



**Gold Digger Resources Inc.**

## **Management Discussion and Analysis**

**For the three months ended March 31, 2024 and 2023**

### **Introduction**

This Management's Discussion and Analysis ("MD&A") is dated May 16, 2024, unless otherwise indicated and should be read in conjunction with the unaudited condensed interim financial statements for the three months ended March 31, 2024 and 2023, and the audited financial statements for the year ended December 31, 2023, 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 are for the for the three months ended March 31, 2024 and 2023 and 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](http://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.

#### **HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2024 AND TO THE DATE OF THE MD&A**

The Company entered into a share purchase agreement dated March 5, 2024 (the “Agreement”) with Premium Uranium Corporation (“PURC”), each of the shareholders of PURC (the “Vendors”), and UA92 (Pty) Ltd. (“UA92”), a wholly-owned subsidiary of PURC. Pursuant to the Agreement, the Company will acquire all of the issued and outstanding shares of PURC (the “Purchased Shares”) and upon completion, PURC and UA92 will become wholly-owned subsidiaries of the Company (the “Acquisition”). UA92 is the holder of a mineral property comprised of several prospecting licenses in the Republic of Botswana.

**Transaction Terms** - In consideration for the Purchased Shares, the Company will issue an aggregate of 13,300,000 common shares of the Company to the Vendors (the “Consideration Shares”) at a deemed issue price of \$0.40 per Consideration Share. The Consideration Shares will be subject to contractual resale restrictions in accordance with which one-sixth of the Consideration Shares will be released from lock-up every six months over a thirty-six month period. Additionally, in connection with closing of the Acquisition, each of the Vendors will enter into voting support agreements in accordance with which the Vendors will agree to approve the appointment of all directors of the Company nominated by management of the Company at any meeting of the shareholders of the Company within 12 months of closing of the Acquisition. Under the Agreement, in connection with closing of the Acquisition, PURC will have the right to appoint a director to the board of the Company for a period of 12 months thereafter. The Acquisition is subject to customary closing conditions as set out in the Agreement, including obtaining the applicable third party, corporate and regulatory approvals, as well as the satisfactory completion of due diligence by the Company. Under the terms of the Agreement, the Acquisition must close prior to May 30, 2024.

On May 16, 2024, the Company closed the first tranche of a non-brokered private placement for aggregate gross proceeds of \$884,599.80 through the sale of 2,527,428 units of the Company (“Units”) at a price of \$0.35 per Unit.



Each Unit consists of one common share in capital of the Company (a "Common Share") and one-half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of \$0.50 for a period of 12 months from the date of issuance.

The Company paid the following finder's fees to certain finders in connection with the first tranche of the Offering: (i) an aggregate cash fee of \$52,647.00; and (ii) an aggregate of 127,120 Common Share purchase warrants of the Company ("Finders Warrants"), with each Finders Warrant exercisable to acquire one Common Share at a price of \$0.50 for a period of 12 months from the date of issuance.

## SELECTED QUARTERLY INFORMATION

### Summary of Quarterly Results – in accordance with IFRS

	Quarter ended March 31, 2024	Quarter ended December 31, 2023	Quarter ended September 30, 2023	Quarter ended June 30, 2023
Total Assets	\$ 341,773	\$ 377,946	\$ 427,257	\$ 523,751
Total Revenues	Nil	Nil	Nil	Nil
Total Expenses	\$66,361	\$64,515	\$76,923	\$63,155
Net Loss	(\$66,361)	(\$64,515)	(\$76,923)	(\$63,155)
Basic and diluted net loss per share	(\$0.00)	(\$0.01)	(\$0.01)	(\$0.00)

	Quarter ended March 31, 2023	Quarter ended December 31, 2022	Quarter ended September 30, 2022	Quarter ended June 30, 2022
Total Assets	\$ 581,280	\$ 620,917	\$155,432	\$176,608
Total Revenues	Nil	Nil	Nil	Nil
Total Expenses	\$38,994	\$293,037	\$145,863	\$88,944
Net Loss	(\$38,994)	(\$293,037)	(\$145,863)	(\$88,944)
Basic and diluted net loss per share	(\$0.00)	(\$0.03)	(\$0.01)	(\$0.01)

### Results of Operations

Three months ended March 31,	2024	2023
<b>Expenses</b>		
General and corporate (i)	\$ 45,025	\$ 38,994
Share based payments (ii)	21,336	-
<b>Net loss and comprehensive loss for the period</b>	<b>\$ (66,361)</b>	<b>\$ (38,994)</b>

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



<b>Three months ended March 31,</b>	<b>2024</b>	<b>2023</b>
Management compensation ( <i>see related party transactions</i> )	\$ 26,500	\$ 24,000
Legal and audit	6,807	6,584
Administrative and general	4,093	6,160
Regulatory	7,625	2,250
	<b>\$ 45,025</b>	<b>\$ 38,994</b>

(ii) Relates to the non-cash expense of stock options that vested during the period.

### **Liquidity and Capital Resources**

As at March 31, 2024 the Company had cash of \$310,798 (December 31, 2023 - \$347,504) and a working capital of \$327,020 (December 31, 2023 - \$368,045).

For the three months ended March 31, 2024, the Company used \$40,706 cash for operating expenses compared to \$25,163 for the same period in 2023.

The Company had no cash from or used in investing activities in Q1 2024 and Q1 2023.

For the three months ended March 31, 2024, the Company had \$4,000 of cash flow from financing activities from the exercise of 80,000 warrants.

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 16,966,428 common shares, 473,290 stock options, 270,000 compensation options and 6,519,834 warrants 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 three months ended March 31, 2024 and 2023:

	2024	2023
CFO Consulting fees (i)	\$ 9,000	\$ 9,000
CEO Consulting fees (ii)	17,500	15,000
Share based payments to officers and directors	21,336	-
	<b>\$ 47,836</b>	<b>\$ 24,000</b>

- (i) The Company was charged \$9,000 in Q1 2024 (Q1 2023 - \$9,000) fees by CFO Advantage Inc., a Company controlled by the CFO, for management fees. As at March 31, 2024, \$nil (December 31, 2023 - \$nil) is owing and included in accounts payable.
- (ii) The Company was charged \$17,500 in Q1 2024 (Q1 2023 - \$17,500) for management fees by 2706971 Ontario Inc., a Company controlled by the CEO, for management fees. As at March 31, 2024, \$nil (December 31, 2023 - \$nil) 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 three months ended March 31, 2024.

### **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 March 31, 2024, the Company had a cash balance of \$310,798 (2023 - \$347,504) to settle current liabilities of \$14,753 (2023 - \$9,901).

### **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 March 31, 2024, the fair values of the Company's financial instruments approximate their carrying values, given their short-term nature.