enactment or substantive enactment occurs. A deferred tax asset is recognized only if it is probable that a deferred tax asset will be recovered. The Company does not recognize deferred tax asset or liability arising on initial recognition where the transaction is not a business combination and at the time of transaction, there is no impact on accounting profit or taxable profit.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Loss per share:

The Company calculates basic loss per share using the weighted average number of common shares outstanding during the period. Diluted loss per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from continuing operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants. Due to the losses for the periods ended July 31, 2015 and 2014, basic loss per share is equal to dilutive loss per share for the periods presented.

4. FUTURE ACCOUNTING PRONOUNCEMENTS:

The following is the overview of new accounting standards that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company continues to evaluate the impact of these standards on its consolidated financial statements.

a) IAS 1 Presentation of Financial Statements was amended by the IASB on December 18, 2014. The amendments to existing IAS 1 requirements relate to materiality; order of the notes; subtotals; accounting policies; and disaggregation. The amendments are effective for annual periods beginning on or after January 1, 2016.

b) IFRS 9 Financial Instruments was issued by the IASB on July 24, 2014 and will replace IAS 39 Financial instruments: recognition and measurement. IFRS 9 utilizes a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Final amendments released on July 24, 2014 also introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

c) IFRS 15, Revenue from Contracts with Customers ("IFRS 15") which was issued by the IASB in May 2014, supersedes IAS 11, Construction Contracts, IAS 18, Revenue, IFRIC13, Customer Loyalty Programs, IFRIC15, Agreements for the Construction of Real Estate, IFRIC 18, Transfers of Assets from Customers, and SIC 31, Revenue – Barter Transactions involving Advertising Services. IFRS 15 establishes a single five-step model framework for determining the nature, amount, timing and certainty of revenue and cash flows arising from a contract with a customer. IFRS 15 is effective for annual periods beginning on or after January 1, 2017, with early adoption permitted. At this stage in the Company's activities, IFRS 15 is not expected to have a material impact on its consolidated financial statements.

(Expressed in Canadian Dollars Unless Otherwise Stated)

5. CASH AND CASH EQUIVALENTS:

The Company's cash consists of $34,565 in the bank in Canada and US$63 ($84 equivalent) in Goldrea USA Inc. As at July 31, 2015 and 2014, there were no restricted funds.

6. MARKETABLE SECURITIES:

The following tables show the fair value impact of marketable securities, classified as available for sale investment, on the Company:

July 31, 2015	Fair value	Cost	Accumulated unrealized (losses)
Nevada Clean Magnesium Inc.			
45,000 common shares	$2,025	$5,000	$(2,975)
American Manganese Inc. (below)			
198,234 common shares	2,973	19,823	(16,850)
	$4,998	$24,823	$(19,825)

July 31, 2014	Fair value	Cost	Accumulated unrealized (losses)
Nevada Clean Manganese Inc. (formerly "Molycor Gold Corp.")			
45,000 common shares	$2,025	$5,000	$(2,975)
American Manganese Inc.			
198,234 common shares	3,965	19,823	(15,858)
	$5,990	$24,823	$(18,833)

Accumulated other comprehensive income continuity is as follows:

Accumulated other comprehensive income at July 31, 2013	$(20,358)
Unrealized gains on available-for-sale marketable securities, net of tax	1,525
Accumulated other comprehensive income at July 31, 2014	(18,833)
Unrealized losses on available-for-sale marketable securities, net of tax	(992)
Accumulated other comprehensive income at July 31, 2015	$(19,825)

A director of the Company is also a director and officer of American Manganese Inc.

(Expressed in Canadian Dollars Unless Otherwise Stated)

7. RELATED PARTY TRANSACTIONS:

Details of transactions with related parties that are not disclosed elsewhere of these consolidated financial statements are disclosed below:

		July 31, 2015		July 31, 2014
Due from directors and officers of the Company	$	31,597	$	15,121
Total due from related party	$	31,597	$	15,121
Due to directors and officers of the Company	$	4,042	$	24,500
Total due to related party	$	4,042	$	24,500

Amounts due to and from officers, directors and companies with common directors are interest free, unsecured and have no specified terms of repayment. They have arisen from the provision of services and expense reimbursements or advances.

During the year ended July 31, 2015: consulting fees of $128,500 (2014 - $97,361) were paid to executive directors and officers of the Company.

The above transactions were in the normal course of business and were measured at the exchange amount which is the amount agreed to by the related parties.

(Expressed in Canadian Dollars Unless Otherwise Stated)

8. EQUIPMENT:

	Office equipment	Furniture and fixtures	Computer equipment	Vehicle	Machinery	Corehouse	Construction in Progress	Total
	$	$	$	$	$	$	$	$
Costs								
Balance, July 31, 2013	31,278	26,039	57,411	114,852	255,324	14,544	613,908	1,113,356
Disposal of fixed assets included in sale of Chinese subsidiaries	-	(3,931)	(16,387)	(114,852)	(255,324)	(14,544)	(613,908)	(1,018,946)
Balance, July 31, 2013	31,278	22,108	41,024	-	-	-	-	94,410
Addition for the year	833	-	-	-	-	-	-	833
Balance, July 31, 2015	32,111	22,108	41,024	-	-	-	-	95,243
Accumulated Depreciation								
Balance, July 31, 2013	26,910	22,824	52,556	109,504	162,733	4,230	-	378,757
Charge for the year	867	584	1,408	-	-	-	-	2,859
Disposal of fixed assets included in sale of Chinese subsidiaries	-	(3,636)	(16,192)	(109,504)	(162,733)	(4,230)	-	(296,295)
Balance, July 31, 2014	27,777	19,772	37,772	-	-	-	-	85,321
Addition for the year	727	467	950	-	-	-	-	2,144
Balance, July 31, 2015	28,504	20,239	38,722	-	-	-	-	87,465
Carrying Amounts								
July 31, 2014	3,501	2,336	3,252	-	-	-	-	9,089
July 31, 2015	3,607	1,869	2,302	-	-	-	-	7,778

9. EXPLORATION AND EVALUATION ASSETS:

Exploration and evaluation assets:

a) British Columbia, Canada:

(*i*) Crowrea Property, Osoyoos and Similkameen Mining Division:
The Company holds a 50% interest in various mineral claims, some of which are partially owned by Nevada Clean Magnesium Inc. (formerly Molycor Gold Corporation). The property is a molybdenum prospect and is located near Summerland, B.C.

(*ii*) Flap, Nicola Mining Division:
The Company acquired by staking an undivided 50% joint venture interest in certain mineral claims. The property is located at Tadpole Lake, approximately 45 km west of Kelowna, B.C.

(*iii*) Empress Property, Osoyoos and Similkameen Mining Division:
The Company acquired by staking a 50% interest in the Empress Mineral claim, which is partially owned by Nevada Clean Magnesium Inc.(formerly Molycor Gold Corporation). It is a molybdenum prospect in the middle of the Crowrea Property near Summerland, B.C.

b) Arizona, U.S.A.:

(*i*) Gold Chain Property:
During the year ended July 31, 2003, the Company entered into an agreement to purchase the Gold Chain group claims located in Mohave County, Arizona. Under the terms of the agreement the Company purchased a 100% interest, subject to 3% NSR, of which, the Company has a option to purchase from the vendor two points of the NSR for the sum of US$2,000,000, in the property for US$5,000 and issuance of 100,000 common shares at a price of $0.31 per share to two individuals. On December 9, 2010, the Company announced an option agreement whereby Sandfield Resources Ltd (Sandfield) can earn a 60% interest in the Gold Chain and Gold Rush Properties by paying $60,000 in cash, issue 300,000 shares, and incur $500,000 in exploration expenditures. On December 10, 2013, Sandfield terminated its option agreement.

(*ii*) Gold Rush Property:
During the year ended July 31, 2007, the Company entered into an agreement to purchase a 100% undivided interest in eighteen unpatented Lode Mining claims located in Mohave County, Arizona. Under the terms of the agreement the Company purchased the 100% interest, subject to 3% NSR, of which, the Company has a 10-year option to purchase from the vendor two points of the NSR for the sum of US$2,000,000 and the issuance of 100,000 common shares.

On December 9, 2010, the Company announced an option agreement whereby Sandfield Resources Ltd (Sandfield) can earn a 60% interest in the Gold Chain and Gold Rush Properties by paying $60,000 in cash, issue 300,000 shares, and incur $500,000 in exploration expenditures. On December 10, 2013, Sandfield terminated its option agreement.

Impairment of exploration and evaluation assets:

As at July 31, 2015, the Company had no budgeted or planned exploration on the exploration and evaluation assets located in British Columbian and Arizona, USA (as described above) for the next twelve months and, therefore, the Company wrote down these exploration and evaluation assets to $1.

(Expressed in Canadian Dollars Unless Otherwise Stated)

10. DISPOSITION OF CHINESE SUBSIDIARIES:

On December 24, 2013, the Company announced that an agreement was reached to sell its interest the Rushan Goldrea Gold property for a total of $1.5 million to Xuguang Su.(“the Purchaser”)

Under the terms of the Agreement, the Company agreed to sell to an arm’s length party 100% of the issued and outstanding shares of Gold Frame Holdings Ltd. (“Gold Frame”), a wholly owned subsidiary which holds the Company’s Rushan Daye Gold project indirectly.

The Company received $500,000 as “good faith” payment, on June 19, 2013. After the closing of this agreement the Company received $1 million from the Purchaser to complete the transaction.

From these proceeds the Company paid the following;

1. $220,080 CDN in fees to complete the sale of RGG (this includes Goods and Services Tax of $10,480, and $29,200 in previous fees owing)
2. The Company also repaid a loan of RMB1,200,000 ($185,217) borrowed from Chinese investors in March 2013

On March 17, 2014 the Company received regulatory and shareholder approval to complete this transaction.

The assets and liabilities sold amounted to:

Carrying value of assets sold:

Cash	$ (541,325)
Accounts receivable	(575,094)
Inventory	(1,616,296)
Equipment	(108,744)
Exploration and evaluation assets	(2,054,331)
Accounts payable and accrued liabilities	3,557,474
Non-controlling interest	13,491
Net assets sold	(1,324,825)
Consideration received	1,500,000
Net proceeds from sale of Chinese subsidiaries	$ 175,175

Income (loss) from discontinued operations is comprised of the following:

	Year ended July 31, 2015	Year ended July 31, 2014
Consulting (recovery)	$ -	$ -)
Office and administration expenses	-	41,422
Investment income	-	5
Foreign exchange loss	-	1,822
Net proceeds from sale of Chinese subsidiaries	-	(175,175)
Gain (loss) on sale of Chinese subsidiaries	$ -	$ 131,937

(Expressed in Canadian Dollars Unless Otherwise Stated)

11. SHARE CAPITAL AND RESERVES:

a) Authorized:

Authorized share capital comprises an unlimited number of common shares without par value.

b) Issued:

As at July 31, 2015, there were 11,329,925 (2014 - 7,537,925) issued and fully paid common shares.

In June 2015, the Company closed a non-brokered private placement by the sale of 3,792,000 units, at $0.05 per unit, for total proceeds of $189,600. Each unit is comprised of one share and a common share purchase warrant, exercisable for the purchase of one additional share, at a price of $0.10 per share for a period of one years. The Company has allocated $189,600 to common shares and Nil has been allocated to warrants by applying the residual method.

On May 29, 2015, the Company completed a share consolidation on the basis of one new common share for every ten old shares. All the prior year's number of shares and per share amount has been retroactively adjusted to reflect the 2015 share consolidation.

c) Stock options:

Exercise price	Expiry date	July 31, 2014	Issued	Exercised	Forfeited /Expired	July 31, 2015
$		#	#	#	#	#
0.14	February 24, 2015	150,000	-	-	(150,000)	-
		150,000	-	-	(150,000)	-

Exercise price	Expiry date	July 31, 2013	Issued	Exercised	Forfeited/ Expired	July 31, 2014
$		#	#	#	#	#
0.14	February 24, 2015	310,000	-	-	(160,000)	150,000
		310,000	-	-	(160,000)	150,000

d) Share purchase warrants:

Exercise price	Expiry date	July 31, 2014	Issued	Exercised	Forfeited/ Expired	July 31, 2015
$		#	#	#	#	
0.10	November 5, 2014	791,800	-	-	(791,800)	-
0.05	October 5, 2014	390,000			(390,000)	-
0.10	January 8, 2015	20,000	-	-	(20,000)	-
0.10	June 2, 2016	-	3,792,000		-	3,792,000
		1,201,800	3,792,000	-	(1,201,800)	3,792,000

Exercise price	Expiry date	July 31, 2013	Issued	Exercised	Forfeited/ Expired	July 31, 2014
$		#	#	#	#	
0.10	November 5, 2014	791,800	-	-	-	791,800
0.05	October 5, 2014	390,000				390,000
0.10	January 8, 2015	20,000				20,000
		1,201,800	-	-	-	1,201,800

(Expressed in Canadian Dollars Unless Otherwise Stated)

11. SHARE CAPITAL AND RESERVES: (Continued)

d) Share purchase warrants: (Continued)

The following table summarizes information about share purchase warrants outstanding at July 31, 2015:

Number of shares	Exercise price	Weighted average remaining contractual life (years)	Expiry date
3,792,000	$0.10	0.84	June 2, 2016

12. SHARE-BASED PAYMENT:

The Company has a stock option plan that provides for the issuance of options to its directors, officers, employees and consultants. The options have a maximum term of five years, and vest 25% on the date of grant and 25% every nine months thereafter.

The Company has not granted any options during the year ended July 31, 2015 (2014 - nil).

13. SEGMENTED INFORMATION:

The Company has operations in three geographic regions, Canada, USA and Peru. Its corporate assets are located in Canada. A summary of total assets and net loss by geographic region is as follows:

		July 31, 2015		July 31, 2014
Net loss for the period				
Canada	$	768,175	$	128,072
Peru		47,477		-
USA		334,250		25,681
	$	1,149,902	$	153,753
Mineral properties and Exploration and Evaluation Assets				
Canada	$	1	$	564,723
USA		-		202,319
	$	1	$	767,042
Assets				
Canada	$	145,352	$	897,947
Peru		1,052		-
USA		84		213,064
	$	146,488	$	1,111,011

(Expressed in Canadian Dollars Unless Otherwise Stated)

14. INCOME TAXES:

a) Income taxes:

A reconciliation between the Company's income tax provision computed at statutory rates to the reported income tax expense for the years ended July 31, 2015 and 2014 is as follow:

		2015		2014
Combined statutory tax rate		26%		26%
Computed tax recovery	$	(299,000)	$	(40,000)
Permanent differences		-		(31,000)
Change in deferred tax not recognized		258,000		71,000
Other		41,000		-
Income tax expenses	$	-	$	-

b) Deferred tax assets have not been recognized with respect to the following:

		2015		2014
Deductible temporary difference	$	882,000	$	804,000
Tax losses (Canada)		2,213,000		2,033,000
	$	3,095,000	$	2,837,000

The Corporation has Canadian tax loss carry forwards as approximately $8,463,000 as at July 31, 2015. The non-capital losses in Canada expire at various dates to 2035.

No deferred tax asset has been recognized in respect of the above as the Company does not have any source of taxable income and there is uncertainty as to whether the Company will earn taxable income in the future. As a result, it is not currently probable that the benefit of such amounts will be realized.

15. INVESTMENT IN PERU

On April 24, 2015, the Company signed an agreement (the "Agreement") with Canadian Mining S. A. ("CMSA"), a Peruvian company to jointly build and operate a gold processing plant at Peru (the "Plant"). According to the Agreement, the Plant shall be owned by a Peruvian entity which will be a 100% owned by the Company. CMSA will be appointed as the manager for the Plant's operations. Once the operations commence, the Company shall first be entitled to all of the available distributable cash up to an amount equal to the start-up cost incurred by the Company. Any subsequently available distributable cash shall be distributed to the Company and CMSA at the ratio of 80%/20%, respectively. CMSA shall be entitled to a bonus of $20,000 once the Plant has processed minerals at 70% of the mill's total capacity for 30 consecutive days, and another one-time bonus of $100,000 if the after tax net profit from the Plant's operations is equal to or greater than $1 million for any calendar month.

16 FINANCIAL RISK MANAGEMENT:

a) Fair value of financial instruments:

The Company classified its fair value measures within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 7 – Financial Instruments: Disclosures.

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities inactive markets; quoted prices for identical or similar assets and liabilities in market that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The fair values of the Company's financial instruments approximate their carrying values as at July 31, 2015 and 2014. Fair values were obtained by Level 1 hierarchy inputs for marketable securities. Other than marketable securities, the Company does not have other financial instruments measured at recurring basis. The Company does not have financial instruments using level 2 or level 3 inputs.

b) Financial instruments risk

The Company is exposed in varying degrees to a variety of financial risks. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management procedures.

The types of risk exposure and the way such exposure is managed are provided as follows:

(i) Credit risk:

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company is subject to credit risk on the cash balances at the bank, its short-term bank guaranteed investment certificates and amounts receivable. Cash and investments are with Schedule 1 banks or equivalent, with majority of cash held in Canadian based banking institutions, authorized under the Bank Act to accept deposits, which may be eligible for deposit insurance provided by the Canadian Deposit Insurance Corporation. The maximum exposure to credit risk is equal to the carry value of the financial assets.

(ii) Liquidity risk:

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has in place a planning and budgeting process to assist in determining the funds required supporting normal operating requirements on an ongoing basis, including capital development and exploration expenditures.. As at July 31, 2015, the Company has a cash and cash equivalent balance of $34,649 (July 31, 2014 - $203,757) to settle current liabilities of $115,423 (July 31, 2014 - $133,652). Accounts payable and accrued liabilities are due within the current operating period. As at July 31, 2015, the Company has working capital deficiency of $54,311 compared to a working capital at July 31, 2014 of $123,931 and was relying on the financial support of a related company and equity financing. See note 1 for additional discussion on going concern.

16 FINANCIAL RISK MANAGEMENT: (Continued)

b) Financial instruments risk (Continued)

(*iii*) Market risk:

The Company's primary market risk is in the areas of metal prices and foreign exchange risk on financial instruments denominated in other than Canadian dollars. At July 31, 2015, the Company had no hedging agreements in place with respect to metal prices or foreign exchange rates.

A) Commodity price risk:

The value of the Company's primary mineral property is dependent on the price of gold and the outlook for this mineral. The value of exploration stage gold and molybdenum properties is also dependent on the price of gold and molybdenum and the outlook for the minerals.

Market prices for these metals historically have fluctuated widely and are affected by numerous factors outside of the Company's control including but not limited to, levels of worldwide production, short-term changes in supply and demand, industrial and retail demand, central bank lending, and forward sales by producers and speculators, as well as certain other factors related specifically to gold.

The profitability of the Company's primary property is highly correlated to the market price of gold. If gold prices decline for a prolonged period below the cost of production it may not be economically feasible to continue towards production.

The Company has not entered into any hedging or commodity based derivative financial instruments.

B) Currency risk:

As at July 31, 2015, the Company does not hold the significant foreign currency financial assets and liabilities.

D) Equity price risk:

Equity price risk arises from available-for-sale equity securities. The Company's exposure at July 31, 2015 was $4,998. The shares are publicly traded, market-prices are readily available, and their carrying value is equal to the market value at July 31, 2015.

E) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's cash and cash equivalents contain highly liquid investments that earn interest at market rates and have maturities of 90 days or less. The interest is typical of Canadian banking rates, which are presently low; however this conservative investment strategy mitigates the risk of deterioration to the investment. A change of 100 basis points in the interest rates would not be material to the financial statements.

17. CAPITAL MANAGEMENT:

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern such that it can provide returns for shareholders and benefits for other stakeholders. The Company considers the items included in shareholders' equity as capital. The management of the capital structure is based on the funds available to the Company in order to support the acquisition, exploration and development of mineral properties and to maintain the Company in good standing with the various regulatory authorities. In order to maintain or adjust its capital structure, the Company may issue new shares, sell assets to settle liabilities or return capital to its shareholders.

The properties in which the Company currently has an interest in are in the exploration and pre-development stages, as such, the Company does not recognize revenue from its exploration properties.

The Company's historical sources of capital have consisted of the sale of equity securities and interest income. In order for the Company to carry out planned exploration and development and pay for administrative costs, the Company will spend its working capital and expects to raise additional amounts externally as needed. There were no changes in the Company's management of capital during the year ended July 31, 2015.

GOLDREA RESOURCES CORP.

Notes to the Consolidated Financial Statements
(Expressed in Canadian Dollars Unless Otherwise Stated)
Years ended July 31, 2015 and 2014

Schedule

	July 31, 2013	Expensitures (recoveries or write-downs)	July 31, 2014	Expenditures (recoveries or write-downs)	July 31, 2015
Canada - British Columbia					
Crowrea:					
Acquisition	$ 9,377	$ -	$ 9,377	$ (9,377)	$ -
Assay and analysis	9,649	381	10,030	(10,030)	-
Camp and supplies	665	-	665	(665)	-
Drilling	119,645	-	119,645	(119,645)	-
Engineering and geological	70,228	3,617	73,845	(73,845)	-
Equipment rentals and subcontractor	6,904	-	6,904	(6,904)	-
METC refund	(55,293)	-	(55,293)	55,293	-
	161,175	3,998	165,173	(165,173)	-
Flap:					
Acquisition	8,588	420	9,008	(9,008)	-
Assay and analysis	30,971	-	30,971	(30,971)	-
Drilling	34,383	-	34,383	(34,383)	-
Engineering and geological	62,095	-	62,095	(62,095)	-
METC refund	(34,706)	-	(34,706)	34,706	-
	101,331	420	101,751	(101,751)	-
Empress:					
Acquisition	3,808	-	3,808	(3,807)	1
Assay and analysis	10,451	320	10,771	(10,771)	-
Drilling	192,341	-	192,341	(192,341)	-
Engineering and geological	58,561	3,045	61,606	(61,606)	-
METC refund	(77,331)	776	(76,555)	76,555	-
	187,830	4,141	191,971	(191,970)	1
USA - Arizona					
Gold Chain:					
Option payments received	(19,787)	-	(19,787)	19,787	-
Acquisition	54,351	2,539	56,890	(56,890)	-
Assay and analysis	21,577	-	21,577	(21,577)	-
Drilling	44,025	-	44,025	(44,025)	-
Engineering and geological	31,672	-	31,672	(31,672)	-
	131,838	2,539	134,377	(134,377)	-
Gold Rush:					
Option payments received	(19,787)	-	(19,787)	19,787	-
Acquisition	66,416	2,539	68,955	(68,955)	-
Assay and analysis	24,821	-	24,821	(24,821)	-
Drilling	38,553	-	38,553	(38,553)	-
Engineering and geological	61,228	-	61,228	(61,228)	-
	171,231	2,539	173,770	(173,770)	-
Total exploration and evaluation assets	753,405	13,637	767,042	(767,041)	1

(Expressed in Canadian Dollars Unless Otherwise Stated)

GOLDREA RESOURCES CORP.

Schedule (continued)

		July 31, 2013	Disposal of mineral property assets included in sale of Chinese subsidiaries (Note 11)	July 31, 2014	Expenditures (recoveries or write-downs)	**July 31,2015**
China - Shandong Province:						
Rushan Goldrea Gold (RGG):						
Acquisition		2,329,374	(2,329,374)	-	-	-
Mineral rights contributed		702,702	(702,702)	-	-	-
Administration		899,709	(899,709)	-	-	-
Assay and analysis		116,869	(116,869)	-	-	-
Drilling		2,643,265	(2,643,265)	-	-	-
Engineering and geological		684,659	(684,659)	-	-	-
Shaft		1,136,601	(1,136,601)	-	-	-
Travel		98,078	(98,078)	-	-	-
Recovery of mineral property costs		(6,670,833)	6,670,833	-	-	-
Cash deposit received on RGG purchase		(500,000)	500,000	-	-	-
Total mineral property assets	$	1,440,424	(1,440,424)	-	-	-
Total mineral property and exploration and evaluation assets	$	2,193,829	$(1,426,787)	$ 767,042	$ (767,041)	$ 1