



## FOR IMMEDIATE RELEASE

# PRODUCTION BEGINS AT THE GOLDEN ROSE; PROBABLE MINERAL RESERVE ESTIMATE COMPLETED; LUDI JOINT VENTURE GETS MOC APPROVAL

*August 28, 2008 - Vancouver, British Columbia*

Goldrea Resources Corp. (TSX.V-GOR; Frankfurt-GOJ, Pinksheets-GORAF) reports the commencement of production and lateral access at the Golden Rose Mine and 3,150 tonnes of material has been stock piled. This work will continue until 20,000 tonnes has been made available for the first batch of ore to be run through the Daye Mill.

The company has received its updated NI 43-101 qualifying, Mineral Resource Estimate, and Preliminary Economic Analysis, from its consultant N. Tribe & Associates Ltd. The estimate is in the Indicated Mineral Resource category, and is estimated at 2.67 Million tonnes at a grade of 2.03 grams per tonne with a US\$20.26 per tonne cutoff. This equates to US\$52.21 per tonne of contained gold at US\$800/ounce. With an 84% recovery, the value of the ore is US\$43.86 per tonne recovered. The cut-off grade is based on contracted mining and milling costs. These contracts are in place and have been used to calculate costs of production. The recovery factor is based on actual recoveries experienced at the Daye Mill, which is the mill that will be used to treat this production. The Indicated Mineral Resource is blocked out based on projecting the mineralization 50 meters from the drill hole or half way to the nearest hole whichever is less, along recognized geologic structure. Dilution grade has been measured by averaging all assays on both sides of the reserve blocks. The average grade of material adjacent to the reserve blocks is 0.31 grams per tonne. A total of 169 diamond drill holes for a total of 50,115 meters of drilling were used in this calculation and a total of more than 7,500 assays were completed. Initially samples were sent to the IGGE laboratory in Shandong where traditional AAS analytical methods were used and checks done at ALS Chemex in North Vancouver. Later assays were done by the 3<sup>rd</sup> Brigade Laboratory in Yantai, using a four acid leach and titration analysis with checks done at IGGE. A total of 845 check assays were done. These show a slight bias of 8.1% on the low side at the 3<sup>rd</sup> Brigade Laboratory using the titration method. The Anecdotal evidence indicates that production grades are usually better than drill indicated grades due to the nugget effect. No accurate measurements are available to support this supposition.

An Internal Rate of Return of 25.5% for \$750 gold was calculated based on an expenditure to-date of US\$5.172 Million. A Net Present Value ("NPV") for the exploitation of the deposit was calculated at US\$3.792 Million. An Internal Rate of Return is 35.6% for \$800 gold, and 50.2% for \$900 gold. The NPV at \$800 gold is calculated to be \$6.77 Million and for \$900 gold is calculated to be \$12.73 Million.

Mineral Resource estimates that are not Mineral Reserves, do not have demonstrated economic viability.

Exploration fill-in drilling is nearing completion with holes sufficiently close spaced to satisfy the Chinese Shandong Provincial Government authorities that the information collected is adequate to warrant the issuance of a mining license. Three hydrology holes are required as part of the information required by the government. These are being drilled at this time.

Recent significant drill intercepts intersected are listed in the table below. The drill holes intersect the structure at right angles hence the intervals are considered true widths. The assays were done by the 3<sup>rd</sup> Brigade Assay laboratory in Yantai, using a four acid leach and a titration analytical method.

<b>SIGNIFICANT DRILL INTERCEPTS</b>				
HOLE NO.	DEPTH	DEPTH	INTERVAL	GOLD
	FROM	TO	METERS	ASSAY
GZK758	519.81	520.66	0.85	1.40
GZK758	526.96	527.86	0.90	1.23
GZK758	528.61	530.81	2.20	1.91
GZK768	445.23	445.63	0.40	5.53
GZK768	267.49	268.29	0.80	1.47
GZK615	88.11	90.13	2.02	1.02
GZK615	96.68	98.28	1.60	0.93
GZK615	99.18	99.98	0.80	1.40
GZK615	103.26	104.36	1.10	1.62
GKZ765	435.57	436.62	1.05	1.68
GZK880	497.55	498.60	1.05	1.38
GZK880	503.35	504.35	1.00	3.66
GZK779	503.24	503.94	0.70	1.07
GZK780	461.26	462.26	1.00	1.35
GZK607	132.84	133.84	1.00	1.22
GZK782	556.48	559.19	2.71	1.36
GZK634	231.45	233.15	1.70	2.47
GZK608	142.06	143.31	1.25	1.00
GZK609	123.83	124.58	0.75	2.55
GZK635	228.83	229.98	1.15	3.59
GZK772	545.00	546.10	1.10	0.90

A new shaft, to be named the "Golden Dragon Shaft", will be collared just east of the Dongjingkou Zone as defined by the exploration drilling. The recommended location is at 4106900N, 40612000E. Work will begin when the crews are available from the "Golden Rose Shaft" infrastructure installation. Land acquisition agreements with the local farmers have been sorted out and work can begin as soon as design work is completed. This shaft will provide access to the Dongjingkou Zone mineralization at a depth of  $\pm 290$  meters.

### **Ludi Joint Venture**

The Goldrea - 3<sup>rd</sup> Brigade, Ludi Joint Venture agreement has been ratified by the Central Government. In order to complete this transaction the Chinese government required Goldrea to reduce its earn-in to 64% from 70%. The Company may eventually earn 90% as it is expected that the 3<sup>rd</sup> Brigade will not contribute their 36% of exploration expenditures under the contract. The Ludi Exploration licenses which make up the Ludi Joint Venture cover much of the basin to the south of the Rushan Goldrea Gold Inc J.V. Exploration licenses. The basal contact of this basin is the host for the gold at Daye and other mines in this part of Rushan County. The finalization of this agreement offers an opportunity to explore the downward extensions of the existing ore bodies in the Daye Mine area and to continue with this exploration right across the basin. There are gold showings on the south and east side of the basin and the Company considers this a major exploration target.

The Company continues to aggressively pursue the Daye Mine & Mill acquisition.

This press release has been reviewed by Norman L. Tribe, P. Eng., a qualified person under NI 43-101.

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