GOLDREA RESOURCES CORP.

Interim Unaudited Condensed Consolidated Financial Statements
(Expressed in Canadian dollars unless otherwise stated)

October 31, 2019 and 2018

GOLDREA RESOURCES CORPORATION.

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements; they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

GOLDREA RESOURCES CORP.

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

	Note	October 31 2019	July 31 2019
Assets			
Current assets			
Cash and cash equivalents		$ 8,875	$ 20,421
Marketable securities	7	6,600	40,625
Accounts receivable	5	397	9,098
Prepaid expenses		2,375	4,085
		18,247	74,229
Non-current Assets			
Investment	6	19,876	19,876
Long-term deposits	9	155,128	155,128
Equipment	10	99,110	99,110
Exploration and evaluation assets	11	5,001	1
		279,115	274,115
Total Assets		$ 297,362	$ 348,344
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		$ 154,017	$ 151,830
Loan Payable		37,209	37,209
Due to related parties	8	11,623	7,500
		202,849	196,539
Equity			
Share capital	12	30,613,624	30,586,174
Subscription (receivable) received	12	27,000	54,450
Reserves	12	2,384,958	2,384,958
Accumulated other comprehensive income		6,205	6,205
Accumulated deficit		(32,937,274)	(32,879,982)
Total (deficiency) equity		94,513	151,805
Total liabilities and equity		$ 297,362	$ 348,344

Going concern (Note 1)
Commitments (Note 14)
Subsequent events (Note 17)

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

On behalf of the Board of Directors:

"Larry Reaugh" Director

"Jim Elbert" Director

GOLDREA RESOURCES CORP.

Consolidated Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Note	Three months ended October 31, 2019	Three months ended October 31, 2018
Expenses:			
Depreciation	10	$ -	$ -
Consulting fees		24,000	24,000
Office and administration		11	556
Professional fees		-	1,889
Rent	8	27,655	1,680
Shareholder communication		8,083	31,500
Transfer agent and filing fees		-	4,508
Stock based compensation	12	-	-
Loss before other items		59,749	64,133
Other items:			
Investment income (loss)	6	1,680	24,235
Interest income		159	219
Foreign exchange gain (loss)		618	-
Net loss of the period before income tax		(57,292)	(39,679)
Deferred income tax recovery		-	-
Net loss for the year		$(57,292)	$(39,679)
Other comprehensive income (loss)			
Unrealized fair value adjustments on available-for-sale marketable securities, net of tax	5	-	--
Realized loss on available-for-sale marketable securities, net of tax	5	-	-
Comprehensive loss for the year		$ (57,292)	$ (39,679)
Loss per share - basic and diluted		$(0.00)	(0.00)
Weighted average number of common shares outstanding – basic and diluted		39,996,971	33,577,105

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

GOLDREA RESOURCES CORP.

Consolidated Interim Statements of Changes in Equity
(Expressed in Canadian Dollars Unless Otherwise Stated)

	Share capital						
	Number of shares	**Share capital**	**Reserves**	**Share subscription received (receivable)**	**Accumulated comprehensive income (loss)**	**Deficit**	**Total equity (deficiency)**
	#	$	$	$	$	$	$
Balance, July 31, 2018	33,577,105	30,193,727	2,246,833	(32,612)	-	(32,119,960)	287,988
Loss and comprehensive loss	-	-	-	-	-	(437,905)	(437,905)
Balance, October 31, 2018	33,577,105	30,193,727	2,246,833	(32,612)	-	(32,119,960)	(149,917)
Private placements, net of finders' fees	6,370,000	404,400	-	-	-	-	403,280
Allocation of proceeds to warrants	-	(10,833)	10,833	-	-	-	-
Share subscriptions received	-	-	-	87,062	-	-	87,062
Share-based compensation	-	-	127,292	-	-	-	127,292
Net loss	-	-	-	-	-	(322,117)	(322,117)
Other comprehensive income	-	-	-	-	6,205	-	6,205
Balance, July 31, 2019	39,947,108	30,586,174	2,384,958	54,450	6,205	(32,879,982)	151,805
Issuance of flow-through shares	305,000	27,450		(27,450)			-
Net loss	-	-	-	-	-	(57,292)	(57,292)
Balance, October 31, 2019	40,602,108	30,613,624	2,384,958	27,000	6,205	(32,937,274)	94,513

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

GOLDREA RESOURCES CORP.

Consolidated Interim Statements of Cash Flows

(Expressed in Canadian Dollars Unless Otherwise Stated)

	Three months ended October 31, 2019	2018
Cash Flow from Operating Activities:		
Net loss for the year before income tax	(57,292)	(39,679)
Items not affecting cash:		
Depreciation	-	-
(Gain) loss on disposal of marketable securities	(1.680)	(24,235)
Stock-based compensation	-	-
	(58,972)	(63,914)
Changes in non-cash working capital:		
Amounts receivable	8,701	(43,008)
Prepaid expenses	1,710	-
Accounts payable and accrued liabilities	2,187	(9,400)
Due to related parties	4,123	11,000
Cash used in operating activities	(42,251)	(105,322)
Cash Flow from Financing activities:		
Shares issued for cash	-	-
Share subscription received	-	-
Cash provided by financing activities		-
Cash Flow from Investing activities:		
Investment	-	(43,000)
Mineral property and exploration and evaluation assets	(5,000)	(10,000)
Proceeds on disposal of exploration and evaluation assets	35,705	25,000
Proceeds on disposal of marketable securities	-	-
Cash used in investing activities	30,705	(28,000)
(Decrease) increase in cash and cash equivalents	(11,546)	(133,322)
Cash and cash equivalents, beginning of year	20,421	236,025
Cash and cash equivalents, end of year	8,875	102,703
Income taxes paid	-	-
Interest expenses paid	-	-
Non-cash transactions		
Shares issued for exploration and evaluation assets		
Shares issued for services	-	-

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 in the business of exploration and development of mineral properties and is currently in the exploration stage of its exploration and evaluation assets. The address of the Company's corporate office is 5th floor, 543 Granville Street, Vancouver, British Columbia, Canada V6C 1X8. The Company's common shares are traded on the Canadian Securities Exchange under the symbol "GOR".

These unaudited condensed interim financial statements have been prepared assuming the Company will continue on a going concern basis which contemplates that the Company will be able to realize its assets and discharge its liabilities in the normal course for the foreseeable future. If the going concern assumptions were not appropriate for these consolidated financial statements then adjustments would be necessary in the carrying value of assets and liabilities, the reported revenue and expenses and the balance sheet classifications.

The Company has incurred losses since inception. As at October 31, 2019, the Company had an accumulated deficit of $32,937,274 and working capital deficit of $184,602.

The Company has to raise additional financing in order 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 debt or equity financing or 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. These factors raise significant doubt about the Company's ability to continue as a going concern. These 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 condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended July 31, 2019. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The condensed consolidated financial statements were authorized for issue by the Board of Directors on December 30, 2019

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.

b) 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.

2. Basis of preparation (continued)

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Notes 3 o) and p).

3. Significant accounting policies

a) Basis of consolidation

The interim 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. ("Goldrea USA"), Global Labs Analytics Inc. ("Global Lab") and Goldrea Peru S.A. ("Goldrea Peru")

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

b) Foreign currency

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

i) 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.

ii) Foreign operations

For consolidation purposes, the assets and liabilities of foreign operations are translated to the presentation currency using the exchange rate prevailing at the financial position date. The income and expenses of foreign operations are translated to the presentation currency using the average rates of exchange during the year. All resulting exchange differences are recognized directly in other comprehensive income (loss).

c) Financial instruments

Effective August 1, 2019, the Company adopted IFRS 9 - Financial Instruments ("IFRS 9") using the modified retrospective approach. IFRS 9 did not impact the Company's classification and measurement of financial assets and liabilities. The standard did not have a material impact on the carrying amounts of the Company's financial statements at the transition date.

3. Significant accounting policies (continued)

c) Financial instruments (continued)

i) Classification

The Company classifies its financial instruments in the following categories: at fair value through profit and loss (“FVTPL”), at fair value through other comprehensive income (loss) (“FVTOCI”) or at amortized cost. The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company’s business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as FVTPL. For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI. Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL**.**

The following table shows the Company’s financial assets and liabilities classification under IAS 39 and IFRS 9:

Financial assets/liabilities	IAS 39	IFRS 9
Cash and cash equivalents	FVTPL	FVTPL
Marketable securities	Available for sale	FVTPL
Accounts receivable	Loan and receivable	Amortized cost
Investment	FVTPL	FVTPL
Long-term deposits	Loan and receivable	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Due from/to related parties	Other financial liabilities	Amortized cost

ii) Measurement

Initial measurement
The classification is determined at initial recognition and depends on the nature and purpose of the financial asset. On initial recognition, all financial assets and financial liabilities are recorded at fair value adjusted for directly attributable transaction costs except for financial assets and liabilities classified as FVTPL, in which case transaction costs are expensed as incurred.

Subsequent measurement
Financial assets and liabilities classified as amortized cost are measured using the effective interest method. Amortized cost is calculated by taking into account any discount or premiums on acquisition and fees that are an integral part of the effective interest method. Amortization from the effective interest method is included in finance income or costs.

Financial assets and liabilities classified as FVTPL are measured at fair value with changes in fair values recognized in profit or loss.

Equity investments designated as FVTOCI are measured at fair value with changes in fair values recognized in other comprehensive income (“OCI”). Dividends from that investment are recorded in profit or loss when the Company's right to receive payment of the dividend is established unless they represent a recovery of part of the cost of the investment.

3. Significant accounting policies (continued)

c) Financial instruments (continued)

iii) Impairment of financial assets at amortized cost

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to the twelve month expected credit losses. The Company shall recognize in the statements of loss and comprehensive loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

iv) Derecognition of financial assets and liabilities

The Company derecognizes financial assets only when the contractual rights to cash flows from the financial assets expire, or when it transfers the financial assets and substantially all of the associated risks and rewards of ownership to another entity. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when the terms of the liability are modified such that the terms and / or cash flows of the modified instrument are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

Gains and losses on derecognition of financial assets and liabilities classified as amortized cost are recognized in profit or loss when the instrument is derecognized or impaired, as well as through the amortization process. Gains and losses on derecognition of equity investments designated as FVTOCI (including any related foreign exchange component) are recognized in OCI. Amounts presented in OCI are not subsequently transferred to profit or loss, although the cumulative gain or loss may be transferred within equity.

v) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the consolidated statement of financial position if and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle liabilities simultaneously.

vi) Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices, without deduction for transaction costs. For financial instruments that are not traded in active markets, the fair value is determined using appropriate valuation techniques, such as using a recent arm's length market transaction between knowledgeable and willing parties, discounted cash flow analysis, reference to the current fair value of another instrument that is substantially the same, or other valuation models.

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. As at October 31, 2019 and 2018, the Company did not have cash equivalents.

3. Significant accounting policies (continued)

e) Marketable securities

Marketable securities present investments in publicly traded common shares. Marketable securities are carried at fair value based on quoted market prices.

f) Plant and equipment

Plant and equipment is carried at acquisition cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and 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
Office equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Computer hardware	Declining balance	30%
Leasehold improvement	Strait-line	over the lease term

Plant and 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 plant and 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 plant and 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.

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.

g) Exploration and evaluation assets (continued)

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 that the company considered are:

- 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;

3. Significant accounting policies (continued)

- 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 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.

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 October 31, 2019 and 2018, the Company did 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 with a value based on residual method and included in equity. Warrants that are issued as payment for agency fee or other transaction costs are valued using the Black-Scholes option pricing model.

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) Flow-through shares

The Company finances some exploration and evaluation expenditures through the issuance of flow-through shares. The resource expenditure deductions for income tax purposes are renounced to investors in accordance with the appropriate income tax legislation. The difference ("premium") between the amount recognized in common shares and the amount the investors pay for the shares is recognized as a deferred gain, under deferred premium on flow-through shares, which is reversed to the statement of loss and comprehensive loss, under other income – premium on flow-through shares, when eligible expenditures have been made. The Company recognizes a deferred tax liability for flow-through shares and a deferred tax expense, at the moment the eligible expenditures are incurred.

Pursuant to the related subscription agreements, the Company has committed to use the proceeds received from the issuance of flow-through shares for Canadian resource property exploration expenditures

m) 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.

n) 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 period ended October 31, 2019 and 2018, basic loss per share is equal to dilutive loss per share for the periods presented.

3. Significant accounting policies (continued)

o) Other comprehensive income (loss)

Other comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in net income such as unrealized gains or losses on available-for-sale investments and transaction gains or loses on translation of foreign operations to the presentation currency of the Canadian dollar. Other compressive income (loss) for the period ended October 31, 2019 and 2018 comprised of gains or losses on available-for-sale securities marked to the market at the year end quoted market price.

p) Critical accounting estimates

Critical accounting estimates that management has made in the process of applying the Company's accounting policy are:

i) Impairment of exploration and evaluation assets

Management assesses capitalized exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of any such assets may exceed their recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount, the Company shall measure, present and disclose any resulting impairment. Refer to Notes 3 g) and 9 for more information.

ii) Share-based compensation

The Company uses the fair value method of valuing compensation expenses associated with the Company's share-based compensation plan. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant.

Option-pricing models require the use of highly subjective estimates and assumptions including the expected stock price volatility. Changes in the underlying assumptions can materially affect the fair value estimates and, therefore, existing models do not necessarily provide reliable measurement of the fair value of the Company's stock options. Refer to Note 10 for more information.

q) Critical accounting judgments

Critical accounting judgments that management has made in the process of applying the Company's accounting policy and that have the most significant effect on the amounts recognized in the consolidated financial statements are limited to management's assessment of the Company's ability to continue as a going concern. Refer to Note 1 for more information.

4. Changes in Accounting Policies – New and Amended Standards and Interpretations

IASB or the IFRIC have issued certain pronouncements that are mandatory for accounting periods beginning on or after January 1, 2019. None of these are expected to be relevant to the Company's financial statements, except for the following:

IFRS 16 "Leases" - replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019. The Company's USA subsidiary Global Lab has entered a lease agreement with respect is laboratory effective March 1, 2019 (see Note 15). The Company now accounts the lease agreement under IFRS 16.

(Expressed in Canadian Dollars Unless Otherwise Stated)

4. Changes in Accounting Policies – New and Amended Standards and Interpretations (continued)

There are no other IFRSs or IFRIC Interpretations that are not yet effective that would be expected to have a material impact on the Company.

5. Accounts receivable

Accounts receivable as of July 31, 2019 and 2018 consist of GST receivables, loan receivables and others as follows as at July 31, 2019 and 2018:

	July 31, 2019	July 31, 2019
	$	$
GST receivables and others	397	221
Due for an officer and director (Note 8)	-	8,877
Loan receivable – Xchemistry Holdings Inc. (a)	13,234	13,234
Loan receivable – Tabu (b)	14,000	14,000
Loan receivable – Warren Wayne (b)	49,100	49,100
Provision for loan receivables	(76,334)	(76,334)
	397	9,098

a) During the year ended July 31, 2019, the Company advanced $13,234 (USD10,000) to XChemistry Holdings Inc. (the funder of this entity is also the former director of Global Lab) in connection to a proposed acquisition. This proposed acquisition is terminated in 2019 and the Company provided a 100% provision towards this loan.

b) During the year ended July 31, 2018, the Company advanced loans of $49,000 and $49,100 to a company named Tabu Equity Investments Inc. ("Tabu") and to an individual, Warren Wayne, who is the founder of Tabu, respectively. On July 5, 2019, Tabu settled $35,000 of the $49,000 loan with Goldrea through transferring 750,000 warrants of a public company called Goldeneye Resources Corp ("Goldeneye") held by Tabu to Goldrea, the remaining balance in the amount of $14,000 is outstanding as at July 31, 2018. The fair value of the warrants on settlement date was measured using the Black-Scholes options pricing model on the settlement. The loan receivable to Tabu is non-interest bearing with a two-year term maturing on Feb 23, 2020. The loan receivable to Warren Wayne is non-interest bearing with a one-year term maturing on July 1, 2019. Since the recoverability of these loan receivables is materially uncertain, the Company has provided full provisions for these loan receivables as at July 31, 2018.

6. Investments

	July 31, 2019	July 31, 2018
	$	$
Investment in Goldeneye (a)	19,876	52,550
Investment in the Planter's Guide (b)	10,000	10,000
Impairment for investment in The Planter's Guide (b)	(10,000)	(10,000)
	19,876	52,550

a) Investment in Goldeneye as at July 31, 2018 represents the 750,000 share purchase warrants Goldrea received from Tabu as a settlement of $35,000 loan receivable owed by Tabu (see Note 5). The investment is designated as FVTPL. It is measured at fair value on initial recognition date and subsequent measurement date using the Black-Scholes options pricing model. The fair value on the initial recognition date was $46,001. Therefore, the Company recognized a debt extinguishment gain of $11,001 as a result of the settlement. The Company re-measured the fair value of the Tabu share purchase warrants at July 31, 2018 using the Black-Scholes options pricing model with following assumptions: risk-free interest rate – 2.03%, expected dividend yield – 0%,volatility – 58%, estimated remaining life - 2.22 years and recognized a gain of $6,549 as a result of the change in fair value between the initial recognition and the year-end.

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6. Investments (continued)

During the year ended July 31, 2019, the Company exercised 300,000 Tabu share purchase warrants. As at July 31, 2019, the Company held 450,000 Tabu share purchase warrants with fair value of 19,876 measured using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate – 1.25%, expected dividend yield – 0%,volatility – 98%, estimated remaining life -1.22 years and recognized a fair value adjustment gain of $15,054.

b) Investment in the Planter’s Guide (“TPG”) represents a prepaid amount to a potential investment through common shares in TPG, a newly launched entity that targets on online magazine focused plant-based consumer goods. As at July 31, 2018, Goldrea has not received any shares from TPG. Since the timing and the number of shares to be issued to Goldrea is uncertain, the business model of TPG is not fully developed and TPG is still operating loss from its inception, the Company has determined to fully impair the investment in TPG during the year ended July 31, 2018.

7. Marketable securities

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

October 31, 2019	Fair value	Cost
Goldeneye		
Nil common shares	$ -	$ -
Durango Resources Inc.		
110,000 common shares	6,600	5,500

July 31, 2019	Fair value	Cost
Goldeneye		
300,000 common shares	$ 10,625	$ 27,387
Durango Resources Inc.		
500,000 common shares	30,000	25,000

8. Related party transactions

The related party transactions are in the normal course of business and are measured at the exchange amount which is the amount agreed to by the related parties. Details of transactions with related parties that are not disclosed elsewhere in these consolidated financial statements are disclosed below:

	October 31, 2019	July 31, 2019
Due from directors and officers of the Company	$ -	$ 8,877
Due to directors and officers of the Company	$ 11,623	$ 7,500

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 period ended October 31, 2019, consulting fees of $21,000 (2018 - $24,000) were recorded to directors and officers of the Company. The Company uses the home space of one officer [and GLA Office] who is also a director of the Company as the office, the Company incurred $1,710 (2018 - $1,680) in office rent for the period ended October 31, 2019. Key management includes the chief executive officer, chief financial officer and the directors of the Company. The compensation paid or payable to key management for services, excluding the share-based payments during the period ended October 31, 2019 and 2018 is disclosed above. During the period ended October 31, 2019, key management received share-based payments of $nil (2018 - $nil). Key management personnel were not paid post-employment benefits or other long-term benefits during the period ended October 31, 2019 and 2018. (Also see Note 5)

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9. Long Term Deposits

	October 31, 2019	July 31, 2019
	$	$
Reclamation deposits (*)	34,500	34,500
Corporate credit security deposit (*)	11,500	11,500
Rental security deposit (b)	109,128	109,128
	155,128	155,128

* Reclamation deposits and security deposit represent restricted cash and consist of the Guaranteed Investments Certificates ("GICs") which has been placed in a financial institution.

10. Equipment

	Office equipment	Furniture and fixtures	Computer equipment	Leasehold improvements	Total
	$	$	$	$	$
Costs					
Balance, July 31, 2018	32,111	22,108	41,792	-	96,011
Additions	-	-	1,445	94,909	96,354
Balance, July 31, 2019	32,111	22,108	41,792	-	192,365
Additions	-	-	-	-	-
Balance, October 31, 2019	32,111	22,108	41,792	94,909	192,365
Accumulated Depreciation					
Balance, July 31, 2018	30,549	21,263	40,373	-	92,185
Depreciation	470	170	430	-	1,070
Balance, July 31, 2019	31,019	21,433	40,803	-	93,255
Depreciation	-	-	-	-	-
Balance, October 31, 2019	31,019	21,433	40,803	-	93,255
Carrying Amounts					
July 31, 2019	1,092	675	2,434	94,909	99,110
October 31, 2019	1,092	675	2,434	94,909	99,110

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11. Exploration and evaluation assets

	July 31, 2017	Expend-itures	Write-downs	July 31, 2018	Expend-itures	Write-downs	Disposal	July 31, 2019
	$	$	$	$	$	$		$
Canada								
Cannonball Property (a) (i)								
Acquisition	1	-	-	1	-	-	-	1
Geological consulting		10,000	(10,000)	-	5,000	-	-	5,000
	1	10,000	(10,000)	1	5,000	-	-	5,001
Argos Property (a) (ii)								
Acquisition	765	-	(765)	-	-	-	-	-
	765	-	(765)	-	-	-	-	-
USA								
Lift Property (b) (i)								
Acquisition	-	19,400	(19,400)	-	-	-	-	-
	-	19,400	19,400	-	-	-	-	-
Total	766	29,400	(29,400)	1	5,000	-	-	5,001

a) Canada

(*i*) Cannonball Property

During the year ended July 31, 2016, the Company entered into an agreement (the "Cannonball Property Agreement") to purchase 1,490 hectares, located approximately 15 kilometers northeast of the former Snip mine in the Iskut River district of northwestern B.C. Under the term of the agreement, the Company purchased a 100% interest in the property, for 2,000,000 shares of the Company and a 2% NSR royalty of which the Company can purchase one percent from the holder at any time for the sum of $1,000,000.

In August 2019, the Company entered into a Mineral Property Acquisition Agreement to acquire a mineral tenure (the "Adjacent Property") located next to its Cannonball mineral property in northwestern British Columbia's Golden Triangle District, in exchange for the Company's mineral tenures near Kelowna, BC, known as the Dobbin Property and a 1.5% net smelter returns royalty payable on the Dobbin Property. This royalty can be purchased at any time for the sum of one million dollars.

During the period ended October 31, 2019 , the Company spent $5,000 on geological work.

(*ii*) Argos Property

During the year ended July 31, 2018, the Company entered into an agreement to acquire the Argos Property, located in Windfall Lake, Quebec (the "Argos Property Agreement"). Under the term of the Argos Property Agreement, the Company paid a $2,500 for staking costs and issued 700,000 shares of the Company, valued at the Company's common share trading price at the date of issuance, to the vendors.

On September 21, 2018, the Company disposed of its Argos property to a public mining company, Durango Resources Inc.("Durango"), for a consideration of 500,000 shares of Durango value at the stock trading price of share issuance resulting of gain on disposal of $24,235.

11. Exploration and evaluation assets (continued)

b) United States ("USA")

(i) Lift Property:

During the year ended July 31, 2018, the Company entered into an agreement to purchase a 100% interest in a lithium prospect (the "Lift Property Agreement"), known as the Lift Property, located in the Clayton Valley, Esmeralda County, Nevada. USA. The Lift Property is comprised by sixty lode claims covering approximately 1200 acres of land. The claims are situated adjacent to Noram's lithium property and in proximity to Pure Energy and Cypress' interests in the Clayton Valley. Consideration for the acquisition consists of US$30,000 cash, 500,000 common shares of the Company, and a 3% net smelter return royalty which can be bought back for US$2.5 million. During the year ended July 31, 2018, the Company paid US$15,000 and issued 500,000 shares of the Company valued at the Company's common share trading price at the date of issuance. In connection with the Lift Property Agreement, the Company agreed to pay the remaining US$15,000 on or before October 7, 2017 (unpaid). As at October 31, 2019, the Lift Property title has not been transferred to the Company. Subsequent to the year ended July 31, 2019, the Company terminated to no proceed the completion of the acquisition.

c) Impairment of exploration and evaluation assets

As at July 31, 2019, the Company had no budgeted or planned exploration on Cannonball Property and Lift Property for the next twelve months and, accordingly, the Company wrote down Lift property to $nil and the Cannonball property to $1.

12. Loan payable

During the year end July 31, 2019, the Company received a loan in the amount of $35,000 from an unrelated individual. This loan is unsecured, bearing an interest rate of 18% per annum and mature on March 25, 2020.

13. Share capital and reserves

a) Authorized

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

b) Issued

As at October 31, 2019, there were 33,577,105 issued common shares. (July 31, 2019 – 33,577,105)

In November 2018, the Company closed a non-brokered private placement of 1,083,333 units at a price of $0.06 per unit for aggregate gross proceeds of $65,000. Each unit is comprised of on common share in the capital of the Company and one share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at a price of $0.16 during the one year following the date of the warrant's issuance. All securities issued under the private placement are subject to a four month hold. The Company has allocated $54,167 of the total proceeds to common shares and $10,833 to share purchase warrants by applying the residual method.

In March 2019, the Company closed another non-brokered private placement of 3,066,667 units at a price of $0.06 per unit for aggregate gross proceeds of $184,000. Each unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each warrant entitles its holder to purchase one common share of the Company at a price of $0.16 during the one year following the date of the warrant's issuance. All securities issued under the private placement are subject to a four-month hold period. The Company has allocated the entire proceeds to common shares and $nil to share purchase warrants by applying the residual method.

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12. Share capital and reserves (continued)

In June 2019, the Company closed another non-brokered private placement of 2,220,000 units at a price of $0.07 per unit for aggregate gross proceeds of $155,400. Each unit is comprised of one common share in the capital of the Company and one share purchase warrant. Each share purchase warrant entitles its holder to purchase one common share of the Company at a price of $0.16 during the one year following the date of the warrant's issuance. All securities issued under the private placement are subject to a four-month hold period. The Company has allocated the entire proceeds to common shares and $nil to share purchase warrants by applying the residual method. In connection June 2019 private placement, the Company has paid $1,120 finders' fees in cash and issued 8,000 agent warrants (the "Agent Warrant") having the same terms of the warrants issued under the private placement. The fair value of the Agent Warrants is not significant.

In September 2019, the Company closed a private placement of 305,000 flow-through units ("FT Unit") at a price of $0.09 per FT Unit for gross proceeds of $27,450. The gross proceeds will be used to fund exploration of the Company's Cannonball gold prospect located in northwestern British Columbia. All securities issued under the private placement are subject to a four-month hold

c) Stock options

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.
During the year ended July 31, 2019, the Company granted 1,600,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of $0.07 to $0.09 per share expiring in five years from the date of grant. These stock options vest immediately at the grant date. The fair value of the options granted was estimated to be $0.08 per option, using the Black-Scholes options pricing model with the following assumptions:

	2020	2019
Risk-free interest rate	Nil %	1.40-1.83%
Expected dividend yield	0%	0%
Expected stock price volatility	Nil %	147%
Expected forfeitures	0%	0%
Expected option life in years	Nil years	5 years

The total share-based compensation expense for the period ended October 31, 2019 was $nil (July 31, 2019 - $127,292) representing general and administrative related services. The fair value for stock options granted to consultants was measured by referenced to the equity instrument granted since the fair value of the stock options could be more reliably measured on the grant date.

c) Stock options (continued)

Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, outstanding and exercisable, July 31, 2018	3,250,000	$0.10
Issued	1,600,000	0.08
Exercised	-	-
Balance, outstanding and exercisable, July 31, 2019	4,850,000	0.10
Issued	-	-
Balance, outstanding and exercisable, October 31, 2019	4,850,000	$0.10

The remaining contractual life for the stock options outstanding as at October 31, 2019 is 3.13 years.

(Expressed in Canadian Dollars Unless Otherwise Stated)

12. Share capital and reserves (continued)

The following summarizes information about stock options outstanding and exercisable at October 31, 2019:

Number of share outstanding and exercisable	Expiry date	Exercise price
800,000	February 2, 2021	$0.05
1,250,000	September 15, 2021	$0.10
500,000	January 22, 2023	$0.22
700,000	May 14, 2023	$0.10
400,000	January 16, 2024	$0.07
1,200,000	June 7, 2024	$0.09
4,850,000		

d) Share purchase warrants

	Number of share purchase warrants	Weighted average exercise price
Balance, July 31, 2018	8,797,980	0.10
Issued	6,370,000	0.06
Expired	(1,086,498)	0.10
Balance, July 31, 2019	14,081,482	0.14
Issued	-	
Expired	-	
Balance, October 31, 2019	14,081,482	$0.14

The following table summarizes information about share purchase warrants outstanding at July 31, 2019.

Number of Warrants	Exercise Price	Expiry Date
6,986,482	$0.10	January 8, 2020
725,000	$0.30	March 9, 2020
1,083,333	$0.16	November 9, 2019
150,000	$0.16	March 27, 2020
2,916,667	$0.16	April 4, 2020
2,220,000	$0.16	June 7, 2020
14,081,482		

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14. Segmented information

The Company's mineral properties are located in three geographic regions, Canada, USA and Peru, and its corporate assets are located in Canada. A summary of total assets and net loss by geographic region is as follows:

		Oct 31, 2019		Oct 31, 2018
Net loss for the year				
Canada	$	32,260	$	458,262
USA		25,032		-
	$	57,292	$	458,262
Exploration and evaluation assets				
Canada	$	5,001	$	766
USA		-		-
	$	5,001	$	766
Assets				
Canada	$	258,027	$	438,602
USA		39,335		20,151
	$	297,362	$	458,753

15. Commitments

During the year ended July 31, 2019, the Company's USA subsidiary Global Lab entered into a lease agreement with respect to its laboratory. The lease has a 5-year term effective March 1, 2019. The Company has an option to renew the lease for anther 5 years. Pursuant to the lease agreement, the Company has paid $109,128 (USD83,000) as the security deposit (Note 9). The minimum basic lease payment for the next 12 months is approximately $120,000 (USD91,000), and approximately of $471,000 (USD358,000) for the fiscal year 2021 to 2024.

16. Financial risk management

a) Categories of financial instruments

	October 31, 2019 $	July 31, 2019 $
Financial assets -		
Fair value through profit and loss		
Cash and cash equivalents	8,875	20,421
Marketable securities	6,600	40,625
Investment	19,876	19,876
Amortized cost		
Accounts receivable (excluding GST receivable)	-	9,098
Long-term deposits	155,128	155,128
	190,479	245,148
Financial liabilities – at amortized cost		
Accounts payable and accrued liabilities	154,017	151,830
Due to related parties	11,623	7,500
Loan payable	37,209	37,209
	202,849	196,539

15. Financial risk management: (continued)

b) 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 carrying amount of financial assets and liabilities carried at amortized cost is a reasonable approximation of fair value due to the relatively short period to maturity of these financial instruments. Fair values were obtained by Level 1 hierarchy inputs for cash and equivalents and marketable securities. Fair value for investment in Goldeneye was obtained by Level 2 hierarch inputs. The Company does not have financial instruments using level 3 inputs.

c) 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, GICs held by bank for reclamation and corporate credit card security deposits and amounts receivable. Cash and GICs 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 to support normal operating requirements on an ongoing basis, including capital development and exploration expenditures. As at October 31, 2019, the Company has a cash and cash equivalent balance of $102,703 (July 31, 2019 - $236,025) available to settle current liabilities. Accounts payable and accrued liabilities are due within the current operating period. As at October 31, 2019, the Company had a working capital of $153,932 (July 31, 2019 – $184,846). Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. See note 1 for additional discussion on going concern.

(*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 October 31, 2019, the Company had no hedging agreements in place with respect to metal prices or foreign exchange rates.

15. Financial risk management: (continued)

A) Commodity price risk

The Company has not generated any revenue since its inception. The company is not subject to significant price risk.

B) Currency risk

As at October 31, 2019, the Company does not hold the significant foreign currency financial assets and liabilities.

C) Equity price risk

Equity price risk arises from available-for-sale equity securities. The shares are publicly traded and market-prices are readily available. As at October 31, 2019, the Company held nil marketable securities.

D) 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 period ended October 31, 2019. The Company is not subject to externally imposed capital requirements.

17. Subsequent events

a) In November 2019, the Company closed a non-brokered private placement of 2,000,000 units at a price of $0.05 per unit for gross proceeds of $100,000. Each unit is comprised of one common share in the capital of the Company and one share purchase warrant which entitles its holder to purchase one common share at a price of $0.10 per share for one year from the date issuance. The proceeds of the private placement will be used to fund the Company's testing laboratory project, keep mineral properties current and for general working capital. All securities issued under the private placement are subject for a four-month hold.