

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

1. Introduction

The following discussion and analysis (“MD&A”) 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 three (“third quarter fiscal 2010”), and nine months ended December 31, 2009 and the comparable period in the prior year. This discussion dated February 16, 2010, should be read in conjunction with WPR’s December 31, 2009 unaudited consolidated financial statements and notes thereto (the “financial statements”). Readers are encouraged to consult WPR’s audited consolidated financial statements and corresponding notes to the financial statements for the year ended March 31, 2009. These documents along with others published by WPR are available on SEDAR at www.sedar.com, from www.wprres.com or from WPR’s offices. These interim unaudited consolidated financial statements and MD&A are presented in Canadian dollars and have been prepared in accordance with Canadian generally accepted accounting principles.

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.

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.

On December 14, 2009, WPR announced the signing of an agreement for the acquisition of an option to acquire the MZ gold property (“MZ”) located in the Boston Creek gold mining district south of Kirkland Lake, Ontario.

3. Overall Performance

During the third quarter fiscal 2010 WPR carried out exploration programs mainly on its Luc Bourdon and 501 target properties. 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 “Industry trends and going concern”.

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Summary of Financial Conditions

WPR incurred a net loss of \$203,957 (\$0.01 per share) and \$780,709 (\$0.04 per share) respectively, for the three and nine months ended December 31, 2009, compared with \$13,270,851 (\$1.17 per share) and \$14,177,709 (\$1.28 per share) respectively, for the corresponding period in 2008.

The main factors that contributed to the loss for the three months ended December 31, 2009 were general and administrative expenses of \$158,109 and the charge for vested stock based compensation of \$122,273; compared with fiscal 2009 general and administrative expenses of \$134,054 and stock based compensation expenses of \$684,444.

Consolidated revenues for the third quarter of fiscal 2010 of \$78,375 were mainly derived from camp rental revenues. This compares with a revenue of \$50,108 realized during the same period in fiscal 2009 which was composed of \$18,278 in interest revenues and the remaining in camp rental and management fees.

No equity financing was obtained during the first or third quarter of the current fiscal year. During the third quarter of fiscal 2010, WPR financed its operations from cash balances available from the previous quarter, obtained mainly from its August 25, 2009 financing under which it issued 4,874,999 flow-through shares and 725,000 units for proceeds of \$2.5 million. During the year ended March 31, 2009 the Company 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 three and nine months ended December 31, 2009 were \$580,964 and \$1,143,267 respectively including \$325,000 previously classified as exploration advances for the Garden Island project.

As at December 31, 2009, WPR had working capital of \$2.1 million compared to \$0.5 million as at March 31, 2009. The increase in working capital was principally due to the financing obtained on a private placement closed on August 25, 2009 for gross proceeds of \$2.5 million. 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. During this same period the Company reviewed the accumulated exploration expenditures on its properties and determined that the carrying value of certain properties exceeded its net recoverable amount, as estimated by management, or exceeded the selling value of the property, and a provision for impairment was then made. The Company also decided to discontinue its efforts on properties that it considered had less merit.

During the third quarter of fiscal 2010 the Company concentrated its exploration efforts in its Luc Bourdon property and the 501 target on the Lowland project.

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The following schedules describe the expenditure incurred in each of WPR's projects for the nine months ended December 31, 2009 and year ended March 31, 2009:

Expenditures for the nine months ended December 31, 2009						
	Lowland		Luc Bourdon	Garden Island	MZ	Total
	Regional	501				
Acquisition costs	\$ -	\$ -	\$ -	\$ -	\$ 35,000	\$ 35,000.00
Exploration	(21,793)	261,991	578,069	325,000	-	1,143,267
Write-downs	-	-	-	-	-	-
	\$ (21,793)	\$ 261,991	\$ 578,069	\$ 325,000	\$ 35,000	\$ 1,178,267

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

(a) Lowland Property

Under the Lowland property option agreement entered on March 26, 2008, WPR was required to incur \$5 million before May 15, 2010; \$5 million before May 15, 2011 and \$5 million before May 15, 2012. By March 31, 2009 the Company had incurred \$12.2 million hence earning a 25% in the property and fulfilling its commitment until May 15, 2011. The Company has incurred \$240,198 in additional work performed during the current fiscal year.

During the third quarter of fiscal 2009 WPR conducted an impairment test on the value of this property and recorded an impairment charge of \$9.3 million. The remaining value was estimated based on geological results and project potential, industry average operating costs and management assessment of the probability of success for similar projects at this development stage.

(b) Luc Bourdon Property Joint Venture

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 by paying \$25,000 in cash and 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.

As at December 31, 2009, the Joint Venture has incurred \$1,825,764 in the property, primarily in drilling (\$632,254), geology (\$212,186), geophysics (\$352,676) and camp and other related costs (\$628,648).

(c) 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

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mineral claims located in Piedmont, Courville, Pascalis and Senneville Townships of Quebec, which mineral claims are collectively known as the Garden Island Property.

TSR and Noront entered into an option agreement dated July 6, 2007 and amended on July 10, 2008, 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 incurred expenses on the Property in the aggregate amount of \$325,000 as directed by TSR.

(d) MZ

On December 14, 2009, WPR announced the signing of an agreement for the acquisition of an option to acquire the MZ gold property ("MZ") located in the Boston Creek gold mining district south of Kirkland Lake, Ontario. The MZ gold property, consisting of 608 hectares, can be acquired from two local prospectors for consideration of cash, shares and exploration expenditures in the following timetable:

To acquire an initial 50% interest in the property:

- On signing: \$20,000 cash plus 50,000 WPR shares, \$100,000 in exploration; *
- Year one anniversary: \$20,000 cash plus 100,000 WPR shares, \$150,000 in exploration;
- Year two anniversary: \$20,000 cash plus 100,000 WPR shares, \$150,000 in exploration.

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

- Year three anniversary: \$20,000 cash plus 100,000 WPR shares, \$500,000 in exploration;
- Year four anniversary: \$120,000 cash plus 400,000 WPR shares, \$500,000 in exploration.

A 2% net smelter return royalty has been retained by the prospectors with the option of 1% being purchased by WPR for \$1 million.

* \$20,000 was paid subsequent to December 31, 2009 and 50,000 shares with a total fair value of \$15,000 remain to be issued as at December 31, 2009.

(e) 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. Given the then existent market conditions and exploration results WPR decided to discontinue its exploration efforts on the Big Mac property and wrote off \$3.7 million.

(f) 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 up to March 31, 2009 were \$0.4 million. Given the then existent market conditions and exploration results WPR decided to discontinue its exploration efforts on the Tri-Eagle property and wrote off \$0.6 million.

5. Mining Properties – Exploration Activities

(a) Lowland Property

The new Zn-Cu-Pb-Ag discovery, named the 501 project, remains a focus of WPR's exploration efforts. White Pine Resources became the operator of the 501 project, while Metalex Ventures Ltd. remained the administrative operator. A deep penetrating airborne geophysical survey, ZTEM, was carried out over the 501 discovery during the second quarter of the fiscal year. Results are promising and will be the focus of some deeper drilling in the fourth fiscal quarter. Planned drilling involves an 800m hole to penetrate the known zone at a 650m vertical depth.

(b) Luc Bourdon Property

In fiscal 2009, 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 third quarter of 2009 revealed some promising anomalies. These anomalies were the focus of a regional drill program during the first quarter of fiscal 2010, with the objective of determining the source of the VTEM response. A total of 12 holes were drilled at 6 different anomalies totaling 1,473m. Several anomalies produced anomalous to significant Zn-Cu-Ag values in the drilling. A deep penetrating airborne geophysical survey, ZTEM, was conducted over the claim group during the second quarter of fiscal 2010. The airborne results at anomalies G1 and G3 show potential at depth. Drilling began at the end of the third fiscal quarter and will continue into the fourth fiscal quarter. Both the G1 and G3 anomalies which had previous drilling will be drilled with 800m hole each to penetrate the zone at approximately 500m vertical depth.

c) Garden Island

An exploration drilling program was completed on the Garden Island project during the last quarter of fiscal 2009. Several geophysical anomalies were drilled across the large land package totaling 14 holes for 3,445m. Compilation of the results and recommendations for future exploration plans were completed by the end of the second fiscal quarter of 2010. No significant assays were returned from the drilling. White Pine Resources has elected not to fund additional exploration on this property and retains a 10% interest.

d) MZ

The MZ property agreement was finalized on January 1st 2010. Line cutting and a ground IP geophysical survey has been started during the fourth fiscal quarter. No work was performed in the third fiscal quarter. Subsequent to the IP survey results, trenching and/or drilling will be performed on high priority targets during 2011 fiscal year.

6. 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.

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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".

7. Results of Operations

For three and nine months ended December 31, 2009 WPR incurred a net loss of \$203,957 (\$0.01 per share) and \$780,709 (\$0.04 per share) respectively, compared with \$13,270,851 (\$1.17 per share) and \$14,177,709 (\$1.28 per share) respectively, for the corresponding period in 2008.

Revenues for the nine months ended December 31, 2009 of \$112,268 were mainly derived from camp rental revenues; Interest revenues for this period were insignificant due to the low interest rate paid by financial institutions on deposits. This compares with a revenue of \$202,832 realized during the same period in fiscal 2009 which was composed by \$173,883 in interest revenues and the remaining in camp rental and management fees.

During the third quarter of fiscal 2010 stock based compensation expense charged to income were \$122,273 compared to \$684,444 for the same period of fiscal 2009. During the first quarter of fiscal 2009 the Company granted stock options to acquire 447,500 options with a total fair value of \$2,996,993 where 25% were vested during the first quarter of fiscal 2009 and the following 25% during the third quarter of fiscal 2009. During fiscal 2010, no options were granted and the fair value amortization of options granted during prior fiscal years totalled \$499,030. As at December 31, 2009 all options have been fully vested.

For the three months ended December 31, 2009 consolidated general and administrative costs increased marginally from \$134,054 to \$158,109 when compared to the same period of fiscal 2009. For the nine months period ended December 31, 2009 consolidated general and administrative costs decreased from \$448,141 to \$388,826.

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The following schedule describes general and administrative expenses for the three and nine months ended December 31, 2009 and 2008:

Periods ended December 31,	Three months ended		Nine months ended	
	2009	2008	2009	2008
Consulting	62,500	\$ -	\$ 107,042	\$ 2,275
Interest and bank charges	256	552	649	879
Legal & audit	40,994	38,821	97,767	147,103
Office and administration	24,050	17,766	61,083	57,397
Payroll	12,817	13,390	39,573	40,171
Shareholders relations	15,052	61,347	75,227	190,834
Travel and entertainment	2,440	2,178	7,485	9,482
	\$ 158,109	\$ 134,054	\$ 388,826	\$ 448,141

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 December 31, 2009. This information should be read in conjunction with WPR's audited annual and unaudited interim consolidated financial statements.

	3 rd Quarter December 31, 2009	2 nd Quarter September 30, 2009	1 st Quarter June 30, 2009	4 th Quarter March 31, 2009
Gross revenue	\$ 78,375	\$ 600	\$ 33,293	\$ 31,382
Net income (loss)	\$ (203,957)	\$ (246,281)	\$ (330,471)	\$ (1,606,742)
Net income (loss) per share - basic and diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.09)
	3 rd Quarter December 31, 2008	2 nd Quarter September 30, 2008	1 st Quarter June 30, 2008	4 th Quarter March 31, 2008
Gross revenue	\$ 50,108	\$ 98,041	\$ 54,683	\$ 25,028
Net income (loss)	\$ (13,270,851)	\$ (130,355)	\$ (776,503)	\$ (3,052,105)
Net income (loss) per share - basic and diluted	\$ (1.17)	\$ (0.01)	\$ (0.07)	\$ (0.30)

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 general operating expenses, property acquisition and exploration activities, as discussed elsewhere in the report.

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9. Financial Condition

During the nine month ended December 31, 2009 WPR's total assets increased from \$5,417,707 at March 31, 2009 to \$7,207,016 at December 31, 2009. This increase was mainly due to the increase in cash position by \$1.3 million. The increase in the Company's net cash position was principally due to the increase in financing activities (\$2,100,073) generated by the August 25, 2009 equity financing (\$2,290,642, net of share issue cost), reduced by the use of exploration advances received. Investment activities decreased as well WPR's cash position by \$289,009. This was composed by cash used in exploration activities of \$642,946 offset by the repayment of exploration advances receivable from Noront (\$207,048) and the decrease in supply inventories.

WPR's net working capital increased from \$508,247 at March 31, 2009 to \$2,073,001 at December 31, 2009. All cash and short-term investments are liquid and are not invested in asset-backed commercial paper.

Based on December 31, 2009 working capital position, management of the Company believes that it has sufficient funds to cover its ongoing administrative and exploration expenses and to meet its liabilities for the ensuing twelve months. Management intends to obtain additional equity financing 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.

10. 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 15 "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 flow-through units ("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. On November 19, 2009 the expiry date of these warrants was extended to December 23, 2010. WPR incurred \$41,733 in share issue costs in connection with this financing.

On January 16, 2009 WPR completed an additional \$500,000 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 expiry date of these warrants was January 26, 2010. Units issued under the supplemental financing have the same exercisable price as the ones issued under the original financing. On December 16, 2009 the expiry date of these warrants was extended to January 16, 2011.

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

On August 25, 2009 the Company closed a private placement where WPR issued 4,874,999 flow-through common shares ("FT Shares") at a price of \$0.45 per FT Shares and 725,000 units ("Units") at a price of \$0.40 per Unit. Each Unit consist of one common share and one-half of one WPR share

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purchase warrant, each whole such warrant entitling the holder thereof to acquire one additional WPR common share for a period of 24 month at an exercise price of \$0.65.

In connection with the offering WPR paid finder's fees to certain qualified registrants assisting in the offering in the amount of \$161,444 representing 6.5% of the gross proceeds raised by such finder, and issued 316,874 broker warrants to such finders representing 6.5% of the aggregate number of FT Shares sold by such finders in the offering. The broker warrants are exercisable at a price of \$0.45 per share, for a period of two years following the closing of the offering. The fair value assigned to these warrants was estimated at \$71,353.

The ability of WPR to successfully acquire additional mineral projects and proceed with exploration activities 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.

11. Contractual Obligations:

The following are WPR's contractual exploration obligations as at December 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 December 31, 2009 WPR has incurred \$12.5 million (March 31, 2009 \$12.2 million) in 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 December 31, 2009, the joint venture has incurred \$1.8 million of exploration expenditures on this project. WPR and Noront have a segregated bank account managed by WPR to fund the property's 2009/2010 exploration program. WPR has recorded a liability at December 31, 2009 of \$221,456, corresponding to Noront's outstanding share of the contribution.

(c) Garden Island:

To exercise the Garden Island Option and thereby acquire the Interest, WPR was required to 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. On March 4, 2009 WPR paid \$325,000 to TSR for this purpose, therefore fulfilling its obligation in full and earning a 10% interest in the property.

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(d) MZ:

The MZ gold property can be acquired for consideration of cash, shares and exploration expenditures in the following timetable:

To acquire an initial 50% interest in the property:

- On signing: \$20,000 cash plus 50,000 WPR shares, \$100,000 in exploration;
- Year one anniversary: \$20,000 cash plus 100,000 WPR shares, \$150,000 in exploration;
- Year two anniversary: \$20,000 cash plus 100,000 WPR shares, \$150,000 in exploration.

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

- Year three anniversary: \$20,000 cash plus 100,000 WPR shares, \$500,000 in exploration;
- Year four anniversary: \$120,000 cash plus 400,000 WPR shares, \$500,000 in exploration.

12. Off-Balance Sheet Arrangements

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

13. Shares issued and outstanding

As of February 16, 2010 WPR has 23,292,659 shares outstanding, 7,855,458 warrants outstanding with a weighted average exercise price of \$1.13 and 1,499,000 options outstanding with a weighted average exercise price of \$3.24 for a total of 32,647,117 shares outstanding on a fully diluted basis.

Outstanding share information at December 31, 2009 can be found in note 8 in WPR December 31, 2009 unaudited consolidated financial statements.

14. Related Party Transactions

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

15. Risks and Uncertainties

(a) Property risk

As at December 31, 2009, WPR had interests in the Low-land, Luc Bourdon, Garden Island and MZ 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).

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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 December 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 December 31, 2009, WPR had a cash and cash equivalents balance of \$2,310,035 (March 31, 2009 - \$1,027,647) to settle current liabilities of \$461,797 (March 31, 2008 - \$731,451). 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. WPR did not hold foreign currency cash balances at December 31, 2009 or March 31, 2009.

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.

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(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, 2009, 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.

16. 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.

17. 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.