

Whitehorse Gold Corp.

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended September 30, 2020

(Expressed in Canadian dollars)

**Notice to Readers of the Unaudited Condensed Consolidated Interim Financial Statements
for the three months ended September 30, 2020**

The unaudited condensed consolidated interim financial statements of Whitehorse Gold Corp. (the "Company") for the three months ended September 30, 2020 (the "Financial Statements") have been prepared by management and have not been reviewed by the Company's independent auditors. The Financial Statements should be read in conjunction with the Company's audited financial statements for the period from incorporation on November 27, 2019 to June 30, 2020 which are attached as Schedules "D" to the Company's Listing Application available under the Company's profile on SEDAR at www.sedar.com. The Financial Statements are stated in terms of Canadian dollars and are prepared in accordance with International Financial Reporting Standards.

Whitehorse Gold Corp.

Unaudited Condensed Consolidated Interim Statement of Financial Position

(Expressed in Canadian dollars)

	Notes	September 30, 2020	June 30, 2020
ASSETS			
Current Assets			
Cash		\$ 3,001,389	\$ 419,860
Receivables		16,859	1,058
		3,018,248	420,918
Non-current Assets			
Reclamation deposit		15,075	15,075
Property and equipment	4	12,973	13,838
Mineral property interests	5	12,360,838	11,820,000
Total ASSETS		\$ 15,407,134	\$ 12,269,831
LIABILITIES AND EQUITY			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 371,753	\$ 18,097
Prepayment for private placement	1	2,812,210	-
Payables due to a related party	6	167,440	114,290
Promisory notes due to a related party	6	3,500,000	3,500,000
Total Liabilities		6,851,403	3,632,387
EQUITY			
Share capital	7	-	-
Retained earnings		8,555,731	8,637,444
Total Equity		8,555,731	8,637,444
TOTAL LIABILITIES AND EQUITY		\$ 15,407,134	\$ 12,269,831

Approved on behalf of the Board:

(Signed) Mark Cruise

Director

(Signed) Lorne Waldman

Director

See accompanying notes to the unaudited condensed consolidated interim financial statements

Whitehorse Gold Corp.

Unaudited Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes		Three Months Ended September 30, 2020
Operating expenses			
Depreciation	4	\$	865
Filing and listing			2,946
Investor relations			5,000
Professional fees			88,295
Salaries and benefits	6		(83,470)
Office and administration			14,536
			28,172
Other expenses			
Foreign exchange loss			391
Interest expense	6		53,150
			53,541
Net loss and comprehensive loss for the period		\$	81,713
Attributable to:			
Equity holders of the Company		\$	81,713
Loss per common share			
Basic and diluted loss per share		\$	0.0041
Weighted average number of common shares - basic and diluted			20,000,001

See accompanying notes to the unaudited condensed consolidated interim financial statements

Whitehorse Gold Corp.

Unaudited Condensed Consolidated Interim Statement of Cash Flows

(Expressed in Canadian dollars)

	Notes		Three months ended September 30, 2020
Cash provided by (used in)			
Operating activities			
Net loss for the period		\$	(81,713)
Interest expense	6		53,150
Depreciation	4		865
Unrealized foreign exchange gain			(391)
Changes in non-cash operating working capital			
Receivables			(15,801)
Accounts payable and accrued liabilities			88,153
Net cash provided by operating activities			44,263
Investing activities			
Mineral property interest			
Capital expenditures			(275,335)
Net cash used in investing activities			(275,335)
Financing activities			
Prepayment received for private placement	1		2,812,210
Net cash provided by financing activities			2,812,210
Effect of exchange rate changes on cash			391
Increase (decrease) in cash			2,581,529
Cash, beginning of the period			419,860
Cash, end of the period		\$	3,001,389

See accompanying notes to the unaudited condensed consolidated interim financial statements

Whitehorse Gold Corp.

Unaudited Condensed Consolidated Interim Statement of Changes in Equity

(Expressed in Canadian dollars, except for share figures)

	Share capital		Retained earning	Total equity
	Number of share	Amount		
Balance, July 1, 2020	20,000,001	\$ -	\$ 8,637,444	\$ 8,637,444
Net loss		-	(81,713)	(81,713)
Balance, September 30, 2020	20,000,001	\$ -	\$ 8,555,731	\$ 8,555,731

See accompanying notes to the unaudited condensed consolidated interim financial statements

Whitehorse Gold Corp.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2020

(Expressed in Canadian dollars, except for share figures)

1. CORPORATE INFORMATION AND THE ARRANGEMENT

Whitehorse Gold Corp. (the “Company” or “Whitehorse Gold”) is a Canadian mining company engaged in exploring and developing mining properties, including its Skukum Gold Project (formerly referred to as Tagish Lake Gold Project) located in the Yukon Territory, Canada (the “Project”). Whitehorse Gold was incorporated under the *Business Corporations Act (British Columbia)* on November 27, 2019, primarily for the purpose of carrying out a spin-out by way of plan of arrangement (the “Arrangement”) with New Pacific Metals Corp. (“New Pacific”) (TSX: NUAG).

The head office, registered address and records office of the Company are located at 1066 Hastings Street, Suite 1750, Vancouver, British Columbia, Canada, V6E 3X1. The Company’s common shares commenced trading on the TSX Venture Exchange (the “TSXV”) under the symbol “WHG” on November 25, 2020.

On February 12, 2020, Whitehorse acquired all of the outstanding shares of Tagish Lake Gold Corp. (“Tagish Lake” or “TLG”), which owns a 100% interest in the Project through a share exchange agreement with New Pacific (Note 3).

On July 22, 2020, New Pacific announced that it intended to, directly or indirectly, distribute the Company’s common shares to its shareholders on a pro rata basis by way of the Arrangement.

The purpose of the Arrangement was to reorganize New Pacific into two separate publicly traded companies:

- (1) New Pacific, that remains listed on Toronto Stock Exchange after closing of the Arrangement and will focus on its Bolivian mining projects; and
- (2) Whitehorse Gold, which will own and develop the Project and have its shares listed for trading on the TSXV.

The Arrangement was approved by New Pacific shareholders on September 30, 2020. New Pacific obtained the Final Order with respect to the Arrangement from the Supreme Court of British Columbia on October 7, 2020. The Company closed the private placement equity financing for gross proceeds of \$6,797,010, of which \$2,812,210 has been received as at September 30, 2020, and issued 22,656,699 common shares of the Company on November 17, 2020. The Arrangement was completed on November 18, 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance and Going Concern Basis

These unaudited condensed consolidated interim financial statements have been prepared in accordance with *IAS 34 – Interim Financial Reporting* as issued by the International Accounting Standards Board. These unaudited condensed consolidated interim financial statements should be read in conjunction with the Company’s audited consolidated financial statements for the period from incorporation on November 27, 2019 to June 30, 2020. These unaudited condensed consolidated interim financial statements follow the same significant accounting policies set out in Note 2 to the audited consolidated financial statements for the period from incorporation on November 27, 2019 to June 30, 2020.

Whitehorse Gold Corp.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2020

(Expressed in Canadian dollars, except for share figures)

These financial statements have been prepared on a going concern basis. The Company has not generated any revenues from operations. As at September 30, 2020, the Company's current liabilities exceeded its current assets by \$3,833,155. The above conditions, along with other factors indicated the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern. The Company's ability to continue operations in the normal course of business is dependent on several factors, including the operating of its mineral property, as well as the ability to secure additional financing. The Company will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. Following completing the Arrangement, the Company's common shares were listed on the TSXV.

The unaudited condensed consolidated interim financial statements of the Company as at and for the three months ended September 30, 2020 were authorized for issue in accordance with a resolution of the Company's board of directors (the "Board") dated on November 30, 2020.

(b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, Tagish Lake.

Subsidiaries are consolidated from the date on which the Company obtains control up to the date of the disposition of control. Control is achieved when the Company has power over the subsidiary, is exposed or has rights to variable returns from its involvement with the subsidiary and has the ability to use its power to affect its returns.

Balances, transactions, income and expenses between the Company and its subsidiaries are eliminated on consolidation.

3. ACQUISITION

On February 12, 2020, the Company entered into a share exchange agreement with New Pacific, pursuant to which New Pacific transferred to the Company all the issued and outstanding shares (the "Tagish Shares") in the authorized share structure of Tagish Lake in consideration for the issuance of (1) an aggregate of 20,000,000 fully-paid and non-assessable common shares in the Company; and (2) a demand promissory note (the "Share Exchange Promissory Note") in the principal sum of \$3,000,000 to New Pacific ("Share Exchange Debt").

The transaction is a combining of entities that under common control thus excluded from the scope of IFRS 3 *Business Combination*. In accordance to the Company's accounting policy, Tagish Lake's asset acquired and obligations assumed through the transaction were recorded at their book value on New Pacific's record. The difference between Tagish Lake's net assets acquired and the Share Exchange Debt was recognized in the consolidated statement of changes in equity.

Whitehorse Gold Corp.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2020

(Expressed in Canadian dollars, except for share figures)

The book value of assets acquired and obligations assumed through the transaction as at February 12, 2020 are summarized as below:

	Notes	As at February 12, 2020
Cash		\$ 25,575
Receivables		415
Reclamation deposit		15,075
Mineral property interests	5	104,205
Accounts payable and accrued liabilities		(4,722)
Net assets acquired		140,548
Share Exchange Debt		(3,000,000)
Difference recognized in equity		\$ (2,859,452)

4. PLANT AND EQUIPMENT

Cost	Computer software
Balance as at November 27, 2019	\$ -
Additions	13,884
Ending balance as at June 30, 2020	13,884
Ending balance as at September 30, 2020	13,884
Accumulated depreciation, amortization and depletion	
Balance as at November 27, 2019	-
Depreciation, amortization and depletion	(46)
Ending balance as at June 30, 2020	(46)
Depreciation, amortization and depletion	(865)
Ending balance as at September 30, 2020	(911)
Carrying amounts	
Balance as at June 30, 2020	13,838
Ending balance as at September 30, 2020	\$ 12,973

Whitehorse Gold Corp.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2020

(Expressed in Canadian dollars, except for share figures)

5. MINERAL PROPERTY INTERESTS

The Project (formerly referred to as Tagish Lake Gold Project), covering an area of 170.3km², is located in the Yukon Territory, Canada, and consists of 1,051 mining claims hosting three identified gold and gold-silver mineral deposits: Skukum Creek, Goddell and Mount Skukum.

For the three months ended September 30, 2020, total expenditures of \$540,838 were capitalized under the Project.

In Q4, fiscal 2020, significant changes with favourable effects on the TLG Project have taken place. The Company obtained a Class 1 exploration permit, commenced desktop technical studies and analysis of the project including an updated exploration plan. As a result, the Company reversed the previously recorded impairment on TLG Project to its recoverable amount, being its fair value less costs of disposal ("FVLCD"). The fair value was determined using a market approach based on the pricing parameters implied by the market value of selected comparable transactions involving the sale of similar companies or mineral properties. Specifically, the comparable in-situ resource multiples (Enterprise Value ("EV") per ounce of contained gold ("EV/R&R")) observed in comparable transactions has been used to estimate the fair value. As a result, the Company recognized an impairment reversal of \$11,714,944 for the period from incorporation on November 27, 2019 to June 30, 2020.

The continuity schedule of mineral property interest is summarized as follows:

Cost	Note	
Balance, November 27, 2019		\$ -
Acquisition of the Project	3	104,205
Permitting		851
Impairment reversal		11,714,944
Balance, June 30, 2020		\$ 11,820,000
Staking & mapping		342,992
Camp service		100,261
Reporting and assessment		12,000
Environmental study and permitting		63,880
Project management and support		21,705
Balance, September 30, 2020		\$ 12,360,838

Whitehorse Gold Corp.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2020

(Expressed in Canadian dollars, except for share figures)

6. RELATED PARTY TRANSACTIONS

Related party transactions are made on terms agreed upon by the related parties. The balances with related parties are unsecured, non-interest bearing, and due on demand. Related party transactions not disclosed elsewhere in the financial statements are as follows:

	Note	September 30, 2020	June 30, 2020
Payables due to New Pacific	i	\$ 167,440	\$ 114,290
Promissory notes due to a related party	ii	\$ 3,500,000	\$ 3,500,000

- i) New Pacific was the parent of the Company until the effective date of the Arrangement on November 18, 2020. Upon the completion of the Arrangement, New Pacific is no longer a related party of the Company. The amounts due to New Pacific were related to invoices paid by New Pacific on behalf of the Company and accrued interest in accordance with the provisions of the Promissory Notes (as defined below). During the three months ended September 30, 2020, a total of \$225,193 salaries and benefits expense incurred and paid by the Company prior to New Pacific shareholders' approval of the Arrangement on September 30, 2020 was reimbursed by New Pacific. The payment was recorded as a net-off against operating expenses.
- ii) The Company entered into a share exchange agreement with New Pacific on February 12, 2020 (note 3), pursuant to which the Company acquired all of the issued and outstanding Tagish Shares. As partial consideration for the Tagish Shares, the Company issued the Share Exchange Promissory Note to New Pacific.

The Company issued an additional promissory note to New Pacific on February 12, 2020, in the principal amount of \$500,000, the principal amount of which was used by the Company to meet its short-term operating needs (the "operating Promissory Note"; together with the Share Exchange Promissory Note, the "Promissory Notes").

The Promissory Notes are repayable on demand and bear an annual interest of 6%. During the three months ended September 30, 2020, a total of \$53,150 interest expense for these promissory notes was recorded in the statement of loss and other comprehensive loss.

The Company repaid the principle and interest under each of the Promissory Notes in full on November 18, 2020.

7. SHARE CAPITAL

The Company has authorized share capital of unlimited number of common shares without par value.

Whitehorse Gold Corp.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2020

(Expressed in Canadian dollars, except for share figures)

8. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity risk, foreign exchange rate risk and credit risk in accordance with its risk management framework. The Company's Board has overall responsibility for the establishment and oversight of the Company's risk management framework and reviews the Company's policies on an ongoing basis.

a) Fair Value

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of inputs used in making the measurements as defined in IFRS 13 – *Fair Value Measurement* ("IFRS 13").

Level 1 – Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 – Unobservable inputs which are supported by little or no market activity.

The following table sets forth the Company's financial assets that are measured at fair value on a recurring basis by level within the fair value hierarchy as at September 30, 2020 and June 30, 2020 that are not otherwise disclosed. As required by IFRS 13, financial assets are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

Recurring measurements	Fair value as at September 30, 2020			Total
	Level 1	Level 2	Level 3	
Financial Assets				
Cash	3,001,389	-	-	3,001,389

Recurring measurements	Fair value as at June 30, 2020			Total
	Level 1	Level 2	Level 3	
Financial Assets				
Cash	419,860	-	-	419,860

Fair value of other financial instruments excluded from the table above approximates their carrying amount as of September 30, 2020 and June 30, 2020, respectively.

There were no transfers into or out of Level 3 during the three months ended September 30, 2020.

Whitehorse Gold Corp.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2020

(Expressed in Canadian dollars, except for share figures)

b) Liquidity Risk

The Company has no operating revenues from its operations. Liquidity risk is the risk that the Company will not be able to meet its short term business requirements. As at September 30, 2020, the Company's current liability exceeded its current assets by \$3,833,155. The Company's ability to continue operations in the normal course of business is dependent on the Company's ability to secure additional financing.

In the normal course of business, the Company enters into contracts that give rise to commitments for future minimum payments. The following summarizes the remaining contractual maturities of the Company's financial liabilities:

	September 30, 2020		June 30, 2020
	Due within a year	Total	Total
Trade and other payables	\$ 371,753	\$ 371,753	\$ 18,097
Payables due to a related party	167,440	167,440	114,290
Promissory notes due to a related party	3,500,000	3,500,000	3,500,000
	\$ 4,039,193	\$ 4,039,193	\$ 3,632,387

c) Foreign Exchange Risk

The Company is exposed to foreign exchange risk when it undertakes transactions and holds assets and liabilities denominated in foreign currencies other than its functional currencies. The Company's functional currency is the Canadian dollar. The Company currently does not engage in foreign exchange currency hedging. The Company's exposure to foreign exchange risk is summarized as follows:

The amounts are expressed in CAD equivalents	September 30, 2020	June 30, 2020
United States dollars	\$ 22,673	\$ 632

As at September 30, 2020, with other variables unchanged, a 1% strengthening (weakening) of the US dollar against the CAD would have decreased net loss by approximately \$227.

d) Credit Risk

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk is primarily associated with cash and cash equivalents and receivables. The carrying amount of financial assets included on the statement of financial position represents the maximum credit exposure.

The Company has deposits of cash that meet minimum requirements for quality and liquidity as stipulated by the Board. Management believes the risk of loss to be remote, as majority of its cash are held with major financial institutions. As at September 30, 2020, the Company had a receivables balance of \$16,859 (June 30, 2020 - \$1,058).

Whitehorse Gold Corp.

Notes to the Unaudited Condensed Consolidated Interim Financial Statements for the three months ended September 30, 2020

(Expressed in Canadian dollars, except for share figures)

9. CAPITAL MANAGEMENT

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal exploration and operating requirement on an ongoing basis, continue the investment in high quality assets along with safeguarding the value of its development and exploration mineral properties, and support any expansionary plans.

The capital of the Company consists of the items included in equity less cash and cash equivalents. Risk and capital management are primarily the responsibility of the Company's corporate finance function and is monitored by the Board. The Company manages the capital structure and makes adjustments depending on economic conditions. Significant risks are monitored and actions are taken, when necessary, according to the Company's approved policies.

In addition, the current outbreak of COVID-19 has caused significant disruption to global economic conditions which may adversely impact the Company's results. Moreover, COVID-19 has also negatively impacted on the stock markets which could adversely impact the Company's ability to raise capital.

10. SUBSEQUENT EVENTS

On July 2, 2020, the Board approved and adopted the Stock Option Plan, as amended and restated effective. On November 18, 2020, the Company granted 3,450,000 stock options to certain directors, officers, employees and consultants having an exercise price of \$0.315, a term of 10 years, and vesting over a three year period in 1/6 increments, beginning on the 6-month anniversary following the date of grant.

On November 18, 2020, the Company entered into a TSXV Form 5D *Value Security Escrow Agreement* with Computershare Investor Services Inc. and certain insiders of the Company, pursuant to which 6,507,333 common shares of the Company and 2,725,000 stock options (the "Escrowed Options") were deposited into a 36 month escrow. However, if the 10-day volume-weighted average price of the Company's common shares on the TSXV following the date of listing of the Company's common shares on the TSXV is less than or equal to \$0.315, then the Escrowed Options will be released from escrow immediately following such 10-day period.