White Pine

# WHITE PINE RESOURCES INC.
# MANAGEMENT'S DISCUSSION AND ANALYSIS
# FOR THE NINE MONTHS ENDED DECEMBER 31, 2011

*The following management's discussion and analysis ("**MD&A**") is management's assessment of the results and financial condition of White Pine Resources Inc. ("**White Pine**") and should be read in conjunction with the unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2011 ("**Q3 2012**"), which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). All dollar amounts are in Canadian dollars, unless otherwise noted. The date of this MD&A is February 29, 2012. White Pine's common shares trade on the TSX Venture Exchange ("**TSXV**") under the symbol "WPR" and its most recent filings are available on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and can be accessed through the Internet at www.sedar.com.*

*The "Independent Qualified Person(s)" under the guidelines of National Instrument 43-101 of the Canadian Securities Administrators ("**NI 43-101**") for White Pine's Money and Tender exploration projects in the Yukon Territory, Canada, in the following MD&A is Jean M. Pautler, P. Geo, a Registered Professional Geologist of British Columbia. All scientific and technical information concerning such properties contained herein has been prepared under the supervision and verified by Ms. Pautler.*

## 1. DESCRIPTION OF BUSINESS

White Pine is a Canadian-based exploration company focused on acquiring, exploring and developing key assets throughout Canada. In February 2011, White Pine added to its mineral property portfolio the prospective Money property (the "**Money Property**") and the Tender property (the "**Tender Property**" and collectively with the Money Property, the "**Yukon Properties**") located in the White Gold District, Yukon Territory. In February 2012, White Pine announced that it allowed its options on the Yukon Properties to expire. However, White Pine remains in discussions with the optionors of the Yukon Properties to reschedule the options payments that were due on February 9, 2012 and may consider other alternatives concerning the Yukon Properties. In addition to the Yukon Properties, White Pine has over 25,000 hectares in the "Ring of Fire" ("**ROF**") discovery camp situated in the James Bay Lowlands of Ontario.

White Pine has focused its activities to offer shareholders leverage to gold by acquiring exploration properties. White Pine has not conducted any significant revenue generating operations to date. As at December 31, 2011, White Pine had working capital of $0.82 million (including cash of $0.80 million), exploration and evaluation assets of $6.10 million and no long-term debt.

## 2. SUMMARY OF MINERAL PROPERTIES

White Pine has various mineral properties owned and currently under option located within Canada as summarized below:

| Mineral Properties | Minerals of Interest | Location | Ownership |
|---|---|---|---|
| Money Property | Gold | White Gold District, Yukon Territory | Under option to acquire 100%(1)(2) |
| Tender Property | Gold | White Gold District, Yukon Territory | Under option to acquire 100%(1)(2) |
| Lowland Property | Zinc, Copper, Lead, Silver | James Bay, Ontario | 37.5% |

(1) Subject to a 2.0% net smelter return royalty ("**NSR**"). See Section 5.2 - Mineral Property Commitments for more details on the option agreement.
(2) In February 2012, White Pine announced that it allowed its options on the Yukon Properties to expire. White Pine remains in discussions with the optionors of the Yukon Properties to reschedule the options payments that were due on February 9, 2012 and may consider other alternatives concerning the Yukon Properties.

White Pine

## 3. PRIVATE PLACEMENT FINANCING

Subsequent to period end on November 18, 2011, White Pine completed a non-brokered private placement financing to raise gross proceeds of $820,000. White Pine issued an aggregate of (i) 1,180,000 flow-through common shares (“**November 2011 FT Shares**”) at $0.25 per November 2011 FT Share; and (ii) 2,100,000 hard dollar units (“**November 2011 Units**”) at $0.25 per November 2011 Unit. Each November 2011 Unit consisted of one common share and one-half of one share purchase warrant. Each whole share purchase warrant entitles the holder to acquire one additional common share until May 18, 2013 at an exercise price of $0.35 per share.

## 4. MINERAL PROPERTY EXPLORATION ACTIVITIES

### *4.1 Money Property and Tender Property*

In February 2011, White Pine entered into agreements for an option to earn a 100% interest in the Money and Tender properties located in the White Gold District, Yukon Territory. Subsequent to period end in February 2012, White Pine announced that it allowed its options on the Yukon Properties to expire. White Pine remains in discussions with the optionors of the Yukon Properties to reschedule the options payments that were due on February 9, 2012 and may consider other alternatives concerning the Yukon Properties. See Section 5.2 – Mineral Property Commitments for more details on the option agreements.

The Money Property consists of approximately 33,125 hectares (which includes an additional 2,625 hectares staked as explained below) along a section of the Sixty Mile River, an historic placer drainage approximately 50 kilometres south of Dawson City, Yukon Territory. The Tender Property consists of 6,800 hectares and is contiguous to the south border of Kinross Gold Corps.’ J.P. Ross Property.

In late May 2011, White Pine commenced its Phase I exploration program on its Money and Tender properties. The Phase I exploration program, budgeted at $1.00 million, consisted of reconnaissance deep-auger soil sampling followed by gridded soil surveys, geological mapping, trenching and an airborne radiometric and magnetometer survey as well as stream sediment sampling program. As of December 31, 2011, White Pine has incurred $1.04 million of its $1.00 million budget on its Yukon Properties which was completed in November 2011.

In a press release on September 27, 2011, White Pine announced a first pass 3,696 sample reconnaissance ridge and spur soil geochemical survey over the Money Property which returned encouraging gold anomalies. The northwest target area on the Money Property reported 11 soil samples of greater than 30.0 parts per billion gold (“**ppb Au**”), with the highest being 253.4 ppb Au. Subsequently, White Pine staked an additional 144 claims (2,625 hectares) contiguous to this anomaly and completed an additional 988 ridge and spur soil samples. Two parallel north-south lines of soils 1,000 metres apart, over a total soil line of (a) 500 meters and (b) 250 meters at 50 meter stations returned the highest contiguous gold in soil results to date:

(i) Soil line returned 10 contiguous anomalous gold values of greater than 10.0 ppb Au, with the highest being 59.8 ppb Au and 84.4 ppb Au.

(ii) Soil line parallel to the east returned 5 contiguous anomalous gold values of which 4 samples returned values greater than 48.0 ppb Au, with the highest being 155.9 ppb Au.

The south target area of the Money Property returned 4 soil samples of greater than 40.0 ppb Au, with the highest being 475.1 ppb Au.

At the northwest target area of the Money Property, a follow up program consisting of a 2,000 sample grid soil geochemical survey, in conjunction with a trenching program over the first pass soil anomalies was completed in October 2011. Soil samples were collected at 50 metre stations on soil lines spaced 100 metres apart on the

3,500 metre by 2,250 metre soil grid. Results have been received and are being analyzed in conjunction with other exploration work as described below.

A first pass 1,504 sample reconnaissance ridge and spur soil geochemical survey on the Tender Property returned encouraging gold anomalies of 20 soil samples of greater than 10.0 ppb Au, with the highest being 77.3 ppb Au, warranting further follow up soil work.

An airborne high resolution aeromagnetic and radiometric survey with 100 metre line-spacing as well as a stream sediment sampling program was completed on both the Money and Tender properties.

Results from the airborne survey and the stream sediment sampling program have been received and are currently being compiled along with results from White Pine's soil sampling and trenching programs on both the Money and Tender properties and are being interpreted to determine the scope of the Phase II exploration program for 2012.

### *4.2 Lowland Property*

In March 2008, White Pine entered into an option agreement with Metalex Ventures Ltd. ("**Metalex**") and Artic Star Diamond Corp. ("**Arctic**") whereby White Pine had the right to fund a maximum of $20.00 million in expenditures and for each $5.00 million in expenditures would acquire a 12.5% interest in the Lowland Property, up to a maximum 50% interest. See Section 4.2 – Mineral Property Commitments for more details on the option agreement.

In October 2011, Metalex acquired Arctic's interest in the Lowland Property. Also in October 2011, Metalex granted White Pine a 37.5% interest in the Lowland property for the expenditures of $13.30 million incurred to date on the property. The option agreement was therefore terminated and White Pine has retained its 37.5% interest in the Lowland Property.

The Zn-Cu-Pb-Ag discovery, named the 501 Project, was a focus of White Pine's exploration efforts during the year ended March 31, 2010 ("**Fiscal 2010**"). White Pine became the operator of the 501 Project, while Metalex remained the administrative operator. No activities were performed on the Lowland Property during the nine months ended December 31, 2011 as White Pine focused its efforts on its prospective Yukon Properties.

## 5. MINERAL PROPERTY EXPENDITURES AND COMMITMENTS

### *5.1 Mineral Property Expenditures*

White Pine's expenditures on mineral properties through Q3 2012 were as follows:

| Mineral Property | Balance March 31, 2011 | Acquisition costs | Exploration costs | Balance December 31, 2011 |
|---|---|---|---|---|
| Money Property | $ 718,139 | $ 45,903 | $ 713,207 | $ 1,144,554 |
| Tender Property | 240,014 | 24,652 | 330,754 | 469,255 |
| Lowland Property | 4,025,481 | - | - | 4,025,481 |
| Garden Island | 1 | - | - | 1 |
| | **$ 4,983,635** | **$ 70,555** | **$ 1,043,961** | **$ 6,098,151** |

For the nine months ended December 31, 2011, White Pine incurred $1,114,516 in capitalized expenditures on its mineral properties, which focused entirely on its Money and Tender properties. The capitalized expenditures consisted of exploration costs of $1,043,961 and acquisition costs of $70,555.

White Pine intends to focus its activities on its Money and Tender properties in the Yukon Territory, and incur reconnaissance and geochemical expenditures (and drilling expenditures as warranted) to fulfill its obligations under each of the Yukon Properties' option agreements. White Pine will continue to evaluate the Lowland property, but does not anticipate expending significant funds on this property. White Pine may carry out additional exploration on its Garden Island property should management feel exploration potential still exists.

The following table identifies the breakdown of the capitalized acquisition & exploration costs for the Money and Tender properties through Q3 2012:

| | **Mineral Properties** | | |
|---|---|---|---|
| | **Money** | **Tender** | **Total** |
| Geophysics & analytical | $ 185,360 | $ 185,359 | $ 370,719 |
| Soil sampling | 177,668 | 54,030 | 231,698 |
| Assays | 146,725 | 38,846 | 185,571 |
| Air transportation | 121,871 | 40,631 | 162,502 |
| Acquisition/staking costs | 45,903 | 24,652 | 70,555 |
| Geological & consulting fees | 54,300 | 11,888 | 66,188 |
| Trenching | 27,283 | - | 27,283 |
| | **$ 759,110** | **$ 355,406** | **$ 1,114,516** |

### *5.2 Mineral Property Commitments*

***Money Property and Tender Property***

In February 2011, White Pine entered into agreements with Shawn Ryan and Wildwood Exploration Inc. (together, the "**Optionors**") pursuant to which White Pine has been granted the option to earn a 100% interest in the Yukon Properties located in the White Gold District, Yukon Territory. Subsequent to period end in February 2012, White Pine announced that it allowed its options on the Yukon Properties to expire. White Pine remains in discussions with the optionors of the Yukon Properties to reschedule the options payments that were due on February 9, 2012 and may consider other alternatives concerning the Yukon Properties.

A NSR on each of the Yukon Properties of 2% is payable by White Pine to the Optionors on obtaining 100% interest; White Pine may purchase one-half of the NSR on the Money Property for $2.50 million and one-half of the NSR on the Tender Property for $2.50 million.

In order to acquire its 100% interest in the Money Property, White Pine was required to:

(i) make cash payments totaling $0.95 million in tranches as follows:

- On signing: $0.30 million (paid);
- By February 9, 2012: $0.15 million;
- By February 9, 2013: $0.15 million;
- By February 9, 2014: $0.15 million;
- By February 9, 2015: $0.20 million;

(ii) issue an aggregate of 2.75 million common shares of White Pine in tranches as follows:

- On signing:  0.75 million common shares (issued);
- By February 9, 2012: 0.50 million common shares;
- By February 9, 2013: 0.50 million common shares;
- By February 9, 2014: 0.50 million common shares;
- By February 9, 2015: 0.50 million common shares;

(iii) incur an aggregate of $1.25 million in exploration expenditures on the Money Property as follows:

- By April 2, 2012: incur $0.20 million (incurred);
- By April 2, 2013: incur $0.30 million (incurred);
- By April 2, 2014: incur $0.35 million; and
- By April 2, 2015: incur $0.40 million.

In addition, White Pine was also required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of a total of $2.50 million on the Money Property, and a further 125,000 common shares upon having incurred aggregate exploration expenditures of $3.75 million on the Money Property, in each case in the event that White Pine otherwise fully exercised its option with respect to the Money Property.

In order to acquire its 100% interest in the Tender Property, White Pine was required to:

(i) make cash payments totaling $425,000 in tranches as follows:

- On signing:  $0.10 million (paid);
- By February 9, 2012: $75,000;
- By February 9, 2013: $75,000;
- By February 9, 2014: $75,000;
- By February 9, 2015: $0.10 million;

(ii) issue an aggregate of 1.25 million common shares in tranches as follows:

- On signing:  0.25 million common shares (issued);
- By February 9, 2012: 0.25 million common shares;
- By February 9, 2013: 0.25 million common shares;
- By February 9, 2014: 0.25 million common shares;
- By February 9, 2015: 0.25 million common shares;

(iii) Incur an aggregate of $0.75 million in exploration expenditures on the Tender Property as follows:

- By April 2, 2012: incur $0.15 million (incurred);
- By April 2, 2013: incur $0.15 million (incurred);
- By April 2, 2014: incur $0.20 million; and
- By April 2, 2015: incur $0.25 million.

In addition, White Pine was also required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of a total of $2.50 million on the Tender Property, and a further 125,000 common shares upon having incurred aggregate exploration expenditures of $3.75 million on the Tender Property, in each case in the event that White Pine otherwise fully exercised its option with respect to the Tender Property.

In the event that White Pine exercised the Option and acquired 100% interest in the Yukon Properties, White Pine was required to make annual advance royalty payments (the "**Advance Royalty Payments**") of $25,000 for each of the Yukon Properties in respect of which the option was exercised commencing in 2016 until such time as commercial production commenced. Any amount paid in respect of such Advance Royalty Payments would have been credited against the NSR payable in respect of either of the Yukon Properties.

## 6. QUARTERLY FINANCIAL INFORMATION

The following is selected financial data from the quarterly interim consolidated financial statements of White Pine for the last eight completed fiscal quarters ending December 31, 2011. This information should be read in conjunction with White Pine's audited annual and unaudited interim consolidated financial statements for the periods below.

| Operations | Quarter Ended Dec. 31, 2011 | Quarter Ended Sep. 30, 2011 | Quarter Ended Jun. 30, 2011 | Quarter Ended Mar. 31, 2011 |
|---|---|---|---|---|
| General, administrative & depreciation expenses | $81,746 | $121,905 | $90,756 | $103,358 |
| Stock-based compensation | - | - | 475,489 | 75,794 |
| Write-down of mineral properties | - | - | - | 24,754 |
| Flow-through share premium | (29,500) | - | (26,065) | (8,145) |
| Other expenses (income) | 14,661 | 75,861 | 25,529 | 580 |
| Future income expense (recovery) | - | - | - | 338,423 |
| **Loss** | **$66,907** | **$197,766** | **$565,709** | **$534,764** |
| **Loss per share – Basic and fully diluted** | **$0.00**(1) | **$0.01**(1) | **$0.02**(1) | **$0.02**(1) |
| Cash | $798,877 | $556,918 | $1,037,771 | $886,048 |
| Other current assets | 200,765 | 159,504 | 135,608 | 113,543 |
| Equipment | 13,280 | 14,124 | 15,811 | 11,270 |
| **Exploration and evaluation assets** | **6,098,151** | **5,639,291** | **5,355,793** | **4,983,635** |
| **Total Assets** | **$7,111,431** | **$6,369,837** | **$6,544,983** | **$5,994,496** |

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation.

| Operations | Quarter Ended Dec. 31, 2010 | Quarter Ended Sep. 30, 2010 | Quarter Ended Jun. 30, 2010 | Quarter Ended Mar. 31, 2010(1) |
|---|---|---|---|---|
| General, administrative & depreciation expenses | $95,078 | $102,953 | $76,994 | $3,177 |
| Stock-based compensation | 235,728 | - | - | (26,580) |
| Write-down of mineral properties | 367,653 | 17,345 | 13,503 | 1,618,853 |
| Flow-through share premium | (9,231) | (61,996) | (31,272) | - |
| Other expenses (income) | - | (80,130) | - | 111,277 |
| Future income recovery | 33,842 | - | (372,265) | (837,175) |
| **Loss (earnings)** | **$723,070** | **($21,828)** | **($313,040)** | **$ 869,552** |
| **Loss (earnings) per share – Basic and fully diluted** | **$0.03**(1) | **$0.00** | **($0.01)** | **$0.04**(1) |
| Cash | $1,287,706 | $400,062 | $779,267 | $1,034,033 |
| Other current assets | 137,499 | 157,566 | 133,915 | 275,987 |
| Equipment and supplies inventory | 12,373 | 13,477 | 14,581 | 15,685 |
| **Exploration and evaluation assets** | **4,025,482** | **4,352,656** | **4,109,795** | **4,001,568** |
| **Total Assets** | **$5,463,060** | **$4,923,761** | **$5,037,558** | **$5,327,273** |

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted net loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the net loss per share calculation; and
(2) The Fiscal 2010 quarterly financial results included in this table are in accordance with Canadian generally accepted principals.

Significant period to period fluctuations in net loss are the result of White Pine's mineral property write-downs, stock-based compensation and future income tax provision which are incurred on an irregular basis.

The variance in exploration and evaluation costs is primarily a result of the acquisition costs incurred under mineral property option agreements as well as capitalized exploration costs. Mineral properties are analyzed each period end to determine whether any write-downs are necessary. As a result, mineral property write-downs occur on an irregular basis.

The variation in stock-based compensation expense is a result of the timing of vested stock options fair valued using the Black-Scholes option pricing model.

The variance in other expenses (income) is due to the timing of revenue and expenses incurred with respect to White Pine's Richard's Lake camp.

Future income taxes result mainly from differences between the accounting and tax values of assets recognized on White Pine's balance sheet or from the expiry of warrants.

The major variances in cash and cash equivalents and total assets are mainly attributable to equity placements and the funding of White Pine's exploration activities on its mineral properties as well as general and administrative expenses. White Pine does not generate any significant operating revenue.

## 7. RESULTS OF OPERATIONS

| | Three months ended December 31, | | Nine months ended December 31, | |
|---|---|---|---|---|
| **Operations** | **2011** | 2010 | **2011** | 2010 |
| Office and administration | **$ 17,448** | $ 19,242 | **$ 65,624** | $ 57,184 |
| Shareholder relations | **10,045** | 17,889 | **59,603** | 58,741 |
| Legal and audit | **30,721** | 8,921 | **57,325** | 58,578 |
| Payroll | **9,626** | 13,075 | **56,760** | 39,831 |
| Consulting | **10,875** | 19,550 | **29,808** | 25,850 |
| Travel and entertainment | **1,894** | 14,651 | **18,771** | 29,927 |
| Amortization | **844** | 1,104 | **5,490** | 3,312 |
| Interest and bank charges | **293** | 646 | **1,026** | 1,602 |
| Stock-based compensation | **-** | 235,728 | **475,489** | 235,728 |
| Other expenses (income) | **14,661** | - | **116,051** | (80,130) |
| Flow-through share premium | **(29,500)** | (9,231) | **(55,565)** | (102,499) |
| Write-down of mineral properties | **-** | 367,653 | **-** | 398,501 |
| Future tax expense (recovery) | **-** | 33,842 | **-** | (338,423) |
| Net loss for the period | **$ 66,907** | $ 723,070 | **$ 830,382** | $ 388,202 |
| Net loss per share – Basic and fully diluted | **$ 0.00**(1) | $ 0.03(1) | **$0.03**(1) | $ 0.02(1) |

(1) Fully diluted weighted average common shares outstanding, used in the calculation of fully diluted loss per share, are not reflective of the outstanding stock options and warrants at that time as their exercise would be anti-dilutive in the loss per share calculation.

### *7.1 Nine Months Ended December 31, 2011*

White Pine's results of operations for the nine months ended December 31, 2011 resulted in a loss of $830,382, compared to a loss of $388,202 for the same period in prior year.

The variance between the two nine month periods is due to:

- In prior year, a future tax recovery was triggered on the expiry of warrants during the period;
- Other expenses (income) include costs relating to White Pines camp at Richards Lake in relation to

its Luc Bourdon property, which was written off in prior years. White Pine incurred maintenance costs on the camp during the nine months ended December 31, 2011 in order to facilitate its use by tenants in the summer, fall and winter exploration seasons;

- Stock-based compensation is affected primarily by the timing and vesting of option grants. During Q1 2012, stock option grants were made to Directors and consultants in which all options vested on the grant date;
- Flow-through share premium revenue is related to White Pine's flow-through obligation which was reduced during the period; and
- Payroll was increased during the current period due to the addition of employment staff to support administrative operations.

Management does not expect any significant fluctuations in general and administrative expenditures to the end of Q4 2012. The size or timing of mineral property write-downs and stock-based compensation expenses cannot be reasonably anticipated.

### *7.2 Three Months Ended December 31, 2011*

White Pine's results of operations for Q3 2012 resulted in a loss of $66,907, compared to earnings of $723,070 for the same period in prior year.

The variance between the two three month periods is due to:

- In Q3 2011, White Pine wrote down the value of its MZ Boston Creek property due to discouraging results. The size or timing of mineral property write-downs cannot be reasonably anticipated;
- Stock-based compensation is affected primarily by the timing and vesting of option grants and White Pine did not grant any options in Q3 2012;
- Flow-through share premium revenue is related to White Pine's flow-through obligation which was reduced during the period; and
- Other expenses (income) include costs relating to White Pines camp at Richards Lake in relation to its Luc Bourdon property, which was written off in prior years. White Pine incurred maintenance costs on the camp during Q3 2012 in order to facilitate its use by tenants in the summer, fall and winter exploration seasons.

## 8. FINANCIAL CONDITION

During the nine months ended December 31, 2011, White Pine's total assets increased to $7.11 million from $5.99 million at March 31, 2011. This increase was mainly due to the increase in exploration and evaluation assets of $1.11 million offset by a decrease in cash of $0.09 million. The increase in exploration and evaluation assets was due to capitalized acquisition costs and exploration expenditures incurred as detailed in Section 5 – Mineral Property Expenditures and Commitments above.

White Pine financed its operating and investing activities from a $0.82 million private placement in November 2011 and from cash balances available from the previous year. White Pine incurred $1.11 million in cash expenditures on its exploration and evaluation assets, expended $0.43 million of cash on operations, received $0.82 million in cash proceeds from private placement financings and received $0.64 million in cash proceeds from the exercise of warrants. As a result, White Pine's net working capital decreased from $0.89 million at March 31, 2011 to $0.82 million at December 31, 2011. White Pine's cash is held at a Canadian chartered bank.

Based on the December 31, 2011 working capital position, White Pine does not have sufficient cash to cover all its exploration activities required to fully exercise its options on its various mineral properties, in particular its expenditures required to exercise its option with respect to the Money Property and Tender Property. White Pine intends to obtain proceeds from additional equity financing as well as from the exercise of warrants to finance general, administrative and unfunded exploration expenditures. There can be no assurance that additional capital or other types of financing will be available or that, if available, the terms of such financing will be favourable to White Pine.

## 9. LIQUIDITY AND CAPITAL RESOURCES

White Pine is wholly dependent on equity financing to complete the development of its mineral properties and meet its obligations under various mineral properties option agreements (see Section 15.8 – Risks Factors). White Pine does not expect to generate any significant revenues from operations in its next fiscal year.

White Pine is dependent on external financing to fund its acquisitions and exploration activities. In order to carry out the planned exploration and pay for administrative costs, White Pine will spend its existing working capital and attempt to raise additional funds as needed. White Pine 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.

In November 2011, White Pine completed a non-brokered private placement financing to raise gross proceeds of $820,000. See Section 3 – Private Placement Financing for more details.

The ability of White Pine to successfully acquire additional mineral projects and proceed with exploration activities on current projects is conditional on its ability to secure financing when required. White Pine proposes to meet additional capital requirements through equity financing. In light of the continually changing financial markets, there is no assurance that new funding will be available at the times or in the amounts required or desired by White Pine, or upon terms acceptable to White Pine or at all.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of White Pine, is reasonable. There were no changes in White Pine's approach to capital management through Q3 2012. White Pine is not subject to externally imposed capital requirements.

White Pine had no off-balance sheet arrangements at December 31, 2011.

## 10. OUTLOOK AND FUTURE EXPLORATION WORK

Working capital from White Pine's treasury, as available from time to time, may also be used to acquire and explore other properties either alone or in concert with others as opportunities and finances permit.

White Pine is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry as well as global economic and gold price volatility. There is no assurance that White Pine's funding initiatives will continue to be successful to fund its planned exploration activities.

An investment in White Pine's securities is speculative, see Section 15.8 – Risk Factors.

## 11. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

These audited consolidated financial statements have been prepared using IFRS applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business. However, White Pine is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. As a result of these circumstances, there is significant doubt as to the appropriateness of the going concern presumption. There is no assurance that White Pine's funding initiatives will continue to be successful and these financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

The preparation of these unaudited condensed interim consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("**IASB**"), requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position reporting date, 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:

- White Pine assesses the carrying value of exploration and evaluation assets each reporting period to determine whether any indication of impairment exists. The calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance;
- the calculation of the fair value of warrants, broker warrants and stock options issued by White Pine requires the use of estimates of inputs in the Black-Scholes option pricing valuation model; and
- due to the complexity and nature of White Pine's operations, various legal and tax matters are outstanding from time to time. By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events. In the opinion of management, these matters did not have a material effect on the White Pine's financial position or results of operations as at and for the nine months ended December 31, 2011.

## 12. SIGNIFICANT ACCOUNTING POLICIES

### *Changes in Accounting Policies Including Initial Adoption*

White Pine has adopted IFRS for the fiscal year ending March 31, 2012. The unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2011 is White Pine's second interim financial statements prepared in accordance with IFRS.

These unaudited condensed interim consolidated financial statements should be read in conjunction with White Pine's audited annual financial statements for the year ended March 31, 2011 and in consideration of the IFRS transition disclosures included in note 12 of the unaudited condensed interim consolidated financial statements as at and for the nine months ended December 31, 2011 as well as the additional annual disclosures included in White Pine's unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2011.

White Pine's IFRS accounting policies are presented in notes 3 and 4 of the unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2011 and have been applied in preparing the unaudited condensed interim consolidated financial statements as at and for the nine months ended December 31, 2011, the comparative information and the opening statement of financial position as at the date of transition.

White Pine applied IFRS1 – First-time Adoption of International Financial Reporting Standards in preparing the first interim IFRS unaudited condensed interim consolidated financial statements. Reconciliations, descriptions and explanations of how the transition to IFRS has affected the reported financial position, financial performance and cash-flows of White Pine are provided in note 14 of the unaudited condensed interim consolidated financial statements at and for the three months ended June 30, 2011 as well as in note 12 of the unaudited condensed interim consolidated financial statements as at and for the nine months ended December 31, 2011. These notes also include reconciliations of equity and comprehensive earnings (loss) for comparative periods originally reported under Canadian generally accepted accounting principles to those reported for those periods under IFRS.

The policies described below, and estimates related to them, have the most significant effect in preparation and presentation of White Pine's unaudited condensed interim consolidated financial statements.

### *Exploration and Evaluation Assets*

Exploration and evaluation costs, which are intangible costs, including the costs of acquiring claims, are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For the purposes of impairment testing, exploration and evaluation assets are allocated to cash generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

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 from intangible assets to mining property and development assets within property, plant and equipment.

### *Share-Based Payment Transactions*

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on mineral properties with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Fair values of share-based payments (including stock options and warrants) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees unconditionally become entitled to payment. The liability is remeasured at each reporting date and at settlement date. Any changes in the fair value of the liability are recognized as personnel expense in profit or loss.

Share-based payment arrangements in which White Pine receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by White Pine.

## 13. ACCOUNTING ISSUES

### *13.1 Management of Capital Risk*

The objective when managing capital is to safeguard White Pine's ability to continue as a going concern, so that it can continue to provide adequate returns to shareholders, benefits to other stakeholders and to have sufficient funds on hand to meet its exploration and development plans to ensure the ongoing growth of the business.

White Pine considers as capital its shareholders equity and cash and equivalents. White Pine manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, White Pine may issue new shares through private placements, repurchase shares, sell assets, incur debt, or return capital to shareholders. White Pine's working capital balance at December 31, 2011 was $0.82 million. White Pine will require additional funds to carry out exploration on its mineral projects. Actual funding requirements may vary from those planned due to a number of factors, including the progress of exploration and development activities. Due to the cyclical nature of the industry, there is no guarantee that when White Pine needs to raise capital, there will be access to funds at that time.

### *13.2 Management of Financial Risk*

White Pine is exposed to various property and financial risks and assesses the impact and likelihood of this exposure. These risks include property risk, credit risk, liquidity risk and commodity price risk. Where material, these risks are reviewed and monitored by the Board of Directors and they are more fully described in note 10 to the unaudited condensed interim consolidated financial statements for the nine months ended December 31, 2011.

### *13.3 Recent Accounting Pronouncements*

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("**IFRIC**") that are mandatory for accounting periods after December 31, 2010 or later periods. Many are not applicable or do not have a significant impact to White Pine and have been excluded from the table below. The following have not yet been adopted and are being evaluated to determine their impact on White Pine.

(i) IFRS 9 'Financial Instruments' ("**IFRS 9**") was issued by the IASB in October 2010 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("**IAS 39**"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2013;

(ii) IFRS 10 ‘Consolidated Financial Statements’ is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities;

(iii) IFRS 11 ‘Joint Arrangements’ (“**IFRS 11**”) was issued by the IASB in May 2011 and will replace IAS 31 Interests in Joint ventures and SIC 13 – Jointly Controlled Entities – Non-Monetary Contributions by Venturers. IFRS 11 is effective for annual periods beginning on or after January 1, 2013;

(iv) IFRS 12 ‘Disclosure of Interests in Other Entities’ is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows; and

(v) IFRS 13 ‘Fair Value Measurement’ is effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

## 14. OUTSTANDING SHARE DATA

| | Number of Shares |
|---|---|
| **Common shares outstanding – March 31, 2011** | **28,682,659** |
| Exercise of warrants | 1,753,874 |
| November 2011 FT Shares (see Section 3 – Private Placement Financing) | 1,180,000 |
| November 2011 Units (see Section 3 – Private Placement Financing) | 2,100,000 |
| **Common shares outstanding – December 31, 2011 and February 29, 2012** | **33,716,533** |
| Unexercised warrants | 7,585,000 |
| Unexercised stock options | 2,729,000 |
| **Fully diluted common shares outstanding – February 29, 2012** | **39,750,533** |

### *14.1 Common Shares*

White Pine has an authorized share capital consisting of an unlimited number of common shares, unlimited number of special shares and 0.50 million preference shares.

### *14.2 Warrants and Broker Warrants*

As of the date of this MD&A, the following warrants and broker warrants were outstanding:

- 3,585,000 of the Series 2008-II Warrants issued in December 2008, and amended on December 8, 2011 to extend the expiry date, entitle the holder to purchase one common share for each warrant at an exercise price of $0.35 until December 23, 2012;

- 1,000,000 of the Series 2009-I Warrants issued in January 2009, and amended on December 8, 2011 to extend the expiry date, entitle the holder to purchase one common share for each warrant at an exercise price of $0.35 until January 26, 2013;

- 1,950,000 of the warrants issued in December 2010 entitle the holder to purchase one common share for each warrant at an exercise price of $0.35 until December 9, 2012; and

- 1,050,000 of the warrants issued in November 2011 entitle the holder to purchase one common share for each warrant at an exercise price of $0.35 until May 18, 2013.

### *14.3 Stock Options*

White Pine has a stock option plan (the "**Plan**") under which it is authorized to grant stock options to acquire common shares to Directors, Officers, employees and consultants. During Fiscal 2010, the Plan was converted into a "rolling plan" where the aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time. The number of common shares which may be reserved for issue to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding issue. The Board of Directors shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors. The total number of stock options available for issue under the Plan as at December 31, 2011 is 642,653.

During the nine months ended December 31, 2011, 815,000 stock options were granted and 390,000 stock options were cancelled or expired. The following stock options were outstanding at December 31, 2011:

| Issue date | Options outstanding & exercisable | Exercise price | Weighted average remaining life (Years) |
|---|---|---|---|
| April 19, 2007 | 10,000 | $6.00 | 0.30 |
| November 28, 2007 | 24,000 | $6.00 | 0.91 |
| June 11, 2008 | 115,000 | $8.00 | 1.45 |
| February 17, 2009 | 865,000 | $0.35 | 2.13 |
| November 25, 2010 | 700,000 | $0.36 | 3.90 |
| March 1, 2011 | 200,000 | $0.41 | 4.17 |
| April 27, 2011 | 515,000 | $0.60 | 4.33 |
| May 10, 2011 | 300,000 | $0.66 | 4.36 |
| | 2,729,000 | $0.83 | 3.35 |

## 15. OTHER INFORMATION

### *15.1 Contractual Commitments*

White Pine has no contractual commitments, other than leases on offices entered into in the ordinary course of business. All mineral property option agreement commitments are at the option of White Pine and White Pine can terminate the agreements prior to being required to make payments on the mineral properties. White Pine may acquire other mineral properties and enter into other joint venture agreements in accordance with its business plan.

### *15.2 Subsequent Events*

Subsequent to period end in February 2012, White Pine announced that it allowed its options on the Yukon Properties to expire. White Pine remains in discussions with the optionors of the Yukon Properties to reschedule the options payments that were due on February 9, 2012 and may consider other alternatives concerning the Yukon Properties. See Section 5.1 – Money Property and Tender Property for further details.

### *15.3 Disclosure Control and Procedures*

White Pine's Chief Executive Officer and Chief Financial Officer have evaluated the effectiveness of the design and operation of White Pine's disclosure controls and procedures as at December 31, 2011. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that White Pine's disclosure controls and procedures are effective to ensure that information required to be disclosed in reports filed or submitted by White Pine under Canadian securities legislation is reported within the time periods specified in those rules.

### *15.4 Internal Control over Financial Reporting*

White Pine's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the Chief Financial Officer, White Pine's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There has been no change in White Pine's internal control over financial reporting during the nine months ended December 31, 2011 that has materially affected, or is reasonably likely to materially affect, White Pine's internal control over financial reporting.

### *15.5 Limitations of Controls and Procedures*

White Pine's Chief Executive Officer and Chief Financial Officer believe that any disclosure controls and procedures or internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within White Pine have been prevented or detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the control. The design of any systems of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

### *15.6 Corporate Governance*

White Pine's Board of Directors follows corporate governance policies to ensure transparency and accountability to shareholders.

The Audit Committee fulfills its role of ensuring the integrity of the reported information through its review of the unaudited interim and audited annual consolidated financial statements prior to their submission to the Board of Directors for approval.

### *15.7 Related Party Transactions*

Transactions for the nine months ended December 31, 2011 and balances outstanding at December 31, 2011 are disclosed in note 8 to the unaudited condensed interim consolidated financial statements which accompany this MD&A.

### *15.8 Risk Factors*

White Pine is in the exploration stage and is subject to the risks and challenges similar to other companies in a comparable stage. The risk factors set forth in White Pine's annual MD&A for the year ended March 31, 2011, a copy of which is filed at www.sedar.com, could materially affect White Pine's future operating results, the successful exploration and development of White Pine's mineral properties and could cause actual events to differ materially from those described in forward-looking statements relating to White Pine.

## 16. FORWARD-LOOKING STATEMENTS

This MD&A may contain forward-looking statements that are based on White Pine's expectations, estimates and projections regarding its business and the economic environment in which it operates. These statements speak only as of the date on which they are made, are not guarantees of future performance and involve risks and uncertainties that are difficult to control or predict. Examples of some of the specific risks associated with the operations of White Pine are set out above under "Risk Factors". Actual outcomes and results may differ materially from those expressed in these forward-looking statements and readers should not place undue reliance on such statements.

Certain information included in this management's discussion and analysis may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "believe", "plan", "scheduled", "intend", "estimate", "forecast", "predict", "potential", "continue", "anticipate" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future plans or prospects of White Pine. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive uncertainties and contingencies. Although White Pine believes that its expectations reflected in these forward-looking statements are reasonable, such statements involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

Forward-looking information is inherently subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of White Pine to be materially different from those expressed or implied by such forward-looking information, including but not limited to, risks related to White Pine's goal of creating shareholder value by concentrating on the acquisition and development of properties that have the potential to contain economic mineral deposits; management's assessment of future plans for its property interests (See "Mining Properties – Exploration Activities"); management's economic outlook regarding future trends; White Pine's expected exploration budget and ability to meet its working capital needs at the current level in the short term (See "Liquidity and Capital Resources" and "Financial Conditions"); expectations with respect to raising capital (See "Liquidity and Capital Resources"); and management's proposed undertaking to attempt to renegotiate certain of its option agreements (See "Financial Conditions").

Inherent in forward-looking statements are risks, uncertainties and other factors beyond White Pine's ability to predict or control. These risks, uncertainties and other factors include, but are not limited to, mineral price volatility, changes in debt and equity markets, timing and availability of external financing on acceptable terms, the uncertainties involved in interpreting geological data and confirming title to recently acquired properties, the possibility that future exploration results will not be consistent with White Pine's expectations, increases in costs, environmental compliance and changes in environmental and other local legislation and regulation, interest rate and exchange rate fluctuations, changes in economic and political conditions and other risks involved in the mineral exploration and development industry, as well as those risk factors listed in the "Risk Factors" section above. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about the following: the availability of financing for White Pine's exploration and development activities; operating and exploration and development costs; White Pine's ability to retain and attract skilled staff; timing of the receipt of regulatory and governmental approvals for exploration projects and other operations; market competition; and general business and economic conditions.

For further discussion of certain risks and uncertainties that could contribute to a difference in results that those expressed in certain forward looking statements contained herein, please review those risks listed under the heading "Risks Factors" in this MD&A. Although White Pine has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Forward-looking statements are not guarantees of future performance and there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and White Pine takes no responsibility to update them or to revise them to reflect new events or circumstances, except as required by law.