



WHITEHORSE
GOLD CORP.

TSXV: WHG

UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2022 and 2021

(Expressed in Canadian Dollars)

Whitehorse Gold Corp.

Unaudited Condensed Consolidated Interim Statements of Financial Position

(Expressed in Canadian dollars)

	Notes	As at	
		March 31, 2022	December 31, 2021
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 3,651,305	\$ 5,149,913
GST receivables		87,759	72,602
Deposits and prepayments	3	100,278	68,793
		3,839,342	5,291,308
Non-current Assets			
Reclamation deposit		15,075	15,075
Deposits and prepayments	3	57,182	57,182
Loan receivable	4	312,400	-
Property and equipment	5	752,593	777,564
Mineral property interests	6	22,923,663	22,186,694
TOTAL ASSETS		\$ 27,900,255	\$ 28,327,823
LIABILITIES AND EQUITY			
Current Liabilities			
Trade and other payables		\$ 778,524	\$ 799,724
Accrued liabilities		34,673	86,052
Current portion of lease obligations	7	26,659	26,468
		839,856	912,244
Non-current Liabilities			
Lease obligations	7	6,665	13,234
Total Liabilities		846,521	925,478
EQUITY			
Share capital	8	21,016,969	20,879,163
Reserves	8	622,451	700,190
Retained earnings		5,414,314	5,822,992
Total Equity		27,053,734	27,402,345
TOTAL LIABILITIES AND EQUITY		\$ 27,900,255	\$ 28,327,823

Approved on behalf of the Board:

(Signed) Gordon Neal

Director

(Signed) Lorne Waldman

Director

See accompanying notes to the unaudited condensed consolidated interim financial statements

Whitehorse Gold Corp.

Unaudited Condensed Consolidated Interim Statements of Loss and Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Three months ended March 31,	
		2022	2021
Operating expenses			
Salaries and benefits		\$ 135,703	\$ 264,507
Project investigation and evaluation	4	83,609	-
Investor relations		50,184	68,077
Filing and continuous listing		48,864	40,087
Professional fees		11,849	31,379
Office and administration		61,922	25,807
Depreciation		5,439	896
Share-based compensation	8	286	89,536
		397,856	520,289
Other expenses			
Interest expense		1,971	-
Foreign exchange loss		8,851	2,163
		10,822	2,163
Net loss and comprehensive loss for the period		\$ 408,678	\$ 522,452
Loss per common share attributable to equity holders of the Company			
Basic and diluted loss per share		\$ 0.01	\$ 0.01
Weighted average number of common shares - basic and diluted		52,717,145	42,656,597

See accompanying notes to the unaudited condensed consolidated interim financial statements

Whitehorse Gold Corp.

Unaudited Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Three Months Ended March 31,	
		2022	2021
Cash used in			
Operating activities			
Net loss for the period		\$ (408,678)	\$ (522,452)
Interest expense	7	1,971	-
Depreciation	5	5,439	896
Share based compensation	8	286	89,536
Unrealized foreign exchange loss		8,851	2,163
Changes in non-cash operating working capital			
GST Receivables		(15,157)	(29,873)
Deposits and prepayments		(31,796)	(13,750)
Accounts payable and accrued liabilities		7,842	15,244
Net cash used in operating activities		(431,242)	(458,236)
Investing activities			
Mineral property interests			
Capital expenditures		(706,822)	(373,240)
Property and equipment			
Additions		(120,506)	-
Advancement of loan receivable	4	(314,700)	-
Net cash used in investing activities		(1,142,028)	(373,240)
Financing activities			
Exercise of options		89,250	-
Lease obligations			
Repayments of principal	7	(6,378)	-
Payment of interest	7	(1,971)	-
Net cash provided by financing activities		80,901	-
Effect of exchange rate changes on cash		(6,239)	(2,163)
Decrease in cash		(1,498,608)	(833,639)
Cash, beginning of the period		5,149,913	1,592,505
Cash, end of the period		\$ 3,651,305	\$ 758,866

See accompanying notes to the unaudited condensed consolidated interim 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		Reserves			Total equity
		Number of shares	Amount	Share-based compensation	Warrant	Retained earning	
Balance, January 1, 2021		42,656,597	\$ 6,797,010	\$ 56,988	\$ -	7,997,307	14,851,305
Share-based compensation		-	-	496,623	-	-	496,623
Options exercised		91,667	47,320	(18,444)	-	-	28,876
Share issuance in 2021 Private Placement, net of share issue costs and flow-through share premium liability		9,933,325	14,034,833	-	165,023	-	14,199,856
Net loss and comprehensive loss		-	-	-	-	(2,174,315)	(2,174,315)
Balance, December 31, 2021		52,681,589	\$20,879,163	\$ 535,167	\$ 165,023	5,822,992	27,402,345
Share-based compensation	8	-	-	(29,183)	-	-	(29,183)
Options exercised	8	283,334	137,806	(48,556)	-	-	89,250
Net loss and comprehensive loss		-	-	-	-	(408,678)	(408,678)
Balance, March 31, 2022		52,964,923	\$21,016,969	\$ 457,428	\$ 165,023	5,414,314	27,053,734

See accompanying notes to the unaudited condensed consolidated interim financial statements

Whitehorse Gold Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2022 and for the three months ended March 31, 2022 and 2021

(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. On March 16, 2022, the Company's Common Shares started trading on the OTCQX Market under the symbol "WHGDF".

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of Compliance

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 year ended December 31, 2021. 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 year ended December 31, 2021.

(b) Going Concern Basis

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, 2022, the Company incurred a loss of \$408,678 (three months ended March 31, 2021 - \$522,452), and used cash of \$431,242 in operating activities (three months ended March 31, 2021 - \$458,236). Operating losses in relation to exploration activities are 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 exploration 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 be able to raise sufficient funds to conduct further exploration and development of its mineral property. The above conditions, along with other factors, indicate the existence of material uncertainties that may cast significant doubt upon the Company's ability to continue as a going concern.

The unaudited condensed consolidated interim financial statements of the Company were authorized for issue in accordance with a resolution of the Board of Directors (the "Board") dated on May 16, 2022.

Whitehorse Gold Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2022 and for the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

(c) Basis of Consolidation

These unaudited condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary, Whitehorse Gold (Yukon) Corp (formerly named as Tagish Lake Gold Corp). The Company has a single reportable segment and all of its non-current assets are located in Canada.

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 subsidiary are eliminated on consolidation.

3. DEPOSITS AND PREPAYMENTS

	March 31, 2022	December 31, 2021
Deposits and prepayments related to exploration, and property and equipment	\$ 57,182	\$ 57,182
Other deposits and prepaid expenses	100,278	68,793
Total	157,460	125,975
Non-current portion	(57,182)	(57,182)
Current deposits and prepaid expenses	\$ 100,278	\$ 68,793

4. LOAN RECEIVABLE

During the three months ended March 31, 2022, the company entered into a loan agreement (“Loan Agreement”) with a private Guinean gold mining company which owns certain mining concessions and licenses located in Guinea (the “Properties”), in exchange for a four-month exclusive right to negotiate an option acquisition agreement to acquire a 100% interest in the Guinean gold mining company (the “Borrower”).

Pursuant to the Loan Agreement, the Company has advanced a \$314,200 (US\$250,000) loan to the Borrower, mainly for the payment of Government tax on the title of the Properties. As security for the loan, the Borrower has pledged its shares in the wholly-owned subsidiary which holds the title of the Properties. The loan has a term of two years and bears an interest of 5%.

During the three months ended March 31, 2022, the Company also incurred a total of \$83,609 project investigation and evaluation expenses.

Whitehorse Gold Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2022 and for the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

5. PROPERTY AND EQUIPMENT

Cost	Building	Office equipment	Computer software	Equipment and furniture	Machinery	Motor vehicle	Construction in process	Total
Balance, January 1, 2021	\$ -	\$ 2,408	\$ 13,884	\$ -	\$ -	\$ -	\$ -	\$ 16,292
Additions	439,118	20,666	9,916	62,456	88,436	76,869	119,721	817,182
Disposals	-	(2,408)	-	-	-	-	-	(2,408)
Ending balance as at December 31, 2021	439,118	20,666	23,800	62,456	88,436	76,869	119,721	831,066
Ending balance as at March 31, 2022	\$ 439,118	\$ 20,666	\$ 23,800	\$ 62,456	\$ 88,436	\$ 76,869	\$ 119,721	\$ 831,066
Accumulated depreciation and amortization								
Balance, January 1, 2021	-	(40)	(1,430)	-	-	-	-	(1,470)
Depreciation and amortization	(9,009)	(3,113)	(4,635)	(9,368)	(7,152)	(19,162)	-	(52,439)
Disposals	-	407	-	-	-	-	-	407
Ending balance as at December 31, 2021	(9,009)	(2,746)	(6,065)	(9,368)	(7,152)	(19,162)	-	(53,502)
Depreciation and amortization	(5,491)	(1,033)	(1,284)	(3,123)	(4,423)	(9,617)	-	(24,971)
Ending balance as at March 31, 2022	\$ (14,500)	\$ (3,779)	\$ (7,349)	\$ (12,491)	\$ (11,575)	\$ (28,779)	\$ -	\$ (78,473)
Carrying amounts								
Balance as at December 31, 2021	\$ 430,109	\$ 17,920	\$ 17,735	\$ 53,088	\$ 81,284	\$ 57,707	\$ 119,721	\$ 777,564
Ending balance as at March 31, 2022	\$ 424,618	\$ 16,887	\$ 16,451	\$ 49,965	\$ 76,861	\$ 48,090	\$ 119,721	\$ 752,593

During the three months ended March 31, 2022, a total of \$5,439 depreciation and amortization (three months ended March 31, 2021 - \$896) was recognized in the unaudited condensed consolidated interim statement of loss and comprehensive loss, and a total of \$19,532 depreciation and amortization was capitalized to mineral property and interest (three months ended March 31, 2021 - nil);).

6. MINERAL PROPERTY INTERESTS

The Project, covering an area of 170.3 square kilometers ("km²"), is located approximately 55 km 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, 2022, total expenditures of \$736,969 (three months ended March 31, 2021 - \$265,142) were capitalized under the Project.

Whitehorse Gold Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2022 and for the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

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

Cost		The Project
Balance, January 1, 2021	\$	13,406,867
<u>Capitalized exploration expenditures</u>		
Geology Study		1,783,245
Geophysics & Surveying		188,071
Drilling & Assaying		3,145,606
Camp service		2,020,543
Environmental monitoring		450,821
Project management and support		1,051,410
Permitting & Claims		140,131
Balance, December 31, 2021	\$	22,186,694
<u>Capitalized exploration expenditures</u>		
Geology Study		16,800
Drilling & Assaying		316,358
Camp service		193,373
Environmental monitoring		41,793
Project management and support		30,342
Permitting & Claims		138,303
Balance, March 31, 2022	\$	22,923,663

7. LEASE

The following table summarizes changes in the Company's lease obligations related to the Company's vehicle leases.

Balance, January 1, 2021	\$	-
New lease agreements entered		51,473
Interest accrual		4,217
Interest paid		(4,217)
Principal repayment		(11,771)
Balance, December 31, 2021	\$	39,702
Interest accrual		1,971
Interest paid		(1,971)
Principal repayment		(6,378)
Balance, March 31, 2022	\$	33,324
Less: current portion		(26,659)
Non-current portion	\$	6,665

Whitehorse Gold Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2022 and for the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

The following table presents a reconciliation of the Company's undiscounted cash flows to their present value for its lease obligations as at March 31, 2022:

Within 1 year	\$	33,392
Between 2 to 5 years		8,348
Total undiscounted amount		41,740
Less future interest		(8,416)
Total discounted amount	\$	33,324
Less: current portion		(26,659)
Non-current portion	\$	6,665

The lease obligations were discounted using the interest rates implicit in the lease agreements ranging between 3.9% to 6.85%.

8. 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.

For the three months ended March 31, 2022, a total of \$286 (three months ended March 31, 2021 - \$89,536) were recorded as share-based compensation expense, and a total of negative \$29,469 (three months ended March 31, 2021 - \$27,030) were capitalized under mineral property interests.

The continuity schedule of stock options, as at March 31, 2022, is as follows:

	Number of options	Weighted average exercise price
Balance, January 1, 2020	3,450,000	\$ 0.32
Options granted	1,315,000	1.08
Options exercised	(91,667)	0.32
Options cancelled	(873,333)	0.77
Balance, December 31, 2021	3,800,000	\$ 0.48
Options granted	1,475,000	0.50
Options exercised	(283,334)	0.32
Options cancelled	(2,400,000)	0.51
Balance, March 31, 2022	2,591,666	\$ 0.47

Whitehorse Gold Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2022 and for the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

The following table summarizes information about stock options outstanding as at March 31, 2022:

Exercise price	Number of options outstanding at March 31, 2022	Weighted average remaining contractual life (Years)	Weighted average exercise price	Number of options exercisable at March 31, 2022	Weighted average exercise price
\$0.315	1,841,666	8.64	\$0.315	775,000	\$0.315
\$0.60	500,000	4.66	\$0.60	-	0.60
\$1.38	250,000	9.10	\$1.38	41,667	\$1.38
\$ 0.315 to \$1.38	2,591,666	7.91	\$0.473	816,667	\$0.369

During three months ended March 31, 2022, the Company granted 1,475,000 stock options (three months ended March 31, 2021 - nil) to certain directors, officers and consultants having an exercise price of \$0.50, a term of five years, and vesting over a three-year period in 1/6 increments, beginning on the six-month anniversary following the date of grant. This grant was cancelled on March 31, 2022.

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 historical volatility of the Company on the TSXV.

Subsequent to March 31, 2022, a total of 166,667 stock options with grant price of \$0.315 was exercised.

Subsequent to March 31, 2022, the Company granted 1,805,000 stock options to certain directors, officers and consultants having an exercise price of \$0.50, a term of five years, and vesting over a three-year period in 1/6 increments, beginning on the six-month anniversary following the date of grant.

Subsequent to March 31, 2022, a total of 166,666 stock options with grant price of \$0.315 was cancelled.

(c) Share purchase warrant

The continuity schedule of share purchase warrants, as at March 31, 2022, is as follows:

	Number of warrants	Exercise Price
Balance, January 1, 2021	-	\$ -
Warrants granted	10,225,574	\$2.00 to \$2.10
Balance, December 31, 2021	10,225,574	\$2.00 to \$2.10
Balance, March 31, 2022	10,225,574	\$2.00 to \$2.10

The following table summarizes information about share purchase warrants outstanding as at March 31, 2022.

	Exercise price	Number of warrants outstanding at March 31, 2022	Expiry date
Warrant	\$2.00	6,287,300	May 14, 2026
Flow-Through Warrant	\$2.10	3,646,025	May 14, 2026
Commission Warrant	\$2.00	292,249	May 14, 2023
		10,225,574	

Whitehorse Gold Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2022 and for the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

9. 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 unaudited condensed consolidated interim financial statements are as follows:

	Note	March 31, 2022	December 31, 2021
Payables due to Silvercorp Metals Inc.	i	\$ 28,417	\$ 24,475

- i) Silvercorp Metals Inc. ("Silvercorp") owns approximately 29.3% interest in the Company, on a non-diluted basis. 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, 2022 was \$61,393 (three months ended March 31, 2021 - \$55,893).

The remuneration of directors and key management personnel are as follows:

	Three months ended March 31,	
	2022	2021
Directors' fees	\$ -	\$ 24,000
Directors' share-based compensation	(153)	20,272
Key management's salaries and benefits	109,910	239,035
Key management's share-based compensation	(44,703)	71,798
	\$ 65,054	\$ 355,105

10. 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.

Whitehorse Gold Corp.

Notes to Unaudited Condensed Consolidated Interim Financial Statements as at March 31, 2022 and for the three months ended March 31, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

The Company does not have any financial instruments that are measured at fair value on a recurring basis as at March 31, 2022 and December 31, 2021. Fair value of financial instruments measured at amortised cost approximate their carrying amount as at March 31, 2022 and December 31, 2021 due to their 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, 2022, the Company had working capital of \$2,999,486. 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, 2022			
	Due within a year	2-5 years		Total
Trade and other payables	\$ 778,524	\$ -	\$	778,524
Accrued liabilities	34,673	-		34,673
Lease obligations	33,392	8,348		41,740
	\$ 846,589	\$ 8,348	\$	854,937

(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, receivables, and deposits and prepayments. The carrying amount of financial assets included on the unaudited condensed consolidated interim 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, 2022, the Company had a GST receivables balance of \$87,759 (December 31, 2021 - \$72,602).

11. 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.