# GOLDREA RESOURCES CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended July 31, 2024 and 2023.

This management's discussion and analysis ("MD&A") was prepared as of November 28, 2024 and should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the years ended July 31, 2024 and July 31, 2023. These consolidated financial statements have been prepared using accounting policies consistent with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IFRS"). All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

**Cautionary Note Regarding Forward-Looking Information**

This document may contain "forward-looking information" within the meaning of Canadian securities legislation ("forward-looking statements"). These forward-looking statements are made as of the date of this document and Company does not intend, and does not assume any obligation, to update these forward-looking statements, except as required under applicable securities legislation.

Forward-looking statements relate to future events or future performance and reflect the Company management's expectations or beliefs regarding future events and include, but are not limited to, estimation of mineral reserves and mineral resources, the realization of mineral reserve estimates, the timing and amount of estimated future production, costs of production, capital expenditures, success of mining operations, environmental risks, unanticipated reclamation expenses, title disputes or claims and limitations on insurance coverage. In certain cases, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved" or the negative of these terms or comparable terminology. In this document, certain forward-looking statements are identified by words including "may", "future", "expected", "intends" and "estimates". By their very nature forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, risks related to actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of resources; possible variations in ore reserves, grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; as well as those factors detailed from time to time in the Company's interim and annual consolidated financial statements and management's discussion and analysis of those statements, all of which are filed and available for review under the Company's profile on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. The Company provides no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

For more information, visit the Company's website at www.goldrea.com or at www.sedar.com.

## 1.1 Overall performance

*Description of business*

Goldrea Resources Corp., ("the "Company") was incorporated under the provisions of the Business Corporations Act (British Columbia) on March 2, 1981 and is an exploration stage company engaged in the acquisition, exploration and development of mineral properties. In addition to the Company's ongoing work program on the properties, it continues to actively evaluate new potential projects. The Company is listed for trading on the Canadian Securities Exchange under the symbol "GOR". The Company is engaged in the business of exploring, acquiring, and if warranted, developing mineral properties and placing such properties into production. The Company currently holds interests in one resource property, in British Columbia – Cannonball Property. All other properties interest has lapsed. Exploration and development require significant amounts of capital and even if the funds were available, the outcome is dependent on finding sufficient quantities and grades of minerals, permitting the project, successful dealings with various stakeholder groups, constructing the processing and ancillary facilities and starting commercial production. This process takes time, and many factors including commodity prices, political and economic conditions may change affecting the viability of the projects. Priority is given to what the Company deems as the most viable and cost efficient property in the case of allocating funds to advance such properties.

*Operations, property interests and activities*

The Company's interests are in British Columbia, Canada. Mineral prospects focus on gold, copper, silver, platinum, palladium, molybdenum, and iron as the major metals of interest.

Constrained by funding, the Company conducted limited exploration activities on its Canadian properties.

A summary of the status for each property is as follows:

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 claims which adjoin the northern boundary of the Company's Cannonball Project. Under the terms of the acquisition agreement, consideration for the Property consists of $125,000 in cash ($125,000 paid as of July 31, 2023), one million shares of Goldrea (750,000 shares issued as of July 31, 2023), to be issued or paid over a three-year period and a 2% net smelter return royalty (of which the Company can purchase 1.5%).

The Company completed IP work on the Adrian Property in August and September of 2021. The results established significant targets on what is referred to as the "Juice Box." This is primarily a copper showing with what the Company's geologists feel has a high probability of a copper deposit. Detailed results can be viewed on the Company's website; www.goldrea.com. More defining of the open-ended target is planned for late summer 2022, including the Cannonball gold target on the south part of the property. Drill targets are now more defined for the advent of a drilling program. The combined Cannonball and Adrian property is now referred to a simply the Cannonball Property.

In May of 2022, the Company also acquired an undivided 100% interest in a mineral tenure in northern British Columbia. The Link Property consists of one map-designated claim cell covering 70.9 hectares, and is located approximately one kilometer from the west side of the Company's Cannonball Property.

King Property

In July 2023, the Company entered into an assignment agreement with Tana Resource Corp. ("Tana") whereby Goldrea will have the option to acquire a 50% interest in eight mineral tenures comprising 1,151 hectares, referred to as the King Property. These tenures adjoin the northwestern boundary of Goldrea's Cannonball Project, located in the heart of British Columbia's Golden Triangle. Under the term of the agreement, Goldrea will assume Tana's remaining obligations under a 50/50 joint venture agreement with Garibaldi Resources Corp. ("Garibaldi") dated October 29, 2021. These obligations include the issuance of 850,000 common shares to Garibaldi (of which 350,000 common shares of Goldrea has been issued in fiscal year 2024) and a requirement to incur $450,000 in exploration expenditures on or before October 31, 2024. On November 22, 2024, Garidaldi agreed to reduce the remaining accumulated exploration to $250,000 and extend the due date to October 29, 2026 (Note 15). In consideration for the assignment, Goldrea has issued 100,000 common shares to Tana and agreed to issue an additional 400,000 shares to Tana when the Company exercise the option to acquires a 50% interest in King property. Garibaldi has consented to the assignment.

Impairment of exploration and evaluation assets:

As at July 31, 2024, the Company has planned for a geological team to put a limited work program in place for August or September exploration depending upon ability to raise funds. The Company wrote down exploration and evaluation assets to $1.

Subsequent events

In September 2024, the Company entered into a mineral claims purchase agreement to acquire a 100% interest in two mineral tenures in the Golden Triangle of northern British Columbia. The two claim tenures adjoin the west side of Goldrea's Cannonball property. Consideration for this acquisition consists of 500,000 common shares in the capital of the Company, subject to a four-month hold period.

In November 2024, the Garibaldi agreed to reduce the remaining required exploration expenditure to $250,000 and extend the due date to October 29, 2026.

Other items

In July 2023, the Company completed a non-brokered private placement by issuing 3,600,000 units at a price of $0.025 per unit for gross proceed of $90,000. 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 $0.05 per share for three years from the date of issuance.

In June 2024, the Company completed a non-brokered private placement by issuing 10,185,667 units at a price of $0.012 per unit for gross proceed of $122,228. 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 $0.05 per share for three years from the date of issuance.

In October 2024, the Company completed a non-brokered private placement by issuing 4,700,000 units at a price of $0.014 per unit for gross proceed of $65,800. 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 $0.05 per share for three years from the date of issuance.

## 1.2 Results of operations

For the Year ended July 31, 2024, the Company recorded a net loss of $213,301 or $0.00 per share, compared to a loss of $266,837 or $0.00 per share for the Year ended July 31, 2023.

General and administrative expenses were $45,685 in the period ending July 31, 2024 (2023 – 94,360). Consulting fees were $126,000 (2023 - $130,000), shareholder communications were $6,091 (2023 - $5,322). Office and administration expenses were $9,877 (2023 - $9,276) and professional fees were $27,534 (2023 – $28,466).

## 1.3 Summary of quarterly results

| | Quarter ended July 31, 2024 | Quarter ended Apr 30, 2024 | Quarter ended Jan 31, 2023 | Quarter ended Oct 31, 2023 |
|---|---|---|---|---|
| Net income (loss) | $ (80,934) | $ (43,761) | $ (48,810) | $ (39,796) |
| Basic and diluted loss per share | $ (0.00) | $ (0.00) | $ (0.00) | $ (0.00) |

| | Quarter ended July 31, 2023 | Quarter ended Apr 30, 2023 | Quarter ended Jan 31, 2022 | Quarter ended Oct 31, 2022 |
|---|---|---|---|---|
| Net Income (loss) | $ (121,995) | $ (48,242) | $ (51,298) | $ (45,888) |
| Basic and diluted loss per share | $ (0.00) | $ (0.00) | $ (0.01) | (0.00) |

## 1.4 Liquidity and solvency

The Company had no revenue in the Year ended July 31, 2024. The Company has financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements and increasing of accounts payable. As at July 31, 2024, the Company had cash and cash equivalents of $6,825.

Cash flow from operations for the Year ended July 31, 2024 was a net cash outflow of $84,403, compared to $227,195 in the same period a year ago.

Investing activities were an outflow of $nil compared to $4,560 in the same period of 2023, spent on exploration evaluation assets.

Financing activities were inflows of $83,728 due primarily to private placements offset by the redemption of security deposits compared to a private placement and the issuance of convertible debentures of $204,228 in the prior year.

As at July 31, 2024, the Company had unrestricted cash of $6,825. The Company's current assets were $6,825 and total current liabilities were $312,734. The financial statements have been prepared assuming the Company will continue on a going concern basis. The Company has incurred losses since inception. The Company has insufficient cash resources to meet its planned expenditures and is in the process of seeking additional financing. As at July 31, 2024, the Company has a working capital deficit of $305,909. The ability of the Company to continue as a going concern depends upon its ability to raise adequate financing to pursue its business objectives and develop profitable operations. There can be no assurance that the Company will be able to continue to raise funds, in which case, the Company may be unable to meet its obligations. These conditions raise substantial doubt about the Company's ability to continue as a going concern. These 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 the financial statements.

## 1.5 Capital resources

As at July 31, 2024, the Company had 5,750,000 outstanding stock options and 20,088,001 outstanding warrants.

## 1.6 Off-balance sheet arrangements

As of the report date, the Company has no material off-balance sheet arrangements.

## 1.7 Transactions with related parties

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. Related party balances are as follows:

| | | **July 31, 2024** | | July 31, 2023 |
|---|---|---|---|---|
| Due from directors and officers of the Company | $ | - | $ | - |
| Due to directors and officers of the Company | $ | **104,789** | $ | **10,256** |

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

During the Year ended July 31, 2024, consulting fees of $114,000 (2023 - $116,000) were charged by the 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 $6,840 (2023 - $6,840) in office rent for the year ended July 31, 2024. 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 years ended July 31, 2024 and 2023 is disclosed above. Key management personnel were not paid post-employment benefits or other long-term benefits during the years ended July 31, 2024 and 2023.

## 1.8 Proposed transactions

None

## 1.9 Recent Accounting Pronouncements

A number of new standards, amendments to standards and interpretations are not yet effective for the Year ended July 31, 2024 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.

## 1.11 Risks and uncertainties

The exploration and development of mineral properties are highly speculative activities and are subject to significant risks, including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but from finding mineral deposits which, though present, are insufficient in size to return a profit from production. The Company's ability to realize on its investments in exploration projects is dependent upon a number of factors; including management's ability to continue to raise the financing necessary to complete the exploration and development of those projects and the existence of economically-recoverable reserves within the projects.

At the present time the Company does not hold any interest in a mining property in commercial production. The Company has incurred net losses since inception, and has limited financial resources and no positive mineral operating cash flow. No assurance can be given that additional funding will be available for further exploration and development of the Company's projects or to fulfill the Company's obligations under any applicable agreements. Other uncertainties include currency and metal price fluctuations, permits and licences, environmental regulatory requirement changes, mineralization estimates, and political risks.

Competitive industry

Mining industry is intensely competitive, and the company will compete with other companies that have far greater resources.

Fluctuating metal and share prices

Factors beyond the control of the Company may affect the marketability of gold, copper, or any other metals or minerals discovered. Commodity prices fluctuate widely and are affected by numerous factors beyond the Company's control whose effect cannot accurately be predicted.

In recent periods, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploratory and development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying assets values or prospects of such companies. There can be no assurance that continual and extreme fluctuations in price will not occur.

Permits and licences

The operations of the Company will require licences and permits from various governmental authorities, which have been applied for and/or will be applied for at the proper time. There can, however, be no assurance that the Company will be able to obtain all necessary licences and permits required to carry out exploration, development and mining operations of its projects.

Environmental regulation

The operations of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions or various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments. Environmental legislation is evolving in a manner which means stricter standards, and enforcement, fines and penalties for non-compliance are becoming more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of future operations. The Company may become subject to liability for pollutions or hazards against which it cannot insure or again which it may elect not to insure where premium costs are disproportionate to the Company's perception of the relevant risks. The payment of such insurance premiums and of such liabilities would reduce the funds available for exploration and production activities.

Estimates of mineral resources may not be realized

The mineral resource estimates published from time to time by the Company with respect to its properties are estimates only and no assurance can be given that any particular level of recovery of minerals will in fact be realized or that an identified resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization ultimately mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations, inaccurate or incorrect geologic, metallurgical or engineering work, and work interruptions, among other things. Short-term factors, such as the need for orderly development of deposits or the processing of new or different grades, may have an adverse effect on mining operations or the results of operations. There can be no assurance that minerals recovered in small-scale laboratory tests will be duplicated in large-scale tests under on-site conditions or in production scale operations. Material changes in resources, grades, stripping ratios or recovery rates may affect the economic viability of projects. The estimated resources described herein should not be interpreted as assurances of mine life or of the profitability of future operations. The Company has engaged expert independent technical consultants to advise it with respect to mineral resources and project engineering, among other things. The Company believes that those experts are competent and that they have carried out their work in accordance with all internationally recognized industry standards. However, if the work conducted by those experts is ultimately found to be incorrect or inadequate in any material respect, the Company may experience delays and increased costs in developing its properties.

Dependence on key personnel

The Company is dependent on the services of its senior management, including James Elbert, its President and Chief Executive Officer, and a small number of other skilled and experienced employees and consultants. The loss of any such individuals could have a material adverse effect on the Company's operations.

COVID-19

The COVID-19 pandemic has not resulted in any material impact on operations and the Company currently does not expect it will impact its 2023 operations. Preventative measures are in place to ensure the well-being of employees and contractors and no risks were noted at the end of the interim reporting period. Management continues to monitor the situation at the site and corporate office to identify any issues that may affect operational or financial reporting activities.

The following are the risks related to the Company's financial instruments:

a. 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.

b. 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 July 31, 2024, the Company has a cash and cash equivalent balance of $6,825 (July 31, 2023 - $7,500) available to settle current liabilities. Accounts payable and accrued liabilities are due within the current operating period. As at July 31, 2024, the Company had a working capital deficit of $305,909 (July 31, 2023 – $235,934). 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.

c. 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 expose to market risk.

## 1.12 **Outstanding share data**

As of the report date, the Company has 100,611,110 common shares outstanding. The Company also has 5,750,000 options and 19,485,667 outstanding warrants. On a fully diluted basis, therefore, the Company has 125,846,777 common shares outstanding.

## 1.12 **Approval**

The Board of Directors of the Company has approved this Management Discussion and Analysis on November 28, 2024. Additional information is available on the Company's website, www.goldrea.com, or on the SEDAR website, www.sedar.com.