ANNUAL REPORT

December 31, 2020

Suite 1056 | 409 Granville St. | Vancouver, B.C. | V6C 1T2

WESTHAVEN GOLD CORP.
(Formerly Westhaven Ventures Inc.)
(An Exploration Stage Company)

Financial Statements
December 31, 2020 and 2019
(Expressed in Canadian Dollars)

Index | **Page**

Independent Auditors' Report to the Shareholders	1 - 3
Financial Statements	
Statements of Financial Position	4
Statements of Loss and Comprehensive Loss	5
Statements of Changes in Shareholders' Equity	6
Statements of Cash Flows	7
Notes to Financial Statements	8 – 34

Smythe CPA

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF WESTHAVEN GOLD CORP. (formerly Westhaven Ventures Inc.)

Opinion
We have audited the financial statements of Westhaven Gold Corp. (the "Company"), which comprise:

- the statements of financial position as at December 31, 2020 and 2019;
- the statements of loss and comprehensive loss for the years then ended;
- the statements of changes in shareholders' equity for the years then ended;
- the statements of cash flows for the years then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion
We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient in our audits and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern
We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of $949,643 during the year ended December 31, 2020 and, as of that date, has an accumulated deficit of $8,313,630. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information
Management is responsible for the other information. The other information comprises of Management's Discussion and Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditors' report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditors' report is Sukhjit Gill.

Smythe LLP

Chartered Professional Accountants

Vancouver, British Columbia
April 21, 2021

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WESTHAVEN GOLD CORP. **(Formerly Westhaven Ventures Inc.)**
(An Exploration Stage Company)
Statements of Financial Position
(Expressed in Canadian Dollars)

December 31,		**2020**		**2019**
Assets				
Current				
Cash and cash equivalents	$	131,503	$	4,327,312
Other receivables (note 8)		223,863		128,175
BCMETC receivable (note 7)		2,071,913		1,436,750
Prepaid expenses		1,966		1,966
		2,429,245		5,894,203
Reclamation Deposits (note 7)		100,000		80,000
Property and Equipment (note 5)		147,301		80,983
Right-of-Use Assets (note 6)		106,720		85,047
Mineral Properties (note 7)		15,938,142		7,940,810
	$	18,721,408	$	14,081,043
Liabilities				
Current				
Accounts payable and accrued liabilities (note 9)	$	870,266	$	538,260
Current portion of lease liability (note 6)		71,902		29,410
Current portion of equipment loan (note 5)		8,580		-
		950,748		567,670
Flow-through Share Liability (note 8)		980,586		358,741
Non-current Portion of Lease Liability (note 6)		39,180		55,058
Non-current Portion of Equipment Loan (note 5)		30,029		-
		2,000,543		981,469
Shareholders' Equity				
Capital Stock (note 8)		20,991,748		16,687,879
Reserves (note 8)		4,042,747		3,775,682
Deficit		(8,313,630)		(7,363,987)
		16,720,865		13,099,574
	$	18,721,408	$	14,081,043

These financial statements are signed on behalf of the Board of Directors by:

"Gareth Thomas" (signed)

Director

"Shaun Pollard" (signed)

Director

The accompanying notes are an integral part of these financial statements.

WESTHAVEN GOLD CORP. **(Formerly Westhaven Ventures Inc.)**
(An Exploration Stage Company)
Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

Years Ended December 31,	2020	2019
Expenses		
Salary and benefits (note 9)	$ 614,588	$ 166,711
Advertising and promotion	284,400	160,173
Professional fees	163,682	49,139
Rent (note 9)	90,662	34,143
General and administrative (note 9)	69,139	77,966
Regulatory and filing fees	51,656	45,571
Travel	47,172	132,756
Insurance	23,793	12,200
Interest and bank charges (notes 6 and 9)	16,363	13,410
Amortization (notes 5 and 6)	7,453	10,686
Share-based payments (notes 8(d) and 9)	-	685,389
Management fees (note 9)	-	300,000
Property investigation costs	-	2,089
	(1,368,908)	(1,690,233)
Premium on flow-through shares (note 12)	358,741	-
Interest income	60,524	20,870
Net Loss and Comprehensive Loss for Year	$ (949,643)	$ (1,669,363)
Basic and Diluted Loss Per Share	$ (0.01)	$ (0.02)
Weighted Average Number of Common Shares Outstanding	99,992,727	90,538,272

The accompanying notes are an integral part of these financial statements.

WESTHAVEN GOLD CORP. **(Formerly Westhaven Ventures Inc.)**
(An Exploration Stage Company)
Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Capital Stock		Reserves				Total
	Common Shares	Amount	Warrants	Options	Total Reserves	Deficit	Shareholders' Equity
Balance, December 31, 2018	84,957,291	$ 7,732,990	$ 65,307	$ 2,785,776	$ 2,851,083	$ (5,694,624)	$ 4,889,449
Non flow-through shares issued (note 6)	6,569,323	6,805,102	92,687	-	92,687	-	6,897,789
Flow-through shares issued (note 6)	2,207,639	2,141,410	-	-	-	-	2,141,410
Exercise of warrants	2,536,045	302,248	(65,307)	-	(65,307)	-	236,941
Exercise of options	679,411	146,879	-	(54,262)	(54,262)	-	92,617
Share-based payments	-	-	-	951,481	951,481	-	951,481
Share issue costs	-	(440,750)	-	-	-	-	(440,750)
Net loss for the year	-	-	-	-	-	(1,669,363)	(1,669,363)
Balance, December 31, 2019	96,949,709	$ 16,687,879	$ 92,687	$ 3,682,995	$ 3,775,682	$ (7,363,987)	$ 13,099,574
Flow-through shares issued (note 6)	5,447,700	4,194,729	-	-	-	-	4,194,729
Exercise of options	2,425,000	430,494	-	(197,494)	(197,494)	-	233,000
Share-based payments	-	-	-	464,559	464,559	-	464,559
Share issue costs	-	(321,354)	-	-	-	-	(321,354)
Net loss for the year	-	-	-	-	-	(949,643)	(949,643)
Balance, December 31, 2020	104,822,409	$ 20,991,748	$ 92,687	$ 3,950,060	$ 4,042,747	$ (8,313,630)	$ 16,720,865

The accompanying notes are an integral part of these financial statements.

WESTHAVEN GOLD CORP. **(Formerly Westhaven Ventures Inc.)**
(An Exploration Stage Company)
Statements of Cash Flows
(Expressed in Canadian Dollars)

Years Ended December 31,		**2020**		**2019**
Operating Activities				
Net loss for year	$	(949,643)	$	(1,669,363)
Items not involving cash				
Premium on flow-through shares		(358,741)		-
Interest		11,119		7,423
Amortization		7,453		10,686
Share-based payments		-		685,389
		(1,289,812)		(965,865)
Changes in non-cash working capital				
Other receivables		(20,688)		(81,362)
Accounts payable and accrued liabilities		(52,010)		107,454
Prepaid expenses		-		(1,966)
Cash Used in Operating Activities		(1,362,510)		(941,739)
Financing Activities				
Flow-through shares issued		5,175,315		2,500,151
Non-flow through shares issued		-		6,897,789
Share issue costs		(321,354)		(440,750)
Exercise of options		158,000		92,617
Exercise of warrants		-		236,941
Equipment loan		42,899		-
Repayment of loan		(4,290)		(284,348)
Repayment of lease obligations		(63,050)		(13,000)
Cash Provided by Financing Activities		4,987,520		8,989,400
Investing Activities				
Expenditures on mineral properties		(7,692,244)		(3,974,779)
Expenditures on property and equipment		(108,575)		(88,792)
Expenditures on reclamation deposits		(20,000)		(21,000)
Cash Used in Investing Activities		(7,820,819)		(4,084,571)
Inflow (Outflow) of Cash		(4,195,809)		3,963,090
Cash and Cash Equivalents, Beginning of the Year		4,327,312		364,222
Cash and Cash Equivalents, End of the Year	$	131,503	$	4,327,312
Cash and cash equivalents are comprised of:				
Cash	$	131,503	$	147,312
Guaranteed investment certificate		-		4,180,000
Cash and Cash Equivalents, End of the Year	**$**	**131,503**	**$**	**4,327,312**
Supplemental Cash Flow Information				
Accounts payable included in mineral properties	$	737,445	$	353,429
BCMETC included in mineral properties	$	2,071,913	$	1,436,750
Share-based payments included in mineral properties	$	464,559	$	266,092
Amortization included in mineral properties	$	91,676	$	10,931
Interest paid	$	5,151	$	44,348
Taxes paid	$	-	$	-

The accompanying notes are an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Westhaven Gold Corp. (the "Company") is an exploration stage company incorporated under the *Business Corporations Act* of British Columbia and commenced operations on May 5, 2010. The Company is engaged in the acquisition and exploration of mineral properties in Canada.

The head office and records office of the Company is located at 1056 - 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2.

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") on a going concern basis, which assumes the realization of assets and settlement of liabilities in the normal course of business.

The Company has sustained recurring losses and negative cash flows from operations. During the year ended December 31, 2020, the Company incurred a net loss of $949,643 (2019 - $1,669,363) and, as of that date, had an accumulated deficit of $8,313,630 (2019 - $7,363,987). The Company has ongoing requirements for capital investment for its mineral property interests. The Company will need to raise substantial additional capital through equity financing to accomplish its business plan over the next several years. There can be no assurance as to the availability or terms upon which such financing might be available.

The business of mineral exploration involves a high degree of risk and there is no assurance that current exploration projects will result in future profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, pay its liabilities and maintain its mineral interests. The recoverability of amounts shown for mineral property interests is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of these mineral property interests, and establish future profitable production, or realize proceeds from the disposition of mineral interests. The carrying value of the Company's mineral property interests does not reflect current or future values.

These matters indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability of assets and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

As of March 2020, the COVID-19 pandemic has caused significant disruptions to the global economy and increased volatility in the global financial markets. The extent to which COVID-19 may adversely impact the Company's business and financing opportunities will depend on future developments such as the geographic spread of the disease, the duration of the outbreak, travel restrictions and social distancing, business closures or business disruptions, and the effectiveness of actions taken in Canada, and other countries to contain and treat the disease. To date, COVID-19 has had minimal impact on the Company's exploration activities. Although it is not possible to reliably estimate the length or severity of these developments and their financial impact to the date of approval of these financial statements, there may be further significantly adverse impacts on the Company's financial position and results of operations for future periods if the pandemic is not successfully contained or the effects of which are not mitigated.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These financial statements are prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"). These financial statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value. Also, the financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The Company's functional and presentation currency is the Canadian dollar.

(b) Approval of the financial statements

The financial statements of the Company as at December 31, 2020 and 2019 and for the years then ended were approved and authorized for issue by the Board of Directors on April 21, 2021.

(c) Use of judgments and estimates

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances and which form the basis of making judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made that could result in a material adjustment to the carrying amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

Critical accounting estimates

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amounts of assets and liabilities within the next financial year and include, but are not limited to, the following:

<u>Share-based payments</u>

The value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

2. BASIS OF PRESENTATION (Continued)

(c) Use of judgments and estimates (Continued)

Recovery of deferred tax assets

The Company estimates the expected manner and timing of the realization or settlement of the carrying value of its assets and liabilities and applies the tax rates that are enacted or substantively enacted on the estimated dates of realization or settlement.

Right of use assets and lease liability

The Company uses estimation in determining the incremental borrowing rate used to measure the lease liability, specific to the asset, underlying currency, and geographic location. Where the rate implicit in the lease is not readily determinable, the discount rate of the lease obligations are estimated using a discount rate similar to the Company's specific borrowing rate. This rate represents the rate that the Company would incur to obtain the funds necessary to purchase the asset of a similar value, with similar payment terms and security in a similar environment.

Critical accounting judgments

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements include, but are not limited to, the following:

Recoverability of mineral properties

Assets or cash-generating units are evaluated at each reporting date to determine whether there are any indicators of impairments. The Company considers both internal and external sources of information when making the assessment of whether there are indications of impairment for the Company's minerals properties.

Management uses several criteria in its assessments of economic recoverability and probability of future economic benefit including geologic and metallurgic information, economic assessments/studies, accessible facilities, and existing permits.

Going concern

The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures and meet its liabilities for the ensuing year as they fall due involves judgment based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

2. BASIS OF PRESENTATION (Continued)

(c) Use of judgments and estimates (Continued)

Mining exploration tax credits and flow-through expenditures

The Company is entitled to refundable tax credits on qualified mining exploration expenses incurred in the province of British Columbia. Management's judgment is applied in determining whether the mining exploration expenses are eligible for claiming such credits. Those benefits are recognized when the Company estimates that it has reasonable assurance that the tax credits will be realized. Upon review of the mining exploration tax credit claim by the Canada Revenue Agency, any adjustments to the estimate made by the Company are recorded in the period of the tax assessment.

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Management's judgment is applied in determining whether qualifying expenditures have been incurred. Differences in judgment between management and regulatory authorities could materially decrease mining exploration tax credits or increase the flow-through share premium liability and flow-through expenditure commitment.

Right of use assets and lease liability

The Company applies judgment in determining whether the contract contains an identified asset, whether they have the right to control the asset, and the lease term. The lease term is based on considering facts and circumstances, both qualitative and quantitative, that can create an economic incentive to exercise renewal options. Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option.

3. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand and a guaranteed investment certificate ("GIC"). The GIC earns interest at 2% per annum and is redeemable on demand at the option of the Company.

(b) Financial instruments

(i) Financial assets

Initial recognition and measurement

A financial asset is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, a financial asset is classified as measured at amortized cost, fair value through profit or loss, or fair value through other comprehensive income.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(i) Financial assets (Continued)

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets measured at amortized cost

A financial asset is subsequently measured at amortized cost, using the effective interest method and net of any impairment allowance, if:

- the asset is held within a business whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest.

The Company classifies reclamation deposits as measured at amortized cost.

Financial assets measured at fair value through other comprehensive income ("FVTOCI")

A financial asset measured at fair value through other comprehensive income is recognized initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, the asset is measured at fair value with changes in fair value included in other comprehensive income. Accumulated gains or losses recognized through other comprehensive income remain within accumulated other comprehensive income when the financial instrument is derecognized or its fair value substantially decreases.

There are no financial assets classified as measured at FVTOCI.

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with changes in fair value therein, recognized in profit or loss. The Company classifies cash and cash equivalents and receivables (net GST) as fair value through profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(ii) Derecognition

A financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets is derecognized when:

- the contractual rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the financial instrument. A financial liability is derecognized when it is extinguished, discharged, cancelled or when it expires. Financial liabilities are classified as either financial liabilities at fair value through profit or loss or financial liabilities subsequently measured at amortized cost. All interest-related charges are reported in profit or loss within interest expense, if applicable.

(iv) Fair value hierarchy

Fair value measurements of financial instruments are required to be classified using a fair value hierarchy that reflects the significance of inputs used in making the measurements. The levels of the fair value hierarchy are defined as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3 - Inputs for assets or liabilities that are not based on observable market data.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Financial instruments (Continued)

(iv) Fair value hierarchy (Continued)

The Company's financial instruments as at December 31, 2020 are as follows:

	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash and cash equivalents	$ 131,503	$ -	$ -
Other receivables	$ 75,000	$ -	$ -
Financial assets at amortized cost			
Reclamation deposits	$ 100,000	$ -	$ -
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	$ 870,266	$ -	$ -
Lease liability	$ -	$ -	$ 111,082
Equipment loan	$ -	$ -	$ 38,609

The Company's financial instruments as at December 31, 2019 are as follows:

	Level 1	Level 2	Level 3
Financial assets at FVTPL			
Cash and cash equivalents	$ 4,327,312	$ -	$ -
Other receivables	$ 63,227	$ -	$ -
Financial assets at amortized cost			
Reclamation deposits	$ 80,000	$ -	$ -
Financial liabilities at amortized cost			
Accounts payable and accrued liabilities	$ 538,260	$ -	$ -
Lease liability	$ -	$ -	$ 84,468

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property and equipment

Property and equipment is carried at cost less accumulated amortization. Amortization is calculated using the declining-balance and straight-line methods applying the following annual rates:

Computer equipment and software	30%
Furniture and equipment	20%
Vehicles	30%
Leasehold improvements	3-year straight-line

(d) Mineral properties

Once a license to explore an area has been secured, expenditures on exploration and evaluation activities are capitalized to exploration and classified as a component of mineral properties.

Such expenditures include, but are not limited to, exploration license expenditures, leasehold property acquisition costs, evaluation costs including drilling costs directly attributable to a property, and directly attributable general and administrative costs. From time to time the Company may acquire or dispose of a mineral property pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are not recorded. Option payments are recorded as property costs or recoveries when the payments are made or received. After costs are recovered, the balance of the payments received is recorded as a gain on option or disposition of mineral property.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property and equipment.

(e) Impairment of non-current assets

At the end of each reporting period, the Company’s assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use.

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm’s length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Impairment of non-current assets (Continued)

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

(f) Provision for closure and reclamation

The Company recognizes liabilities for legal or constructive obligations associated with the retirement of mineral properties and equipment. The net present value of future rehabilitation costs is capitalized to the related asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value.

The Company's estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related assets with a corresponding entry to the rehabilitation provision. The increase in the provision due to the passage of time is recognized as interest expense.

(g) Income taxes

Income tax expense consisting of current and deferred tax expense is recognized in the statement of loss and comprehensive loss. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at year-end, adjusted for amendments to tax payable with regard to previous years.

Deferred tax assets and liabilities and the related deferred income tax expense or recovery are recognized for deferred tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis.

Deferred tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment occurs.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. To the extent that the Company does not consider it probable that a deferred tax asset will be recovered, the deferred tax asset is not recognized. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, employees and consultants. The fair value of share-based payments to employees is measured at grant date using the Black-Scholes option pricing model, and is recognized over the vesting period for employees using the graded vesting method. Fair value of share-based payments for non-employees is recognized and measured at the date the goods or services are received based on the fair value of the goods or services received. If it is determined that the fair value of goods and services received cannot be reliably measured, the share-based payment is measured at the fair value of the equity instruments issued using the Black-Scholes option pricing model.

For both employees and non-employees, the fair value of share-based payments is recognized as either an expense or as mineral property interests with a corresponding increase in option reserves. The amount recognized as expense is adjusted to reflect the number of share options expected to vest. Consideration received on the exercise of stock options is recorded in capital stock and the related share-based payment in option reserves is transferred to capital stock. For those unexercised options and share purchase warrants that expired, the recorded value is transferred to deficit.

The fair value of awards is calculated using the Black-Scholes option pricing model, which considers the following factors:

- Exercise price
- Expected life
- Expected volatility
- Forfeiture rate
- Current market price of underlying shares
- Risk-free interest rate
- Dividend yield

(i) Earnings or loss per share

Earnings or loss per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted earnings per share. Under this method the dilutive effect on earnings per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Flow-through shares

At the time of closing a financing involving flow-through shares, the Company allocates the gross proceeds using the residual method and allocates the funds received as follows:

- Capital stock – the market value of the common shares;
- Warrant reserve – if warrants are being issued, up to the amount calculated using the Black-Scholes option pricing model; and
- Flow-through share liability – recorded as a liability and equal to the estimated premium, if any, investors pay for the flow-through feature.

Thereafter, as qualifying resource expenditures are incurred, these costs are capitalized to exploration and evaluation assets and the flow-through share liability is amortized to the statement of loss and comprehensive loss.

At the end of each reporting period, the Company reviews its tax position and records an adjustment to its deferred tax expense/liability accounts for taxable temporary differences, including those arising from the transfer of tax benefits to investors through flow-through shares. For this adjustment, the Company considers the tax benefits (of qualifying resource expenditures already incurred) to have been effectively transferred, if it has incurred those expenditures at any time (before or after the end of the reporting period).

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the look-back rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued and recorded to profit or loss.

(k) Unit offerings

Proceeds received on the issuance of units, consisting of common shares and warrants, are allocated first to common shares based on the market value of the common shares at the time the units are priced, and any excess is allocated to warrants.

(l) Mining exploration tax credits

The Company recognizes mining exploration tax credits in the period in which the related exploration expenses were incurred and collectability is reasonably assured. The mining exploration tax credits are capitalized to offset the cost of mineral properties.

(m) Leases

At inception, the Company assesses whether a contract contains an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Company, as lessee, is required to recognize a right-of-use asset (“ROU asset”), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 *Leases* (“IIFRS 16”) to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Leases (Continued)

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying as set. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in profit or loss the in the period in which they are incurred.

The ROU assets are presented within “Right-of-use assets” and the lease liabilities are presented in “Current Portion of Lease liability” and “Non-Current Portion of Lease Liability” on the statement of financial position.

(Expressed in Canadian Dollars)

4. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The Company's financial instruments classified as level 1 in the fair value hierarchy are cash and cash equivalents, other receivables, reclamation deposits and accounts payable and accrued liabilities, as their carrying values approximate their fair values due to their short term to maturity. The lease liability and equipment loan are classified as level 3.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash and cash equivalents, by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade ratings. Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as amounts are held with a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2020	2019
Cash and cash equivalents – Canadian dollars	$ 131,503	$ 4,327,312
Other receivables – Canadian dollars	$ 75,000	$ 63,227

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At December 31, 2020, the Company had cash and cash equivalents in the amount of $131,503 (2019 - $4,327,312), and current liabilities of $950,748 (2019 - $567,670). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of December 31, 2020. The current portions of the lease liability and equipment loan are due within a year. The amount of the Company's remaining undiscounted contractual maturities for the lease liability and equipment loan is approximately $75,529 (2019 - $63,300) which are due between one to five years (note 12).

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, loan fixed interest rate risk, foreign currency risk and other price risk.

The Company is exposed to interest risk related to its GIC, which earns interest at 2% per annum. The GIC is held with a major Canadian financial institution and market risk is not considered significant. The Company is not exposed to significant foreign currency risk or other price risk.

(Expressed in Canadian Dollars)

5. PROPERTY AND EQUIPMENT

Cost		
As at December 31, 2018	$	13,119
Additions during the year		88,792
As at December 31, 2019		101,911
Additions during the year		108,575
As at December 31, 2020	$	210,486
Accumulated Amortization		
As at December 31, 2018	$	8,832
Charge for the year		12,096
As at December 31, 2019		20,928
Charge for the year		42,257
As at December 31, 2020	$	63,185
Carrying Value		
As at December 31, 2019	$	80,983
As at December 31, 2020	$	147,301

During the year ended December 31, 2020, the Company entered into a loan agreement for the purchase of equipment totaling $42,899 payable over 5 years with an interest rate of 0%. The current portion of the equipment loan is $8,580. The loan is secured by the equipment purchased.

During the year ended December 31, 2020, $34,804 (2019 - $10,931) of amortization of property and equipment was capitalized to the Company's mineral properties.

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITY

During the year ended December 31, 2019, the Company entered into two lease agreements for a term of three years for storage facilities related to the Company's Shovelnose Gold Property in Merritt, British Columbia. Upon transition to IFRS 16, these lease liabilities were measured at the present value of the remaining lease payments and discounted using an incremental borrowing rate of 10% per annum. Upon entering into the lease agreements, the Company recognized $94,568 for a ROU asset and $94,568 for a lease liability.

(Expressed in Canadian Dollars)

6. RIGHT-OF-USE ASSETS AND LEASE LIABILITY (Continued)

During the year ended December 31, 2020 the Company entered into an additional lease agreement for a term of 2 years for building space associated with the Shovelnose Gold Property. Upon entering into the lease, the Company measured the present value of the lease payments using an incremental borrowing rate of 10% per annum and recognized $101,854 for a ROU asset and $101,854 for a lease liability. The Company also cancelled one lease for a storage facility.

Right-of-use assets		
Value of right-of-use asset as at January 1, 2019	$	-
Additions		94,568
Amortization		(9,521)
Value of right-of-use assets as at December 31, 2019	**$**	**85,047**
Additions		101,854
Cancellation		(23,309)
Amortization		(56,872)
Value of right-of-use assets as at December 31, 2020	**$**	**106,720**

Lease liability		
Lease liability recognized as at January 1, 2019	$	-
Additions		94,568
Lease payments		(13,000)
Lease interest		2,900
Lease liability recognized as at December 31, 2019		84,468
Additions		101,854
Cancellation		(23,402)
Lease payments		(63,050)
Lease interest		11,212
Lease liability recognized as at December 31, 2020	**$**	**111,082**
Current portion	$	71,902
Non-current portion		39,180
	$	**111,082**

During the year ended December 31, 2020, $56,872 (2019 - $nil) of amortization of ROU assets was capitalized to the Company's mineral properties.

(Expressed in Canadian Dollars)

7. MINERAL PROPERTIES

Amounts capitalized as mineral property costs are as follows:

	Shovelnose Gold Property	Prospect Valley Property	Skoonka Creek Property	Skoonka North Property	Total
Balance, December 31, 2018	$ 3,269,216	$ 684,090	$ 255,170	$ 99,252	$ 4,307,728
Deferred exploration costs					
Acquisition costs	3,644	-	-	-	3,644
Geological and assays	1,729,677	-	3,666	-	1,733,343
Drilling	2,616,512	-	-	-	2,616,512
Lab fees	716,333	-	-	-	716,333
Total additions during the year	5,066,166	-	3,666	-	5,069,832
BCMETC (mining tax credits)	(1,436,750)	-	-	-	(1,436,750)
Net change during the year	3,629,416	-	3,666	-	3,633,082
Balance, December 31, 2019	**6,898,632**	**684,090**	**258,836**	**99,252**	**7,940,810**
Deferred exploration costs					
Acquisition costs	80,946	1,822	707	326	83,801
Geological and assays	2,314,254	72,598	9,446	-	2,396,298
Drilling	5,965,560	-	3,484	-	5,969,044
Lab fees	1,063,867	-	-	-	1,063,867
Share-based payments	464,559	-	-	-	464,559
Amortization	91,676	-	-	-	91,676
Total additions during the period	9,980,862	74,420	13,637	326	10,069,245
BCMETC (mining tax credits)	(2,053,074)	(15,991)	(2,848)	-	(2,071,913)
Net change during the year	7,927,788	58,429	10,789	326	7,997,332
Balance, December 31, 2020	**$ 14,826,420**	**$ 742,519**	**$ 269,625**	**$ 99,578**	**$15,938,142**

(a) Shovelnose Gold Property, British Columbia, Canada

In January 2011, the Company signed an option agreement (the “Shovelnose Agreement”) with Strongbow Exploration Inc. (“Strongbow”) whereby the Company can earn up to a 70% interest in the Shovelnose Gold Property, a mineral claim near Merritt, British Columbia, staked by Strongbow in 2005 and 2008. A director of the Company is also a director of Strongbow.

Under the terms of the Shovelnose Agreement, the Company would earn an initial 51% interest in the Shovelnose Gold Property by issuing a total of 300,000 common shares (issued) to Strongbow and incurring $1,500,000 ($750,000 incurred) in exploration expenditures on the property.

7. MINERAL PROPERTIES (Continued)

(a) Shovelnose Gold Property, British Columbia, Canada (Continued)

On September 1, 2015, the Company entered into a new purchase agreement with Strongbow to acquire 100% of the Shovelnose Gold Property replacing the January 2011 agreement. Under the terms of the new agreement the Company acquired a 100% interest in the property by issuing 2,000,000 common shares (issued upon completion of the new agreement). In addition, Strongbow was granted a 2% net smelter returns royalty ("NSR") on the property. The Company will retain the right to reduce the NSR to 1% by paying Strongbow $500,000 at any time prior to the commencement of commercial production.

The Company has a reclamation deposit of $80,000 (2019 - $80,000) held with the Ministry of Finance relating to exploration activities completed on the Shovelnose Gold Property.

(b) Prospect Valley Gold Property, British Columbia, Canada

On September 21, 2015, the Company entered into an option and purchase agreement with Green Battery Minerals Inc. ("Green Battery") to acquire a 70% interest the Prospect Valley Gold Property near Merritt. The Company paid $20,000 to Green Battery upon signing as per the terms of the agreement. On October 22, 2015, the Company exercised the option by making a second and final payment of $80,000 and issued 500,000 common shares at a price of $0.065 per share. The common shares have a hold period of five years.

On February 16, 2016, the Company acquired the remaining 30% interest in the property for a cash payment of $40,000 and the issue of 500,000 common shares at a price of $0.07 per share. The common shares have a hold period of five years.

(c) Skoonka Creek, British Columbia, Canada

On May 24, 2017, the Company signed a purchase agreement with Strongbow, and Almadex Minerals Ltd. ("Almadex"), to acquire 100% interest in the Skoonka Creek gold property, located within the prospective Spences Bridge Gold Belt, British Columbia. Under the terms of the agreement the Company issued 2,000,000 common shares (issued on May 30, 2017) at a price of $0.09 per share. Almadex retains its original net smelter royalty of 2% from future production.

The Company has a reclamation deposit of $20,000 (2019 - $nil) held with the Ministry of Finance relating to exploration activities completed on the Skoonka Creek property.

(d) Skoonka North Gold Property, British Columbia, Canada

In May 2018, the Company staked an additional gold mineral property, Skoonka North, within the Spences Bridge Gold Belt, British Columbia.

7. MINERAL PROPERTIES (Continued)

Realization

The Company's investment in and expenditures on the mineral property interests comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interests, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interests, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

8. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares without par value.

(b) Issued and outstanding

On June 16, 2020 the Company closed a bought deal private placement offering. The Company issued 5,447,700 flow-through shares at a price of $0.95 per share for gross proceeds of $5,175,315. The Company used the residual method to calculate the fair value of the tax deduction attached with the flow-through common shares and recorded a flow-through liability of $980,586. The Company paid cash share issuance costs of $321,354 in connection with the offering.

During the year ended December 31, 2020 the Company issued 2,425,000 shares on the exercise of stock options for total proceeds of $233,000. At December 31, 2020, $75,000 of this amount was included in other receivables and was received subsequent to December 31, 2020. In relation to the exercise, $197,494 was transferred from options reserve to capital stock.

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(b) Issued and outstanding (Continued)

During the year ended December 31, 2019, the Company issued 2,536,045 shares on the exercise of warrants for total proceeds of $236,941 and issued 679,411 shares on the exercise of stock options for total proceeds of $92,617. In relation to the exercise of the warrants and options, $65,307 and $54,262 were transferred from the warrants and options reserve to capital stock, respectively.

On October 4, 2019, the Company closed the first tranche of a non-brokered private placement. The Company raised gross proceeds of $3,794,789 through the issuance of 3,614,085 share units at $1.05 per unit. Each unit is comprised of one common share and one non-transferable half warrant. Each full warrant entitles the holder to purchase one common share at a price of $1.50 for a period of 24 months from the closing date of the private placement. The Company paid cash finder's fees of $84,105 in connection with the first tranche. Of the total proceeds $92,687 was allocated to the warrants.

On October 8, 2019, the Company closed the final tranche of the private placement issuing a further 2,955,238 units for gross proceeds of $3,103,000. The Company paid cash finders fees of $210,210 in connection with the final tranche. The total proceeds were allocated to capital stock. In connection with the private placement the Company paid broker and legal fees of $146,435.

On February 21, 2019, the Company closed a private placement offering which was part of a donation arrangement structured by PearTree Securities Inc. The Company issued 2,207,639 flow-through shares at a price of $1.1325 per share for gross proceeds of $2,500,151. The Company used the residual method to calculate the fair value of the tax deduction attached with the flow-through common shares and recorded a flow-through liability of $358,741.

(c) Warrants

The following summarizes the Company's warrants as at December 31, 2020 and 2019 and changes during the year:

	December 31, 2020		**December 31, 2019**	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of the year	3,284,662	$ 1.50	2,536,045	$ 0.10
Issued	-	-	3,284,662	$ 1.50
Exercised	-	-	(2,536,045)	$ 0.10
Outstanding and exercisable, end of the year	3,284,662	$ 1.50	3,284,662	$ 1.50

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(c) Warrants (Continued)

As at December 31, 2020, the Company had warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
October 2, 2021	$1.50	1,020,269	0.75
October 4, 2021	$1.50	786,774	0.76
October 8, 2021	$1.50	1,477,619	0.77
		3,284,662	

As at December 31, 2019, the Company had warrants outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
October 2, 2021	$1.50	1,020,269	1.76
October 4, 2021	$1.50	786,774	1.76
October 8, 2021	$1.50	1,477,619	1.77
		3,284,662	

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(d) Stock options

The Company adopted a stock option plan whereby the number of options granted to one person shall not exceed 10% of the outstanding shares at the time of granting the options. If employment with the Company is terminated, other than through death, options not exercised will expire within 90 days after the termination date.

On August 10, 2020, the Company granted 260,000 stock options at an exercise price of $0.95 per share. The options vested August 10, 2020 and expire August 10, 2025. Share-based payments of $179,036 was capitalized to mineral properties.

On May 20, 2020, the Company granted 475,000 stock options at an exercise price of $0.80 per share. The options vested May 20, 2020 and expire May 20, 2025. Share-based payments of $285,523 was capitalized to mineral properties.

During the year ended December 31, 2020, 2,425,000 options were exercised for total proceeds of $233,000, $197,494 was transferred from options reserve to capital stock.

On December 23, 2019, the Company granted 1,300,000 stock options at an exercise price of $0.85 per share. The options vested December 23, 2019 and expire December 23, 2024. Share-based payments of $582,897 was charged to the statement of loss and comprehensive loss and $214,751 was capitalized to mineral properties.

On July 8, 2019, the Company granted 300,000 stock options at an exercise price of $0.70 per share. The options vested July 8, 2019 and expire July 8, 2024. Share-based payments of $102,492 was charged to the statement of loss and comprehensive loss and $51,341 was capitalized to mineral properties.

During the year ended December 31, 2019, 679,411 options were exercised for total proceeds of $92,617, $54,262 was transferred from options reserve to capital stock.

The following summarizes the Company's stock options as at December 31, 2020 and 2019 and changes during the year.

	December 31, 2020		**December 31, 2019**	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of year	8,920,589	$ 0.58	8,000,000	$ 0.49
Granted	735,000	$ 0.85	1,600,000	$ 0.82
Exercised	(2,425,000)	$ 0.10	(679,411)	$ 0.14
Outstanding and exercisable, end of year	7,230,589	$ 0.77	8,920,589	$ 0.58

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(d) Stock options (Continued)

As at December 31, 2020 the Company had options outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
April 13, 2022	$ 0.10	1,050,000	1.28
March 21, 2023	$ 0.14	1,095,589	2.22
November 14, 2023	$1.20	2,900,000	2.87
July 8, 2024	$0.70	200,000	3.52
December 23, 2024	$0.85	1,250,000	3.98
May 20, 2025	$0.80	475,000	4.39
August 10, 2025	$0.95	260,000	4.61
		7,230,589	2.91

As at December 31, 2019, the Company had options outstanding as follows:

Expiry Date	Exercise Price	Outstanding	Weighted Average Remaining Contractual Life (Years)
December 28, 2020	$ 0.05	2,200,000	0.99
April 13, 2022	$ 0.10	1,050,000	2.28
March 21, 2023	$ 0.14	1,170,589	3.22
November 14, 2023	$1.20	2,900,000	3.87
July 8, 2024	$0.70	300,000	4.52
December 23, 2024	$0.85	1,300,000	4.98
		8,920,589	3.07

(Expressed in Canadian Dollars)

8. CAPITAL STOCK (Continued)

(d) Stock options (Continued)

The fair value of options granted during the years ended December 31, 2020 and 2019 were vested immediately and were calculated using the Black-Scholes option pricing model with the following weighted average assumptions:

	December 31, 2020	December 31, 2019
Expected life (years)	5	5
Interest rate	0.40%	1.64%
Volatility	103%	107%
Dividend yield	0%	0%
Forfeiture rate	0%	0%
Market value of common shares at grant date	$0.84	$0.77
Fair value	$0.63	$0.58

Volatility has been calculated based on the historical volatility of the Company. Interest rates represent rates from the Bank of Canada on bonds with a similar term. The dividend yield represents the expected dividends to be paid by the Company.

9. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the financial statements.

(a) Key management compensation

Short-term employee benefits for key management compensation were paid to individuals and personal service corporations as follows:

	2020	2019
Gareth Thomas	$ 180,000	$ 30,000
Shaun Pollard	180,000	30,000
Stein River Holdings Ltd.	-	150,000
Gravitas Advisory Services	-	150,000
Total key management compensation	$ 360,000	$ 360,000

Share-based payment expense allocated to key management during the year ended December 31, 2020 was $nil (2019 - $306,785).

(i) Gareth Thomas and Stein River Holdings Ltd. (“Stein River”)

Stein River is a company controlled by Gareth Thomas, Chief Executive Officer of the Company.

(Expressed in Canadian Dollars)

9. RELATED PARTY TRANSACTIONS (Continued)

(a) Key management compensation (Continued)

(i) Shaun Pollard and Gravitas Advisory Services ("Gravitas")

Gravitas is a company controlled by Shaun Pollard, Chief Financial Officer of the Company.

(iii) In addition to the above costs, the Company paid $65,317 (2019 - $27,476) of rent and office expenditures to Anglo Celtic Exploration Ltd. ("Anglo"). Anglo is a company controlled by Grenville Thomas, a director of the Company, and Gareth Thomas.

At December 31, 2020, a total of $37,707 (December 31, 2019 - $10,021) due to Anglo is included in accounts payable and accrued liabilities. The amounts are non-interest bearing and subject to normal trade terms.

(b) Loan payable

As at December 31, 2018, the Company had a loan outstanding with Anglo of $279,825, including accrued interest. The loan carried interest at a rate of 10% per annum and was due September 30, 2019. During the year ended December 31, 2019, the Company recorded accrued interest of $4,523 related to the loan and then repaid the entire principal balance of $240,000 and accrued interest of $44,348.

10. INCOME TAXES

Income tax expense differs from the amounts that would be computed by applying the Canadian statutory income tax rate of 27% (2019 - 27%) to income before income taxes.

A reconciliation of income taxes at statutory rates with reported taxes is as follows:

		2020		2019
Net loss for the year	$	(949,643)	$	(1,669,363)
Statutory income tax rate		27%		27%
Income tax recovery at Canadian statutory rate		(256,404)		(450,728)
Temporary differences		249,666		48,355
Non-deductible amounts		1,481		190,159
Unused tax losses and tax offsets		5,257		212,214
Total income tax recovery	$	-	$	-

(Expressed in Canadian Dollars)

10. INCOME TAXES (Continued)

The significant components of deferred tax assets and liabilities recognized as of December 31 are as follows:

	2020	2019
Deferred income tax asset from non-capital losses	$ 923,318	$ 582,803
Deferred income tax liability from resource properties	(609,532)	(462,980)
Deferred income tax liability from property and equipment	(20,214)	-
Deferred income tax liability from flow-through shares	(264,758)	(96,860)
Deferred income tax liability from right-of-use assets	(28,814)	(22,963)
Net deferred income tax assets	$ -	$ -

The significant components of the Company's unrecognized deferred income tax assets as at December 31 are as follows:

	2020	2019
Non-capital losses	$ 286,340	$ 326,961
Property and equipment	-	3,297
Share issuance costs	156,147	115,129
Non-refundable investment tax credits	52,258	52,258
Lease liability	29,992	22,806
Unrecognized deductible temporary differences	$ 524,737	$ 520,451

The Company has available losses that may be carried forward to apply against future years' income for tax purposes. The approximate losses expire as follows:

Available to	Amount
2030	$ 73,000
2031	181,000
2032	282,000
2033	206,000
2034	256,000
2035	233,000
2036	307,000
2037	326,000
2038	432,000
2039	1,061,000
2040	1,124,000
	$ 4,481,000

11. CAPITAL MANAGEMENT

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. The properties in which the Company currently has an interest are in the exploration stage; as such, the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the year ended December 31, 2020. The Company is not subject to externally imposed capital requirements.

12. COMMITMENTS

On December 12, 2019, the Company entered into a three-year lease for building space associated with the Shovelnose project. On June 2, 2020, the Company entered an additional two-year lease for building space. Under the terms of the leases the Company is committed to annual lease payments totalling $143,000 plus additional occupancy costs.

During the year ended December 31, 2020, the Company entered into a loan to purchase equipment. The Company is committed to payments of $715 per month over the next 54 months.

As of December 31, 2019, the Company was committed to expend $2,500,151 of flow-through share proceeds related to flow-through shares issued during the year ended December 31, 2019 on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares. During the year ended December 31, 2020, the Company has incurred $2,500,151 on qualifying expenditures in satisfaction of its obligation under flow-through shares issued in 2019 and recognized flow-through share premium income of $358,741.

On June 16, 2020, the Company issued flow-through shares which require the Company to incur further eligible expenditures of $5,175,315 within 24 months. At December 31, 2020, the Company has incurred qualifying expenditures of $nil related to this financing.

13. SEGMENTED REPORTING

The Company is organized into business units based on mineral properties and has one reportable operating segment, being that of acquisition and exploration and evaluation activities. The Company's long-term assets are in Canada.

14. SUBSEQUENT EVENT

On March 3, 2021, the Company closed a bought deal financing (the “Offering”) with Raymond James Ltd. (the “Underwriter”). Pursuant to the Offering, the Company issued 21,378,500 units of the Company, including 2,788,500 units issued in connection with the exercise in full of the over-allotment option granted to the Underwriter. The units were issued at $0.70 per unit for gross proceeds of $14,964,950. Each unit consists of one common share and one-half common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share of the Company at an exercise price of $1.00 per share for a period of 2 years.

The net proceeds from the offering will be used to finance the exploration and development of the Company's mining properties in British Columbia, including Shovelnose, drilling to complete a maiden resource estimate, working capital and general corporate purposes.

Westhaven Gold Corp.

(Formerly Westhaven Ventures Inc.)

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION & ANALYSIS

Year ended December 31, 2020

Dated as of April 22, 2021

For the year ended December 31, 2020

Dated April 22, 2021

This Management's Discussion and Analysis ("MD&A") for Westhaven Gold Corp. (formerly Westhaven Ventures Inc.) (the "Company" or "Westhaven") has been prepared by management and reviewed and approved by the Audit Committee. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited financial statements of the Company and notes thereto, for the years ended December 31, 2020, and December 31, 2019. The information provided herein supplements but does not form part of the financial statements. This discussion covers the year and the subsequent period up to the date of issue of this MD&A. Unless otherwise noted, all dollar amounts are stated in Canadian dollars. Additional information relevant to the Company's activities can be found on SEDAR at www.sedar.com.

As of January 1, 2011, the Company adopted International Financial Reporting Standards ("IFRS"). The financial statements for the year ended December 31, 2020, have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of focused common shares; or (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; or (iii) if it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

Forward-looking Statements

Certain sections of this MD&A may contain forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from actual future results. The risks, uncertainties and other factors that could influence actual results are described in the "Risks and Uncertainties" section of this report. The forward-looking statements contained herein are based on information available as of April 22, 2021.

Westhaven Overview

Westhaven is focused on grassroots exploration with a view to discovering the next generation of economic gold deposits. For a plethora of economical and geological reasons, fewer and fewer discoveries have been made in recent years. This means that new economic gold discoveries should be in high demand and command significant values.

The Company is advancing its Shovelnose, Skoonka, Skoonka North and Prospect Valley gold-silver properties, all are in the Spences Bridge Gold Belt (the "SBGB"), in British Columbia, Canada.

The SBGB projects overview:

- *Large land package (37,000 hectares (ha)) on underexplored gold belt.*
- *District-scale potential.*
- *100% ownership of claims.*
- *Low-cost exploration.*
- *Close proximity to power and rail.*
- *Road accessible and close to major highways.*
- *Close proximity to producing mines and expertise.*

Company Overview

Westhaven is a junior exploration company that is focused on the acquisition, exploration, and development of resource properties.

To date the Company has not generated significant revenues and is considered to be in the exploration stage. Continued operations of the Company are dependent on the Company's ability to complete equity financings or generate profitable operations in the future.

In March 2020, the Word Health Organization declared coronavirus COVID-19 a global pandemic. This has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to business globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Company in future periods.

On January 13, 2021, the Company announced that it had entered into an agreement with Raymond James Ltd. (the "Underwriter"), to which the Underwriter has agreed to purchase 14,300,000 units of the Company at a price of $0.70 per unit, representing total gross proceeds of $10-million. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company for an exercise price of $1.00 per share for a period of two years after closing.

On January 14, 2021, it was announced that the size of the offering has increased to 18,590,000 units for total gross proceeds of $13-million.

The Company had agreed to grant the Underwriter an option, exercisable, in whole or in part, at the sole discretion of the Underwriter, at any time for a period of 30 days from, and including, the closing of the offering, to purchase from the Company up to an additional 15% of the units sold under the offering, on the same terms and conditions of the offering, to cover overallotments, if any, and for market stabilization purposes.

On March 3, 2021, the Company announced that it had closed the previously announced bought deal financing. The Underwriter had chosen to exercise the 15% overallotment option resulting in gross proceeds of $14,964,950 having issued 21,378,500 units of the Company. The Underwriter was paid a cash commission of $897,897 from the gross proceeds.

Each whole warrant entitles the holder to purchase one share at a price of $1.00 per share and will expire on March 3, 2023. These warrants have been listed and will trade on the TSX Venture Exchange with the symbol WHN.WT.

During the 4th quarter, 2020, 2,200,000 options were exercised taking the shares outstanding from 102,622,409 to 104,822,409 as of December 31, 2020.

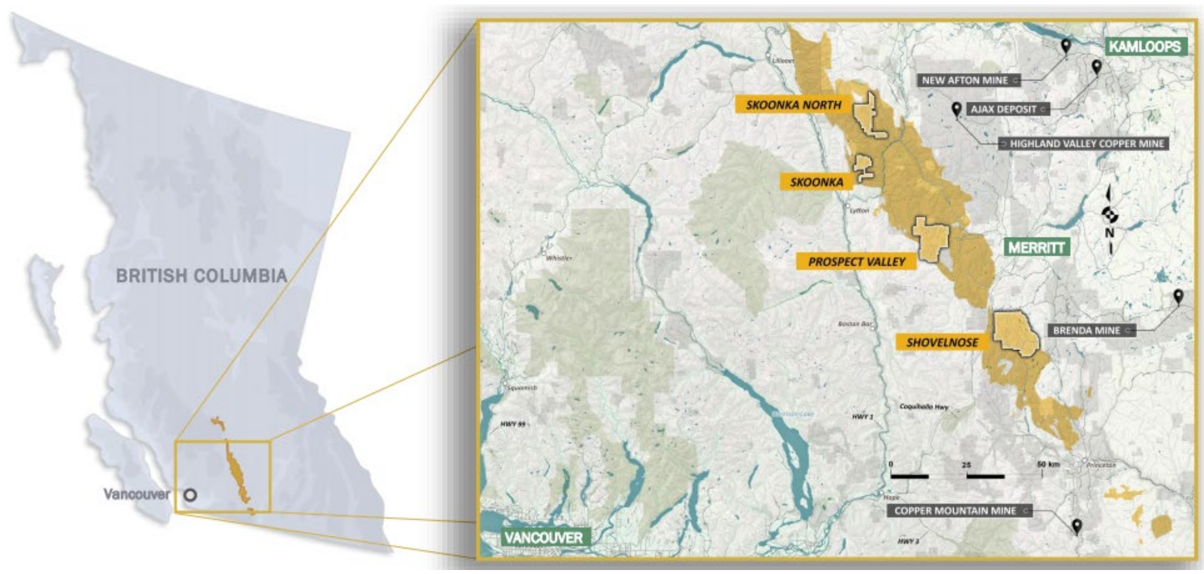
In 2020, Westhaven completed its largest exploration and drilling program ever at the Shovelnose gold property. The company conducted an extensive program of step out drilling northward from the Tower zone, along the inferred trend of Vein zone 1, and discovered the FMN zone. Along with this program, prospecting discovered the Franz zone outcrops (one sample running 51.1g/t gold (Au) with 165g/t silver (Ag) and a second sample that ran 34.9g/t Au with 120g/t Ag). Follow-up drilling of both these zones has been 2 encouraging (hole SN20-139 at FMN, 19.9m of 2.62g/t Au with 139.75g/t Ag and hole SN20-101 at Franz, 7.8m of 14.84g/t Au with 40.68g/t Ag).

This mineralized trend remains open to the northwest and southeast. Approximately four kilometres east of the South zone is the Romeo area where epithermal quartz breccias in rhyolite flows have been found coincidental to anomalous soil geochemistry. The magnetic lineament here roughly parallels the Vein 1 trend between the South zone and the Franz zone.

Drilling resumed on February 4, 2021 at the Shovelnose gold property with a drill at starting at the FMN zone. This drill is currently carrying along trend towards the Franz zone. Westhaven plans to complete an independent maiden resource on the South zone in 2021. Drilling began at the South zone on February 18, 2021 with a view to exploration and infill drilling testing both on the periphery of previous drilling as well as tightening spacing where required. Westhaven is planning approximately 40,000 metres of diamond drilling, the majority focused on exploration targets, including those generated from CSAMT and DC resistivity surveys completed in 2020.

Spences Bridge Gold Belt

The SBGB is 110 kilometres (km) northwest-trending belt of intermediate to felsic volcanic rocks dominated by the Cretaceous Spences Bridge group. Exploration in the belt only began in 2001 when prospector Edward Balon, P.Geo, technical advisor to Westhaven, began by following up on a Regional Geochemical Survey (RGS) anomalies. These relatively underexplored volcanic rocks are highly prospective for epithermal style gold mineralization. In the mid-19th century, coarse placer gold was discovered near the mouth of the Nicoamen and Fraser rivers. This discovery sparked a gold rush that attracted an estimated 20,000 prospectors to the area.



Westhaven owns a 100%-interest in 4 properties covering over 37,503ha within the prospective SBGB, which is situated within a geological setting like those which host other significant epithermal gold-silver systems. Talisker Resources Ltd. and Westhaven have a combined control of 86% of the SBGB (225,000ha). Any ground staked by Talisker within 5 km of Westhaven's existing projects is subject to a 2.5% Net Smelter Royalty (“NSR”). In addition, Westhaven has a 30-day Right of First Refusal on any properties outside this 5 km radius.

2020 Exploration Activities

Shovelnose Gold Property

The Shovelnose gold property is located near the southern end of the SBGB, approximately 30km south of Merritt, British Columbia. The property is accessible by the Coquihalla Highway (BC Provincial Highway #5) at the Coldwater exit, then by a series of logging roads to the northern and southern portions of the property. The property currently consists of 32 contiguous mineral claims encompassing 17,625 ha. Westhaven has a 100% interest in this property subject to a 2% NSR.

From 2011 and up to the end of 2019, there were 118 drill holes completed (2 were abandoned in overburden) for a cumulative total of 40,061m, in five separate target areas; the Line 6 Zone, Mik Zone, Tower Zone, Alpine Zone and South Zone.

The Shovelnose gold property has a strategic advantage with regards to location as the property is situated off a major highway, in close proximity to power, rail, large producing mines, and within commuting distance from the city of Merritt, which translates into low cost, year-round exploration.

Shovelnose Property 2020 Exploration

As a result of systematic exploration completed in 2019, Westhaven identified several target areas that share similar characteristics to the South Zone which have been prioritized for drilling in 2020. In February 2020, Westhaven initiated a drill program with the focus of testing these exploration targets.

On August 20, 2020, the Company provided an exploration update which included the announcement of a newly discovered 80 x 20m quartz outcrop (Franz Zone) of white to gray, opaque, colloform-banded chalcedony veins hosted in rhyolite one km northwest of the FMN target.

On August 26, 2020, Westhaven announced grab sample assays of up to 51.10 g/t Au and 165 g/t Ag from the newly discovered Franz Zone.

The newly discovered Franz vein zone is located approximately ~2.8km from the high-grade gold discovery at the South Zone. The Franz vein zone outcrops at an elevation of 1285m, and confirms the productive, dominantly rhyolite hosted gold-silver bearing horizon at South Zone is also preserved here. This outcrop, may represent the northwestward continuation of Vein Zone 1, suggesting a total strike length of at least 3.7km for the zone.

On September 24, 2020, Westhaven announced high-grade gold drill results from the Franz zone including 7.78m of 14.84 g/t Au and 39.40 g/t Ag from drill hole SN20-101.

On October 19, 2020, the company reported additional assays from the ongoing drill program including:

- SN20—108
    - (37.09 – 71.17m): 34.08m of 2.07 g/t Au and 16.50 g/t Ag.
    - Including: 13.10m of 4.86 g/t Au and 31.57 g/t Ag.
    - Including: 2.54m of 16.88 g/t Au and 99.28 g/t Ag.

- SN20—107
    - (24.50 – 32.00m): 7.50m of 1.93 g/t Au and 23.60 g/t Ag.
    - Including: 4.00m of 3.15 g/t Au and 31.80 g/t Ag.

- SN20—102
    - (51.10 – 54.45m): 3.35m of 5.04 g/t Au and 24.02 g/t Ag.

- Including: 1.80m of 8.06 g/t Au and 34.47 g/t Ag.

These drill results confirm the presence of high-grade gold mineralization encountered in surface grab samples collected on the Franz Zone also exists at depth. This vein zone remains open along strike.

On December 14, 2020, Westhaven announced it had drilled 5.50 metres of 4.58 g/t Au and 267.40 g/t Ag at the FMN zone. The FMN zone is the third gold zone discovered since the initial high-grade gold discovery at South Zone in late 2018 (SN18-14: 17.70m of 24.50 g/t Au) and the recent discovery at Franz Zone which reported 7.78m of 14.84 g/t Au in September of this year.

The FMN target represents the northwestward extension of Vein Zone 1 from the Tower/Mik and South zones. Quartz veining comprising Zone 1 has now been traced continuously from South Zone through FMN for 2.8 kilometres of strike. Vein Zone 1 remains open to the northwest where stronger mineralization is now being intersected. Hole SN20-139 for example, encountered 3.67 g/t Au and 209.04 g/t Ag over 10.44m. This intersection is centred at 1200m elevation, the same level at which stronger mineralization at South Zone occurs. Follow-up step-outs to the northwest have intersected Vein Zone 1 at shallower depths, such as in hole SN20-147, collared 90m northwest of hole 139, which intersected 35m of colloform/crustiform banded cm to metre-scale quartz/chalcedony veins centred at 1330m elevation. Follow-up drilling will continue northwest into the untested 700m long gap between FMN and Franz targets.

Westhaven completed 43,268 metres of diamond drilling in 2020 at the Shovelnose property.

Skoonka Creek Property 2020 Exploration

Westhaven announced on August 10, 2020, that it was preparing to initiate its inaugural diamond drilling program at its 100% controlled 2,784ha Skoonka Creek Gold Property.

Due to the discovery of the Franz zone at the Shovelnose gold property, the Skoonka drill program was postponed until 2021.

Prospect Valley Property 2020 Exploration

Westhaven announced on October 13, 2020, that it had commenced a ground geophysics program on its 10,927ha Prospect Valley gold property, located approximately 25km west of Merritt, British Columbia.

Westhaven has engaged Scott Geophysics Limited of Vancouver, B.C. to conduct a 244-line kilometre ground magnetic survey at its Prospect Valley gold property. The purpose of this ground geophysics program is to extend coverage to the south of the Discovery Zone and better define potential structural trends.

The property consists of 21 contiguous, road accessible mineral claims that collectively encompass approximately 10,927ha. The first reported gold-bearing epithermal mineralization was discovered during 2001-2002 when, at what has become known as the Bonanza Target, numerous occurrences of mineralized quartz vein and breccia float were found over a two square kilometre area straddling “Bonanza Creek”, upstream from a 150 ppb Au-in-silt anomaly reported in 1994 from an earlier government Regional Geochemical Survey. The best sample ran 43.34 g/t Au, but the source(s) for all of the vein float occurrences in this area remains to be determined under extensive and locally thick overburden cover.

The Bonanza Target, Discovery Zones and Northeast Extension areas are aligned along a north-northeast trend and are hypothesized to be related to a multi-kilometre scale fault system extending across the property.

Property Ownership and Commitments

Shovelnose Property, British Columbia, Canada

In January 2011, the Company signed an option agreement (the "Shovelnose Agreement") with Strongbow Exploration Inc. ("Strongbow") whereby the Company can earn up to a 70% interest in the Shovelnose Gold Property, a mineral claim near Merritt, British Columbia, staked by Strongbow in 2005 and 2008. A director of the Company is also a director of Strongbow.

Under the terms of the Shovelnose Agreement, the Company would earn an initial 51% interest in the Shovelnose Gold Property by issuing a total of 300,000 common shares (issued) to Strongbow and incurring $1,500,000 ($750,000 incurred) in exploration expenditures on the property.

On September 1, 2015, the Company entered into a new purchase agreement with Strongbow to acquire 100% of the Shovelnose Gold Property replacing the January 2011 agreement. Under the terms of the new agreement the Company acquired a 100% interest in the property by issuing 2,000,000 common shares (issued upon completion of the new agreement). In addition, Strongbow was granted a 2% net smelter returns royalty ("NSR") on the property. The Company will retain the right to reduce the NSR to 1% by paying Strongbow $500,000 at any time prior to the commencement of commercial production.

On May 8, 2019, Strongbow transferred ownership of the NSR to Osisko Gold Royalties Ltd. "Osisko" in exchange for the settlement of a debt owing to Osisko of $1.5 million. The terms and rights under the NSR now held by Osisko remain unchanged.

Prospect Valley Property, British Columbia, Canada

On September 21, 2015, the Company entered into an option and purchase agreement with Green Battery Minerals Inc. ("Green Battery") to acquire a 70% interest the Prospect Valley Gold Property near Merritt. The Company paid $20,000 to Green Battery upon signing as per the terms of the agreement. On October 22, 2015, the Company exercised the option by making a second and final payment of $80,000 and issued 500,000 common shares. The common shares have a hold period of five years.

On February 16, 2016, the Company acquired the remaining 30% interest in the Property for a cash payment of $40,000 and the issue of 500,000 common shares. The common shares have a hold period of five years.

Skoonka Creek Property, British Columbia, Canada

On May 24, 2017, the Company signed a purchase agreement with Strongbow Exploration Inc. ("Strongbow"), and Almadex Minerals Ltd. ("Almadex"), to acquire 100% interest in the Skoonka Creek gold property, located within the prospective SBGB, British Columbia. Under the terms of the agreement the Company issued 2,000,000 common shares (issued on May 30, 2017) at a price of $0.09 per share. Almadex retains its original net smelter royalty of 2% from future production.

Skoonka North Property, British Columbia, Canada

In May 2018, the Company staked an additional gold mineral property, Skoonka North, within the SBGB, British Columbia for total acquisition costs of $10,793.

Realization

The Company's investment in and expenditures on the mineral property interests comprise a substantial portion of the Company's assets. Realization of the Company's investment in the assets is dependent on establishing legal ownership of the property interests, on the attainment of successful commercial production or from the proceeds of its disposal. The recoverability of the amounts shown for the mineral property interests is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the property interests, and future profitable production or proceeds from the disposition thereof.

Title and environmental

Although the Company has taken steps to verify the title to mineral properties in which it has or had a right to acquire an interest in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee title (whether of the Company or of any underlying vendor(s) from whom the Company may be acquiring its interest). Title to mineral properties may be subject to unregistered prior agreements or transfers, and may also be affected by undetected defects or the rights of indigenous peoples.

Environmental legislation is becoming increasingly stringent and costs and expenses of regulatory compliance are increasing. The impact of new and future environmental legislation on the Company's operations may cause additional expenses and restrictions. If the restrictions adversely affect the scope of exploration and development on the mineral properties, the potential for production on the property may be diminished or negated.

MD&A Dated April 22, 2021 Expressed in Canadian Dollars

Selected Annual Financial Information

The following selected financial data is derived from the audited financial statements prepared in accordance with IFRS.

	Year Ended December 31, 2020	Year Ended December 31, 2019	Year Ended December 31, 2018
Total Revenue (Interest):	$60,524	$20,870	$593
Loss Before Other Items:	($1,368,908)	($1,690,233)	($3,023,413)
Premium on flow-through shares:	$358,741	$0	$0
Net Income/(Loss):	($949,643)	($1,669,363)	($3,022,820)
Net Income/(Loss) per Common Share, Basic and Diluted:	($0.01)	($0.02)	($0.04)
Total Assets:	$18,721,408	$14,081,043	$5,300,237
Total Long-Term Liabilities:	$1,049,795	$413,799	$0
Dividends Paid/Payable:	$0	$0	$0

Results of Operations

The Company is in the business of mineral resources exploration and does not generate any revenues from operations, with the exception of interest earned on its cash investments.

Expenses are largely driven by the work accomplished by Westhaven in any given year. Westhaven grew significantly in 2020 vs 2019 as the work increased dramatically. For example, in 2019 the Company completed 21,849m of diamond drilling. In 2020 the Company completed 43,268m of diamond drilling.

The Company recorded a net loss of $949,643 for the year ended December 31, 2020 compared to a net loss of $1,669,363 for the year ended December 31, 2019. A significant non-cash expense experienced in 2019 but not experienced in 2020 was $685,389 attributed to share-based payments, specifically options granted during 2019. During the year ended December 31, 2020, the Company capitalized share-based payments of $464,559 as the work related entirely to the Company's Shovelnose Gold Property.

Salary and benefits increased to $614,588 (2019-$166,711) as the Company continues to grow its personnel. Management consultation fees fell to $0 (2019-$300,000) as management have become employees of the Company whereas before management were contracted to the company.
The Company experienced Professional fees of $163,682 (2019-$49,139); Regulatory and filing fess of $51,656 (2019-$45,571); and General and administrative fees of $69,139 (2019-$77,966). To accommodate the Company's growth, Westhaven rented new facilities in Merritt which increased rents from $34,143 in 2019 to $90,662 in 2020. Due to COVID related travel restrictions, travel expenses fell in 2020 from $132,756 in 2019 to $47,172. Advertising and promotions grew from $160,173 in 2019 to $284,400 in 2020 as the Company expanded its activities to create awareness of the Company and its properties.

MD&A Dated April 22, 2021 Expressed in Canadian Dollars

Mineral Properties

Amounts capitalized as mineral property costs are as follows:

	Shovelnose Gold Property	Prospect Valley Property	Skoonka Creek Property	Skoonka North Property	Total
Balance, December 31, 2018	$ 3,269,216	$ 684,090	$ 255,170	$ 99,252	$ 4,307,728
Deferred exploration costs					
Acquisition costs	3,644	-	-	-	3,644
Geological and assays	1,729,677	-	3,666	-	1,733,343
Drilling	2,616,512	-	-	-	2,616,512
Lab fees	716,333	-	-	-	716,333
Total additions during the year	5,066,166	-	3,666	-	5,069,832
BCMETC (mining tax credits)	(1,436,750)	-	-	-	(1,436,750)
Net change during the year	3,629,416	-	3,666	-	3,633,082
Balance, December 31, 2019	**6,898,632**	**684,090**	**258,836**	**99,252**	**7,940,810**
Deferred exploration costs					
Acquisition costs	80,946	1,822	707	326	83,801
Geological and assays	2,314,252	72,598	9,446	-	2,396,298
Drilling	5,965,560	-	3,484	-	5,969,044
Lab fees	1,063,867	-	-	-	1,063,867
Share-based payments	464,559	-	-	-	464,559
Amortization	91,676	-	-	-	91,676
Total additions during the period	9,980,862	74,420	13,637	326	10,069,245
BCMETC (mining tax credits)	(2,053,074)	(15,991)	(2,848)	-	(2,071,913)
Net change during the year	7,927,788	58,429	10,789	326	7,997,332
Balance, December 31, 2020	**$ 14,826,420**	**$ 742,519**	**$ 269,625**	**$ 99,578**	**$15,938,142**

Westhaven benefits from the British Columbia Mining Exploration Tax Credit (METC), which is a permanent incentive to support investment in mining. The METC is a refundable British Columbia income tax credit for eligible individuals and corporations conducting grassroots mineral exploration in British Columbia and is worth 30 per cent of qualified mining exploration expenditures. In 2020 Westhaven incurred qualifying exploration expenses allowing it to claim $2,071,913 METC vs $1,436,750 in 2019.

MD&A Dated April 22, 2021 Expressed in Canadian Dollars

Summary of Quarterly Results

	3 Months Ending December 31, 2020	3 Months Ending September 30, 2020	3 Months Ending June 30, 2020	3 Months Ending March 31, 2020	3 Months Ending December 31, 2019	3 Months Ending September 30, 2019	3 Months Ending June 30, 2019	3 Months Ending March 31, 2019
Total Revenue	$10,511	$30,598	$12,524	$6,891	$904	$13,975	$3,427	$2,564
Loss before other Items:	($324,408)	($352,946)	($294,479)	($397,075)	($945,946)	($372,728)	($179,428)	($192,131)
Premium on flow-through shares	-	$358,741	-	-		-	-	-
Net Gain /(Loss):	($313,897)	$36,393	($281,955)	($390,184)	($1,303,783)	($12)	($176,001)	($189,567)
Gain/(Loss) per Common Share, Basic and Diluted	($0.00)	$0.00	($0.00)	($0.00)	($0.01)	($0.00)	($0.00)	($0.00)
Loan payable:	$0	$0	$0	$0	$0	$0	$0	$0
Dividends Paid/Payable:	$0	$0	$0	$0	$0	$0	$0	$0

Results of Operations

For the 3-month period ended December 31, 2020, the Company recorded a net loss of $313,897 vs a net loss of $1,303,783 in 2019 for the same period. Of the $1,303,783 net loss in 2019, $582,897 can be attributed to the non-cash share-based payments expense related to a 1,300,000 options grant with an exercise price of $0.85 announced in December 2019.

In the fourth quarter 2019, Westhaven completed a non-brokered private placement and sought to obtain Depository Trust Company ("DTC") eligibility for its securities. An "eligible security" is one that is freely tradable and fungible and is otherwise qualified to be held at DTC and traded and serviced through DTC's electronic book-entry system. These initiatives lead to an increase in the associated regulatory and filing fees $16,241 for the 4th quarter in 2019. In 2020, the company experienced only $3,030 in filing fees. Westhaven achieved DTC eligibility in January 2020.

Advertising and promotion expense increased from $43,553 in the 4th quarter 2019 to $63,197 in 2020. The increase in advertising and promotion costs is attributed to virtually attending multiple conferences as well as undertaking online marketing initiatives and content creation.

For the 3-month period ended December 31, 2020 Professional fees were incurred of $64,159 (2019- $36,367) in 2019 for the same period and Salary and benefits of $178,881 (2019-$152,326).

Off-Balance Sheet Arrangements

There were no off-balance sheet arrangements during the year ended December 31, 2020.

Proposed Transactions

There are no proposed transactions as of the date of this MD&A.

MD&A Dated April 22, 2021 Expressed in Canadian Dollars

Related Party Transactions

The Company entered into the following transactions with related parties in addition to those discussed elsewhere in the financial statements.

Key management compensation

Short-term employee benefits for key management compensation were paid to individuals and personal service corporations as follows:

	2020	2019
Gareth Thomas	$ 180,000	$ 30,000
Shaun Pollard	180,000	30,000
Stein River Holdings Ltd.	-	150,000
Gravitas Advisory Services	-	150,000
Total key management compensation	$ 360,000	$ 360,000

Share-based payment expense allocated to key management during the year ended December 31, 2020 was $nil (2019 - $306,785).

(i) Gareth Thomas and Stein River Holdings Ltd. (“Stein River”)

Stein River is a company controlled by Gareth Thomas, Chief Executive Officer of the Company.

(ii) Shaun Pollard and Gravitas Advisory Services (“Gravitas”)

Gravitas is a company controlled by Shaun Pollard, Chief Financial Officer of the Company.

(iii) In addition to the above costs, the Company paid $65,317 (2019 - $27,476) of rent and office expenditures to Anglo Celtic Exploration Ltd. (“Anglo”). Anglo is a company controlled by Grenville Thomas, a director of the Company, and Gareth Thomas.

At December 31, 2020, a total of $37,707 (December 31, 2019 - $10,021) due to Anglo is included in accounts payable and accrued liabilities.

Loan payable

As at December 31, 2018, the Company had a loan outstanding with Anglo of $279,825, including accrued interest. The loan carried interest at a rate of 10% per annum and was due September 30, 2019. During the year ended December 31, 2019, the Company recorded accrued interest of $4,523 related to the loan and then repaid the entire principal balance of $240,000 and accrued interest of $44,348.

Commitments

On December 12, 2019, the Company entered into a three-year lease for building space associated with the Shovelnose project. On June 2, 2020, the Company entered an additional two-year lease for building space. Under the terms of the leases the Company is committed to annual lease payments totalling $143,000 plus additional occupancy costs.

During the year ended December 31, 2020, the Company entered into a loan to purchase equipment. The Company is committed to payments of $715 per month over the next 54 months.

As of December 31, 2019, the Company was committed to expend $2,500,151 of flow-through share proceeds related to flow-through shares issued during the year ended December 31, 2019 on qualifying exploration expenditures. The Company must incur the eligible expenditures within 24 months from issuing the flow-through shares. During the year ended December 31, 2020, the Company has incurred $2,500,151 on qualifying expenditures in satisfaction of its obligation under flow-through shares issued in 2019 and recognized flow-through share premium income of $358,741.

On June 16, 2020, the Company issued flow-through shares which require the Company to incur further eligible expenditures of $5,175,315 within 24 months. At December 31, 2020, the Company has incurred qualifying expenditures of $nil related to this financing. .

Liquidity and Capital Resources

The Company considers its capital structure to consist of shareholders' equity. The Company manages its capital structure and makes adjustments to it based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties.

MD&A Dated April 22, 2021 Expressed in Canadian Dollars

Reconciliation of Use of Proceeds for February 2019 and June 16, 2020

Disclosed Use of Proceeds	Amount	Actual Use of Proceeds	Amount	Variance
Exploration programs	$2,500,151	Used to fund exploration programs in the year ending December 31,2020	$2,500,151	$0
Exploration programs	$5,175,315	Used to fund exploration programs in the year December 31, 2020	$5,175,315	$0
Total	**$7,675,466**		**$7,675,466**	**$0**

Subsequent

On January 13, 2021, the Company announced that it had entered into an agreement with Raymond James Ltd. (the "Underwriter"), to which the Underwriter has agreed to purchase 14,300,000 units of the Company at a price of $0.70 per unit, representing total gross proceeds of $10-million. Each unit consists of one common share of the Company and one-half common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company for an exercise price of $1.00 per share for a period of two years after closing. On January 14, 2021, it was announced that the size of the offering has increased to 18,590,000 units for total gross proceeds of $13-million.

The Company has agreed to grant the Underwriter an option, exercisable, in whole or in part, at the sole discretion of the Underwriter, at any time for a period of 30 days from, and including, the closing of the offering, to purchase from the Company up to an additional 15% of the units sold under the offering, on the same terms and conditions of the offering, to cover overallotments, if any, and for market stabilization purposes.

On March 3, 2021, the Company announced that it had closed the previously announced bought deal financing. The Underwriter had chosen to exercise the 15% overallotment option resulting in gross proceeds of $14,964,950 having issued 21,378,500 units of the company. The underwriter was paid a cash commission of $897,897 from the gross proceeds.

Each whole warrant entitles the holder to purchase one share at a price of $1 per share and will expire on March 3, 2023. These warrants have been listed and will trade on the TSX Venture Exchange with the symbol WHN.WT.

The Company intends to use the net proceeds of the Offering for:
-Exploration and development programs at the Shovelnose property;
-Exploration and development programs at the Company's remaining SBGB projects;
-General working capital purposes.

2021 exploration on the Shovelnose property is expected to include a 40,000 m drill program, at a cost of approximately $8,000,000 as well as data compilation, surveying, mapping and sampling programs, at a cost of approximately $676,500, plus an $867,650 allowance for contingencies.

MD&A Dated April 22, 2021 Expressed in Canadian Dollars

2021 exploration on the Company's remaining mineral properties is expected to include data compilation, prospecting, soil sampling and, at the Skoonka project, drilling. These initiatives are budgeted to cost $1,006,460. Westhaven is fully financed for all its planned 2021 exploration programs.

Changes in Accounting Policies

There were no changes in accounting policies during the year ended December 31, 2020.

Financial Instruments and Risk Management

The Company's financial instruments classified as level 1 in the fair value hierarchy are cash and cash equivalents, other receivables, reclamation deposits and accounts payable and accrued liabilities, as their carrying values approximate their fair values due to their short term to maturity. The lease liability and equipment loan are classified as level 3.

The Company's risk exposure and the impact on the Company's financial instruments are summarized below.

(a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company manages credit risk, in respect of cash and cash equivalents, by ensuring that these financial assets are placed with a major Canadian financial institution with strong investment-grade ratings. Concentration of credit risk exists with respect to the Company's cash and cash equivalents, as amounts are held with a single major Canadian financial institution.

The Company's concentration of credit risk and maximum exposure thereto is as follows:

	2020	2019
Cash and cash equivalents – Canadian dollars	$ 131,503	$ 4,327,312
Other receivables – Canadian dollars	$ 75,000	$ 63,227

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquid funds to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

At December 31, 2020, the Company had cash and cash equivalents in the amount of $131,503 (2019 - $4,327,312), and current liabilities of $950,748 (2019 - $567,670). All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of December 31, 2020. The current portions of the lease liability and equipment loan are due within a year. The amount of the Company's remaining undiscounted contractual maturities for the lease liability and equipment loan is approximately $75,529 (2019 - $63,300) which are due between one to five years.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, loan fixed interest rate risk, foreign currency risk and other price risk.

The Company is exposed to interest risk related to its GIC which earns interest at 2% per annum. The GIC is held with a major Canadian financial institution and market risk is not considered significant. The Company is not exposed to significant foreign currency risk or other price risk.

Capital Stock as of April 22, 2021

Shares Outstanding:
- 126,200,909

Options:

- 1,050,000 Exercisable at $0.10 until April 13, 2022
- 1,095,589 Exercisable at $0.14 until March 21, 2023
- 2,900,000 Exercisable at $1.20 until November 14, 2023
- 200,000 Exercisable at $0.70 until July 8, 2024
- 1,250,000 Exercisable at $0.85 until December 23, 2024
- 475,000 Exercisable at $0.80 until May 20, 2025
- 260,000 Exercisable at $0.95 until August 10, 2025

Warrants:
- 1,020,269 Exercisable at $1.50 until October 2, 2021
- 786,774 Exercisable at $1.50 until October 4, 2021
- 1,477,625 Exercisable at $1.50 to October 8, 2021
- 10,689,250 Exercisable at $1.00 to March 3, 2023 **(WHN.WT)**

Fully Diluted:
- 147,905,416

Directors and Officers own ~25% of the outstanding shares.

Risks and Uncertainties

The Company's principal activity is mineral exploration. Companies in the industry are subject to many and varied kinds of risks, including but not limited to, environmental, metal prices, political and economical. Although the Company has taken steps to verify the title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and title may be affected by undetected defects. The Company has no significant source of operating cash flow and no revenues from operations. None of the Company's mineral properties currently have reserves. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish ore reserves. The property interests owned by the Company are in the exploration stages only, are without known bodies of commercial mineralization and have no ongoing mining operations.

Mineral exploration involves a high degree of risk and few properties, which are explored, are ultimately developed into producing mines. Exploration of the Company's mineral properties may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. The Company is subject to the laws and regulations relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

The Company may also be held liable should the environmental problems be discovered that were caused by former owners and operators of its properties and properties in which it had previously held an interest. The

Company conducts its mineral exploration activities in compliance with applicable environmental protection legislation. The Company is not aware of any existing environmental problems related to any of its current or former properties that may result in material liability to the Company.

Management's responsibility for financial statements

The information provided in this report, including the audited financial statements is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgements and have been properlyreflected in the accompanying audited financial statements.

April 22, 2021

On behalf of Management and the Board of Directors,

"Shaun Pollard"

Chief Financial Officer and Director