Consolidated Financial Statements of

WHITE PINE RESOURCES INC.

For The Years Ended

March 31, 2013 and 2012

Presented in Canadian Dollars

White Pine

July 18, 2013

MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS

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 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 fulfills its financial reporting responsibilities. 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"*	(Signed) *"Michael G. Leskovec"*
Robert D. Cudney	Michael G. Leskovec
President & Chief Executive Officer	Chief Financial Officer

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of
White Pine Resources Inc.

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, 2013 and March 31, 2012 and the consolidated statements of comprehensive loss, changes in equity and cash flows for the years ended March 31, 2013 and March 31, 2012 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 audits to obtain reasonable assurance about whether the consolidated 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, 2013 and March 31, 2012, and their financial performance and their cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates the existence of material uncertainties that may cast significant doubt about the company's ability to continue as a going concern.

Collins Barrow Toronto LLP

Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
July 18, 2013

White Pine

WHITE PINE RESOURCES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Presented in Canadian Dollars

As at March 31,		2013		2012
ASSETS				
Current Assets				
Cash	**$**	**272,358**	$	464,509
Short-term investment		**10,000**		10,000
Accounts receivable and prepaid expenses		**4,677**		229,380
		287,035		703,889
Non-current Assets				
Exploration and evaluation assets *(note 4)*		**6,328,976**		6,231,105
Equipment *(note 5)*		**8,532**		12,436
		6,337,508		6,243,541
	$	**6,624,543**	$	6,947,430
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**25,132**	$	88,038
SHAREHOLDERS' EQUITY				
Share Capital *(note 6(a))*		**34,738,846**		34,738,846
Accumulated Deficit		**(38,094,280)**		(37,834,299)
Other Components of Equity *(note 6(b) and (c))*		**9,954,845**		9,954,845
		6,599,411		6,859,392
	$	**6,624,543**	$	6,947,430

Going Concern Basis of Accounting *(note 1)*
Subsequent Events *(note 12)*

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,	**2013**	2012
Expenses		
Office and administration	**$ 68,042**	$ 89,261
Shareholder relations	**64,410**	71,400
Consulting fees	**44,298**	69,433
Payroll	**38,537**	66,393
Legal and audit	**27,324**	55,932
Travel and entertainment	**1,791**	20,877
Camp expenses	**1,750**	117,235
Interest and bank charges	**869**	1,535
Write-down of exploration and evaluation assets	**9,056**	35,001
Amortization	**3,904**	6,334
Stock-based compensation	**-**	475,489
	259,981	1,008,890
Other income		
Flow-through share premium	**-**	55,565
Net loss and comprehensive loss for the year	**$ (259,981)**	$ (953,325)
Net loss per share *(note 8)***:**		
Basic and fully diluted	**$ (0.01)**	$ (0.03)

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

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: Contributed Surplus	Total equity
Balance at March 31, 2011	**$ 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 $29,500	265,500	-	-	-	265,500
Issuance of common shares on exercise of warrants	1,165,976	-	(521,733)	-	644,243
Warrant modification *(note 6(b))*	-	(290,300)	290,300	-	-
Stock-based compensation	-	-	-	475,489	475,489
Net loss for the year	-	(953,325)	-	-	(953,325)
Expiry of warrants and broker warrants	-	-	(68,103)	68,103	-
Balance at March 31, 2012	**34,738,846**	**(37,834,299)**	**2,094,549**	**7,860,296**	**6,859,392**
Net loss for the year	-	(259,981)	-	-	(259,981)
Expiry of warrants *(note 6(b), (c))*	-	-	(1,995,505)	1,995,505	-
Balance at March 31, 2013	**$ 34,738,846**	**$ (38,094,280)**	**$ 99,044**	**$ 9,855,801**	**$ 6,599,411**

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,		2013		2012
Cash provided by (used in)				
Operations				
Net loss for the year	**$**	**(259,981)**	$	(953,325)
Items not involving cash:				
Write-down of exploration and evaluation assets		**9,056**		35,001
Amortization		**3,904**		6,334
Stock-based compensation		**-**		475,489
Flow-through share premium		**-**		(55,565)
Change in non-cash working capital:				
Accounts receivable and prepaid expenses		**224,703**		(125,837)
Accounts payable and accrued liabilities		**(62,906)**		(19,871)
		(85,224)		(637,774)
Financing				
Issuance of common shares		**-**		525,000
Issuance of flow-through shares		**-**		295,000
Share issue costs		**-**		(13,037)
Exercise of warrants		**-**		644,243
		-		1,451,206
Investing				
Exploration and evaluation costs		**(106,927)**		(1,227,471)
Equipment purchase		**-**		(7,500)
		(106,927)		(1,234,971)
Decrease in cash		**(192,151)**		(421,539)
Cash, beginning of year		**464,509**		886,048
Cash, end of year	**$**	**272,358**	$	464,509

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. 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, 2013 were approved for issue by the Board of Directors on July 18, 2013.

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, 2013. 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.

The underlying value of the exploration and evaluation assets is dependent upon the existence and economic recovery of mineral reserves and is subject to, but not limited to, the risks and challenges identified above. Changes in future conditions could require material writedowns of the carrying value of mineral properties and deferred exploration.

During the year ended March 31, 2013, White Pine incurred a loss of $259,981 (March 31, 2012 - $953,325) and as at that date, White Pine had accumulated a deficit of $38,094,280 (March 31, 2012 - $37,834,299), a working capital of $261,903 (March 31, 2012 - $615,851) and negative cash flows from operations of $85,224 (March 31, 2012 - $637,774) and White Pine will need to raise additional capital in the near term to fund its ongoing operations. As a result, there are material uncertainties which cast significant doubt as to the ability of White Pine to continue as a going concern.

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**"). 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.

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of Presentation (continued)

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 (collectively "**White Pine's Subsidiaries**"), 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 consolidated 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 is comprised of accounts receivable and financial assets at fair value through profit and loss.

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 investment.

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 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 no-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, unless the services related to the issuance of shares, at the fair value of the goods or services received. Amounts related to the issuance of shares are recorded as a reduction of share capital. If the fair value of the goods or services received cannot be reliably measured, the fair value of the equity instrument is used.

(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, 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, 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, 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 and makes judgements as to 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 year ended March 31, 2013 and 2012.

(iv) Management's assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.

4. EXPLORATION AND EVALUATION ASSETS

Property	**Option & acquisition costs**	**Exploration**	**Write-downs**	**Balance March 31, 2013**
Money Property	$ 813,591	$ 828,423	$ -	**$ 1,642,014**
Tender Property	308,215	347,118	-	**655,333**
Lowland	15,854	13,291,446	(9,275,671)	**4,031,629**
Garden Island Property	-	393,809	(393,809)	**-**
	$ 1,137,660	**$ 14,860,796**	**$ (9,669,480)**	**$ 6,328,976**

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

Presented in Canadian Dollars

4. EXPLORATION AND EVALUATION ASSETS (continued)

	Money Property	Tender Property	Lowland	Garden Island Property	Total
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
Exploration	81,105	10,618	6,148	9,056	106,927
Write-downs	-	-	-	(9,056)	(9,056)
Balance - March 31, 2013	**$ 1,642,014**	**$ 655,333**	**$ 4,031,629**	**$ -**	**$ 6,328,976**

(a) Money and Tender Properties

In February 2011, and as amended in March 2012, and subsequently, for a one-time cash payment of $10,000 in May 2013 *(note 12)*, 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, 2014: $125,000 *(note 12)*;
- By February 9, 2015: $150,000;
- By February 9, 2016: $150,000; and
- By February 9, 2017: $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, 2014: 350,000 common shares *(note 12)*;
- By February 9, 2015: 500,000 common shares;
- By February 9, 2016: 500,000 common shares; and
- By February 9, 2017: 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, 2016: incur $350,000; and
- By April 2, 2017: 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, 2014, 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, 2014 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, 2014 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 March 2, 2012: $25,000 (paid);
- By February 9, 2014: $50,000 *(note 12)*;
- By February 9, 2015: $75,000;
- By February 9, 2016: $75,000; and
- By February 9, 2017: $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 March 2, 2012: 100,000 common shares (issued and valued at $22,000);
- By February 9, 2014: 150,000 common shares *(note 12)*;
- By February 9, 2015: 250,000 common shares;
- By February 9, 2016: 250,000 common shares; and
- By February 9, 2017: 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, 2016: incur $200,000; and
- By April 2, 2017: incur $250,000.

In the event White Pine terminates the option on the Tender property on or prior to February 8, 2014, 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, 2014 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, 2014 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 2017 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 years ended March 31, 2012 and 2013, White Pine incurred exploration expenditures of $35,000 and $9,056, respectively, on the Garden Island Property which corresponded to its portion of costs related to claim renewals and 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 consolidated statement of operations as additional write-downs and the balance of the carrying value was written off at each year end.

Presented in Canadian Dollars

5. EQUIPMENT

As at March 31, 2013		**Cost**		**Accumulated amortization**		**Net**
Computer equipment	**$**	**4,516**	**$**	**4,343**	**$**	**173**
Computer software		**20,984**		**18,036**		**2,948**
Furniture and equipment		**17,356**		**11,945**		**5,411**
	$	**42,856**	**$**	**34,324**	**$**	**8,532**

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

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 - 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 and 2013	**33,966,533**	**$**	**34,738,846**

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.

Presented in Canadian Dollars

6. SHARE CAPITAL (continued)

(b) Warrants

	Number of warrants	Number of broker warrants	Allocated value
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
Expiry of warrants	(6,535,000)	-	(1,995,505)
Balance - March 31, 2013	**1,050,000**	**-**	**$ 99,044**

On August 25, 2011, 362,500 warrants and 13,000 broker warrants relating to an August 25, 2009 private placement expired unexercised.

On December 9, 2012, 1,950,000 warrants relating to a December 9, 2010 private placement expired unexercised. On December 23, 2012, 3,585,000 warrants relating to a December 23, 2008 private placement expired unexercised. On January 26, 2013, 1,000,000 warrants relating to a January 26, 2009 private placement expired unexercised.

During the year ended March 31, 2012, 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%

(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.

A summary of White Pine's outstanding warrants at March 31, 2013 is presented below:

Issue date	Number of warrants	Exercise price	Expiry date
November 18, 2011	1,050,000	$0.35	May 18, 2013(1)

(1) Subsequent to period end yon May 18, 2013, 1,050,000 warrants relating to a November 2011 private placement expired unexercised *(note 12)*.

(c) Contributed Surplus and Stock Options

Contributed Surplus

Balance - March 31, 2011	$ 7,316,704
Stock-based compensation	475,489
Expiry of warrants	68,103
Balance - March 31, 2012	7,860,296
Expiry of warrants	1,995,505
Balance - March 31, 2013	**$ 9,855,801**

Presented in Canadian Dollars

6. SHARE CAPITAL (continued)

(c) Contributed Surplus and Stock Options (continued)

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.

Stock Options

	Number of options	Weighted average exercise price
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
Expired	(34,000)	6.00
Balance - March 31, 2013	**2,695,000**	**$ 0.77**

During the year ended March 31, 2012, 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.

A summary of White Pine’s outstanding stock options at March 31, 2013 is presented below:

Issue date	Options outstanding & exercisable	Exercise price	Weighted average remaining life (Years)
June 11, 2008	115,000	$8.00	0.20
February 17, 2009	865,000	$0.35	0.88
November 25, 2010	700,000	$0.36	2.65
March 1, 2011	200,000	$0.41	2.92
April 27, 2011	515,000	$0.60	3.08
May 10, 2011	300,000	$0.66	3.11
	2,695,000	$0.77	2.13

Presented in Canadian Dollars

7. INCOME TAXES

The income tax recovery has been calculated as follows:

For the years ended March 31,		**2013**		2012
Loss before income taxes	**$**	**(259,981)**	$	(953,325)
Canadian combined federal and provincial income tax rate		**26.13 %**		27.38 %
Expected income tax recovery at Canadian statutory rates	**$**	**(68,000)**	$	(272,000)
Share issue costs		**-**		(1,000)
Stock-based compensation		**-**		130,000
Flow-through share premium		**-**		(15,000)
Change in tax rate and other		**(306,800)**		(18,100)
Change in deferred tax not recognized		**374,800**		176,100
Income tax provision	**$**	**-**	$	-

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

As at March 31,		**2013**		2012
Exploration and evaluation assets	**$**	**4,520,800**	$	4,270,600
Losses carried forward		**1,225,200**		1,057,400
Share issue costs		**15,000**		58,300
		5,761,000		5,386,300
Deferred tax asset not recognized		**(5,761,000)**		(5,386,300)
	$	**-**	$	-

At March 31, 2013, 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		632,000
2031		628,000
2032		692,000
2033		436,000
	$	4,623,000

Presented in Canadian Dollars

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, 2013 and 2012 as follows:

		2013		2012
Net loss for the year	$	**(259,981)**	$	(953,325)
Basic and fully diluted weighted average number of common shares outstanding during the year		**33,966,533**		31,319,052
Basic and fully diluted net loss per share	$	**(0.01)**	$	(0.03)

Fully diluted weighted average common shares outstanding during the years ended March 31, 2013 and 2012 are not reflective of the outstanding stock options and warrants as their exercise would be anti-dilutive in the fully diluted net loss per share calculation.

9. RELATED PARTY DISCLOSURES

(a) Executive Management Compensation

Executive management's compensation for the years ended March 31, 2013 consisted of cash of $37,500 (2012 - $37,500).

(b) Executive Management Transactions

During the year ended March 31, 2013, there were no other related party transactions.

10. CAPITAL RISK MANAGEMENT

White Pine’s capital consists of share capital, other components of equity, and accumulated deficit, which as at March 31, 2013 totaled $6,599,411 (March 31, 2012 - $6,859,392).

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, 2013.

11. PROPERTY, FINANCIAL AND OTHER RISK FACTORS

(a) Property Risk

As at March 31, 2013, 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.

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

(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.

(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, 2013, White Pine has cash and short-term investments balances of $282,358 (March 31, 2012 - $474,509) to settle current liabilities of $25,132 (March 31, 2012 - $88,038). 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 fair value through profit and loss, which are measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost which also equals fair market value due to their short-term nature.

As at March 31, 2013 and 2012, the carrying value of White Pine's financial instruments approximate their fair values due to their short-term nature.

12. SUBSEQUENT EVENTS

(a) Subsequent to year end on May 18, 2013, 1,050,000 warrants relating to a November 2011 private placement expired unexercised.

(b) Subsequent to year end in May 2013, White Pine amended the terms of its Options on the Yukon Properties, located in the White Gold District, Yukon. For a one-time cash payment of $10,000, White Pine extended the terms of its agreement by a year as detailed in note 4(a).