



Gold Digger Resources Inc.

Management Discussion and Analysis

For the year ended December 31, 2023

Introduction

This Management's Discussion and Analysis ("MD&A") is dated February 20, 2024, unless otherwise indicated and should be read in conjunction with the audited financial statements for the year ended December 31, 2022, and the related notes thereto. This MD&A was written to comply with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. Results are reported in Canadian dollars, unless otherwise noted. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results presented for the for the year ended December 31, 2023 are not necessarily indicative of the results that may be expected for any future period.

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board and interpretations issued by the IFRS Interpretations Committee.

Additional information related to the Company is available for view on SEDAR+ at www.sedarplus.ca.

Cautionary Note Regarding Forward-Looking Information

This MD&A contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). These statements relate to future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates" or "believes", or variations of, or the negatives of, such words and phrases, or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. The forward-looking statements in this MD&A speak only as of the date of this MD&A or as of the date specified in such statement.

Inherent in forward-looking statements are risks, uncertainties and other factors beyond the Company's ability to predict or control. Please also make reference to those risk factors referenced in the "Risk Factors" section below. Readers are cautioned that such risk factors, uncertainties and other factors are not exhaustive. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A.

Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those anticipated in such forward-looking statements. Specifically, this MD&A includes, but is not limited to, forward-looking statements regarding: the Company's ability to meet its working capital needs at the current level for the next twelve-month period; management's outlook regarding future trends; sensitivity analysis on financial instruments, which may vary from amounts disclosed; completion of the Transaction (defined below); and general business and economic conditions.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements, whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.



The Company

Gold Digger Resources Inc. (the “**Company**” or “**Gold Digger**”), was incorporated in Canada under the Business Corporations Act (British Columbia) on July 16, 2021 and carries on business in one segment, being the acquisition, exploration and development of mineral properties. The Company’s registered and head office is located at 595 Howe St Floor 10th Vancouver BC V6C 2T5. The Company commenced trading of its common shares October 9, 2023 on the OTCQB Venture Market (“OTCQB”) in the United States operated by the OTC Markets Group Inc., under the ticker symbol GDIGF

Gold Digger is a mineral resources exploration company.

On November 2, 2022, the Company announced that it closed its initial public offering (the “Offering”) of an aggregate of 3,000,000 common shares of the Company (the “Common Shares”) at a price of \$0.25 per Common Share (the “Offering Price”) for aggregate gross proceeds of approximately \$750,000. Pursuant to an agency agreement dated August 9, 2022, Leede Jones Gable Inc. (the “Agent”) acted as agent on a commercially reasonable efforts basis in respect of the Offering and received a cash commission in the amount of \$67,500 and a corporate finance fee in consideration for its services. In addition, the Company issued to the Agent and certain of its sub-agents an aggregate of 270,000 non-transferable agent’s options to purchase Common Shares (the “Agent’s Options”). Each Agent’s Option is exercisable until November 2, 2024 at an exercise price of \$0.25 per Common Share. Proceeds of the Offering will be applied to finance the Company’s exploration work and for working capital purposes. The Company also received approval of its application to list its Common Shares on the Canadian Securities Exchange (the “Exchange”). The Company’s Common Shares were listed on the Exchange on November 1, 2022 and commenced trading on the Exchange on November 3, 2022 under the trading symbol “GDIG”.

The Company is party to an option agreement dated July 23, 2021, pursuant to which the Company has the right to acquire a 100% interest in the Regnault Property (the “Project”) under the following terms:

- 1) The Company shall make a cash payment of \$25,000 30 days after signing the agreement (paid);
- 2) Issue of 1,200,000 common shares to the Optionor on or before the Company’s shares are listed on a stock exchange (issued);
- 3) If the Company exercises the option and acquires 100% interest in the Project, the Optionor is entitled to a 2% Net Smelter Returns royalty, payable upon the commencement of commercial production. The Company will have the right to purchase a 1% Net Smelter Returns royalty upon a payment of \$2,000,000 to the optionor.

Regnault Project – Consists of 71 contiguous mineral claims covering an area of approximately 23,678 Ha located north-northeast of Chibougamau in the Province of Québec.

Property Location – The Regnault Property is located roughly 130 km north-northeast of Chibougamau, Québec, Canada, in the Baie James Area within NTS Map Sheets 32O01, 32J16, 32P04, centred at roughly 51°03N by 74°05W and covering an approximate area of 3,678 ha. It can be accessed by either helicopter or float plane from the airport in Chibougamau which is serviced by commercial airlines; the Regnault Property is 409 km by road from Val d’Or, Québec; 695 km by road from Montreal.

The Regnault Property comprises an early-stage exploration project of merit which supports further exploration. In addition to the historical work conducted on the Regnault Property, the regional-scale mapping and recent geophysical survey have provided a baseline of information which can be used to target potential mineralization on the Regnault Property. Follow-up geochemical sampling is lacking and, therefore, drilling targets have not been identified yet. Systematic mineral exploration is required across the Regnault Property to identify any mineral potential that may be hosted on the Regnault Property. A property-wide geochemical sampling program is currently in the planning stages.



Based on the geophysics and available Regnault Property information, the following findings are noteworthy:

- The regional geophysical magnetic anomaly is consistent with the trend and pattern of the geophysical anomaly identified by the 2021 magnetic gradient survey on the Regnault Property.
- The regional geological map suggests favourable contacts between intrusive and greenstone lithologies; these are possible contacts for potential mineralization and follow the disposition of the magnetic anomaly.
- The Regnault Property is believed to have a favourable geological setting for greenstone vein-hosted style deposits.
- The mineral claims on the Regnault Property are in good standing and are situated in a very accessible and stable socio-economic jurisdiction which is supportive of mining and exploration activities.
- The Regnault Property is easily accessible by helicopter or float plane.
- There are currently no known factors that could impede future exploration programs or project development, with the exception of the surface rights (Note: Surface rights are not included with mineral claims in Québec).

Because this is an early-stage, grassroots exploration project, there is always the risk that the proposed work may not result in the discovery of an economically viable deposit.

During the year ended December 31, 2023, the Company expensed costs for the renewal of the Regnault claim.

SELECTED ANNUAL INFORMATION

| | 2023 | 2022 | 2021 (i) |
|---|-------------|-------------|-----------------|
| | \$ | \$ | \$ |
| Revenue | - | - | - |
| Expenses | 243,587 | 583,524 | 205,768 |
| Net loss and comprehensive loss for the year | (243,587) | (583,524) | (205,768) |
| Basic and fully diluted loss per share | (0.02) | (0.06) | (0.02) |
| Cash flows from operating activities | (249,571) | (221,154) | (212,103) |
| Cash flows from financing activities | - | 553,140 | 477,192 |
| Increase in cash in year | (249,571) | 331,986 | 265,089 |
| As at December 31, | 2023 | 2022 | 2021 |
| Total Assets | 377,946 | 620,917 | 281,126 |
| Total long-term financial liabilities | Nil | Nil | Nil |
| Cash dividends declared for all classes of shares | Nil | Nil | Nil |

(i) For the period from incorporation (July 16, 2021) to December 31, 2021



SELECTED QUARTERLY INFORMATION

Summary of Quarterly Results – in accordance with IFRS

| | Quarter ended December 31, 2023 | Quarter ended September 30, 2023 | Quarter ended June 30, 2023 | Quarter ended March 31, 2023 |
|--------------------------------------|---------------------------------|----------------------------------|-----------------------------|------------------------------|
| Total Assets | \$ 377,946 | \$ 427,257 | \$ 523,751 | \$ 581,280 |
| Total Revenues | Nil | Nil | Nil | Nil |
| Total Expenses | \$64,515 | \$76,923 | \$63,155 | \$38,994 |
| Net Loss | (\$64,515) | (\$76,923) | (\$63,155) | (\$38,994) |
| Basic and diluted net loss per share | (\$0.01) | (\$0.01) | (\$0.00) | (\$0.00) |

| | Quarter ended December 31, 2022 | Quarter ended September 30, 2022 | Quarter ended September 30, 2022 | Quarter ended March 31, 2022 |
|--------------------------------------|---------------------------------|----------------------------------|----------------------------------|------------------------------|
| Total Assets | \$ 620,917 | \$155,432 | \$176,608 | \$263,884 |
| Total Revenues | Nil | Nil | Nil | Nil |
| Total Expenses | \$293,037 | \$145,863 | \$88,944 | \$55,680 |
| Net Loss | (\$293,037) | (\$145,863) | (\$88,944) | (\$55,680) |
| Basic and diluted net loss per share | (\$0.03) | (\$0.01) | (\$0.01) | (\$0.01) |

Results of Operations

| | 2023 | 2022 |
|---|---------------------|---------------------|
| Expenses | | |
| General and corporate (i) | \$ 222,778 | \$ 213,353 |
| Share based payments (ii) | 15,250 | 55,342 |
| Exploration expenses (iii) | 5,559 | 314,829 |
| Net loss and comprehensive loss for the period | \$ (243,587) | \$ (583,524) |

(i) Breakdown of General and Corporate are as follows:

| | 2023 | 2022 |
|----------------------------|-------------------|-------------------|
| Management compensation | \$ 96,000 | \$ 56,000 |
| Consulting fees | 36,364 | 38,413 |
| Legal and audit | 47,360 | 67,895 |
| Administrative and general | 13,738 | 22,755 |
| Regulatory | 29,316 | 28,290 |
| | \$ 222,778 | \$ 213,353 |



(ii) The exploration expenses on the Project are as follows:

| | 2023 | 2022 |
|------------------|-----------------|------------------|
| Reporting | \$ - | \$ 14,829 |
| Options payments | - | 300,000 |
| Claim renewal | 5,559 | - |
| | \$ 5,559 | \$ 14,829 |

Liquidity and Capital Resources

As at December 31, 2023 the Company had cash of \$347,504 (December 31, 2022 - \$597,075) and a working capital of \$368,045 (December 31, 2022 - \$596,382).

For the year ended December 31, 2023, the Company used \$249,571 cash for operating expenses compared to \$221,154 for the same period in 2022.

The Company had no cash from or used in financing and investing activities in 2023.

For the year ended December 31, 2022, the Company had \$553 140 of cash flow from financing activities as the Company closed its initial public offering for proceeds of \$750,000, less share issue costs.

At its current operating level, the Company will have sufficient funds to cover short-term operational needs. The Company expects to still operate at a loss for at minimum the next 12 months. As such, the Company will need additional financing for future costs related to corporate operations and exploration activities. There can be no guarantee that the Company will be able to secure any required financing.

The primary need for liquidity is to fund exploration programs and to maintain general corporate operations.

The Company's management continues to hold discussions on securing financing. There are no assurances that the Company will be successful in obtaining any form of financing on a timely basis or on reasonable or acceptable terms, or at all. If the Company cannot obtain financing or otherwise improve liquidity, then the Company's treasury will be depleted and it will be required to curtail all of its operations and may be required to liquidate its assets under a formal process. Failure to continue as a going concern would require that the Company's assets and liabilities be restated on a liquidation basis, which would differ from the going concern basis.

Outstanding Share Data

As at the date of this MD&A, the Company had 14,359,000 common shares, 473,290 stock options, 270,000 compensation options and 5,209,000 warrants (expiring August 2024) outstanding.

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

Compensation of key management personnel



Key management includes members of the board of directors, the Chief Executive Officer and the Chief Financial Officer. The aggregate value of transactions relating to key management personnel and entities over which they have control or significant influence were as follows for the years ended December 31, 2023 and December 31, 2022:

| | 2023 | 2022 |
|-----------------------------------|-------------------|-------------------|
| CFO Consulting fees (i) | \$ 36,000 | \$ 36,000 |
| CEO Consulting fees (ii) | 60,000 | 20,000 |
| Share based payments to directors | 15,250 | 55,342 |
| | \$ 111,250 | \$ 111,342 |

- (i) The Company was charged \$36,000 in 2023 (2022 - \$36,000) fees by CFO Advantage Inc., a Company controlled by the CFO, for management fees. As at December 31, 2023, \$nil (December 31, 2022 - \$3,150) is owing and included in accounts payable.
- (ii) The Company was charged \$60,000 in 2023 (2022 - \$20,000) for management fees by 2706971 Ontario Inc., a Company controlled by the CEO, for management fees. As at December 31, 2022, \$nil (December 31, 2022 - \$5,250) is owing and included in accounts payable.

Capital Management

The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders.

The Company includes equity, comprised of issued common shares, in the definition of capital.

The Company's primary objective with respect to its capital management is to ensure that it has sufficient cash resources to fund the identification and evaluation of potential acquisitions. To secure the additional capital necessary to pursue these plans, the Company may attempt to raise additional funds through the issuance of equity. The Company is not subject to any external capital restrictions.

Risks and Uncertainties

The following describes certain risks, events and uncertainties that could affect the Company and that each reader should carefully consider.

External financing may be required to fund the Company's activities primarily through the issuance of common shares. There can be no assurance that the Company will be able to obtain adequate financing. The securities of the Company should be considered a highly speculative investment.

The Company has not generated any revenues and does not expect to generate revenues in the near future. In the event that the Company generates revenues in the future, the Company intends to retain its earnings in order to finance further growth. Furthermore, the Company has not paid any dividends in the past and does not expect to pay any dividends in the foreseeable future.

See prospectus SEDAR filed on August 10, 2022 for additional risk factors.

Risk Disclosures and Fair Values

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no significant changes in the risks, objectives, policies and procedures during the year ended December 31, 2023.

**Credit risk**

The Company's credit risk is primarily attributable to cash. The Company has no significant concentration of credit risk arising from operations. Cash is held with reputable financial institutions, from which management believes the risk of loss to be remote. Management believes that the credit risk concentration with respect to these items is remote.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2023, the Company had a cash balance of \$347,504 (2022 - \$597,075) to settle current liabilities of \$9,901 (2022 - \$24,535).

Market risk**(a) Interest rate risk**

The Company has cash balances and no long-term debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks.

(b) Foreign exchange risk

The Company's functional currency is the Canadian dollar and all major purchases are transacted in Canadian dollars. Management believes the foreign exchange risk is negligible and therefore does not hedge its foreign exchange risk.

The Company does not hold balances in foreign currencies to give rise to exposure to foreign exchange risk.

(c) Price risk

The Company is exposed to price risk with respect to commodity prices. The Company closely monitors commodity prices to determine the appropriate course of action to be taken by the Company. Price risk is remote since the Company is not a producing entity.

Fair value of financial assets and liabilities

The Company measures its cash, amounts receivable and accounts payable and accrued liabilities, at amortized cost.

As at December 31, 2023, the fair values of the Company's financial instruments approximate their carrying values, given their short-term nature.