Consolidated Financial Statements of

WHITE PINE RESOURCES INC.

For The Years Ended

March 31, 2012 and 2011

Presented in Canadian Dollars

WHITE PINE RESOURCES INC.

For The Years Ended

March 31, 2012 and 2011

NOTICE TO SHAREHOLDERS

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of White Pine Resources Inc. ("**White Pine**") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to White Pine's circumstances. White Pine's significant accounting policies of White Pine are summarized in note 2 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the consolidated financial statements and for ensuring that management fulfils its financial reporting responsibilities. The Board of Directors meets with management as well as with the independent auditors to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors' report.

An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the internal controls over the financial reporting process, the consolidated financial statements and the auditors’ report. The Audit Committee also reviews White Pine's Management’s Discussion and Analysis to ensure that the financial information reported therein is consistent with the information presented in the consolidated financial statements. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the consolidated financial statements for issuance to the shareholders.

Management recognizes its responsibility for conducting White Pine's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(Signed) *"Robert D. Cudney"*
Robert D. Cudney
President & Chief Executive Officer

(Signed) *"Michael G. Leskovec"*
Michael G. Leskovec
Chief Financial Officer

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Chartered Accountants

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
White Pine Resources Inc.
(A Development Stage Company)

We have audited the accompanying consolidated financial statements of White Pine Resources Inc. and its subsidiaries which comprise the consolidated statements of financial position as at March 31, 2012, March 31, 2011 and April 1, 2010 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended March 31, 2012 and March 31, 2011 and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, 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.

Auditors' Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of White Pine Resources Inc. and its subsidiaries as at March 31, 2012, March 31, 2011 and April 1, 2010, and their financial performance and their cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with International Financial Reporting Standards.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
July 26, 2012

White Pine

WHITE PINE RESOURCES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Presented in Canadian Dollars

As at,	**March 31, 2012**	March 31, 2011 *(Note 12 - Transition to IFRS)*	April 1, 2010 *(Note 12 - Transition to IFRS)*
ASSETS			
Current Assets			
Cash	**$ 464,509**	$ 886,048	$ 1,034,033
Short-term investment	**10,000**	10,000	10,000
Accounts receivable and prepaid expenses	**229,380**	103,543	265,987
	703,889	999,591	1,310,020
Non-current Assets			
Exploration and evaluation assets *(note 4)*	**6,231,105**	4,983,635	4,001,568
Equipment *(note 5)*	**12,436**	11,270	15,685
	6,243,541	4,994,905	4,017,253
	$ 6,947,430	$ 5,994,496	$ 5,327,273
LIABILITIES			
Current Liabilities			
Accounts payable and accrued liabilities	**$ 88,038**	$ 107,909	$ 315,360
Flow-through share premium liability	**-**	26,065	136,709
	88,038	133,974	452,069
SHAREHOLDERS' EQUITY			
Share Capital *(note 6(a))*	**34,738,846**	32,839,450	31,481,002
Accumulated Deficit	**(37,834,299)**	(36,590,674)	(35,131,958)
Other Components of Equity	**9,954,845**	9,611,746	8,526,160
	6,859,392	5,860,522	4,875,204
	$ 6,947,430	$ 5,994,496	$ 5,327,273

Going Concern Basis of Accounting *(note 1)*

The accompanying notes are an integral part of the consolidated financial statements

On behalf of the Board:

(Signed) *"Thomas J. Pladsen"*
Director

(Signed) *"Kevin S. O'Connor"*
Director

White Pine

WHITE PINE RESOURCES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

Presented in Canadian Dollars

For the years ended March 31,		**2012**		2011 *(Note 12 - Transition to IFRS)*
Expenses				
General and administrative	**$**	**374,831**	$	373,968
Stock-based compensation		**475,489**		311,522
Camp expenses (revenues)		**117,235**		(79,550)
Amortization		**6,334**		4,415
Write-down of exploration and evaluation assets		**35,001**		423,255
		1,008,890		1,033,610
Other income				
Flow-through share premium		**55,565**		110,644
Net loss and comprehensive loss for the year	**$**	**(953,325)**	$	(922,966)
Net loss per share *(note 8)*:				
Basic and fully diluted	**$**	**(0.03)**	$	(0.04)

The accompanying notes are an integral part of the consolidated financial statements

White Pine

WHITE PINE RESOURCES INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Presented in Canadian Dollars

	Share capital	Accumulated deficit	Other components of equity: Warrants and broker warrants	Other components of equity: Share-based payment reserve	Total equity
Balance at April 1, 2010 (Note 12 - Transition to IFRS)	**$ 31,481,002**	**$ (35,131,958)**	**$ 3,777,131**	**$ 4,749,029**	**$ 4,875,204**
Issuance of common shares related to exploration and evaluation asset acquisitions	475,000	-	-	-	475,000
Issuance of common shares related to finder's fees on asset acquisitions	71,250	-	-	-	71,250
Issuance of common shares, net of cash share issuance costs of $15,988	984,012	-	-	-	984,012
Fair value of warrants issued	(298,578)	-	298,578	-	-
Issuance of common shares on exercise of warrants	126,764	-	(60,264)	-	66,500
Stock-based compensation	-	-	-	311,522	311,522
Net loss for the year	-	(922,966)	-	-	(922,966)
Warrant modification *(note 6(b))*	-	(535,750)	535,750	-	-
Expiry of warrants	-	-	(2,256,153)	2,256,153	-
Balance at March 31, 2011 (Note 12 - Transition to IFRS)	**$ 32,839,450**	**$ (36,590,674)**	**$ 2,295,042**	**$ 7,316,704**	**$ 5,860,522**

WHITE PINE RESOURCES INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Presented in Canadian Dollars

	Share capital	Accumulated deficit	Other components of equity: Warrants and broker warrants	Other components of equity: Share-based payment reserve	Total equity
Balance at March 31, 2011 (Note 12 - Transition to IFRS) (continued)	**$ 32,839,450**	**$ (36,590,674)**	**$ 2,295,042**	**$ 7,316,704**	**$ 5,860,522**
Issuance of common shares related to exploration and evaluation asset acquisitions	55,000	-	-	-	55,000
Issuance of common shares, net of cash share issuance costs of $13,037	511,963	-	-	-	511,963
Fair value of broker warrants issued	(99,043)	-	99,043	-	-
Issuance of flow-through shares, net of flow-through premium liability of $29,500	265,500	-	-	-	265,500
Issuance of common shares on exercise of warrants	1,165,976	-	(521,733)	-	644,243
Stock-based compensation	-	-	-	475,489	475,489
Net loss for the period	-	(953,325)	-	-	(953,325)
Warrant modification *(note 6(b))*	-	(290,300)	290,300	-	-
Expiry of warrants and broker warrants	-	-	(68,103)	68,103	-
Balance at March 31, 2012	**$ 34,738,846**	**$ (37,834,299)**	**$ 2,094,549**	**$ 7,860,296**	**$ 6,859,392**

The accompanying notes are an integral part of the consolidated financial statements

WHITE PINE RESOURCES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
Presented in Canadian Dollars

For the years ended March 31,		**2012**		2011
Cash provided by (used in)				
Operations				
Net earnings (loss) for the year	**$**	**(953,325)**	$	(922,966)
Items not involving cash:				
Stock-based compensation		**475,489**		311,522
Amortization		**6,334**		4,415
Write-down of exploration and evaluation assets		**35,001**		423,255
Flow-through share premium		**(55,565)**		(110,644)
Change in non-cash working capital:				
Accounts receivable and prepaid expenses		**(125,837)**		162,444
Accounts payable and accrued liabilities		**(19,871)**		52,460
		(637,774)		(79,514)
Financing				
Issuance of common shares		**525,000**		1,000,000
Issuance of flow-through shares		**295,000**		-
Share issue costs		**(13,037)**		(15,988)
Exercise of warrants		**644,243**		66,500
		1,451,206		1,050,512
Investing				
Exploration and evaluation costs		**(1,227,471)**		(1,118,983)
Equipment purchase		**(7,500)**		-
		(1,234,971)		(1,118,983)
Increase (decrease) in cash		**(421,539)**		(147,985)
Cash, beginning of year		**886,048**		1,034,033
Cash, end of year	**$**	**464,509**	$	886,048

The accompanying notes are an integral part of the consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN BASIS OF ACCOUNTING

White Pine Resources Inc. ("**White Pine**") was incorporated under the Business Corporations Act (Ontario) on May 11, 1979 and is a publicly listed Canadian junior resource company with exploration and evaluation assets in Canada. White Pine is engaged in the identification, acquisition, exploration and evaluation of gold, nickel, copper, zinc, silver and other base metal properties. To date, White Pine has not earned any revenue from operations. White Pine's common shares are listed on the TSX Venture Exchange under the symbol "WPR".

White Pine's registered office is located at Suite 301, 141 Adelaide Street West, Toronto, Ontario, M5H 3L5.

The consolidated financial statements for the years ended March 31, 2012 and 2011 were approved for issue by the Board of Directors on July 26, 2012.

These consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from March 31, 2012. However, 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; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively White Pine's ability to dispose of its exploration and evaluation assets on an advantageous basis; as well as global economic, precious and base metal price volatility; all of which are uncertain. As a result of these risks, there is no assurance that White Pine's funding initiatives will continue to be successful and these consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. Changes in future conditions could require material writedowns of the carrying value of exploration and evaluation assets.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Presentation

White Pine's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). As these consolidated financial statements represent White Pine's initial presentation of its results of operations and financial position under IFRS, they were prepared in accordance with IFRS 1, *First-time Adoption of IFRS*. These consolidated financial statements have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations and have been consistently applied to all the years presented. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

White Pine's consolidated financial statements were previously prepared in accordance with Canadian generally accepted principles ("**Canadian GAAP**"). Canadian GAAP differs in some areas from IFRS. In preparing these consolidated financial statements, management has amended certain accounting and valuation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. The comparative figures for 2011 were restated to reflect these adjustments. Certain information and footnote disclosures which are considered material to the understanding of White Pine's consolidated financial statements are provided in note 12 - Transition to IFRS along with reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on equity, earnings and comprehensive income and cash flows.

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information.

White Pine classifies its expenses by nature.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Presentation (continued)

The statement of cash flows shows the changes in cash arising during the period from operating activities, investing activities and financing activities.

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as stock-based compensation, write-down of exploration and evaluation assets, flow-through share premium, as well as changes from accounts receivables, accounts payable and accrued liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. The cash flows from investing and financing activities are determined by using the direct method.

(b) Basis of Consolidation

The consolidated financial statements comprise the accounts of White Pine and the assets, liabilities, revenues and expenses of its wholly-owned and controlled subsidiaries, Electrum Stater Resources Corporation, Spiral Mountain Corporation and Tupper Shields Copper Corporation, after the elimination of all material intercompany balances and transactions. White Pine’s subsidiaries have suspended their exploration and development activities and are inactive.

Subsidiary

A subsidiary is an entity over which White Pine has the power to govern the financial and operating policies. Subsidiaries are fully consolidated from the date on which control is obtained until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Inter-company transactions and balances are eliminated. Unrealised gains and losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by White Pine.

(c) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is White Pine’s functional currency. The functional currency of White Pine’s subsidiaries is also the Canadian dollar. The functional currency of each of White Pine’s consolidated entities are measured using the currency of the primary economic environment in which that entity operates.

(d) Financial Instruments

(i) Non-derivative financial assets

White Pine initially recognizes loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognized initially on the trade date at which White Pine becomes a party to the contractual provisions of the instrument.

White Pine derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by White Pine is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when White Pine has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

White Pine's non-derivative financial assets comprise loans and receivables.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

(i) Non-derivative financial assets (continued)

Financial assets at fair value through profit or loss

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if White Pine manages such investments and makes purchase and sale decisions based on their fair value in accordance with White Pine's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Financial assets at fair value through profit or loss consist of cash and short-term investments.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

(ii) Non-derivative financial liabilities

White Pine initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which White Pine becomes a party to the contractual provisions of the instrument.

White Pine derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Non-derivative financial liabilities comprise accounts payable and accrued liabilities.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

(iii) Derivative financial liabilities

Derivative instruments, including embedded derivatives, are recorded at their fair value on the date the derivative contract is entered into. They are subsequently remeasured at their fair value at each statement of financial position date, and the changes in the fair value are recognized in profit or loss. Fair values for derivative instruments are determined using valuation techniques, using assumptions based on market conditions existing at the statement of financial position date.

(e) Cash

Cash includes balances held with a Canadian chartered bank which are redeemable upon demand.

(f) Short-term Investment

Short-term investment represents an investment in a guaranteed investment certificate ("**GIC**") with a maturity date of more than ninety days held with a Canadian chartered bank. The GIC is held as a collateral security on White Pine's credit cards.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Exploration and Evaluation Assets

Exploration and evaluation 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. Capitalised 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 the statement of comprehensive income or loss immediately.

The shares issued for property acquisition have been valued based on the equity instruments granted, as the fair value of the assets received is not reliably determinable.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount *(note 2(i))*.

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, plant and equipment.

(h) Equipment

(i) Recognition and measurement

Items of equipment are stated at cost less accumulated amortization and impairment losses *(note 2(i))*. Cost includes expenditure that is directly attributable to the acquisition of the asset.

(ii) Subsequent costs

White Pine recognizes in the carrying amount of an item of equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to White Pine and the cost of the item can be measured reliably.

(iii) Amortization

The carrying amounts of equipment (including initial and subsequent capital expenditure) are amortized to their estimated residual value over the estimated useful lives of the specific assets concerned. Amortization is provided using the declining balance basis at the following annual rates based on the estimated useful lives of the equipment:

Computer equipment and software	45%
Furnitures and equipment	20%

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

(iv) Disposal

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount of equipment and are recognized net within “other income” in profit or loss.

(i) Impairment

(i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Impairment (continued)

(i) Financial assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in other comprehensive income is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

(ii) Non-financial assets

The carrying amounts of White Pine's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Stock-based Compensation Transactions

The grant date fair value of stock-based compensation awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on exploration and evaluation assets, 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 stock-based compensation 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 stock-based compensation 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 using the management assumptions disclosed in note 6(b) and note 6(c) for warrants and stock options, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Stock-based Compensation Transactions (continued)

Stock-based compensation arrangements in which White Pine receives goods or services as consideration for its own equity instruments are accounted for as equity-settled stock-based compensation transactions.

Where equity instruments are granted to non-employees, they are recorded in the statement of comprehensive loss at the fair value of the goods or services received, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

(k) Provisions

A provision is recognized if, as a result of a past event, White Pine has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

(l) Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Share Capital

Common shares

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Share Capital (continued)

Flow-through Shares

To the extent that White Pine issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow through common shares, any such premium is recorded as a liability on White Pine's statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as White Pine fulfills its expenditure renunciation obligation associated with such flow-through share issuances, with an offsetting amount recognized as income.

In respect of a retrospective renunciation, such obligation is considered to have been fulfilled once related renunciation filings have been made with the appropriate taxation authorities. In respect of prospective renunciation (i.e., a look-back renunciation), the obligation is considered to be fulfilled once related flow-through expenditures have been incurred.

(n) Loss Per Share

White Pine presents basic and fully diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to White Pine's common shareholders by the weighted average number of common shares outstanding during the period, adjusted for own shares held. Fully diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise warrants and stock options granted.

(o) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee 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 April 1, 2015.

(ii) IFRS 10 'Consolidated Financial Statements' is effective for annual periods beginning on or after April 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 period beginning on or after April 1, 2013.

(iv) IFRS 12 'Disclosure of Interests in Other Entities' is effective for annual periods beginning on or after April 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.

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

Presented in Canadian Dollars

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these consolidated financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the 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:

(i) White Pine assesses the carrying value of exploration and evaluation assets at each reporting period to determine whether any indication of impairment exists;

(ii) 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

(iii) due to the 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 White Pine's financial position or results of operations as at and for the years ended March 31, 2012 and 2011.

4. EXPLORATION AND EVALUATION ASSETS

Property	**Option & acquisition costs**	**Exploration**	**Write-downs**	**Balance March 31, 2012**
Money Property	$ 813,591	$ 747,318	$ -	**$ 1,560,909**
Tender Property	308,215	336,500	-	**644,715**
Lowland	15,854	13,285,298	(9,275,671)	**4,025,481**
Garden Island Property	-	384,753	(384,753)	**-**
	$ 1,137,660	**$ 14,753,869**	**$ (9,660,424)**	**$ 6,231,105**

Property	Option & acquisition costs	Exploration	Write-downs	Balance March 31, 2011
Money Property	$ 709,688	$ 8,451	$ -	$ 718,139
Tender Property	236,563	3,451	-	240,014
Lowland	15,854	13,285,298	(9,275,671)	4,025,481
Garden Island Property	-	349,753	(349,752)	1
MZ	43,813	323,840	(367,653)	-
	$ 1,005,918	$ 13,970,793	$ (9,993,076)	$ 4,983,635

Presented in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Money Property	Tender Property	Lowland	Garden Island Property	MZ	Total
Balance - April 1, 2010	$ -	$ -	$ 3,895,790	$ 1	$ 105,777	$ 4,001,568
Option & acquisition costs	709,688	236,563	-	-	3,988	950,239
Exploration	8,451	3,451	129,691	24,753	257,888	424,234
Write-downs	-	-	-	(24,753)	(367,653)	(392,406)
Balance - March 31, 2011	718,139	240,014	4,025,481	1	-	4,983,635
Option & acquisition costs	103,903	71,652	-	-	-	175,555
Exploration	738,867	333,049	-	35,000	-	1,106,916
Write-downs	-	-	-	(35,001)	-	(35,001)
Balance - March 31, 2012	**$ 1,560,909**	**$ 644,715**	**$ 4,025,481**	**$ -**	**$ -**	**$ 6,231,105**

(a) Money and Tender Properties

In February 2011, and as amended in March 2012, White Pine acquired options (the "**Options**") to earn a 100% interest in the properties known as the 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. A net smelter return royalty ("**NSR**") on each of the Yukon Properties of 2% is payable by White Pine on obtaining 100% interest; White Pine may purchase one-half of the NSR on the Money Property for $2.5 million and one-half of the NSR on the Tender Property for $2.5 million.

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

(i) make cash payments totaling $950,000 in tranches as follows:

- On signing: $300,000 (paid);
- By March 2, 2012: $25,000 (paid);
- By February 9, 2013: $125,000;
- By February 9, 2014: $150,000;
- By February 9, 2015: $150,000; and
- By February 9, 2016: $200,000.

(ii) issuing an aggregate of 2,750,000 common shares in tranches as follows:

- On signing: 750,000 common shares (issued and valued at $356,250);
- By March 2, 2012: 150,000 common shares (issued and valued at $33,000);
- By February 9, 2013: 350,000 common shares;
- By February 9, 2014: 500,000 common shares;
- By February 9, 2015: 500,000 common shares; and
- By February 9, 2016: 500,000 common shares.

(iii) incurring an aggregate of $1,250,000 in exploration expenditures on the Money Property as follows:

- By April 2, 2013: incur $200,000 (incurred);
- By April 2, 2014: incur $300,000 (incurred);
- By April 2, 2015: incur $350,000; and
- By April 2, 2016: incur $400,000.

4. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Money and Tender Properties (continued)

In the event White Pine terminates the option on the Money property on or prior to February 8, 2013, the $25,000 cash payment made on March 2, 2012 under the terms of the Money property shall be credited against the cash payment payable by February 9, 2013 with respect to the Tender property, and the 150,000 common shares issued on March 2, 2012 under the terms of the Money property shall be credited against the common shares issuable by February 9, 2013 with respect to the Tender property.

In addition, White Pine will also be required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of $2.5 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 has otherwise fully exercised its option with respect to the Money Property.

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

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

- On signing: $100,000 (paid);
- By February 9, 2012: $25,000 (paid);
- By February 9, 2013: $50,000;
- By February 9, 2014: $75,000;
- By February 9, 2015: $75,000; and
- By February 9, 2016: $100,000.

(ii) issuing an aggregate of 1,250,000 common shares in tranches as follows:

- On signing: 250,000 common shares (issued and valued at $118,750);
- By February 9, 2012: 100,000 common shares (issued and valued at $22,000);
- By February 9, 2013: 150,000 common shares;
- By February 9, 2014: 250,000 common shares;
- By February 9, 2015: 250,000 common shares; and
- By February 9, 2016: 250,000 common shares.

(iii) incurring an aggregate of $750,000 in exploration expenditures on the Tender Property as follows:

- By April 2, 2013: incur $150,000 (incurred);
- By April 2, 2014: incur $150,000 (incurred);
- By April 2, 2015: incur $200,000; and
- By April 2, 2016: incur $250,000.

In the event White Pine terminates the option on the Tender property on or prior to February 8, 2013, the $25,000 cash payment made on March 2, 2012 under the terms of the Tender property shall be credited against the cash payment payable by February 9, 2013 with respect to the Money property, and the 100,000 common shares issued on March 2, 2012 under the terms of the Tender property shall be credited against the common shares issuable by February 9, 2013 with respect to the Money property.

In addition, White Pine will also be required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of $2.5 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 has otherwise fully exercised its option with respect to the Tender Property.

4. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Money and Tender Properties (continued)

In the event that either of the Options are exercised, White Pine shall be 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 is exercised commencing in 2016 and until such time as commercial production commences. Any amount paid in respect of such Advance Royalty Payments shall be credited against the NSR payable in respect of either of the Yukon Properties.

In connection with the Options, White Pine paid finder's fees by issuing 150,000 common shares valued at $71,250. The finder's fees were allocated $53,438 as to the Money Property and $17,813 as to the Tender Property.

(b) Lowland

On March 26, 2008 White Pine entered into an option agreement with Metalex Ventures Ltd. ("**Metalex**") and Arctic Star Diamond Corp. ("**Arctic**") pursuant to which White Pine was granted the option to acquire a 50% interest in certain claims of Metalex's and Arctic's James Bay properties located on and around the "Ring of Fire" in Ontario. In October 2011, Metalex acquired Arctic's interest in the Lowland property.

Under the terms of the agreement, White Pine had the right to fund a maximum of $20.0 million in expenditures on the Lowland property over a four year period. For each $5.0 million in expenditures, White Pine would acquire a 12.5% interest in the Lowland property, up to a maximum 50% interest.

In October 2011, Metalex granted White Pine a 37.5% interest in the Lowland property for the expenditures of $13.3 million previously incurred on the property (including $9.3 million written-off during fiscal 2009). The option agreement was therefore terminated and White Pine has retained its 37.5% interest in the Lowland property.

(c) Garden Island Property

On February 25, 2009, White Pine entered into an agreement (the "**Garden Island Option Agreement**") with TSR Resources Inc. ("**TSR**") pursuant to which TSR granted White Pine an option to acquire a resulting aggregate 10% interest (the "**Interest**") in 296 mineral claims located in Piedmont, Courville, Pascalis and Senneville Townships of Quebec, (collectively the "**Garden Island Property**").

TSR and Noront Resources Ltd. ("**Noront**") entered into an option agreement dated July 6, 2007 and amended on July 10, 2008 (the "**Noront Option Agreement**"), pursuant to which Noront has acquired a 50% interest in the Garden Island Property and upon exercise of the Garden Island Option Agreement, the Garden Island Property shall be held as 50% by Noront, 40% by TSR and 10% by White Pine.

To exercise the Garden Island Option Agreement and thereby acquire the Interest, White Pine incurred expenses on the Garden Island Property in the aggregate amount of $325,000.

During fiscal 2010, White Pine wrote-down the carrying value of the Garden Island Property to a nominal amount, given discouraging exploration results.

During the year ended March 31, 2011 and 2012, White Pine incurred exploration expenditures of $24,753 and $35,000, respectively, on the Garden Island Property which corresponded to its portion of costs related to the wind-up of the project. Since the carrying value was written-down to a nominal amount during fiscal 2010, these costs were charged to the statement of operations as additional write-downs and the balance of the carrying value was written off during the year ended March 31, 2012.

Presented in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS (continued)

(d) MZ (Boston Creek Gold Property)

On December 14, 2009, White Pine announced the signing of an agreement for the acquisition of an option to acquire the MZ Boston Creek Gold Property ("**MZ**") located in the Boston Creek gold mining district south of Kirkland Lake, Ontario. The MZ property, consisting of 608 hectares, could be acquired from two local prospectors for consideration of cash, common shares and exploration expenditures based on the following timetable:

To acquire an initial 50% interest in the property:

- On signing: $20,000 cash plus 50,000 common shares, valued at $15,000 (paid);
- By January 1st, 2011: $20,000 cash plus 100,000 common shares, and incur $100,000 in exploration expenditures;
- By January 1st, 2012: $20,000 cash plus 100,000 common shares, and incur $100,000 in exploration expenditures.
- By January 1st, 2013: incur $150,000 in exploration expenditures.

At White Pine's option, to acquire an additional 50% interest in the property:

- By January 1st, 2013: $20,000 cash plus 100,000 common shares;
- By January 1st, 2014: $120,000 cash plus 400,000 common shares, and incur $500,000 in exploration expenditures;
- By December 31, 2014: incur $500,000 in exploration expenditures.

A 2% NSR was retained by the prospectors with the option of 1% being purchased by White Pine for $1 million.

Due to discouraging exploration results, White Pine terminated the option agreements and wrote-off the carrying value of the MZ property during the year ended March 31, 2011.

5. EQUIPMENT

As at March 31, 2012	**Cost**	**Accumulated amortization**	**Net**
Computer equipment	**$ 4,516**	**$ 4,202**	**$ 314**
Computer software	**20,984**	**15,625**	**5,359**
Furniture and equipment	**17,356**	**10,593**	**6,763**
	$ 42,856	**$ 30,420**	**$ 12,436**

During the year ended March 31, 2012, White Pine incurred $7,500 in computer software additions and $nil for the year ended March 31, 2011.

As at March 31, 2011	Cost	Accumulated amortization	Net
Computer equipment	$ 4,516	$ 3,945	$ 571
Computer software	13,484	11,240	2,244
Furniture and equipment	17,356	8,901	8,455
	$ 35,356	$ 24,086	$ 11,270

Presented in Canadian Dollars

5. EQUIPMENT (continued)

As at April 1, 2010	Cost	Accumulated amortization	Net
Computer equipment	$ 4,516	$ 3,479	$ 1,037
Computer software	13,484	9,405	4,079
Furniture and equipment	17,356	6,787	10,569
	$ 35,356	$ 19,671	$ 15,685

6. SHARE CAPITAL

(a) Common Shares

Authorized Capital - Unlimited number of common shares
- Unlimited number of special shares
- 500,000 preference shares

Issued

	Number of common shares	**Consideration**
Balance - April 1, 2010	23,342,659	$ 31,481,002
Issued under private placement, December 2010	4,000,000	1,000,000
December 2010 Warrants	-	(298,578)
Share issue costs	-	(15,988)
Exercise of warrants	190,000	66,500
Fair value of warrants transferred to common shares	-	60,264
Issued for acquisition of Money Property *(note 4(a))*	750,000	356,250
Issued for acquisition of Tender Property *(note 4(a))*	250,000	118,750
Finder's fee on acquisition of mineral properties *(note 4(a))*	150,000	71,250
Balance - March 31, 2011	28,682,659	32,839,450
Flow-through shares issued, November 2011	1,180,000	295,000
Flow-through share premium	-	(29,500)
Issued under private placement, November 2011	2,100,000	525,000
November 2011 Warrants	-	(99,043)
Share issue costs	-	(13,037)
Exercise of warrants	1,753,874	644,243
Fair value of warrants transferred to common shares	-	521,733
Issued for acquisition of Money Property *(note 4(a))*	150,000	33,000
Issued for acquisition of Tender Property *(note 4(a))*	100,000	22,000
Balance - March 31, 2012	**33,966,533**	**$ 34,738,846**

On December 9, 2010, White Pine completed a non-brokered private placement of 4,000,000 units ("**December 2010 Units**") at a price of $0.25 per December 2010 Unit. Each December 2010 Unit consisted of one common share and one-half of one share purchase warrant, each whole warrant entitling the holder to acquire one additional common share for a period of two years at an exercise price of $0.35 ("**December 2010 Warrants**").

Presented in Canadian Dollars

6. SHARE CAPITAL (continued)

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 shares ("**November 2011 FT Shares**") at $0.25 per November 2011 FT Share; and (ii) 2,100,000 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.

(b) Warrants

	Number of warrants	Number of broker warrants	Allocated value
Balance - April 1, 2010	7,379,167	426,291	$ 3,777,131
December 2010 Warrants	2,000,000	-	298,578
Exercise of warrants	(190,000)	-	(60,264)
Warrant modification	-	-	535,750
Expiry of warrants	(841,667)	-	(1,823,570)
Expiry of broker warrants	-	(109,417)	(432,583)
Balance - March 31, 2011	8,347,500	316,874	2,295,042
November 2011 Warrants	1,050,000	-	99,043
Exercise of warrants	(1,450,000)	(303,874)	(521,733)
Warrant modification	-	-	290,300
Expiry of warrants	(362,500)	(13,000)	(68,103)
Balance - March 31, 2012	**7,585,000**	**-**	**$ 2,094,549**

On August 25, 2011, 362,500 warrants and 13,000 broker warrants relating to an August 25, 2009 private placement expired unexercised. On April 25, 2010, 841,667 warrants and 109,417 broker warrants relating to an April 25, 2008 private placement expired unexercised.

During the years ended March 31, 2012 and 2011, the following warrants were issued and valued using the Black-Scholes option pricing model parameters listed below (in each case with no dividends):

			Black-Scholes option pricing parameters		
	Number of warrants	Exercise price	Risk-free interest rate	Expected life (years)	Volatility factor(1)
November 2011 Warrants	1,050,000	$0.35	1.09%	1.5	126%
December 2010 Warrants	2,000,000	$0.35	1.70%	2.0	201%

(1) The volatility was calculated based on White Pine's historical share price.

On December 8, 2011, White Pine extended the term of some of its warrants as follows:

- An aggregate of 3,585,000 Series 2008-II warrants, originally issued in December 2008, exercisable at $0.35 per share until December 23, 2009 ("**Series 2008-II Warrants**") and extended to December 23, 2011, were further extended to December 23, 2012.
- An aggregate of 1,000,000 Series 2009-I warrants, originally issued on January 26, 2009 and exercisable at $0.35 per share until January 26, 2010 ("**Series 2009-I Warrants**") and extended to January 26, 2012, were further extended to January 26, 2013.

White Pine has recorded the incremental difference of $290,300 as a capital transaction based on the fair value of these warrants immediately prior to and after the modification.

Presented in Canadian Dollars

6. SHARE CAPITAL (continued)

(b) Warrants (continued)

The Series 2008-II Warrants and Series 2009-I Warrants were valued prior to extension using the Black-Scholes option pricing model parameters as listed below (in each case with no dividends):

			Black-Scholes option pricing parameters		
	Number of warrants	Exercise price	Risk-free interest rate	Expected life (years)	Volatility factor(1)
Series 2008-II Warrants	3,585,000	$0.35	1.01%	0.04	114%
Series 2009-I Warrants	1,000,000	$0.35	1.01%	0.13	114%

(1) The volatility was calculated based on White Pine's historical share price.

On December 8, 2011, the date of extension, the Series 2008-II Warrants and Series 2009-I Warrants were valued using the Black-Scholes option pricing model parameters as listed below (in each case with no dividends):

			Black-Scholes option pricing parameters		
	Number of warrants	Exercise price	Risk-free interest rate	Expected life (years)	Volatility factor(1)
Series 2008-II Warrants	3,585,000	$0.35	1.01%	1.04	114%
Series 2009-I Warrants	1,000,000	$0.35	1.01%	1.13	114%

(1) The volatility was calculated based on White Pine's historical share price.

On November 17, 2010, White Pine extended the term of some of its warrants as follows:

- An aggregate of 4,175,000 Series 2008-II warrants, originally issued in December 2008, exercisable at $0.35 per share until December 23, 2009 ("**Series 2008-II Warrants**") and extended to December 23, 2010, were further extended to December 23, 2011.
- An aggregate of 2,000,000 Series 2009-I warrants, originally issued on January 26, 2009 and exercisable at $0.35 per share until January 26, 2010 ("**Series 2009-I Warrants**") and extended to January 26, 2011, were further extended to January 26, 2012.

White Pine has recorded the incremental difference of $535,750 as a capital transaction based on the fair value of these warrants immediately prior to and after the modification.

The Series 2008-II Warrants and Series 2009-I Warrants were valued prior to extension using the Black-Scholes option pricing model parameters as listed below (in each case with no dividends).

			Black-Scholes option pricing parameters		
	Number of warrants	Exercise price	Risk-free interest rate	Expected life (years)	Volatility factor(1)
Series 2008-II Warrants	4,175,000	$0.35	1.43%	0.10	115%
Series 2009-I Warrants	2,000,000	$0.35	1.43%	0.19	115%

(1) The volatility was calculated based on White Pine's historical share price.

Presented in Canadian Dollars

6. SHARE CAPITAL (continued)

(b) Warrants (continued)

On November 17, 2010, the date of extension, the Series 2008-II Warrants and Series 2009-I Warrants were valued using the Black-Scholes option pricing model parameters as listed below (in each case with no dividends):

			Black-Scholes option pricing parameters		
	Number of warrants	Exercise price	Risk-free interest rate	Expected life (years)	Volatility factor(1)
Series 2008-II Warrants	4,175,000	$0.35	1.43%	1.10	118%
Series 2009-I Warrants	2,000,000	$0.35	1.43%	1.19	118%

(1) The volatility was calculated based on White Pine's historical share price.

A summary of White Pine's outstanding warrants and brokers warrants at March 31, 2012 is presented below:

Issue date	Number of warrants	Exercise price	Expiry date
December 23, 2008	3,585,000	$0.35	December 23, 2012
January 26, 2009	1,000,000	$0.35	January 26, 2013
December 9, 2010	1,950,000	$0.35	December 9, 2012
November 18, 2011	1,050,000	$0.35	May 18, 2013
	7,585,000		

As at March 31, 2012 there were no outstanding brokers warrants.

(c) Share-Based Payment Reserve and Stock Options

Share-Based Payment Reserve

Balance - April 1, 2010	$ 4,749,029
Stock-based compensation	311,522
Expiry of warrants	2,256,153
Balance - March 31, 2011	7,316,704
Stock-based compensation	475,489
Expiry of warrants	68,103
Balance - March 31, 2012	**$ 7,860,296**

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. The Plan is 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.

Presented in Canadian Dollars

6. SHARE CAPITAL (continued)

(c) Share-Based Payment Reserve and Stock Options (continued)

Stock Options

	Number of options	Weighted average exercise price
Balance - April 1, 2010	1,499,000	$ 3.24
Granted	900,000	0.37
Expired	(45,000)	3.49
Balance - March 31, 2011	2,354,000	2.14
Granted	815,000	0.62
Expired or cancelled	(440,000)	7.44
Balance - March 31, 2012	**2,729,000**	**$ 0.83**

The following stock options were issued and valued using the Black-Scholes option pricing model parameters listed below (in each case with no dividends):

				Black-Scholes Option Pricing Parameters		
Fiscal 2012	**Number of options**	**Exercise price**	**Grant date stock price**	**Risk-free interest rate**	**Expected life (Years)**	**Volatility factor(1)**
April 27	515,000	$0.60	$0.60	2.38%	5.0	164%
May 10	300,000	$0.66	$0.66	2.34%	5.0	164%
	815,000	$0.62				

(1) The volatility was calculated based on White Pine's historical share price. The above options vested immediately.

				Black-Scholes Option Pricing Parameters		
Fiscal 2011	**Number of options**	**Exercise price**	**Grant date stock price**	**Risk-free interest rate**	**Expected life (Years)**	**Volatility factor(1)**
November 25	700,000	$0.36	$0.36	1.84%	5.0	163%
March 1	200,000	$0.41	$0.405	2.31%	5.0	163%
	900,000	$0.37				

(1) The volatility was calculated based on White Pine's historical share price. The above options vested immediately.

Presented in Canadian Dollars

6. SHARE CAPITAL (continued)

(c) Share-Based Payment Reserve and Stock Options (continued)

A summary of White Pine's outstanding stock options at March 31, 2012 is presented below:

Issue date	Options outstanding & exercisable	Exercise price	Weighted average remaining life (Years)
April 19, 2007	10,000	$6.00	0.08
November 28, 2007	24,000	$6.00	0.66
June 11, 2008	115,000	$8.00	1.20
February 17, 2009	865,000	$0.35	1.88
November 25, 2010	700,000	$0.36	3.65
March 1, 2011	200,000	$0.41	3.92
April 27, 2011	515,000	$0.60	4.08
May 10, 2011	300,000	$0.66	4.11
	2,729,000	$0.83	3.10

7. INCOME TAXES

The income tax recovery has been calculated as follows:

For the years ended March 31,	2012	2011
Loss before income taxes	$ (953,325)	$ (922,966)
Canadian combined federal and provincial income tax rate	27.38 %	30.13 %
Expected income tax recovery at Canadian statutory rates	$ (272,000)	$ (278,000)
Share issue costs	(1,000)	(4,000)
Stock-based compensation	130,000	93,000
Flow-through share premium	(15,000)	(33,000)
Change in tax rate and other	(18,100)	258,700
Change in deferred tax not recognized	176,100	(36,700)
Income tax provision	$ -	$ -

White Pine's unrecognized deferred tax assets are comprised of the following temporary differences:

	March 31, 2012	March 31, 2011
Exploration and evaluation assets	$ 4,270,600	$ 4,270,600
Losses carried forward	1,057,400	831,500
Share issue costs	58,300	108,100
	5,386,300	5,210,200
Deferred tax asset not recognized	(5,386,300)	(5,210,200)
	$ -	$ -

Presented in Canadian Dollars

7. INCOME TAXES (continued)

At March 31, 2012, White Pine had unclaimed non-capital losses that expire as follows:

Year of Expiry		
2014	$	3,000
2015		333,000
2026		452,000
2027		892,000
2028		555,000
2030		631,000
2031		628,000
2032		735,000
	$	4,229,000

8. NET LOSS PER SHARE

Net loss per share has been calculated using the weighted average number of common shares outstanding during the years ended March 31, 2012 and 2011.

		2012		2011
Net loss for the year	**$**	**(953,325)**	$	(922,966)
Basic and fully diluted weighted average number of common shares outstanding during the year		**31,319,052**		24,733,905
Basic and fully diluted net loss per share	**$**	**(0.03)**	$	(0.04)

Fully diluted weighted average common shares outstanding during the years ended March 31, 2012 and 2011 are not reflective of the outstanding stock options, warrants and broker warrants as their exercise would be anti-dilutive in the net loss per share calculation.

9. RELATED PARTY DISCLOSURES

(a) Executive Management Compensation

Executive management did not receive any stock options during fiscal 2012. During fiscal 2011, executive management received stock options as follows:

			Black-Scholes Option Pricing Parameters			
Stock options	**Exercise price**	**Expiry date**	**Risk-free interest rate**	**Expected life (years)**	**Volatility factor**	**Fair value**
Fiscal 2011						
400,000	$0.36	Nov. 25, 2015	1.84%	5.0	163%	$0.45

All of the stock options vested on the date of grant and have a contractual life of 5 years from the date of grant.

Presented in Canadian Dollars

9. RELATED PARTY DISCLOSURES (continued)

(a) Executive Management Compensation (continued)

Executive management's compensation comprised:

		2012		2011
Cash compensation	**$**	**37,500**	$	66,889
Fair value of stock options		**-**		180,000
	$	**37,500**	$	246,889

(b) Executive Management Transactions

At March 31, 2012, White Pine's Directors and Exeuctive Management controlled 17% percent of the voting shares.

During the years ended March 31, 2012 and 2011, there were no transactions and outstanding balances with executive management other than the cash and stock option compensation as disclosed in note 9(a).

There were no other related party transactions.

10. CAPITAL RISK MANAGEMENT

White Pine’s capital consists of share capital, and other components of equity, which as at March 31, 2012 totaled $44,693,691 (March 31, 2011 - $42,451,196).

When managing capital, White Pine’s objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to shareholders and benefits for other stakeholders. Management adjusts the capital structure as necessary in order to support the acquisition, exploration and development of exploration and evaluation assets.

The properties in which White Pine currently has an interest are in the exploration stage; as such White Pine is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, White Pine will spend its existing working capital and raise additional amounts 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.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of White Pine, is appropriate. There were no changes in White Pine's approach to capital management during the year ended March 31, 2012.

11. PROPERTY, FINANCIAL AND OTHER RISK FACTORS

(a) Property Risk

As at March 31, 2012, White Pine had interests in the Money Property, Tender Property, Lowland, and Garden Island properties (the "**Properties**"). Although White Pine has taken steps to verify title to the Properties on which it is conducting exploration and 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 White Pine’s title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(b) Financial Risk

White Pine’s activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate and commodity price risk).

Risk management is carried out by White Pine's management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management.

11. PROPERTY, FINANCIAL AND OTHER RISK FACTORS (continued)

(b) Financial Risk (continued)

(i) Credit Risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. White Pine's credit risk is primarily attributable to cash and short-term investments. Cash and short-term investments consist of cash on hand and short-term securities with reputable financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in cash and short-term investments is minimal.

(ii) Liquidity Risk

White Pine's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2012, White Pine has cash and short-term investments balances of $474,509 (March 31, 2011 - $896,048, April 1, 2010 - $1,044,033) to settle current liabilities of $88,038 (March 31, 2011 - $107,909, April 1, 2012 - $315,360). Most of White Pine's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(iii) Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates and the price of commodities.

(iv) Interest Rate Risk

White Pine has cash balances and no interest-bearing debt. White Pine's current policy is to invest excess cash in short-term securities which consist of certificates of deposit ("fixed income"). White Pine's cash balances and short-term investments bear interest at floating rates and as such are subject to interest rate cash flow risk resulting from market fluctuation in interest rates.

(c) Commodity Price Risk

White Pine is exposed to price risk, mainly gold and nickel, with respect to commodity prices which affects the valuation of exploration and evaluation assets and share price. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. White Pine closely monitors commodity prices as it relates to precious and base metals to determine the appropriate course of action to be taken.

(d) Sensitivity Analysis

White Pine has designated, for accounting purposes, its cash and short-term investments as held for trading, which are measured at fair value. Accounts receivables are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair market value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost which also equals fair market value.

As at March 31, 2012, the carrying value of White Pine's financial instruments approximate their fair values.

12. TRANSITION TO IFRS

(a) Basis of Transition to IFRS

Application of IFRS 1 - *First time Adoption of International Financial Reporting Standards*

For all periods up to and including the year ended March 31, 2011, White Pine prepared its consolidated financial statements in accordance with Canadian GAAP. The audited consolidated financial statements as at and for the years ended March 31, 2012 are the first audited consolidated financial statements White Pine has prepared in accordance with IFRS. These audited consolidated financial statements were prepared in accordance with IFRS 1, First-time Adoption of IFRS.

This note explains the principal adjustments made in restating the previous Canadian GAAP statement of financial position as at April 1, 2010 and its previously published Canadian GAAP consolidated financial statements as at and for the year ended March 31, 2011.

IFRS 1 *First-Time Adoption of International Financial Reporting Standards* allows first-time adopters certain elections and exemptions from the retrospective application of certain IFRS's effective at the time of transition.

White Pine has applied the following exemptions and elections:

(i) IFRS 3 *Business Combinations* has not been applied to the acquisition of subsidiaries or of interest in associates and joint ventures that occurred before January 1, 2010;

(ii) IFRS 2 *Share-based Payment* has not been applied to equity instruments that were granted on or before November 7, 2002, nor has it been applied to equity instruments granted after November 7, 2002 that vested before April 1, 2010. For cash settled share based payments arrangements, White Pine has not applied IFRS 2 to liabilities that were settled before April 1, 2010; and

(iii) White Pine has elected not to apply the optional exemption to IAS 16 *Property, Plant, and Equipment* that allows White Pine to measure fair value at the date of transition to IFRS and to use that fair value as its deemed cost at that date. Accordingly, White Pine continued to record Equipment at historic cost at the date of transition to IFRS.

In addition, White Pine applied a mandatory exception from retrospective application in respect of estimates. Pursuant to that mandatory exception, estimates applied to balances as at April 1, 2010 have reflected conditions as at that date and were consistent with estimates made for that date in accordance with Canadian GAAP.

White Pine has elected to apply IFRS 6 Exploration and Evaluation Assets by continuing to capitalize costs incurred related to exploration and evaluation assets incurred on or after White Pine secures the legal right to explore the related mineral properties.

(b) Reconciliations between IFRS and Canadian GAAP

The following reconciliations provide a quantification of the effect of the transition to IFRS:

(i) reconciliation of the statement of financial position as at April 1, 2010;

(ii) reconciliation of the statement of financial position as at March 31, 2011;

(iii) reconciliation of shareholders' equity at April 1, 2010 and March 31, 2011; and

(iv) reconciliation of the statement of comprehensive income for the year ended March 31, 2011.

No reconciliation is required for the statement of cash flows as there are no significant differences.

Presented in Canadian Dollars

12. TRANSITION TO IFRS (continued)

(b) Reconciliations between IFRS and Canadian GAAP (continued)

(i) The following is a reconciliation of the statement of financial position and equity as at April 1, 2010:

ASSETS	*Sub Note*	**Canadian GAAP**	**IFRS Adjustments**	**IFRS**
Cash		$ 1,034,033	$ -	$ 1,034,033
Short-term investment		10,000	-	10,000
Accounts receivable and prepaid expenses		265,987	-	265,987
Exploration and evaluation assets		4,001,568	-	4,001,568
Equipment		15,685	-	15,685
		$ 5,327,273	**$ -**	**$ 5,327,273**
LIABILITIES				
Accounts payable and accrued liabilities		$ 315,360	$ -	$ 315,360
Flow-through share premium liability	*1*	-	136,709	136,709
		$ 315,360	**$ 136,709**	**$ 452,069**
SHAREHOLDERS' EQUITY				
Share capital	*1*	$ 31,420,502	$ 60,500	$ 31,481,002
Accumlated deficit	*1*	(34,934,749)	(197,209)	(35,131,958)
Other components of equity		8,526,160	-	8,526,160
		$ 5,011,913	**$ (136,709)**	**$ 4,875,204**
		$ 5,327,273	**$ -**	**$ 5,327,273**

Presented in Canadian Dollars

12. TRANSITION TO IFRS (continued)

(b) Reconciliations between IFRS and Canadian GAAP (continued)

(ii) The following is a reconciliation of the statement of financial position and equity as at March 31, 2011:

ASSETS	*Sub Note*	**Canadian GAAP**	**IFRS Adjustments**	**IFRS**
Cash		$ 886,048	$ -	$ 886,048
Short-term investment		10,000	-	10,000
Accounts receivable and prepaid expenses		103,543	-	103,543
Exploration and evaluation assets		4,983,635	-	4,983,635
Equipment		11,270	-	11,270
		$ 5,994,496	**$ -**	**$ 5,994,496**
LIABILITIES				
Accounts payable and accrued liabilities		$ 107,909	$ -	$ 107,909
Flow-through share premium liability	*1*	-	26,065	26,065
		$ 107,909	**$ 26,065**	**$ 133,974**
SHAREHOLDERS' EQUITY				
Share capital	*1*	$ 32,778,950	$ 60,500	$ 32,839,450
Accumulated deficit	*1*	(36,504,109)	(86,565)	(36,590,674)
Other components of equity		9,611,746	-	9,611,746
		$ 5,886,587	**$ (26,065)**	**$ 5,860,522**
		$ 5,994,496	**$ -**	**$ 5,994,496**

Presented in Canadian Dollars

12. TRANSITION TO IFRS (continued)

(b) Reconciliations between IFRS and Canadian GAAP (continued)

(iii) The following is a reconciliation of shareholders' equity at April 1, 2010, and March 31, 2011:

	Sub Note	**April 1, 2010**	**March 31, 2011**
Total shareholders' equity reported under Canadian GAAP		**$ 5,011,913**	**$ 5,886,587**
Reclassification of flow-through premium liability	*1*	(487,500)	(487,500)
Flow-through share premium liability	*1*	350,791	461,435
Total IFRS adjustments		(136,709)	(26,065)
Total shareholders' equity reporting under IFRS		**$ 4,875,204**	**$ 5,860,522**

Presented in Canadian Dollars

12. TRANSITION TO IFRS (continued)

(b) Reconciliations between IFRS and Canadian GAAP (continued)

(iv) The following is a reconciliation of the statement of comprehensive income for the year ended March 31, 2011:

	Sub Note	**Canadian GAAP**	**IFRS Adjustments**	**IFRS**
Expenses				
General and administrative		$ 373,968	$ -	$ 373,968
Stock-based compensation		311,522	-	311,522
Camp revenues		(79,550)	-	(79,550)
Amortization		4,415	-	4,415
Write-down of exploration and evaluation assets		423,255	-	423,255
		1,033,610	-	1,033,610
Other income				
Flow-through share premium	*1*	-	110,644	110,644
Net loss and comprehensive loss for the year		**$ (1,033,610)**	**$ 110,644**	**$ (922,966)**
Net loss per share				
Basic and fully diluted		$ (0.04)		$ (0.04)
Weighted average common shares outstanding				
Basic and fully diluted		24,733,905		24,733,905

Notes to reconciliations

1. Accounting for flow-through shares

Canadian GAAP – Gross proceeds from the issuance of flow-through shares were credited entirely to share capital (net of share issue costs). A future income tax liability equal to the tax value of flow-through expenditures renounced was recognized at the time of renunciation of such expenditures (regardless of whether such renunciations were retrospective or prospective), with an offsetting debit to share issue costs. The recognition of such income tax liability was generally offset by the concurrent recognition of an offsetting future income tax asset in respect of tax assets not previously recognized, with an offsetting credit to future income tax recovery.

12. TRANSITION TO IFRS (continued)

(b) Reconciliations between IFRS and Canadian GAAP (continued)

IFRS – Under IFRS, the portion of the gross proceeds from the issuance of flow-through shares that is attributable to an issuance price premium in excess of non-flow-through shares is considered to be proceeds from the "sale" of the tax benefits of flow-through expenditures. At the time of issuance of such flow-through shares, the proceeds from such sale is deferred and presented as a liability on White Pine's statement of financial position. Upon White Pine's fulfillment of its obligations associated with the renunciation of related flow-through expenditures, the deferred proceeds are taken into income. In respect of a retrospective renunciation, such obligation is considered to have been fulfilled once related renunciation filings have been made with the appropriate taxation authorities. In respect of prospective renunciation (i.e., a look-back renunciation), the obligation is considered to be fulfilled once related flow through expenditures have been incurred. Similar to previous Canadian GAAP, the recognition of each such deferred income tax liability in respect of flow-through renunciation in accordance with IAS 12 has been offset by concurrent the recognition of an offsetting deferred income tax asset in respect of tax assets not previously recognized, with an offsetting credit to deferred income tax recovery. A deferred income tax liability equal to the tax value of flow-through expenditures renounced is recognized only once White Pine has fulfilled its obligations associated with the renunciation of related flow-through expenditures, with an offsetting debit to deferred tax expense.

The classification adjustments on the statements of financial position results in an increase in the flow-through share premium liability of $136,709 at April 1, 2010 and $26,065 at March 31, 2011, and an increase in share capital of $60,500 at April 1, 2010 and March 31, 2011.

Adjustments on the statement of comprehensive income (loss) for the year ended March 31, 2011 resulted in an increase in the flow-through share premium by $110,644 resulting in a decrease of net loss of the same amount.