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INCORPORATED AS PART OF:

Schedule A

    X     Schedules B and C

ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT YY/MM/DD
Goldrea Resources Corp. (Formerly Verdstone Gold Corporation)	October 31, 2002	2002/12/30

ISSUER'S ADDRESS

#2A – 15782 Marine Drive

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
White Rock	BC	V4B 1E6	(604) 531-9634	(604) 531-9639
CONTACT PERSON		CONTACT'S POSITION		CONTACT TELEPHONE NO.
Teresa Piorun		Executive Administrator		(604) 531-9639
CONTACT EMAIL ADDRESS			WEB SITE ADDRESS	
Info@goldrea.com			<a href="http://WWW.goldrea.com">WWW.goldrea.com</a>	

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
"Larry W. Reaugh"	Larry W. Reaugh	2002/12/30
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
"John Chapman"	John Chapman	2002/12/30

**GOLDREA RESOURCES CORP.***(Formerly Verdstone Gold Corporation)***SCHEDULE B: SUPPLEMENTARY INFORMATION**

For the Quarter Ended October 31, 2002

**1. Analysis of expenses and deferred costs**

General and Administrative expenses totalled \$59,624 for the quarter and are detailed in the “*Consolidated Statements of Operations and Deficit*”.

Deferred exploration and development expenditures totalled \$173,796 during the quarter, which includes 199,000 shares issued for deemed proceeds of \$60,700 for property acquisitions. The total exploration and development expenditures include \$25,723 received for option payments for the BX/Eskay Creek property agreement. A breakdown of these expenditures and write-offs are detailed on the “*Consolidated Statements of Mineral Property Costs*” as at October 31, 2002.

**2. Related Party Transactions**

Aggregate amount of expenditures made to parties not at arm’s length: The Company’s President charged \$10,500 for management fees during the period. Also during the period, a company owned by a director was paid \$101 for accounting fees, and an officer was paid \$3,600 for consulting fees.

**3. Securities Issued and Options Granted**

a) Summary of securities issued during the period:

<u>Date of Issue</u>	<u>Units</u>	<u>Security</u>	<u>Type of Issuance</u>	<u>Price</u>	<u>Consideration</u>	<u>Proceeds</u>
Aug. 23/02	99,000	Common	For Property	\$0.30 (Deemed)	Property	\$29,700
Oct. 2/02	100,000	Common	For Property	\$0.31 (Deemed)	Property	\$31,000
Oct. 17/02	248,000	Common	Private Placement – Flow Through	\$0.30	Cash	\$74,400

b) Summary of options granted during the period:

NIL

**4. Share Capital as at the end of the quarter**

a) Authorized share capital: 100,000,000 common shares without par value

b) Shares issued and outstanding: 6,678,561 common shares

c) Summary of options, warrants and convertible securities outstanding:

<u>Description</u>	<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Options	447,000	\$0.31	May 24, 2007
Warrants	49,000	\$1.20	August 29, 2003
Warrants	500,000	\$0.10/\$0.20	April 19, 2003/04
Warrants	1,431,760	\$0.20/\$0.25	June 4, 2003/04
Warrants	248,000	\$0.30/\$0.35	Oct. 17, 2003/2004

**GOLDREA RESOURCES CORP.**

*(Formerly Verdstone Gold Corporation)*

**SCHEDULE B: SUPPLEMENTARY INFORMATION**

For the Quarter Ended October 31, 2002

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4. **Share Capital as at the end of the quarter, continued**

- d) Number of common shares held in escrow: Nil
- Number of common shares subject to pooling: Nil

5. **Directors and Officers as at December 30, 2002:**

Larry Reaugh - President & C.E.O., and Director  
John Chapman - Director  
Hugh Squair - Director  
Peter G. Rook-Green – Chief Financial Officer

William Pfaffenberger – Director  
David Madill – Director  
Teresa Piorun – Corporate Secretary



**DESCRIPTION OF BUSINESS**

The Company is engaged in the business of exploring, acquiring, and if warranted, developing mining properties and placing such properties into production. The Company currently holds interests in resource properties in Canada and intends to seek and acquire additional properties worthy of exploration and development.

**DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION**

During the quarter ended October 31, 2002, the Company incurred a net loss of \$59,624 or \$0.001 per share. General and Administrative expenses totalled \$59,624 for the quarter. Exploration expenditures, net of recoveries and option proceeds, amounted to \$173,796 during the period, this amount includes \$60,700 for 199,000 shares issued for property acquisitions.

For the current quarter compared to the prior three month period, the Company recorded a loss of \$59,624 compared to \$24,864, in the quarter ended July 31, 2002. Expenses were \$59,624 for the current quarter compared to \$63,058 for the prior quarter, an increase of \$3,434. Increased costs were incurred for Advertising and promotion (\$15,450); professional fees (\$13,222) and Filing and Trust fees (\$10,000), relating to the annual audit of the financial statements, changing to new auditors, Annual General Meeting, share consolidation, and related matters. Office rent of \$300 was recorded in the current quarter, compared to \$600 in the previous quarter, as a result of settlement of new rent charges. Equipment lease decreased during the current quarter by \$1,080 as a result of the Company buying out the lease agreements at July 31, 2002. Consulting fees increased for the quarter, due to an adjustment at year-end of consulting fee expense during the prior quarter.

During the current quarter, the Company received option payments for the BX/Eskay Creek properties totalling \$25,723.

The Company had working capital of \$97,443 at October 31, 2002.

During the prior fiscal year, the Company consolidated its share capital on a one for ten basis. As part of the Company's reorganization the Company also changed its name to "Goldrea Resources Corp."

During the period, the company conducted a flow-through private placement consisting of 248,000 units at \$0.30 per unit. Each unit consisted of one common share and a two-year share purchase warrant to acquire an additional share for \$0.30 in the first year and at \$0.35 in the second year.

**RELATED PARTY TRANSACTIONS**

Aggregate amount of expenditures made to parties not at arm's length: The Company's President charged \$10,500 for management fees during the period. An officer charged \$101 for accounting and related fees; and an officer charged \$3,600 for consulting fees during the quarter.

**INVESTOR RELATIONS ACTIVITIES**

During the period, the Company has retained NCM Management Inc. to provide the Company with financial media and investor relations for twelve (12) months. The remuneration will be \$5,000 per month and a stock option was granted in the prior quarter for 95,000 shares at \$0.31 per share.

**OPERATIONS**

The Company's interests are mainly in British Columbia. Mineral prospects focus on molybdenum, base metals, platinum, palladium, silver and gold as the major metals of interest. Because of lackluster interest in mineral exploration and in particular for exploration in BC the prospects have remained, for the most part, inactive during the past three years.

**Eskay Creek/BX Property (Bob Quinn Lake, BC)**

During the current quarter the Company acquired by staking an interest in 32 gold claims located in the Liard Mining Division in British Columbia.

The Company entered into an agreement with Parkside 2000 Resources ("Parkside), for Parkside to explore and develop the 36 unit, BX 1-2 claims, located in the Liard mining division, 48 kilometres southwest of Bob Quinn Lake, B.C. The property is situated approximately midway between the Snip and Eskay Creek mines, and is bordered on the west by Snippaker Creek. The claims are 100% owned by the Company. Past exploration consisting of extensive geophysics, geochemistry, geological mapping and trenching was carried out by various major and junior mining companies from 1963 to 1995.

**OPERATIONS, *continued***

**Eskay Creek/BX Property (Bob Quinn Lake, BC), *continued***

Under the terms of the option, Parkside may earn a 50% interest over a five-year option period. To earn the 50% interest, Parkside must make total payments of \$100,000, total share issuance of 450,000 shares and total work commitment of \$1.1million. In September 2002, the Company received 50,000 Parkside shares.

Through October 2002, approximately \$150,000 was expended on staking, mapping, rock and soil sampling and 645 feet of diamond drilling in nine holes. The property was increased from 1750 acres to 10,300 acres by staking additional showings at the existing claims. The results of the diamond drilling were inconclusive, as most of the drill holes did not penetrate through the leached out oxide zones on the property.

**Howell and Crowsnest Projects (Fort Steele Mining Division, near Fernie, BC)**

Eastfield Resources Corp. ("Eastfield") and the Company entered into an option agreement for the Company to explore and develop the Crowsnest and Howell gold projects located in the Fort Steele Mining Division, 50 kilometres south of Fernie, in southeastern British Columbia. The two properties encompass 267 claim units (15,900 acres) and are essentially contiguous. They are 100% owned by Eastfield subject to separate underlying agreements: Crowsnest from an agreement with a private corporation and Howell from an agreement with Placer Dome Limited and Teck Cominco Mines Limited.

Both the Crowsnest and Howell properties cover extensive gold anomalies related to cretaceous syenite intrusive bodies occurring in Paleozoic sediments (largely limestone).

Under the terms of the option, the Company may earn a 55% interest in one or both of the properties.

The five-year option conveys rights on both properties for the first two years in return for payments of \$35,000; issuance of 140,000 shares, and work commitments totalling \$300,000; and then allows the Company to continue with one or both properties at its discretion. To earn a 55% interest in either Crowsnest or Howell, the Company must make total payments of a further \$100,000; make further share issuances of 200,000 shares and make additional work commitments of \$1,100,000 over the next three years of the agreement term. In total, To earn a 55% interest on both properties, the Company must make total payments of \$235,000, total issuances of 540,000 shares and total work commitments of \$2,500,000 over the term. The initial share issuance of 90,000 shares occurred during the period and a first year work commitment of \$150,000 has been set. The Company is also responsible for a finder's fee equal to 10% of the first two-year's property payments and exploration expenditures. (9,000 shares issued during the period)

On the Howell project expenditures to October, 2002 were approximately \$100,000. Positive results were obtained on the second phase exploration program entailing, airborne geophysics and a three-hole diamond drilling program. From the three holes drilled two returned assays of .85 grams gold per ton over 100 and 168 ft which includes 90 feet in excess of 1.0 gr/ton gold.

On the Crowsnest Property, The Company was successful in locating the alteration zone during the building of the drill road where Drill Hole No. 3 cut in excess of 100 feet of intense alteration in limestone and syenites. The zone proved to be intermittently mineralized with gold (1.0-2.0 gr/ton) but failed to encounter grades similar to the trench. Additional drilling has tentatively identified a strike of 305° for the zone. Much more ground work will have to be conducted in order to establish drill sites along the zone with the major target being to identify areas of bonanza type gold similar to the trench along the zone. To October, 2002, approximately \$115,000 was spent on exploration.

**Dobbin Palladium-Platinum Prospect (White Rock Mountain, BC)**

The Company conducted additional trenching and sampling on the Dobbin property which is located at Tadpole Lake near White Rock Mountain just west of Kelowna, B.C. Three additional trenching samples on the Kenny 2000 breccia zone returned results for Platinum of 0.12 to 0.335 g/t; Palladium of 0.064 to 0.282 g/t, and Copper of 0.100 to 0.154 %, over widths of three metres. Additional work such as detailed mapping and sampling is planned to extend the strike length of the new discovered well-mineralized Kenny zone.

Platinum and palladium prices remain high as the uncertainty of supply from the traditional sources (Russia) continues to overshadow the markets. The Dobbin property is a significant new discovery of platinum-palladium mineralization in British Columbia.

**OPERATIONS, *continued***

**Goldchain Claims, Mojave County, Arizona, U.S.A.**

The Company entered into an agreement with two individuals to purchase the Goldchain group of eight claims located in Mojave County, Arizona. Under the terms of the agreement the Company has purchased a 100% interest in the property for \$5,000 and issuance of 100,000 shares to the two individuals. A limited exploration program is planned to go forward by mid-January.

**SUBSEQUENT EVENTS**

Subsequent to October 31, 2002, the Company:

- a) Announced, and received regulatory approval, to conduct a private placement consisting of 207,000 units at \$0.27 per unit. Each unit consists of one common share and a two-year share purchase warrant to acquire an additional share for \$0.27 in the first year and at \$0.31 in the second year.
- b) Announced that, subject to regulatory approval, it would conduct a brokered private placement by issuance of up to two million units at a price of \$0.20 per unit. Each unit will consist of one common share and one share purchase warrant. Each warrant will entitle the holder to acquire an additional common share for \$0.24 per share for a period of 18 months from the closing date of the private placement. The broker will receive an 8% commission, of which the agent may elect to take half in units, and will also receive agent's warrants, equal to 20 percent of the units placed, exercisable at \$0.24 for 18 months. The broker will also receive a \$12,500 administration fee and a corporate finance fee of 20,000 shares.
- c) Announced that it would conduct a private placement, subject to regulatory approval, consisting of 311,160 units at \$0.20 per unit. Each unit consists of one common share and a two-year share purchase warrant to acquire an additional share for \$0.24 for the two years period.
- d) Announced that, subject to regulatory approval, it would conduct a flow-through private placement of up to 300,000 units (increased to 620,000 units) at a price of \$0.25 per unit. Each unit comprises one common share of the company plus a two year share purchase warrant entitling the holder to purchase one common share at \$0.30 per share for two years from the date of issue. Proceeds are to be used toward exploration and development. A finders' fee of 30,000 shares will be issued to a non-arms length company.
- e) Negotiated a private placement of up to 311,160 units at a price of \$0.20 per unit. Each unit comprises one common share and a share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at \$0.24 per share for two years from the date of issue.

**LIQUIDITY AND SOLVENCY**

Cash flow from operations for the three months ending October 31, 2002, after allowing for changes in non-capital working items was a use of funds of 15,439, compared to cash provided of \$14,198 for the quarter ended July 31. Cash flows from investing activities were a use of funds of \$118,596 for the October 31 quarter, compared to a use of funds of \$69,312 for the July quarter, and cash flows from financing activities was \$67,924 for the October quarter, compared to \$121,721 for the July quarter. At October 31, 2002, the company's cash position was \$882, compared to \$66,993 at July 31.

The financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and had a net working capital deficiency of \$97,443 at October 31, 2002. The ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to raise adequate financing to eliminate its working capital deficiency.

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. Should the Company be unable to realize on its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheet.