EASTMAIN

EASTMAIN RESOURCES INC.

Condensed Interim Consolidated Financial Statements

Three months ended January 31, 2013

(Unaudited)

NOTICE TO SHAREHOLDERS

Responsibility for condensed interim consolidated financial statements:

The accompanying unaudited condensed interim consolidated financial statements for Eastmain Resources Inc. have been prepared by management in accordance with International Financial Accounting Standard 34 – *Interim Financial Reporting*, using accounting policies consistent with International Financial Reporting Standards ("IFRS") appropriate to the circumstances and approved by the Audit Committee. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these unaudited interim consolidated financial statements have been fairly presented.

Auditors' involvement

The auditors of Eastmain Resources Inc. have not performed any review of the unaudited interim financial statements for the three months ended January 31, 2013 and January 31, 2012.

Table of Contents

EASTMAIN RESOURCES INC.

Condensed Interim Consolidated Statement of Financial Position
(Unaudited)

		January 31, 2013		October 31, 2012
Assets				
Current assets				
Cash and cash equivalents (Note 4)	$	6,162,273	$	2,541,819
Marketable securities maturing in one year (Note 5)		2,640,229		2,629,701
Prepaid and sundry receivables (Note 6)		770,015		883,285
		9,572,517		6,054,805
Marketable securities (Note 5)		772,123		824,989
Property and equipment (Note 7)		110,643		116,538
Exploration and evaluation (Note 8)		55,316,946		52,845,179
	$	65,772,229	$	59,841,511
Liabilities and Shareholders' Equity				
Current liabilities				
Accounts payable and accrued liabilities (Note 9)	$	463,995	$	1,381,323
Deferred premium on flow-through shares (Note 10)		1,298,122		-
		1,762,117		1,381,323
Deferred income taxes		2,772,673		2,815,792
Shareholders' equity				
Share capital		65,551,080		59,747.820
Warrants		30,757		30,757
Contributed surplus		10,960,200		10,960,200
Deficit		(15,304,598)		(15,094,381)
		61,237,439		55,644,396
	$	65,772,229	$	59,841,511

The attached notes form an integral part of these financial statements.

EASTMAIN RESOURCES INC.
Condensed Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)
(Unaudited)

		Three Months Ended January 31		
		2013		2012
Operating expenses				
General and administrative (Note 14)	$	262,194	$	262,568
Write down of mineral properties (Note 8)		-		634,142
Operating loss before the following		(262,194)		(896,710)
Interest and other income		17,516		45,008
Loss on marketable securities		(48,671)		(24,168)
Premium on flow-through shares		40,013		456,249
Net loss before income taxes		(253,336)		(419,621)
Deferred income tax recovery (expense)		43,119		(35,962)
Net loss and comprehensive net loss		(210,217)		(455,583)
Loss per share (Note 15):				
Basic	$	(0.002)	$	(0.005)
Diluted	$	(0.002)	$	(0.005)

The attached notes form an integral part of these financial statements.

EASTMAIN RESOURCES INC.

Condensed Interim Consolidated Statement of Cash Flows
(Unaudited)

	Three Months Ended January 31	
	2013	2012
	$	$
Operating activities		
Comprehensive net loss for the period	(210,217)	(455,583)
Amortization	7,395	8,563
Loss on marketable securities	48,671	24,168
Premium on flow-through shares	(40,013)	(456,249)
Deferred income taxes	(43,119)	35,962
Write down of mineral properties	-	634,142
Other receivables and prepaids	113,270	75,771
Accounts payable and other liabilities	(917,328)	(2,043,177)
	(1,041,341)	(2,176,403)
Financing activities		
Proceeds on issue of common shares	7,605,802	5,862,520
Proceeds on exercise of stock options	-	39,000
Share issue costs	(464,407)	(429,784)
	7,141,395	5,471,736
Investing activities		
Exploration and evaluation expenditures	(2,471,767)	(2,366,509)
Purchase of property and equipment	(1,500)	-
Purchase of marketable securities	(1,235,433)	(1,365,357)
Proceeds on sale and redemption of marketable securities	1,229,100	1,356,500
	(2,479,600)	(2,375,366)
Change in cash and cash equivalents	3,620,454	919,967
Cash and cash equivalents, beginning of the period	2,541,819	11,529,234
Cash and cash equivalents, end of the period	6,162,273	12,449,201

The attached notes form an integral part of these financial statements.

EASTMAIN RESOURCES INC.

Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)

			Reserves				
	Common shares		Warrants		Contributed		Shareholders'
	#	$	#	$	surplus $	Deficit $	equity $
Balance as at November 1, 2012	97,917,874	59,747,820	156,926	30,757	10,960,200	(15,094,381)	55,644,396
Private placements	8,709,133	7,605,802					7,605,802
Share issue expenses		(464,407)					(464,407)
Premium on issue of flow-through shares		(1,338,135)					(1,338,135)
Comprehensive loss for the period						(210,217)	(210,217)
Balance as at January 31, 2013	106,627,007	65,551,080	156,926	30,757	10,960,200	(15,304,598)	61,237,439

			Reserves				
	Common shares		Warrants		Contributed		Shareholders'
	#	$	#	$	surplus $	Deficit $	equity $
Balance as at November 1, 2011	94,968,933	56,698,891	313,140	140,676	10,208,716	(16,004,057)	51,044,226
Private placements	2,698,941	5,862,520					5,862,520
Share issue expenses		(429,784)					(429,784)
Premium on issue of flow-through shares		(2,613,502)					(2,613,502)
Exercise of stock options	50,000	55,050			(16,050)		39,000
Warrants issued		(30,757)	156,926	30,757			-
Warrants expired			(109,140)	(38,400)	38,400		-
Comprehensive loss for the period						(455,583)	(455,583)
Balance as at January 31, 2012	97,717,874	59,542,418	360,926	133,033	10,231,066	(16,459,640)	53,446,877

The attached notes form an integral part of these financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Eastmain Resources Inc. (the "Company" or "Eastmain") and its wholly-owned subsidiary, Eastmain Mines Inc., are engaged in the acquisition and exploration of resource properties within Canada. The Company is a publicly-held company incorporated under the Business Corporations Act (Ontario) and its common shares are listed on the Toronto Stock Exchange.

The Company is in the exploration stage and has not yet determined whether its exploration and evaluation assets contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for its exploration and evaluation assets is dependent upon the ability of the Company to obtain financing to complete the exploration and development of its exploration and evaluation assets, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its exploration and evaluation assets. The amount shown for exploration and evaluation assets does not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for the exploration and evaluation assets.

The consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration-stage company, the Company does not have any sources of revenue, and has historically incurred recurring operating losses. As at January 31, 2013, the Company had working capital of $7,810,400 and shareholders' equity of $61,237,439. Management has assessed that this working capital is sufficient for the Company to continue as a going concern beyond one year. If the going-concern assumption were not appropriate for these consolidated financial statements it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

The Company's registered office address is 36 Toronto Street, Suite 1000, Toronto, Ontario, Canada M5C 2C5.

2. BASIS OF PREPARATION

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain disclosures included in annual financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB, have been condensed or omitted and these unaudited condensed consolidated financial statements should be read in conjunction with the Company's Audited Consolidated Financial Statements for the year ended October 31, 2012.

The accounting policies applied in the preparation of these unaudited condensed interim consolidated financial statements are consistent with those applied and disclosed in the Company's Audited Consolidated Financial Statements for the year ended October 31, 2012.

In the preparation of these unaudited condensed interim financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of expenses during the period. Actual results could differ from these estimates as the estimation process is inherently uncertain. Estimates are reviewed on an ongoing basis, based on historical experience and other factors that are considered to be relevant under the circumstances. Of particular significance are the estimates and assumptions used in the recognition and measurement of items included in Notes 5(b) 8, 11(a) and 11(b).

Basis of consolidation

These unaudited condensed interim consolidated financial statements incorporate the financial statements of the Company and its wholly-owned Canadian subsidiary Eastmain Mines Inc.

The results of subsidiaries acquired or disposed of during the periods presented are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition, and up to the effective date of disposal as appropriate. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

These unaudited condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on March 12, 2013.

3. RECENT ACCOUNTING PRONOUNCEMENTS

A number of new standards, amendments to standards and interpretations are effective for periods beginning on or after January 1, 2013. The Company has not yet assessed the impact of the standards or determined whether it will adopt these standards early.

3. RECENT ACCOUNTING PRONOUNCEMENTS (Continued)

Financial Instruments
IFRS 9 – *Financial Instruments,* was issued by the IASB in October 2010 and will replace IAS 39 *Financial Instruments: Recognition and Measurement*. IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages it financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 were carried forward unchanged to IFRS 9. The new standard also requires the use of a single method of impairment determination, replacing the multiple methods available under IAS 39. The new standard is effective for the Company's annual reporting period beginning on November 1, 2015.

Consolidated Financial Statements
IFRS 10 – *Consolidated Financial Statements,* was issued by the IASB in May 2011. This is a new standard which identifies the concept of control as the determining factor in assessing whether or not an entity should be included in the consolidated financial statements of the parent company. Control is comprised of three elements: a) power over an investee; b) exposure or rights to variable returns from an investee; and c) the ability of the investor to affect its returns through its power. This new standard is effective for the Company's annual reporting period beginning November 1, 2013 with earlier adoption permitted.

Joint Arrangements
IFRS 11 – *Joint Arrangements,* was issued by the IASB in May 2011. This new standard focuses on classifying joint arrangements by their rights and obligations rather than their legal form. Entities are classified as either a joint operation, whereby the parties have rights to the assets and obligations for the liabilities or a joint venture, whereby the parties have rights to the net assets of the arrangement. In a joint operation the parties account for the assets, liabilities, revenue and expenses in proportion to their interest, whereas in a joint venture the parties recognise their interest as an investment and account for that investment using the equity method. This new standard is effective for the Company's annual reporting period beginning November 1, 2013 with earlier adoption permitted.

Disclosure of Interests in Other Entities
IFRS 12 – *Disclosure of Interests in Other Entiti*es was issued by the IASB in May 2011. This new and comprehensive standard provides disclosure requirements for entities reporting interests in other entities, including joint arrangements, special purpose arrangements and off-balance-sheet arrangements. This new standard is effective for the Company's annual reporting period beginning November 1, 2013 with earlier adoption permitted.

Fair Value Measurement
IFRS 13 – *Fair Value Measurement* was issued by the IASB in May 2011. This new standard provides precise definition of fair-value and single-source-of-fair-value measurement considerations for use across IFRSs. The key points are as follows:

i. Fair value is measured using the price in a principal market for the asset or liability, or in the absence of a principal market, the most advantageous market;

ii. Financial assets and liabilities with offsetting positions in market risks or counterparty credit risks can be measured on the basis of an entity's net risk exposure;

iii. Disclosure regarding the fair-value hierarchy has been moved from IFRS 7 to IFRS 13 and further guidance has been added to the determination of classes of assets and liabilities;

iv. A narrative has been provided discussing the sensitivity of fair value measurements categorized under Level 3 of the fair value hierarchy to significant unobservable inputs;

v. Information must be provided on an entity's valuation processes for fair-value measurements categorized under Level 3 of the fair-value hierarchy.

This new standard is effective for the Company's annual reporting period beginning November 1, 2013 with earlier adoption permitted.

4. CASH AND CASH EQUIVALENTS

The composition of cash and cash equivalents is as follows:

	January 31, 2013	October 31, 2012
Cash	$ 5,752,514	$ 1,641,721
Cash equivalents	409,759	900,098
	$ 6,162,273	$ 2,541,819

5. MARKETABLE SECURITIES

a) Hedging Activities

The Company does not engage in hedging activities nor does it hold or issue any derivative financial instruments.

b) Marketable securities held

Bonds and other securities are recorded at fair value. The Company has classified all of its investments in marketable securities, including the investments below, as available-for-sale. Investments in bonds bear interest at annual rates ranging from 1.25% to 4.4%, maturing between April 12, 2013 and June 15, 2016. Investments in public companies consist of shares in Dianor Resources Inc., which were acquired in exchange for geological data; shares of Threegold Resources Inc., received as a dividend from Dianor Resources Inc.; shares in Concordia Resource Corporation (formerly Western Uranium Corporation) received in exchange for prospecting permits and mineral claims; shares in Western Lithium Corporation resulting from a spin-out of Western Uranium Corporation; and shares in Honey Badger Exploration Inc., received in conjunction with an option to acquire a 50% interest in the Radisson property.

Marketable securities held

	Shares	January 31, 2013	October 31, 2012
GIC's and investment grade bonds		$3,038,012	$3,038,153
Concordia Resource Corporation common shares	539,336	134,834	134,834
Dianor Resources Inc. common shares	500,000	-	2,498
Honey Badger Exploration common shares	5,000,000	200,000	250,000
Threegold Resources Inc. common shares	12,380	495	371
Western Lithium Corporation common shares	169,612	39,011	28,834
Investments		3,412,352	3,454,690
Less current portion		2,640,229	2,629,701
		$ 772,123	$ 824,989

6. PREPAID AND SUNDRY RECEIVABLES

	January 31, 2013	October 31, 2012
Sales tax input credits recoverable	$ 620,385	$ 646,849
Sundry accounts receivable	124,666	208,812
Advances and prepaid expenses	24,964	27,624
	$ 770,015	$ 883,285

7. PROPERTY AND EQUIPMENT

The equipment is recorded at cost and is comprised as follows:

Cost	Computer equipment	Field equipment	Total
At October 31, 2012	$ 49,561	$ 385,729	$ 435,290
Additions	-	1,500	1,500
At January 31, 2013	$ 49,561	$ 387,229	$ 436,790
Accumulated depreciation			
At October 31, 2012	$ 37,630	$ 281,122	$ 318,752
Additions	895	6,500	7,395
At January 31, 2013	$ 38,525	$ 287,622	$ 326,147
Net book value January 31, 2013	$ 11,036	$ 99,607	$ 110,643

7. PROPERTY AND EQUIPMENT (Continued)

	Computer equipment	Field equipment	Total
Cost			
At November 1, 2011	$ 49,561	$ 342,570	$ 392,131
Additions	-	-	-
At January 31, 2012	$ 49,561	$ 342,570	$ 392,131
Accumulated depreciation			
At November 1, 2011	$ 32,517	$ 245,490	$ 278,007
Additions	1,279	7,284	8,563
At January 31, 2012	$ 33,796	$ 252,774	$ 286,570
Net book value January 31, 2012	$ 15,765	$ 89,796	$ 105,561

8. EXPLORATION AND EVALUATION

Acquisition, exploration and evaluation expenditures of mineral properties are recorded at cost and are comprised as follows:

Project expenditures for the three months ended January 31, 2013

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	Gross expenditures	Grants	2013 Net expenditures
Clearwater	$ 1,794,277	$ 266,278	$ 36,120	$ 2,096,675	$ -	$ 2,096,675
Eastmain Mine	104,497	47,611	3,549	155,657	-	155,657
Éléonore South	1,161	19,214	300	20,675	-	20,675
Ruby Hill	-	-	-	-	-	-
Reservoir	-	33,052	157	33,209	-	33,209
Radisson	100	630	-	730	-	730
Other	-	4,487	160,334	164,821	-	164,821
Total	$ 1,900,035	$ 371,272	$ 200,460	$ 2,471,767	$ -	$ 2,471,767

Project expenditures for the three months ended January 31, 2012

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	Gross expenditures	Grants	2012 Net expenditures
Clearwater	$ 1,342,137	$ 91,898	$ 630	$ 1,434,665	$ (635,444)	$ 799,221
Eastmain Mine	649,263	10,329	-	659,592	(222,040)	437,552
Éléonore South	36,958	2,138	3,725	42,821	(27,114)	15,707
Ruby Hill	-	630	10,278	10,908	-	10,908
Reservoir	1,507	78,544	13,257	93,308	(2,520)	90,788
Radisson	-	872	-	872	(695)	177
Other	-	91,788	32,556	124,344	(13,036)	111,308
Total	$ 2,029,865	$ 276,199	$ 60,446	$ 2,366,510	$ (900,849)	$ 1,465,661

8. EXPLORATION AND EVALUATION (Continued)

Cumulative acquisition, exploration and evaluation expenditures at January 31, 2013

Project	Balance November 1, 2012	2013 Net expenditures	Write-downs & recoveries	Balance January 31, 2013
Clearwater	$ 31,017,004	$ 2,096,675	$ -	$ 33,113,679
Eastmain Mine	12,458,247	155,657	-	12,613,904
Éléonore South	4,826,376	20,675	-	4,847,051
Ruby Hill	1,856,221	-	-	1,856,221
Reservoir	646,674	33,209	-	679,883
Radisson	86,282	730	-	87,012
Other	1,954,375	164,821	-	2,119,196
	$ 52,845,179	$ 2,471,767	$ -	$ 55,316,946

Cumulative acquisition, exploration and evaluation expenditures at January 31, 2012

Project	Balance November 1, 2011	2012 Net expenditures	Write-downs & recoveries	Balance January 31, 2012
Clearwater	$ 21,524,891	$ 799,221	$ -	$ 22,324,112
Eastmain Mine	10,897,962	437,552	-	11,335,514
Éléonore South	4,771,052	15,707	-	4,786,759
Ruby Hill	1,830,625	10,908	-	1,841,533
Reservoir	442,230	90,788	-	533,018
Radisson	75,594	177	-	75,771
Other	1,827,927	111,308	-	1,939,235
Xstrata JV	634,142	-	(634,142)	-
	$ 42,004,423	$ 1,465,661	$ (634,142)	$ 42,835,942

At January 31, 2013 the Company was entitled to mining duties and resource investment tax credits from the Ministry of Natural Resources (Québec) and The Ministry of Revenue (Québec) in respect of claims to be filed up to October 31, 2012, amounting to approximately $2,100,000 ($1,000,000 at January 31, 2012). Since the Company has no confirmation of the refund amounts, they have not been recorded in these financial statements.

a) Clearwater Project
Eastmain holds 100% interest in the Clearwater Project, located in the central portion of the Eastmain River Greenstone Belt within the James Bay Region of Québec. The property, which hosts the Eau Claire Gold Deposit, consists of map designated claims (CDC's) covering an area of 200.68 km^2. In 2011 Eastmain purchased SOQUEM's 2% Net Smelter Royalty ("NSR") for 1 million shares valued at $1.72 million and $1.0 million cash, thereby entitling the Company to the unencumbered ability to structure future royalty agreements on the Clearwater property at its sole discretion.

b) Eastmain Mine Project
The Eastmain Mine project, which hosts the Eastmain Mine Gold Deposit, is held by the Company's wholly-owned subsidiary Eastmain Mines Inc. The Eastmain Mine property is located in Northern Québec and consists of 152 mineral claims and one mining lease covering approximately 8,014 hectares of the easternmost part of Eastmain River Greenstone Belt. In September 2012, the Company exercised its right of first refusal to purchase the Remaining 2% NSR on all production exceeding 250,000 ounces of gold at a net cost $400,000. Concurrently, Franco Nevada Corporation and Virginia Mines Inc. jointly acquired the Initial Production Royalty, a 2.3% NSR applicable only to the first 250,000 ounces of gold produced and subject to a reduction should the price of gold fall below USD $750.

c) Éléonore South Project
The Éléonore South project consists of two separate blocks of CDC's comprising a total of 282 claims covering approximately 147 km^2 of the Opinaca area of James Bay, Québec. The Éléonore West block consists of 34 mineral claims covering approximately 17.8 km^2, while the Éléonore South block contains 248 claims extending over an area of approximately 129.9 km^2**.** The project is a 3-way joint venture agreement between Eastmain, Azimut Exploration Inc. ("Azimut") and Les Mines Opinaca Ltée. ("Les Mines Opinaca"), a wholly-owned subsidiary of Goldcorp Inc. Project ownership is based on participation in the funding of annual exploration programs. As such, the property is currently held by the joint venture partners approximately as follows: Eastmain 37.01 %; Les Mines Opinaca 37%; and Azimut 25.99%. Under the terms of the agreement, Eastmain, as operator, charges management fees based on its percentage of exploration costs.

8. EXPLORATION AND EVALUATION (Continued)

d) Ruby Hill Project
The Company holds 100% interest in the Ruby Hill project, which consists of 204 claim units covering 106 km^2 in two claim blocks, known as the Ruby Hill East and Ruby Hill West properties. These properties overlie prospective rock formations of the eastern portion of the Eastmain Greenstone Belt, located in the James Bay district of Québec.

e) Reservoir Project
The Company also holds 100% interest in the Reservoir property. Located in the James Bay region of Québec, Reservoir comprises 157 mineral cells (CDC's) covering approximately 8,146 hectares of the Eastmain River Greenstone Belt.

f) Radisson Project
The Company holds 100% interest in 207 CDC's comprising approximately 10,698 hectares of the La Grande Greenstone Belt in a project known as Radisson. A 2% Net Smelter Return Royalty payable to Franco-Nevada Corporation is assigned to eight of the 207 CDC's.

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 (an equity stake of approximately 9.9%) and work expenditure commitments of $2.5 million, including 6,000 metres of drilling, over a three-year period. During this three-year period, or until such time as it is vested, HBE is also obligated to maintain Eastmain's 9.9% share equity. HBE must also issue a 5-million-share bonus to Eastmain should HBE shares trade over $0.50 for any 20-day period during the first two years of the agreement. On completion of its 50% earn-in requirements, HBE has a one-time 60-day option to acquire an additional 10% interest in the Radisson property for a payment of $100,000 and additional exploration expenditures of $3.0 million, including an added 6,000 metres of drilling within a two-year period.

g) Other Québec Projects

i) Lac Elmer Project
The Company holds a 50% interest in the Lac Elmer Project, which is located within the western portion of the Eastmain River Greenstone Belt of the James Bay area of Québec. Barrick Gold Corporation previously earned a 50% interest from Eastmain in the Lac Elmer Project by funding $1 million in work expenditures. Eastmain is the project operator. Should Barrick not elect to participate in any given exploration program, or the maintenance of the Lac Elmer claims, it's interest would be diluted.

ii) Lac Hudson, Lac Lessard, Lidge and Road King Projects
The Company holds 100% interest in the Lac Hudson, Lac Lessard, Lidge and Road King properties, all of which are located in the James Bay region of Québec.

h) Xstrata JV, MegaTEM Project
Eastmain currently holds approximately 70% interest in the MegaTEM project, a conceptual project covering 2,661 km^2 of prospective geology, targeting VMS Cu-Zn-Ag, Ni-Cu PGE and gold deposits within glacially covered terrain of the eastern extensions of the Abitibi Greenstone Belt, primarily in Ontario. Xstrata PLC ("Xstrata") currently holds about 30% of the project. As project operator, Eastmain has indefinitely postponed further exploration on this project in order to focus on exploration of its 100%-owned gold projects in the James Bay area of Québec. As such, the Company has written off the carrying value of its investment in this project Geological data collected for the MegaTem project is being retained by the Company for future use.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	January 31, 2013	October 31, 2012
Trade accounts	$ 105,594	$ 876,363
Government remittances payable	19,821	26,387
Income taxes payable	158,370	320,558
Accrued liabilities	160,480	125,827
Due to related parties	19,730	32,188
	$ 463,995	$ 1,381,323

10. RESTRICTED CASH AND FLOW-THROUGH SHARE PREMIUM LIABILITY

In December 2011, the Company raised $5,753,970 and $108,550 with two flow-through issues. The premium paid by investors in excess of the market price of these shares was $2,613,502.

In December 2012 the company raised $7,605,802 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $1,338,135.

A portion of the Company's cash, equal to the unspent amount of CEE renounced to investors, is restricted to those expenditures that qualify for CEE.

	Flow-through premium liability	Restricted Cash
Balance, November 1, 2012	-	-
December 2012 flow-through issues	1,338,135	7,605,802
Reduction for expenses incurred	(40,013)	(363,745)
Balance, January 31, 2013	1,298,122	7,242,057

	Flow-through premium liability	Restricted Cash
Balance, November 1, 2011	$ -	$ -
December 2011 flow-through issues	2,613,502	5,862,520
Reduction for expenses incurred	(456,249)	(1,013,887)
Balance, January 31, 2012	2,157,253	4,848,633

11. SHARE CAPITAL

a) Authorized share capital

The company is authorized to issue an unlimited number of common shares with no stated par value.

i) In December 2011, the Company issued 2,615,441 flow-through shares in a private placement at $2.20 per share for gross proceeds of $5,753,970. Issue costs in connection with the private placement were $402,735. A brokerage commission of 6% of gross proceeds was paid and 156,926 broker warrants were issued. Each warrant entitles the holder to purchase one common share at a price of $1.40 until June 2, 2013. The Black-Scholes value associated with these warrants was $30,757. The flow-through premium associated with this issue was $2,589,287.

ii) In December 2011, the Company issued 83,500 flow-through shares in a private placement to directors, officers, employees and service providers at $1.30 per share for gross proceeds of $108,550. Issue costs in connection with this private placement were $27,049. The flow-through premium associated with this issue was $24,215.

iii) In December 2012, the Company issued 962,383 flow-through shares at $0.84 per share and 4,746,750 flow-through shares at $0.80 per share in a private placement for gross proceeds of $4,605,802. Issue costs in connection with the private placement were $298,615. A brokerage commission amounting to 5.4% of gross proceeds was paid. The flow-through premium associated with this issue was $438,135.

iv) In December 2012, the Company issued 3,000,000 flow-through shares in a private placement at $1.00 per share for gross proceeds of $3,000,000. Issue costs in connection with the private placement were $165,792. A brokerage commission of 5% of gross proceeds was paid. The flow-through premium associated with this issue was $900,000.

b) Share purchase option plan

Stock options	Number of options	Weighted average exercise price
Outstanding, November 1, 2012	5,464,605	$ 1.09
Outstanding, January 31, 2013	5,464,605	$ 1.09

11. SHARE CAPITAL (Continued)

Stock options	Number of options	Weighted average exercise price
Outstanding, November 1, 2011	4,909,605	$ 1.09
Exercised	(50,000)	$ 0.78
Outstanding, January 31, 2012	4,859,605	$ 1.09

Stock options outstanding January 31, 2013

Expiry date	Black-Scholes value ($)	Number of options	Exercise price ($)
September, 2013	386,925	825,000	0.96
April, 2014	52,992	96,000	0.96
June, 2014	468,800	800,000	1.25
January, 2016	397,000	250,000	0.72
June, 2017	102,080	168,605	0.78
June, 2017	60,300	100,000	0.77
April, 2020	192,750	250,000	1.35
June, 2020	536,250	750,000	1.27
September, 2020	62,400	75,000	1.46
April, 2021	224,250	250,000	1.51
June, 2021	395,850	650,000	1.15
April, 2022	158,250	250,000	1.05
June, 2022	384,200	850,000	0.88
September, 2022	71,850	150,000	0.96
	3,493,897	5,464,605	1.09

At January 31, 2013, the following options were outstanding and exercisable:

Exercise price range	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable
$0.51 - $1.00	2,439,605	8.05 years	$0.89	2,439,605
$1.01 - $1.50	2,775,000	7.22 years	$1.23	2,775,000
$1.51 - $2.00	250,000	8.24 years	$1.51	250,000

c) Warrants

On December 2, 2011, 156,926 share purchase warrants were issued as broker compensation with an exercise price of $1.40. The estimated fair value of the warrants was $30,757 using the Black-Scholes option pricing model with the following assumptions: dividend yield of $0.00; expected volatility factor of 43.8%; a risk free interest rate of 0.9% and an expected term of 1.5 years.

Warrants	Number of warrants	Weighted average exercise price
Outstanding, November 1, 2012	156,926	$ 1.40
Outstanding, January 31, 2013	156,926	$ 1.40

11. SHARE CAPITAL (Continued)

Warrants	Number of Warrants	Weighted Average Exercise Price
Outstanding, November 1, 2011	313,140	$ 1.84
Expired	(109,140)	$ 1.85
Granted	156,926	$ 1.40
Outstanding, January 31, 2012	360,926	$ 1.65

Warrants outstanding January 31, 2013:

Expiry date	Black-Scholes value ($)	Number of warrants	Exercise price ($)
June, 2013	30,757	156,926	1.40

12. CAPITAL MANAGEMENT

The Company's objectives in managing capital are: to ensure that there are adequate resources to sustain operations and to continue as a going concern; to maintain adequate levels of funding to support acquisition and exploration of mineral properties; to maintain investor and market confidence; and to provide returns to shareholders. The Company may manage its capital structure by issuing new shares, adjusting capital spending or disposing of assets. The Board of Directors does not establish quantitative return on capital criteria for management, but relies on management's expertise to sustain future development of the business.

Exploration involves a high degree of risk and there are substantial uncertainties about the ultimate ability of the Company to achieve positive cash flow from operations. Consequently, management reviews its capital management approach on an ongoing basis, taking into consideration operating expenditures and other investing and financing activities. As a part of this review, management considers the cost of capital and the risks associated with each class of capital. Based on recommendations from management, the directors balance overall capital structure through new share issues.

Management intends to continue to use various strategies to minimize its dependence on equity capital, including the securing of joint arrangements where appropriate.

Management considers its capital structure to consist of equity attributable to equity holders of the Company, comprising issued share capital, contributed surplus, warrants and accumulated deficit, which at January 31, 2013 totalled $61,237,439.

There were no changes in management's approach to capital management during the quarter ended January 31, 2013. The Company is not subject to externally imposed capital requirements.

13. FINANCIAL RISK FACTORS

The Company's exposure to risk factors and their impact on the Company's financial instruments are summarized below:

a) Fair value
Fair value represents the amount of which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair-value estimates are based on quoted market values and other valuation methods.

b) Credit risk
Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, marketable securities, and receivables included in prepaid and sundry receivables. The Company has no significant concentration of credit risk arising from operations. Cash and cash equivalents are held with the Royal Bank of Canada, from which management believes the risk of loss to be minimal. Financial instruments included in prepaid and sundry receivables consist of other receivables. Management believes that the credit risk concentration with respect to financial instruments included in prepaid and sundry receivables is minimal.

13. FINANCIAL RISK FACTORS (Continued)

c) Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. During the quarter ended January 31, 2013, the Company raised net proceeds of $7,141,395 through the issue of flow-through shares. As at January 31, 2013, the Company had current assets of $9,572,517 to settle current liabilities of $1,762,117. Projected costs for planned exploration activities for 2013 are $7.5 million. In addition, there are estimated tax credits of $2.1 million, which will be recorded when received or confirmed.

In management's opinion, there are sufficient funds to support exploration programs planned for the foreseeable future. All of the company's financial liabilities have contractual maturities of 30 days or less and are subject to normal trade terms.

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

Interest rate risk
The Company has cash balances, interest-bearing bank accounts and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade bonds, treasury bills, bankers' acceptances and money market funds. Due to the short-term nature of these financial instruments, fluctuations in market rates do not have a significant impact on the estimated fair value as at January 31, 2013.

Foreign currency risk
The Company's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Company funds certain administrative expenses in the United States on a cash-call basis using US dollar currency converted from its Canadian dollar bank account held in Canada. Management believes the foreign exchange risk derived from currency conversions is manageable and therefore, does not hedge its foreign exchange risk.

Price risk
The Company is exposed to price risk with respect to commodity and equity prices. Equity-price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity-price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices of precious metals, individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

14. GENERAL AND ADMINISTRATIVE EXPENSES

	Three months ended January 31, 2013	Three months ended January 31, 2012
Amortization	$ 7,395	$ 8,563
General and office	240,939	242,505
Professional fees	13,860	11,500
	$ 262,194	$ 262,568

15. EARNINGS PER SHARE

	Three months ended January 31, 2013	Three months ended January 31, 2012
Basic weighted average number of shares outstanding	101,985,285	96,719,460
Warrants	-	-
Stock options	-	-
Diluted weighted average number of shares outstanding	101,985,285	96,719,460
Items excluded from the calculation of diluted earnings because the exercise price is higher than the average quoted value of the common shares:		
Warrants	156,926	-
Stock options	5,214,605	-

15. EARNINGS PER SHARE (Continued)

Items excluded from the calculation of diluted earnings because the effect of their exercise would be anti-dilutive:		
Warrants	-	360,926
Stock options	250,000	4,859,605

16. RELATED PARTY TRANSACTIONS

Related parties include the Board of Directors, key management, close family members and enterprises that are controlled by these individuals. Related-party transactions conducted in the normal course of operations are measured at the amount established and accepted by the parties.

a) Transactions with related parties

	Three months ended January 31,	
	2013	2012
Donald Robinson (i)	$ 59,700	$ 59,700
Shawonis Explorations and Enterprises Ltd. (ii)	$ 43,785	$ 54,675
QB 2000 Inc. (iii)	$ 14,500	$ 17,904

i. Donald Robinson is the President and Chief Executive Officer of Eastmain Resources Inc. and a member of the Board of Directors of Eastmain Resources Inc. Fees paid to Donald Robinson are related to professional geological exploration and management services and office rental. At January 31, 2013, $3,000 was due to Dr. Robinson ($3,000 - 2012). These amounts are included in accounts payable and other liabilities.

ii. The Exploration Manager of Eastmain Resources Inc. is the president of Shawonis Explorations and is related to the Chief Executive Officer of Eastmain Resources Inc. Fees paid to Shawonis Explorations are related to professional geological exploration and management services. At January 31, 2013, $16,730 was owed to Shawonis Explorations and Enterprises Ltd. ($66,583 - 2012). These amounts are included in accounts payable and other liabilities.

iii. The Chief Financial Officer of Eastmain Resources Inc. is the president of QB 2000 Inc. Fees paid to QB 2000 Inc. are related to the Chief Financial Officer function. At January 31, 2013, there was no amount due to QB 2000 Inc. ($14,249 - 2012). Amounts due are included in accounts payable and other liabilities.

b) Remuneration of directors and CEO, other than consulting fees:

	Three months ended January 31,	
	2013	2012
Salaries and benefits	$ 72,200	$ 73,723
Share-based compensation	$ -	$ -
	$ 72,200	$ 73,723

Certain officers have employment or service contracts with the Company. The Directors do not have any employment or service contracts. Officers and directors are entitled to share purchase options and cash remuneration for their services.

17. PROVISION FOR INCOME TAXES

The income tax recovery varies from the amounts that would be computed applying the basic federal and provincial income tax rate aggregating 26.75% to loss before income taxes as shown in the following:

	Three months ended January 31,	
	2013	2012
Expected income tax	$ (67,767)	$ (112,089)
Share issue costs and other	26,964	33,670
Change in tax rates	-	-
Effect of flow-through renunciation	326,398	227,500
Unrealized losses on investments	(13,019)	(6,465)
Other	-	(8,785)
Non-deductible mineral property expenditures	(229,457)	(169,633)
Deferred income tax recovery (expense)	$ 43,119	$ (35,962)

Significant components of the Company's deferred income tax assets and liabilities are as follows:

	January 31 2013	October 31, 2012
Non-capital losses carried forward	$ 2,025,069	$ 1,957,302
Capital assets	165,155	153,685
Exploration and evaluation assets	(5,101,902)	(5,095,748)
Share issue costs	205,521	235,485
Other	(66,516)	(66,516)
Future income taxes	$ (2,772,673)	$ (2,815,792)

CORPORATE INFORMATION

MANAGEMENT AND DIRECTORS

Donald J. Robinson, Ph.D., P. Geo
President, CEO, Director

James L. Bezeau, BBA, CMA,
Chief Financial Officer

Catherine I. Butella, B.Sc.
Exploration Manager

Jay Goldman, BA, MBA, LLB
Corporate Secretary

Ian J. Bryans, B.A.*
Director

John A. Hansuld, Ph.D.*
Director

David K. Joyce,
Director

William L. Koyle *
Lead Director

Richard W. Hutchinson, Ph.D.
Chief Technical Advisor

Neil Hillhouse, Ph.D.
Special Advisor

Dr. Ted Moses, (former Grand Cree Grand Chief)
Special Advisor

Chad Steward
Manager Communications

* Member of Audit Committee

AUDITORS

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Toronto, Ontario, Canada M5H 4H1

SHARES LISTED

Symbol: ER
The Toronto Stock Exchange

SHARE STRUCTURE (as at Sept 14, 2011)

Issued: 106,627,007
Options: 5,464,605 ($5,951,672)
Warrants: 156,926 ($219,097)

CORPORATE OFFICE

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