EASTMAIN RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

General

The following discussion of results of operations and financial condition of Eastmain Resources Inc. ("Eastmain" or "the Company") consolidates management's review of the factors that affected the Company's financial and operating performance for the six months ended April 30, 2012 and factors that are reasonably expected to impact future operations and results. This discussion is intended to supplement and complement the Company's Condensed, Consolidated Interim Financial Statements for the six months ended April 30, 2012 and should be read in conjunction with those Financial Statements and related notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and approved by the Audit Committee. All dollar amounts are expressed in Canadian dollars unless otherwise indicated.

The Unaudited Consolidated Condensed Interim Financial Statements are the Company's second quarterly financial statements to be prepared in accordance with IFRS. Reconciliations to assist the reader in understanding the effects that the transition to IFRS has had on the Company's financial statements are included in Note 18 to those statements and Note 17 of the financial statements for the quarter ended January 31, 2012. The Company's IFRS implementation project plan discussed in previous management discussions and analyses ("MD&As") is nearing completion, with only the post-implementation review remaining. Since IFRS is principles-based by nature, accounting practice will continue to evolve in Canada and in the junior mining sector. While the Company has been diligent in its selection of appropriate accounting policies and methodologies and has been guided by the anticipated papers of the Mining Industry Task Force on IFRS, it may choose later to amend those selections. Any changes will be accounted for in accordance with the accounting and disclosure requirements under IFRS, including any concessions made to first-time adopters.

Readers are encouraged to consult the Audited Consolidated Financial Statements for the years ended October 31, 2011 and 2010 which were prepared in accordance with predecessor Canadian generally accepted accounting principles ("Canadian GAAP"), prior to the Company's transition date to IFRS of November 2011, and the Condensed Consolidated Interim Financial Statements for January 31, 2012, the Company's first financial statements prepared using IFRS. The Company's Condensed Consolidated Interim Financial Statements and the 2011 Audited Consolidated Financial Statements are available at www.sedar.com and the Company's website www.eastmain.com.

All statements, other than historical facts, included herein, including without limitation, statements regarding potential mineralization, resources, exploration results and future plans and objectives of the Company are forward-looking statements and involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated. Factors which may cause actual results and events to differ materially from those anticipated include, but are not limited to: actual results of mineral exploration and development; availability of financing; changes in applicable regulations; mineral value; equity market fluctuations; and cost and supply of materials. Other risk factors may include: general business, economic, competitive, political and social uncertainties; reliability of resource estimates; the actual results of current exploration activities; actual results of reclamation activities; conclusions of economic evaluations; fluctuations in the value of Canadian and United States dollars relative to each other; changes in project parameters as plans continue to be refined; changes in labour costs or other costs of production; future prices of gold and other metal prices; possible variations of mineral grade or recovery rates; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry, including but not limited to environmental hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses; political instability, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; and the factors discussed in the section entitled "Risk Factors" of the Annual Information Form filed under the Company's profile on www.sedar.com.

This management's discussion and analysis is dated June 14, 2012.

Company Overview

The Company, incorporated under the laws of Ontario, and its wholly-owned subsidiary, Eastmain Mines Inc. are engaged in the mineral exploration and development of resource properties containing gold, silver, copper, nickel and zinc within Canada. However, the Company's primary focus is exploration for precious metals in the Eastmain/Opinaca area of James Bay, Québec, a region that is becoming a highly important area for mineral exploration and discovery in North America. Like other major mining districts throughout the Canadian Shield, the James Bay area is laden with a broad range of mineral deposits.

The Company holds 100% interest in two high-grade gold deposits – Eau Claire and the Eastmain Mine, both located within the James Bay district of Québec. The Company also holds approximately 36.99% interest in, and manages exploration of, the Éléonore South project, a mineral exploration joint venture located immediately south of Goldcorp Inc.'s ("Goldcorp") Éléonore Project (Roberto gold deposit). The Company has a pipeline of high-potential exploration properties covering over 1200 km^2 within this new and fertile mining district.

In a news release dated January 10, 2011, Goldcorp Inc. announced that the first mine in the district, scheduled to open in late 2014, will be at Éléonore. Upon reaching full production, the Roberto Deposit will be one of the largest, lowest-cost mining operations in Canada. On November 14, 2011, Goldcorp confirmed that the project was on track and in receipt of a certificate of authorization, allowing full construction of the Éléonore gold project to commence immediately. Goldcorp forecasts annual production at Éléonore of 600,000 ounces of gold per annum at cash costs below $400 per ounce, over an expected mine life of 15 years.

The Québec government also recently announced its "Plan Nord", an initiative to make the vast James Bay territory more accessible for the development of mining and tourism. Under the initiative, major infrastructure programs will include the vital extension of a permanent road (Route 167) to the Eastmain Mine property from the communities of Chibougamau and Mistissini. Construction began late 2011 and should reach the Eastmain Mine property by 2013.

Significant Events

- In February, significant assay results were reported for 2011 drilling within the 850 West and Gap Zones at Clearwater. These include 100 near-surface, gold-bearing drill intersections with an average gold grade of 6.05 g/t over an average width of 6.09 metres from the 850 West Zone, located well outside the limits of the most recent resource estimate for the Eau Claire gold deposit;
- During the quarter, assay results were also reported for 2011 trenching and prospecting at Clearwater from the RC (Rebecca Collins) Soccer Field discovery, located on the southern flank of the 850 West Zone; the Pascal gold-bearing veins, found 500 metres west of the 850 West Zone, and; high-grade, gold-bearing veins from the Boomerang target, situated 1,000 metres east of the 450 West Zone;
- The Corporation confirmed its 2012 exploration program as $7 million for Clearwater, $1 million for Eastmain Mine and $2 million on other James Bay area projects.
- 2012 Clearwater drilling, designed to expand the limits of the Eau Claire gold deposit, with an emphasis on increasing the Measured and Indicated resources amenable to extraction by Open Pit methods, began in April;
- On April 25, 2012, the Company reported significant assay results from 2011 drilling which confirmed the extensions of the A, B and C Zones at the Eastmain Mine property;
- The Québec government's Plan Nord extension of Route 167 is underway. This new infrastructure will provide permanent road access to the Eastmain Mine;
- In February, Honey Badger Exploration announced a 2012 phase-one drill program to test seven targets on Eastmain’s Radisson property during the month of March 2012, however due to poor market conditions, to date no drilling has been completed on the property.

Exploration and Evaluation Activities

Clearwater Project

The Clearwater Project, which is located in the James Bay region of Québec, in close proximity to the EM-1 power facility and connected to Hydro Québec's road network, hosts the Eau Claire gold deposit, the second largest gold deposit in the district. The most recent NI 43-101 compliant resource update was completed in April 2011 (April 26 news release), indicating a 62% increase in total gold resources. As of April 2011, Eau Claire contained 632,000 ounces of gold (measured and indicated) and 1.04 million ounces of gold (inferred). The gold resource consists of 3.35 million tonnes at an average grade of 5.86 g/t Au (measured and indicated) and 5.32 million tonnes at an average grade of 6.06 g/t Au (inferred). P&E Mining completed the estimate and concluded that the upper portion of the deposit, which may be amenable to open pit extraction methods, consists of 2.73 million tonnes containing 502,000 ounces of gold (measured and indicated) at an average grade of 5.72 g/t Au. A revised estimate, which will include drilling to the end of 2011, is currently in progress.

A significant amount of drilling and trenching during 2010 and 2011 was completed outside the limits of the Eau Claire Deposit. Multiple high-grade, gold-bearing vein intersections and zones were discovered immediately west of the Eau Claire deposit at the 850 West Zone. 100 gold-bearing drill intersections from the 2011 program confirmed the near-surface extension of the high-grade vein system at Clearwater, with gold intersections ranging from 0.5 to 429 g/t Au and up to 420 g/t Te and from 0.5 to 25.0 metres in width. The average quartz-tourmaline vein intercept assayed 6.5 g/t Au over 6.09 metres. The metal assemblage, mineralogy and structural signature of the mineralization is the same as those found at the main 450 West Zone. The major difference is a noticeable change in the direction of vein orientation and dip angle. Previous drilling along the north and west edge of the 450 West Zone stopped short of this new trend of gold mineralization.

20 drill holes totalling 7,153 metres have been completed to date in 2012. Drilling in 2012 has focused on testing the northern and western extensions of the 450 West Zone and the Gap Zone. Multiple quartz-tourmaline veins have been intersected during the 2012 program. Drilling will also continue to test for the lateral and depth extensions of the 850 West Zone beginning in the RC Soccer Field area.

Trench assay results from the RC Soccer Field confirm a new very high-grade surface zone. Highlights include a composite channel sample interval from trench RC-3, which assayed 16.4 g/t Au over 13.5 metres, including a higher grade interval of 24.0 g/t Au over 8.5 metres.

Prospecting within the regional structural corridor lateral to Eau Claire has exposed new showings east and west of the gold deposit. Prospector Pascal St. Pierre, discovered a new set of quartz-tourmaline veins 500 metres west of the 850 West Zone with assays of up to 66 g/t Au. Regional prospecting also confirmed results from Trench CW-15 from the Boomerang Target, located 1,000 metres east of Eau Claire. Prospecting and trenching in search of additional targets with resource potential will continue in 2012.

A 40,000-metre, $7M drill program is in progress for the Clearwater Project in 2012. The top priority will be to expand and define the gold resource, with an emphasis on the of growth near-surface ounces amenable to Open Pit extraction.

The Company's investment in the Clearwater project to April 30, 2012 is $23.5 million.

Eastmain Mine Property

The Eastmain Mine project comprises 152 mineral claims and one mining license located in the Upper Eastmain River Greenstone Belt of James Bay, Québec. The Eastmain Mine project, which hosts the Eastmain gold deposit, a copper-gold-silver, sulphide-rich deposit, consisting of three high-grade, gold-rich zones known as the, "A", "B" and "C" Zones, containing historical resources of 255,750 ounces of gold[1)], is in the target definition and drilling stages of exploration. The Company's exploration focus at Eastmain is the expansion of known resources and discovery of a second deposit regionally along an extensive 10-kilometre-long mine trend.

28 NQ drill holes were completed in 2011 within the A, B and C Zones at the Eastmain Mine property for a total of 13,060 metres, drilled to test extensions of these historic zones. The mine horizon was intersected in several drill holes from each zone; additional check-assay work is underway for mineralized zones containing visible gold. Results will be reported during the second quarter.

Significant drill intersections from each of the three zones include 5.78 g/t Au across 6.5 metres at a depth of 443 metres in hole EM11-52, within the A Zone mine series; 435.5 metres grading 9.10 g/t over 3.0 metres in hole EM11-65 within the B Zone, and; 5.71 g/t Au over 1.5 metres at a depth of 352.5 metres from the C Zone in hole EM11- 74.

Re-assaying of two B Zone intervals drilled in 2010 containing visible gold in holes EM10-28 and EM10-38 respectively, resulted in an increase in the average grade of both intervals, including 13.24 gpt gold across 9.5 metres and 16.6 gpt gold over 5.5 metres. Results are pending for several infill samples also taken during the quarter.

The Québec government's Plan Nord infrastructure program is underway. This program includes extending Route 167 north from the communities of Chibougamau and Mistissini to the Eastmain Mine property and beyond. The Eastmain Mine site is situated on Sector 3 of the future permanent road. The camp is currently open and being rented by contractors building this section of road. This new infrastructure will substantially reduce costs, improve project logistics and stimulate exploration for our large land holdings in the area.

A $1-million exploration program, including mapping, prospecting and 3,000 metres of diamond drilling has been allocated for 2012. The focus of the 2012 program will be property-wide target definition for future drilling.

The Company's total investment in the Eastmain Mine project to April 30, 2012, is $11.7 million.

1) *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.*

Ruby Hill Project

The Ruby Hill Project is located within the Upper Eastmain River Greenstone Belt of James Bay, Québec. The property includes 268 mineral claims divided into two blocks (Ruby Hill East and Ruby Hill West) covering approximately 14,125 hectares. The centre of the Ruby Hill West block is located about 32 kilometres west of the Eastmain Mine Deposit and consists of 180 claims covering an area of 9,485 hectares. The Ruby Hill East block is contiguous with the Eastmain Mine property and consists of 88 claims, which cover an area of 4,640.05 hectares including key mine horizon stratigraphy.

The Ruby Hill claims exhibit similar geology, alteration and mineralization to the mine property and thus are also highly prospective with respect to economic potential. Due to access, these properties and this eastern belt of rocks are underexplored. Upon completion of the future Route 167 North, new discoveries will be a function primarily of exploration funding. Additional work is required to evaluate and test the potential both of these claim blocks.

The Company's investment in the project to October 31, 2011 is $1.9 million.

Éléonore South Joint Venture

The Éléonore South project is an exploration-drilling-stage property, adjacent to Goldcorp Inc.'s multi-million ounce Roberto gold deposit (Éléonore project) in the Eastmain/Opinaca geologic district of James Bay, Québec. The Éléonore South project is jointly held by Eastmain, Azimut Exploration Inc. and Les Mines Opinaca Ltée, a wholly-owned subsidiary of Goldcorp Inc. The property consists of 282 mining claims covering 147 km^2 of prospective land, contiguous with and underlain by the same rock formations as those found on Goldcorp's mine property.

There was no record of any previous exploration on the JV property prior to our first phase of work. The property covers a very large area with very little rock exposure. Systematic exploration commencing with prospecting and the collection of over 10,000 soil samples led to the discovery of the JT Target. Subsequent trenching of the JT prospect returned assays of up to 5.3 g/t gold across 8.0 metres and 10.9 g/t Au over three metres.

To date, three small drill campaigns totalling 10,448 metres have been completed on the property. A kilometre-long, stacked horizon containing anomalous Au-As-Sb mineralization, in a geological setting comparable to Goldcorp's Éléonore project, has been delineated through drilling. Like Eau Claire, Roberto is a structurally-controlled gold deposit in glacially covered terrain. The next phase of work at Éléonore South will include a detailed 3D modeling of magnetic data and structural information to prioritize future drilling targets. Given the growing size of the gold deposit located next door, the exploration potential of the Éléonore South property remains extremely high.

Goldcorp has reported that it expects to reach initial production at Éléonore by late 2014 and full production, at a rate of 7,000 tonnes per day, by 2017. The project is expected to produce 600,000 ounces of gold per year at a cash cost of less than $400 per ounce, over a minimum 15-year mine life. Upon full production the Éléonore project will rank amongst one of the most significant ore deposits in Canada.

The Eléonore South joint venture partners have approved a $250,000 interim budget funded by Eastmain and Goldcorp to prepare for future drilling. Eastmain has allocated up to $1 million in funding with the objective of continuing to test the JT horizon, as well as other priority targets.

The Company's investment in the project to April 30, 2012 is $4.8 million.

Reservoir Project

The Reservoir Project, comprising 156 claims covering approximately 8,099 hectares, is located in the Eastmain-Opinaca district of James Bay, Québec approximately 60 kilometres southwest of Goldcorp's Roberto deposit and approximately 45 kilometres west of the Eau Claire gold deposit. This property hosts a large copper-gold occurrence in albite altered volcanic-sedimentary rocks comparable to those hosting the past producing 10-million-ounce McIntyre Mine in Timmins, Ontario.

Reservoir straddles the regional structural/stratigraphic (rock formation) break dividing the volcanic and sedimentary domains of this new mining district. This break represents an important ore localizing time horizon throughout the region. Previous trenching and drilling on the property has confirmed that there is a significant kilometre-scale mineralizes system on the property which warrants drilling.

A $1-million exploration program including 3,000 metres of drilling has been recommended for 2012.

The Company's investment in the project to April 30, 2012 is $0.5 million.

Exploration Properties – Future prospects

Radisson Project

The Radisson property comprises 207 mineral claims covering approximately 10,698 hectares located within the La Grande Greenstone Belt district of James Bay, Québec. The property straddles a similarly-aged structural and stratigraphic setting, near a break between complex volcanic and sedimentary rocks, to the setting at Goldcorp's Roberto Gold deposit. Historic gold discovered within well-developed iron formations on the property suggest that Radisson may also be prospective for Lupin-style (Northwest Territories) gold mineralization.

Honey Badger Exploration Inc. (HBE), has an option to earn a 50% interest in the Radisson property, in exchange for a cash payment of $50,000, issuance of 5 million common shares of HBE to Eastmain and work expenditure commitments of $2.5 million, including 6,000 metres of drilling, over a three-year period. HBE reported that 18 priority targets were confirmed from its phase one exploration program on the property. Due to poor market conditions, a drill program to test seven of the most prospective targets, originally planned for March 2012, has not yet been initiated.

The Company's investment in the project to April 30, 2012 is $0.1 million.

Projects Available for Option or Joint Venture

Our exploration strategy includes increasing our exposure to discovery through third party funding on early-stage projects. The projects listed below straddle large tracks of land underlain by prospective greenstone terrain warranting additional exploration. Previous work completed by the Corporation on each of the properties listed below has found evidence of a potential discovery nearby. These projects are available for option and joint venture.

Road King Property

The Road King project is located within the Eastmain/Opinaca district, 85 kilometres west of the Roberto gold deposit. Similar to Roberto, this 108-claim property straddles the major structural and stratigraphic break between the Eastmain Greenstone Belt and Opinaca sedimentary rocks. The property is also accessible from the LG2 highway. Road King is in the very early stages of exploration. Although the property has been covered by airborne geophysics as well as regional, widely-spaced soil geochemical surveys and minimal prospecting, none of the priority areas have been tested and additional exploration is warranted.

Lac Hudson Project

The Lac Hudson project is located immediately south of the Reservoir Project within the central part of the Eastmain River Greenstone Belt, 35 kilometres west of Clearwater. The property consists of 187 claims covering 9,682 hectares underlain by volcanic and sedimentary rocks containing sulphide facies iron formation and chemical exhalatives. Several local concentrations of gold and base metals have been detected in iron formation on the property. Previous drilling intersected up to 15.2 g/t gold and 22.3 g/t silver. This early-stage exploration property is prospective for a sedimentary- or volcanic-hosted gold deposit and additional exploration is warranted.

Lac Elmer Project

The Lac Elmer project is located at the western end of the Eastmain Greenstone Belt approximately 35 kilometres west of the LG2 highway and roughly 80 kilometres west of the Reservoir property. The property consists of 178 claims covering 9,379 hectares. Lac Elmer is in the target definition and drilling stage of exploration.

Lac Elmer is underlain by a major felsic volcanic centre and characterized by a widespread highly altered mineralized horizon that geologically resembles the multi-million-ounce Hemlo gold mine in Northern Ontario and the La Ronde gold deposit, located in Val d'Or, Québec. The property hosts a kilometric-sized intensely sericite-silica altered mineralized horizon, enriched in silver-gold-copper and zinc. Previous exploration detected multi-ounce silver and ounce-level gold assays in surface showings, and up to 50 g/t silver and 0.5 g/t gold across 30 metres in drilling within felsic volcanics.

A second property-scale target includes quartz veins in sheared gabbro/mafic volcanic rocks and quartz-ankerite stockwork in biotite-rich diorite which returned assays of up to 42 g/t and 102 g/t gold respectively. This target has not been trenched or drilled and warrants additional exploration.

Other Projects

The Other Project category is composed of a collection of properties of geological interest located in the James Bay area of northern Québec (including Road King, Lac Hudson and Lac Elmer).

The carrying value of the Company's investment in all other projects to April 30, 2012 is $1.9 million.

Xstrata Joint Venture "MegaTEM Project" Ontario

The MegaTEM project was designed to search for buried ore deposits, principally gold and base metals, in the covered terrain of the Abitibi Greenstone Belt, one of the most prolific mining districts in the world. Using state-of-the-art exploration technology, 14,500 line-kilometres of airborne geophysical surveys were flown to generate in excess of 225 top-priority drill targets.

Eastmain is project operator and currently holds a 70% interest in any discovery made from these surveys. Xstrata, who holds the remaining 30%, has no back-in rights. MegaTEM is a greenfields project in the preliminary to early stages of exploration.

Based on results from deep penetrating geophysical surveys, combined with knowledge of the geologic signatures associated with known ore deposits elsewhere in the Abitibi, this project has the potential to generate a significant discovery. To date however, there has been insufficient exploration work completed to define mineral resources on the MegaTEM Project and it is uncertain if further exploration will result in a target being delineated as a mineral resource. Therefore, the Company has indefinitely postponed further exploration on this project in order to focus its efforts on the exploration of its 100%-owned gold projects in James Bay Québec. As such, the Company has written off the carrying value of its investment in this project.

Going Concern

The Company's financial statements have been prepared on a going-concern basis, which assumes continuity of operations, realization of assets and the settlement of liabilities in the normal course of business in the foreseeable future. The ability of the Company to continue as a going concern is dependent on the successful completion of actions taken or planned. The Company is subject to the risks and challenges experienced by other companies at a comparable stage. These risks include, but are not limited to, continuing losses, dependence on key individuals and the ability to secure adequate financing to complete its exploration projects and fund operating expenditures. While the Company has sufficient funds to meet its current commitments, the Company will require additional funding. Refer to the risks and uncertainties section for more information.

Results of Operations

The Company does not earn any significant revenue from consolidated operations. Interest is derived from the investment of funds for the period between the receipt of funds from equity placements and the disbursement of exploration expenditures. Other income is derived from management fees and charges for the use of Company facilities by third parties.

Due to the current economic climate, management has elected to freeze its wages for 2012.

Three months ended April 30, 2012 compared to the three months ended April 30, 2011

All of the information described below is accounted for in accordance with IFRS. Notes 3 and 17 of the Company's Condensed Consolidated Interim Financial Statements dated January 31, 2012, which describe the Company's IFRS accounting policies and provide a complete reconciliation of the Company's accounting under pre-transition Canadian generally accepted accounting principles ("Canadian GAAP") and IFRS. The discussion below includes certain references to the impact to the financial statements resulting from the adoption of IFRS.

Net income for the quarter ended April 30, 2012 was $94,168, (2011– a loss of $361,415) a decrease in loss of $455,583 over the comparative quarter last year.

- Premium income on flow-through shares for the quarter ended April 30, 2012 was $721,201, an increase of $439,777 (156.3%) over the comparable quarter last year. Under IFRS, the premium on flow-through shares is calculated as being the difference between the price paid by investors for flow-through shares and the fair-market price of the common shares. The premium is recorded as a liability and income is derived from amortization of the premium pro rata to the incurrence of eligible expenditures.
- Deferred taxes were $206,263, a decrease of $64,944 (23.9%) reflecting a decrease in the difference in book value to tax base value of the Company's assets.
- The quarter-end other income included rental income and management fees of $142,163 an increase of $132,626 over the comparable quarter last year. General and administrative expenses included a charge of $60,000 for representation of the Company's and the mining industries' interests in the proposed changes to the Québec Mining Act.
- Share-based compensation is recognized as an expense as the options granted vest. The estimated cost of share based compensation for the quarter ended April 30, 2012 was $158,250, a decrease of $67,000 over the quarter ended April 30, 2011 which included an estimated cost of $44,600 related to the extension of an option maturity date**.**
- Loss on marketable securities includes unrealized losses of $134,980, an increase of $18,927 (16.3%) reflecting a decrease in current market valuations.

Six months ended April 30, 2012 compared to the six months ended April 30, 2011

Net loss for the year-to-date was $455,583, (2011 – $52,856) an increase in loss of $402,727 over the comparative period last year.

- Premium income on flow-through shares for the year-to-date was $1,177,450, an increase of $481,646 (69.2%) over the comparable quarter last year.
- Deferred taxes were $242,225 a decrease of $446,868 (64.8%) reflecting a decrease in the difference in book value to tax base value of the Company's assets.
- The year-to-date loss included a mineral property write down of $634,142 for which there was no comparable expense in the year-to-date last year. Over the past two years Management has cut back and deferred exploration on its base metal projects in Ontario in favour of expansion of gold exploration on its promising properties in the booming James Bay area of Northern Québec. Increased effort on the advancement of gold projects has led to a complete postponement of exploration activity on the base metal projects in Ontario, until the economic conditions that govern the need for base metal exploration create renewed interest.
- The estimated cost of share based compensation for the year-to-date was $158,250, a decrease of $110,600 over the period ended April 30, 2011. $67,000 of the cost difference is due to changes in the factors for the assumptions that are used in the calculation of the estimated cost and $44,600 related to the extension of an option maturity date.

- Loss on marketable securities includes unrealized losses of $155,148, an increase of $110,600 reflecting a decrease in current market valuations.

Stock Option Compensation

2012 Stock Options	Options Granted	Black-Scholes Value	Operating Statement	Deferred Expenditures
Directors	250,000	$158,250	$158,250	-
2011 Stock Options				
Directors	250,000	$224,250	$224,250	-
Service Providers	-	$297,500	$ 44,600	$252,900
	250,000	$511,750	$268,850	$252,900

Selected Quarterly Information

	IFRS Quarter ended 04/30/2012	IFRS Quarter ended 01/31/2012	IFRS Quarter ended 10/31/2011	IFRS Quarter ended 07/31/2011
Interest / other Income	$ 202,702	$ 45,008	$ 80,589	$ 60,488
Comprehensive income (loss)	$ 94,168	(455,583)	(940,434)	(458,472)
Per share basic	$0.0010	$(0.0047)	$(0.0099)	$(0.0049)
Per share diluted	$0.0009	$(0.0047)	$(0.0099)	$(0.0049)
Trading Range of Shares				
High	$1.39	$1.52	$1.41	$1.60
Low	$0.97	$0.94	$0.98	$1.08

	IFRS Quarter ended 04/30/2011	IFRS Quarter ended 01/31/2011	Cdn GAAP Quarter ended 10/31/2010	Cdn GAAP Quarter ended 07/31/2010
Interest / other Income	$ 68,148	$ 77,026	$ 85,736	$ 51,952
Comprehensive income (loss)	$ (481,291)	$ (52,856)	$ (809,505)	$ (1,418,171)
Per share basic	$(0.0052)	$(0.0006)	$(0.0091)	$(0.0150)
Per share diluted	$(0.0052)	$(0.0006)	$(0.0091)	$(0.0150)
Trading Range of Shares				
High	$1.91	$2.17	$1.85	$1.44
Low	$1.35	$1.57	$1.16	$1.15

Information for quarters ended 01/31/2011 through 04/30/2011 has been reported giving effect to IFRS. The quarters ended 7/31/2010 through 10/31/2010 have been reported using Canadian GAAP.

Significant charges included in the amounts above by quarter end are as follows:

04/30/2012 -net income includes flow-through share premium income of $721,201, deferred income taxes of $206,263 and a charge of $158,250 for stock option compensation. Other income includes management fees and rental income of $142,163. Comprehensive income includes an unrealized loss on investments of $134,980

01/31/2012 -net loss includes $634,142 as write down of mineral properties, flow-through share premium income of $456,249 and deferred income taxes of $35,962. Comprehensive income includes an unrealized loss on investments of $41,459

10/31/2011 -net loss includes a $634,142 write down of mineral properties, flow-through share premium income of $632,689 and deferred income taxes of $614,660. Comprehensive income includes an unrealized loss on investments of $216,134

07/31/2011 -net loss includes flow-through share premium income of $662,392, deferred income taxes of $663,110 and a charge of $187,790 for stock option compensation. Comprehensive income includes an unrealized loss on investments of $160,103.

04/30/2011 -net loss includes flow-through share premium income of $281,434, deferred income taxes of $271,207 and a charge of $224,250 for stock option compensation. Comprehensive income includes an unrealized loss on investments of $114,262.

01/31/2011 -net loss includes flow-through share premium income of $414,380, deferred income taxes of $417,886 and a charge of $44,600 for stock option compensation. Comprehensive income includes an unrealized gain on investments of $161,682

10/31/2010 -Canadian GAAP - net income includes a $695,097 write down of mineral properties.

07/31/2010 -Canadian GAAP - net income includes a $976,396 write down of mineral properties and a charge of $213,762 for stock option compensation.

Unrealized gains and losses on marketable securities

Marketable securities are subject to changes in valuation depending on market fluctuations. The Company has designated all of its financial assets as available-for-sale, which is recorded at fair value through profit or loss. Revaluation of the Company's marketable securities from historical cost to fair-market value results in a cumulative unrealized loss of $729,999 as at April 30, 2012. The unrealized losses reflecting fluctuations in the financial markets are recognized in the financial statements quarterly. Realized gains or losses are recorded only upon disposal of the investments.

Risks and Uncertainties

There have been no changes in the Company's risks and uncertainties from those described in the 2011 Audited Annual Financial Statements or the most recent Annual Information Form, filed under the Company's profile on www.sedar.com.

Deferred Mineral Property Costs and Exploration Expenditures

The cost of exploration and development is recorded on a property-by-property basis and deferred in the Company's accounts, pending recovery, based on the discovery and/or extraction of economically recoverable reserves. When it is determined that there is little prospect of minerals being economically extracted from a property, the deferred costs associated with that property are charged to operations. The Company has an impairment policy, described in Note 3g) to the first quarterly Unaudited Condensed Consolidated Interim Financial Statements, dated January 31, 2012, whereby the carrying amounts of exploration properties are reviewed for events or changes in circumstances that suggest that the carrying amount may not be recoverable.

Liquidity

As at April 30, 2012, the Company had working capital of $12.9 million and no long-term debt. The Company maintains a high liquidity by holding a large cash balance in an interest-bearing Canadian bank account. At April 30, 2012 the Company held investments of $1.1 million valued at fair market with maturities extending beyond 1 year. Funds on-hand for future exploration costs are invested from time-to-time in money market funds, term deposits, and bonds or certificates of deposit with maturities matching the Company's cash-flow requirements, which in management's opinion, yield the greatest return with the least risk. The Company's policy is to maintain its investment portfolio in very low-risk liquid securities, which are selected and managed under advice from independent professional advisors. Shares in other companies acquired as a result of property transactions are classified as available-for-sale and are also a component of the funds on-hand for exploration.

Accounts receivable April 30, 2012 were $354,015 which included $202,980 for recoverable sales taxes, which are subject to verification and normally refunded within 60 to 90 days of the claim. Refunds of taxes are not considered a financial instrument since governments are not obligated to make these payments. Other prepaid accounts and accounts receivable were $151,035.

Accounts payable and accrued liabilities outstanding as at April 30, 2012 were $1,104,809. The $1,436,052 liability for flow-through share premium will be amortized to income as eligible flow-through expenditures are incurred.

The Company has an estimated $0.3 million in mining duty rebates recoverable from the Province of Québec for qualified expenditures in respect of the fiscal years ended October 31, 2010 and 2011. Since no confirmation of the amounts has been received, the estimated refund has not been recorded in the Company's financial statements.

The properties held by the Company are not income generating. The Company is reliant on equity markets over the long term to raise capital to fund its exploration activities. In the past, the Company has been successful in raising funds through equity offerings, and while there is no guarantee that this will continue, there is no reason either to believe that this capacity will diminish.

During the quarter ended April 30, 2012, the Company received net proceeds of $5.5 million from the issue of shares and the exercise of share purchase options and received $0.9 million in exploration tax credits. During the same period, the Company invested $3.9 million on claim acquisition, claim maintenance, exploration and evaluation of mineral resource properties. The Company's base operating cost is approximately $68,000 per month. All exploration expenditures to be made by the Company, except for flow-through commitments described below, are discretionary. As such, management believes the Company has sufficient working capital to fund the ongoing overheads and costs of its exploration activities for the foreseeable future.

Commitments

The Company is committed to spend $5,862,520 in eligible Canadian exploration expenditures (“CEE”) of which $5,753,970 must also qualify for Province of Québec flow-through expenditures by December 31, 2012 in respect of flow-through shares issued in 2011. As at April 30, 2012, qualifying expenditures of $2,626,555 have been incurred.

Capital Resources

The Company, as typical of junior exploration companies, has only a small investment in capital resources which is comprised of $49,561 in computer equipment and field equipment of $366,660. The net book value April 30, 2012 was $119,308.

Income taxes

For tax year-ends after December 31, 2005, non-capital losses can be carried forward and used to offset future gains for a period of twenty years, after which they expire (ten years for losses in tax years ending prior to December 31, 2005 and seven years for losses in tax years ending prior to March 22, 2004). To the extent that loss carry-forwards could be used to reduce future tax liabilities, they are a financial resource that can be managed. The Company, by its nature as a mineral exploration business, generates non-capital tax losses, which are not recognized on the income statement because, at this point in time, it is not certain that they will be used to offset tax liabilities within their carry-forward life.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

Related party transactions include $18,900 per month salary and $1,000 per month premises rent paid to the President and Chief Executive Officer of the Company. Professional geological consulting and management services fees of $630 per day plus out of pocket expenditures are paid to Shawonis Explorations and Enterprises Ltd. The president of Shawonis is related to the President and Chief Executive Officer of Eastmain Resources Inc. CFO financial consulting service fees of $130 per hour plus out-of-pocket costs are paid to QB 2000 Inc. The Chief Financial Officer of Eastmain Resources Inc. is the president of QB 2000 Inc.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares of which, as of June 14, 2012, there are 97,917,874 common shares outstanding; 5,314,605 share purchase options; and 240,926 common share purchase warrants outstanding. The share purchase options outstanding, with a weighted-average exercise price of $1.09, would generate proceeds of $5,779,272 and the common share purchase warrants outstanding, with an average exercise price of $1.47, would generate proceeds of $354,096, if exercised.

In December 2011 the Company issued 2,615,441 flow-through shares with Province of Québec tax renunciation in a brokered private placement at $2.20 per share plus a private placement of 83,500 flow-through shares for directors, officers and service providers, with no Province of Québec tax renunciation, at $1.30 per share for total gross proceeds of $5,862,250. Issue costs in connection with these private placements were $444,582, which includes legal fees and a brokerage commission of 6% of gross proceeds. In addition, 156,926 broker warrants were issued entitling the holder to purchase one common share at a price of $1.40 until June 2, 2013. The Black-Scholes value associated with these broker warrants was $30,757. Other private placements may be completed if market conditions are appropriate. The Company recognizes a liability upon issuance of flow-through shares for the flow-through premium and assigns a restriction to that portion of its cash until the full amount of eligible flow-through expenditures has been incurred.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company’s estimate of the recoverable value of its mineral properties, related deferred exploration expenditures and share-based compensation. These critical accounting estimates significantly affect the values attributed to the following line items in the Company’s financial statements: mining properties and deferred exploration expenditures; total assets; shareholders’ equity; stock-based compensation; total expenses; loss for the period; net loss; deficit; and basic and diluted loss per share.

These estimates involve considerable judgment and are, or could be, affected by factors that are out of the Company’s control. Factors affecting share-based compensation include estimates of when stock options and compensation warrants might be exercised and stock-price volatility. The timing for exercise of options is out of the Company’s control and will depend upon the market value of the Company’s shares and the financial objectives of the holders of the options. The Company has used historical data to determine volatility in accordance with the Black-Scholes model, however future volatility is uncertain and the model has its limitations. These estimates can have a material impact on the stock-based compensation and hence results of operations. The assumptions used for options issued are detailed in Note 10b) to the Unaudited Consolidated Condensed Financial Statements and assumptions used for warrants are detailed in Note 10c).

The Company's recorded value of its mineral properties and associated deferred exploration expenses is based on historical costs that may be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with its properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company operates in an industry that is exposed to a number of risks and uncertainties, including but not limited to: exploration risk; development risk; commodity-price risk; operating risk; ownership and political risk; currency risk; and environmental risk. The ability of the Company to obtain necessary financing to complete the development of its properties and obtain future profitable production is also uncertain.

Impairment Analysis

Management has reviewed the general and economic conditions and mining industry trends that influence recoverability of the carrying value of its mineral properties. Currently, there is a strong trend toward gold mining development in the James Bay area of Québec and management has decided to postpone its activity in base metals in order to allocate all of its resources to bringing its advanced exploration gold-bearing properties in Québec to the development stage. As such, the remaining $634,142 carrying value of the Company's Ontario-based projects was written off in the first quarter, although the Company is retaining its evaluation database, which may prove to be useful in the future. Management is confident that with plans to ramp up exploration in the James Bay area under Québec's current positive mining regime, all costs to date on its remaining projects are recoverable.

Changes in Accounting Policy

The Company has adopted IFRS issued by the International Accounting Standards Board ("IASB"). Note 3, to the Unaudited Condensed Consolidated Interim Financial Statements for the first quarter (January 31, 2012), describes the accounting policies that have been applied in the preparation of the financial statements for the period ended April 30, 2012. The comparative information presented in the financial statements for the year ended October 31, 2011 and the quarter ended April 30, 2011 were prepared using IFRS. Note 18 to the Unaudited Condensed Consolidated Financial Statements for the period ending April 31, 2012 and Note 17 of the interim financial statements for the quarter ended January 31, 2012, detail the adjustments made and the reconciliations between pre-transition statements issued under Canadian GAAP and IFRS.

Summary of IFRS Implementation

The Company had implemented a plan to guide it through transition and implementation to IFRS as discussed in the Company's previous MD&As. The plan is essentially complete with only the post-implementation review remaining. Management will continue to monitor publications from the Mining Industry Task Force and industry trends with respect to some of the more industry-specific matters such as accounting for flow-through financing.

Note 18, to the Unaudited Condensed Consolidated Financial Statements, contains detailed reconciliations of the effects of the transition to IFRS on the Company's financial statements that were previously issued under Canadian GAAP. The reader is encouraged to refer to that information for a comprehensive description of the matters summarized below.

The Company's guiding principle throughout the transition was to manage the number of changes and minimize the effects resulting from conversion to IFRS so as to implement only those changes required by compelling reason. Certain of the Company's accounting policies have been changed to be consistent with IFRS. However, in some cases there were no changes where pre-transition policies under Canadian GAAP were consist with IFRS. In a conservative approach to conversion, the Company has greatly expanded its disclosure under IFRS, but expects to streamline future disclosure, in conjunction with industry practice, as part of its post-implementation review.

Summary of the accounting policy differences and choices impacting the Company's financial statements under IFRS implementation:

a. Exploration and evaluation expenditures

Management has chosen to continue to capitalize rather than expense its exploration costs. The carrying value of acquisition, exploration and evaluation costs related to exploration projects represents costs expected to be recoverable from future operations and is not intended to reflect either the present or future values of the particular projects.

b. Flow-through Financing

   Under Canadian GAAP, the Company had adopted the CICA's recommendations with respect to flow-through shares outlined in EIC-146, whereby the foregone tax benefit arising from the renunciation of the tax credits to investors was recognized by reducing the value of the shares issued. Under this method, current income taxes were recognized for the estimated income taxes payable for the current year and determination of future income tax assets and liabilities was based on the differences between the financial reporting tax bases of assets and liabilities. Under IFRS the Company has adopted a policy to allocate the proceeds between share capital and the sale of tax benefits on the day of issue. The allocation made is based on the difference between the issue price of the shares and the fair market price quoted for the shares. A liability is recognized for the premium and the liability is taken into income as CEE eligible expenditures are incurred. Management has made a best-efforts attempt to calculate the historic impact of the renunciation and premium recognition. The impact of this difference, as it applies to the current quarter and year-to-date is detailed in Note 18 to the Unaudited Condensed Consolidated Financial Statements as at April 30, 2012.

Future Accounting Pronouncements

Certain pronouncements were issued by the IASB or IFRIC that are mandatory for accounting periods after December 31, 2010. Many are not applicable or do not have a significant impact on the Company. Those not yet adopted, that are applicable to future accounting periods and are being evaluated by the Company relate to IFRS 9, 10, 11, 12, 13, and IAS 1. Details of these pronouncements are disclosed in Note 3e) to the Unaudited Condensed Consolidated Interim Financial Statements for the period ended April 30, 2012. The IFRS issues deal with recognition and measurement; IAS 1 deals with reporting issues. Management expects to adopt and implement these changes by the required deadlines.

Use of Financial Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. There are no off-balance-sheet arrangements and the Company does not hold any asset-backed commercial paper. The principal financial instruments affecting the Company's financial condition and results of operations currently are its cash and marketable securities portfolio. To minimize risk, the funds are managed by independent financial advisors with ultimate administration by the Company. All of the Company's investment portfolio has been designated as available-for-sale and is recorded at fair-market value.

Future Outlook

The Corporation owns two of the five greenstone-hosted gold deposits discovered to date in the James Bay area of Québec, and an additional 10 exploration properties covering core areas within key greenstone belts in the region. Greenstone belts represent one of the most important geological settings for gold deposits world-wide. Not only is the James Bay area underlain by several unexplored greenstone belts, but the region is emerging as a new Canadian mining district, in contrast to the well known belts of the Canadian Shield, which reached their peak production profiles years ago.

Eastmain holds a controlling land package in this newly recognized gold-rich region and the Eau Claire gold deposit is one of only thirteen gold deposits in North America with more than 1.5 Million ounces at grades exceeding 3 g/t Au. Coupled with a positive location and accessibly provided by Hydro Québec, the Clearwater property provides shareholders with a tremendous growth opportunity. Clearwater clearly "makes the grade".

The focus of the Company in 2012 will be to expand the Eau Claire gold deposit, especially its high-grade Open Pit resources. Both the 450 West Zone and 850 West Zones are open laterally and at depth, and both demonstrate a pronounced open target down plunge along a preferred direction controlled by F2 fold structures. There are numerous additional prospects along a 5-kilometre-long gold belt, which may also lead to additional future mineable gold resources, thereby significantly increasing the growth potential of the property.

Our $10-million 2012 exploration budget continues to reflect the Company's commitment to gold exploration in the James Bay area of Québec. With a minimum of 40,000 metres of drilling planned at Clearwater, our effort will be focused on expanding near-surface, open-pitable resources west and north of the current deposit as well as making new discoveries.

10,000 metres of drilling has been proposed for Eastmain mine, Éléonore South and Reservoir, with an allocation of approximately 3,000 metres for each project.

Surface exploration, including prospecting, trenching, and 3-D modeling of current results will aid in target generation and definition at all four properties.

Our commitment begins with the recognition and training of our exploration team. Each year our team of highly skilled explorationists undergoes specific field and data training before the start of each summer field program. Management believes that such practices will not only encourage a long-term commitment to the Company but also foster excellent team-building skills, while providing valuable opportunity for knowledge-based geologic think tanks. Eastmain Resources Inc. **is** Exceptional people, Projects, and Partners.

Subsequent events

In accordance with the Company's stock option compensation plan, 850,000 ten-year-term stock options with an exercise price of $0.88 were issued to officers and service providers in June 2012 and expiry dates on 268,605 options were extended for a period of five years. The estimated cost of these changes, using the Black-Scholes option-pricing model, is $384,200. Between May 1, 2012 and the date of filing, 175,000 options were exercised at $0.78 and 445,000 options expired unexercised.

Scientific and Technical Disclosure

All disclosure of a scientific or technical nature herein concerning the currently published Eau Claire resource estimate is based upon the technical report entitled “Eau Claire Gold Deposit, Clearwater Project, James Bay Area, Middle North Québec" which was prepared by P&E Mining Consultants Inc. (the “Clearwater Report”) as of June 10, 2011. Tracy Armstrong, P.Geo and Antoine Yassa, P.Geo are “qualified persons” within the meaning of National Instrument 43-101 of the Canadian Securities Administrators and have verified the data underlying the statements contained herein concerning the currently published Eau Claire resource estimate. Further information concerning the Clearwater Project is contained in the Clearwater Report available at www.sedar.com.

Disclosure Controls and Procedures

The Company’s management with the participation of its President and Chief Executive Officer, Chief Financial Officer and Corporate Secretary have evaluated the effectiveness of the Company’s disclosure controls and procedures. Based upon the results of that evaluation, the certifying officers have concluded that, as of the end of the period covered by this report, the disclosure controls and procedures effectively provide reasonable assurance that information required to be disclosed in the reports the Company is required to file or submit under Canadian securities laws was recorded, processed, summarized and reported within the appropriate time periods specified by those laws. The Company’s certifying officers, being the President and Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company’s disclosure controls and procedures. The certifying officers also concluded that material information was accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

Internal Controls over Financial Reporting

The Company’s President and Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining adequate internal control over financial reporting. Under the supervision of the President and Chief Executive Officer and the Chief Financial Officer, the Company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company’s internal control over financial reporting includes policies that:

a. pertain to the maintenance of records that accurately and fairly reflect, in reasonable detail, the transactions and dispositions of assets of the Company;

b. provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that the Company’s receipts and disbursements are made only in accordance with authorizations of management and the Company’s Directors; and

c. provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company’s assets that could have a material effect on the Company’s financial statements.

The Company’s management believes that its policies and procedures provide the best controls achievable under the constraints described above subject to the limitations below.

Limitation of Controls and Procedures

The Company’s Management including the President and Chief Executive Officer and the Chief Financial Officer believe that any disclosure controls and procedures or internal control over financial reporting, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource constraints, and the benefit of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, they cannot provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been prevented or detected. The inherent limitations include the realities that judgements in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Controls can be circumvented by the individual acts of some persons, by collusion of two or more individuals or by unauthorized override of the control. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and therefore there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Accounting Responsibilities, Procedures and Policies

The Board of Directors, which among other things is responsible for the financial statements of the Company, delegates to management the responsibility for the preparation of the financial statements. Responsibility for their review rests with the Audit Committee. Each year the shareholders appoint independent auditors to audit and report directly to them on the financial statements.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to confirm that all administrative duties and responsibilities are properly discharged. The Audit Committee also reviews the financial statements, Management's Discussion and Analysis and considers the engagement or reappointment of external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to the shareholders. The external auditors have full and free access to the Audit Committee.

Additional Information

Additional information relating to the Company, including any published Annual Information Forms, can be found on SEDAR at www.sedar.com.