

White Pine Resources Inc.
(formerly WSR Gold Inc.)
(A Development Stage Company)

Unaudited Consolidated Financial Statements
December 31, 2008 and 2007

White Pine Resources Inc.

(formerly WSR Gold Inc)

(A Development Stage Company)**Consolidated Balance Sheets**

	December 31, 2008 (Unaudited)	March 31, 2008 (Audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 1,653,443	\$ 5,203,971
Short-term investment	263,197	1,010,000
Sundry receivables	610,225	67,597
Shares subscription receivable	580,000	-
Prepaid expenses	133,586	5,000
	<u>3,240,451</u>	<u>6,286,568</u>
Exploration expenditure advance and supplies inventory	185,773	-
Equipment (Note 6)	23,792	13,077
Mining interests (Note 7)	4,311,362	4,033,206
	<u>4,520,927</u>	<u>4,046,283</u>
	<u>\$ 7,761,378</u>	<u>\$ 10,332,851</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,377,812	\$ 2,168,983
	<u>2,377,812</u>	<u>2,168,983</u>
Shareholders' Equity		
Share capital (Note 8 (a))	31,004,041	20,943,737
Warrants (Note 8 (c))	2,489,773	2,565,012
Contributed surplus (Note 10)	2,688,822	1,276,480
Deficit	(30,799,070)	(16,621,361)
	<u>5,383,566</u>	<u>8,163,868</u>
	<u>\$ 7,761,378</u>	<u>\$ 10,332,851</u>

See accompanying notes to the Financial Statements

White Pine Resources Inc.

(formerly WSR Gold Inc)

(A Development Stage Company)

Unaudited Consolidated Statements of Operations and Deficit

Periods ended December 31,	Three months ended		Nine months ended		Cumulative since inception December 8, 2006
	2008	2007	2008	2007	
Revenue					
Interest and other revenues	\$ 50,108	\$ 27,090	\$ 202,832	\$ 82,321	\$ 324,714
	<u>50,108</u>	<u>27,090</u>	<u>202,832</u>	<u>82,321</u>	<u>324,714</u>
Expenses					
General and administrative	134,054	133,151	448,141	346,428	979,091
Stock-based compensation (Note 8(b))	684,444	154,880	1,425,063	249,530	1,839,935
Depreciation	2,461	472	7,337	1,072	10,599
	<u>820,959</u>	<u>288,503</u>	<u>1,880,541</u>	<u>597,030</u>	<u>2,829,625</u>
Net loss before other items	(770,851)	(261,413)	(1,677,709)	(514,709)	(2,504,911)
Write down of mineral properties	<u>(12,500,000)</u>	<u>-</u>	<u>(12,500,000)</u>	<u>-</u>	<u>(16,318,059)</u>
Net loss before income taxes	(13,270,851)	(261,413)	(14,177,709)	(514,709)	(18,822,970)
Future income taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>695,000</u>
Net loss	(13,270,851)	(261,413)	(14,177,709)	(514,709)	(18,127,970)
Deficit, beginning of the period	<u>(17,528,219)</u>	<u>(13,307,837)</u>	<u>(16,621,361)</u>	<u>(13,054,541)</u>	<u>(12,671,100)</u>
Deficit, end of the period	\$ (30,799,070)	\$ (13,569,250)	\$ (30,799,070)	\$ (13,569,250)	\$ (30,799,070)
Basic and diluted loss per share (Note 8)					
	\$ (0.12)	\$ (0.00)	\$ (0.13)	\$ (0.01)	
Weighted average number of common shares					
	11,354,834	8,077,265	11,114,482	8,008,888	

See accompanying notes to the Financial Statements

White Pine Resources Inc.

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Unaudited Consolidated Statements of Cash Flows

Periods ended December 31,	Three months ended		Nine months ended		Cumulative since inception
	2008	2007	2008	2007	December 8, 2006
Cash flows from operating activities					
Net loss for the period	\$ (13,270,851)	\$ (261,413)	\$ (14,177,709)	\$ (514,709)	\$ (18,127,970)
Add items not affecting cash:					
Depreciation	2,461	472	7,337	1,072	10,599
Future income taxes	-	-	-	-	(695,000)
Stock-based compensation	684,443	154,880	1,425,062	249,530	1,839,934
Write-down of mineral properties	12,500,000	-	12,500,000	-	16,318,059
	<u>(83,947)</u>	<u>(106,061)</u>	<u>(245,310)</u>	<u>(264,107)</u>	<u>(654,378)</u>
Changes in non-cash components of working capital:					
Receivables	(281,430)	1,617	(542,628)	95,765	(581,202)
Share subscriptions receivable	(580,000)	-	(580,000)	-	(580,000)
Prepaid expenses	3,606	86,587	(128,586)	10,399	(128,919)
Accounts payable and accrued liabilities	28,419	(41,225)	(2,039,360)	(2,210)	14,169
Cash flows generated by operating activities	<u>(913,352)</u>	<u>(59,082)</u>	<u>(3,535,884)</u>	<u>(160,153)</u>	<u>(1,930,330)</u>
Financial Activities					
Broker warrants exercised for cash	-	-	-	100,125	174,375
Common shares issued for cash	-	1,344,750	5,500,000	1,344,750	6,791,466
Shares issue cost	(41,733)	-	(734,334)	-	(788,296)
Flow-through shares issued for cash	1,068,749	2,073,750	4,568,748	2,073,750	6,642,498
Warrants exercised	-	116,250	469,931	1,835,750	3,007,431
Stock options exercised	-	-	18,000	-	18,000
Repayment of advances	-	-	-	-	(52,545)
	<u>1,027,016</u>	<u>3,534,750</u>	<u>9,822,345</u>	<u>5,354,375</u>	<u>15,792,929</u>
Investment Activities					
Equipment purchase	-	(768)	(18,052)	(768)	(34,390)
Exploration advance and inventories	314,227	-	(185,773)	-	(185,773)
Purchase of investment	-	-	-	-	(1,050,000)
Redemption of investment	(263,197)	-	746,803	-	846,803
Mining interests	(2,924,314)	(189,074)	(10,379,967)	(1,098,357)	(14,610,876)
	<u>(2,873,284)</u>	<u>(189,842)</u>	<u>(9,836,989)</u>	<u>(1,099,125)</u>	<u>(15,034,236)</u>
Net change in cash	<u>(2,759,619)</u>	<u>3,285,826</u>	<u>(3,550,528)</u>	<u>4,095,097</u>	<u>(1,171,637)</u>
Cash and cash equivalents, beginning of the period	<u>4,413,062</u>	<u>3,509,558</u>	<u>5,203,971</u>	<u>2,700,287</u>	<u>2,825,080</u>
Cash and cash equivalents, end of the period	<u>\$ 1,653,443</u>	<u>\$ 6,795,384</u>	<u>\$ 1,653,443</u>	<u>\$ 6,795,384</u>	<u>\$ 1,653,443</u>

See accompanying notes to the Financial Statements

White Pine Resources Inc.

(formerly WSR Gold Inc.)

Notes to the Unaudited Consolidated Financial Statements

December 31, 2008 and 2007

1. Nature of operations and going concern

White Pine Resources Inc. (formerly WSR Gold Inc.) (“WPR” or the “Company”) is a publicly listed Canadian junior resource company with mining interests in Canada. On December 16, 2008, shareholders approved the Company’s name change from WSR Gold Inc. to White Pine Resources Inc. and a 1 to 10 consolidation of its common shares. The Company began trading in the TSX Venture exchange under its new symbol “WPR” on December 18, 2008.

WPR is engaged in the identification, acquisition, evaluation and exploration of gold and nickel properties in Canada. The Company has not determined whether the properties contain mineral reserves that are economically recoverable. The recoverability of amounts shown for resource properties and related deferred costs is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development, and attaining future profitable production from the properties or proceeds from disposition.

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

WPR’s unaudited consolidated financial statements (the “financial statements”) have been prepared in accordance with the accounting principles and methods of application disclosed in note 2 of the consolidated financial statements for the year ended March 31, 2008.

The accompanying unaudited interim consolidated financial statements include all adjustments that are, in the opinion of management, necessary for a fair presentation. The financial statements do not include disclosures required by Canadian Generally Accepted Accounting Principles for annual consolidated financial statements and accordingly the financial statements should be read in conjunction with the Company’s audited financial statements for the year ended March 31, 2008.

2. Significant Accounting Policies

Bases of presentation

On December 16, 2008, the Company’s shareholders approved a 1 for 10 consolidation of its outstanding common shares effective December 18, 2008, day in which the Company’s common shares began trading under the symbol WPR.

All references to share and per-share data, warrants and stock options for all periods presented in the financial statements have been adjusted to give effect to the 1 for 10 common share consolidation.

3. Recent Accounting Pronouncements

Financial Instruments

Section 3862, Financial Instruments – Disclosure and 3863, Financial Instruments – Presentation will replace Section 3861 Financial Instruments – Disclosure and Presentation, revising and enhancing disclosure requirements on the nature and extent of risks arising from financial instruments and how a company manages those risks. Beyond additional disclosure, the adoption of these new pronouncements is not expected to have any effect on the Company’s financial position or results of operations.

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Going Concern

Section 1400 has been amended for new requirements relating to the assessment of an entity's ability to continue as a going concern. Beyond additional disclosure, the adoption of these new pronouncements is not expected to have an effect on the Company's financial position or results of operations.

4. Capital management

The Company manages its capital structure and adjusts it, based on the funds available to the Company, in order to support the acquisition and exploration of mining interests. For the Company, capital represents the funds required for operations and to fund current and future exploration projects. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the Company's relative size, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended December 31, 2008. Neither the Company nor its subsidiaries are subject to externally imposed capital requirements.

5. Financial risk factors

The Company's risk exposures and the impact on the Company's financial instruments are summarized below:

Fair value

The carrying value of accounts payable and accrued liabilities approximates fair value due to the relatively short-term maturity of the financial instruments. Fair value represents the amount that would be exchanged in an arms length transaction between willing parties and its best evidenced by a quoted market price, if one exists.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2008, the Company has cash, short-term investments and subscription receivables (received subsequent to quarter end) of \$2.5 million to settle current liabilities of \$2.4 million. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in low risk investments instruments with Canadian banking institutions. The Company periodically monitors the investments it makes and is satisfied with the current credit ratings of its banks. The

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Company's excess cash at December 31, 2008 is invested in cash and low risk financial instruments accounts with its banking institution.

Market risk

Market risk arises from the possibility that changes in market prices will affect the value of the Company's financial instruments such as cash equivalents. The Company's short-term investments bear interest at fixed rates and accordingly are exposed to market risk. The Company's short-term instruments such as account payables and accrued liabilities are not subject to market risk.

Commodity price risk

The Company is exposed to price risk with respect to gold and nickel prices, which affects the future economic feasibility of its exploration properties. The Company closely monitors gold and nickel prices to determine the appropriate course of action to be taken by the Company.

6. Equipment

	December 31, 2008			March 31, 2008		
	Cost	Accumulated depreciation	Net book value	Cost	Accumulated depreciation	Net book value
Computer equipment	\$ 3,436	\$ 2,469	\$ 967	\$ 3,436	\$ 1,971	\$ 1,465
Computer software	13,484	4,551	8,933	-	-	-
Furniture and equipment	17,356	3,464	13,892	12,902	1,290	11,612
	<u>\$ 34,276</u>	<u>\$ 10,484</u>	<u>\$ 23,792</u>	<u>\$ 16,338</u>	<u>\$ 3,261</u>	<u>\$ 13,077</u>

7. Mining interests

The Company periodically reviews and evaluates the carrying value of its exploration properties for impairment whenever events or changes in circumstances indicate that the carrying amounts of related assets or groups of assets might not be recoverable.

During the third quarter of fiscal 2009 WPR determined that all or a portion of the carrying value of its exploration properties could not be supported resulting in an impairment charge of \$12.5 million.

The following schedule shows the carrying values of each property and the amounts written down:

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	December 31, 2008				
	Tri-Eagle	Lowland	Big Mac	Luc Bourdon	Total
Acquisition cost	\$ 207,124	\$ 15,854	\$ 1,735,518	\$ 175,000	\$ 2,133,496
Exploration	197,655	12,167,158	1,967,786	345,267	14,677,866
Write-downs	(404,778)	(9,275,671)	(2,819,551)	-	(12,500,000)
	\$ 1	\$ 2,907,341	\$ 883,753	\$ 520,267	\$ 4,311,362

a) Peters Mine

On October 19, 2006, WPR entered into an option agreement with Guyana Goldfields Inc. to earn a 50% interest in the Peters Mine property in Guyana. WPR was granted the right to earn a 50% interest in the property by issuing 500,000 WPR common shares to Guyana Goldfields Inc. and by spending an aggregate of \$5.0 million in exploration expenditures on the property over a three-year period. At March 31, 2008 the Company had incurred \$2,018,059 in exploration expenditures on the Peters Mine property as part of the requirements under the Agreement.

During the third quarter of fiscal 2008 the Company's Guyanese subsidiary suspended their exploration activities and at year end the property was under care and maintenance. After evaluating the work results obtained in the Peters Mine property and Company's available resources and its allocation, in May 2008 WPR determined not to continue its exploration efforts in this property and to concentrate its technical and financial resources into the newly acquired Canadian projects. The Company fully wrote off this project as at March 31, 2008.

b) Tri-Eagle

On November 1, 2007 the Company entered into an option agreement with Noront Resources Ltd. ("Noront") pursuant to which WPR was granted the option to acquire a 50% interest in Noront's Tri-Eagle property. The area includes 15 Claim Blocks, approximately 4,400 hectares (9,600 acres) in the "Ring of Fire", McFauld's Lake, Ontario, near Noront's nickel copper discovery.

In order to acquire its interest in the property, WPR required to:

- Incur aggregate exploration expenditures on the property of \$5.0 million over a three-year period, of which \$1.5 million must be expended by October 30, 2008, an additional \$1.5 million on or before October 30, 2009 and a further \$2.0 million on or before October 30, 2010.
- Issue to Noront an aggregate of 40,000 WPR common shares (issued on January 9, 2008 and valued at \$200,000).
- Make cash payments to Noront of \$200,000 on or before October 30, 2008 (unpaid) and an additional \$200,000 on or before October 30, 2009. These payments may be satisfied at the option of Noront in cash or by the issuance to Noront of 40,000 WPR common shares.

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Given current market conditions and explorations results to date the Company is unable to support the current valuation of this project and has recorded an impairment charge of \$0.4 million.

c) Big Mac

On February 15, 2008, the Company entered into an option agreement pursuant to which WPR has agreed to acquire 75% interest in MacDonald Mines Exploration Ltd. ("MacDonald") "Big Mac" property. The Big Mac property includes 51 claim blocks, approximately 11,200 hectares, in the "Ring of Fire".

In order to acquire its interest in the property WPR is required to:

- Issue MacDonald an aggregate of 500,000 WPR common shares of which 250,000 were issued on March 25, 2008 (and valued at \$1,425,000) and 250,000 by the first anniversary date, March 14, 2009.
- Make a cash payment to MacDonald of \$100,000 following the execution of the agreement.
- Issue MacDonald an aggregate of 100,000 WPR common share purchase warrants, of which 50,000 warrants were to be issued on closing and 50,000 must be issued by March 14, 2009. Each warrant entitles the holder to acquire one WPR common share at an exercise price of \$5.0 per share for a period of two years from closing. 50,000 warrants were issued on May 2, 2008 and recorded as of March 31, 2008. These warrants were valued at \$195,000.
- Incur exploration expenditures of \$1.5 million on or before March 14, 2009 and, \$1.0 million before March 14, 2010.

MacDonald shall have a carried interest in the Big Mac property until WPR delivers a pre-feasibility study to MacDonald. After the delivery of a pre-feasibility study, MacDonald will be required to pay a pro rata portion of costs related to the property to maintain its 25% interest.

Given current market conditions and explorations results to date the Company is unable to support the current valuation of this project and has recorded an impairment charge of \$2.8 million.

d) Lowland

On March 26, 2008 the Company entered into an option agreement with Metalex Ventures Ltd. ("Metalex"), and Arctic Star Diamond Corp. ("Arctic") pursuant to which WPR was granted the option to acquire a 50% interest in certain claims of Metalex's and Arctic's James Bay properties located on and around the "Ring of Fire" and covering approximately 36 square kilometers of ground.

Under the terms of the agreement, WPR has the right to fund a maximum of \$20.0 million in expenditures on the Lowland property over a four years period. For each \$5.0 million in expenditures, WPR will acquire a 12.5% interest in the Lowland property, up to a maximum 50% interest. WPR will fund the required \$20.0 million in expenditures by way of:

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

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

As at December 31, 2008 the Company has incurred \$12.2 million on this project hence satisfying its commitment for 2009 and 2010 and does not intent to continue with this exploration program until economic conditions are more favorable.

Given current market conditions and explorations results to date the Company is unable to support the current valuation of this project and has recorded an impairment charge of \$9.3 million.

e) Luc Bourdon

On September 11, 2008 WPR and Noront entered into an option agreement with Golden Valley Mines Ltd. ("Golden Valley"), providing WPR and Noront with the option to acquire from Golden Valley an aggregate 70% interest in the Luc Burdon property located in the lowland region of James Bay, Ontario.

In order to acquire its 35% interest in the property, WPR made payments to Golden Valley on September 19, 2008 of \$175,000 by paying \$25,000 in cash and issuing Golden Valley 34,091 WPR common shares with a fair value of \$4.40 per share. In addition to these payments, WPR and Noront will be 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.

Upon WPR and Noront earning their collective 70% interest in the property, WPR, Noront and Golden Valley will enter into a joint venture agreement. The joint venture agreement will require WPR and Noront to fund all project costs up to the start of commercial production from the property. Following the commencement of commercial production, any remaining cash, after payment of operating expenses and third party financing costs, will be distributed to Noront and WPR until such time as the aggregate of their project costs, including interest, up to the commencement of commercial production have been repaid, following which such a cash flow shall be distributed to the parties on a pro rata basis.

8. Share capital

a. Capital stock

Common share consolidation

On December 16, 2008, the Company's shareholders approved a 1 for 10 consolidation of its outstanding common shares effective December 18, 2008, day in which the Company's common shares began trading at the TSX Venture Exchange under the symbol WPR. In connection with the common share consolidation, the number of shares of the Company's common stock was reduced from 113,176,617 to 11,317,660 without any change in par value per common share.

All references to share and per share data for all periods presented in the consolidated financial statements have been adjusted to give effect to the 1 to 10 common share consolidation.

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	<u>Common shares</u>	<u>Amount</u>
Balance, March 31, 2007	7,414,765	\$ 15,132,287
Flow-through shares issued	592,500	2,073,750
Tax effect of flow-through shares	-	(695,000)
Issued under private placement	407,500	1,344,750
Fair value of warrants issued under private placement	-	(1,034,513)
Warrants exercised	657,000	1,917,000
Warrants value transfer to common shares	-	490,690
Fair value of broker warrants issued	-	(445)
Broker warrants exercised	44,500	100,125
Warrants value transfer to common shares	-	44,055
Share issue cost	-	(53,962)
Issue on acquisition of mineral interest (Notes 7 (b and (c))	290,000	1,625,000
Balance March 31, 2008	<u>9,406,265</u>	<u>\$ 20,943,737</u>
Flow-through shares issued	4,858,333	4,568,748
Fair value of warrants issued on flow-through shares	-	(880,136)
Issued under private placement	1,100,000	5,500,000
Fair value of warrants issued under private placement	-	(1,215,500)
Warrants exercised	187,973	469,931
Warrants value transfer to common shares	-	187,973
Warrants expired	-	2,182,040
Issued on exercise of options	6,000	18,000
Fair value of options exercised	-	12,720
Share issue cost	-	(933,472)
Issue on acquisition of mineral interest (Note 7(e))	34,091	150,000
Fractional share adjustment	(2)	-
Balance December 31, 2008	<u>15,592,660</u>	<u>\$ 31,004,041</u>

Capital stock transactions - fiscal 2008

On December 13, 2007 the Company completed a private placement financing consisting of (i) 592,500 flow-through units ("FT Units") at \$3.50 per FT Unit, each such FT Unit consisting of one "flow-through" common share ("FT Share") and one-half of one common share purchase warrant and (ii) 407,500 units ("Units") at \$3.30 per Unit, each Unit consisting of one common share and one common share purchase warrant, for gross proceeds of \$3,418,500. The warrants were exercisable at \$4.50 until November 8, 2008. (See also section (c) "Warrants"). The Company incurred \$53,963 in share issue costs in connection with this financing.

During fiscal 2008, 44,500 broker warrants were exercised in exchange for 44,500 units consisting of 44,500 common shares and an additional 44,500 warrants exercisable at \$3.00 for proceeds of \$100,125. 657,000 warrants were also exercised for proceeds of \$1,917,000.

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Capital transactions – nine month ended December 31, 2008

On December 23, 2008 WPR completed a brokered private placement financing raising gross proceeds of \$1,068,750 by issuing 4,275,000 FT Units at \$0.25 per FT Unit. Each FT Unit consists of one FT Share and one common share purchase warrant. The warrants are exercisable at \$0.35 until December 23, 2009. All securities issued in connection with this offering are subject to a statutory hold period expiring April 24, 2009. The Company incurred \$41,733 in share issue costs in connection with this financing.

On April 25, 2008 the Company completed a private placement financing raising gross proceeds of \$9,000,000 by issuing 1,100,000 units ("Units") at a price of \$5.00 per Unit and 583,333 FT Units at a price of \$6.00 per FT Unit. Each Unit consists of one common share of WPR and one-half of one common share purchase warrant. Each FT Unit consists of one FT Share and one-half of one common share purchase warrant. The warrants are exercisable at \$6.50 until April 25, 2009. In connection with this offering, the Company paid its agents a cash commission of 6.5% of the gross proceeds raised in the offering, as well as 109,417 warrants with a fair value of \$1.80 per warrant. Each compensation warrant entitles the holder to acquire one Unit at an exercise price of \$5.00 until April 25, 2009. The Company incurred \$891,739 in share issue costs in connection with this financing.

During the nine months ended December 31, 2008, 6,000 options were exercised for net proceeds of \$18,000.

b. Stock-Based Compensation

The Company has a stock option plan (the "Plan") under which it is authorized to grant options to acquire common shares to directors, officers, employees and other ongoing service providers. During the current fiscal year, the Plan was converted into a "rolling plan" where the aggregate number of common shares which may be issued and sold under the Plan will not exceed 10% of the aggregate number of common shares issued and outstanding from time to time. The number of common shares which may be reserved for issue to any one individual under the Plan within any one-year period shall not exceed 5% of the outstanding issue. The board of directors or Committee shall determine the exercise price of options issued, as applicable, based on the market price. The options are non-assignable and may be granted for a term not exceeding five years. Options issued under the Plan may vest at the discretion of the Board of Directors. The changes in stock options for the nine months ended December 31, 2008 and year ended March 31, 2008 are as follows:

	December 31, 2008		March 31, 2008	
	Number of options	Weighted average price	Number of options	Weighted average price
Outstanding, beginning of period	255,000	\$ 5.83	216,000	\$ 5.80
Exercised	(6,000)	3.00	-	-
Cancelled / forfeited	(80,000)	5.75	-	-
Granted	477,500	7.87	39,000	6.00
Outstanding, end of period	646,500	7.38	255,000	5.83

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The following schedule describes the remaining average life remaining on these stock options as at December 31, 2008:

Exercise price	Outstanding		Exercisable	
	Rem. Life	Units	Rem. Life	Units
\$5.00	2.28	20,000	2.28	20,000
\$6.00	2.06	159,000	2.27	144,000
\$6.70	2.37	20,000	2.37	20,000
\$8.00	4.45	447,500	4.45	223,750
\$7.38	3.73	646,500	3.47	407,750

On April 19, 2007, the Company granted options to a consultant to acquire 10,000 common shares at \$6.00 per share for five years. These options have an estimated value of \$32,600 and expensed on the date granted since they vest immediately. The fair value was estimated using the Black-Scholes option-pricing model using the following assumptions: dividend yield 0%; expected volatility 100%; risk-free interest rate 4.12%; and an expected life of five years.

On November 28, 2007, the Company granted options to a director and consultants to acquire 29,000 common shares at \$6.00 per share for five years. These options have an estimated value of \$79,750 and expensed on the date granted since they vest immediately. The fair value was estimated using the Black-Scholes option-pricing model using the following assumptions: dividend yield 0%; expected volatility 100%; risk-free interest rate 4.0%; and an expected life of five years.

On June 11, 2008, the Company granted options to directors and consultants to acquire 447,500 common shares at \$8.00 per share for five years. These options have an estimated fair value of \$2,716,325 and vested over a period of eighteen month with 25% vesting immediately and 25% every six month thereafter. The fair value was estimated using the Black-Scholes option-pricing model using the following assumptions: dividend yield 0%; expected volatility 100%; risk-free interest rate 3.71%; and an expected life of five years.

On July 16, 2008, the Company granted options to an officer of the Company to acquire 30,000 common shares at \$6.00 per share for five years. These options have an estimated fair value of \$133,800 and vested over a period of twelve month with 25% vesting immediately and 25% every four month thereafter. The fair value was estimated using the Black-Scholes option-pricing model using the following assumptions: dividend yield 0%; expected volatility 100%; risk-free interest rate 3.3%; and an expected life of five years.

c. Warrants

The following schedule describes the Company's warrants transactions between March 31, 2008 and December 31, 2008:

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	Warrants		Broker Warrants	
	Number of Warrants	Stated Value	Number of Warrants	Stated Value
Balance, March 31, 2006	582,750	\$ 693,472	-	\$ -
Issued on private placement	2,144,500	2,011,500	77,500	76,725
Exercise of warrants	(446,806)	(444,679)	(33,000)	(32,670)
Expired during the year	(365,444)	(434,879)	-	-
Broker warrants exercised	33,000	330	-	-
Balance, March 31, 2007	1,948,000	\$ 1,825,744	44,500	\$ 44,055
Issued on private placement	703,750	\$ 1,034,513	-	-
Exercise of warrants	(657,000)	(490,690)	-	-
Exercise of broker warrants	44,500	445	(44,500)	(44,055)
Warrants issued for Big Mac property (note 7 c)	50,000	195,000	-	-
Balance at March 31, 2008	2,089,250	\$ 2,565,012	-	\$ -
Issued on private placement	5,116,667	2,095,636		
Compensation warrants	109,417	199,138		
Exercise of warrants	(187,973)	(187,973)		
Warrants expired	(1,851,278)	(2,182,040)		
Balance at December 31, 2008	5,276,083	2,489,773	-	\$ -

The following schedule describes the remaining life on these warrants as at December 31, 2008:

Exercise price	Expiry Date	Units	Fair Value
\$5.00	March 25, 2009	109,417	199,138
\$5.00	March 14, 2010	50,000	195,000
\$6.50	March 25, 2010	841,667	1,860,082
\$0.35	December 23, 2009	4,275,000	235,553
<u>\$1.47</u>		<u>5,276,083</u>	<u>\$ 2,489,773</u>

In connection with the December 13, 2007 financing, the Company issued 703,750 warrants entitling the holder thereof to acquire one additional common share at an exercise price of \$4.50 per share before November 8, 2008. The fair value assigned to these warrants was \$1,034,513 determined by the Black-Scholes option-pricing model using the following assumptions: dividend yield 0%; expected volatility 133%; risk-free interest rate 3.96%; and an expected life of one year. These warrants expired on December 13, 2008.

During fiscal 2008, 44,500 broker warrants were exercised for net proceeds of \$100,125. On exercise of these warrants 44,500 new warrants were issued, each warrant exercisable into one common share at a price of \$3.00. The fair value assigned to the issued warrants was calculated using the Black-Scholes option-pricing model assuming a dividend rate of 0%, average expected volatility of 87% and an expected

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maturity of 14 days. The fair value assigned was \$445.

In addition to the broker warrants exercised described above, 657,000 additional warrants were also exercised. The detail of these warrants is as follows:

- Exercise of 77,500 warrants at a price of \$3.00, issued on exercise of 77,500 broker warrants, for net proceeds of \$232,500 and a fair value of \$775;
- Exercise of 47,1500 warrants at a price of \$3.00 for net proceeds of \$1,414,500 and a fair value of \$381,915;
- Exercise of 108,000 warrants at a price of \$2.50 for net proceeds of \$270,000 and fair value of \$108,000.

During the nine months ended December 31, 2008, 187,973 warrants were exercised at \$2.50 per share for net proceeds of \$469,931. The fair value of these warrants is \$187,973.

In connection with the April 25, 2008, private placement the Company issued warrants exercisable into 841,666 common shares of WPR at an exercise price of \$6.50 per share until April 25, 2010. The fair value assigned to the issued warrants was calculated using the Black-Scholes option-pricing model assuming a dividend rate of 0%, average expected volatility of 100%; risk-free interest rate of 2.94% and an expected life of two years. The fair value assigned was \$1,860,083.

In connection with this offering and as described in note 7(a) the Company paid to its agents a commission of 109,417 compensation warrants, representing 6.5% of the total number of Units and FT Units sold in the offering. Each compensation warrant is exercisable to acquire one Unit at an exercise price of \$5.00 until April 25, 2009. The fair value assigned to these warrants was calculated using the Black-Scholes option-pricing model assuming a dividend rate of 0%, average expected volatility of 100%; risk-free interest rate of 2.94% and an expected life of one year. The fair value assigned was \$199,138.

As described in note 7 (a), on December 23, 2008 the Company issued 4,275,000 warrants exercisable before December 23, 2009 at an exercise price of \$0.35. The fair value assigned to the issued warrants was calculated using the Black-Scholes option-pricing model assuming a dividend rate of 0%, average expected volatility of 100%; risk-free interest rate of 0.98% and an expected life of one year. The fair value assigned to these warrants was \$232,553.

9. Loss per Share

Basic loss per share is computed using the weighted average number of common shares outstanding during the period. The treasury stock method is used for the calculation of diluted loss per share. Under this method, it is assumed that proceeds on the exercise of stock options and warrants are used by the Company to repurchase Company common shares at the average market price. Stock options and warrants were not included in the computation of diluted loss per share as their inclusion would be anti-dilutive.

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10. Contributed surplus

Balance, March 31, 2007	\$ 1,100,887
Stock-based compensation	<u>175,593</u>
Balance, March 31, 2008	1,276,480
Accreted stock based compensation	1,425,062
Options exercised during the period	<u>(12,720)</u>
Balance at December 31, 2008	\$ 2,688,822

11. Related party transactions

No related party transactions occurred during the first nine months of fiscal 2009. For the three and nine month ended December 31, 2007 a corporation owned by an officer of the Company performed accounting services for the Company for fees of \$6,488 and \$17,316 respectively.

12. Subsequent events

On January 26, 2009, the Company completed a non-brokered private placement financing raising gross proceeds of \$500,000. White Pine issued an aggregate of 2,000,000 FT Units at \$0.25 per FT Unit, each FT Unit consisting of one FT Share and one common share purchase warrant. Each common share purchase warrant entitles the holder to acquire one additional common share for a period of 12 month at an exercise price of \$0.35 per share. All securities issued in connection with the offering are subject to a statutory hold period expiring May 27, 2009. The private placement remains subject to final approval of the TSX Venture Exchange.

On February 17, 2009, the Company granted options to directors, officers and consultants to acquire 885,000 common shares at \$0.35 per share for five years.