

**White Pine Resources Inc.**  
**(formerly WSR Gold Inc.)**  
**Management Discussion and Analysis**

**1. Introduction**

The following discussion of the financial condition and results of the operations of White Pine Resources Inc. (formerly WSR Gold Inc.) (“WPR” or the “Company”) constitutes management’s review of the factors that affected the Company’s financial and operating performance for the year ended March 31, 2009, and the comparable period last year. This discussion dated July 28, 2009 should be read in conjunction with WPR’s March 31, 2009 annual audited consolidated financial statements and notes thereto (the “financial statements”), which have all been prepared in accordance with Canadian generally accepted accounting principles. These documents along with others published by WPR are available on SEDAR at [www.sedar.com](http://www.sedar.com), from [www.wsresources.ca](http://www.wsresources.ca) or from WPR’s offices. All monetary references herein are to Canadian dollars unless otherwise stated.

This MD&A contains forward-looking statements and should be read in conjunction with the risk factors described in the “Risk Analysis” section and the “Cautionary Statement on Forward-Looking Information” at the end of this MD&A.

**2. History of Business and Current Developments**

WPR is a publicly listed Canadian junior resource company with mining interests in Canada. WPR was incorporated in Ontario on May 11, 1979 and has been involved in oil and gas and mineral exploration.

On October 19, 2006, WPR entered into an option agreement with Guyana Goldfields Inc. to earn a 50 percent interest in the Peters Mine property in Guyana.

During fiscal 2008, WPR entered into three new agreements with Canadian junior exploration companies to expand its exploration programs in Canada and discontinued its Guyana project. The strategy aims to reduce WPR’s country risk exposure and expand its portfolio of properties in new prospective areas.

On September 11, 2008 WPR announced the signing of a definitive agreement among Golden Valley Mines Ltd. (“Golden Valley”), WPR and Noront Resources Limited (“Noront”) providing WPR and Noront the option to acquire from Golden Valley an aggregate 70% interest in the Luc Bourdon property located in the lowland region of James Bay, Ontario.

On December 16, 2008 WPR shareholders’ approved the name change from WSR Gold Inc. to White Pine Resources Inc. and a 10 for 1 consolidation of its shares.

**3. Overall Performance**

During fiscal 2009 WPR focused on acquiring, exploring and developing prospective mineral exploration properties for the discovery of zinc, copper, silver and other minerals. WPR does not have any projects that generate significant revenue at this time. WPR’s ability to carry out its business plan rests with its ability to secure equity and other financings. See “Subsequent Events” and “Trends”.

**Summary of Financial Conditions**

WPR incurred a net loss of \$15,784,451 (\$1.25 per share) for the year ended March 31, 2009, compared with \$3,566,820 (\$0.43 per share) for the corresponding period in 2008.

The main factors that contributed to the loss for the year ended March 31, 2009 were a write-down of mineral properties for \$13,554,063 due to an impairment charge to WPR’s mineral interests, and the

write-off of its Tri-Eagle and Big Mac properties; compared with fiscal 2008 when WPR recorded a \$3,818,059 impairment charge associated with the Peters Mine. The other two most significant elements affecting operations during fiscal 2009 were general and administrative expenses of \$617,084 (2008 - \$373,028) and stock based compensation expenses for \$2,849,995 (2008 - \$175,593).

Consolidated revenues for year ended March 31, 2009 of \$234,214 were derived exclusively from interest income. This compares with \$107,349 for the same period in 2008.

During the year ended March 31, 2009, WPR financed its operations by issuing 1.1 million shares under a private placement for proceeds of \$5.5 million, issuing 6,858,333 million flow-through units for proceeds of \$5.1 million and through the exercise of 187,973 warrants for net proceeds of \$0.5 million.

Exploration expenditures incurred during the fiscal year ended March 31, 2009, excluding acquisition costs of \$0.2 million, were \$12.8 million. WPR also wrote down the carrying value of its Lowland property by \$9.3 million and discontinued its operations in the Tri-Eagle and Big Mac properties, the latter two representing a total write-off of \$4.3 million.

As at March 31, 2009, WPR had working capital of \$0.5 million compared to \$4.1 million as at March 31, 2008. The decrease in working capital as at March 31, 2008 was principally due to the reduction in its net cash position by \$4.2 million from its March 31, 2008 balance of \$5.2 million. This reduction in cash balances was mainly composed by cash outlays incurred in exploration expenditures (\$14.7 million) and cash inflows sourced by equity financings totaling \$10.3 million, net of share issue costs. See "Liquidity and Capital Resources".

#### 4. Mining Properties Operating Costs:

During the year ended March 31, 2009 WPR conducted exploration programs totalling \$14.9 million. Considering the funds invested, the impact of economic conditions on the mining industry and WPR's share price, WPR evaluated the carrying value of its mineral interests for impairment. After evaluating each individual project, current financial position and the overall Company's market value it decided to discontinue some of its projects and adjusted the carrying value of some of its mineral interests resulting in impairment charges and property write-off totalling \$13.6 million.

The following schedules describe the expenditure incurred in each of WPR's projects for fiscal 2009 and 2008 and related write-downs:

	March 31, 2009				
	Tri-Eagle	Lowland	Big Mac	Luc Bourdon	Total
Acquisition cost	\$ 207,124	\$ 15,854	\$ 1,735,518	\$ 175,000	\$ 2,133,496
Exploration	364,412	12,216,864	1,971,338	334,813	\$ 14,887,427
Write-downs	(571,536)	(9,275,671)	(3,706,856)	-	\$ (13,554,063)
	\$ -	\$ 2,957,047	\$ -	\$ 509,813	\$ 3,466,860

March 31, 2008

	Tri-Eagle	Lowland	Big Mac	Peters Mine	Total
Acquisition cost	\$ 207,124	\$ 15,854	\$ 1,735,518	\$ 1,816,732	\$ 3,775,228
Exploration	-	1,262,929	811,781	2,001,327	4,076,037
Write-downs	-	-	-	(3,818,059)	(3,818,059)
	\$ 207,124	\$ 1,278,783	\$ 2,547,299	\$ -	\$ 4,033,206

The following is a description of the financial activities for each of WPR properties:

**(a) Tri-Eagle Property**

Under the Tri-Eagle property option agreement entered on November 1, 2007, WPR incurred \$0.2 million in acquisition costs. Exploration expenditures incurred during the year ended March 31, 2009 were \$0.4 million. Given current market conditions and exploration results to date WPR decided to discontinue its exploration efforts on the Tri-Eagle property and wrote off \$0.6 million.

**(b) Lowland Property**

Under the Lowland property option agreement entered on November 26, 2007, WPR incurred \$1.2 million in acquisition and exploration expenditures in fiscal 2008. During fiscal 2009, WPR incurred on this project \$11.0 million in exploration expenditures. The principal items explaining this charge were drilling (\$3.8 million), air transportation (\$1.5 million), geophysics (\$0.8 million) and management fees (\$1.0 million).

As at March 31, 2009 WPR has incurred \$12.2 million on this project hence earning a 25% interest in the property; however WPR does not intend to continue with this exploration program until economic conditions are more favourable. During the third quarter of fiscal 2009 WPR conducted an impairment test on the value of this property. Considering current economic conditions, the significant drop on share price and up to date exploration results, WPR was unable to support its carried value and recorded an impairment charge of \$9.3 million. The remaining value was estimated based on actual geological results and project potential, industry average operating costs and management assessment of the probability of success for similar projects at this development stage.

**(c) Big-Mac Property**

Under the Big-Mac property option agreement WPR incurred \$1.7 million in acquisition costs and \$0.8 million in exploration expenditures during fiscal 2008. During fiscal 2009, \$1.2 million was spent on this property. The principal items composing the expenditure were air transportation (\$0.7 million) and drilling (\$0.2 million).

Given current market conditions and exploration results to date WPR decided to discontinue its exploration efforts on the Big Mac property and wrote off \$3.7 million.

**(d) Luc Bourdon Property**

On September 11, 2008 WPR entered into an option agreement among Golden Valley, WPR and Noront providing WPR and Noront the option to acquire from Golden Valley an aggregate 70% interest in the Golden Valley 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, \$25,000 in cash and by issuing 34,091 WPR shares with a fair value of \$150,000. In addition to these payments, WPR and Noront are required to incur aggregate exploration expenditures on the property of at least \$5.0 million over a three-year period, of which \$1.0 million must be incurred in the first year.

At March 31, 2009, WPR had incurred \$0.3 million in expenditures, primarily on the construction of the Oval Lake Camp installation.

**(e) Garden Island**

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

TSR and Noront entered into an option agreement dated July 6, 2007 and amended on July 10, 2008 (the "Noront Option Agreement"), pursuant to which Noront has acquired a 50% interest in the Garden Island Property and upon exercise of the Garden Island Option Agreement, the Property shall thereafter be held as 50% by Noront, as to 40% by TSR and 10% by WPR.

To exercise the Option and thereby acquire the Interest, WPR shall incur expenses on the Property in the aggregate amount of \$325,000 which qualify as Canadian Exploration Expenses as defined in the Income Tax Act (Canada) as directed by TSR. On March 4, 2009 WPR advanced \$325,000 to TSR for this purpose.

**5. Mining Properties – Exploration Activities**

**(a) Tri-Eagle Property**

The airborne electromagnetic survey (VTEM) was flown over the Tri-Eagle project. The results of the VTEM survey were disappointing and no further exploration efforts will be carried out on this joint venture in the near future.

**(b) Lowland Property**

An important new Zn-Cu-Pb-Ag discovery, known as the 501 project, was discovered during the reporting period. Up to the end of the reporting period, 42 diamond drill holes totalling 10,786m have been completed on the 501 project on claim 4223252. The new Zn-Cu-Pb-Ag discovery remains the focus of WPR's exploration efforts. White Pine Resources became the geological operator of the 501 project, while Metalex remained the administrative operator. Deep penetrating geophysical EM methods as well as additional drilling will be carried out in the new fiscal year. All exploration efforts have all been carried out from the new Oval Lake camp, constructed and managed by Matrix Aviation.

**Table 1: Summary of the diamond drilling on the 501 project.**

Hole No.	Local E	Local N	UTM e	UTM n	Azimuth	Dip	Length
DDH501-01	L1+00E	0+50N	522314	5901524	180	-60	149
DDH501-02	L1+00E	0+00	522311	5901476	0	-90	201.2
DDH501-03	L1+00E	0+50N	522314	5901524	180	-45	146.5
DDH501-04	L1+00E	0+75S	522310	5901400	0	-45	163.1
DDH501-05	L1+00E	0+02N	522314	5901476	0	-85	182.5
DDH501-06	L1+50E	0+50N	522361	5901525	179	-65	227.5
DDH501-07	L1+50E	0+50N	522361	5901525	137	-45	158.5
DDH501-08	L1+50E	0+50N	522361	5901525	183	-45	140.2
DDH501-09	L1+50E	1+00N	522359	5901575	177	-60	249.7
DDH501-10	L2+00E	0+50N	522414	5901526	181	-62	281.7
DDH501-11	L2+00E	1+00N	522415	5901576	179	-60	146.3
DDH501-12	L2+00E	1+00N	522415	5901576	181	-60	292
DDH501-13	L1+50E	1+29N	522359	5901606	182	-60	279
DDH501-14	L1+50E	0+40S	522364	5901436	0	-55	282
DDH501-15	L1+50E	1+15S	522366	5901361	1	-55	278.7
DDH501-16	L1+75E	0+00	522387	5901475	276	-55	244.9
DDH501-17	L2+75E	0+50N	522495	5901525	267	-56	327
DDH501-18	L1+05E	0+00	522310	5901475	269	-55	240
DDH501-19	L1+75E	0+00	522387	5901475	271	-70	240
DDH501-20	L1+75E	0+25S	522387	5901450	272	-60	261
DDH501-21	L1+75E	0+25N	522386	5901499	267	-61	234
DDH501-22	L2+59E	0+90N	522522	5901535	240	-55	315
DDH501-23	L2+48E	0+12N	522461	5901487	232	-57	30
DDH501-24	L2+48E	0+12N	522461	5901487	232	-52	270
DDH501-25	L1+89E	1+64N	522524	5901463	235	-51	351
DDH501-26	L1+80E	0+50N	522396	5901526	270	-49	198.0
DDH501-27	L1+80E	0+50N	522396	5901526	270	-77	163.5
DDH501-28	L1+37E	0+25N	522348	5901500	270	-45	108.0
DDH501-29	L2+35E	0+00	522433	5901475	270	-65	201.0
DDH501-30	L1+87E	0+50S	522399	5901425	270	-47	279.0
DDH501-31	L1+87E	0+50S	522399	5901425	270	-69	306.0
DDH501-32	L1+87E	0+50S	522399	5901425	270	-84	267.0
DDH501-33	L2+50E	0+75S	522460	5901400	270	-45	291.0
DDH501-34	L2+50E	0+75S	522460	5901400	270	-61	324.0
DDH501-35	L2+50E	0+75S	522460	5901400	270	-72	303.0
DDH501-36	L2+40E	1+25S	522456	5901344	270	-45	219.0
DDH501-37	L2+40E	1+25S	522456	5901344	270	-62	297.0
DDH501-38	L2+40E	1+25S	522456	5901344	270	-78	393.0
DDH501-39	L2+90E	1+75S	522510	5901300	270	-45	414.0
DDH501-40	L2+90E	1+75S	522510	5901300	270	-55	300.0
DDH501-41	L2+90E	1+75S	522510	5901300	270	-65	441.0
DDH501-43	L4+80E	0+25N	522690	5901500	270	-50	591.0

Regional exploration from the Richards Lake camp was terminated during the last quarter and all personnel have been vacated from the camp.

**Table 2: Summary of regional diamond drilling.**

HOLE #	Grid	Local E	Local N	UTM e	UTM n	Azi	Dip	Length
2.11-01	2.11	5+30W	9+95N	576352	5873560	0	-90	87.3
2.11-02	2.11	4+75W	10+00N	576402	5783578	260	-60	156.1
2.11-03	2.11	3+75W	9+50N	576520	5873525	260	-45	155.7
2.11-04	2.11	5+00W	9+50N	576400	5873490	80	-50	155.6
2.11-05	2.11	3+75W	9+50N	576520	5873525	45	-50	140.9
2.11-06	2.11	1+00E	6+50N	577040	5873340	260	-50	145.1
2.11-07	2.11	0+25W	13+50N	576785	5873975	260	-50	155
2.12-01	2.12	L20+50N	0+50E	576716	5874839	0	-90	149.2
2.12-02	2.12	L20+50N	0+80E	576746	5874848	260	-60	150.9
2.12-03	2.12	L20+50N	0+00	576667	5874825	80	-60	145.4
2.13C-01	2.13C	1+00E	L1+00N			270	-55	198.5
2.13C-02	2.13C	0+75W	L1+00N			90	-50	151.5
2.13C-03	2.13C	0+25E	L1+00N			0	-90	188.3
2.13C-04	2.13C	L2+50N	1+50W	574705	5876230	270	-50	155.1
2.13D-01	2.13D	0+25E	L4+00N	575084	5877251	270	-50	179.7
2.08-01	2.08	L18+50N	0+50W	576342	5868921	280	-50	162

**(c) Big Mac Property**

No additional exploration was done on the Big Mac joint venture project. Due to discouraging results, WPR has decided to terminate this agreement.

**(d) Luc Bourdon Property**

During the fiscal year, WPR and Noront optioned some key ground from Golden Valley positioned around the 501 discovery. Following the signing of the agreement, the total land package was flown with an airborne geophysical VTEM survey. The subsequent results received during the last quarter revealed some very promising anomalies. These anomalies will be the focus of a drill program to be completed during the first fiscal quarter of 2009.

**Industry Trends and Going Concern**

The mineral exploration and mining business is competitive in all phases of exploration, development and production. WPR competes with a number of other entities in the search for and the acquisition of productive mineral properties. As a result of competition, the majority of which is with companies with greater financial resources than WPR, WPR may be unable to acquire attractive properties in the future on terms it considers acceptable. WPR also competes for financing with other resource companies, many of whom have greater financial resources and/or more advanced properties. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to WPR.

The ability of WPR to acquire properties depends on its success in exploring and developing its present properties and on its ability to select, acquire and bring to production suitable properties or prospects for mineral exploration and development. WPR 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 WPR 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 ability to continue operations and fund its exploration activities is dependent on management's ability to secure additional financing. Management is actively pursuing such additional sources of financing, and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. See "Financial Condition" and "Risks and Uncertainties".

## 6. Selected Annual Information

	Fiscal years ending March 31,		
	2009	2008	2007
Total revenue	\$ 234,214	\$ 107,349	\$ 33,925
Net income (loss)	\$ (15,784,451)	\$ (3,566,820)	\$ (5,736,999)
Weighted number of common shares	12,653,704	8,352,604	7,414,765
Basic and diluted income (loss) per share	\$ (1.25)	\$ (0.43)	\$ (0.77)
Total assets	\$ 5,417,707	\$ 10,332,851	\$ 5,192,033
Total long-term financial liabilities	-	-	-

## 7. Results of Operations

WPR incurred a net loss of \$15,784,451 (\$1.25 per share) for year ended March 31, 2009, compared with \$3,566,820 (\$0.43 per share) for the corresponding period in 2008.

Revenues for fiscal years ended December 31, 2009 and 2008 were exclusively derived from interest income generated on short-term deposits.

During fiscal 2009 stock based compensation expense increased to \$2,849,995 from \$175,593 for fiscal 2008. The increase is due to both an increase in the number of options granted in fiscal 2009 of 1,362,500, compared to 39,000 options granted during fiscal 2008. The fair value of the options granted were \$2.99 and \$6.00 for 2009 and 2008 respectively. Out of the 1,362,500 options granted during fiscal 2009, 885,000 vested immediately, 30,000 over a period of 12 month and the rest over a period of 18 months. All stock options granted during fiscal 2008 vested immediately.

For the year ended March 31, 2009 consolidated general and administrative costs increased by \$244,056 when compared with the same period of fiscal 2008 from \$373,028 reflecting the increase in activities associated with the increase in exploration activity during fiscal 2009.

## 8. Summary of Quarterly Results

The following is selected financial data from the quarterly consolidated financial statements of WPR for the last eight completed fiscal quarters ending March 31, 2009. This information should be read in conjunction with WPR's audited annual and unaudited interim consolidated financial statements.

	<b>4<sup>th</sup> Quarter March 31, 2009</b>	<b>3<sup>rd</sup> Quarter December 31, 2008</b>	<b>2<sup>nd</sup> Quarter September 30, 2008</b>	<b>1<sup>st</sup> Quarter June 30, 2008</b>
<b>Gross revenue</b>	\$ 31,382	\$ 50,108	\$ 98,041	\$ 54,683
<b>Net income (loss)</b>	\$ (1,606,742)	\$ (13,270,851)	\$ (130,355)	\$ (776,503)
<b>Net income (loss) per share – basic and diluted</b>	\$ (0.09)	\$ (1.17)	\$ (0.01)	\$ (0.07)
	<b>4<sup>th</sup> Quarter March 31, 2008</b>	<b>3<sup>rd</sup> Quarter December 31, 2007</b>	<b>2<sup>nd</sup> Quarter September 30, 2007</b>	<b>1<sup>st</sup> Quarter June 30, 2007</b>
<b>Gross revenue</b>	\$ 25,028	\$ 27,090	\$ 29,631	\$ 25,600
<b>Net income (loss)</b>	\$ (3,052,105)	\$ (261,413)	\$ (70,517)	\$ (182,779)
<b>Net income (loss) per share – basic and diluted</b>	\$ (0.30)	\$ (0.03)	\$ (0.01)	\$ (0.02)

WPR does not consider the effects of seasonality to be significant on operations. Period to period fluctuations in net loss are the result of WPR's property acquisition and exploration activities, as discussed elsewhere in the report.

## 9. Fourth Quarter 2009

The following schedule compares WPR operation expenses for the fourth quarters ended March 31, 2009 and 2008:

	<b>Three months ended March 31,</b>	
	<b>2009</b>	<b>2008</b>
Revenue		
Interest and other revenues	31,382	80,259
	<u>31,382</u>	<u>80,259</u>
Expenses		
General and administrative	168,943	239,877
Stock based compensation	1,424,932	20,713
Depreciation	3,186	2,017
	<u>1,597,061</u>	<u>262,607</u>
Net loss before other items	(1,565,679)	(182,348)
Write down of mineral properties	(1,054,063)	(3,818,059)
Net loss before income taxes	(2,619,742)	(4,000,407)
Future income taxes	1,013,000	695,000
Net loss	<u>(1,606,742)</u>	<u>(3,305,407)</u>

For the three months ended March 31, 2009, WPR incurred a loss of \$1,606,742, a decrease of \$1,698,665 when compared to the same period in fiscal 2008. The reduction was composed of:

- € A decrease in the value of mineral properties due to a write-down during the last quarter, when compared to the same quarter of fiscal 2008 (Q4 2009: \$1,054,063 and Q4 2008: \$3,818,059). During the last quarter of fiscal 2008 WPR wrote-off its Peters Mine property in Guyana for a total of \$3.8 million while during fiscal 2009 WPR imputed the majority of its write-down charges after impairment tests performed in the third quarter. The write-downs charged during the fourth quarter of fiscal 2009 correspond to adjustments to the Tri-Eagle property (write-off of remaining balances) and the write-off of the Big Mac property for a total of \$1.1 million.

- € The increase in future income tax credits of \$318,000 accreted at year end;
- € General and administrative expenses declined by 29.6% when compared to the fourth quarter of fiscal 2008, reflecting the decrease in exploration activity during the period.

## **10. Financial Condition**

During fiscal 2009 WPR's total assets decreased from \$10,332,851 at the beginning of the year to \$5,417,707 at March 31, 2009. The decrease is principally due to write-downs on exploration properties of \$13,554,063. WPR incurred \$14,728,978 in cash exploration expenditures and \$689,715 in supply inventories. WPR financed these operations from cash balances carried from the previous fiscal year (\$5,203,971) and equity financing totalling \$10,319,844 (net of \$736,835 in financing cost).

WPR's net working capital decreased from \$4,117,585 at March 31, 2008 to \$ 508,247 at March 31, 2009. All cash and short-term investments are liquid and are not invested in asset-backed commercial paper. The decrease in net working capital was primarily due to the utilization of \$14,437,573 on exploration expenditures and related advances.

Based on March 31, 2009 working capital position, management of the Company believes that it has sufficient funds to cover its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months. Management intends to obtain additional equity financing during the next coming months to finance general, administrative and unfunded exploration expenditures. There can be no assurance that additional capital or other types of financing will be available or that, if available, the terms of such financing will be favourable to WPR.

## **11. Liquidity and Capital Resources**

WPR is wholly dependent on equity financing to complete the development of its mineral properties and meet its obligations under various mineral properties option agreements (see Section 17 "Risks and Uncertainties"). WPR has not generated any revenues from operations and does not expect to generate any such revenue in its next fiscal year.

On April 25, 2008 WPR closed a private placement for gross proceeds of \$9.0 million by issuing 1,100,000 units at a price of \$5.00 per unit and 583,333 flow-through units at a price of \$6.00 per flow-through unit.

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. WPR incurred \$41,733 in share issue costs in connection with this financing. On January 16, 2009 WPR completed an additional \$550,000 financing, being a supplement of the December 23, 2008 brokered private placement, by issuing 2,000,000 additional FT units at \$0.25 per FT unit. The Units issued under the supplemental financing have the same features as the ones issued under the original financing.

During the year ended March 31, 2009, 6,000 options were exercised for net proceeds of \$18,000.

The ability of WPR to successfully acquire additional mineral projects and proceed with feasibility studies on current projects is conditional on its ability to secure financing when required. WPR proposes to meet additional capital requirements through equity financing. In light of the continually changing financial markets, there is no assurance that new funding will be available at the times required or desired by WPR.

## **12. Contractual obligations:**

The following are WPR's contractual exploration obligations as at March 31, 2009:

### **(a) Lowland Property:**

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

As at March 31, 2009, WPR has incurred \$12.2 million of expenditures, fulfilling its exploration obligations until May 15, 2010.

### **(b) Luc Bourdon Property:**

In order to acquire its 35% interest in the property, WPR made payments to Golden Valley of \$175,000. In addition to these payments, WPR and Noront are required to incur aggregate exploration expenditures on the property of at least \$5.0 million over a three-year period, of which \$1.0 million must be expended in the first year.

As at March 31, 2009, WPR has incurred \$0.3 million of exploration expenditures on this project. WPR and Noront have deposited \$1.0 million cash in a segregated bank account managed by WPR to fund the property's 2009 exploration program. WPR has recorded a liability at March 31, 2009 of \$404,778, corresponding to Noront's outstanding share of the contribution.

### **(c) Garden Island:**

To exercise the Garden Island Option and thereby acquire the Interest, WPR shall incur expenses on the Property in the aggregate amount of \$ 325,000 which qualify as Canadian Exploration Expenses as defined in the Income Tax Act (Canada), which expenses shall be incurred as shall be directed by TSR. Included under Exploration expenditure advances and supplies inventory are \$325,000 corresponding to an advance made by WPR on March 4, 2009 to TSR for this purpose, therefore fulfilling its obligation in full.

## **13. Off-Balance Sheet Arrangements**

WPR did not enter into any off-balance sheet arrangements during the twelve months ended March 31, 2009.

## **14. Shares issued and outstanding**

As of July 28, 2009 WPR has 17,592,660 shares outstanding, 7,276,084 warrants outstanding with a weighted average exercise price of \$1.16 and 1,519,000 options outstanding with a weighted average exercise price of \$3.28 for a total of 26,387,744 shares outstanding on a fully diluted basis.

Outstanding share information at March 31, 2009 can be found in note 7 in WPR annual audited consolidated financial statements.

## **15. Related Party Transactions**

WPR did not have any related party transactions for the year ended March 31, 2009.

## **16. Risks and uncertainties**

### **(a) Property risk**

As at March 31, 2009, WPR had interests in the Low-land, Luc Bourdon and Garden Island properties (the "Properties"). Although WPR has taken steps to verify title to the properties on which it is conducting exploration and in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee WPR's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

### **(b) Financial risk**

WPR'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 WPR'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.

#### **Credit risk**

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. WPR's credit risk is primarily attributable to cash and cash equivalents and amounts receivable. Cash and cash equivalents consist of cash on hand and short term securities with reputable financial institutions. Financial instruments included in amounts receivable consist of sales tax receivable from government authorities in Canada and deposits held with service providers. Amounts receivable are in good standing as of March 31, 2009. Management believes that the credit risk concentration with respect to financial instruments included in cash and cash equivalents and amounts receivable is minimal.

#### **Liquidity risk**

WPR's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at March 31, 2009, WPR had a cash and cash equivalents balance of \$1,017,647 (2008 - \$5,203,971) to settle current liabilities of \$731,451 (2008 - \$2,168,983). Most of WPR's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms.

#### **Market risk**

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity prices.

##### *Interest rate risk*

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

### *Foreign currency risk*

WPR's functional and reporting currency is the Canadian dollar and major purchases are transacted in Canadian dollars. As a result, WPR's exposure to foreign currency risk is limited to any cash balance in foreign currency. As at March 31, 2009 WPR held no foreign currency cash balances (2008 - \$Nil).

### *Commodity price risk*

WPR is exposed to price risk with respect to commodity prices. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. WPR closely monitors commodity prices as it relates to precious and base metals to determine the appropriate course of action to be taken by WPR.

### **(c) Sensitivity analysis**

WPR has designated, for accounting purposes, its cash and cash equivalents as held-for-trading, which are measured at fair value. Marketable securities are classified for accounting purposes as available-for-sale, which are measured at fair value. Amounts receivable are classified for accounting purposes as loans and receivables, which are measured at amortized cost which equals fair market value. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost which also equals fair market value.

As of December 31, 2008, both the carrying and fair value amounts of WPR's financial instruments are approximately equivalent.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over a twelve month period:

Cash and short-term investments have floating interest rates. The impact of any interest fluctuation would have an insignificant impact on the overall cash position of the Company.

### **Change in Accounting Policies**

The following new standards became effective for WPR this year:

#### *Financial Instruments*

Handbook Sections 3862 and 3863 replace Handbook Section 3861, Financial Instruments – Disclosure and Presentation, revising and enhancing its disclosure requirements, and carrying forward unchanged its presentation requirements. These new sections place increased emphasis on disclosures about the nature and extent of risks arising from financial instruments and how the entity manages those risks. WPR has included disclosures recommended by the new Handbook section in Note 4 to these consolidated financial statements.

#### *Amendments To Section 1400 – General Standards of Financial Statement Presentation*

In June 2007, the CICA amended Handbook Section 1400, Going Concern, to include additional requirements to assess and disclose an entity's ability to continue as a going concern. Section 1400 is effective for interim and annual reporting periods beginning on or after January 1, 2008. The adoption of this standard had no impact on WPR's operating results or financial position.

## 17. Future Accounting Changes

### International Financial Reporting Standards ("IFRS")

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian generally accepted accounting principles with IFRS for Canadian enterprises with public accountability. The current conversion timetable calls for financial reporting under IFRS for accounting periods commencing on or after January 1, 2011. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company is currently assessing the impact of IFRS on its consolidated financial statements.

### Consolidated Financial Statements

In January 2009, the CICA released *Section 1601 Consolidated Financial Statements* which replace *Section 1600 Consolidated Financial Statements*. *Section 1601* establishes standards for preparation of consolidated financial statements. This section will apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted but must be applied together with *Section 1582 Business Combinations*. The Company is assessing the impact, if any, that the adoption of these new sections will have on its consolidated financial statements.

### Business Combinations

In January 2009, the CICA released *Section 1582 Business Combinations*, which replaces *Section 1581 Business Combinations*. The new section provides the Canadian equivalent to *IFRS 3 Business Combinations*. This section applies prospectively to business combinations for which the acquisition is on or after January 1, 2011. Earlier adoption is permitted but must be applied together with *Section 1601 Financial Statements* and *Section 1602 Non-Controlling interests*. As *Section 1582* will apply only to future business combinations, it will not have a significant effect on the Company's consolidated financial statements prior to such acquisitions.

## 18. Special note regarding forward-looking statements

This Report contains forward-looking statements that are based on beliefs of its management as well as assumptions made by and information currently available to management of the Company. When used in this Report, the words "estimate", "believe", "anticipate", "intend", "expect", "plan", "may", "should", "will", and the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such statements reflect the current views of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in those statements. Such risks and uncertainties include those set forth under "Risks and Uncertainties" above. The statements contained in this Report speak only as of the date hereof. The Company does not undertake any obligation to release publicly any revisions to these statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.