Condensed Interim Consolidated Financial Statements of

WHITE PINE RESOURCES INC.

For The Three Months Ended

June 30, 2011

(Unaudited)

September-27-11

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL REPORTING

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 the accounting policies disclosed in the notes to the unaudited condensed interim consolidated financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the statement of financial position date. 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 ("**IAS**") 34, *Interim Financial Reporting* using accounting policies consistent with International Financial Reporting Standards ("**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 unaudited condensed interim consolidated financial statements together with other financial information of White Pine 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 financial reporting process and the unaudited condensed interim consolidated financial statements together with other financial information of White Pine. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the unaudited condensed interim consolidated financial statements together with other financial information of White Pine 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 Cudney
President & Chief Executive Officer

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

AUDITOR INVOLVEMENT

The accompanying unaudited condensed interim consolidated financial statements of White Pine have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2011 have not been reviewed by White Pine's auditors.

WHITE PINE RESOURCES INC.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(Unaudited)

As at		June 30, 2011		March 31, 2011 *(Note 14 - Transition to IFRS)*		April 1, 2010 *(Note 14 - Transition to IFRS)*
ASSETS						
Current Assets						
Cash	$	**1,037,771**	$	886,048	$	1,034,033
Short-term investment		**-**		10,000		10,000
Accounts receivable and prepaid expenses		**135,608**		103,543		265,987
		1,173,379		999,591		1,310,020
Non-current Assets						
Exploration and evaluation assets *(note 5)*		**5,355,793**		4,983,635		4,001,568
Equipment *(note 6)*		**15,811**		11,270		15,685
		5,371,604		4,994,905		4,017,253
	$	**6,544,983**	$	5,994,496	$	5,327,273
LIABILITIES						
Current Liabilities						
Accounts payable and accrued liabilities	$	**267,181**	$	107,909	$	315,360
Flow-through share premium liability		**-**		26,065		136,709
		267,181		133,974		452,069
SHAREHOLDERS' EQUITY						
Share Capital *(note 7(a))*		**33,800,258**		32,839,450		31,481,002
Accumulated Deficit		**(37,156,383)**		(36,590,674)		(35,131,958)
Other Components of Equity		**9,633,927**		9,611,746		8,526,160
		6,277,802		5,860,522		4,875,204
	$	**6,544,983**	$	5,994,496	$	5,327,273

Going Concern *(note 1)*
Related Party Disclosures *(note 10)*
Subsequent Event *(note 13)*

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

WHITE PINE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited)

For the three months ended June 30,		**2011**		2010 *(Note 14 - Transition to IFRS)*
Expenses				
General and administrative	**$**	**87,797**	$	75,890
Stock-based compensation		**475,489**		-
Amortization		**2,959**		1,104
Write-down of mineral properties		**-**		13,503
		566,245		90,497
Other income (expenses)				
Interest and other revenues (expenses)		**(25,529)**		-
Flow-through share premium		**26,065**		31,272
		536		31,272
Loss before income taxes		**(565,709)**		(59,225)
Future income tax recovery *(note 8)*		**-**		372,265
Net earnings (loss) and comprehensive income (loss) for the period	**$**	**(565,709)**	$	313,040
Net earnings (loss) per share *(note 9)*:				
Basic and fully diluted	**$**	**(0.02)**	$	0.01

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

WHITE PINE RESOURCES INC.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

(Unaudited)

	Share Capital	Warrants and Broker Warrants	Share-Based Payment Reserve	Accumulated Deficit	Total Equity
Balance at April 1, 2010 (note 14 - Transition to IFRS)	**$ 31,481,002**	**$ 3,777,131**	**$ 4,749,029**	**$ (35,131,958)**	**$ 4,875,204**
Net earnings for the period	-	-	-	313,040	313,040
Expiry of warrants	-	(2,256,153)	2,256,153	-	-
Tax effect on expiry of warrants	-	-	(372,265)	-	(372,265)
Balance at June 30, 2010 (note 14 - Transition to IFRS)	**31,481,002**	**1,520,978**	**6,632,917**	**(34,818,918)**	**4,815,979**
Issuance of common shares related to asset acquisitions	475,000	-	-	-	475,000
Issuance of common shares related to finder's fees on asset acquisitions	71,250	-	-	-	71,250
Issuance of common shares, net of cash share issuance costs of $15,988	984,012	-	-	-	984,012
Fair value of warrants issued	(298,578)	298,578	-	-	-
Issuance of common shares on exercise of warrants	126,764	(60,264)	-	-	66,500
Net loss for the period	-	-	-	(1,236,006)	(1,236,006)
Stock-based compensation	-	-	311,522	-	311,522
Warrant modification	-	535,750	-	(535,750)	-
Tax effect on expiry of warrants	-	-	372,265	-	372,265
Balance at March 31, 2011 (note 14 - Transition to IFRS)	**$ 32,839,450**	**$ 2,295,042**	**$ 7,316,704**	**$ (36,590,674)**	**$ 5,860,522**
Issuance of common shares on exercise of warrants	960,808	(453,308)	-	-	507,500
Net loss for the period	-	-	-	(565,709)	(565,709)
Stock-based compensation	-	-	475,489	-	475,489
Balance at June 30, 2011	**$ 33,800,258**	**$ 1,841,734**	**$ 7,792,193**	**$ (37,156,383)**	**$ 6,277,802**

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

WHITE PINE RESOURCES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited)

For the three months ended June 30,	**2011**	2010
Cash provided by (used in)		
Operations		
Net earnings (loss) for the period	**$ (565,709)**	$ 313,040
Items not involving cash:		
Future income tax recovery	**-**	(372,265)
Flow-through share premium	**(26,065)**	(31,272)
Amortization	**2,959**	1,104
Stock-based compensation	**475,489**	-
Write-down of exploration and evaluation assets	**-**	13,503
Change in non-cash working capital:		
Accounts receivable and prepaid expenses	**(32,065)**	142,072
Accounts payable and accrued liabilities	**(22,927)**	(255,391)
	(168,318)	(189,209)
Financing		
Exercise of warrants	**507,500**	-
Investing		
Exploration and evaluation costs	**(189,959)**	(65,557)
Redemption of short-term investment	**10,000**	-
Equipment purchase	**(7,500)**	-
	(187,459)	(65,557)
Increase (decrease) in cash	**151,723**	(254,766)
Cash, beginning of period	**886,048**	1,034,033
Cash, end of period	**$ 1,037,771**	$ 779,267

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

1. NATURE OF OPERATIONS AND GOING CONCERN BASIS OF ACCOUNTING

White Pine Resources Inc. ("**White Pine**") was incorporated under the Business Corporations Act (Ontario) on May 11, 1979 and is a publicly listed Canadian junior resource company with exploration and evaluation assets in Canada. White Pine is engaged in the identification, acquisition, exploration and evaluation of gold, nickel, copper, zinc, silver and other base metal properties. To date, White Pine has not earned any revenue from operations. White Pine's registered office is located at Suite 301, 141 Adelaide Street West, Toronto, Ontario, M5H 3L5.

The unaudited condensed interim consolidated financial statements for the period ended June 30, 2011 have been approved for issue by the Board of Directors on September 27, 2011.

These unaudited 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, 2011. 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 mineral properties on an advantageous basis; as well as global economic, prescious 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 unaudited 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.

2. BASIS OF PRESENTATION

White Pine's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Statement ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). As these financial statements represent White Pine's initial presentation of its results of operations and financial position under IFRS, they were prepared in accordance with IAS 34, *Interim Financial Reporting* and with IFRS 1, *First-time Adoption of IFRS* and do not include all of the information required for full annual financial statements. These unaudited condensed interim consolidated financial statements have been prepared in accordance with the accounting policies White Pine expects to adopt in its March 31, 2012 financial statements. Those accounting policies are based on the IFRS standards and International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations that White Pine expects to be applicable at that time. These policies have been consistently applied to all the periods presented, unless otherwise stated. The principal accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are set out below.

White Pine's financial statements were previously prepared in accordance with Canadian generally accepted principals ("**Canadian GAAP**"). Canadian GAAP differs in some areas from IFRS. In preparing these unaudited condensed interim financial statements, management has amended certain accounting and valuation methods previously applied in the Canadian GAAP financial statements to comply with IFRS. The comparative figures for 2011 were restated to reflect these adjustments. Certain information and footnote disclosures which are considered material to the understanding of White Pine's unaudited condensed interim consolidated financial statements and which are normally included in annual consolidated financial statements prepared in accordance with IFRS are provided in note 14 - Transition to IFRS along with reconciliations and descriptions of the effect of the transition from Canadian GAAP to IFRS on equity, earnings and comprehensive income.

These unaudited condensed interim consolidated financial statements comprise the statements of financial position, the statements of comprehensive loss, the statement of changes in equity, the cash flow statements and the notes thereto.

2. BASIS OF PRESENTATION (continued)

These unaudited condensed interim consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, and have been prepared using the accrual basis of accounting except for cash flow information.

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

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as future tax expenses (recoveries), stock-based compensation, write-down of exploration and evaluation assets, flow-through share premium, changes in provisions, as well as changes from accounts receivables and prepaid expenses, and 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.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below are in accordance with IFRS and have been applied consistently to all periods and years presented in these unaudited condensed interim consolidated financial statements:

(a) 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 Slater Resources Corporation, Spiral Mountain Corporation and Tupper Shields Copper Corporation, after the elimination of all material intercompany balances and transactions. White Pine's subsidiaries have suspended their exploration and development activities and are inactive.

Subsidiary

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

(b) Business Combinations

Business combinations are accounted for using the purchase method of accounting, whereby identifiable assets acquired and liabilities assumed are recorded at fair value as of the date of acquisition with the excess of the purchase price over such fair value recorded as goodwill.

If a transaction does not meet the definition of a business combination as per IFRS standards, the transaction is recorded as an acquisition of an asset.

(c) Functional and Presentation Currency

These unaudited condensed interim 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments

(i) Non-derivative financial assets

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

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

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

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

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.

Loans and receivables comprise accounts receivable.

(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.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only 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.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Financial Instruments (continued)

(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 consolidated statement of financial position date.

Derivative financial liabilities comprise flow-through share premium liability.

(e) Cash

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

(f) 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 profit or loss immediately.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount *(note 3(h))*.

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.

(g) Equipment

(i) Recognition and measurement

Items of equipment are stated at cost less accumulated amortization and impairment losses *(note 3(h))*. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Equipment (continued)

(iv) Disposal

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

(h) 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.

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. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

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.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Share-Based Payment Transactions

The grant date fair value of share-based payment awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on mineral properties, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Fair values of share-based payments (including stock options and warrants) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model using the management assumptions disclosed in note 7 (b) and note 7 (c) for warrants and stock options, respectively.

Share-based payment arrangements in which White Pine receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions.

(j) 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.

(k) 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.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) 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.

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.

A deferred income tax liability equal to the tax value of flow through expenditures renounced is recognized once White Pine has fulfilled its obligations associated with the renunciation of related flow-through expenditures. 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.

(m) 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 common shareholders of White Pine 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.

4. CRITICAL ACCOUNTING ESTIMATES

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

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

- White Pine assesses the carrying value of exploration and evaluation assets at each reporting period to determine whether any indication of impairment exists. The calculation of recoverable amount requires the use of estimates and assumptions such as long-term commodity prices, discount rates, recoverable metals, and operating performance;

4. CRITICAL ACCOUNTING ESTIMATES (continued)

- the calculation of the fair value of warrants, broker warrants and stock options issued by White Pine requires the use of estimates of inputs in the Black-Scholes option pricing valuation model; and
- due to the 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 ended June 30, 2011.

5. EXPLORATION AND EVALUATION ASSETS

Property	**Option & acquisition costs**	**Exploration**	**Write-downs**	**Balance June 30, 2011**
Money Property	$ 722,822	$ 239,269	$ -	**$ 962,091**
Tender Property	254,363	113,857	-	**368,220**
Lowland	15,854	13,285,298	(9,275,671)	**4,025,481**
Garden Island Property	-	349,753	(349,752)	**1**
	$ 993,039	**$ 13,988,177**	**$ (9,625,423)**	**$ 5,355,793**

Property	Option & acquisition costs	Exploration	Write-downs	Balance March 31, 2011
Money Property	$ 709,688	$ 8,451	$ -	$ 718,139
Tender Property	236,563	3,451	-	240,014
Lowland	15,854	13,285,298	(9,275,671)	4,025,481
Garden Island Property	-	349,753	(349,752)	1
MZ	43,813	323,840	(367,653)	-
Luc Bourdon	175,000	1,149,703	(1,324,703)	-
	$ 1,180,918	$ 15,120,496	$ (11,317,779)	$ 4,983,635

	Money Property	**Tender Property**	**Lowland**	**Garden Island Property**	**MZ**	**Luc Bourdon**	**Total**
Balance - March 31, 2010	$ -	$ -	$ 3,895,790	$ 1	$ 105,777	$ -	$ 4,001,568
Acquisition costs	709,688	236,563	-	-	3,988	-	950,239
Exploration	8,451	3,451	129,691	24,753	257,888	30,849	455,083
Write-downs	-	-	-	(24,753)	(367,653)	(30,849)	(423,255)
Balance - March 31, 2011	718,139	240,014	4,025,481	1	-	-	4,983,635
Acquisition costs	13,134	17,800	-	-	-	-	30,934
Exploration	230,818	110,406	-	-	-	-	341,224
Balance - June 30, 2011	**$ 962,091**	**$ 368,220**	**$ 4,025,481**	**$ 1**	**$ -**	**$ -**	**$ 5,355,793**

5. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Money and Tender Properties

On February 14, 2011, White Pine announced the signing of an agreement for the acquisition of 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 "**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 February 9, 2012: $150,000;
- By February 9, 2013: $150,000;
- By February 9, 2014: $150,000; and
- By February 9, 2015: $200,000.

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

- On signing: 750,000 common shares, valued at $356,250 (issued);
- By February 9, 2012: 500,000 common shares;
- By February 9, 2013: 500,000 common shares;
- By February 9, 2014: 500,000 common shares; and
- 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, White Pine will also be required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of a total 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 over a four year period as follows:

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

5. EXPLORATION AND EVALUATION ASSETS (continued)

(a) Money and Tender Properties (continued)

(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, valued at $118,750 (issued);
- By February 9, 2012: 250,000 common shares;
- By February 9, 2013: 250,000 common shares;
- By February 9, 2014: 250,000 common shares; and
- 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, White Pine will also be required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of a total 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 the Option is exercised, White Pine shall be required to make annual advance royalty payments (the "**Advance Royalty Payments**") of $25,000 for each of the Yukon Properties in respect of which the Option is exercised commencing in 2016 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 Option, 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".

Under the terms of the agreement, White Pine 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, White Pine will acquire a 12.5% interest in the Lowland property, up to a maximum 50% interest.

Subsequent to year end on May 12, 2011, White Pine entered into an amending agreement with Metalex and Arctic whereby White Pine may fund the required $20.0 million in expenditures by way of:

- Meeting cash calls of $5.0 million before May 16, 2009 (incurred)
- Meeting cash calls of $5.0 million before May 15, 2010 (incurred);
- Meeting cash calls of $5.0 million before May 15, 2013 (incurred $3.3 million of cash calls to June 30, 2011); and
- Meeting cash calls of $5.0 million before May 15, 2014

Anytime after the first cash call has been met, White Pine may elect to terminate the option agreement;

As at June 30, 2011 White Pine has spent $13.3 million (including $9.3 million written-off during fiscal 2009), thereby earning a 25% interest in the Lowland property.

5. EXPLORATION AND EVALUATION ASSETS (continued)

(b) Lowland (continued)

White Pine 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 White Pine has funded to date.

(c) Garden Island Property

On February 25, 2009, White Pine entered into an agreement (the "**Garden Island Option Agreement**") with TSR Resources Inc. ("**TSR**") where TSR granted White Pine 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 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 thereafter 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.

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

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

(d) MZ (Boston Creek Gold Property)

On December 14, 2009, White Pine announced the signing of an agreement for the acquisition of an option to acquire the MZ Boston Creek Gold Property ("**MZ**") located in the Boston Creek gold mining district south of Kirkland Lake, Ontario. The MZ property, consisting of 608 hectares, could be acquired from two local prospectors for consideration of cash, 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 White Pine shares, valued at $15,000 (paid);
- By January 1st, 2011: $20,000 cash plus 100,000 White Pine shares, and incur $100,000 in exploration expenditures;
- By January 1st, 2012: $20,000 cash plus 100,000 White Pine shares, and incur $100,000 in exploration expenditures.
- By January 1st, 2013: incur $150,000 in exploration expenditures.

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

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

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

Due to discouraging exploration results, White Pine 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 year ended March 31, 2011.

5. EXPLORATION AND EVALUATION ASSETS (continued)

(e) Luc Bourdon

On September 11, 2008 White Pine and Noront entered into an option agreement with Golden Valley Mines Ltd. ("**Golden Valley**"), providing White Pine 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. White Pine and Noront jointly control the option and White Pine has accounted for the option as a joint venture.

In order to satisfy its payments under the agreement, White Pine 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 White Pine common shares with a fair value of $4.40 per share.

White Pine 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.

On March 30, 2011, Golden Valley entered into a transfer, assignment, and assumption agreement pursuant to which Golden Valley transferred the Luc Bourdon Property and the rights and obligations of Golden Valley under the option agreement to Abitibi Royalties Inc. ("**Abitibi**").

In June 2011, White Pine and Noront entered into an amending agreement with Abitibi whereby White Pine and Noront received a two-year extension on the exploration expenditure commitment. As result, in order to acquire the aggregate interest of 70% in the Luc Bourdon Property, White Pine and Noront are required to incur aggregate exploration expenditures on the property of at least $5.0 million by October 8, 2013.

As at June 30, 2011 the Joint Venture has spent $2.3 million on exploration. White Pine recorded its 50% proportionate interest in the assets of the joint venture and wrote-off its entire share of the project during fiscal 2010 and fiscal 2011. Details from the joint venture since its creation are as follows:

- Mineral property assets: $2,649,406
- Cash flow from investing activities - mineral property expenditures: $2,499,404

During the year ended March 31, 2011 White Pine incurred $30,849 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. These costs were charged to the statement of operations as additional write-downs during fiscal 2011.

During the year ended March 31, 2011, White Pine earned $79,540 in other revenues. In prior periods, White Pine was recording camp rental revenue by reducing exploration expenditures on its Luc Bourdon property. White Pine is prospectively recording the camp rental revenue as other revenues charged through the statement of operations.

6. EQUIPMENT

As at June 30, 2011	**Cost**	**Accumulated amortization**	**Net**
Computer equipment	$ **4,516**	$ **4,202**	$ **314**
Computer software	**20,984**	**12,250**	**8,734**
Furniture and equipment	**17,356**	**10,593**	**6,763**
	$ **42,856**	$ **27,045**	$ **15,811**

During the three months ended June 30, 2011, White Pine incurred $7,500 in computer software additions and $nil for the year ended March 31, 2011.

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6. EQUIPMENT (continued)

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

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 shares	Consideration
Balance - March 31, 2010	23,342,659	$ 31,481,002
Issued under private placement, December 2010	4,000,000	1,000,000
December 2010 Warrants	-	(298,578)
Share issue costs	-	(15,988)
Exercise of warrants	190,000	66,500
Fair value of warrants transferred to common shares	-	60,264
Issued for acquisition of Money Property *(note 5(a))*	750,000	356,250
Issued for acquisition of Tender Property *(note 5(a))*	250,000	118,750
Finder's fee on acquisition of mineral properties *(note 5(a))*	150,000	71,250
Balance - March 31, 2011	28,682,659	32,839,450
Exercise of warrants	1,450,000	507,500
Fair value of warrants transferred to common shares	-	453,308
Balance - June 30, 2011	**30,132,659**	**$ 33,800,258**

On August 25, 2009 White Pine completed a private placement order which White Pine issued 4,874,999 flow-through common shares ("**FT Shares**") at a price of $0.45 per FT Share and 725,000 units ("**August 2009 Units**") at a price of $0.40 per August 2009 Unit. Each August 2009 Unit consists of one common share and one-half of one White Pine share purchase warrant, each whole such warrant entitling the holder thereof to acquire one additional White Pine common share for a period of two years at an exercise price of $0.65 ("**August 2009 Warrants**"). In connection with the offering, White Pine paid finder's fees to certain qualified registrants assisting in the offering in the amount of $161,444 representing 6.5% of the gross proceeds raised by such finder, and issued 316,874 broker warrants to such finders representing 6.5% of the aggregate number of FT Shares sold by such finders in the offering. The broker warrants are exercisable at a price of $0.45 per share, for a period of two years following the closing of the offering ("**August 2009 Broker Warrants**").

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

7. SHARE CAPITAL (continued)

(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	(190,000)	-	(60,264)
Warrant modification	-	-	535,750
Expiry of warrants	(841,667)	-	(1,823,570)
Expiry of broker warrants	-	(109,417)	(432,583)
Balance - March 31, 2011	8,347,500	316,874	$ 2,295,042
Exercise of warrants	(1,450,000)	-	(453,308)
Balance - June 30, 2011	**6,897,500**	**316,874**	**$ 1,841,734**

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

	Number of warrants	Exercise price	Black-Scholes Option Pricing Parameters: Risk-free interest rate	Expected life (Years)	Volatility factor
December 2010 Warrants	2,000,000	$0.35	1.70%	2.0	201%

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

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

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

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

	Number of warrants	Exercise price	Black-Scholes Option Pricing Parameters: Risk-free interest rate	Expected life (Years)	Volatility factor
Series 2008-II Warrants	4,175,000	$0.35	1.43%	0.10	115%
Series 2009-I Warrants	2,000,000	$0.35	1.43%	0.19	115%

7. SHARE CAPITAL (continued)

(b) Warrants (continued)

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

	Number of warrants	Exercise price	Black-Scholes Option Pricing Parameters: Risk-free interest rate	Expected life (Years)	Volatility factor
Series 2008-II Warrants	4,175,000	$0.35	1.43%	1.10	118%
Series 2009-I Warrants	2,000,000	$0.35	1.43%	1.19	118%

A summary of White Pine's outstanding warrants and brokers warrants at June 30, 2011 is presented below:

Issue date	Number of warrants	Number of broker warrants	Exercise price	Expiry date
December 23, 2008	3,585,000	-	$0.35	December 23, 2011
January 26, 2009	1,000,000	-	$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	1,950,000	-	$0.35	December 9, 2012
	6,897,500	316,874		

(c) Share-Based Payment Reserve and Stock Options

Share-Based Payment Reserve

Balance - March 31, 2010	$ 4,749,029
Exercise of stock options	311,522
Expiry of warrants	2,256,153
Balance - March 31, 2011	7,316,704
Stock-based compensation	475,489
Balance - June 30, 2011	**$ 7,792,193**

White Pine has a stock option plan (the "**Plan**") under which it is authorized to grant stock options to acquire common shares to Directors, officers, employees and consultants. During fiscal 2010, the Plan was converted into a "rolling plan" where the aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time. The number of common shares which may be reserved for issue to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding issue. The Board of Directors shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors. The total number of stock options available for issue under the plan as at June 30, 2011 is 234,266.

7. SHARE CAPITAL (continued)

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

Stock Options

	Number of options	Weighted average exercise price
Balance - March 31, 2010	1,499,000	$ 3.24
Granted	900,000	0.37
Expired	(45,000)	3.49
Balance - March 31, 2011	2,354,000	2.14
Granted	815,000	0.62
Expired or cancelled	(390,000)	7.63
Balance - June 30, 2011	**2,779,000**	**$ 0.92**

During the three months ended June 30, 2011 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		
	Number of options	Exercise price	Grant date stock price	Risk-free interest rate	Expected life (Years)	Volatility factor
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				

During the year ended March 31, 2011 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 2011	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%
March 1	200,000	$0.41	$0.405	2.31%	5.0	163%
	900,000	$0.37				

The weighted average fair value of options granted during the period was $0.58.

7. SHARE CAPITAL (continued)

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

A summary of White Pine's outstanding stock options at June 30, 2011 is presented below:

Issue date	Options outstanding & exercisable	Exercise price	Weighted average remaining life (Years)
November 20, 2006	50,000	$6.00	0.39
April 19, 2007	10,000	$6.00	0.81
November 28, 2007	24,000	$6.00	1.42
June 11, 2008	115,000	$8.00	1.95
February 17, 2009	865,000	$0.35	2.64
November 25, 2010	700,000	$0.36	4.41
March 1, 2011	200,000	$0.41	4.67
April 27, 2011	515,000	$0.60	4.83
May 10, 2011	300,000	$0.66	4.87
	2,779,000	$0.92	3.79

8. INCOME TAXES

The income tax recovery has been calculated as follows:

For the three months ended June 30,	**2011**	2010
Loss before income taxes	**$ (565,709)**	$ (59,225)
Canadian combined federal and provincial income tax rate	**32.50 %**	32.50 %
Expected income tax recovery at Canadian statutory rates	**$ (183,900)**	$ (19,200)
Share issue costs	**(16,200)**	(27,500)
Stock-based compensation	**154,500**	-
Capital gain on expired warrants	**-**	733,200
Write-down of mineral properties	**-**	4,400
Amortization	**1,000**	400
Change in tax rate and other	**7,300**	1,658,665
Change in valuation allowance	**37,300**	(1,977,700)
Income tax recovery	**$ -**	$ 372,265

8. INCOME TAXES (continued)

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

	June 30, 2011	March 31, 2011
Mineral properties	**$ 2,921,900**	$ 2,921,900
Losses carried forward	**554,100**	504,300
Share issue costs	**96,000**	108,500
	3,572,000	3,534,700
Valuation allowance	**(3,572,000)**	(3,534,700)
	$ -	$ -

At June 30, 2011, White Pine had unclaimed non-capital losses that expire as follows:

Year of Expiry	
2028	$ 138,250
2029	678,000
2030	631,000
2031	632,000
2032	137,000
	$ 2,216,250

9. NET EARNINGS (LOSS) PER SHARE

Net earnings (loss) per share has been calculated using the weighted average number of shares outstanding during the three months ended June 30, 2011 and 2010.

For the three months ended June 30,	**2011**	2010
Net earnings (loss) for the period	**$ (565,709)**	$ 313,040
Basic weighted average number of shares outstanding during the period	**29,261,780**	23,342,659
Fully diluted weighted average number of shares outstanding during the period	**29,261,780**	30,962,033
Basic and fully diluted net earnings (loss) per share	**$ (0.02)**	$ 0.01

Fully diluted weighted average common shares outstanding during the period ended June 30, 2011 is 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.

10. RELATED PARTY DISCLOSURES

(a) Executive Management Compensation

Executive management's compensation for the three months ended June 30, 2011 and 2010 consisted of cash of $9,375 and $23,001, respectively.

10. RELATED PARTY DISCLOSURES (continued)

(b) Executive Management and Director Transactions

At June 30, 2011, directors of White Pine controlled 14% percent of the voting shares.

During the three months ended June 30, 2011 and 2010, there were no transactions and outstanding balances with executive management or directors other than the cash compensation as disclosed in note 10(a).

11. CAPITAL RISK MANAGEMENT

White Pine's capital consists of common shares, warrants and share-based payment reserve, which as at June 30, 2011 totaled $43,434,185 (March 31, 2011 - $42,451,196).

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

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 ended June 30, 2011.

12. PROPERTY AND FINANCIAL RISK FACTORS

(a) Property Risk

As at June 30, 2011, White Pine had interests in the Money Property, Tender Property, Lowland, and Garden Island properties (the "**Properties**"). Although White Pine has taken steps to verify title to the Properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee White Pine's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(b) Financial Risk

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

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

(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 and accounts receivables. Cash and short-term investments consist of cash on hand and short-term securities with reputable financial institutions. Accounts receivable are in good standing as of June 30, 2011. Management believes that the credit risk concentration with respect to financial instruments included in cash and short-term investments and amounts receivable is minimal.

12. PROPERTY AND FINANCIAL RISK FACTORS (continued)

(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, 2011, White Pine has cash and short-term investments balances of $1,037,771 (March 31, 2011 - $896,048) to settle current liabilities of $267,181 (March 31, 2011 - $107,909). 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.

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 and marketable securities which consist of certificates of deposit, banker's acceptances and discount notes ("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 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. White Pine closely monitors commodity prices as it relates to precious and base metals to determine the appropriate course of action to be taken.

(d) Sensitivity Analysis

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

As at June 30, 2011, the carrying value of White Pine's financial instruments approximate their fair values.

13. SUBSEQUENT EVENT

Subsequent to period end, 303,874 broker warrants with an exercise price of $0.45 were exercised.

14. TRANSITION TO IFRS

(a) Basis of Transition to IFRS

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

For all periods up to and including the year ended March 31, 2011, White Pine prepared its financial statements in accordance with Canadian GAAP. The unaudited condensed interim consolidated financial statements as at and for the three months ended June 30, 2011 are the first White Pine has prepared in accordance with IFRS.

In preparing these unaudited condensed interim consolidated financial statements, the opening statement of financial position was prepared as at April 1, 2010, White Pine's date of transition to IFRS. This note explains the principal adjustments made in restating the previous Canadian GAAP statement of financial position as at April 1, 2010 and its previously published Canadian GAAP financial statements for the three months ended June 30, 2010 and as at March 31, 2011.

14. TRANSITION TO IFRS (continued)

(a) Basis of Transition to IFRS (continued)

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

White Pine has applied the following exemptions and elections:

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

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

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

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

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

(b) Reconciliations between IFRS and Canadian GAAP

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

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

(ii) reconciliation of the statement of financial position as at June 30, 2010;

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

(iv) reconciliation of shareholders' equity at April 1, 2010, June 30, 2010 and March 31, 2011;

(v) reconciliation of the statement of comprehensive loss for the three months ended June 30, 2010; and

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

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

14. TRANSITION TO IFRS (continued)

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

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

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

14. TRANSITION TO IFRS (continued)

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

(ii) The following is a reconciliation of the statement of financial position and equity as at June 30, 2010:

ASSETS	*Sub Note*	**Canadian GAAP**	**IFRS Adjustments**	**IFRS**
Cash		$ 779,267	$ -	$ 779,267
Short-term investment		10,000	-	10,000
Accounts receivable and prepaid expenses		123,915	-	123,915
Exploration and evaluation assets		4,109,795	-	4,109,795
Equipment		14,581	-	14,581
		$ 5,037,558	**$ -**	**$ 5,037,558**
LIABILITIES				
Accounts payable and accrued liabilities		$ 116,142	$ -	$ 116,142
Flow-through share premium liability	*1*	-	105,437	105,437
		$ 116,142	**$ 105,437**	**$ 221,579**
SHAREHOLDERS' EQUITY				
Share capital	*1*	$ 31,420,502	$ 60,500	$ 31,481,002
Accumulated deficit	*1*	(34,652,981)	(165,937)	(34,818,918)
Other components of equity		8,153,895	-	8,153,895
		$ 4,921,416	**$ (105,437)**	**$ 4,815,979**

14. TRANSITION TO IFRS (continued)

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

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

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

14. TRANSITION TO IFRS (continued)

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

(iv) The following is a reconciliation of shareholders' equity at April 1, 2010, June 30, 2010 and March 31, 2011:

	Sub Note	**April 1, 2010**	**June 30, 2010**	**March 31, 2011**
Total shareholders' equity reported under Canadian GAAP		**$ 5,011,913**	**4,921,416**	**$ 5,886,587**
Reclassification of flow-through premium liability	*1*	(487,500)	(487,500)	(487,500)
Flow-through share premium liability	*1*	350,791	382,063	461,435
Total IFRS adjustments		(136,709)	(105,437)	(26,065)
Total shareholders' equity reporting under IFRS		**$ 4,875,204**	**4,815,979**	**$ 5,860,522**

14. TRANSITION TO IFRS (continued)

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

(v) The following is a reconciliation of the statement of comprehensive income for the three months ended June 30, 2010:

	Sub Note	**Canadian GAAP**	**IFRS Adjustments**	**IFRS**
Expenses				
General and administrative		$ 75,890	$ -	$ 75,890
Amortization		1,104	-	1,104
Write-down of exploration and evaluation assets		13,503	-	13,503
		90,497	-	90,497
Other income (expenses)				
Flow-through share premium	*1*	-	31,272	31,272
Loss before income taxes		(90,497)	31,272	(59,225)
Income tax recovery		372,265	-	372,265
Net earnings and comprehensive income for the period		**281,768**	**31,272**	**313,040**
Earnings per share				
Basic and fully diluted		$ 0.01		$ 0.01
Weighted average common shares outstanding				
Basic		23,342,659		23,342,659
Fully diluted		30,962,033		30,962,033

14. TRANSITION TO IFRS (continued)

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

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

	Sub Note	**Canadian GAAP**	**IFRS Adjustments**	**IFRS**
Expenses				
General and administrative		$ 373,968	$ -	$ 373,968
Stock-based compensation		311,522	-	311,522
Amortization		4,415	-	4,415
Write-down of exploration and evaluation assets		423,255	-	423,255
		1,113,160	-	1,113,160
Other income (expenses)				
Interest and other revenues		79,550	-	79,550
Flow-through share premium	*1*	-	110,644	110,644
		79,550	110,644	190,194
Net loss and comprehensive loss for the year		**(1,033,610)**	**110,644**	**(922,966)**
Net loss per share				
Basic and fully diluted		$ (0.04)		$ (0.04)
Weighted average common shares outstanding				
Basic and fully diluted		24,733,905		24,733,905

Notes to reconciliations

1. Accounting for flow-through shares

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

14. TRANSITION TO IFRS (continued)

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

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

The classification adjustments on the statements of financial position results in an increase in the flow-through share premium liability of $136,709 at April 1, 2010, $105,437 at June 30, 2010 and $26,065 at March 31, 2011, an increase in share capital of $60,500 at April 1, 2010, June 30, 2010 and March 31, 2011.

At the date of transition to IFRS on April 1, 2010, the result of the classification adjustments resulted in an increase in accumulated deficit of $197,209. Classification adjustments on the statement of comprehensive income (loss) for the three months ended June 30, 2010 and the year ended March 31, 2011 resulted in changes as follows:

- for the three months ended June 30, 2010, flow-through share premium income increased by $31,272 resulting in an increase of net earnings of the same; and
- for the year ended March 31, 2011, flow-through share premium income increased by $110,644 resulting in a decrease of net loss of the same.

2. Exploration and Evaluation Assets

Canadian GAAP – Project generation and evaluation costs were permitted to be capitalized.

IFRS – Under IFRS 6, *Exploration and Evaluation Assets*, such costs, project generation and evaluation costs incurred prior to White Pine securing a legal right to explore a property, are not permitted to be capitalized.

The adoption of this IFRS standard did not result in any significant changes.