

# WHITEHORSE GOLD CORP.

## Management's Discussion and Analysis

For the three months ended September 30, 2020

(Expressed in Canadian dollars, unless otherwise stated)

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### DATE OF REPORT: November 30, 2020

*This MD&A for Whitehorse Gold Corp. and its subsidiaries' (collectively, "Whitehorse Gold" or the "Company") should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements for the three months ended September 30, 2020 and the related notes contained therein. In addition, the following should be read in conjunction with the Company's audited consolidated financial statements for the period from incorporation on November 27, 2019 to June 30, 2020 (attached as Schedules "D" to the Company's Listing Application available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com)), which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. The Company's significant accounting policies are set out in Note 2 of the audited consolidated financial statements for the period from incorporation on November 27, 2019 to June 30, 2020.*

### CORPORATE INFORMATION

The Company is a Canadian mining company engaged in exploring and developing mining properties, including its Skukum Gold Project (formerly referred to as Tagish Lake Gold Project) located in the Yukon Territory, Canada (the "Project"). Whitehorse Gold was incorporated under the *Business Corporations Act* (British Columbia) on November 27, 2019, primarily for the purpose of carrying out a spin-out by way of plan of arrangement (the "Arrangement") with New Pacific Metals Corp. ("New Pacific") (TSX: NUAG), 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 commenced trading on the TSX Venture Exchange (the "TSXV") under the symbol "WHG" on November 25, 2020.

### PROJECT OVERVIEW

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

The Project, covering an area of 170.3 km<sup>2</sup>, is located in the Yukon Territory, Canada, and consists of 1,051 mining claims hosting three identified gold and gold-silver mineral deposits: Skukum Creek, Goddell and Mount Skukum.

The Company commenced its Phase I work program in July 2020. During the three months ended September 30, 2020, total expenditures of \$540,838 (three months ended September 30, 2019 - \$nil) were capitalized under the Project mainly for environmental studies, mapping, camp set-up and maintenance, and historical data compilation.

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

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

## FINANCIAL RESULTS

	Three months ended September 30, 2020
Net loss attributable to the equity holders	\$ 81,713
Operating expenses	\$ 28,172
Interest Expense	\$ 53,150
Basic and diluted loss per share	\$ 0.0041
Total Assets	\$ 15,407,134
Total Liabilities	\$ 6,851,403

**Net loss attributable to the equity holders** for the three months ended September 30, 2020 was \$81,713, which mainly resulted from the Company's operating expenses during the period and interest expense related to the Promissory Notes (as defined below) due to New Pacific.

**Operating expenses** for the three months ended September 30, 2020 were \$28,172. Items included in operating expenses were as follows:

- (i) **Professional fees** for the three months ended September 30, 2020 were \$88,295 mainly related to the spin-out and listing related services.
- (ii) **Salaries and benefits expense** for the three months ended September 30, 2020 was negative \$83,470. A total of \$225,193 salaries and benefits expense before New Pacific shareholders' approval of the Arrangement on September 30, 2020 was reimbursed by New Pacific and recorded as an offset of the current period's expense of \$141,723.
- (iii) **Office and administration expenses** for the three months ended September 30, 2020 were \$14,536.

**Interest expense** for the three months ended September 30, 2020 was \$53,150 related to interest for the

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Promissory Notes (as defined below) in the principal amount of \$3,500,000 due to New Pacific at an annual interest rate of 6% .

### LIQUIDITY AND CAPITAL RESOURCES

#### Cash Flows

**Cash provided by operating activities** for the three months ended September 30, 2020 was \$44,263. Cash flows used in operating activities were mainly used for payment of the Company's operating expenses.

**Cash used in investing activities** for the three months ended September 30, 2020 was \$275,335. Cash flows used in investing activities were mainly for capital expenditures of the Project.

**Cash provided by financing activities** for the three months ended September 30, 2020 was \$2,812,210 reflecting subscription funds received in the period in connection with the Private Placement (as defined below).

#### Liquidity and Capital Resources

As at September 30, 2020, the Company had a working capital deficit position of \$3,833,155. The Company's ability to continue operations in the normal course of business is dependent on several factors, including the operating of the Project, as well as the ability to secure additional financing. The Company will be required to raise additional funds in the future for the development of its projects and other activities through the issuance of additional equity or debt. On November 17, 2020, the Company closed a non-brokered private placement of 22,656,699 common shares of the company for gross proceeds of \$6,797,010 (the "Private Placement").

### 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 of directors 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.

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

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

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

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

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

### (b) Liquidity Risk

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

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

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

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### (c) Foreign Exchange Risk

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

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

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

### (d) Credit Risk

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

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

## 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 MD&A are as follows:

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

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

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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 use by the Company to meet its short term operating needs (the "Operating Promissory Note"; together with the Share Exchange Promissory Note, the "Promissory Notes").

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

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

### **OFF-BALANCE SHEET ARRANGEMENTS**

The Company does not have any off-balance sheet financial arrangements.

### **PROPOSED TRANSACTIONS**

There are no proposed acquisitions or disposals of assets or business, other than those in the ordinary course of business, approved by the Board as at the date of this MD&A.

### **CRITICAL ACCOUNTING POLICIES AND ESTIMATES**

The preparation of the consolidated financial statements is in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported on the consolidated financial statements. These critical accounting estimates represent management's estimates that are uncertain and any changes in these estimates could materially impact the Company's consolidated financial statements. Management continuously reviews its estimates and assumptions using the most current information available. The Company's critical accounting policies and estimates are described in Note 2 of the audited consolidated financial statements for the period from incorporation on November 27, 2019 to June 30, 2020.

### **OUTSTANDING SHARE DATA**

As at the date of this MD&A, the following securities were outstanding:

#### **Share Capital**

- Authorized – unlimited number of common shares without par value.
- Issued and outstanding – 42,656,700 common shares with a recorded value of \$6,797,010.

#### **Options**

On July 2, 2020, the Board of Directors approved and adopted the Stock Option Plan, as amended and

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restated effective November 18, 2020. On November 18, 2020, the Company granted 3,450,000 stock options to certain directors, officers, employees and consultants having an exercise price of \$0.315, a term of 10 years, and vesting over a three year period in 1/6 increments, beginning on the 6-month anniversary following the date of grant. A detailed summary of the Stock Option Plan can be found under the heading "Item 12 – Stock Option Plan" in the Company's TSXV Form 2B – Listing Application dated November 20, 2020 and filed on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) (the "Listing Application").

### Security Escrow Agreement

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

### RISK FACTORS

There are numerous risks involved with mining and exploration companies and the Company is subject to these risks and the Company is subject to many risks which are outlined in the Listing Application under the heading "Item 21 – Risk Factors". In addition, please refer to the "Financial Instruments" section of this MD&A for an analysis of financial risk factors. The Company's major risks (in no particular order) and the strategy for managing these risks are as follows:

### COVID-19

The current outbreak of COVID-19 pandemic could have a material adverse effect on the Company's business and operations, as well as impacting global economic conditions. Government efforts to control the spread of the virus have resulted in, among others, travel restrictions to Yukon Territory, Canada and reduced economic activities in Canada. The international response to the spread of COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock and financial market volatilities, labour shortage and delay in logistics, and a general reduction in consumer activities. All of these could affect commodity prices, interest rates, credit risk, social security and inflation. Such public health crises at the moment or in the future may negatively affect the Company's operations along with the operations of its suppliers, contractors, service providers and local communities.

While the COVID-19 pandemic has already had significant, direct and indirect impacts on the Company's operations and business, the extent to which the pandemic will continue to impact our operations are highly uncertain and cannot be predicted with confidence as at the date of this MD&A. These uncertainties include, but are not limited to, the duration of the outbreak, Canadian governments' mandates to curtail the spreading of the virus, community and social stabilities and the Company's ability to resume operations efficiently or economically. It is also uncertain whether the Company will be able to maintain an adequate financial condition and have sufficient capital, or have the ability to raise capital. Any of these uncertainties, and others, could have further material adverse effect on the Company's business and operations.

The Company may experience additional business interruptions, including suspended (whether government mandated or otherwise) or reduced operations relating to COVID-19 and other such events

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could have a material adverse impact on the Company's business, operations and operating results, financial condition and liquidity.

### Exploration and Development

Long-term operation of the Company's business and its profitability are dependent, in part, on the cost and success of its exploration and future development programs. Mineral exploration and development involves a high degree of risk and historically few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and future development programs will result in any discoveries of bodies of mineral resources or mineral reserves. There is also no assurance that, even if commercially viable quantities of mineral resources or mineral reserves are discovered, a mineral property will be brought into commercial production. Development of the Company's mineral properties will only commence if the Company obtains satisfactory exploration results. Discovery of mineral deposits is dependent upon a number of factors, including the technical skill of the exploration geoscientists involved. The commercial viability of a mineral deposit is also dependent upon a number of factors including: the particular attributes of the deposit such as size, grade and proximity to infrastructure; metal prices; and government regulations including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Most of the above factors are beyond the control of the Company. Unsuccessful exploration or development programs could have a material adverse impact on the Company's operations and profitability.

In addition, mining is inherently dangerous and the Company's operations are subject to a number of risks and hazards including, without limitation:

- industrial accidents;
- failure of processing and mining equipment;
- labour disputes;
- supply problems and delays;
- encountering unusual or unexpected geologic formations or other geological or grade problems;
- encountering unanticipated ground or water conditions;
- cave-ins, pit wall failures, flooding, rock bursts and fire;
- periodic interruptions due to inclement or hazardous weather conditions;
- uncertainties relating to the interpretation of drill results;
- inherent uncertainty of cost estimates and the potential for unexpected costs and expenses;
- results of future preliminary economic assessments, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company's expectations; and
- the potential for delays in exploration or the completion of future feasibility studies.

Such risks, individually or in combination, could result in negative impacts including: damage to, or destruction of, mineral properties or processing facilities; personal injury or death; loss of key employees; environmental damage; delays in mining; monetary losses; and possible legal liabilities. Satisfying such liabilities may be very costly and could have a materially adverse effect on future cash flow, results of operations and financial condition.



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### **Government Permits and Licenses**

The Company's operations are subject to government approvals, licences and permits. No guarantee can be given that the necessary government exploration and mining permits and licenses will be issued to the Company or, if they are issued, that they will be renewed in an appropriate or timely manner, or that the Company will be in a position to comply with all conditions that are imposed. The granting and enforcement of the terms of such approvals, licences and permits are, as a practical matter, subject to the discretion of the applicable governments or governmental officials. To the extent such approvals, licenses or permits are required and not obtained, the Company may be curtailed or prohibited from continuing or proceeding with exploration or development of mineral properties.

### **Aboriginal Claims and Consultation**

Aboriginal interests and rights as well as related consultation issues may impact the Company's ability to pursue exploration, development and mining at its properties. The Company intends to communicate and consult with Aboriginal communities in order to manage its relationship with those groups but there is no assurance that claims or other assertions of rights by Aboriginal communities or consultation issues will not arise on or with respect to the Company's properties or activities. Such claims and issues could result in significant costs and delays or materially restrict the Company's activities.

### **Calculation of Mineral Resources and Mineral Reserves**

There is a high degree of uncertainty attributable to the calculation of mineral resources, mineral reserves and corresponding grades. Until any future estimated mineral reserves are actually mined and processed, the quantity of future mineral resources, mineral reserves, and corresponding grades, if any, as disclosed at the Company's mineral property must be considered as estimates only. Accordingly, there can be no assurance that the Company will ever be able to delineate any mineral resources or mineral reserves at any of its currently owned projects.

### **Fluctuating Commodity Prices**

The Company's future revenues, if any, are expected to be derived in large part from the mining and sale of metals. Historically, the prices of those commodities has fluctuated widely, particularly in recent years, being affected by numerous factors beyond the Company's control including: international economic and political trends; expectations of inflation; currency exchange fluctuations; interest rates; supply and demand; sales by government holders; global or regional consumptive patterns; speculative activities; availability and costs of metal substitutes; and increased production due to new mine developments and improved mining and production methods. The price of base and precious metals will have a significant influence on the market price of the Company's shares and the value of its property. The effect of these factors on the price of base and precious metals, and therefore the viability of the Company's exploration projects, cannot be accurately predicted. If precious and base metal prices were to decline significantly, or for an extended period of time, the Company may be unable to continue its current exploration activities or fulfil obligations under its permits or licenses.

### **Key Human Resources**

The Company depends on the services of a number of key skilled experts, including its current board and executive officers, the loss of any one of whom could have an adverse effect on the Company's operations.

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The Company's ability to manage growth effectively will require it to continue to implement and improve management systems, and to recruit and train new employees. The Company cannot assure that it will be successful in attracting and re-training skilled and experienced specialists.

### **Governmental Regulation**

The Company's mineral exploration and development activities are subject to various laws governing prospecting, mining, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, water use and other matters. No assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail exploration, development or production. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have fines or penalties imposed for violations of applicable laws or regulations.

### **Environmental Risks**

The Company's exploration and development activities are subject to extensive laws and regulations governing environmental protection, including laws related to reclamation bonds. Environmental laws and regulations are complex and have tended to become more stringent over time. Failure to comply with applicable environmental health and safety laws may result in injunctions, damages, suspension or revocation of permits, and imposition of penalties. There can be no assurance that the Company has been, or will be, at all times in complete compliance with current and future environmental and health and safety laws and that compliance with environmental permits and regulations will not materially adversely affect the Company's business, results of operations or financial condition.

### **Realization of Benefits of the Arrangement**

The Arrangement was proposed by New Pacific and the Company to strengthen the position of each entity in the mining and exploration industry and to create the opportunity to realize certain benefits. Achieving the benefits of the Arrangement depends in part on the ability of Whitehorse Gold to effectively capitalize on its scale, to realize the anticipated capital and operating synergies, to profitably sequence the growth prospects of its asset base and to maximize the potential of its improved growth opportunities and capital funding opportunities. A variety of factors, including those risk factors set forth in the Listing Application may adversely affect the ability of Whitehorse Gold to achieve the anticipated benefits of the Arrangement.

### **No History of Operations, Earnings or Dividends**

Following completion of the Arrangement, the Company became an independent public company. The operating history of New Pacific cannot be regarded as the operating history of the Company. The ability of the Company to raise capital, satisfy its obligations and provide a return to its shareholders will be dependent on future performance. It will not be able to rely on the capital resources and cash flows of New Pacific. The Company has not yet commenced operations and therefore has no history of earnings or of a

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return on investment, and there is no assurance that its assets will generate earnings, operate profitably or provide a return on investment in the future. The likelihood of success of the Company must also be considered in light of the problems, expenses, difficulties, complications and delays frequently encountered in connection with the establishment of any business. The Company's proposed business strategies incorporate its management's best analysis of potential markets, opportunities and difficulties that it may face. No assurance can be given that the underlying assumptions will be achieved. The Company has never paid a dividend and, while it currently intends to seek to pay dividends in the future, has no current plans to pay dividends. The future dividend policy of the Company will be determined by the Board.

### **Additional Financing**

If the Company's exploration programs are successful in establishing mineral resources and subsequently commercially viable mineral reserves, additional funds will be required for the development of such a deposit and to place it in commercial production. One potential source of future funds is through the sale of equity capital. There is no assurance that this source will continue to be available, in required amounts or at all. If it is available, future equity financings may result in substantial dilution to shareholders. Another alternative for the financing of further exploration would be the offering by the Company of an interest in the property to be earned by another party or parties carrying out further exploration or development thereof. There can be no assurance the Company will be able to conclude any such agreements, on favourable terms or at all.

### **Title to Property**

While the Company has investigated title to all of its mineral claims and, to the best of its knowledge, title to all of its property is in good standing, the Company's mineral property may be subject to prior unregistered agreements or transfers and title may be affected by such undetected defects. There may be valid challenges to the title of the Company's property which, if successful, could impair exploration, development and/or operations. The Company cannot give any assurance that title to its property will not be challenged. None of the Company's mineral property has been surveyed, and the precise location and extent thereof may be in doubt.

### **Recent and Current Market Conditions**

Over recent years worldwide securities markets, including those in the United States and Canada, have experienced a high level of price and volume volatility. Accordingly, the market price of securities of many mining companies, particularly those considered exploration or development-stage companies, have experienced unprecedented shifts and/or volatility in price which have not necessarily been related to the underlying asset values or prospects of such companies. As a consequence, market forces may render it difficult or impossible for the Company to secure investors to participate in new share issues at an attractive price for the Company, or at all. Therefore, there can be no assurance that significant fluctuations will not materially adversely impact on the Company's ability to raise equity funding.

### **Competition**

The mining industry is intensely competitive in all phases of its activities, and such competition could adversely affect the Company's ability to acquire suitable resource properties in the future.

### **Feasibility and Engineering Reports**

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The Company carries out exploration operations at the Project in accordance with the applicable exploration permits. The Company has not yet completed, and may not complete, a preliminary economic assessment, preliminary feasibility or feasibility study or report which would permit the Company to consider advancing a project to the development stage.

### Insurance

The Company's exploration activities are subject to the risks normally inherent in the industry: these risks include, but are not limited to, environmental hazards; flooding; periodic or seasonal hazardous climate or weather conditions; or unexpected rock formations. The Company may become subject to liability which it cannot insure, or against which it may elect not to insure, due to high premium costs or other reasons. Where considered practical to do so the Company maintains insurance against risks in the operation of its business in amounts which the Company believes to be reasonable. Such insurance, however, contains exclusions and limitations on coverage. The Company cannot provide any assurance that such insurance will continue to be available, will be available at economically acceptable premiums or will be adequate to cover any resulting liability. In some cases, coverage is not available or considered too expensive relative to the perceived risk.

### Potential Conflicts of Interest

Conflicts of interest may arise as a result of the directors, officers and promoters of the Company also holding positions as directors and/or officers of other companies. Some of those persons who are directors and officers of the Company have and will continue to be engaged in the identification and evaluation of assets and businesses and companies on their own behalf and on behalf of other companies; accordingly, situations may arise where the directors and officers may in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia).

### FORWARD LOOKING STATEMENTS

*Except for statements of historical fact relating to the Company, certain information contained herein constitutes "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and "forward-looking information" within the meaning of applicable Canadian provincial securities laws (collectively, "forward-looking statements"). Forward-looking statements are frequently characterized by words such as "plan", "expect", "project", "intend", "believe", "anticipate", "estimate", "goals", "forecast", "budget", "potential" or variations thereof and other similar words, or statements that certain events or conditions "may", "could", "would", "might", "will" or "can" occur. Forward-looking statements include, but are not limited to: statements regarding anticipated exploration, drilling, development, construction, and other activities or achievements of the Company; timing of receipt of permits and regulatory approvals; and estimates of the Company's revenues and capital expenditures.*

*Forward-looking statements are based on the opinions and estimates of management on the date the statements are made, and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward-looking statements. These factors include global economic and social impact of COVID-19, fluctuating equity prices, bond prices, commodity prices, calculation of resources, reserves and mineralization, general economic conditions, foreign exchange risks, interest rate risk, foreign investment risk, loss of key personnel, conflicts of interest,*

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*dependence on management, uncertainties relating to the availability and costs of financing needed in the future, environmental risks, operations and political conditions, the regulatory environment in Canada, and other factors described in this MD&A, under the heading "Risk Factors" in the Listing Application and its other public filings. The foregoing is not an exhaustive list of the factors that may affect any of the Company's forward-looking statements or information.*

*The forward-looking statements are necessarily based on a number of estimates, assumptions, beliefs, expectations and opinions of management as of the date of this MD&A that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. These estimates, assumptions, beliefs, expectations and options include, but are not limited to, those related to the Company's ability to carry on current and future operations, including: the duration and effects of COVID-19 on our operations and workforce; development and exploration activities; the timing, extent, duration and economic viability of such operations; the accuracy and reliability of estimates, projections, forecasts, studies and assessments; the Company's ability to meet or achieve estimates, projections and forecasts; the availability and cost of inputs; the price and market for outputs; foreign exchange rates; taxation levels; the timely receipt of necessary approvals or permits; the ability to meet current and future obligations; the ability to obtain timely financing on reasonable terms when required; the current and future social, economic and political conditions; and other assumptions and factors generally associated with the mining industry.*

*Although the forward-looking statements contained in this MD&A are based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. All forward-looking statements in this MD&A are qualified by these cautionary statements. Accordingly, readers should not place undue reliance on such statements. Other than specifically required by applicable laws, the Company is under no obligation and expressly disclaims any such obligation to update or alter the forward-looking statements whether as a result of new information, future events or otherwise except as may be required by law. These forward-looking statements are made as of the date of this MD&A.*

*Additional information relating to the Company can be obtained under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company's website at [www.whitehorsegold.ca](http://www.whitehorsegold.ca).*