

GOLDREA RESOURCES CORP.

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

April 30, 2023 and 2022

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	April 30 2023	July 31 2022
Assets			
Current assets			
Cash and cash equivalents		\$ 5,434	\$ 35,027
Accounts receivable	5	5,064	4,021
Prepaid expenses		1,600	1,600
		12,098	40,648
Non-current Assets			
Due from related parties	7	9,454	-
Long-term deposits	8	28,500	28,500
Equipment	9	1,533	1,885
Exploration and evaluation assets	10	59,036	1
		98,523	30,386
Total Assets		\$ 110,621	\$ 71,034
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 211,685	\$ 171,800
Convertible Debenture		100,000	-
Due to related parties		-	1,096
		311,685	172,896
Equity			
Share capital	11	32,087,927	31,969,199
Subscription (receivable) received	11	(24,000)	48,500
Reserves	11	2,719,831	2,719,831
Accumulated other comprehensive income		6,205	6,205
Accumulated deficit		(34,991,027)	(34,845,597)
Total (deficiency) equity		(201,064)	(101,862)
Total liabilities and equity		\$ 110,621	\$ 71,034

Going concern (Note 1)

Subsequent events (Note 15)

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

On behalf of the Board of Directors:

“John Abu-Ulba”

Director

“Jim Elbert”

Director

GOLDREA RESOURCES CORP.

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

		Three months ended April 30,		Nine Months ended April 30,	
	Note	2023	2022	2023	2022
Expenses:					
Depreciation	9	\$ 117	\$ 294	352	441
Consulting fees		31,500	103,000	98,500	127,000
Office and administration		4,186	5,198	8,300	8,904
Interest Expense		2,750	-	5,400	-
Professional fees		-	4,864	14,743	4,864
Rent		5,130	-	5,130	-
Shareholder communication		2,036	6,900	3,436	13,875
Transfer agent and filing fees		2,715	8,468	10,024	11,260
Stock based compensation		-	(50,790)	-	(50,790)
Loss before other items		48,434	77,934	145,885	115,554
Other items:					
Interest Income		192	57	456	97
Foreign exchange gain (loss)		-	-	-	-
Net loss of the period before income tax		(48,242)	\$(77,877)	(142,429)	(115,457)
Deferred income tax recovery		-	-	-	-
Net loss for the year		\$(48,242)	\$(77,877)	(142,429)	\$(115,457)
Loss per share - basic and diluted		\$(0.00)	\$(0.00)	\$(0.00)	\$(0.00)
Weighted average number of common shares outstanding					
– basic and diluted		81,675,443	78,245,443	81,451,991	76,675,826

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			Share subscription received (receivable)	Accumulated comprehensive income (loss)	Deficit	Total equity (deficiency)
	Number of shares	Share capital	Reserves				
	#	\$	\$	\$	\$	\$	\$
Balance, July 31, 2021	74,815,441	31,844,161	2,666,719	(6,000)	6,205	(34,166,163)	344,923
Private placement, net of finders' fees	3,180,002	184,960	-	-	-	-	184,960
Shares issued for property	250,000	11,250	-	-	-	-	11,250
Share subscriptions received	-	-	-	(18,000)	-	-	(18,000)
Share-based compensation	-	-	50,790	-	-	-	50,790
Net loss	-	-	-	-	-	(115,457)	(115,457)
Balance, April 30, 2022	78,245,443	32,040,371	2,717,509	(24,000)	6,205	(34,281,620)	458,466
Private placements, finders' fees in warrants	-	(2,322)	2,322	-	-	-	-
Warrants	-	(72,350)	-	-	-	-	(72,350)
Shares issued for property	100,000	3,500	-	-	-	-	3,500
Share subscriptions received	-	-	-	72,500	-	-	72,500
Share-based compensation	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	(563,978)	(563,978)
Balance, July 31, 2022	78,345,443	31,969,199	2,719,831	48,500	6,205	(34,845,598)	(101,862)
Private placements, net of finders' fees	3,330,000	118,728	-	(72,500)	-	-	46,228
Share subscriptions received	-	-	-	-	-	-	-
Net loss	-	-	-	-	-	(145,429)	(142,679)
Balance, April 30, 2023	81,675,443	32,087,927	2,719,831	(24,000)	6,205	(34,991,027)	(198,314)

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 April 30,		Nine Months ended April 30,	
	2023	2022	2023	2022
Cash Flow from Operating Activities:				
Net loss for the year before income tax	(48,242)	(77,877)	(145,429)	(115,457)
Items not affecting cash:				
Depreciation	117	294	352	441
Stock-based compensation	-	(50,790)	-	(50,790)
	(48,125)	(128,373)	(145,077)	(165,806)
Changes in non-cash working capital:				
Amounts receivable	(342)	(15,130)	(1,043)	(2,556)
Prepaid expenses	-	-	-	-
Accounts payable and accrued liabilities	42,572	(36,764)	39,884	(29,873)
Due to related parties	(8,550)	42,657	(10,550)	6,413
Cash used in operating activities	(14,445)	(137,610)	(116,786)	(191,822)
Cash Flow from Financing activities:				
Shares issued for cash	-	85,800	46,228	184,960
Convertible debenture proceeds	-	-	100,000	-
Share subscription received	-	(37,200)	-	(18,000)
Cash provided by financing activities	-	48,600	146,228	166,960
Cash Flow from Investing activities:				
Mineral property and exploration and evaluation assets	(6,615)	(35,315)	(59,035)	(179,340)
Prepayment for exploration costs	-	(20,000)	-	(20,000)
Cash used in investing activities	(6,615)	(55,315)	(59,035)	(199,340)
(Decrease) increase in cash and cash equivalents	(21,060)	(144,325)	(29,593)	(244,202)
Cash and cash equivalents, beginning of year	26,494	106,432	35,027	240,309
Cash and cash equivalents, end of year	5,434	16,107	5,434	16,107
Income taxes paid	-	-	-	-
Interest expenses paid	-	-	-	-
Non-cash transactions				
Shares issued for exploration and evaluation assets	-	-	-	11,250
Shares issued for services	-	-	-	-

GOLDREA RESOURCES CORP.

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

Years Ended July 31, 2023 and 2022

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 950 - 777 Hornby Street, Vancouver, BC, V6Z 1S4. The Company's common shares are traded on the Canadian Securities Exchange under the symbol "GOR".

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, 2022. The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on June 29, 2023.

b) Going concern

The Company has incurred losses since inception. As at April 30, 2023, the Company had an accumulated deficit of \$34,991,027 and working capital deficit of \$299,587. 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 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.

c) 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.

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.

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.

GOLDREA RESOURCES CORP.

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

Period Ended April 30, 2023 and 2022

2. Basis of preparation (continued):

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

These 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 presentation currency of the Company is Canadian dollar. The functional currency of the Company's subsidiaries is US 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.

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.

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

Period Ended April 30, 2023 and 2022

3. Significant accounting policies (continued)

c) Financial instruments (continued)

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.

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.

GOLDREA RESOURCES CORP.

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

Period Ended April 30, 2023 and 2022

3. Significant accounting policies (continued)

c) Financial instruments (continued)

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 April 30, 2023 and 2022, the Company did not have cash equivalents.

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) Equipment

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	Straight-line	over the lease term

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 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.

GOLDREA RESOURCES CORP.

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

Period Ended April 30, 2023 and 2022

3. Significant accounting policies (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;
- 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 April 30, 2023 and 2022, 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 date 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 measured at the fair value using the Black-Scholes option pricing model.

GOLDREA RESOURCES CORP.

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

Period Ended April 30, 2023 and 2022

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 other liabilities on the Company's consolidated statement of financial position, which is reversed to the statement of profit or 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 tax expense consists of current and deferred tax expense. Income tax expense is recognized in profit or loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax assets and liabilities are recognized for deferred tax consequences attributable to unused tax loss carry forwards, unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using the 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 the statement of profit or loss 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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

GOLDREA RESOURCES CORP.

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

Period Ended April 30, 2023 and 2022

3. Significant accounting policies (continued)

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 periods ended April 30, 2023 and 2022, basic loss per share is equal to dilutive loss per share.

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 are not included in net profit (loss) such as fair value movements in certain investments designated through other comprehensive income, gains or losses on certain derivative instruments and foreign currency gains or losses related to translation of the financial statements of foreign operations. During the periods ended April 30, 2023 and 2022, the Company's other comprehensive income (loss) comprises of foreign currency translation gains and losses.

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 11 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 12 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 2 for more information.

GOLDREA RESOURCES CORP.

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

Period Ended April 30, 2023 and 2022

3. Significant accounting policies (continued)

r) Lease

Effective August 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which requires leases to be reported on the statement of financial position unless certain requirements for exclusion are met. At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset over a period of time in exchange for consideration. The Company assesses whether the contract involves the use of an identified asset, whether the Company has the right to obtain substantially all of the economic benefits from the use of the asset during the term of the contract and if the Company has the right to direct the use of the asset. As a lessee, the Company recognizes a right-of-use asset, which is included in property, plant and equipment, and a lease liability at the commencement date of the lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability. A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date discounted by the interest rate implicit in the lease or, if that rate cannot be readily determined, the incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. Lease payments included in the measurement of the lease liability comprise: fixed payments; variable lease payments that depend on an index or a rate; amounts expected to be payable under any residual value guarantee, and the exercise price under any purchase option that the Company would be reasonably certain to exercise; lease payments in any optional renewal period if we are reasonably certain to exercise an extension option; and penalties for any early termination of a lease unless we are reasonably certain not to terminate early.

The Company's head office lease is treated as short-term lease by applying the practical expedients as the original lease is on monthly basis.

4. Accounting standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are not yet effective for the period ended April 30, 2023 and have not been applied in preparing these consolidated financial statements. None of these pronouncements are expected to have material impact on the Company's consolidated financial statements.

5. Accounts receivable

Accounts receivable as of April 30, 2023 and July 31, 2022 consists of:

	Apr 30, 2023	July 31, 2022
	\$	\$
GST receivables and others	5,434	3,521
Due for an officer and director (Note 7)	-	500
	5,434	4,021

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6. 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:

	April 30, 2023	July 31, 2022
Due from directors and officers of the Company	\$ 9,454	\$ -
Due to directors and officers of the Company	\$ -	\$ 1,096

Amounts due from/to officers and directors of the Company are non-interest bearing, unsecured and have no specified terms of repayment. They have arisen from the provision of services and expense reimbursements.

During the period ended April 30, 2023, consulting fees of \$85,500 (2022 - \$118,000) were recorded to directors and officers of the Company. The Company uses the home space of one officer who is also a director of the Company as the office, the Company incurred \$5,130 (2022 - \$nil) in office rent for the period ended April 30, 2023. 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 April 30, 2023 and 2022 is disclosed above. During the period ended April 30, 2023, key management received share-based payments of \$nil (2022 - \$nil). Key management personnel were not paid post-employment benefits or other long-term benefits during the period ended April 30, 2023 and 2022. (Also see Note 5)

7. Long Term Deposits

	April 30, 2023	July 31, 2022
	\$	\$
Reclamation deposits (*)	17,000	17,000
Corporate credit security deposit (*)	11,500	11,500
	28,500	28,500

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

8. Equipment

	Office equipment	Furniture and fixtures	Computer equipment	Leasehold improvements	Total
	\$	\$	\$	\$	\$
Costs					
Balance, July 31, 2021	32,111	22,108	43,237	94,909	192,365
Additions	-	-	-	-	-
Balance, July 31, 2022	32,111	22,108	43,237	94,909	192,365
Additions	-	-	-	-	-
Balance, April 30, 2023	32,111	22,108	43,237	94,909	192,365
Accumulated Depreciation					
Balance, July 31, 2021	31,409	21,678	42,043	94,909	190,039
Depreciation	104	67	270	-	441
Balance, July 31, 2022	31,513	21,745	42,313	94,909	190,480
Depreciation	90	54	208	-	352
Balance, April 30, 2023	31,603	21,799	42,521	94,909	190,832
Carrying Amounts					
July 31, 2022	598	363	924	-	1,885
April 30, 2023	508	308	716	-	1,533

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9. Exploration and evaluation assets

	July 31, 2021	Expend- itures	Write- downs	July 31, 2022	Expend- itures	Write- downs	Apr 30, 2023
	\$	\$	\$	\$	\$	\$	\$
Canada							
Cannonball Property (a) (i)							
Acquisition	1	64,750	(64,750)	1	52,500	-	52,501
Geological consulting		445,698	(445,698)	-	6,535	-	6,535
	1	510,448	(510,448)	1	59,035	-	59,036
Dixie Lake Property (a) (ii)							
Acquisition	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Link Property (a) (iii)							
Acquisition		3,500	(3,500)	-	-	-	-
Total	1	513,948	(513,948)	1	59,035	-	59,036

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 \$1,000,000.

In September 2020, the Company acquired an additional 2,269 hectares of mineral rights which adjoin the northern boundary of the Company's Cannonball Property (the "Mineral Rights"). Under the terms of this acquisition agreement, consideration for the Mineral Rights consists of \$125,000 in cash, one million shares of the Company, and a 2% net smelter return royalty (of which the Company can purchase 1.5% at a cost of \$500,000 per 0.5% of the royalty) payable over a three-year period in following manners:

- \$25,000 in cash and 500,000 shares upon execution of the agreement (cash has been paid and share has been issued in fiscal year 2021) ;
- \$50,000 in cash (paid in September 2021) and 250,000 shares (issued in November 2021) on or before the 1st anniversary of the closing date of the agreement;
- \$50,000 (paid in September 2022) in cash and 250,000 shares on or before the 2nd anniversary of the closing date of the agreement.

ii) Dixie Lake Property

In September 2020, the Company entered into an agreement to acquire a 100% interest in a gold prospect near Dixie Lake, Ontario by paying cash \$15,000 (paid in fiscal year 2021). As of April 30, 2023, the Company has let the claim lapse and will no longer have an active interest in the property.

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9. Exploration and evaluation assets (continued)

iii) Link Property

In March 2022, the Company entered into an agreement to acquire a 100% interest in a mineral tenure in Northern British Columbia, approximately one kilometer from the west side of the Company's Cannonball Property. The consideration is 100,000 common shares in the capital of the Company (issued in May 2022).

10. Convertible debentures

In September 2022, the Company issued a convertible debenture in the amount of \$50,000 bearing an annual interest of 12%, payable every three months and maturing on September 21, 2024. The holder of the debenture has the right at any time to convert the outstanding debt, in whole or in part, into common shares of the Company at \$0.03 per share. In addition, the holder of the debenture has been issued 1,000,000 common share purchase warrants. Each warrant entitles its holder to purchase one common share of the Company at \$0.05 per share during the two years following the warrant's issuance.

In November 2022, the Company issued additional two convertible debentures totaling in the amount of \$50,000 bearing an annual interest of 10%, payable every three months and maturing on the second anniversary of the issuance. The holder of the debenture has the right at any time to convert the outstanding debt, in whole or in part, into common shares of the Company at \$0.025 per share. In addition, the Company issued total 1,000,000 common share purchase warrants to the debenture holders. Each warrant entitles its holder to purchase one common share of the Company at \$0.05 per share during the two years following the warrant's issuance.

11. Share capital and reserves

a) Authorized

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

b) Issued

As at April 30, 2023, there were 81,675,443 (April 30, 2022 – 76,565,443) common shares issued and outstanding.

In August 12, 2021, the Company received \$105,000 cash proceeds relating to the private placements of 1,750,002 flow-through units at price of \$0.06 per flow-through unit. Each flow-through unit consists of one common share and one half of a share purchase warrant which entitles its holder to purchase one common share of the Company at a price of \$0.08 per share for two years from the date issuance.

In December 2021, the Company received \$85,800 cash proceeds for the issuance of 1,430,000 units relating to the private placements of flow-through units at price of \$0.06 per flow-through unit. Each flow-through unit consists of one common share and one half of a share purchase warrant which entitles its holder to purchase one common share of the Company at a price of \$0.08 per share for two years from the date issuance. The Company's Insiders have purchased 500,000 Units. The Company has allocated \$28,600 to the flow-through share premium. The Company allocated \$nil to the share purchase warrants by applying the residual approach. The Company made the renouncement during the year ended July 31, 2022.

In August 2022, the Company completed a non-brokered private placement by issuing 2,930,000 units at a price of \$0.035 per unit for gross proceeds of \$102,550. Each unit consists of one common share in the capital of the Company and one common share purchase warrant which entitles the holder to buy one common share at a price of \$0.06 per share for two years from the date of issuance. The Company also sold 400,000 flow-through units for gross proceeds of \$20,000. Each unit consists of one flow-through common share in the capital of the Company and one common share purchase warrant which entitles the holder to buy one common share at a price of \$0.08 per share for two years from the date of issuance. As at July 31, 2022, the Company received \$72,500 proceeds for these private placements.

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11. Share capital and reserves (continued)

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.

In September 2020, the Company granted 550,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of \$0.06 per share expiring in five years from the date of grant. These stock options vest immediately at the grant date.

In February 2021, the Company granted 2,000,000 stock options to its directors, officers and consultants to acquire common shares of the Company at an exercise price of \$0.06 per share expiring in five years from the date of grant. These stock options vest immediately at the grant date.

In March 2022, the Company granted 1,800,000 stock options to certain, directors, officers, employees and consultants pursuant to the Company's Stock Option Plan. The stock options have an exercise price of \$0.05 per share and an expiry date of March 17, 2027. These stock options vested immediately at the grant date.

The weighted average fair value of the options granted during the period was estimated to be \$nil (April 30, 2022 - \$0.05) per option, using the Black-Scholes options pricing model with the following assumptions:

	2022	2021
Risk-free interest rate	n/a%	2.02%
Expected dividend yield	n/a%	0%
Expected stock price volatility	n/a%	180%
Expected forfeitures	n/a%	0%
Expected option life in years	n/a years	5 years

The total share-based compensation expense for the period ended April 30, 2023 was \$nil (July 31, 2022 - \$50,790) representing general and administrative related services. Stock option transactions are summarized as follows:

	Number of options	Weighted average exercise price
Balance, outstanding and exercisable, July 31, 2021	6,950,000	0.08
Issued	1,800,000	0.06
Expired	(1,000,000)	0.10
Balance, outstanding and exercisable, July 31, 2022	7,750,000	0.07
Issued	-	0.00
Expired	-	0.00
Balance, outstanding and exercisable, April 30, 2023	7,750,000	\$0.07

The remaining contractual life for the stock options outstanding as at July 31, 2022 is 2.12 years. The following summarizes information about stock options outstanding and exercisable at April 30, 2023:

Number of share outstanding and exercisable	Expiry date	Exercise price \$
700,000	May 14, 2023	0.10
200,000	January 16, 2024	0.07
1,100,000	June 7, 2024	0.09
400,000	January 14, 2025	0.05
1,000,000	July 28, 2025	0.09
550,000	September 28, 2025	0.06
2,000,000	February 18, 2026	0.06
1,800,000	March 17, 2027	0.06

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7,750,000

11. Share capital and reserves (continued)

d) Share purchase warrants

	Number of share purchase warrants	Weighted average exercise price
Balance, July 31, 2021	21,627,467	0.07
Issued	1,590,001	0.08
Expired	(5,924,667)	0.09
Balance, July 31, 2022	17,292,801	0.07
Issued	4,330,000	0.06
Expired	(4,914,300)	0.08
Balance, April 30, 2023	16,708,501	0.06

The following table summarizes information about share purchase warrants outstanding as at April 30, 2023.

Number of Warrants	Exercise Price \$	Expiry Date
2,438,500	0.08	July 12, 2023
875,001	0.08	August 12, 2023
715,000	0.08	December 23, 2023
8,350,000	0.06	February 22, 2024
2,930,000	0.06	August 24, 2024
400,000	0.08	August 24, 2024
1,000,000	0.05	September 21, 2024
16,708,501		

12. 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:

	Apr 30, 2023		Apr 30, 2022	
Net loss for the year				
Canada	\$	142,429	\$	115,457
USA		-		-
	\$	142,429	\$	115,457
Exploration and evaluation assets				
Canada	\$	59,036	\$	470,591
USA		-		-
	\$	59,036	\$	470,591
Assets				
Canada	\$	71,286	\$	482,158
USA		39,335		39,335
	\$	110,621	\$	521,493

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13. Financial risk management

a) Categories of financial instruments

	April 30, 2023	July 31, 2022
	\$	\$
Financial assets -		
Fair value through profit and loss		
Cash and cash equivalents	5,434	35,027
Amortized cost		
Accounts receivable (excluding GST receivable)	-	4,021
Long-term deposits	28,500	28,500
	33,934	64,027
Financial liabilities – at amortized cost		
Accounts payable and accrued liabilities	208,934	171,800
Due to related parties	(9,454)	1,096
	199,480	172,896

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. The Company's long term deposits mainly consist of GICs held by bank for reclamation and corporate credit card security deposits. 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 hierarchy 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. 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 April 30, 2023, the Company has a cash and cash

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equivalent balance of \$5,434 (July 31, 2022 - \$35,027) available to settle current liabilities. Accounts payable and accrued liabilities are due within the current operating period. As at April 30, 2023, the Company had a working capital deficit of \$296,587 (July 31, 2022 – \$132,248). Management monitors the Company's contractual obligations and other expenses to ensure adequate liquidity is maintained. See note 2 for additional discussion on going concern.

(iii) Market risk

Market risk is the risk of loss that may arise from the changes in market factors such as market prices, foreign exchange rates and interest rates. The Company does not exposed to market risk.

14. 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 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 April 30, 2023. The Company is not subject to externally imposed capital requirements.

15. Subsequent event

Subsequent to period end, the Company extended the exercise term of the previously issued warrants:

(a) With respect to warrants issued on July 12, 2021, the expiry date has been extended from July 23, 2023 to July 23, 2024.

(b) With respect to warrants issued on August 12, 2021, the expiry date has been extended from August 12, 2023 to August 12, 2024.

All other terms and conditions of the warrants remain the same.