



**WHITEHORSE**  
**GOLD CORP.**

TSX-V: WHG

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three months ended March 31, 2021 and 2020

(Expressed in Canadian Dollars)

**Notice to Readers of the Unaudited Condensed Consolidated Interim Financial Statements  
for the three months ended March 31, 2021**

The unaudited condensed consolidated interim financial statements of Whitehorse Gold Corp. (the “Company”) for the three months ended March 31, 2021 (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 six months ended December 31, 2020 which are available under the Company’s profile on SEDAR at [www.sedar.com](http://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 Statements of Financial Position

(Expressed in Canadian dollars)

		As at March 31,	As at December 31,
	Notes	2021	2020
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 758,866	\$ 1,592,505
GST receivables		73,484	43,611
Deposits and prepayments		203,333	19,583
		<b>1,035,683</b>	<b>1,655,699</b>
<b>Non-current Assets</b>			
Reclamation deposit		15,075	15,075
Property and equipment	4	13,926	14,822
Mineral property interests	5	13,672,009	13,406,867
<b>TOTAL ASSETS</b>		<b>\$ 14,736,693</b>	<b>\$ 15,092,463</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Trade and other payables		\$ 259,074	\$ 170,808
Accrued liabilities		32,200	70,350
<b>Total Liabilities</b>		<b>291,274</b>	<b>241,158</b>
<b>EQUITY</b>			
Share capital	7	6,797,010	6,797,010
Share-based compensation reserve	7	173,554	56,988
Retained earnings		7,474,855	7,997,307
<b>Total Equity</b>		<b>14,445,419</b>	<b>14,851,305</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 14,736,693</b>	<b>\$ 15,092,463</b>

Approved on behalf of the Board:

(Signed) Kevin Weston

Director

(Signed) Lorne Waldman

Director

See accompanying notes to the consolidated financial statement

# Whitehorse Gold Corp.

## Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Three Months Ended March 31,	
		2021	2020
<b>Operating expenses</b>			
Salaries and benefits		\$ 264,507	\$ 14,676
Investor relations		68,077	-
Filing and listing		40,087	-
Professional fees		31,379	-
Office and administration		25,807	10,707
Depreciation	4	896	-
Share-based compensation	7	89,536	-
		<b>520,289</b>	<b>25,383</b>
<b>Other income and expenses</b>			
Interest expense	6	-	(27,541)
Foreign exchange (loss) gain		(2,163)	56
		<b>(2,163)</b>	<b>(27,485)</b>
<b>Net loss and comprehensive loss for the period</b>		<b>\$ (522,452)</b>	<b>\$ (52,868)</b>
<b>Loss per common share attributable to equity holders of the Company</b>			
<b>Basic and diluted loss per share</b>		<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares - basic and diluted</b>		<b>42,656,597</b>	<b>10,666,668</b>

See accompanying notes to the consolidated financial statements

# Whitehorse Gold Corp.

## Unaudited Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Three Months Ended March 31,	
		2021	2020
<b>Cash (used in) provided by</b>			
<b>Operating activities</b>			
Net loss for the period		\$ (522,452)	\$ (52,868)
Interest expense	6	-	27,541
Depreciation	4	896	-
Share based compensation	7	89,536	-
Unrealized foreign exchange loss (gain)		2,163	(56)
Changes in non-cash operating working capital			
Receivables		(29,873)	(343)
Prepays and deposits		(13,750)	-
Accounts payable and accrued liabilities		15,244	11,792
Payables due to former parent company		-	653
<b>Net cash used in operating activities</b>		<b>(458,236)</b>	<b>(13,281)</b>
<b>Investing activities</b>			
Mineral property interest			
Capital expenditures		(373,240)	-
Cash acquired through share-exchange	3	-	25,574
<b>Net cash (used in) provided by investing activities</b>		<b>(373,240)</b>	<b>25,574</b>
<b>Financing activities</b>			
Promissory note			
Proceeds	6	-	500,000
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>500,000</b>
<b>Effect of exchange rate changes on cash</b>		<b>(2,163)</b>	<b>56</b>
<b>(Decrease) increase in cash</b>		<b>(833,639)</b>	<b>512,349</b>
<b>Cash, beginning of the period</b>		<b>1,592,505</b>	<b>-</b>
<b>Cash, end of the period</b>		<b>\$ 758,866</b>	<b>\$ 512,349</b>

See accompanying notes to the consolidated financial statements

# Whitehorse Gold Corp.

## Unaudited Condensed Consolidated Interim Statements of Changes in Equity

(Expressed in Canadian dollars, except for share figures)

	Notes	Share capital		Share-based compensation reserve	Retained earning	Total equity
		Number of shares	Amount			
Balance, January 1, 2020		1	\$ -	\$ -	\$ -	-
Shares issuance in exchange for net assets acquired from former parent	3	20,000,000	-	-	(2,859,452)	(2,859,452)
Net loss			-	-	(52,868)	(52,868)
Balance, March 31, 2020		20,000,000	\$ -	\$ -	\$ (2,912,320)	\$ (2,912,320)
Share-based compensation		-	-	56,988	-	56,988
Net Income			-	-	10,909,627	10,909,627
Balance, December 31, 2020		42,656,596	\$ 6,797,010	\$ 56,988	7,997,307	14,851,305
Share-based compensation	7	-	-	116,566	-	116,566
Net loss			-	-	(522,452)	(522,452)
<b>Balance, March 31, 2021</b>		<b>42,656,596</b>	<b>\$ 6,797,010</b>	<b>\$ 173,554</b>	<b>7,474,855</b>	<b>14,445,419</b>

See accompanying notes to the consolidated financial statements

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021

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*(Expressed in Canadian dollars, except for share figures)*

### 1. CORPORATE INFORMATION

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"), which was completed on November 18, 2020.

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 (each, a "Share" or a "Common Share") commenced trading on the TSX Venture Exchange (the "TSXV") under the symbol "WHG" on November 25, 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 six months ended December 31, 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 six months ended December 31, 2020.

The unaudited condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its commitments, continue operations and realize its assets and discharge its liabilities in the normal course of operations for the foreseeable future. During the three months ended March 31, 2021, the Company incurred a loss of \$522,452 and used \$458,236 cash in operating activities. Operating losses in relation to exploration activities is expected to continue for the foreseeable future. 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 through the issuance of additional equity or debt. However, there is no certainty that the Company will raise sufficient funds to conduct further exploration and development of its mineral property.

Subsequent to March 31, 2021, the Company closed a brokered and a non-brokered private placement (the "2021 Private Placements") (Note 10) to support continued exploration of the Project and meet general corporate and working capital needs.

The unaudited condensed consolidated financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors (the "Board") dated on May 26, 2021.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021

(Expressed in Canadian dollars, except for share figures)

### (b) Basis of Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Tagish Lake Gold Corp. ("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 its former parent, 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, which owns a 100% interest in the Project, in consideration for the issuance of (1) an aggregate of 20,000,000 fully-paid and non-assessable Common Shares; and (2) a demand promissory note in the principal sum of \$3,000,000 to New Pacific (the "Share Exchange Promissory Note"). As a result, Tagish Lake is a wholly-owned subsidiary of the Company.

The transaction was a combining of entities under common control and therefore was excluded from the scope of IFRS 3 *Business Combination*. In accordance with the Company's accounting policy, Tagish Lake's assets 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 Promissory Note was recognized in the consolidated statement of changes in equity.

The book value and 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)
<b>Net assets acquired</b>		<b>140,548</b>
<b>Share Exchange Promissory Note</b>		<b>(3,000,000)</b>
<b>Difference recognized in equity</b>		<b>\$ (2,859,452)</b>



# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021

(Expressed in Canadian dollars, except for share figures)

### 4. PLANT AND EQUIPMENT

<b>Cost</b>	<b>Office equipment</b>	<b>Computer software</b>	<b>Total</b>
Balance as at July 1, 2020	\$ -	\$ 13,884	\$ 13,884
Additions	2,408	-	2,408
Ending balance as at December 31, 2020	\$ 2,408	\$ 13,884	\$ 16,292
<b>Ending balance as at March 31, 2021</b>	<b>\$ 2,408</b>	<b>\$ 13,884</b>	<b>\$ 16,292</b>

### Accumulated depreciation, amortization and depletion

Balance as at July 1, 2020	\$ -	\$ (46)	\$ (46)
Depreciation, amortization and depletion	(40)	(1,384)	(1,424)
Ending balance as at December 31, 2020	\$ (40)	\$ (1,430)	\$ (1,470)
Depreciation, amortization and depletion	(118)	(778)	(896)
<b>Ending balance as at March 31, 2021</b>	<b>\$ (158)</b>	<b>\$ (2,208)</b>	<b>\$ (2,366)</b>

### Carrying amounts

Balance as at December 31, 2020	\$ 2,368	\$ 12,454	\$ 14,822
<b>Ending balance as at March 31, 2021</b>	<b>\$ 2,250</b>	<b>\$ 11,676</b>	<b>\$ 13,926</b>

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021

*(Expressed in Canadian dollars, except for share figures)*

### 5. MINERAL PROPERTY INTERESTS

The Project, covering an area of 170.3km<sup>2</sup>, is located approximately 55 kilometers south of Whitehorse, 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 March 31, 2021, total expenditures of \$265,142 (three months ended March 31, 2020 - \$nil) were capitalized under the Project.

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

<b>Cost</b>		<b>The Project</b>
Balance, July 1, 2020	\$	11,820,000
<u>Capitalized exploration expenditures</u>		
Geology Study		712,917
Drilling & Assaying		330,998
Camp service		200,432
Environmental study		163,625
Project management and support		144,749
Reporting and assessment		12,600
Permitting & Claims		21,546
Balance, December 31, 2020	\$	13,406,867
<u>Capitalized exploration expenditures</u>		
Drilling & Assaying		16,042
Environmental study		75,670
Project management and support		173,430
<b>Balance, March 31, 2021</b>	<b>\$</b>	<b>13,672,009</b>

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021

*(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 condensed consolidated interim financial statements are as follows:

	Note	March 31, 2021	December 31, 2020
Payables due to Silvercorp Metals Inc.	i	\$ 23,894	\$ 20,879

- i) Silvercorp Metals Inc. ("Silvercorp") owns 26.99% (29.50% after the 2021 Private Placements (Note 10)) interest in the Company. Silvercorp and the Company share office space and Silvercorp provides various general and administrative services to the Company. Expenses in services rendered and incurred by Silvercorp on behalf of the Company for the three months ended March 31, 2021 were \$55,893 (three months ended March 31, 2020 - \$nil).
- ii) New Pacific was the parent of the Company until the effective date of the Arrangement on November 18, 2020. 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 (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 March 31, 2021 \$nil (three months ended March 31, 2020 - \$27,541) interest expense for the Promissory Notes was recorded in the condensed consolidated statement of loss and other comprehensive loss.

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

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021

(Expressed in Canadian dollars, except for share figures)

### 7. SHARE CAPITAL

#### (a) Share Capital - authorized share capital

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

#### (b) Share-based compensation

On March 3, 2021, the Company's Board approved the adoption of a new 10% "rolling" stock option plan. The shareholders of the Company approved the new stock option plan at the Company's annual general meeting held on May 5, 2021. The new stock option plan is subject to final approval of the TSXV.

For the three months ended March 31, 2021, a total of \$89,536 (three months ended March 31, 2020 - \$nil) were recorded as share-based compensation expense, and a total of \$27,030 (three months ended March 31, 2020 - \$nil) were capitalized under mineral property interests.

The continuity schedule of stock options, as at March 31, 2021, is as follows:

	Number of options	Weighted average
Balance, December 31, 2020	3,450,000	\$ 0.315
<b>Balance, March 31, 2021</b>	<b>3,450,000</b>	<b>\$ 0.315</b>

The option pricing model requires the input of subjective assumptions including the expected volatility. Changes in the assumptions can materially affect the fair value estimate and therefore, the existing models do not necessarily provide a reliable estimate of the fair value of the Company's stock options. The Company's expected volatility is based on the historical volatility of the selected peer companies share price on the TSXV.

The following table summarizes information about stock options outstanding as at March 31, 2021:

Exercise prices	Number of options outstanding as at March 31, 2021	Weighted average remaining contractual life (years)	Number of options exercisable as at March 31, 2021	Weighted average exercise price
\$ 0.315	3,450,000	9.63	-	\$0.315

Subsequent to March 31, 2021, the Company granted 815,000 stock options to certain directors, officers and consultants having an exercise price of \$1.38, 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.

Subsequent to March 31, 2021, a total of 41,667 stock options with exercise prices of \$0.315 were exercised.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021

(Expressed in Canadian dollars, except for share figures)

### 8. FINANCIAL INSTRUMENTS

The Company manages its exposure to financial risks, including liquidity 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 Company does not have any financial instruments that are measured at fair value on a recurring basis as at March 31, 2021 and December 31, 2020. Fair value of financial instruments measured at amortised cost approximate their carrying amount as at March 31, 2021 and December 31, 2020 due to short-term nature.

#### (b) Liquidity Risk

The Company has no operating revenues. Liquidity risk is the risk that the Company will not be able to meet its short term business requirements. As at March 31, 2021, the Company had working capital of \$744,409. 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:

	March 31, 2021		December 31, 2020			
	Due within a year		Total			
Trade and other payables	\$	259,074	\$	259,074	\$	170,808
Accrued liabilities		32,200		32,200		70,350
	\$	291,274	\$	291,274	\$	241,158

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021

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*(Expressed in Canadian dollars, except for share figures)*

### *(c) 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 consolidated 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 March 31, 2021, the Company had a GST receivables balance of \$73,484.

### **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 of Directors. 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.

### **10. SUBSEQUENT EVENT**

On May 14, 2021, the Company closed the 2021 Private Placement offerings and raised aggregate gross proceeds of \$15,264,590. The offerings consisted of: (i) a brokered private placement offering (the "Brokered Private Placement") of units (each, a "Unit") and flow-through units (each, a "Flow-Through Unit") for aggregate gross proceeds of approximately \$13,442,990; and (ii) a non-brokered offering (the "Non-Brokered Private Placement") of Units and Flow-Through Units for aggregate gross proceeds of \$1,821,600. Under the 2021 Private Placements, the Company issued an aggregate of 6,287,300 Units and 3,646,025 Flow-Through Units. The 2021 Private Placements remain subject to final approval of the TSXV.

The Units were priced at \$1.50 per Unit and Flow-Through Units at \$1.60 per Flow-Through Unit. Each Unit consists of one common share of the Company (a "Share") and one transferable Share purchase warrant (a "Warrant"). Each Flow-Through Unit consists of one flow-through share and one Share purchase warrant (a "Flow-Through Warrant"). Each Warrant entitles the holder to acquire one Share from the Company at a price of \$2.00 per Share for a period of 60 months following closing of the 2021 Private Placements (the "Closing"). Each Flow-Through Warrant entitles the holder to acquire one Share from the Company at a price of \$2.10 per Share for a period of 60 months following Closing. In the event that the closing price of the Shares is greater than \$3.00 per Share on the TSXV for a period of 10 consecutive trading days at any time after the Closing, the Company may accelerate the expiry date of the Warrants and the Flow-Through Warrants by giving written notice to the holders thereof, in the form of a press release, and in such case the Warrants and the Flow-Through Warrants will expire 30 days thereafter.

## **Whitehorse Gold Corp.**

### **Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2021 and for the three months ended March 31, 2021**

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*(Expressed in Canadian dollars, except for share figures)*

The Brokered Private Placement was undertaken by BMO Nesbitt Burns Inc. (BMO Capital Markets) and Laurentian Bank Securities Inc. as co-lead agents and joint bookrunners, on behalf of a syndicate that included Red Cloud Securities Inc., Canaccord Genuity Corp. and Raymond James Ltd. (collectively, the "Agents").

In connection with the Brokered Private Placement, the Company paid the Agents a cash commission of \$446,579; and issued 286,249 warrants to the Agents. In connection with the Non-Brokered Private Placement, the Company paid aggregate finder's fees of \$9,180 and issued 6,000 warrants to the finders. The agents warrants and the finders warrants entitle the holder to acquire one Share from the Company at a price of \$2.00 per Share for a period of 24 months from the Closing.

The securities issued in connection with the 2021 Private Placements have a holder period of four months and one day from the Closing.