



**GOLD DIGGER RESOURCES INC.**

**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS**

**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022**

**(Expressed in Canadian Dollars)**

**GOLD DIGGER RESOURCES INC.**

**Unaudited Condensed Interim Statement of Financial Position**

(Expressed in Canadian dollars)

	As at September 30, 2022	As at December 31, 2021
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	\$ 106,387	\$ 265,089
Sales tax receivable	15,670	8,537
Prepaid expenses	33,375	7,500
<b>TOTAL ASSETS</b>	<b>\$ 155,432</b>	<b>\$ 281,126</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 90,725	\$ 9,702
Total liabilities	90,725	9,702
<b>Equity</b>		
Share capital (note 7)	476,671	476,671
Contributed surplus	83,770	-
Warrants (note 7)	521	521
Accumulated deficit	(496,255)	(205,768)
Total equity	64,707	271,424
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 155,432</b>	<b>\$ 281,126</b>

**Going concern** (note 1)

**Commitments and contingencies** (notes 5 and 11)

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

Approved by the Board

Signed:

"Allan Bezanson", Director

Signed:

"Malcolm Smith", Director

**GOLD DIGGER RESOURCES INC.**

**Unaudited Condensed Interim Statement of Loss and Comprehensive Loss**

For the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars)

	<b>Three months ended September 30,</b>		<b>Nine months ended September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Expenses</b>				
General and corporate <i>(notes 6 and 12)</i>	\$ 62,093	\$ 14,811	\$ 194,217	\$ 14,811
Share based payments	83,770	-	83,770	-
Exploration expenses <i>(notes 5)</i>	-	144,502	12,500	144,502
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (145,863)</b>	<b>\$ (159,313)</b>	<b>\$ (290,487)</b>	<b>\$ (159,313)</b>
<b>Basic and diluted loss per share <i>(note 8)</i></b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>	<b>\$ (0.03)</b>	<b>\$ (0.00)</b>

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

**GOLD DIGGER RESOURCES INC.****Unaudited Condensed Interim Statement of Cash Flows**

For the nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars)

	2022	2021
<b>Cash flow used in operating activities</b>		
Net loss for the period	\$ (290,487)	\$ (159,313)
Items not affecting cash:		
Share based payments	83,770	-
Changes in non-cash working capital:		
Sales tax receivable	(7,133)	(6,881)
Accounts payable and accrued liabilities	81,023	44,637
Prepaid expenses and deposits	(25,875)	-
Total cash flows (used in) operating activities	(158,702)	(121,557)
<b>Cash flow from financing activities</b>		
Share issue costs	-	485,180
Issue of shares	-	(4,683)
Total cash flows (used in) operating activities	-	(480,497)
<b>Decrease in cash</b>	<b>(158,702)</b>	<b>358,940</b>
<b>Cash, beginning of period</b>	<b>265,089</b>	<b>-</b>
<b>Cash, end of period</b>	<b>\$ 106,387</b>	<b>\$ 358,940</b>

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

**GOLD DIGGER RESOURCES INC.****Unaudited Condensed Interim Statement of Changes in Equity**

For the nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars)

	Share capital	Share capital	Contributed surplus	Warrants	Deficit	Total
	#	\$	\$	\$	\$	\$
Shares issued from private placements	10,159,000	484,659	-	521	-	485,180
Share issue costs	-	(4,683)	-	-	-	(4,683)
Net loss and comprehensive loss for the period	-	-	-	-	(159,313)	(159,313)
<b>Balance, September 30, 2021</b>	<b>10,159,000</b>	<b>479,976</b>	<b>-</b>	<b>521</b>	<b>(159,313)</b>	<b>321,184</b>
<b>Balance, December 31, 2021</b>	<b>10,159,000</b>	<b>476,671</b>	<b>-</b>	<b>521</b>	<b>(205,768)</b>	<b>271,424</b>
Share based payments	-	-	83,770	-	-	83,770
Net loss and comprehensive loss for the period	-	-	-	-	(290,487)	(290,487)
<b>Balance, September 30, 2022</b>	<b>10,159,000</b>	<b>476,671</b>	<b>83,707</b>	<b>521</b>	<b>(496,255)</b>	<b>64,707</b>

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

## **GOLD DIGGER RESOURCES INC.**

### **Notes to Unaudited Condensed Interim Financial Statements**

Nine months ended September 30, 2022

(Expressed in Canadian dollars)

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#### **1. NATURE OF BUSINESS AND GOING CONCERN**

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##### **Nature of business**

Gold Digger Resources Inc. (the “Company” or “Golddig”), 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 10<sup>th</sup> Vancouver BC V6C 2T5.

These financial statements were approved by the board on November 23, 2022.

The business of mining and exploring for minerals involves a high degree of risk and there can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of exploration and evaluation assets and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, or the ability of the Company to raise additional financing, if necessary, or alternatively upon the Company’s ability to dispose of its interests on an advantageous basis. The amounts shown as exploration and evaluation assets do not necessarily represent present or future values. Changes in future conditions could require material write-downs to the carrying values of the Company’s assets.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company’s title. Property title may be subject to government licensing requirements or regulations, First Nations claims, unregistered prior agreements, social licensing requirements, unregistered claims, and non-compliance with regulatory and environmental requirements. The Company may also be subject to increases in taxes and royalties, renegotiation of contracts and political uncertainties.

##### **Going concern assumption**

These financial statements are prepared in accordance with International Financial Reporting Standards with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations in the foreseeable future.

These financial statements do not reflect the adjustments to the carrying values of assets and liabilities that would be necessary if the Company were unable to obtain adequate financing. Changes in future conditions could require material write-downs to the carrying value of the exploration and evaluation assets. Such adjustments could be material. The Company has incurred a net loss of \$290,487 for the nine months ended September 30, 2022 (\$205,768 for the period ended December 31, 2021) and has an accumulated deficit of \$(496,255) (December 31, 2021 - \$205,768) and a working capital surplus of \$64,707 as at September 30, 2022 (December 31, 2021 - \$271,424).

The recoverability of the costs incurred to date on exploration and evaluation assets is dependent upon the existence of economically recoverable reserves, maintaining title and beneficial interest in the properties, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties and upon future profitable production or proceeds from the disposition of the properties and deferred exploration expenditures. The Company will periodically have to raise funds to continue operations and, although it has been successful in doing so in the past, there is no assurance it will be able to do so in the future.

## **GOLD DIGGER RESOURCES INC.**

### **Notes to Unaudited Condensed Interim Financial Statements**

Nine months ended September 30, 2022

(Expressed in Canadian dollars)

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## **2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE**

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### **Basis of presentation**

These condensed interim financial statements have been prepared in accordance and compliance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting. The interim condensed financial statements do not include all the information and disclosures required in the Company’s annual financial statements and should be read in conjunction with the Company’s annual financial statements for the period ended December 31, 2021.

These financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

These financial statements have been prepared on the basis of IFRS standards that are published at the time of preparation and that are effective for the Company’s reporting date.

### **Functional currency**

The presentation currency of the Company and the functional currency of the Company is the Canadian dollar.

### **Critical judgments and estimation uncertainties**

The preparation of financial statements in conformity with IFRS requires the Company’s management to make judgments, estimates and assumptions about future events that affect the amounts reported in the financial statements and related notes to the financial statements. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results may differ from those estimates and these differences could be material.

The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- **Going Concern**

The assessment of the Company’s ability to continue as a going concern and whether there are events or conditions that may give rise to significant uncertainty.

- **Income, value added, withholding and other taxes**

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company’s provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company’s income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company’s interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

## **GOLD DIGGER RESOURCES INC.**

### **Notes to Unaudited Condensed Interim Financial Statements**

Nine months ended September 30, 2022

(Expressed in Canadian dollars)

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#### **2. BASIS OF PRESENTATION AND STATEMENT OF COMPLIANCE (continued)**

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- Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Contingences (note 11)

#### **3. SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies applied in the preparation of the unaudited condensed interim financial statements are consistent with those followed in the preparation of the Company's December 31, 2021 annual financial statements, except for those noted below and the adoption of new standards and interpretations as of January 1, 2022.

##### **Recent accounting pronouncements**

Various IFRS standards, interpretations, amendments and improvements of existing standards have been recently announced which will apply for future periods. These included IAS 1 and IAS 37. These new standards and changes are not expected to have any material impact on the Company's financial statements.

#### **4. CAPITAL MANAGEMENT**

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The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The capital of the Company consists of share capital, warrants, contributed surplus and options. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company currently has an interest are in the exploration and evaluation stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. The Company's capital management objectives, policies and processes have remained unchanged during the period ended September 30, 2022.

The Company is not subject to any externally imposed capital requirements.



## GOLD DIGGER RESOURCES INC.

### Notes to Unaudited Condensed Interim Financial Statements

Nine months ended September 30, 2022

(Expressed in Canadian dollars)

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## 5. EXPLORATION AND EVALUATION ASSETS

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### Regnault Project

On July 23, 2021, the Company entered into an option agreement with 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 (note 13);
- 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.

The exploration expenses on the Project for the nine months ended September 30, 2022 are as follows:

	2022	Cumulative
Option payments	\$ -	\$ 25,000
Reporting	12,500	12,500
Airborne survey	-	119,502
Field program	-	22,206
	\$ 12,500	\$ 179,208

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## 6. RELATED PARTY TRANSACTIONS AND BALANCES

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- (a) 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 three and nine months ended September 30, 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
CFO Consulting fees (i)	\$ 9,000	\$ 3,000	\$ 27,000	\$ 3,000
CEO Consulting fees	5,000	-	5,000	-
	\$ 14,000	\$ 3,000	\$ 32,000	\$ 3,000

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- (i) The Company was charged these fees by CFO Advantage Inc., a Company controlled by the CFO, for management fees.

## GOLD DIGGER RESOURCES INC.

### Notes to Unaudited Condensed Interim Financial Statements

Nine months ended September 30, 2022

(Expressed in Canadian dollars)

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## 7. SHARE CAPITAL

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### a) Shares authorized

The Company is authorized to issue an unlimited number of common shares without nominal or par value.

### b) Common shares issued and outstanding

Details of shares issued and outstanding are as follows:

- (i) On July 16, 2021 the Company closed a private placement with proceeds of \$6,000 raised through the issuance of 1,200,000 common shares at \$0.005 per share.
- (ii) The Company closed a private placement, in two tranches, with proceeds of \$104,180 raised through the issuance of 5,209,000 flow through units at \$0.02 per unit. The first tranche of 2,509,000 shares were issued on August 17, 2021 and a second tranche of 2,700,000 shares were issued on September 22, 2021. Each flow through unit comprised of one flow through common share at \$0.0199 per flow through common shares and one common share purchase warrant (exercisable at \$0.05 for a period of 3 years) at \$0.0001 per warrant.
- (iii) The Company closed a private placement, in two tranches, with proceeds of \$375,000 raised through the issuance of 3,750,000 common shares at \$0.10 per share. The first tranche of 1,500,000 shares were issued on September 22, 2021 and a second tranche of 2,250,000 shares were issued on September 29, 2021.

During 2021, the Company incurred legal fees related to the issuance of shares amounting to \$7,988.

### c) Share purchase warrants

Summary of warrants outstanding as at September 30, 2022:

Outstanding	Grant Date Fair Value	Price	Expiry Date	Weighted average remaining life
#	\$	\$		
5,209,000	521	0.05	Aug 2024	2.09

### d) Contributed surplus

On April 29, 2022, the Company issued 338,632 options to directors of the Company exercisable for a period of five years at an exercise price of \$0.35 per option. The fair value of the options was estimated on the date of the grant using the Black-Scholes option pricing model with the following assumptions: current share price \$0.35, expected volatility of 90%; expected dividend yield of 0%; risk-free interest rate of 2.75%; and expected life of 5 years. The options were valued at \$83,770.

## 8. LOSS PER COMMON SHARE

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The warrants and options outstanding were excluded from the computation of diluted loss per share for the three and nine months ended September 30, 2022 because their impact was anti-dilutive.

## **GOLD DIGGER RESOURCES INC.**

### **Notes to Unaudited Condensed Interim Financial Statements**

Nine months ended September 30, 2022

(Expressed in Canadian dollars)

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## **9. FINANCIAL RISK FACTORS**

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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 nine months ended September 30, 2022.

### **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 September 30, 2022, the Company had a cash balance of \$106,387 to settle current liabilities of \$90,725.

### **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 September 30, 2022, the fair values of the Company's financial instruments approximate their carrying values, given their short-term nature.

## **10. COMMITMENTS AND CONTINGENCIES**

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(a) See note 5 for additional commitments and contingencies on evaluation and exploration assets.

(b) The Company's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company conducts its operations so as to protect public health and the environment and believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

## GOLD DIGGER RESOURCES INC.

### Notes to Unaudited Condensed Interim Financial Statements

Nine months ended September 30, 2022

(Expressed in Canadian dollars)

#### 12. GENERAL AND CORPORATE EXPENSES

	Three months ended September 30,		Nine months ended September 30,	
	2022	2021	2022	2021
Management compensation ( <i>note</i> 6)	\$ 14,000	\$ 3,000	\$ 32,000	\$ 3,000
Consulting fees	9,000	6,000	27,000	6,000
Legal and audit	34,754	4,749	103,718	4,749
Regulatory	-	-	17,540	-
Administrative and general	4,339	1,062	13,959	1,062
	\$ 62,093	\$ 14,811	\$ 194,217	\$ 14,811

#### 13. SUBSEQUENT EVENTS

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 issued 1,200,000 in accordance with the option agreement on the Regnault Property.