



# WHITEHORSE GOLD CORP.

TSXV: WHG  
OTCQX: WHGDF

**UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

For the three and nine months ended September 30, 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	
		September 30, 2022	December 31, 2021
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash		\$ 1,356,542	\$ 5,149,913
GST and other tax receivables		14,215	72,602
Deposits and prepayments	4	64,364	68,793
		<b>1,435,121</b>	<b>5,291,308</b>
<b>Non-current Assets</b>			
Reclamation deposit		15,075	15,075
Deposits and prepayments	4	27,182	57,182
Loan receivable	5	349,089	-
Property and equipment	6	687,327	777,564
Mineral property interests	7	26,012,370	22,186,694
<b>TOTAL ASSETS</b>		<b>\$ 28,526,164</b>	<b>\$ 28,327,823</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		\$ 583,140	\$ 861,301
Payables due to related party	11	4,799	24,475
Current portion of lease obligations	8	-	26,468
Current portion of long-term payable	3, 9	629,406	-
		<b>1,217,345</b>	<b>912,244</b>
<b>Non-current Liabilities</b>			
Lease obligations	8	-	13,234
Long-term payable	3, 9	576,955	-
<b>Total Liabilities</b>		<b>1,794,300</b>	<b>925,478</b>
<b>EQUITY</b>			
Share capital	10	21,403,992	20,879,163
Reserves	10	776,311	700,190
Retained earnings		4,551,561	5,822,992
<b>Total Equity</b>		<b>26,731,864</b>	<b>27,402,345</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 28,526,164</b>	<b>\$ 28,327,823</b>

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

(Expressed in Canadian dollars except numbers for share)

	Notes	Three months ended September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
<b>Operating expenses</b>					
Salaries and benefits		\$ 108,908	\$ 276,996	\$ 391,014	\$ 813,600
Project investigation and evaluation		8,830	-	95,575	-
Investor relations		35,743	106,352	112,890	238,644
Filing and continuous listing		9,450	10,567	77,220	76,633
Professional fees		45,924	23,849	132,874	72,602
Office and administration		47,845	64,825	182,437	131,515
Depreciation		5,439	3,018	16,318	11,635
Share-based compensation	10	114,028	160,505	242,989	394,128
		<b>376,167</b>	<b>646,112</b>	<b>1,251,317</b>	<b>1,738,757</b>
<b>Other (income) expenses</b>					
Interest income	5	(3,192)	-	(6,414)	-
Interest expense	8,9	14,687	2,154	18,111	2,154
Foreign exchange (gain) loss		(18,686)	3,799	(19,934)	9,624
Loss on early termination of leases	6	8,750	-	28,351	-
		<b>1,559</b>	<b>5,953</b>	<b>20,114</b>	<b>11,778</b>
<b>Net loss for the period</b>		<b>\$ 377,726</b>	<b>\$ 652,065</b>	<b>\$ 1,271,431</b>	<b>\$ 1,750,535</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>\$ 0.01</b>	<b>\$ 0.02</b>	<b>\$ 0.04</b>
<b>Weighted average number of common shares - basic and diluted</b>		<b>53,737,966</b>	<b>52,681,589</b>	<b>53,230,491</b>	<b>47,805,891</b>

See accompanying notes to the unaudited condensed consolidated interim financial statements

# Whitehorse Gold Corp.

## Unaudited Condensed Consolidated Interim Statements of Comprehensive Loss

(Expressed in Canadian dollars)

	Notes	Three months ended September 30,		Six months ended September 30,	
		2022	2021	2022	2021
Net loss		\$ 377,726	\$ 652,065	\$ 1,271,431	\$ 1,750,535
Other comprehensive income, net of taxes:					
Items that may subsequently be reclassified to net income or loss:					
Currency translation adjustment, net of tax of \$nil		(65,972)	-	(65,972)	-
Other comprehensive income, net of taxes:		(65,972)	-	(65,972)	-
Total comprehensive loss		\$ 311,754	\$ 652,065	\$ 1,205,459	\$ 1,750,535

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 September 30,		Nine months ended September 30,	
		2022	2021	2022	2021
<b>Cash used in</b>					
<b>Operating activities</b>					
Net loss for the period		\$ (377,726)	\$ (652,065)	\$ (1,271,431)	\$ (1,750,535)
Interest expense	8,9	14,687	2,154	18,111	2,154
Interest income	5	(3,192)	-	(6,414)	-
Depreciation	6	5,439	16,379	16,318	27,458
Share based compensation	10	114,028	160,505	242,989	394,128
Foreign exchange (gain) loss		(18,686)	3,799	(19,934)	9,624
Loss on early termination of leases		8,750	-	28,351	-
Changes in non-cash operating working capital					
GST and other tax receivables		2,792	(210,153)	58,387	(285,975)
Deposits and prepayments		(16,843)	(42,480)	4,429	(54,356)
Inventory		-	64,368	-	-
Accounts payable and accrued liabilities		(10,002)	43,222	(60,650)	118,960
Payables due to related party		(10,799)	(29,602)	(19,676)	(4,211)
<b>Net cash used in operating activities</b>		<b>(291,552)</b>	<b>(643,873)</b>	<b>(1,009,520)</b>	<b>(1,542,753)</b>
<b>Investing activities</b>					
Mineral property interests					
Capital expenditures		(212,526)	(4,193,049)	(1,510,775)	(5,212,379)
Acquisitions	3	(1,134,725)	-	(1,134,725)	-
Property and equipment					
Additions		(12,661)	(638,072)	(133,167)	(762,174)
Disposal		19,358	-	17,620	-
Advancement of loan receivable	4	-	-	(314,700)	-
<b>Net cash used in investing activities</b>		<b>(1,340,554)</b>	<b>(4,831,121)</b>	<b>(3,075,747)</b>	<b>(5,974,553)</b>
<b>Financing activities</b>					
Funds raised from private placement, net of share issuance costs					
		-	-	-	14,564,459
Exercise of options		31,500	-	336,525	28,876
Lease obligations					
Repayments of principal	8	(425)	(5,487)	(12,132)	(5,487)
Payment of interest	8	(365)	(2,154)	(3,789)	(2,154)
Termination		-	-	(5,000)	-
<b>Net cash provided by (used in) financing activities</b>		<b>30,710</b>	<b>(7,641)</b>	<b>315,604</b>	<b>14,585,694</b>
<b>Effect of exchange rate changes on cash</b>					
		(17,506)	(3,799)	(23,708)	(9,624)
<b>(Decrease) increase in cash</b>		<b>(1,618,902)</b>	<b>(5,486,434)</b>	<b>(3,793,371)</b>	<b>7,058,764</b>
<b>Cash, beginning of the period</b>		<b>2,975,444</b>	<b>14,137,703</b>	<b>5,149,913</b>	<b>1,592,505</b>
<b>Cash, end of the period</b>		<b>\$ 1,356,542</b>	<b>\$ 8,651,269</b>	<b>\$ 1,356,542</b>	<b>\$ 8,651,269</b>

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 numbers for share)

	Notes	Share capital		Reserves			Retained earning	Total equity
		Number of shares	Amount	Share-based compensation	Warrant	Accumulated other comprehensive income (loss)		
Balance, January 1, 2021		42,656,597	\$ 6,797,010	\$ 56,988	\$ -	\$ -	7,997,307	14,851,305
Share-based compensation		-	-	463,513	-	-	-	463,513
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		-	-	-	-	-	(1,750,535)	(1,750,535)
<b>Balance, September 30, 2021</b>		<b>52,681,589</b>	<b>\$20,879,163</b>	<b>\$ 502,057</b>	<b>\$ 165,023</b>	<b>\$ -</b>	<b>6,246,772</b>	<b>27,793,015</b>
Share-based compensation		-	-	33,110	-	-	-	33,110
Net loss and comprehensive loss		-	-	-	-	-	(423,780)	(423,780)
<b>Balance, December 31, 2021</b>		<b>52,681,589</b>	<b>\$20,879,163</b>	<b>\$ 535,167</b>	<b>\$ 165,023</b>	<b>\$ -</b>	<b>5,822,992</b>	<b>27,402,345</b>
Share-based compensation	10	-	-	198,453	-	-	-	198,453
Options exercised	10	1,068,334	524,829	(188,304)	-	-	-	336,525
Net loss and comprehensive loss		-	-	-	-	65,972	(1,271,431)	(1,205,459)
<b>Balance, September 30, 2022</b>		<b>53,749,923</b>	<b>\$21,403,992</b>	<b>\$ 545,316</b>	<b>\$ 165,023</b>	<b>\$ 65,972</b>	<b>4,551,561</b>	<b>26,731,864</b>

See accompanying notes to the unaudited condensed consolidated interim financial statements

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 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 tin projects in Bolivia and the Skukum Gold Project located in the Yukon Territory, Canada.

Whitehorse Gold was incorporated under the *Business Corporations Act* (British Columbia) on November 27, 2019. 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 except for the following policies.

#### *Business Combinations or asset acquisition*

#### *Optional concentration test*

The Company applies an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

#### *Asset acquisitions*

When the Company acquires a group of assets and liabilities that do not constitute a business, the Company identifies and recognizes the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

---

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

### *Business Combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Company elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in general and administrative expenses.

When the Company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

### *(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 and nine months ended September 30, 2022, the Company incurred a loss of \$377,726 and \$1,271,431, respectively (three and nine months ended September 30, 2021 - \$652,065 and \$1,750,535, respectively), and used cash of \$291,552 and \$1,009,520, respectively, in operating activities (three and nine months ended September 30, 2021 - \$643,873 and \$1,542,753, respectively). 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 November 23, 2022.



# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 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 or partially owned subsidiaries.

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.

For non-wholly owned subsidiaries over which the Company has control, the net assets attributable to outside equity shareholders are presented as "non-controlling interests" in the equity section of the consolidated balance sheets. Net income for the period that is attributable to the non-controlling interests is calculated based on the ownership of the non-controlling interest shareholders in the subsidiary. Adjustments to recognize the non-controlling interests' share of changes to the subsidiary's equity are made even if this results in the non-controlling interests having a deficit balance. Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are recorded as equity transactions. The carrying amount of non-controlling interests is adjusted to reflect the change in the non-controlling interests' relative interests in the subsidiary and the difference between the adjustment to the carrying amount of non-controlling interest and the Company's share of proceeds received and/or consideration paid is recognized directly in equity and attributed to equity holders of the Company.

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

Details of the Company's significant subsidiaries which are consolidated are as follows:

Name of subsidiaries	Principal activity	Country of incorporation	Proportion of ownership interest held		Mineral properties
			September 30, 2022	December 31, 2021	
Stannum Metals Inc.	Holding company	BVI (i)	100%		
Whitehorse Gold (Yukon) Corp	Mining	Canada	100%	100%	Skukum
Empresa Minera San Genaro	Mining	Bolivia	51.0%		Porvenir

(i) British Virgin Islands ("BVI")

### (d) Significant Accounting Judgments and Estimates

These unaudited condensed consolidated interim financial statements follow the same significant accounting judgments and estimates set out in note 2 to the audited consolidated financial statements for the year ended December 31, 2021.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

---

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

### 3. ACQUISITION

#### *(a) Acquisition of the Porvenir Project (defined below)*

On August 22, 2022, the Company, through its wholly-owned subsidiary Stannum Metals Corp, entered into a share purchase agreement (the "Porvenir Agreement") to acquire 100% interest in Minera San Genaro S.R.L ("San Genaro") from its shareholders (the "Porvenir Vendors"). San Genaro's primary asset is one tin-zinc-silver-lead polymetallic mineral project (the "Porvenir Project"), or ATE (Temporary Special Authorization), located in the Oruro Department of Bolivia. The transaction was entered based on normal market conditions at the amount agreed on by the parties.

The Company acquired Porvenir Project for total cash consideration of US\$ 1,750,000. Payment terms and schedules are summarized as follow:

- US\$750,000 was paid to Porvenir Vendors following the signing of the agreement for 51% interest of San Genaro;
- US\$750,000 to be paid on the first anniversary of signing for the remaining 49% interest of San Genaro; and
- US\$250,000 to be paid on the second anniversary of signing.

The purchase price of Porvenir Project was determined to be \$2,102,843 (approximately US\$1,619,000), which was the present value of the above-mentioned deferred payment schedule at a discount rate of 12%. The discount rate was determined by reference to the range of interest rates of peer companies' recent debt financing transactions with similar terms to the Porvenir Agreement's the deferred payment schedule.

The transaction was accounted for as an acquisition of assets as the purchase price was concentrated on a single asset. The purchase price was solely allocated to mineral property interest. In addition, a total of \$17,137 transaction costs was capitalized and recognized as the acquisition cost of Porvenir Project.

#### *(b) Acquisition of the SF Project (defined below)*

On August 17, 2022, the Company, through its wholly-owned subsidiary Stannum Metals Corp, entered into a confirmation drilling agreement with the shareholders of a private Bolivian mining company (the "SF Target Company"). The SF Target Company's primary asset is a tin-zinc-silver-lead polymetallic mineral project (the "SF Project"), or ATE, located in the Oruro Department of Bolivia.

The Company paid \$129,890 (US\$100,000) to the SF Target Company's shareholders to conduct a confirmation drill program on the SF Project to validate historically drill hole data. Subject to satisfactory confirmation drill results, the Company has an option to complete the transaction and acquire 100% interest in the SF Target Company. If the Company decides to continue the transaction, the initial payment will be considered as partial payment for the total consideration. This payment was recognized as mineral property interest in the unaudited condensed consolidated interim statement of financial position. In addition, a total of \$13,523 transaction costs was capitalized and included as part of the acquisition cost of the SF Project.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

### 4. DEPOSITS AND PREPAYMENTS

	September 30, 2022	December 31, 2021
Deposits and prepayments related to property and equipment	\$ 27,182	\$ 57,182
Other deposits and prepaid expenses	64,364	68,793
Total	91,546	125,975
Non-current portion	(27,182)	(57,182)
Current deposits and prepaid expenses	\$ 64,364	\$ 68,793

### 5. LOAN RECEIVABLE

In March 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 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 \$314,700 (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%.

### 6. 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
Additions	-	12,661	-	-	-	-	-	12,661
Disposals	-	-	-	-	-	(76,869)	-	(76,869)
Foreign currency translation impact	-	867	-	-	-	-	-	867
Ending balance as at September 30, 2022	\$ 439,118	\$ 34,194	\$ 23,800	\$ 62,456	\$ 88,436	\$ -	\$ 119,721	\$ 767,725
<b>Accumulated depreciation and amortization</b>								
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	(16,472)	(3,100)	(3,850)	(9,368)	(13,268)	(19,166)	-	(65,224)
Disposals	-	-	-	-	-	38,328	-	38,328
Ending balance as at September 30, 2022	\$ (25,481)	\$ (5,846)	\$ (9,915)	\$ (18,736)	\$ (20,420)	\$ -	\$ -	\$ (80,398)
<b>Carrying amounts</b>								
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 September 30, 2022	\$ 413,637	\$ 28,348	\$ 13,885	\$ 43,720	\$ 68,016	\$ -	\$ 119,721	\$ 687,327

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

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

During the three and nine months ended September 30, 2022, a total of \$5,439 and \$16,318, respectively, depreciation and amortization (three and nine months ended September 30, 2021 - \$3,018 and \$11,635, respectively) was recognized in the unaudited condensed consolidated interim statement of loss, and a total of \$12,004 and \$48,906, respectively, depreciation and amortization was capitalized to mineral property and interest (three and nine months ended September 30, 2021 – \$13,361 and \$15,821, respectively).

During the three and nine months ended September 30, 2022, the Company terminated some vehicle lease contracts and returned the leased vehicles to the vendor. The loss associated with these lease contract terminations was summarized in the table below.

Right-of-use asset disposed	\$	38,541
Lease obligation terminated (Note 8)		(27,570)
Disposal cost and termination penalty		17,380
Loss on termination of lease contracts	\$	28,351

### 7. MINERAL PROPERTY INTERESTS

#### (i) Skukum Project

Skukum Project covering an area of 170.3 square kilometers (“km”), 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 and nine months ended September 30, 2022, total expenditures of \$151,055 and \$1,108,380, respectively (three and nine months ended September 30, 2021 - \$5,914,207 and \$7,461,899, respectively), were capitalized under the Skukum Project.

#### (ii) Porvenir Project

The Company acquired the Porvenir Project in August 2022 (note 3). The Porvenir Project covers an area of 11.25 square km and is at an elevation of approximately 4,100 meters. Access to the Porvenir Project is relatively easy with paved access from Oruro for 60 km and dirt road access for 10 km from the town of Venta Y Media.

For the three and nine months ended September 30, 2022, total expenditures of \$96,937 and \$96,937, respectively, were capitalized under the project.

#### (iii) SF Project

The Company entered into a confirmation drilling agreement with option to purchase the SF Project in August 2022 (note 3). The SF Project covers an area of approximately 2.0 square km and is at an elevation of approximately 4,200 meters. It is located in the west-central region of Bolivia, 60km southeast of the city of Oruro, in both the Oruro and Potosi Department. Access is relatively easy through a paved road of 45 km from Oruro and a gravel road of 25 km.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

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

For the three and nine months ended September 30, 2022, total expenditures of \$212,822 and \$212,822, respectively, were capitalized under the project.

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

<b>Cost</b>		<b>Skukum</b>		<b>SF</b>		<b>Porvenir</b>		<b>Total</b>
Balance, January 1, 2021	\$	13,406,867	\$	-	\$	-	\$	13,406,867
<u>Capitalized exploration expenditures</u>								
Geology study		1,783,245		-		-		1,783,245
Geophysics & surveying		188,071		-		-		188,071
Drilling & assaying		3,145,606		-		-		3,145,606
Camp service		2,020,543		-		-		2,020,543
Environmental monitoring		450,821		-		-		450,821
Project management and support		1,051,410		-		-		1,051,410
Permitting & claims		140,131		-		-		140,131
Balance, December 31, 2021	\$	22,186,694	\$	-	\$	-	\$	22,186,694
<u>Capitalized exploration expenditures</u>								
Acquisition (Note 3)		-		143,413		2,119,980		2,263,393
Drilling & assaying		327,619		172,996		-		500,615
Camp service		327,733		-		-		327,733
Environmental monitoring		126,915		-		-		126,915
Permitting & claims		196,775		-		94,740		291,515
Reporting and assessment		40,000		-		-		40,000
Geology study		44,222		-		2,197		46,419
Project management and support		45,116		39,826		-		84,942
Foreign currency impact		-		18,852		125,292		144,144
<b>Balance, September 30, 2022</b>	<b>\$</b>	<b>23,295,074</b>	<b>\$</b>	<b>375,087</b>	<b>\$</b>	<b>2,342,209</b>	<b>\$</b>	<b>26,012,370</b>

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

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

### 8. LEASE

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

	<b>Lease Obligation</b>
Balance, January 1, 2021	\$ -
New lease agreements entered	51,473
Interest accrual	4,217
Interest paid	(4,217)
Principal repayment	(11,771)
<b>Balance, December 31, 2021</b>	<b>\$ 39,702</b>
Interest accrual	3,789
Interest paid	(3,789)
Principal repayment	(12,132)
Lease termination	(27,570)
<b>Balance, September 30, 2022</b>	<b>\$ -</b>

### 9. LONG-TERM PAYABLE

Balance, January 1, 2022	\$ -
Acquisition of Porvenir Project (Note 3)	1,128,668
Accretion	14,322
Foreign Exchange Impact	63,371
<b>Balance, September 30, 2022</b>	<b>\$ 1,206,361</b>
Less: current portion	629,406
<b>Non-current portion</b>	<b>\$ 576,955</b>

### 10. 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*

The Company has a share-based compensation plan (the "Plan") which allows for the maximum number of common shares to be reserved for issuance on stock options to be a rolling 10% of the issued and outstanding common shares from time to time.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

For the three and nine months ended September 30, 2022, a total of \$114,028 and \$242,989, respectively (three and nine months ended September 30, 2021 - \$160,505 and \$394,128, respectively), were recorded as share-based compensation expense, and recoveries as a result of forfeitures of \$24,036 and \$44,536, respectively (three and nine months ended September 30, 2021 – expense of \$17,624 and \$69,385, respectively) were capitalized under mineral property interests.

The continuity schedule of stock options, as at September 30, 2022, is as follows:

	Number of options	Weighted average
Balance, January 1, 2021	3,450,000	\$ 0.32
Options granted	1,315,000	1.08
Options exercised	(91,667)	0.32
Options cancelled/forfeited	(873,333)	0.77
Balance, December 31, 2021	3,800,000	\$ 0.48
Options granted	3,280,000	0.50
Options exercised	(1,068,334)	0.32
Options cancelled/forfeited	(3,091,666)	0.48
<b>Balance, September 30, 2022</b>	<b>2,920,000</b>	<b>\$ 0.56</b>

The following table summarizes information about stock options outstanding as at September 30, 2022:

Exercise price	Number of options outstanding at September 30, 2022	Weighted average remaining contractual life (Years)	Weighted average exercise price	Number of options exercisable at September 30, 2022	Weighted average exercise price
\$0.315	530,000	8.13	\$0.315	265,000	\$0.315
\$0.50	1,640,000	4.51	\$0.50	-	\$0.50
\$0.60	500,000	4.16	\$0.60	83,333	\$0.60
\$1.38	250,000	8.60	\$1.38	83,333	\$1.38
\$ 0.315 to \$1.38	2,920,000	5.46	\$0.56	431,666	\$0.58

During the three and nine months ended September 30, 2022, the Company granted nil and 3,280,000 stock options, respectively, (three and nine months ended September 30, 2021 – nil and 815,000, respectively) to certain directors, officers and consultants having a weighted average 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. The fair value of the options granted is \$0.35 per common share and estimated using the Black-Scholes options pricing model with the following assumptions:

Three and nine months ended September 30, 2022	
Risk free interest rate	2.03%
Expected life of option in years	2.74 years
Expected volatility	126%
Expected dividend yield	0.00%
Estimated forfeiture rate	10%
Weighted average share price at date of grant	\$0.50

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.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

### (c) Share purchase warrant

The continuity schedule of share purchase warrants, as at September 30, 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
<b>Balance, September 30, 2022</b>	<b>10,225,574</b>	<b>\$2.00 to \$2.10</b>

The following table summarizes information about share purchase warrants outstanding as at September 30, 2022.

	Exercise price	Number of warrants outstanding at		Expiry date
		September 30, 2022		
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		

## 11. 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	September 30, 2022	December 31, 2021
Payables due to Silvercorp Metals Inc.	i	\$ 4,799	\$ 24,475

- i) Silvercorp Metals Inc. ("Silvercorp") owns approximately 28.9% 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 and nine months ended September 30, 2022 was \$26,796 and \$135,041, respectively (three and nine months ended September 30, 2021 - \$55,229 and \$179,322, respectively).

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

	Three months ended September 30,		Nine months ended September 30	
	2022	2021	2022	2021
Directors' fees	\$ -	\$ 28,000	\$ -	\$ 80,000
Directors' share-based compensation	69,445	44,544	117,355	102,433
Key management's salaries and benefits	67,894	194,954	248,210	677,007
Key management's share-based compensation	51,737	112,600	63,661	290,136
	\$ 189,076	\$ 380,098	\$ 429,226	\$ 1,149,576



# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

### 12. 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 September 30, 2022 and December 31, 2021. Fair value of financial instruments measured at amortised cost approximate their carrying amount as at September 30, 2022 and December 31, 2021.

#### (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 September 30, 2022, the Company had working capital of \$217,776. 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, 2022			
	Balance	Undiscounted Contractual Payment		Total
		Due within a year	2-5 years	
Accounts payable and accrued liabilities	\$ 583,140	\$ 583,140	\$ -	\$ 583,140
Long-term payable	1,206,361	1,028,025	342,675	1,370,700
	<b>\$ 1,789,501</b>	<b>\$ 1,611,165</b>	<b>\$ 342,675</b>	<b>\$ 1,953,840</b>

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

---

*(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, 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 September 30, 2022, the Company had a loan receivable balance of \$349,089 (December 31, 2021 - \$nil), which was pledged with shares in the Borrower's wholly-owned subsidiary which holds the title of the Properties (Note 5).

### **13. 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.

### **14. SEGMENT INFORMATION**

The Company's reportable operating segments are components of the Company where separate financial information is available that is evaluated regularly by the Company's Chief Executive Officer who is the Chief Operating Decision Maker ("CODM"). The operational segments are determined based on the Company's management and internal reporting structure.

As at and for the three and nine months ended September 30, 2022, the Company operates in four reportable operating segments, one being the corporate segment; the other three being the exploration and development segments based on the mineral properties in Canada and Bolivia.

The Company had only one reportable operating segment before entering the transactions related to the Porvenir Project and the SF Project in this period. Effective September 30, 2022, the Company revised its reportable segments to reflect recent changes in the CODM's way of reviewing and assessing the Company's performance. As a result, the "Corporate" and the "Skukum" segment are being reported separately. The comparative information has been reclassified because of these changes.

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

(a) Segmented information for assets and liabilities is as follows:

	September 30, 2022					Total
	Corporate	Exploration and Development				
		Skukum	SF	Porvenir		
Cash	\$ 1,339,585	\$ 16,957	\$ -	\$ -	\$ -	\$ 1,356,542
Plant and equipment	68,073	608,289	-	10,965	-	687,327
Mineral property interests	-	23,295,074	375,087	2,342,209	-	26,012,370
Other assets	417,619	45,303	-	7,003	-	469,925
<b>Total Assets</b>	<b>\$ 1,825,277</b>	<b>\$ 23,965,623</b>	<b>\$ 375,087</b>	<b>\$ 2,360,177</b>	<b>\$ -</b>	<b>\$ 28,526,164</b>
<b>Total Liabilities</b>	<b>\$ (323,083)</b>	<b>\$ (184,092)</b>	<b>\$ -</b>	<b>\$ (1,287,125)</b>	<b>\$ -</b>	<b>\$ (1,794,300)</b>

  

	December 31, 2021					Total
	Corporate	Exploration and Development				
		Skukum	SF	Porvenir		
Cash	\$ 4,752,269	\$ 397,644	\$ -	\$ -	\$ -	\$ 5,149,913
Plant and equipment	80,341	697,223	-	-	-	777,564
Mineral property interests	-	22,186,694	-	-	-	22,186,694
Other assets	54,287	159,365	-	-	-	213,652
<b>Total Assets</b>	<b>\$ 4,886,897</b>	<b>\$ 23,440,926</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,327,823</b>
<b>Total Liabilities</b>	<b>\$ 263,720</b>	<b>\$ 661,758</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 925,478</b>

(b) Segmented information for operating results is as follows:

	Three months ended September 30, 2022					Total
	Corporate	Exploration and Development				
		Skukum	SF	Porvenir		
Salaries and benefits	\$ 108,908	\$ -	\$ -	\$ -	\$ -	\$ 108,908
Project evaluation and corporate development	8,830	-	-	-	-	8,830
Share-based compensation	114,028	-	-	-	-	114,028
Other operating expenses	138,037	1,253	-	5,111	-	144,401
<b>Total operating expense</b>	<b>369,803</b>	<b>1,253</b>	<b>-</b>	<b>5,111</b>	<b>-</b>	<b>376,167</b>
Interest income	(3,192)	-	-	-	-	(3,192)
Interest expense	14,322	365	-	-	-	14,687
Foreign exchange (gain) loss	(19,108)	422	-	-	-	(18,686)
Loss on early termination of leases	-	8,750	-	-	-	8,750
<b>Net loss attributed to equity holders of the Company</b>	<b>\$ 361,825</b>	<b>\$ 10,790</b>	<b>\$ -</b>	<b>\$ 5,111</b>	<b>\$ -</b>	<b>\$ 377,726</b>

  

	Three months ended September 30, 2021					Total
	Corporate	Exploration and Development				
		Skukum	SF	Porvenir		
Salaries and benefits	\$ 276,996	\$ -	\$ -	\$ -	\$ -	\$ 276,996
Share-based compensation	160,505	-	-	-	-	160,505
Other operating expenses	205,678	2,933	-	-	-	208,611
<b>Total operating expense</b>	<b>643,179</b>	<b>2,933</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>646,112</b>
Interest expense	-	2,154	-	-	-	2,154
Foreign exchange (gain) loss	3,889	(90)	-	-	-	3,799
<b>Net loss attributed to equity holders of the Company</b>	<b>\$ 647,068</b>	<b>\$ 4,997</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 652,065</b>

# Whitehorse Gold Corp.

## Notes to Unaudited Condensed Consolidated Interim Financial Statements as at September 30, 2022 and for the three and nine months ended September 30, 2022 and 2021

(Expressed in Canadian dollars, except for share figures)

	Nine months ended September 30, 2022					Total
	Corporate	Exploration and Development				
		Skukum	SF	Porvenir		
Salaries and benefits	\$ 391,014	\$ -	\$ -	\$ -	\$ 391,014	
Project evaluation and corporate development	95,575	-	-	-	\$ 95,575	
Share-based compensation	242,989	-	-	-	242,989	
Other operating expenses	512,515	4,113	-	5,111	521,739	
<b>Total operating expense</b>	<b>1,242,093</b>	<b>4,113</b>	<b>-</b>	<b>5,111</b>	<b>1,251,317</b>	
Interest income	(6,414)	-	-	-	(6,414)	
Interest expense	14,322	3,789	-	-	18,111	
Foreign exchange (gain) loss	(20,333)	399	-	-	(19,934)	
Loss on early termination of leases	-	28,351	-	-	28,351	
<b>Net loss</b>	<b>\$ 1,229,668</b>	<b>\$ 36,652</b>	<b>\$ -</b>	<b>\$ 5,111</b>	<b>\$ 1,271,431</b>	

	Nine months ended September 30, 2021					Total
	Corporate	Exploration and Development				
		Skukum	SF	Porvenir		
Salaries and benefits	\$ 813,600	\$ -	\$ -	\$ -	\$ 813,600	
Share-based compensation	394,128	-	-	-	394,128	
Other operating expenses	530,586	443	-	-	531,029	
<b>Total operating expense</b>	<b>1,738,314</b>	<b>443</b>	<b>-</b>	<b>-</b>	<b>1,738,757</b>	
Interest expense	-	2,154	-	-	2,154	
Foreign exchange (gain) loss	9,714	(90)	-	-	9,624	
<b>Net loss</b>	<b>\$ 1,748,028</b>	<b>\$ 2,507</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,750,535</b>	

### 15. SUBSEQUENT EVENT

On November 4, 2022, the Company announced that it has undertaken a non-brokered private placement financing (the "Offering") to raise gross proceeds of up to approximately \$3,000,000 from the sale of up to 7,500,000 units ("Units") at a price of \$0.40 per Unit, with each Unit consisting of one Share and one-half of one non-transferable Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one Share from the Company at a price of \$0.65 per Share for a period of 24 months from the closing of the Offering.

Further on November 21, 2022, the Company announced that the Offering increased to gross proceeds of up to \$4,000,000 from the sale of up to 10,000,000 Units. The Offering is anticipated to close on or before Thursday, December 15, 2022 (the "Closing Date"). The closing of the Offering is subject to certain conditions, including the approval of the TSXV and certain other conditions customary for a private placement of this nature. All securities issued pursuant to the Offering will be subject to a statutory four-month and one-day hold period from the Closing Date.