



White Pine

Condensed Interim Consolidated Financial Statements of

WHITE PINE RESOURCES INC.

For The Three Months Period Ended

June 30, 2013

Presented in Canadian Dollars

Unaudited



August 28, 2013

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of White Pine Resources Inc. ("**White Pine**") are the responsibility of the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with White Pine's audited annual consolidated financial statements and notes thereto for the year ended March 31, 2013. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in White Pine's most recent audited annual consolidated financial statements, except as described in note 3. 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. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with IFRS appropriate in the circumstances.

Management has established processes, which are in place to provide it sufficient knowledge to support management representations that it has exercised reasonable diligence that (i) the unaudited condensed interim consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of, and for the periods presented by, the unaudited condensed interim consolidated financial statements and (ii) the unaudited condensed interim consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of White Pine, as of the date of and for the period presented by the unaudited condensed interim consolidated financial statements.

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*"

Robert D. Cudney
President & Chief Executive Officer

(Signed) "*Michael G. Leskovec*"

Michael G. Leskovec
Chief Financial Officer

AUDITOR INVOLVEMENT

The unaudited condensed interim consolidated financial statements as at and for the three months period ended June 30, 2013 have not been reviewed by White Pine's auditors.



WHITE PINE RESOURCES INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
Presented in Canadian Dollars

As at	June 30, 2013 (Unaudited)	March 31, 2013 (Audited)
ASSETS		
Current Assets		
Cash	\$ 223,249	\$ 272,358
Short-term investment	10,000	10,000
Accounts receivable and prepaid expenses	14,950	4,677
	248,199	287,035
Non-current Assets		
Exploration and evaluation assets (note 5)	6,339,055	6,328,976
Equipment (note 6)	7,910	8,532
	6,346,965	6,337,508
	\$ 6,595,164	\$ 6,624,543
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 39,321	\$ 25,132
SHAREHOLDERS' EQUITY		
Share Capital (note 7(a))	34,738,846	34,738,846
Accumulated Deficit	(38,137,848)	(38,094,280)
Other Components of Equity (note 7(b) and (c))	9,954,845	9,954,845
	6,555,843	6,599,411
	\$ 6,595,164	\$ 6,624,543

Going Concern Basis of Accounting (note 1)
Subsequent Events

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 RESOURCES INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
UNAUDITED

Presented in Canadian Dollars

For the three months period ended June 30,	2013	2012
Expenses		
Consulting fees	\$ 11,641	\$ 14,010
Payroll	9,668	9,633
Office and administration	9,785	19,364
Shareholder relations	5,065	5,367
Legal and audit	6,132	10,613
Travel and entertainment	655	894
Camp expenses	-	1,400
Interest and bank charges	-	214
Write-down of exploration and evaluation assets	-	9,056
Amortization	622	976
Net loss and comprehensive loss for the period	\$ (43,568)	\$ (71,527)
Net loss per share (note 8):		
Basic and fully diluted	\$ 0.00	\$ 0.00

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		Total equity
			Warrants and broker warrants	Contributed Surplus	
Balance at March 31, 2012	\$ 34,738,846	\$ (37,834,299)	\$ 2,094,549	\$ 7,860,296	\$ 6,859,392
Net loss for the period	-	(71,527)	-	-	(71,527)
Balance at June 30, 2012	\$ 34,738,846	\$ (37,905,826)	\$ 2,094,549	\$ 7,860,296	\$ 6,787,865
Net loss for the period	-	(188,454)	-	-	(188,454)
Expiry of warrants	-	-	(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
Net loss for the year	-	(43,568)	-	-	(43,568)
Expiry of warrants <i>(note 6(b), (c))</i>	-	-	(99,044)	99,044	-
Balance at June 30, 2013	\$ 34,738,846	\$ (38,137,848)	\$ -	\$ 9,954,845	\$ 6,555,843

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 three months period ended June 30,	2013	2012
Cash provided by (used in)		
Operations		
Net loss for the period	\$ (43,568)	\$ (71,527)
Items not involving cash:		
Write-down of exploration and evaluation assets	-	9,056
Amortization	622	976
Change in non-cash working capital:		
Accounts receivable and prepaid expenses	(10,273)	178,530
Accounts payable and accrued liabilities	14,189	(37,705)
	(39,030)	79,330
Investing		
Exploration and evaluation costs	(79)	(29,315)
Acquisition costs	(10,000)	-
	(10,079)	(29,315)
Decrease in cash	(49,109)	50,015
Cash, beginning of period	272,358	464,509
Cash, end of period	\$ 223,249	\$ 514,524

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



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

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 unaudited condensed interim consolidated financial statements for the three months period ended June 30, 2013 were approved for issue by the Board of Directors on August 28, 2013.

These condensed interim 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 June 30, 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 condensed interim 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 three months period ended June 30, 2013, White Pine incurred a loss of \$43,568 (June 30, 2012 - \$71,527) and as at that date, White Pine had accumulated a deficit of \$38,137,848 (March 31, 2013 - \$38,094,280), a working capital of \$208,878 (March 31, 2013 - \$261,903) and negative cash flows from operations of \$39,030 (June 30, 2012 - \$(79,330)) 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.

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with White Pine's audited annual consolidated financial statements and notes thereto for the year ended March 31, 2013. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in White Pine's most recent audited annual consolidated financial statements.

2. BASIS OF PRESENTATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 - Interim Financial Reporting on the basis of International Financial Reporting Standards ("**IFRS**") and interpretations as approved by the International Accounting Standards Board ("**IASB**") and are presented in Canadian dollars.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended March 31, 2013.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Changes in Accounting Policies

Effective April 1, 2013, White Pine has adopted the following new and revised standards, along with any consequential amendments. These changes were made in accordance with the applicable transitional provisions.

- (i) IFRS 7, *Financial Instruments*, Disclosures, amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statements of financial position or that are subject to enforceable master netting similar arrangements. White Pine has assessed and determined that the amendments to IFRS 7 did not result in any change in its disclosures for financial instruments.
- (ii) IFRS 10, *Consolidated Financial Statements*, requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. White Pine has assessed its consolidation conclusions on April 1, 2013 and determined that the adoption of IFRS 10 did not result in any change in the consolidation status of any of its subsidiaries and investees.
- (iii) IFRS 11, *Joint Arrangements*, supersedes IAS 31, *Interests in Joint Ventures*, and requires joint arrangements to be classified either as joint operations or joint ventures depending on the contractual rights and obligations of each investor that jointly controls the arrangement. For joint operations, a company recognizes its share of assets, liabilities, revenues and expenses of the joint operation. An investment in a joint venture is accounted for using the equity method as set out in IAS 28, *Investments in Associates and Joint Ventures* (amended in 2011). The other amendments to IAS 28 did not affect White Pine. White Pine has concluded that the adoption of IFRS 11 did not result in any changes in the accounting.
- (iv) IFRS 12, *Disclosure of Interest in Other Entities*, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with an entity's interests in other entities and the effects of those interests on its financial position, financial performance and cash flows. White Pine has assessed and determined that the adoption of IFRS 12 did not result in any change in its disclosures of interests in other entities.
- (v) IAS 27, *Separate Financial Statements*, as a result of the issue of the new consolidation suite of standards, IAS 27 has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirement for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. White Pine does not prepare separate financial statements, therefore, IAS 27 does not impact White Pine.
- (vi) IAS 28, *Investments in Associates and Joint Ventures*, as a consequence of the issue of IFRS 10, IFRS 11 and IFRS 12, IAS 28 has been amended and will provide the accounting guidance for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures. The amended IAS 28 will be applied by all entities that are investors with joint control of, or significant influence over, an investee. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, White Pine has not made such disclosures.
- (vii) IAS 32, *Financial Instruments, Presentation*, was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. White Pine has early adopted IAS 32 effective on April 1, 2013 and determined that there was no significant impact on the financial statements.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after June 30, 2013 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 has not yet been adopted and is being evaluated to determine the impact on White Pine.

- (i) IFRS 9, Financial Instruments (“**IFRS 9**”) was issued by the IASB in October 2010 and will replace IAS 39, Financial Instruments: Recognition and Measurement (“**IAS 39**”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2015.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim 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 condensed interim consolidated financial statements and reported amounts of revenues and expenses during the reporting period. Actual outcomes could differ from these estimates. These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

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

- (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 three months period ended June 30, 2013.
- (iv) Management's assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

5. EXPLORATION AND EVALUATION ASSETS

Property	Option & acquisition costs	Exploration	Write-downs	Balance June 30, 2013
Money Property	\$ 818,591	\$ 828,502	\$ -	\$ 1,647,093
Tender Property	313,215	347,118	-	660,333
Lowland	15,854	13,291,446	(9,275,671)	4,031,629
Garden Island Property	-	393,809	(393,809)	-
	\$ 1,147,660	\$ 14,860,875	\$ (9,669,480)	\$ 6,339,055

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

	Money Property	Tender Property	Lowland	Garden Island Property	Total
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
Option & acquisition costs	5,000	5,000	-	-	10,000
Exploration	79	-	-	-	79
Balance - June 30, 2013	\$ 1,647,093	\$ 660,333	\$ 4,031,629	\$ -	\$ 6,339,055

(a) Money and Tender Properties

In February 2011, and as amended in March 2012 and for a one-time cash payment of \$10,000 in May 2013, 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.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

5. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Money and Tender Properties (continued)

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 ;
 - 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 ;
 - 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.

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 ;
 - By February 9, 2015: \$75,000;
 - By February 9, 2016: \$75,000; and
 - By February 9, 2017: \$100,000.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

5. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Money and Tender Properties (continued)

- (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 ;
 - 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.

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.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

5. EXPLORATION AND EVALUATION ASSETS (continued)

(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.

6. EQUIPMENT

As at June 30, 2013	Cost	Accumulated amortization	Net
Computer equipment	\$ 4,516	\$ 4,362	\$ 154
Computer software	20,984	18,368	2,616
Furniture and equipment	17,356	12,216	5,140
	\$ 42,856	\$ 34,946	\$ 7,910
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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



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

7. 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, 2013 and June 30, 2013	33,966,533	\$ 34,738,846

(b) Warrants

	Number of warrants	Number of broker warrants	Allocated value
Balance - March 31, 2013	1,050,000	-	\$ 99,044
Expiry of warrants	(1,050,000)	-	(99,044)
Balance - June 30, 2013	-	-	\$ -

On May 18, 2013, 1,050,000 warrants relating to a November 2011 private placement expired unexercised.

(c) Contributed Surplus and Stock Options

Contributed Surplus

Balance - March 31, 2013	9,855,801
Expiry of warrants	99,044
Balance - June 30, 2013	\$ 9,954,845

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.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

7. SHARE CAPITAL (continued)

(c) Contributed Surplus and Stock Options (continued)

Stock Options

	Number of options	Weighted average exercise price
Balance - March 31, 2013	2,695,000	\$ 0.83
Expired	(115,000)	8.00
Balance - June 30, 2013	2,580,000	\$ 0.44

A summary of White Pine's outstanding stock options at June 30, 2013 is presented below:

Issue date	Options outstanding & exercisable	Exercise price	Weighted average remaining life (Years)
February 17, 2009	865,000	\$0.35	0.64
November 25, 2010	700,000	\$0.36	2.41
March 1, 2011	200,000	\$0.41	2.67
April 27, 2011	515,000	\$0.60	2.83
May 10, 2011	300,000	\$0.66	2.86
	2,580,000	\$0.44	1.97

8. NET LOSS PER SHARE

Net loss per share has been calculated using the weighted average number of common shares outstanding during the three months period ended June 30, 2013 and 2012 as follows:

	2013	2012
Net loss for the period	\$ (43,568)	\$ (71,527)
Basic and fully diluted weighted average number of common shares outstanding during the period	33,966,533	33,966,533
Basic and fully diluted net loss per share	\$ 0.00	\$ 0.00

Fully diluted weighted average common shares outstanding during the three months period ended June 30, 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 three months period ended June 30, 2013 consisted of cash of \$9,375 (2012 - \$9,375).

(b) Executive Management Transactions

During the three months period ended June 30, 2013, there were no other related party transactions.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

10. CAPITAL RISK MANAGEMENT

White Pine's capital consists of share capital, other components of equity, and accumulated deficit, which as at June 30, 2013 totaled \$6,555,843 (March 31, 2013 - \$6,599,411).

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 three months period ended June 30, 2013.

11. PROPERTY, FINANCIAL AND OTHER RISK FACTORS

(a) Property Risk

As at June 30, 2013, White Pine had interests in the Money Property, Tender Property, and Lowland 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.

(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 June 30, 2013, White Pine has cash and short-term investments balances of \$233,249 (March 31, 2013 - \$282,358) to settle current liabilities of \$39,321 (March 31, 2013 - \$25,132). 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.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the three months period ended June 30, 2013

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

(b) Financial Risk (continued)

(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 June 30, 2013, the carrying value of White Pine's financial instruments approximate their fair values due to their short-term nature.