Interim Consolidated Financial Statements of

WHITE PINE RESOURCES INC.

(A Development Stage Company)

For The Three and Nine Months Ended

December 31, 2010

(Unaudited)

WHITE PINE RESOURCES INC.

(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

As at	December 31, 2010 (Unaudited)	March 31, 2010 (Audited)
ASSETS		
Current Assets		
Cash	$ **1,287,706**	$ 1,034,033
Short-term investment	**10,000**	10,000
Sundry receivables and prepaid expenses	**127,499**	265,987
	1,425,205	1,310,020
Mineral Properties *(note 4)*	**4,025,482**	4,001,568
Equipment *(note 5)*	**12,373**	15,685
	$ **5,463,060**	$ 5,327,273
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ **51,651**	$ 315,360
SHAREHOLDERS' EQUITY		
Capital Stock *(note 6(a))*	**32,119,880**	31,420,502
Warrants *(note 6(b))*	**2,535,492**	3,777,131
Contributed Surplus *(note 6(c))*	**6,902,487**	4,749,029
Deficit	**(36,146,450)**	(34,934,749)
	5,411,409	5,011,913
	$ **5,463,060**	$ 5,327,273

Going Concern *(note 1)*
Subsequent Events *(note 11)*

See accompanying notes to interim consolidated financial statements

WHITE PINE RESOURCES INC.

(A Development Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three months ended		Nine months ended		Cumulative
	December 31, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009	since inception December 8, 2006
Expenses					
General and administrative	**$ 93,974**	$ 158,109	**$ 271,713**	$ 388,826	$ 1,810,043
Stock-based compensation	**235,728**	122,273	**235,728**	499,030	3,973,045
Depreciation	**1,104**	1,950	**3,312**	5,121	23,925
Write-down of mineral properties	**367,653**	-	**398,501**	-	19,389,476
	698,459	282,332	**909,254**	892,977	25,196,489
Other income					
Interest and other revenues	**-**	78,375	**80,130**	112,268	437,217
Loss before income taxes	**(698,459)**	(203,957)	**(829,124)**	(780,709)	(24,759,272)
Future income tax recovery (expense)	**(33,842)**	-	**338,423**	-	2,883,598
Net loss and comprehensive loss for the period	**$ (732,301)**	$ (203,957)	**$ (490,701)**	$ (780,709)	$ (21,875,674)
Net loss per share *(note 7)*:					
Basic and fully diluted	**$ (0.03)**	$ (0.01)	**$ (0.02)**	$ (0.04)	

See accompanying notes to interim consolidated financial statements

INTERIM CONSOLIDATED STATEMENTS OF DEFICIT

(Unaudited)

	Three months ended		Nine months ended		Cumulative
	December 31, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009	since inception December 8, 2006
Deficit, beginning of period	**$ (34,693,149)**	$ (32,982,564)	**$ (34,934,749)**	$ (32,405,812)	$ (12,671,100)
Net loss for the period	**(732,301)**	(203,957)	**(490,701)**	(780,709)	(21,875,674)
Warrant modification	**(721,000)**	-	**(721,000)**	-	(1,599,676)
Deficit, end of period	**$ (36,146,450)**	$ (33,186,521)	**$ (36,146,450)**	$ (33,186,521)	$ (36,146,450)

See accompanying notes to interim consolidated financial statements

WHITE PINE RESOURCES INC.

(A Development Stage Company)

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

	Three months ended		Nine months ended		Cumulative
	December 31, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009	since inception December 8, 2006
Cash provided by (used in)					
Operations					
Net loss for the period	**$ (732,301)**	$ (203,957)	**$ (490,701)**	$ (780,709)	$ (21,875,674)
Items not involving cash:					
Depreciation	**1,104**	1,950	**3,312**	5,121	23,925
Stock-based compensation	**235,728**	122,273	**235,728**	499,030	3,973,045
Write-down of mineral properties	**367,653**	-	**398,501**	-	19,389,476
Future income tax recovery	**33,842**	-	**(338,423)**	-	(2,883,598)
Change in non-cash working capital:					
Sundry receivables and prepaid expenses	**20,067**	5,983	**138,488**	(12,712)	(93,809)
Accounts payable and accrued liabilities	**9,138**	(21,838)	**(263,709)**	(239,406)	1,797,945
	(64,769)	(95,589)	**(316,804)**	(528,676)	331,310
Financing					
Issuance of common shares	**1,000,000**	-	**1,000,000**	290,000	8,081,466
Issuance of flow-through common shares	**-**	40,000	**-**	2,193,750	9,336,248
Share issue costs	**(12,358)**	-	**(12,358)**	(193,108)	(996,263)
Exercise of warrants	**5,250**	-	**5,250**	35,000	3,047,681
Exercise of brokers warrants	**-**	-	**-**	-	174,375
Exercise of stock options	**-**	-	**-**	-	18,000
Repayment of advances	**-**	-	**-**	-	(52,545)
Exploration advances received (paid)	**-**	176,927	**-**	(225,569)	-
	992,892	216,927	**992,892**	2,100,073	19,608,962
Investing					
Mineral properties	**(40,479)**	(91,306)	**(422,415)**	(642,946)	(21,008,682)
Exploration advance and supplies inventory	**-**	14,267	**-**	355,016	(482,667)
Purchase of short-term investment	**-**	-	**-**	-	(1,050,000)
Redemption of short-term investment	**-**	-	**-**	-	1,100,000
Equipment purchase	**-**	(1,079)	**-**	(1,079)	(36,297)
	(40,479)	(78,118)	**(422,415)**	(289,009)	(21,477,646)
Increase (decrease) in cash	**887,644**	43,220	**253,673**	1,282,388	(1,537,374)
Cash, beginning of period	**400,062**	2,256,815	**1,034,033**	1,017,647	2,825,080
Cash, end of period	**$ 1,287,706**	$ 2,300,035	**$ 1,287,706**	$ 2,300,035	$ 1,287,706

See accompanying notes to interim consolidated financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN BASIS OF ACCOUNTING

White Pine Resources inc. ("**WPR**" or the "**Company**") is a publicly listed Canadian junior resource company with mineral properties in Canada. WPR is engaged in the identification, acquisition, evaluation and exploration of gold, nickel, copper, zinc, silver and other base metal properties in Canada. To date, WPR has not earned any revenue from operations and is considered to be in the development stage.

The Company has not determined whether its mineral properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for mineral properties is dependent upon the existence of economically recoverable mineral deposits, the ability of the Company to obtain necessary financing, as necessary, to complete exploration and/or development, and upon future profitable production from the properties or proceeds from the disposition.

The Company is dependent on raising funds through the issuance of shares and/or attracting joint venture partners in order to undertake further exploration and/or development of its mineral properties. There is significant uncertainty on whether the Company will be able to further fund its exploration and/or development programs since there is no assurance it will be able to raise sufficient funds in the future.

At December 31, 2010, the Company had working capital of $1,373,554 and an accumulated deficit of $36,146,450 (March 31, 2010 - $994,660 and $34,934,749). These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. Management of the Company believes that it has sufficient funds to pay its ongoing expenses and to meet its liabilities as they fall due until the end of this fiscal year. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. The Company's ability to continue operations and fund its exploration activities is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. Management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. Accordingly, they do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited interim consolidated financial statements. Such adjustments could be material.

These unaudited interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“**GAAP**”). Accordingly, they do not include all of the information and notes to the financial statements required by Canadian GAAP for annual financial statements. These interim consolidated financial statements have been prepared by management in accordance with the accounting policies described in WPR's annual consolidated financial statements for the year ended March 31, 2010.

2. AUDITOR INVOLVEMENT

The Company’s auditors have not performed a review of the unaudited interim consolidated financial statements for the nine months ended December 31, 2010.

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

(a) Changes in Accounting Policies

Financial Statement Concepts

Section 1000 which has been amended to clarify the criteria for the recognition of an asset, specifically as it relates to the use of the matching principle. Accordingly, certain items that may have been previously recognized as assets may not be able to be reflected as such under the new recommendations.

3. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS (continued)

(a) Changes in Accounting Policies (continued)

Business Combinations

Section 1582 which will replace Section 1581. The new standard establishes standards for the recognition and measurement of identifiable assets acquired, liabilities assumed, non-controlling interest in the acquiree and goodwill acquired in a business combination.

Consolidated Financial Statements and Non-controlling Interests

Sections 1601 and Section 1602 which together will replace section 1600. Section 1601 establishes standards for the preparation of consolidated financial statements and Section 1602, establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

The Company does not expect the adoption of these new standards to have a material effect on its financial statements.

(b) Recent Accounting Pronouncements

International Financial Reporting Standards ("IFRS")

In 2006, the Canadian Accounting Standards Board ("**AcSB**") published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period.

In February 2008, the AcSB confirmed that the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises, effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect WPR's reported financial position and results of operations. While the first phase of WPR's IFRS conversion plan has been completed, WPR is continuing its progress on completing the impact assessment of IFRS. Many of the differences identified to date are not expected to have a material impact on the reported results and financial position. WPR has also begun the second as well as the third and final phase of its conversion plan and is implementing the results, to date, of the design phase and formulating a set of notional IFRS financial statements with accompanying note disclosures.

4. Mineral Properties

Property	Acquisition costs	Exploration	Write-downs	Balance December 31, 2010
MZ	$ 43,813	$ 323,840	$ (367,653)	**$ -**
Lowland	15,854	13,285,298	(9,275,671)	**4,025,481**
Luc Bourdon	175,000	1,149,702	(1,324,702)	**-**
Garden Island	-	325,000	(324,999)	**1**
	$ 234,667	**$ 15,083,840**	**$ (11,293,025)**	**$ 4,025,482**

4. Mineral Properties (continued)

	MZ	Lowland	Luc Bourdon	Garden Island	Total
Balance, March 31, 2010	$ 105,777	$ 3,895,790	$ -	$ 1	$ 4,001,568
Acquisition costs	3,988	-	-	-	3,988
Exploration	257,888	129,691	30,848	-	418,427
Write-downs	(367,653)	-	(30,848)	-	(398,501)
	(105,777)	129,691	-	-	23,914
Balance, December 31, 2010	**$ -**	**$ 4,025,481**	**$ -**	**$ 1**	**$ 4,025,482**

(a) MZ (Boston Creek Gold Property)

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

To acquire an initial 50% interest in the property:

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

At the option of WPR, to acquire an additional 50% interest in the property:

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

A 2% net smelter return royalty ("**NSR**") was retained by the prospectors with the option of 1% being purchased by WPR for $1 million.

Due to discouraging exploration results, WPR did not make the installment of its option payment which was due by January 1, 2011 and wrote-off the carrying value of the MZ property during the nine months ended December 31, 2010.

(b) Lowland

On March 26, 2008 the Company entered into an option agreement with Metalex Ventures Ltd. ("**Metalex**"), and Arctic Star Diamond Corp. ("**Arctic**") pursuant to which WPR 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" and covering approximately 36 square kilometers.

4. Mineral Properties (continued)

(b) Lowland

Under the terms of the agreement, WPR has 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, WPR will acquire a 12.5% interest in the Lowland property, up to a maximum 50% interest. WPR can fund the required $20.0 million in expenditures by way of:

- Meeting cash calls of $5.0 million before May 16, 2009. Anytime after the first cash call has been met, the Company may elect to terminate the option agreement.;
- Meeting cash calls of $5.0 million before May 15, 2010;
- Meeting cash calls of $ 5.0 million before May 15, 2011;
- Meeting cash calls of $ 5.0 million before May 15, 2012.

As at December 31, 2010 the Company has spent $13.3 million (including $9.3 million written-off during fiscal 2009), meeting its commitment up to May 15, 2010 and earning a 25% interest in the Lowland property.

WPR may at any time prior to the termination of the option period earn a full 50% interest by making a lump sum payment to Metalex in the amount of $20.0 million minus the amount of expenditures that WPR has funded to date.

(c) Luc Bourdon

On September 11, 2008 WPR and Noront Resources Ltd. ("**Noront**") entered into an option agreement with Golden Valley Mines Ltd. ("**Golden Valley**"), providing WPR and Noront with the option to acquire from Golden Valley an aggregate 70% interest in the Luc Burdon property located in the lowland region of James Bay, Ontario. WPR and Noront jointly control the option and WPR has accounted for the option as a joint venture.

In order to satisfy its payments under the agreement, WPR paid to Golden Valley on September 19, 2008 the amount of $175,000 by paying $25,000 in cash and issuing Golden Valley 34,091 WPR common shares with a fair value of $4.40 per share.

WPR and Noront are required to incur aggregate exploration expenditures on the property of at least $5.0 million over a three year period, of which $1.0 million must be expended in the first year. As at December 31, 2010 the Joint Venture has spent $2.3 million on exploration. WPR wrote-off its entire share during fiscal 2010.

WPR recorded its 50% proportionate interest in the assets of the joint venture. The assets of the joint venture are as follows:

- Mineral property: $2,614,714
- Cash flow from investing activities: $2,464,714

During the nine months ended December 31, 2010 the Company incurred $30,848 of exploration expenditures on the Luc Bourdon property. The costs corresponded to camp operations and miscellaneous expenses related to the wind-up of the project. Since the project costs were written-off during fiscal 2010, these costs were charged to the statement of operations as additional write-downs.

During the nine months ended December 31, 2010, the Company earned $80,130 in other revenues. In prior periods, the Company was recording camp rental revenue by reducing exploration expenditures on its Luc Bourdon property. However, since the project costs were written-off during fiscal 2010, the company is prospectively recording the camp rental revenue as other income charged through the statement of operations.

4. Mineral Properties (continued)

(d) Garden Island

On February 25, 2009, the Company entered into an agreement (the "**Garden Island Option Agreement**") with TSR Resources Inc. ("**TSR**") where TSR granted the Company an option to acquire an individual 20% right, title and interest for a resulting aggregate 10% right, title and interest (the "**Interest**") in and to 296 mineral claims located in Piedmont, Courville, Pascalis and Senneville Townships of Quebec, (collectively the "**Garden Island Property**").

TSR and 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 Property shall thereafter be held as 50% by Noront, 40% by TSR and 10% by WPR.

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

Given subsequent discouraging exploration results, during fiscal 2010 the Company wrote-down the carrying value of the Garden Island Property to a nominal amount.

5. EQUIPMENT

	December 31, 2010		
	Cost	**Accumulated amortization**	**Net**
Computer equipment	**$ 4,516**	**$ 3,829**	**$ 687**
Computer software	**13,484**	**10,782**	**2,702**
Furniture and equipment	**17,356**	**8,372**	**8,984**
	$ 35,356	**$ 22,983**	**$ 12,373**

	March 31, 2010		
	Cost	Accumulated amortization	Net
Computer equipment	$ 4,516	$ 3,479	$ 1,037
Computer software	13,484	9,405	4,079
Furniture and equipment	17,356	6,787	10,569
	$ 35,356	$ 19,671	$ 15,685

6. SHARE CAPITAL

(a) Common Shares

Authorized Capital - Unlimited number of common shares

- Unlimited number of special shares

- 500,000 preference shares

Issued

	Number of shares		Consideration
Balance - March 31, 2010	23,342,659	$	31,420,502
Issued under private placement, December 2010	4,000,000		1,000,000
December 2010 Warrants	-		(298,578)
Share issue costs	-		(12,358)
Exercise of warrants	15,000		5,250
Fair value of warrants transferred to common shares	-		5,064
Balance - December 31, 2010	**27,357,659**	**$**	**32,119,880**

On December 9, 2010, WPR completed a private placement of 4,000,000 units ("**Units**") at a price of $0.25 per Unit. Each Unit consists of one common share and one-half of one WPR share purchase warrant, each whole such warrant entitling the holder thereof to acquire one additional common share for a period of 24 months at an exercise price of $0.35 ("**December 2010 Warrants**").

(b) Warrants

	Number of warrants	Number of broker warrants		Allocated value
Balance - March 31, 2010	7,379,167	426,291	$	3,777,131
December 2010 Warrants	2,000,000	-		298,578
Exercise of warrants	(15,000)	-		(5,064)
Warrants modification	-	-		721,000
Expiry of warrants	(841,667)	-		(1,823,570)
Expiry of broker warrants	-	(109,417)		(432,583)
Balance - December 31, 2010	**8,522,500**	**316,874**	**$**	**2,535,492**

On April 25, 2010, 841,667 warrants and 109,417 broker warrants relating to an April 25, 2008 private placement expired unexercised.

During the nine months ended December 31, 2010 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
December 2010 Warrants	2,000,000	$0.35	1.70%	2.0	201%

6. SHARE CAPITAL (continued)

(b) Warrants (continued)

On November 25, 2010, WPR extended the term of some of its warrants as follows:

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

The Company has recorded the incremental difference as a capital transaction based on the fair value of these warrants immediately prior to and after the modification.

The Series 2008-II Warrants and Series 2009-I Warrants were originally issued and 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
Series 2008-II Warrants	4,175,000	$0.35	1.43%	0.08	117%
Series 2009-I Warrants	2,000,000	$0.35	1.43%	0.17	117%

On November 25, 2010, the date of extension, the Series 2008-II Warrants and Series 2009-I Warrants were valued using the Black-Scholes option pricing model parameters as listed below (in each case with no dividends):

			Black-Scholes Option Pricing Parameters		
	Number of warrants	Exercise price	Risk-free interest rate	Expected life (Years)	Volatility factor
Series 2008-II Warrants	4,175,000	$0.35	1.43%	1.08	117%
Series 2009-I Warrants	2,000,000	$0.35	1.43%	1.17	121%

A summary of the Company's outstanding warrants and brokers warrants at December 31, 2010 is presented below:

Issue date	Number of warrants	Number of broker warrants	Exercise price	Expiry date
December 23, 2008	4,160,000	-	$0.35	December 23, 2011
January 26, 2009	2,000,000	-	$0.35	January 26, 2012
August 25, 2009	362,500	-	$0.65	August 25, 2011
August 25, 2009	-	316,874	$0.45	August 25, 2011
December 9, 2010	2,000,000	-	$0.35	December 9, 2012
	8,522,500	316,874		

6. SHARE CAPITAL (continued)

(c) Contributed Surplus and Stock Options

Contributed Surplus

Balance - March 31, 2010	$	4,749,029
Stock-based compensation		235,728
Expiry of warrants		2,256,153
Tax effect on expiry of warrants		(338,423)
Balance - December 31, 2010	**$**	**6,902,487**

The Company has a stock option plan (the "**Plan**") under which it is authorized to grant stock options to acquire common shares to directors, officers, employees and consultants. During fiscal 2010, the Plan was converted into a “rolling plan” where the aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time. The number of common shares which may be reserved for issue to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding issue. The board of directors or Committee shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors. The total number of stock options available for issue under the plan as at December 31, 2010 is 581,766.

Stock Options

	Number of options		Weighted average exercise price
Balance - March 31, 2010	1,499,000	$	3.24
Granted	700,000		0.36
Expired	(45,000)		3.49
Balance - December 31, 2010	**2,154,000**	**$**	**2.30**

During the nine months ended December 31, 2010, 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		
Issued in 2010	**Number of options**	**Exercise price**	**Grant date stock price**	**Risk-free interest rate**	**Expected life (Years)**	**Volatility factor**
November 25	700,000	$0.36	$0.36	1.84%	5.0	163%

6. SHARE CAPITAL (continued)

(b) Contributed Surplus and Stock Options (continued)

A summary of the Company's outstanding stock options at December 31, 2010 is presented below:

Issue date	Options outstanding & exercisable	Exercise price	Weighted average remaining life (Years)
April 12, 2006	20,000	$5.00	0.28
May 16, 2006	20,000	$6.70	0.37
November 20, 2006	50,000	$6.00	0.89
April 19, 2007	10,000	$6.00	1.30
November 28, 2007	24,000	$6.00	1.91
June 11, 2008	435,000	$8.00	2.45
July 16, 2008	30,000	$6.00	2.54
February 17, 2009	865,000	$0.35	3.13
November 25, 2010	700,000	$0.36	4.90
	2,154,000	$2.30	3.44

7. NET LOSS PER SHARE

Earnings (loss) per share have been calculated using the weighted average number of shares outstanding during the three and nine months ended September 30, 2009 and 2008.

	Three months ended		Nine months ended	
	December 31, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009
Net loss for the period	**$ (732,301)**	$ (203,957)	**$ (490,701)**	$ (780,709)
Basic and fully diluted weighted average number of shares outstanding during the period	**24,301,790**	23,292,659	**23,663,532**	20,232,660
Basic and fully diluted net loss per share	**$ (0.03)**	$ (0.01)	**$ (0.02)**	$ (0.04)

Fully diluted weighted average common shares outstanding during the three and nine months ended December 31, 2010 and 2009 are not reflective of the outstanding stock options, warrants and broker warrants as their exercise would be anti-dilutive in the net loss per share calculation.

8. CAPITAL RISK MANAGEMENT

The Company's capital consists of common shares, warrants and contributed surplus, which as at December 31, 2010 totaled $41,557,859 (March 31, 2010 - $39,946,662).

When managing capital, the Company'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 mineral properties.

8. CAPITAL RISK MANAGEMENT (continued)

The properties in which the Company currently has an interest are in the exploration stage; as such the Company is dependent on external financing to fund its activities. In order to carry out the planned exploration and pay for administrative costs, the Company will spend its existing working capital and raise additional amounts as needed. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is appropriate. There were no changes in the Company's approach to capital management during the nine months ended December 31, 2010.

9. PROPERTY AND FINANCIAL RISK FACTORS

(a) Property Risk

As at December 31, 2010, the Company had interests in the MZ, Lowland, Luc Bourdon, and Garden Island properties (the "**Properties**"). Although the Company 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 the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(b) Financial Risk

The Company'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 the Company'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. The Company's credit risk is primarily attributable to cash and short-term investments and sundry receivables. Cash and short-term investments consist of cash on hand and short-term securities with reputable financial institutions. Amounts receivable are in good standing as of December 31, 2010. Management believes that the credit risk concentration with respect to financial instruments included in cash and short-term investments and amounts receivable is minimal.

(ii) Liquidity Risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2010, the Company has cash and short-term investments balances of \$1,297,706 (March 31, 2010 - \$1,044,033) to settle current liabilities of \$51,651 (March 31, 2010 - \$315,360). Most of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

9. PROPERTY AND FINANCIAL RISK FACTORS (continued)

(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.

Interest Rate Risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term securities and marketable securities which consist of certificates of deposit, banker's acceptances and discount notes ("fixed income"). The Company'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.

Commodity Price Risk

WPR is exposed to price risk, mainly gold and nickel, with respect to commodity prices which affects the valuation of mineral properties 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. WPR closely monitors commodity prices as it relates to precious and base metals to determine the appropriate course of action to be taken.

(c) Sensitivity Analysis

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

As at December 31, 2010, the carrying value of the Company's financial instruments approximates their fair value.

10. SEGMENTED INFORMATION

All of WPR's operations relate to mineral properties in Canada and its head office is located in Ontario, Canada.

11. SUBSEQUENT EVENTS

(a) Subsequent to period end in February 2011, WPR entered into agreements for an option (the "**Option**") 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 "**Properties**") located in the White Gold District, Yukon Territory. A NSR on each of the Properties of 2% is payable by WPR on obtaining 100% interest; WPR may purchase one-half of the NSR on the Money Property for $2,500,000 and one-half of the NSR on the Tender property for $2,500,000.

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

(i) make cash payments totaling $950,000 in tranches as follows:
- On signing: $300,000 (paid subsequent to period end);
- By February 9, 2012: $150,000;
- By February 9, 2013: $150,000;
- By February 9, 2014: $150,000;
- By February 9, 2015: $200,000;

11. SUBSEQUENT EVENTS (continued)

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

- On signing: 750,000 common shares (issued subsequent to period end);
- By February 9, 2012: 500,000 common shares;
- By February 9, 2013: 500,000 common shares;
- By February 9, 2014: 500,000 common shares;
- By February 9, 2015: 500,000 common shares;

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

- By April 2, 2012: incur $200,000;
- By April 2, 2013: incur $300,000;
- By April 2, 2014: incur $350,000; and
- By April 2, 2015: incur $400,000.

In addition, WPR will also be required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of a total of $2,500,000 on the Money Property, and a further 125,000 common shares upon having incurred aggregate exploration expenditures of $3,750,000 on the Money property, in each case in the event that WPR has otherwise fully exercised its option with respect to the Money property.

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

(i) make cash payments totaling $425,000 in tranches over a four year period as follows:

- On signing: $100,000 (paid subsequent to period end);
- By February 9, 2012: $75,000;
- By February 9, 2013: $75,000;
- By February 9, 2014: $75,000;
- By February 9, 2015: $100,000;

(ii) issuing an aggregate of 1,250,000 common shares in tranches over a four year period as follows:

- On signing: 250,000 common shares (issued subsequent to period end;
- By February 9, 2012: 250,000 common shares;
- By February 9, 2013: 250,000 common shares;
- By February 9, 2014: 250,000 common shares;
- By February 9, 2015: 250,000 common shares;

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

- By April 2, 2012: incur $150,000;
- By April 2, 2013: incur $150,000;
- By April 2, 2014: incur $200,000; and
- By April 2, 2015: incur $250,000.

In addition, WPR will also be required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of a total of $2,500,000 on the Tender property, and a further 125,000 common shares upon having incurred aggregate exploration expenditures of $3,750,000 on the Tender property, in each case in the event that WPR has otherwise fully exercised its option with respect to the Tender property.

11. SUBSEQUENT EVENTS (continued)

In the event that the Option is exercised, WPR shall be required to make annual advance royalty payments (the "**Advance Royalty Payments**") of $25,000 for each Property in respect of which the Option is exercised commencing in 2016 until such time as commercial production commences. Any amount paid in respect of such Annual Royalty Payments shall be credited against the NSR payable in respect of either of the Properties.

In connection with the Option, WPR paid finder's fees by issuing 150,000 common shares valued at $71,250.

(b) Subsequent to period end, 5,000 of the Series 2008-II Warrants were exercised.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's interim consolidated financial statement presentation.