



White Pine

Condensed Interim Consolidated Financial Statements of

WHITE PINE RESOURCES INC.

For The Six Months Period Ended

September 30, 2014

Presented in Canadian Dollars

Unaudited



November 17, 2014

MANAGEMENT'S RESPONSIBILITY FOR CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited condensed interim consolidated financial statements of White Pine Resources Inc. ("**White Pine**") are the responsibility of the Board of Directors. The unaudited condensed interim consolidated financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board. These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with White Pine's audited annual consolidated financial statements and notes thereto for the year ended March 31, 2014. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in White Pine's most recent audited annual consolidated financial statements, except as described in note 3. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to White Pine's circumstances. In the opinion of management, the unaudited condensed interim consolidated financial statements have been prepared within acceptable limits of materiality and are in accordance with International Accounting Standard 34, Interim Financial Reporting using accounting policies consistent with IFRS appropriate in the circumstances.

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

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

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

(Signed) "*John G. Tait*"

John G. Tait
President & Chief Executive Officer

(Signed) "*Michael G. Leskovec*"

Michael G. Leskovec
Chief Financial Officer

AUDITOR INVOLVEMENT

The unaudited condensed interim consolidated financial statements as at and for the six months period ended September 30, 2014 have not been reviewed by White Pine's auditors.



WHITE PINE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Presented in Canadian Dollars

Unaudited

As at	September 30, 2014	March 31, 2014
ASSETS		
Current Assets		
Cash	\$ 66,082	\$ 86,150
Short-term investment	-	10,000
Accounts receivable and prepaid expenses	6,295	27,103
	72,377	123,253
Non-current Assets		
Exploration and evaluation assets (note 5)	1	1
Equipment (note 6)	5,225	6,044
	5,226	6,045
	\$ 77,603	\$ 129,298
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 12,165	\$ 22,888
SHAREHOLDERS' EQUITY		
Share Capital (note 7(a))	34,738,846	34,738,846
Accumulated Deficit	(44,628,253)	(44,587,281)
Other Components of Equity (note 7(b))	9,954,845	9,954,845
	65,438	106,410
	\$ 77,603	\$ 129,298

Going Concern Basis of Accounting (note 1)

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



WHITE PINE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

Presented in Canadian Dollars

Unaudited

	Three months ended September 30,		Six months ended September 30,	
	2014	2013	2014	2013
Expenses				
Shareholder relations	\$ 21,834	\$ 16,632	\$ 24,078	\$ 21,697
Legal and audit	10,698	9,144	11,328	15,276
Office and administration	2,219	13,841	4,448	23,626
Interest and bank charges	196	521	228	521
Consulting fees	71	9,375	71	21,016
Payroll	-	-	-	9,668
Travel and entertainment	-	134	-	789
Amortization	410	622	819	1,244
Net loss and comprehensive loss for the period	\$ 35,428	\$ 50,269	\$ 40,972	\$ 93,837
Net loss per share (note 8):				
Basic and fully diluted	\$ Nil	\$ Nil	\$ Nil	\$ Nil

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



WHITE PINE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Presented in Canadian Dollars

Unaudited

	Share capital	Accumulated deficit	Other components of equity		Total equity
			Warrants and broker warrants	Contributed Surplus	
Balance at March 31, 2013	\$ 34,738,846	\$ (38,094,280)	\$ 99,044	\$ 9,855,801	\$ 6,599,411
Net loss for the period	-	(93,837)	-	-	(93,837)
Expiry of warrants	-	-	(99,044)	99,044	-
Balance at September 30, 2013	\$ 34,738,846	\$ (38,188,117)	\$ -	\$ 9,954,845	\$ 6,505,574
Net loss for the period	-	(6,399,164)	-	-	(6,399,164)
Balance at March 31, 2014	34,738,846	(44,587,281)	-	9,954,845	106,410
Net loss for the period	-	(40,972)	-	-	(40,972)
Balance at September 30, 2014	\$ 34,738,846	\$ (44,628,253)	\$ -	\$ 9,954,845	\$ 65,438

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



WHITE PINE RESOURCES INC.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Presented in Canadian Dollars

Unaudited

For the six months period ended September 30,	2014	2013
Cash provided by (used in)		
Operations		
Net loss for the period	\$ (40,972)	\$ (93,837)
Items not involving cash:		
Amortization	819	1,244
Change in non-cash working capital:		
Accounts receivable and prepaid expenses	20,808	(8,058)
Accounts payable and accrued liabilities	(10,723)	(14,539)
	(30,068)	(115,190)
Investing		
Redemption of short-term investment	10,000	-
Exploration and evaluation costs	-	(713)
Acquisition costs	-	(10,000)
	10,000	(10,713)
Decrease in cash	(20,068)	(125,903)
Cash, beginning of period	86,150	272,358
Cash, end of period	\$ 66,082	\$ 146,455

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



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

Unaudited

For the six months period ended September 30, 2014

1. NATURE OF OPERATIONS AND GOING CONCERN BASIS OF ACCOUNTING

White Pine Resources Inc. ("**White Pine**") was incorporated under the Business Corporations Act (Ontario) on May 11, 1979 and is a publicly listed Canadian junior resource company with exploration and evaluation assets in Canada. White Pine is engaged in the identification, acquisition, exploration and evaluation of gold, nickel, copper, zinc, silver and other base metal properties. White Pine's common shares are listed on the TSX Venture Exchange under the symbol "WPR".

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

The unaudited condensed interim consolidated financial statements for the six months period ended September 30, 2014 were approved for issue by the Board of Directors on November 17, 2014.

These condensed interim consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from March 31, 2014. However, White Pine is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively White Pine's ability to dispose of its exploration and evaluation assets on an advantageous basis; as well as global economic, precious and base metal price volatility; all of which are uncertain. As a result of these risks, there is no assurance that White Pine's funding initiatives will continue to be successful and these condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

During the six months period ended September 30, 2014, White Pine incurred a loss of \$40,972 (June 30, 2013 - \$93,837) and as at that date, White Pine had accumulated a deficit of \$44,628,253 (March 31, 2014 - \$44,587,281), a working capital of \$60,212 (March 31, 2014 - \$100,365) and negative cash flows from operations of \$30,068 (March 31, 2014 - \$115,190) and White Pine will need to raise additional capital in the near term to fund its ongoing operations. As a result, there are material uncertainties which cast significant doubt as to the ability of White Pine to continue as a going concern.

These unaudited condensed interim consolidated financial statements do not include all of the disclosures required for annual financial statements and therefore should be read in conjunction with White Pine's audited annual consolidated financial statements and notes thereto for the year ended March 31, 2014. These unaudited condensed interim consolidated financial statements follow the same significant accounting policies and methods of application as those included in White Pine's most recent audited annual consolidated financial statements.

2. BASIS OF PRESENTATION

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

3. SIGNIFICANT ACCOUNTING POLICIES

The financial framework and accounting policies applied in the preparation of these condensed interim consolidated financial statements are consistent with those as disclosed in its most recently completed audited annual consolidated financial statements for the year ended March 31, 2014.

(a) New Accounting Policies

White Pine did not adopt any new accounting policies during the six months period ended September 30, 2014.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

Unaudited

For the six months period ended September 30, 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after September 30, 2014 or later periods. Many are not applicable or do not have a significant impact to White Pine and have been excluded from the table below. The following has not yet been adopted and is being evaluated to determine the impact on White Pine.

- (i) IFRS 9, Financial Instruments (“**IFRS 9**”) was issued by the IASB in October 2010 and will replace IAS 39, Financial Instruments: Recognition and Measurement (“**IAS 39**”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. The effective date for mandatory adoption of IFRS 9 has not yet been determined.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

- (i) White Pine assesses the carrying value of exploration and evaluation assets at each reporting period and makes judgements as to whether any indication of impairment exists;
- (ii) 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 six months period ended September 30, 2014; and
- (iii) Management's assessment of the going concern assumption requires judgment with respect to the funds to be available over the next twelve months.



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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For the six months period ended September 30, 2014

5. EXPLORATION AND EVALUATION ASSETS

Property	Option & acquisition costs	Exploration	Write-downs	Balance September 30, 2014
Lowland	\$ 15,854	\$ 13,285,598	\$ (13,301,451)	\$ 1

Property	Option & acquisition costs	Exploration	Write-downs	Balance March 31, 2014
Lowland	\$ 15,854	\$ 13,285,598	\$ (13,301,451)	\$ 1
Money Property	818,591	835,336	(1,653,927)	-
Tender Property	313,215	364,451	(677,666)	-
	\$ 1,147,660	\$ 14,485,385	\$ (15,633,044)	\$ 1

(a) Lowland

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

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

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

Due to current market conditions and the difficulty to raise additional financing, as well as the Company's inactivity on the Lowland property, management impaired the value of the Lowland property as at the year ended March 31, 2014. Management continues to retain its 37.5% interest and will continue to evaluate appropriate financing and strategic alternatives to move the project forward.

6. EQUIPMENT

As at September 30, 2014	Cost	Accumulated amortization	Net
Computer equipment	\$ 4,516	\$ 4,442	\$ 74
Computer software	20,984	19,728	1,256
Furniture and equipment	17,356	13,461	3,895
	\$ 42,856	\$ 37,631	\$ 5,225



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Unaudited

For the six months period ended September 30, 2014

6. EQUIPMENT (continued)

As at March 31, 2014	Cost	Accumulated amortization	Net
Computer equipment	\$ 4,516	\$ 4,421	\$ 95
Computer software	20,984	19,363	1,621
Furniture and equipment	17,356	13,028	4,328
	<u>\$ 42,856</u>	<u>\$ 36,812</u>	<u>\$ 6,044</u>

7. SHARE CAPITAL

(a) Common Shares

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

Issued

	Number of common shares	Consideration
Balance - March 31, 2014 and September 30, 2014	33,966,533	\$ 34,738,846

(b) Contributed Surplus and Stock Options

Contributed Surplus

Balance - March 31, 2014 and September 30, 2014	\$ 9,954,845
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White Pine has a stock option plan (the "Plan") under which it is authorized to grant stock options to acquire common shares to Directors, officers, employees and consultants. The 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 current number of common shares reserved for issuance upon the exercise of options granted pursuant to the Plan is 3,396,653. The number of common shares which may be reserved for issue to any one individual under the Plan within any one year period shall not exceed 5% of the outstanding issue. The Board of Directors shall determine the exercise price of stock options issued, as applicable, based on the market price. The stock options are non-assignable and may be granted for a term not exceeding five years. Stock options issued under the Plan may vest at the discretion of the Board of Directors.

Stock Options

	Number of options	Weighted average exercise price
Balance - March 31, 2014 and September 30, 2014	1,715,000	\$ 0.49



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

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Unaudited

For the six months period ended September 30, 2014

7. SHARE CAPITAL (continued)

(b) Contributed Surplus and Stock Options (continued)

A summary of White Pine's outstanding stock options at September 30, 2014 is presented below:

Issue date	Options outstanding & exercisable	Exercise price	Weighted average remaining life (Years)
November 25, 2010	700,000	\$0.36	1.15
March 1, 2011	200,000	\$0.41	1.42
April 27, 2011	515,000	\$0.60	1.58
May 10, 2011	300,000	\$0.66	1.61
	1,715,000	\$0.49	1.39

8. NET LOSS PER SHARE

Net loss per share has been calculated using the weighted average number of common shares outstanding during the three and six months periods ended September 30, 2014 and 2013 as follows:

	Three months ended September 30,		Six months ended September 30,	
	2014	2013	2014	2013
Net loss for the period	\$ 35,428	\$ 50,269	\$ 40,972	\$ 93,837
Basic and fully diluted weighted average number of common shares outstanding during the period	33,966,533	33,966,533	33,966,533	33,966,533
Basic and fully diluted net loss per share	\$ Nil	\$ Nil	\$ Nil	\$ Nil

Fully diluted weighted average common shares outstanding during the three and six months periods ended September 30, 2014 and 2013 are not reflective of the outstanding stock options and warrants as their exercise would be anti-dilutive in the fully diluted net loss per share calculation.

9. RELATED PARTY DISCLOSURES

(a) Executive Management Compensation

Executive management's compensation for the three and six months period ended September 30, 2014 consisted of cash of \$nil and \$nil, respectively (for the three and six months period ended September 30, 2013 - \$9,375 and \$18,750, respectively).

(b) Executive Management Transactions

During the six months period ended September 30, 2014, there were no other related party transactions.

10. CAPITAL RISK MANAGEMENT

White Pine's capital consists of share capital, other components of equity, and accumulated deficit, which as at September 30, 2014 totaled \$65,438 (March 31, 2014 - \$106,410).



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

Unaudited

For the six months period ended September 30, 2014

10. CAPITAL RISK MANAGEMENT (continued)

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of White Pine, is appropriate. There were no changes in White Pine's approach to capital management during the six months period ended September 30, 2014.

11. PROPERTY, FINANCIAL AND OTHER RISK FACTORS

(a) Property Risk

As at September 30, 2014, White Pine had an interest in the Lowland property. Although White Pine has taken steps to verify title 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 property, these procedures do not guarantee White Pine's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

(b) Financial Risk

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

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

(i) Credit Risk

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

(ii) Liquidity Risk

White Pine's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, White Pine has cash and short-term investments balances of \$66,082 (March 31, 2014 - \$96,150) to settle current liabilities of \$12,165 (March 31, 2014 - \$22,888). All of White Pine's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

(iii) Interest Rate Risk

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



WHITE PINE RESOURCES INC.

NOTES TO CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

Unaudited

For the six months period ended September 30, 2014

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

(c) Commodity Price Risk

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

(d) Fair Value

White Pine has designated, for accounting purposes, its cash as fair value through profit and loss, which is measured at fair value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost which also equals fair market value due to their short-term nature.

As at September 30, 2014, the carrying value of White Pine's financial instruments approximate their fair values due to their short-term nature.