



Consolidated Financial Statements
March 31, 2009
(unaudited)

**WHITEROCK REAL ESTATE INVESTMENT TRUST
CONSOLIDATED BALANCE SHEETS**

	Note	March 31, 2009 (unaudited)	December 31, 2008
Assets			
Income properties	3	\$ 378,179,858	\$ 380,325,509
Deferred charges	4	16,516,945	16,273,493
Intangible assets	5	20,059,748	21,412,359
Mortgages receivable	6	7,250,000	7,250,666
		422,006,551	425,262,027
Other assets	7	7,476,682	7,602,878
Cash	8	2,991,690	-
Future income tax asset	19	40,000	40,000
		\$ 432,514,923	\$ 432,904,905
Liabilities and Equity			
Mortgages payable and facilities	9	\$ 286,420,739	\$ 284,153,909
Convertible debentures	10	52,782,165	52,533,520
Accounts payable and accrued liabilities	11	16,982,972	16,148,967
		356,185,876	352,836,396
Unitholders' Equity		76,329,047	80,068,509
		\$ 432,514,923	\$ 432,904,905

See accompanying notes to the consolidated financial statements

Approved by the Board of Trustees:

"Jason Underwood"
Trustee

"Paul Simcox"
Trustee

WHITEROCK REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited)	Note	Three months ended March 31,	
		2009	2008
Revenue			
Income property rentals	15	\$ 15,555,762	\$ 12,810,249
Interest income		184,262	198,699
		15,740,024	13,008,948
Expenses			
Property operating costs		6,231,935	5,137,123
Interest	16	5,208,607	4,090,057
General and administrative expenses	17	394,045	378,843
Amortization	18	4,451,526	2,963,337
		16,286,113	12,569,360
Income (loss) before the undernoted		(546,089)	439,588
Future income tax expense	19	-	(70,000)
Income (loss) from continuing operations		(546,089)	369,588
Income (loss) from discontinued operations	20	-	(55,546)
Gain on disposition of properties	20	-	44,819
Net income (loss) and comprehensive income		\$ (546,089)	\$ 358,861
Basic net income (loss) per unit			
	21		
Continuing operations		\$ (0.14)	\$ 0.11
Discontinued operations		\$ -	\$ -
Net income (loss) per unit		\$ (0.14)	\$ 0.10
Diluted net income (loss) per unit			
	21		
Continuing operations		\$ (0.14)	\$ 0.11
Discontinued operations		\$ -	\$ -
Net income (loss) per unit		\$ (0.14)	\$ 0.10

See accompanying notes to the consolidated financial statements

WHITEROCK REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF UNITHOLDERS' EQUITY

(unaudited)	Note	Three months ended March 31,	
		2009	2008
Units	12		
Balance, beginning of period		\$ 115,426,201	\$ 99,571,778
Issuance of units		102,645	1,910,842
Unit issue costs		(24,392)	(92,006)
Balance, end of period		115,504,454	101,390,614
Unit Options	13		
Balance, beginning of period		838,594	756,212
Value associated with unit options vested		338	16,933
Balance, end of period		838,932	773,145
Warrants	14		
Balance, beginning of period		314,800	314,800
Value associated with warrants exercised		-	-
Balance, end of period		314,800	314,800
Equity Component of Convertible Debentures	10		
Balance, beginning of period		2,397,246	2,132,625
Equity component of convertible debentures converted		-	(86,367)
Balance, end of period		2,397,246	2,046,258
Cumulative Earnings and Accumulated Comprehensive Earnings			
Balance, beginning of period		(5,052,808)	(6,629,571)
Net income (loss)		(546,089)	358,861
Balance, end of period		(5,598,897)	(6,270,710)
Cumulative Distributions to Unitholders			
Balance, beginning of period		(33,855,524)	(21,284,314)
Distributions to unitholders (cash and units)		(3,271,964)	(2,933,762)
Balance, end of period		(37,127,488)	(24,218,076)
Total Unitholders' Equity		\$ 76,329,047	\$ 74,036,031
Units Issued and Outstanding	12	3,963,619	3,523,302

See accompanying notes to the consolidated financial statements

WHITEROCK REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited)	Note	Three months ended March 31,	
		2009	2008
Cash provided by (used in) operating activities			
Income (loss) from continuing operations		\$ (546,089)	\$ 369,588
Items not affecting cash			
Amortization	18	4,451,526	2,963,337
Deferred finance cost amortization			
- mortgages payable		77,120	51,515
- acquisition and operating facilities		130,911	76,294
- convertible debentures		126,205	127,770
Implicit interest rate in excess of coupon rate - convertible debentures		122,440	98,185
Non-cash compensation expense	17	338	41,100
Future income taxes	19	-	70,000
Accrued rental revenue recognized on a straight line basis	15	(286,997)	(295,432)
Above and below market lease amortization	15	(493,780)	(385,470)
		3,581,674	3,116,887
Changes in non-cash operating items		1,805,401	798,704
		5,387,075	3,915,591
Cash provided by (used in) financing activities			
Mortgage principal instalment payments		(968,447)	(716,426)
Mortgage principal repayments on maturity		(4,500,000)	-
Mortgage financing, net of costs		20,949,354	-
Draw on facilities, net of costs		-	356,791
Repayment of credit facilities		(13,398,204)	-
Unit issue costs		(24,392)	(10,122)
Distributions to unitholders (in cash)		(3,169,319)	(2,736,590)
		(1,111,008)	(3,106,347)
Cash provided by (used in) investing activities			
Issuance of mortgages receivable		-	(10,425,000)
Revenue enhancing capital expenditures		(918,138)	(492,825)
Leasing costs and other capital expenditures		(352,886)	(64,996)
Furniture and equipment		(13,353)	(10,154)
		(1,284,377)	(10,992,975)
Change in cash - Continuing operations		2,991,690	(10,183,731)
Change in cash - Discontinued operations	20	-	6,209,009
Cash, beginning of period		-	4,152,370
Cash, end of period	8	\$ 2,991,690	\$ 177,648
Supplementary cash flow information			
Cash interest paid	16	\$ 4,383,720	\$ 3,388,169

See accompanying notes to the consolidated financial statements

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
March 31, 2009 and 2008 (unaudited)

1. Organization and Basis of Presentation

Whiterock Real Estate Investment Trust (“Whiterock”) is an open-ended real estate investment trust which was created under a Declaration of Trust on May 17, 2005.

2. Significant Accounting Policies

(a) Basis of Accounting

The accompanying unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles (“GAAP”). The accounting principles used in these interim consolidated financial statements are consistent with those used in Whiterock’s December 31, 2008 and 2007 annual consolidated financial statements, except as noted below. These interim consolidated financial statements do not include all of the information and disclosure required by Canadian GAAP for annual financial statements, and should be read in conjunction with the December 31, 2008 and 2007 annual consolidated financial statements.

(b) Changes to Significant Accounting Policies

The Canadian Institute of Chartered Accountants (“CICA”) has issued a new accounting standard, CICA Handbook Section 3064 – Goodwill and Intangible Assets, effective for the Trust’s fiscal year commencing January 1, 2009, which clarifies that costs can be capitalized only when they relate to an item that meets the definition of an asset. CICA Handbook Section 1000 – Financial Statement Concepts, was also amended to provide consistency with this new standard. The impact of these Standards on its 2009 consolidated financial statements is not material.

(c) Future Changes to Significant Accounting Policies

The CICA Accounting Standards Board has adopted a strategic plan for the direction of accounting in Canada. As part of that plan, accounting standards for public companies will be required to converge with International Financial Reporting Standards for fiscal years beginning on or after January 1, 2011 with comparative figures presented on the same basis.

The CICA has issued a new accounting standard, CICA Handbook Section 1582 – Business Combinations, which will apply prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. CICA Handbook sections 1601 – Consolidations and 1602 – Non-controlling Interests will be effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption of these sections is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. These sections replace the former CICA Handbook Sections 1581 - Business Combinations and 1600 – Consolidated Financial Statements.

CICA Handbook Section 1582 establishes standards for the accounting for a business combination. CICA Handbook Section 1601 establishes standards for the preparation of consolidated financial statements. CICA Handbook Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. The Trust is currently considering the effect on the financial statements of the new standards.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

3. Income Properties

	March 31, 2009	December 31, 2008
Land	\$ 63,872,234	\$ 63,872,234
Buildings and improvements	335,346,308	335,346,308
	399,218,542	399,218,542
Accumulated amortization	(21,038,684)	(18,893,033)
	\$ 378,179,858	\$ 380,325,509

During the three months ended March 31, 2008, the Trust disposed of its interest in one industrial property for gross proceeds of \$14.0 million (Note 20), less mortgages assumed by the purchaser of \$7.5 million.

4. Deferred Charges

	March 31, 2009	December 31, 2008
Tenant inducements on acquisitions	\$ 15,449,597	\$ 15,860,162
Leasing costs	7,538,564	6,269,902
	22,988,161	22,130,064
Accumulated amortization		
Tenant inducements on acquisitions	(5,366,322)	(4,921,597)
Leasing costs	(1,104,894)	(934,974)
	(6,471,216)	(5,856,571)
	\$ 16,516,945	\$ 16,273,493

5. Intangible Assets

	March 31, 2009	December 31, 2008
Lease origination costs	\$ 16,655,442	\$ 16,953,300
Tenant relationships	10,709,554	10,709,554
Above market rents on acquisitions	2,456,255	2,456,255
	29,821,251	30,119,109
Accumulated amortization		
Lease origination costs	(5,251,854)	(4,694,225)
Tenant relationships	(3,388,242)	(2,986,301)
Above market rents on acquisitions	(1,121,407)	(1,026,224)
	(9,761,503)	(8,706,750)
	\$ 20,059,748	\$ 21,412,359

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

6. Mortgages Receivable

	March 31, 2009	December 31, 2008
Mortgages receivable	\$ 7,250,000	\$ 7,250,000
Deferred financing costs	7,687	7,687
Accumulated amortization	(7,687)	(7,021)
Mortgages receivable - including deferred financing costs	\$ 7,250,000	\$ 7,250,666

In conjunction with the disposition of an industrial property in 2008 in Regina, Saskatchewan, the Trust provided a two year \$7.25 million second mortgage at a 10% interest rate in priority to the additional equity capital provided by the purchaser. The Trust has the right to acquire the property at market once substantially leased, which is expected to occur in 2009. As a condition of financing, the Trust continues to guarantee the \$7.5 million first mortgage financing on the property.

7. Other Assets

	March 31, 2009	December 31, 2008
Prepaid expenses and other assets	\$ 3,398,923	\$ 3,612,676
Trade amounts receivable	425,329	608,730
Interest receivable	62,714	60,417
Straight line rent receivable	3,589,716	3,321,055
	\$ 7,476,682	\$ 7,602,878

Trade amounts receivable are net of an allowance for doubtful accounts of \$237,000 at March 31, 2009 and \$225,000 at December 31, 2008 with the difference being charged against property operating costs. An allowance is established when there is objective evidence that the Trust will not be able to collect the amount due. When a receivable balance is considered uncollectible, it is written off against the allowance for doubtful accounts. Approximately \$30,000 of uncollected trade amounts receivable were three months past due at March 31, 2009 but not considered impaired.

8. Cash

	March 31, 2009	December 31, 2008
Cash	\$ 2,991,690	\$ -

In conjunction with a centralized banking arrangement, Whiterock applies its cash balances against amounts outstanding under its revolving credit facility (Note 9). The Trust uses the facility, as appropriate, to support its day to day operations.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

9. Mortgages Payable and Facilities

Mortgages payable and facilities are secured by income properties and are summarized as follows:

	March 31, 2009	December 31, 2008
Mortgage liability - continuing	\$ 271,503,643	\$ 255,497,090
Mortgage deferred financing costs	(2,952,574)	(2,450,655)
Accumulated amortization	556,170	502,777
Mortgage liability - net of deferred financing costs	269,107,239	253,549,212
Drawn on acquisition and operating facilities	17,500,000	30,855,442
Acquisition and operating facilities deferred financing costs	(520,358)	(477,596)
Accumulated amortization	333,858	226,851
Acquisition and operating facilities - net of deferred financing costs	17,313,500	30,604,697
	\$ 286,420,739	\$ 284,153,909

The fixed and floating components of the mortgages are as follows:

	March 31, 2009	December 31, 2008
Fixed rate	\$ 271,503,643	\$ 255,497,090
Floating rate	-	-
	271,503,643	255,497,090

At March 31, 2009, fixed rate mortgage financing bears interest at a weighted average rate of 5.6% (December 31, 2008 – 5.5%).

Scheduled principal repayments of mortgages payable outstanding as of March 31, 2009 are as follows:

	Scheduled Amortization	Balloon Payments	Total
2009	\$ 3,183,213	\$ -	\$ 3,183,213
2010	4,541,707	12,716,598	17,258,305
2011	5,188,444	-	5,188,444
2012	6,142,021	20,250,892	26,392,913
2013	5,761,167	23,593,756	29,354,923
2014	5,354,885	19,499,284	24,854,169
Thereafter	18,901,347	146,370,329	165,271,676
	\$ 49,072,784	\$ 222,430,859	\$ 271,503,643

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Acquisition and Operating Facilities

On June 19, 2008, the Trust entered into a demand revolving acquisition and operating facility of up to \$40 million, subject to renewal on an annual basis, with a major Canadian financial institution. The facility is secured by mortgages on new and existing property and the guarantee of the Trust and can be used for acquisitions, operations and general trust purposes. The facility bears interest at floating rates determined, at the Trust's option, by reference to the prime rate plus 150 basis points or Bankers Acceptance rates plus 250 basis points. As at March 31, 2009, \$17.5 million was outstanding under this facility (December 31, 2008 - \$26.7 million).

The Trust's \$5 million demand revolving operating facility is subject to renewal on an annual basis and is secured by mortgages on existing property and the guarantee of the Trust. The facility bears interest at a floating rate determined by reference to the prime rate plus 50 basis points. As at March 31, 2009, there was no amount outstanding under this facility (December 31, 2008 – \$4.2 million). On April 17, 2009 the \$5.0 million facility was reduced to \$2.25 million bearing interest at a floating rate determined by reference to the prime rate plus 150 basis points.

Subsequent to March 31, 2009, the Trust used the net cash proceeds from a new \$5.3 million mortgage to reduce the outstanding balance under its revolving acquisition and operating facilities and intends to use the net cash proceeds from a \$10.1 million bought deal public offering, pending redeployment, to reduce the outstanding balance under its revolving acquisition and operating facilities (Note 25).

10. Convertible Debentures

As at March 31, 2009, the Trust has five series of convertible debentures outstanding.

	Principal	Interest rate	Conversion Price	Interest Payable	Maturity Date
Series A	\$ 6,797,700	8.0%	\$30.60 per unit	semi-annually	June 28, 2010
Series C	\$ 2,212,000	9.0%	\$36.00 per unit	quarterly	December 21, 2010
Series D	\$ 10,000,000	7.5%	\$45.00 per unit	semi-annually	July 31, 2011
Series E	\$ 25,000,000	6.3%	\$41.25 per unit	semi-annually	December 31, 2011
Series F	\$ 11,400,000	6.0%	\$39.66 per unit	quarterly	July 15, 2012

The convertible debentures were allocated into their liability and equity components on the date of issuance as follows:

	Series A	Series C	Series D	Series E	Series F	Total
Liability	\$ 12,328,078	\$ 2,883,060	\$ 9,564,256	\$ 23,888,615	\$ 10,987,454	\$ 59,651,463
Equity	671,922	116,940	435,744	1,111,385	412,546	2,748,537
Principal on issuance	13,000,000	3,000,000	10,000,000	25,000,000	11,400,000	62,400,000
Conversion of debentures	(6,202,300)	(788,000)	-	-	-	(6,990,300)
Principal -						
March 31, 2009	\$ 6,797,700	\$ 2,212,000	\$ 10,000,000	\$ 25,000,000	\$ 11,400,000	\$ 55,409,700

The accretion of the liability component of the convertible debentures, which increases the liability component from the initial allocation on the date of issuance, is included in interest expense.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	Series A	Series C	Series D	Series E	Series F	Total
Liability - December 31, 2007	\$ 9,044,036	\$ 2,608,559	\$ 9,667,411	\$ 24,090,489	\$ -	\$ 45,410,495
Issuance of debentures	-	-	-	-	10,987,454	10,987,454
Implicit interest rate in excess of coupon rate	78,660	17,999	82,270	203,332	41,417	423,678
Conversion of debentures	(2,447,831)	(454,823)	-	-	-	(2,902,654)
Liability - December 31, 2008	6,674,865	2,171,735	9,749,681	24,293,821	11,028,871	53,918,973
Implicit interest rate in excess of coupon rate	19,518	4,540	21,448	53,658	23,276	122,440
Liability - March 31, 2009	6,694,383	2,176,275	9,771,129	24,347,479	11,052,147	54,041,413
Deferred financing fees	(922,431)	(165,067)	(240,458)	(1,338,461)	(108,758)	(2,775,175)
Deferred financing fees - Accumulated amortization	730,252	101,005	115,301	553,284	16,085	1,515,927
Balance - March 31, 2009	\$ 6,502,204	\$ 2,112,213	\$ 9,645,972	\$ 23,562,302	\$ 10,959,474	\$ 52,782,165

Series A

On June 28, 2005, the Trust issued 8% redeemable subordinated unsecured convertible debentures in the original principal amount of \$13,000,000 with interest payable semi-annually and which mature on June 28, 2010. The debentures are convertible at the request of the holder after June 28, 2007, subject to certain terms and conditions at a conversion price per unit of \$30.60.

The debentures are redeemable at the option of the Trust at the principal amount, subject to certain terms and conditions, from June 29, 2007 and until June 28, 2009, providing that the 20-day weighted average trading price of the units is at least \$45.90 and, after June 28, 2009, providing that the 20-day weighted average trading price is at least \$38.25.

In the three months ended March 31, 2008, \$1,671,000 of Series A debentures were converted into 54,607 units.

Series C

On December 21, 2005, the Trust issued 9% redeemable subordinated unsecured convertible debentures in the original principal amount of \$3,000,000 with interest payable quarterly and which mature on December 21, 2010. The debentures are convertible at the request of the holder after December 21, 2006, subject to certain terms and conditions at a conversion price per unit of \$36.00.

The debentures are redeemable at the option of the Trust at the principal amount, subject to certain terms and conditions, from December 21, 2006 and until June 21, 2008, providing that the 20-day weighted average trading price of the units is at least \$39.00 and, after June 21, 2008, providing that the 20-day weighted average trading price is at least \$42.00.

Series D

On August 14, 2006, the Trust issued 7.5% redeemable subordinated unsecured convertible debentures in the original principal amount of \$10,000,000 with interest payable semi-annually and which mature on July 31, 2011. The debentures are convertible at the request of the holder after July 31, 2007, subject to certain terms and conditions at a conversion price per unit of \$45.00.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

The debentures are redeemable at the option of the Trust at the principal amount, subject to certain terms and conditions, from July 31, 2009 and until July 14, 2010, providing that the 20-day weighted average trading price of the units is at least \$56.25 and, after July 14, 2010, at their principal amount.

Series E

On December 8, 2006, the Trust issued 6.3% redeemable subordinated unsecured convertible debentures in the original principal amount of \$25,000,000 with interest payable semi-annually and which mature on December 31, 2011. The debentures are convertible at the request of the holder, subject to certain terms and conditions at a conversion price per unit of \$41.25.

The debentures are redeemable at the option of the Trust at the principal amount, subject to certain terms and conditions, from December 31, 2009 and prior to December 31, 2010, providing that the 20-day weighted average trading price of the units is at least \$51.57 and, after December 30, 2010, at their principal amount.

Series F

On July 16, 2008, the Trust issued 6.0% redeemable subordinated unsecured convertible debentures in the original principal amount of \$11,400,000 with interest payable quarterly and which mature on July 15, 2012. The debentures are convertible at the request of the holder after July 15, 2009, subject to certain terms and conditions at a conversion price of \$39.66.

The debentures are redeemable at the option of the Trust at 115% of the principal amount subject to certain terms and conditions.

11. Accounts Payable and Accrued Liabilities

	March 31, 2009	December 31, 2008
Below market rents on acquisitions	\$ 13,765,468	\$ 13,765,468
Accrued mortgage, facility, and debenture interest	1,884,055	1,515,844
Security deposits	851,876	856,760
Distributions payable	1,051,548	-
Other accounts payable and accrued liabilities	5,772,774	5,764,681
	23,325,721	21,902,753
Accumulated amortization		
Below market rents on acquisitions	(6,342,749)	(5,753,786)
	\$ 16,982,972	\$ 16,148,967

12. Units

On December 22, 2008, the Trust consolidated its issued and outstanding units on the basis of one post-consolidation unit for every three pre-consolidation units. All references to units, unit options and warrants in these financial statements, including per unit values, have been adjusted to a post-consolidation basis.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	2009		2008	
	Units	\$	Units	\$
Issued and outstanding, January 1	3,956,516	\$ 115,426,201	3,461,758	\$ 99,571,778
Units issued				
Conversion of Series A debentures	-	-	54,607	1,713,670
Distribution reinvestment plan	7,103	102,645	6,937	197,172
Unit issue costs	-	(24,392)	-	(92,006)
Issued and outstanding, March 31	3,963,619	\$ 115,504,454	3,523,302	\$ 101,390,614

In the three months ended March 31, 2009 the Trust issued 7,103 units under the Distribution Reinvestment Plan.

In the three months ended March 31, 2008 the Trust issued 54,607 units upon conversion of \$1,713,670 Series A Debentures and 6,937 units under the Distribution Reinvestment Plan.

On May 12, 2009 the Trust closed a \$10,064,000 bought deal public offering at a price of \$14.80 per unit resulting in a total of 680,000 units being issued.

Distribution Reinvestment and Unit Purchase Plan

In April 2006, the Trust established a Distribution Reinvestment Plan which allows unitholders, subject to certain terms and conditions, to elect to have cash distributions from the Trust reinvested in additional units. Units purchased through reinvestment of distributions are purchased at 96% of the weighted average market price of the units for the 10 trading days preceding the distribution payment date.

13. Unit Options

The Trust may grant unit options to the Trustees, senior officers, investor relations consultants and technical consultants to the Trust. The maximum number of units reserved for issuance under all securities compensation arrangements is limited to 10% of the total number of issued and outstanding units. The Trustees set the exercise price at the time that a unit option is granted under the plan, which exercise price shall not be less than the 5 day weighted average market price of the units. The unit options have a maximum term of five years from the date of grant and vest over a period of up to two years.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	2009		2008	
	Unit Options	Weighted Average Exercise Price	Unit Options	Weighted Average Exercise Price
Outstanding, January 1	295,417	\$30.44	192,292	\$31.87
Granted	-	-	18,333	29.50
Expired	-	-	(1,042)	36.48
Outstanding, March 31	295,417	\$30.44	209,583	\$31.64
Options vested, end of period	293,333	\$30.45	201,042	\$31.65
Weighted average remaining life (years)	2.7		3.1	

The fair value associated with the unit options issued during the three months ended March 31, 2008 was calculated using the Black-Scholes model for option valuation, assuming a weighted average volatility of 20% on the underlying units, the term to expiry of 5 years, an annual distribution of \$3.37, and the five year weighted average risk free interest rate (the five year Canada bond rate at the date of grant).

14. Warrants

	2009		2008	
	Warrants	Weighted Average Exercise Price	Warrants	Weighted Average Exercise Price
Warrants outstanding and exercisable, March 31	71,833	\$41.83	71,833	\$41.83
Weighted average remaining life (years)	2.2		3.2	

No warrants were issued during the three months ended March 31, 2009 (March 31, 2008 – nil).

15. Income Property Rentals

	Three months ended March 31,	
	2009	2008
Revenue from tenant leases	\$ 14,774,985	\$ 12,129,347
Accrued rental revenue recognized on a straight-line basis	286,997	295,432
Above and below market lease amortization	493,780	385,470
	\$ 15,555,762	\$ 12,810,249

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

16. Interest

	Three months ended March 31,	
	2009	2008
Mortgage interest expense	\$ 3,613,481	\$ 2,968,310
Facilities and other interest expense	408,507	77,626
Debenture interest expense	1,186,619	1,044,121
Interest expense - continuing operations	5,208,607	4,090,057
Interest expense		
- discontinued operations (Note 20)	-	42,932
Deferred finance cost amortization:		
mortgages payable	(77,120)	(51,515)
acquisition and operating facilities	(130,911)	(75,058)
convertible debentures	(126,205)	(127,770)
Implicit interest rate in excess of coupon		
rate - convertible debentures	(122,440)	(98,185)
Change in accrued interest	(368,211)	(392,292)
Cash interest paid	\$ 4,383,720	\$ 3,388,169

17. General and Administrative Expenses

	Three months ended March 31,	
	2009	2008
Salaries and wages	\$ 280,965	\$ 232,163
Trustee fees - cash	45,942	14,853
Non-cash compensation -		
trustees and officers	338	41,100
Legal, audit and regulatory	31,093	49,233
Insurance	10,726	14,216
Other general and administrative	24,981	27,278
	\$ 394,045	\$ 378,843

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

18. Amortization

	Three months ended March 31,	
	2009	2008
Building and improvements	\$ 2,145,651	\$ 1,693,198
Deferred charges		
- tenant inducements on acquisitions	855,290	454,825
- leasing costs	169,331	91,741
Intangible assets		
- lease origination costs	855,487	432,682
- tenant relationships	401,941	268,084
Furniture and fixtures	23,826	22,807
Amortization expense	\$ 4,451,526	\$ 2,963,337

19. Income Taxes

Recent tax legislation has adversely affected the tax status of many trusts. Whiterock intends to take the steps necessary to qualify for exemption from these adverse changes. The following summarizes the legislative changes.

Whiterock currently qualifies as a mutual fund trust for Canadian income tax purposes. Prior to new legislation relating to the federal income taxation of publicly-listed or traded trusts, as discussed below, income earned by the Trust and distributed annually to unitholders was not, and would not be, subject to taxation in the Trust, but was taxed at the individual Unitholder level. For financial statement reporting purposes, the tax deductibility of Whiterock's distributions was treated as an exemption from taxation as Whiterock distributed and was committed to continue distributing all of its taxable income to its Unitholders. Accordingly, the Trust did not previously record a provision for income taxes, or future income tax assets or liabilities, in respect of Whiterock or its wholly-owned subsidiary trust.

On June 22, 2007, legislation relating to the federal income taxation of a "specified investment flow-through" trust or partnership (a "SIFT"), received royal assent (the "SIFT Rules"). A SIFT includes certain publicly-listed or traded partnerships and trusts, such as income trusts and real estate investment trusts which do not meet certain conditions. The Trust is currently a SIFT, as discussed below.

Under the SIFT Rules, following a transition period for Existing Trusts (as defined below), certain distributions from a SIFT will no longer be deductible in computing a SIFT's taxable income, and a SIFT will be subject to tax on such amounts at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. Distributions paid by a SIFT as returns of capital will not be subject to the tax. In fiscal 2006, 2007 and 2008, all Whiterock's distributions were classed as returns of capital for tax purposes.

A SIFT that was publicly listed before November 1, 2006 (an "Existing Trust") will generally become subject to the tax contemplated under the SIFT Rules commencing in its 2011 taxation year. However, in accordance with the Normal Growth Guidelines released by the Department of Finance on December 15, 2006, as amended, an Existing Trust may become subject to this tax prior to its 2011 taxation year if it issues new equity capital beyond certain limits measured against the market capitalization of the Existing Trust at the close of trading on October 31, 2006. Whiterock has not exceeded such limits, and subject to any "undue expansion", management does not believe the Trust will be subject to the SIFT Rules prior to its 2011 taxation year.

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Under the SIFT Rules, the new taxation regime will not apply to a trust that meets prescribed conditions relating to the nature of its revenue and investments (the "REIT Conditions"). The Trust intends to take the necessary steps to qualify for the REIT Conditions prior to 2011. Without further action, commencing in 2011 the Trust would become subject to the tax contemplated under the SIFT Rules, because, as currently structured, the Trust does not meet the REIT Conditions and, therefore, it is a SIFT.

Due to the SIFT Rules, in 2007 Whiterock commenced recognizing future income tax assets and liabilities with respect to the temporary differences between the carrying amounts and tax basis of its assets and liabilities, including those of its subsidiary trust, that are expected to reverse in or after 2011. Future income tax assets and liabilities are recorded using substantively enacted tax rates and laws expected to apply when the temporary differences are expected to reverse. The SIFT Rules resulted in the Trust including a future income tax asset of \$40,000 in the consolidated balance sheet at March 31, 2009 and December 31, 2008, and a future income tax expense of nil in the three months ended March 31, 2009 (March 31, 2008 - \$70,000).

The tax effect of temporary differences that give rise to significant portions of the future income tax assets are as follows:

	March 31, 2009	December 31, 2008
Future income tax asset:		
Income producing property	\$ 570,000	\$ (120,000)
Straight line rent receivable	(1,040,000)	(930,000)
Non-capital losses	490,000	1,070,000
Other assets and receivables	20,000	20,000
Net future income tax asset	\$ 40,000	\$ 40,000

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

20. Discontinued Operations

Effective January 28, 2008, the Trust sold its interest in an industrial property in Regina, Saskatchewan for gross proceeds totaling \$14.0 million, which approximated the Trust's gross book value. In conjunction with the sale, the Trust has provided a two year \$7.25 million second mortgage (Note 6) at a 10% interest rate in priority to the additional equity capital provided by the purchaser.

The Trust has the right to acquire the property at market once substantially leased. As a condition of financing, the Trust continues to guarantee the \$7.5 million first mortgage financing on the property.

The operating results for these properties have been reclassified as discontinued operations to comply with the disclosure requirements of the CICA Handbook Section 3475:

	Three months ended March 31,	
	2009	2008
Revenue		
Income property rentals	\$ -	\$ 115,894
Interest income	-	271
	-	116,165
Expenses		
Property operating costs	-	97,901
Interest	-	42,932
Amortization	-	30,878
	-	171,711
Income (loss) before the undernoted	-	(55,546)
Gain on disposition of properties	-	44,819
Income (loss) and gain from discontinued operations	\$ -	\$ (10,727)

Cash flow from discontinued operations for the three months ended March 31, 2009 and 2008 are as follows:

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	Three months ended March 31,	
	2009	2008
Cash provided by (used in) operating activities		
Income (loss) and gain from discontinued operations	\$ -	\$ (10,727)
Items not affecting cash		
Amortization	-	30,878
Above and below market lease amortization	-	(8,831)
Gain on disposition of properties	-	(44,819)
	-	(33,499)
Changes in non-cash operating items	-	(189,070)
	-	(222,569)
Cash provided (used in) investing activities		
Proceeds from disposition of properties	-	6,431,578
Change in cash - Discontinued operations	\$ -	\$ 6,209,009

21. Per Unit Calculations

On December 22, 2008, the Trust consolidated its issued and outstanding units on the basis of one post-consolidation unit for every three pre-consolidation units. All references to units, unit options and warrants in these financial statements, including per unit values, have been adjusted to a post-consolidation basis.

Basic per unit information is calculated based on the weighted average number of units outstanding for the period. The diluted per unit information is calculated based on the weighted average diluted number of units outstanding for the period, considering the potential exercise of outstanding unit options and warrants to the extent that the unit options and warrants are dilutive and the potential conversion of outstanding convertible debentures to the extent that the debentures are dilutive.

Income from continuing operations, discontinued operations and net income per unit calculations are based on the following:

	Three months ended March 31,	
	2009	2008
Weighted average number of units		
Basic	3,958,838	3,470,947
Diluted - Continuing Operations	3,958,838	3,479,227
Diluted - Discontinued Operations	3,958,838	3,470,947
Diluted - Net Income	3,958,838	3,479,227

The following securities were not included in the diluted net income per unit calculation as the effect would have been anti-dilutive:

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	Exercise / Conversion Price	Number of Units if Converted or Exercised at March 31, 2009
Unit options		
	\$ 18.27	15,000
	\$ 25.80	60,000
	\$ 29.22	10,000
	\$ 29.40	56,667
	\$ 29.55	4,167
	\$ 30.00	43,750
	\$ 30.12	4,167
	\$ 30.63	23,333
	\$ 32.64	16,666
	\$ 34.80	6,250
	\$ 39.24	55,417
Warrants		
	\$ 41.28	41,667
	\$ 42.60	30,166
Convertible Debentures		
Series A (8.0%)	\$ 30.60	222,147
Series C (9.0%)	\$ 36.00	61,444
Series F (6.0%)	\$ 39.66	287,443
Series E (6.3%)	\$ 41.25	606,060
Series D (7.5%)	\$ 45.00	222,222
		1,766,566

22. Segmented Financial Information

The Trust and its subsidiaries operate in the office, retail and industrial segments of the real estate industry in Canada.

Property operating income (excluding discontinued operations) and income properties by segment for the three months ended March 31, 2009 and 2008 are summarized as follows:

	Three months ended March 31, 2009			
	Office	Retail	Industrial	Total
Income property rentals	\$ 11,645,504	\$ 1,980,076	\$ 1,930,182	\$ 15,555,762
Property operating costs	4,927,230	701,825	602,880	6,231,935
Property operating income	\$ 6,718,274	\$ 1,278,251	\$ 1,327,302	\$ 9,323,827
Income properties - continuing	\$ 272,350,228	\$ 55,569,939	\$ 50,259,691	\$ 378,179,858

WHITEROCK REAL ESTATE INVESTMENT TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

	Three months ended March 31, 2008			
	Office	Retail	Industrial	Total
Income property rentals	\$ 9,619,371	\$ 1,583,628	\$ 1,607,250	\$ 12,810,249
Property operating costs	4,124,416	490,134	522,573	5,137,123
Property operating income	\$ 5,494,955	\$ 1,093,494	\$ 1,084,677	\$ 7,673,126
Income properties - continuing	\$ 220,246,184	\$ 39,555,843	\$ 39,201,421	\$ 299,003,448

For the three months ended March 31, 2009, there is one tenant that accounts for more than 10% of the Trusts' total revenue. SIQ (Quebec government agency) comprised approximately 16% (March 31, 2008 – 19%) of the Trust's total revenue.

23. Capital Management

The Trust defines capital that it manages as the aggregate of unitholders' equity and interest bearing debt. The Trust's objectives when managing capital are to safeguard and build long term unitholder value, fund its ongoing long term business strategies and provide reasonable returns to unitholders taking into account levels of risk.

The Trust manages its capital structure and makes adjustments to it taking into account changes in economic conditions, availability of capital and the risk characteristics of its underlying assets.

The total managed capital for the Trust is summarized below:

	March 31, 2009	December 31, 2008
Mortgages payable and facilities	\$ 286,420,739	\$ 284,153,909
Convertible debentures	52,782,165	52,533,520
	339,202,904	336,687,429
Unitholders' Equity	76,329,047	80,068,509
	\$ 415,531,951	\$ 416,755,938

The Trust monitors capital from time-to-time using a variety of measures. The Trust's Declaration of Trust contains provisions that have the effect of limiting capital expended by the Trust for, among other items, the following:

Whiterock's Declaration of Trust provides that total indebtedness, which excludes convertible debentures and short term credit facilities, may not exceed 75% of gross book value of the Trust's total assets ("GBV"). Whiterock continues to be in compliance with this ratio. At March 31, 2009, according to the calculation as defined in the Declaration of Trust, this ratio was 57.8% (December 31, 2008 – 54.8%). It is management's intention to reduce Whiterock's leverage ratio over time.

A special resolution was passed at an annual and special meeting of unitholders that this limitation on total indebtedness (which term shall be amended to include the aggregate principal amount of all convertible subordinated debentures of the Trust) be reduced to 65% of GBV. The reduction shall take effect at such time as the total assets of the Trust, as reflected on its audited annual consolidated financial statements for its most recently completed fiscal year, exceeds \$750 million.

WHITEROCK REAL ESTATE INVESTMENT TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Monitoring procedures are typically performed as a part of the overall management of Whiterock's operations. The Trust's strategy during the year, which was unchanged from the prior year, was to maintain its ability to secure access to financing at a reasonable cost. The requirements and terms of sources of capital cannot be predicted and change in ways the Trust cannot predict.

24. Financial Instruments and Risk Management

Fair values

For purposes of disclosure, the Trust calculates the fair value of certain assets and liabilities. The fair values of the Trust's financial assets and liabilities which represent net working capital, and the Trust's acquisition and operating facilities, approximate their recorded values at March 31, 2009 and December 31, 2008, due to their short term nature.

The fair value of the Trust's mortgages payable approximates carrying value. The fair value of mortgages payable has been estimated based on current market rates for mortgages with similar terms and conditions.

The fair value of the Trust's convertible debentures liability component approximates carrying value. The fair value of convertible debenture liability component has been estimated based on current market rates for debentures with similar terms and conditions. Such fair value estimates are not necessarily indicative of the amounts the Trust might pay or receive in actual market transactions.

At March 31, 2009 and December 31, 2008, the Trust did not have any cash flow or interest rate hedges in place.

Risk management

The main risks that arise from the Trust's financial instruments are liquidity, interest and credit risk. The Trust's approach to managing these risks, is summarized below:

Management's risk management policies are typically performed as a part of the overall management of the Trust's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Trust is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Trust has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Trust, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them, are as follows:

Liquidity risk

Liquidity risk is the risk that the Trust may not have sufficient debt and equity capital available to fund its growth program and refinance its debts as they mature. As discussed in Note 23, The Trust's Declaration of Trust provides that total indebtedness, which excludes convertible debentures and short term credit facilities, may not exceed 75% of gross book value of the Trust's total assets. As at March 31, 2009, the Trust had up to \$45 million of facilities available for acquisitions, operations and general trust purposes, of which \$17.5 million was drawn, and had cash on hand of \$3.0 million. The Trust also endeavors to stagger its debt maturities. Of the Trust's \$271.5 million of mortgage debt at March 31, 2009, none is scheduled to mature in 2009 and \$12.7 million is scheduled to mature in November 2010. None of the Trust's convertible debentures are scheduled to mature in 2009 and \$9.0 million are scheduled to mature in 2010.

WHITEROCK REAL ESTATE INVESTMENT TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *continued*

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. Obtaining long-term mortgages with fixed interest rates minimizes cash flow risk. All of the Trust's outstanding mortgages and convertible debentures are fixed rate. Of the Trust's \$271.5 million of mortgage debt, none is scheduled to mature in 2009 and \$12.7 million is scheduled to mature in 2010. None of the Trust's convertible debentures are scheduled to mature until 2010.

Credit risk

Credit risk arises from the possibility that tenants may experience financial difficulty and may not be able to fulfill their lease commitments. The risk of credit loss is mitigated by leasing policies which require that the financial viability of prospective tenants is investigated and that the tenant mix is comprised of tenants with credit worthy covenants, by staggered lease maturities and by an appropriate geographic mix of tenants.

25. Subsequent Events

On May 12, 2009 the Trust closed a \$10,064,000 bought deal public offering at a price of \$14.80 per unit resulting in a total of 680,000 units being issued.

Pending deployment of the net proceeds to repay long term debt, fund future acquisitions and/or for general trust purposes, the Trust intends to use the proceeds to reduce indebtedness under its acquisition and operating facilities.

On April 28, 2009 the Trust entered into a five year 9.5% \$5.3 million second mortgage. Net cash proceeds were used to reduce the outstanding balance of the Trust's revolving facilities.