



*White Pine*

Consolidated Financial Statements of  
**WHITE PINE RESOURCES INC.**

For The Years Ended  
March 31, 2015 and 2014  
*Presented in Canadian Dollars*



July 28, 2015

## **MANAGEMENT'S RESPONSIBILITY FOR CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying consolidated financial statements of White Pine Resources Inc. ("**White Pine**") were prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management acknowledges responsibility for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and the choice of accounting principles and methods that are appropriate to White Pine's circumstances. White Pine's significant accounting policies are summarized in note 2 to the consolidated financial statements.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

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

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

(Signed) "John G. Tait"

John G. Tait  
President & Chief Executive Officer

(Signed) "Michael G. Leskovec"

Michael G. Leskovec  
Chief Financial Officer

## Independent Auditors' Report

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To the Shareholders of White Pine Resources Inc.:

We have audited the accompanying consolidated financial statements of White Pine Resources Inc. and its subsidiaries (the "Company") which comprise the consolidated statements of financial position as at March 31, 2015 and the consolidated statements of comprehensive loss, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

### *Emphasis of Matter*

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

### *Other Matters*

The consolidated financial statements as at March 31, 2014 and for the year then ended, were reported on by other auditors who expressed an opinion without reservation on those statements in their report dated July 24, 2014.

July 28, 2015  
Toronto, Ontario



Chartered Professional Accountants  
Licensed Public Accountants



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

As at March 31,	2015	2014
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 54,618	\$ 86,150
Short-term investment	-	10,000
Accounts receivable and prepaid expenses	3,265	27,103
	<b>57,883</b>	<b>123,253</b>
<b>Non-current Assets</b>		
Exploration and evaluation assets (note 4)	1	1
Equipment (note 5)	4,407	6,044
	<b>4,408</b>	<b>6,045</b>
	<b>\$ 62,291</b>	<b>\$ 129,298</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 10,392	\$ 22,888
<b>SHAREHOLDERS' EQUITY</b>		
Share Capital (note 6(a))	34,738,846	34,738,846
Accumulated Deficit	(44,641,792)	(44,587,281)
Other Components of Equity (note 6(b) and (c))	9,954,845	9,954,845
	<b>51,899</b>	<b>106,410</b>
	<b>\$ 62,291</b>	<b>\$ 129,298</b>

**Going Concern Basis of Accounting (note 1)**

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

On behalf of the Board:

(Signed) "Thomas Pladsen"  
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Director

(Signed) "Michael Tait"  
\_\_\_\_\_  
Director



**WHITE PINE RESOURCES INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

Presented in Canadian Dollars

For the years ended March 31,	2015	2014
<b>Expenses</b>		
Shareholder relations	\$ 33,793	\$ 41,842
Legal and audit	9,838	19,752
Office and administration	8,736	33,179
Interest and bank charges	436	1,176
Consulting fees	71	26,734
Payroll	-	9,668
Travel and entertainment	-	789
Write-down of exploration and evaluation assets (note 4)	-	6,357,373
Amortization	1,637	2,488
<b>Net loss and comprehensive loss for the year</b>	<b>\$ 54,511</b>	<b>\$ 6,493,001</b>
<b>Net loss per share (note 8):</b>		
Basic and fully diluted	\$ Nil	\$ 0.19

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



**WHITE PINE RESOURCES INC.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
 Presented in Canadian Dollars

	Share capital	Accumulated deficit	Other components of equity		Total equity
			Warrants and broker warrants	Contributed Surplus	
<b>Balance at March 31, 2013</b>	<b>\$ 34,738,846</b>	<b>\$ (38,094,280)</b>	<b>\$ 99,044</b>	<b>\$ 9,855,801</b>	<b>\$ 6,599,411</b>
Net loss for the year	-	(6,493,001)	-	-	(6,493,001)
Expiry of warrants	-	-	(99,044)	99,044	-
<b>Balance at March 31, 2014</b>	<b>34,738,846</b>	<b>(44,587,281)</b>	<b>-</b>	<b>9,954,845</b>	<b>106,410</b>
Net loss for the year	-	(54,511)	-	-	(54,511)
<b>Balance at March 31, 2015</b>	<b>\$ 34,738,846</b>	<b>\$ (44,641,792)</b>	<b>\$ -</b>	<b>\$ 9,954,845</b>	<b>\$ 51,899</b>

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



**WHITE PINE RESOURCES INC.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**

Presented in Canadian Dollars

For the years ended March 31,	2015	2014
<b>Cash provided by (used in)</b>		
<b>Operations</b>		
Net loss for the year	\$ (54,511)	\$ (6,493,001)
Items not involving cash:		
Write-down of exploration and evaluation assets	-	6,357,373
Amortization	1,637	2,488
Change in non-cash working capital:		
Accounts receivable and prepaid expenses	23,838	(22,426)
Accounts payable and accrued liabilities	(12,496)	(2,244)
	<b>(41,532)</b>	<b>(157,810)</b>
<b>Investing</b>		
Redemption of short-term investment	10,000	-
Exploration and evaluation costs	-	(18,398)
Acquisition costs	-	(10,000)
	<b>10,000</b>	<b>(28,398)</b>
<b>Decrease in cash</b>	<b>(31,532)</b>	<b>(186,208)</b>
<b>Cash, beginning of year</b>	<b>86,150</b>	<b>272,358</b>
<b>Cash, end of year</b>	<b>\$ 54,618</b>	<b>\$ 86,150</b>

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



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the years ended March 31, 2015 and 2014

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#### 1. NATURE OF OPERATIONS AND GOING CONCERN BASIS OF ACCOUNTING

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

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

The consolidated financial statements for the years ended March 31, 2015 and 2014 were approved for issue by the Board of Directors on July 28, 2015.

These consolidated financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from March 31, 2015. However, White Pine is in the exploration stage and is subject to risks and challenges similar to companies in a comparable stage. These risks include, but are not limited to, the challenges of securing adequate capital in view of exploration, development and operational risks inherent in the mining industry; changes in government policies and regulations; the ability to obtain the necessary environmental permitting; challenges in future profitable production or, alternatively White Pine's ability to dispose of its exploration and evaluation assets on an advantageous basis; as well as global economic, precious and base metal price volatility; all of which are uncertain. As a result of these risks, there is no assurance that White Pine's funding initiatives will continue to be successful and these consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate.

During the year ended March 31, 2015, White Pine incurred a loss of \$54,511 (March 31, 2014 - \$6,493,001) and as at that date, White Pine had accumulated a deficit of \$44,641,792 (March 31, 2014 - \$44,587,281), a working capital of \$47,491 (March 31, 2014 - \$100,365) and negative cash flows from operations of \$41,532 (March 31, 2014 - \$157,810) and White Pine will need to raise additional capital in the near term to fund its ongoing operations. As a result, there are material uncertainties which cast significant doubt as to the ability of White Pine to continue as a going concern.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

##### (a) Basis of Presentation

White Pine's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**"). These consolidated financial statements have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("**IFRIC**") interpretations and have been consistently applied to all the years presented. The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

These consolidated financial statements have been prepared on a going concern basis, under the historical cost convention, except fair value through profit and loss assets which are carried at fair value, and have been prepared using the accrual basis of accounting except for cash flow information.

White Pine classifies its expenses by nature.

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





## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the years ended March 31, 2015 and 2014

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (a) Basis of Presentation (continued)

The cash flows from operating activities are determined by using the indirect method. Net income is therefore adjusted by non-cash items, such as stock-based compensation, write-down of exploration and evaluation assets, flow-through share premium, as well as changes from accounts receivables, accounts payable and accrued liabilities. In addition, all income and expenses from cash transactions that are attributable to investing or financing activities are eliminated. The cash flows from investing and financing activities are determined by using the direct method.

##### (b) Basis of Consolidation

The consolidated financial statements comprise the accounts of White Pine and the assets, liabilities, revenues and expenses of its wholly-owned and controlled subsidiaries, Electrum Stater Resources Corporation, Spiral Mountain Corporation and Tupper Shields Copper Corporation (collectively "**White Pine's Subsidiaries**"), after the elimination of all material intercompany balances and transactions. White Pine's Subsidiaries have suspended their exploration and development activities and are inactive.

##### *Subsidiary*

A subsidiary is an entity over which White Pine has control. Control is achieved when it is exposed to, or has the right to variable returns from its involvement with the investee and has the ability to affect those returns through its powers over the investee. Subsidiaries are fully consolidated from the date on which control is obtained until the date on which control ceases.

The accounts of subsidiaries are prepared for the same reporting period as the parent entity, using consistent accounting policies. Inter-company transactions and balances are eliminated. Unrealised gains and losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by White Pine.

##### (c) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is White Pine's functional currency. The functional currency of White Pine's subsidiaries is also the Canadian dollar. The functional currency of each of White Pine's consolidated entities are measured using the currency of the primary economic environment in which that entity operates.

##### (d) Financial Instruments

###### (i) Non-derivative financial assets

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

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

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

White Pine's non-derivative financial assets is comprised of accounts receivable and financial assets at fair value through profit and loss.



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the years ended March 31, 2015 and 2014

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## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) Financial Instruments (continued)

#### (i) Non-derivative financial assets (continued)

##### *Financial assets at fair value through profit or loss*

A financial asset is classified at fair value through profit or loss if it is classified as held for trading or is designated as such upon initial recognition. Financial assets are designated at fair value through profit or loss if White Pine manages such investments and makes purchase and sale decisions based on their fair value in accordance with White Pine's documented risk management or investment strategy. Upon initial recognition attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

Financial assets at fair value through profit or loss consist of cash and short-term investment.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

#### (ii) Non-derivative financial liabilities

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

White Pine derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Non-derivative financial liabilities comprise accounts payable and accrued liabilities.

Such financial liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

#### (iii) Derivative financial liabilities

Derivative instruments, including embedded derivatives, are recorded at their fair value on the date the derivative contract is entered into. They are subsequently remeasured at their fair value at each statement of financial position date, and the changes in the fair value are recognized in profit or loss. Fair values for derivative instruments are determined using valuation techniques, using assumptions based on market conditions existing at the statement of financial position date.

#### (e) Cash

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

#### (f) Short-term Investment

Short-term investment represents an investment in a guaranteed investment certificate ("GIC") with a maturity date of more than ninety days held with a Canadian chartered bank. The GIC is held as a collateral security on White Pine's credit cards.



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the years ended March 31, 2015 and 2014

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## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Exploration and Evaluation Assets

Exploration and evaluation costs, including the costs of acquiring claims, are capitalized as exploration and evaluation assets on an area of interest basis pending determination of the technical feasibility and the commercial viability of the project. Capitalized costs include costs directly related to exploration and evaluation activities in the area of interest. General and administrative costs are only allocated to the asset to the extent that those costs can be directly related to operational activities in the relevant area of interest. When a claim is relinquished or a project is abandoned, the related costs are recognized in the statement of comprehensive income or loss immediately.

The shares issued for property acquisition have been valued based on the equity instruments granted, as the fair value of the assets received is not reliably determinable.

Exploration and evaluation assets are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount (*note 2(i)*).

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

### (h) Equipment

#### (i) Recognition and measurement

Items of equipment are stated at cost less accumulated amortization and impairment losses (*note 2(i)*). Cost includes expenditure that is directly attributable to the acquisition of the asset.

#### (ii) Subsequent costs

White Pine recognizes in the carrying amount of an item of equipment the cost of replacing part of such an item when that cost is incurred if it is probable that the future economic benefits embodied within the item will flow to White Pine and the cost of the item can be measured reliably.

#### (iii) Amortization

The carrying amounts of equipment (including initial and subsequent capital expenditure) are amortized to their estimated residual value over the estimated useful lives of the specific assets concerned. Amortization is provided using the declining balance basis at the following annual rates based on the estimated useful lives of the equipment:

Computer equipment and software	45%
Furnitures and equipment	20%

Amortization methods, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

#### (iv) Disposal

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

### (i) Impairment

#### (i) Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the years ended March 31, 2015 and 2014

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (i) Impairment (continued)

###### (i) Financial assets (continued)

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognized previously in other comprehensive income is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in other comprehensive income.

###### (ii) Non-financial assets

The carrying amounts of White Pine's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the cash-generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro-rata basis. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

###### (j) Stock-based Compensation Transactions

The grant date fair value of stock-based compensation awards granted to employees is recognized as an employee expense or capitalized to exploration and evaluation assets for grants to individuals working directly on exploration and evaluation assets, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For stock-based compensation awards with no-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes. Fair values of stock-based compensation payments (including stock options and warrants) are determined based on estimated fair values at the time of grant using the Black-Scholes option pricing model using the management assumptions disclosed in note 6(b) and note 6(c) for warrants and stock options, respectively.



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the years ended March 31, 2015 and 2014

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#### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### (j) Stock-based Compensation Transactions (continued)

Stock-based compensation arrangements in which White Pine receives goods or services as consideration for its own equity instruments are accounted for as equity-settled stock-based compensation transactions.

Where equity instruments are granted to non-employees, they are recorded in the statement of comprehensive loss, unless the services related to the issuance of shares, at the fair value of the goods or services received. Amounts related to the issuance of shares are recorded as a reduction of share capital. If the fair value of the goods or services received cannot be reliably measured, the fair value of the equity instrument is used.

##### (k) Provisions

A provision is recognized if, as a result of a past event, White Pine has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost.

##### (l) Income Tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

##### (m) Share Capital

###### *Common shares*

Common shares are classified as equity. Incremental costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity, net of any tax effects.



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the years ended March 31, 2015 and 2014

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## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (m) Share Capital (continued)

#### *Flow-through Shares*

To the extent that White Pine issues common shares to subscribers on a flow-through basis at a premium to the market value of non-flow through common shares, any such premium is recorded as a liability on White Pine's statement of financial position at the time of subscription. This liability is reduced, on a pro-rata basis, as White Pine fulfills its expenditure renunciation obligation associated with such flow-through share issuances, with an offsetting amount recognized as income.

In respect of a retrospective renunciation, such obligation is considered to have been fulfilled once related renunciation filings have been made with the appropriate taxation authorities. In respect of prospective renunciation (i.e., a look-back renunciation), the obligation is considered to be fulfilled once related flow-through expenditures have been incurred.

### (n) Loss Per Share

White Pine presents basic and fully diluted loss per share data for its common shares. Basic loss per share is calculated by dividing the loss attributable to White Pine's common shareholders by the weighted average number of common shares outstanding during the year, adjusted for own shares held. Fully diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding, adjusted for own shares held, for the effects of all dilutive potential common shares, which comprise warrants and stock options granted.

### (o) Recent Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods after March 31, 2015 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 November 2009 with additions in October 2010 and May 2013 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, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.
- (ii) IAS 1, Presentation of Financial Statements ("**IAS 1**") was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality consideration apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier adoption permitted.



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

For the years ended March 31, 2015 and 2014

#### 3. 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 year ended March 31, 2015; 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.

#### 4. EXPLORATION AND EVALUATION ASSETS

Property	Option & acquisition costs	Exploration	Write-downs	Balance March 31, 2014 and 2015
Lowland	\$ 15,854	\$ 13,285,598	\$ (13,301,451)	\$ 1

  

	Money Property	Tender Property	Lowland	Total
Balance - March 31, 2013	\$ 1,642,014	\$ 655,333	\$ 4,031,629	\$ 6,328,976
Option & acquisition costs	5,000	5,000	-	10,000
Exploration	6,913	17,333	(5,848)	18,398
Write-downs	(1,653,927)	(677,666)	(4,025,780)	(6,357,373)
<b>Balance - March 31, 2014 and 2015</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1</b>	<b>\$ 1</b>



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Presented in Canadian Dollars

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#### 4. EXPLORATION AND EVALUATION ASSETS (continued)

##### (a) Money and Tender Properties

In February 2011, and as amended in March 2012 and for a one-time cash payment of \$10,000 in May 2013, White Pine acquired options (the "**Options**") to earn a 100% interest in the properties known as the Money property (the "**Money Property**") and the Tender property (the "**Tender Property**" and collectively with the Money Property, the "**Yukon Properties**") located in the White Gold District, Yukon Territory. A net smelter return royalty ("**NSR**") on each of the Yukon Properties of 2% was payable by White Pine on obtaining 100% interest; with one-half of the NSR on the Money Property could have been purchased 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 was required to:

- (i) make cash payments totaling \$950,000 in tranches as follows:
  - On signing: \$300,000 (paid);
  - By March 2, 2012: \$25,000 (paid);
  - By February 9, 2014: \$125,000 ;
  - By February 9, 2015: \$150,000;
  - By February 9, 2016: \$150,000; and
  - By February 9, 2017: \$200,000.
- (ii) issue an aggregate of 2,750,000 common shares in tranches as follows:
  - On signing: 750,000 common shares (issued and valued at \$356,250);
  - By March 2, 2012: 150,000 common shares (issued and valued at \$33,000);
  - By February 9, 2014: 350,000 common shares ;
  - By February 9, 2015: 500,000 common shares;
  - By February 9, 2016: 500,000 common shares; and
  - By February 9, 2017: 500,000 common shares.
- (iii) incur an aggregate of \$1,250,000 in exploration expenditures on the Money Property as follows:
  - By April 2, 2013: incur \$200,000 (incurred);
  - By April 2, 2014: incur \$300,000 (incurred);
  - By April 2, 2016: incur \$350,000; and
  - By April 2, 2017: incur \$400,000.

In addition, White Pine was also required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of \$2.5 million on the Money Property, and a further 125,000 common shares upon having incurred aggregate exploration expenditures of \$3.75 million on the Money Property, in each case in the event that White Pine otherwise fully exercised its option with respect to the Money Property.

In order to acquire its 100% interest in the Tender Property, White Pine was required to:

- (i) make cash payments totaling \$425,000 in tranches as follows:
  - On signing: \$100,000 (paid);
  - By March 2, 2012: \$25,000 (paid);
  - By February 9, 2014: \$50,000 ;
  - By February 9, 2015: \$75,000;
  - By February 9, 2016: \$75,000; and
  - By February 9, 2017: \$100,000.





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#### 4. EXPLORATION AND EVALUATION ASSETS (continued)

##### (a) Money and Tender Properties (continued)

- (ii) issue an aggregate of 1,250,000 common shares in tranches as follows:
  - On signing: 250,000 common shares (issued and valued at \$118,750);
  - By March 2, 2012: 100,000 common shares (issued and valued at \$22,000);
  - By February 9, 2014: 150,000 common shares ;
  - By February 9, 2015: 250,000 common shares;
  - By February 9, 2016: 250,000 common shares; and
  - By February 9, 2017: 250,000 common shares.
  
- (iii) incur an aggregate of \$750,000 in exploration expenditures on the Tender Property as follows:
  - By April 2, 2013: incur \$150,000 (incurred);
  - By April 2, 2014: incur \$150,000 (incurred);
  - By April 2, 2016: incur \$200,000; and
  - By April 2, 2017: incur \$250,000.

In addition, White Pine was also required to issue an additional 125,000 common shares upon having incurred aggregate exploration expenditures of \$2.5 million on the Tender Property, and a further 125,000 common shares upon having incurred aggregate exploration expenditures of \$3.75 million on the Tender Property, in each case in the event that White Pine otherwise fully exercised its option with respect to the Tender Property.

In connection with the Options, White Pine paid finder's fees by issuing 150,000 common shares valued at \$71,250. The finder's fees were allocated \$53,438 as to the Money Property and \$17,813 as to the Tender Property.

In February 2014, White Pine's Options on the Yukon Properties expired and as a result wrote-off the carrying value as at the year ended March 31, 2014.

##### (b) Lowland

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

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

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

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.



## WHITE PINE RESOURCES INC.

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#### 5. EQUIPMENT

<b>As at March 31, 2015</b>	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net</b>
Computer equipment	\$ 4,516	\$ 4,462	\$ 54
Computer software	20,984	20,094	890
Furniture and equipment	17,356	13,893	3,463
	<b>\$ 42,856</b>	<b>\$ 38,449</b>	<b>\$ 4,407</b>

  

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

#### 6. SHARE CAPITAL

##### (a) Common Shares

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

##### Issued

	<b>Number of common shares</b>	<b>Consideration</b>
<b>Balance - March 31, 2013, 2014 and 2015</b>	<b>33,966,533</b>	<b>\$ 34,738,846</b>

##### (b) Warrants

	<b>Number of warrants</b>	<b>Allocated value</b>
Balance - March 31, 2013	1,050,000	\$ 99,044
Expiry of warrants	(1,050,000)	(99,044)
<b>Balance - March 31, 2014 and 2015</b>	<b>-</b>	<b>\$ -</b>

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



## WHITE PINE RESOURCES INC.

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#### 6. SHARE CAPITAL (continued)

##### (c) Contributed Surplus and Stock Options

###### Contributed Surplus

Balance - March 31, 2013	\$ 9,855,801
Expiry of warrants	99,044
<b>Balance - March 31, 2014 and 2015</b>	<b>\$ 9,954,845</b>

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, 2013	2,695,000	\$ 0.77
Expired	(980,000)	1.25
<b>Balance - March 31, 2014 and 2015</b>	<b>1,715,000</b>	<b>\$ 0.49</b>

A summary of White Pine's outstanding stock options at March 31, 2015 is presented below:

Issue date	Options outstanding & exercisable	Exercise price	Weighted average remaining life (Years)
November 25, 2010	700,000	\$0.36	0.65
March 1, 2011	200,000	\$0.41	0.92
April 27, 2011	515,000	\$0.60	1.08
May 10, 2011	300,000	\$0.66	1.11
	<b>1,715,000</b>	<b>\$0.49</b>	<b>0.89</b>



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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#### 7. INCOME TAXES

The income tax provision has been calculated as follows:

For the years ended March 31,	2015	2014
Loss before income taxes	\$ 54,511	\$ 6,493,001
Canadian combined federal and provincial income tax rate	26.50 %	26.50 %
Expected income tax recovery at Canadian statutory rates	\$ 14,445	\$ 1,720,646
Change in tax rate and other	-	(822)
Change in tax asset carry forwards	(88,180)	(202,224)
Change in deferred tax not recognized	73,735	(1,517,600)
Income tax provision	\$ -	\$ -

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

As at March 31,	2015	2014
Exploration and evaluation assets	\$ 6,003,400	\$ 6,003,400
Losses carried forward	1,208,135	1,270,900
Share issue costs	-	4,400
Deferred tax asset not recognized	7,211,535	7,278,700
	(7,211,535)	(7,278,700)
	\$ -	\$ -

At March 31, 2015, White Pine had unclaimed non-capital losses that expire as follows:

Year of Expiry	
2026	\$ 452,000
2027	892,000
2028	555,000
2030	632,000
2031	628,000
2032	692,000
2033	436,000
2034	176,000
2035	96,000
	\$ 4,559,000



## WHITE PINE RESOURCES INC.

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#### 8. NET LOSS PER SHARE

Net loss per share has been calculated using the weighted average number of common shares outstanding during the years ended March 31, 2015 and 2014 as follows:

	2015	2014
Net loss for the year	\$ 54,511	\$ 6,493,001
Basic and fully diluted weighted average number of common shares outstanding during the year	33,966,533	33,966,533
Basic and fully diluted net loss per share	\$ Nil	\$ 0.19

Fully diluted weighted average common shares outstanding during the years ended March 31, 2015 and 2014 are not reflective of the outstanding stock options as their exercise would be anti-dilutive in the fully diluted net loss per share calculation.

#### 9. RELATED PARTY DISCLOSURES

##### (a) Executive Management Compensation

Executive management's compensation for the years ended March 31, 2015 consisted of cash of \$nil, respectively (March 31, 2014 - \$21,875).

##### (b) Executive Management Transactions

During the years ended March 31, 2015 and 2014, there were no related party transactions.

#### 10. CAPITAL RISK MANAGEMENT

White Pine's capital consists of share capital, other components of equity, and accumulated deficit, which as at March 31, 2015 totaled \$51,899 (March 31, 2014 - \$106,410).

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of White Pine, is appropriate. There were no changes in White Pine's approach to capital management during the year ended March 31, 2015.

#### 11. PROPERTY, FINANCIAL AND OTHER RISK FACTORS

##### (a) Property Risk

As at March 31, 2015, 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.



## WHITE PINE RESOURCES INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

##### (b) Financial Risk

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

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

##### (i) Credit Risk

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

##### (ii) Liquidity Risk

White Pine's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2015, White Pine has cash and short-term investments balances of \$54,618 (March 31, 2014 - \$96,150) to settle current liabilities of \$10,392 (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.

##### (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 March 31, 2015, the carrying value of White Pine's financial instruments approximate their fair values due to their short-term nature.