



EASTMAIN RESOURCES INC.

THIRD QUARTERLY REPORT FOR THE PERIOD ENDING – July 31, 2011

The Company is focused on exploration and discovery of ore deposits within Canada's newest mining district – the Eastmain/Opinaca (Éléonore) region of James Bay, Québec. Eastmain owns 100% of two gold deposits, containing 632,000 ounces of gold resources Measured and Indicated ("M&I")^{1),3)} plus 1.04 million ounces gold in Inferred Resources²⁾ at Eau Claire and 255,000 ounces (M&I) at Eastmain Mine⁴⁾, along with a pipeline of other gold projects with very high mineral potential within the region. We also hold 36.8 % interest in a new early-stage discovery at Éléonore South, a joint venture with Goldcorp Inc. and Azimut Exploration Inc., located immediately adjacent to Goldcorp's multi-million-ounce Éléonore project. Subsequent to the quarter the Corporation also optioned its wholly-owned Radisson Project to Honeybadger Exploration Inc.

Clearwater Project

The Company has completed 35 drill holes totaling 12,250 metres on the Clearwater Project to date in 2011. Significant progress has been made in expanding the resource potential well outside the limits of the Eau Claire gold deposit with new high-grade discoveries at the 850 West Zone and Gap Zones. New gold-bearing discoveries include the **Sophie Vein, Stephanie Vein and Mat-Sky Vein** all discovered while drilling, and the **Rebecca Zone, Conrad Zone and Valli Veins** which were exposed during trenching.

850 West Zone

Multiple gold-bearing veins have been intersected from near surface to vertical depths in excess of 200 metres, over a length of 300 metres. These include V10, V12, V16, V18 and the Sophie Vein. Visible gold has been discovered in 13 of 35 drill holes and has been especially abundant in drill intervals from within Vein 12. Assay data from hole 298 confirms that a wide interval of Vein 12, with visible gold and tellurium, contains an average of **17.9 g/t Au across 12.2 metres (0.52 ounces per ton across 40 feet)** and includes **23.9 g/t Au over 9.1 metres (0.70 ounces per ton over 30 feet)**. Drill hole 303 also intersected a **10.1 metre-wide interval of Vein 12 grading 7.3 g/t Au**, including a 2.5 metre-wide interval which assayed 23.4 g/t Au. Drill hole 287 intersected **6.95 g/t Au across 13.5 metres** within Vein 12. These gold-rich drill intersections demonstrate excellent continuity, thickness and grade, well outside the limits of the current resource estimate. Assays are pending for several exceptional drill holes containing abundant visible gold detected within the V12 and Sophie Veins.

Quartz-tourmaline veins in the 850 West Zone look very similar in nature to those defining the main veins of Eau Claire. However vein orientation has changed. Veins within the 850 West Zone strike northeasterly and have a near vertical dip, whereas veins from the 450 West Zone are aligned east-west and dip to the south at 45°. The average thickness of gold-bearing units within the 850 West Zone has also measurably increased. In this area both veins and the intervening wallrock contain gold.

Surface trenching at 850 West has exposed the Rebecca Zone, a 10-metre-wide zone of alteration and quartz-tourmaline veins. The Rebecca Zone may represent the surface expression of V10. Channel sampling is in progress and drilling is also planned for this target.

Gap Zone

Six drill holes have been completed to date within the Gap Zone (308, 309, 313, 314, 316 and 319). The Gap Zone is a 100-metre-long area, situated between the 450 West and 850 West Zones, where no prior work had been completed. During the current program, multiple veins, including two new vein discoveries, the "Mat-Sky" and "Stephanie" veins have been intersected in the Gap Zone. The Mat-Sky Vein, which at the top of hole 309 consists of a 5.2-metre-wide quartz-tourmaline vein containing 2 grains of visible gold, has been traced at shallow depths in six drill holes to date, spanning a distance of about 150 metres in length. The Stephanie Vein has been intersected in four holes covering a distance of about 100 metres in length, at a

vertical depth of approximately 200 metres. Two intersections within the Stephanie Vein contain abundant visible gold (>30 grains) across widths of 2.5 metres and 3.5 metres in holes 309 and 314 respectively. 2011 drilling has confirmed that there is excellent potential in the Gap Zone to expand both Open Pit and Underground resources at Eau Claire.

Conrad Zone

The Conrad Zone is an entirely new discovery located 200 metres north of the 450 West Zone. Here, a stacked set of 12 well-developed quartz-tourmaline veins occur across a 15-metre-wide interval. These veins are currently being channel sampled and have not previously been drilled. The Conrad Zone likely represents the surface equivalent of the T Veins, which currently constitute about 17.5% of the total Eau Claire gold resource.

Valli Veins

Trenching has also discovered another new group of veins, referred to as the Valli Veins, located 400 metres south of the 450 West Zone. Hosted in porphyry, the Valli Veins comprise multiple quartz-tourmaline veins and altered rock which have been exposed for the first time, yet look very similar to the main group of veins comprising the 450 West Zone. This target is south of any previous drilling and is currently being channel sampled.

The 2011 exploration program has been very successful in expanding the Eau Claire deposit. Multiple, high-grade, gold-bearing quartz-tourmaline veins and alteration zones have been discovered outside the previous limits of gold mineralization, as defined by the current resource estimate. Drilling now in progress, utilizing two rigs, is focused on expanding the 850 West Zone to the west, and the Gap Zone to the northeast. Drill assay data has confirmed wide, high-grade gold intervals within the 850 West Zone, which significantly enhance the open pit resource potential at Clearwater. Recent trenching has also been extremely encouraging, with new gold-rich vein discoveries located both north and south of the Eau Claire gold Deposit.

Eastmain Mine Property

A 15,000-metre drill program, designed to expand the known A, B and C gold zones, as well as test regional targets along the mine trend, is in progress at the Eastmain Mine Property. 11 drill holes have been completed to date totaling 5,450 metres, with the intersection of mine series rocks in at least four holes. Assay results are pending.

During the quarter, the Province of Québec re-affirmed its Plan Nord with \$280 million in proposed funding to extend Route 167, starting late 2011. This program will provide permanent year-round road access to the Eastmain Mine property at a significant cost savings to Eastmain.

The current program is expected to continue past the end of the fourth quarter (October 31, 2011). The prime objectives of the program are to test for depth extensions of the known resource, test high-priority drill intercepts immediately outside of the limits of the deposit, and define new targets along the favourable mine trend to the northwest.

Éléonore South Joint Venture

A joint-venture meeting to confirm the next exploration program at Éléonore South (ES) has been delayed until the fourth quarter. Eastmain, as project manager, has allocated an exploration budget of \$1 million to continue drill-testing the "Roberto mine horizon" rock formations previously identified on the ES property.

Goldcorp Inc. has confirmed its plans to develop its' multi-million ounce Roberto gold deposit at Éléonore, which is contiguous to the north with the joint venture property. A recently updated pre-feasibility study has projected annual production at Roberto of 600,000 ounces of gold per year over a 15-year mine life at a cash cost of less than \$400 per ounce.

Radisson Project

Subsequent to the quarter, the Corporation optioned a 50% interest in its Radisson Project to Honey Badger Exploration Inc. ("HBE"), in exchange for a cash payment of \$50,000, issuance of 5 million HBE shares to Eastmain and \$2.5 million in exploration expenditures over a three-year period, including a minimum of

6,000 metres of drilling. Upon earning its 50% interest in Radisson, HBE will have a one-time 60-day option to increase its ownership to 60% by paying Eastmain an additional \$100,000 and incurring \$3.0 million in exploration expenses, including an added 6,000 metres of drilling, over a two-year period.

The Radisson Project covers a 25-kilometre-long portion of the La Grande volcanic belt, located north and west of both the Roberto and Eau Claire gold deposits. Previous work on the property by Eastmain, Noranda and others has identified potential for both gold and base metal ore deposits. Historical rock sampling has outlined several areas of anomalous gold with continuity. HBE is currently completing an initial phase of rock and soil sampling in preparation for drilling.

Reservoir Project

The Corporation allocated a significant exploration budget to drill test the C-52 copper-gold-silver zone on its 100%-owned Reservoir Project. Due to program logistics, work has not yet begun at Reservoir. The timing of the program will be subject to available drills and technical personnel.

Other Projects

The Corporation holds 12 properties within the James Bay area of Québec, including the Road King (5,704 hectares), Lac Elmer (9,379 hectares) and Lac Hudson (9,682 hectares) projects. Each of these properties are underlain by similar rock formations and structural settings to those hosting known gold deposits in the district, including Roberto and Eau Claire, and to ore deposits located elsewhere in the Canadian Shield, in major mining camps like Val d'Or and Timmins. These projects are available for option or joint venture.

Financial

The Company's current assets are comprised of \$14.0 million cash and cash equivalents, \$2.25 million in marketable securities maturing in one year, \$1.3 million in other marketable securities and \$0.7 million in exploration rebates receivable from the Province of Québec. As at July 31, 2011 there were 94.9 million shares issued, 0.31 million warrants outstanding at an average exercise price of \$1.84 per share, and 4.9 million options at an average exercise price of \$1.09 per share.

Outlook

With the discovery of a plethora of new veins and zones including, the Sophie, Stephanie and Mat-Sky Veins, discovered in drilling, and the Rebecca and Conrad Zones and Valli Veins unearthed while trenching, exploration at Clearwater during the last quarter has been tremendously successful. Assay results from the 850 West Zone have confirmed significant growth potential for both Open Pit and Underground resources. The inherent value of Clearwater grows with each new discovery outside the limits of the known gold mineralization. Management also anticipates a positive impact from on-going drilling at the Eastmain mine. Additional untapped value exists at the Éléonore South joint venture, where Goldcorp will soon be mining next door, and at our wholly-owned polymetallic copper-gold-silver zone located at Reservoir.

As the price of gold continues to climb, the value of our property assets increases significantly. The Corporation has a well-defined, fully-funded exploration plan to expand existing high-grade gold resources and advance its highly prospective project portfolio. Our projects are located within a mining friendly jurisdiction with access to mine-ready infrastructure.

Donald J. Robinson, Ph.D., P. Geo.
President and Chief Executive Officer
Sept 14, 2011

All scientific and technical data disclosed in this report has been prepared under the supervision of, and verified by Dr. Donald J. Robinson, a "qualified person" within the meaning of National Instrument 43-101. For further details on the properties of the Corporation, please refer to the 2010 Annual Information Form available on SEDAR at www.sedar.com.

Forward-Looking Statements

Certain information set forth in this letter may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Corporation, including, but not limited to, the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with the uncertainty of exploration results and estimates, currency fluctuations, dependence upon regulatory approvals, the uncertainty of obtaining additional financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.

- 1) Measured & Indicated Resources (which may potentially be extracted by both open and underground mining methods) of 3,354,000 tonnes containing 632,000 ounces gold @5.86 g/t gold uncapped – Eau Claire NI43-101 NR Apr 26, 2011*
- 2) Inferred Resources (which may potentially be extracted by both open and underground mining methods) of 5,322,000 tonnes containing 1,020,000 ounces gold @ 6.06 g/t gold uncapped – Eau Claire NI43-101 NR Apr 26, 2011*
- 3) Near-surface Open Pit Measured & Indicated Resources for Eau Claire (only that portion of the Eau Claire deposit that could potentially be mined by open-pit methods): 2,729,000 tonnes containing 502,000 ounces @5.72 g/t gold — Eau Claire NI43-101 NR Apr 26, 2011; NR May 19, 2011*
- 4) 255,750 ounces gold – Measured & Indicated Historical Non-NI43-101 Compliant Resources at Eastmain Mine (Campbell 2004 AR) and should not be relied upon. A qualified person from Eastmain has not done sufficient work to classify the historical estimate as current mineral resources, and therefore the historical estimate should not be treated as current mineral resources.*