EASTMAIN RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS – THIRD QUARTER 2014

General

The following management's discussion and analysis ("MD&A") of the financial condition and results of the operations of Eastmain Resources Inc. ("Eastmain" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the quarter ended July 31, 2014. This MD&A has been prepared in compliance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations*. This discussion should be read in conjunction with the Company's condensed interim consolidated financial statements ("interim financial statements") for the nine months ended July 31, 2014 together with the notes thereto, which were prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in the financial statements and this discussion are expressed in Canadian dollars, unless otherwise stated. In the opinion of management, all adjustments (which consist only of normal recurring adjustments) considered necessary for a fair presentation have been included. The results for the periods presented are not necessarily indicative of the results that may be expected for any future period. Information contained herein is presented as at September 15, 2014 unless otherwise indicated.

For the purposes of preparing this MD&A, management, in conjunction with the Board of Directors, considers the materiality of information. Information is considered material if: (i) such information results in, or would reasonably be expected to result in, a significant change in the market price or value of Eastmain common shares; (ii) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision; (iii) it would significantly alter the total mix of information available to investors. Management, in conjunction with the Board of Directors, evaluates materiality with reference to all relevant circumstances, including potential market sensitivity.

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 September 15, 2014.

Company Overview

The Company, incorporated under the laws of Ontario, and its wholly-owned subsidiary, Eastmain Mines Inc. are engaged in the exploration of metallic mineral resource properties within Canada.

The Company's primary focus is exploration for precious metals in the Eastmain/Opinaca areas of James Bay, Québec, a relatively under-explored region that comprises several Archean greenstone belts – rock assemblages responsible for most of the world's gold supplies. The James Bay region promises to be one of North America's newest gold districts. Here, the Company holds 100% interest in two high-grade gold deposits – Eau Claire and the Eastmain Mine – and holds approximately 38.70% interest in, and manages exploration of, the Éléonore South project, a mineral exploration joint arrangement, located immediately south of Goldcorp Inc.'s ("Goldcorp") Éléonore Project (Roberto gold deposit). The Company also holds nine high-potential exploration properties covering over 1200 km^2 of this new and fertile mining district.

Quarterly Highlights

Clearwater

- *Prospecting, geological mapping and trenching, targeting lateral extensions, both east and west of Eau Claire gold deposit, result in 3 km extension to footprint of high-grade gold mineralization at Clearwater; now totalling over 5kms;*

- *Compilation of Eastmain's geophysical surveys and government data clearly demonstrates this mineralized footprint is spatially and possibly genetically related to a "crustal-scale" (D2) structure traceable for more than 100 kilometres across the Eastmain greenstone belt;*

- *This regional structural zone is analogous to major structural/lithological "breaks" associated with and thought responsible for most Archean gold camps in Canada (eg. Porcupine-Destor, Cadillac-Larder Breaks);*
- *3D Geological modeling of Eau Claire gold deposit identifies pattern of multiple wide, metal-rich zones occurring at the intersection of two principal gold-bearing structures, resulting in both wider and higher-grade gold intercepts;*
- *Current modelling, in progress, also indicates there are at least two higher-grade sectors within Eau Claire, one at surface and the second within 150 to 300 metres of surface, that may possibly support potential future mining operations.*

Eastmain Mine Area

- *New road access used to facilitate 2014 exploration;*
- *2014 surface work completed on the Eastmain Mine-Ruby Hill East properties identifies anomalous gold mineralization, coinciding with mine horizon rock formations, on both properties;*
- *Preliminary work at Ruby Hill West suggests key Eastmain Mine rock assemblage and associated structures also occur here.*

Lac Lessard

- *Prospecting and geological mapping confirms property is underlain by large ultramafic complex containing anomalous concentrations of Ni-Cu-PGM's.*

Exploration and Evaluation Activities

Clearwater Project

Eastmain Resources Inc. owns 100% interest in the Clearwater Property, host to Eau Claire, one of five known gold deposits in the James Bay region of Québec. With ready access and nearby infrastructure in the form of permanent roads and power, Clearwater is superbly located for potential future development. The project is situated approximately 800 kilometres (kms) north of Montréal, 80 kms north of a commercial airport at Nemiscau and 10 kms northeast of Hydro Québec's EM-1 complex. Gold mining is about to begin in this emerging-metals district with commercial production commencing at Goldcorp's Éléonore project, located only 45 kms geographically north of Clearwater, later this year.

The Clearwater Project covers about 200 km^2 of Archean geology similar to that underlying many of the major mining camps within the Canadian Shield. The Eau Claire gold deposit is situated at the western end of the property, 2.5 kms from Hydro Québec's road network and approximately 15 kms east of one of the world's largest hydro-electric power installations. Fuel is delivered to the project by tanker truck and year-round access to the 30-person base camp is facilitated via drill roads five kms from the permanent road network.

A revised interpretation of the gold domains, in relation to presumed lithological and structural controls at Eau Claire, has demonstrated that wide gold zones intersected in both drilling and trenching throughout the deposit may be indicative of a pre-existing gold-bearing unit (altered basalt) and/or a primary gold-rich structure (shear zone) which has subsequently been crosscut by later high-grade, gold-bearing quartz-tourmaline veins. Geological modeling indicates that gold-rich altered basalts are foliated and that their geometry and distribution is controlled by both hangingwall felsic porphyries and footwall volcaniclastic units.

Modeling of 2013 drill data suggests that wider gold intervals are aligned predominantly along discordant northwest-trending cross structures that can be traced in three dimensions across the deposit, potentially forming an attractive and much wider gold domain with respect to potential future mining of the deposit. Still under development, this new concept may guide future exploration while increasing our expectations of finding new potentially-minable, high-grade sectors within the deposit.

Resource Estimation

Gold domains and possible ore-controlling structures at Eau Claire are currently being wire-framed as part of a 3D geological model, which will form the basis of the next resource estimate. This new resource, built using geostatistics and block modeling, will better integrate preferred gold-bearing lithologies, structural geology and rock alteration, providing greater confidence in vein extension and in the general geometry of the Eau Claire deposit with a current estimation of its gold resources.

Preliminary Economic Assessment

Assuming positive results from the completion of the block model resource estimate the next step in the progression of the evolution of the project will be to proceed to a Preliminary Economic Assessment (PEA).

2014 Exploration Results

Mapping, prospecting and sampling, focused principally on areas lateral to the Eau Claire gold deposit, which are in proximity to the regional D2 structural break, as defined by airborne magnetic surveys, is currently in progress. Gold-bearing quartz-tourmaline veins and “Eau Claire-type” rock alteration has been found over a distance of more five kms along this regional structure. Trenching and drilling of priority targets are scheduled to follow in Q4 2014.

Assay data is pending for on-going geological targeting. The Company’s net investment in the Clearwater project to July 31, 2014 is $38.7 million.

Eastmain Mine

The Eastmain Mine property 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, contains historical resources of 255,750 ounces of gold(1). The project 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 along a regionally extensive 10-kilometre-long mine trend. The project includes a 100-person camp, fuel farm, fully functioning airstrip, tailings pond, underground ramp access and underground mine workings.

The Québec government's Plan Nord infrastructure program has now provided permanent road access to the Eastmain Mine property by extending Route 167 north from the communities of Chibougamau and Mistissini. This new infrastructure will substantially reduce costs, improve project logistics and stimulate exploration of our large land holdings in the area. This new road also provides additional access for exploration along the favourable mine trend. Field crews were able to utilize road access to the property this season.

2014 Exploration

Prospecting and geological targeting, principally focused on the northwest extension of the high-grade A and B Zones, was completed during the reporting period. Hundreds of samples have confirmed highly anomalous mine-package mineralization in both boulders and outcrop, over a distance of several kilometres along the projected mine horizon. Rock exposure is limited to the southeast of the deposit due to extensive overburden cover. Surface trenching and drilling is planned as the next step in searching for additional gold resources at Eastmain Mine. Assay data from 2014 field studies is pending.

The Company’s net investment in the Eastmain Mine project to July 31, 2014 is $13.4 million.

(1) *These resources are historical estimates and should not be relied upon. These estimates may not be NI43-101 compliant. A qualified person for Eastmain has not done sufficient work to classify the historical estimates as current mineral resources as defined by NI43-101.*

Ruby Hill

The Company holds 100% interest in certain mineral properties comprising the Ruby Hill project, located within the Upper Eastmain River Greenstone Belt of Northern Québec. The project, which consists of two separate claim blocks, referred to as the Ruby Hill East and Ruby Hill West blocks, covers approximately 10,600 hectares of prospective geology similar to the key mine horizon at the Eastmain Mine gold deposit.

The Ruby Hill East block is contiguous with the Eastmain Mine property and covers a geological repetition of the key Eastmain Mine gold horizon, which consists of a large mafic-ultramafic flow running diagonally through the central portion of the property in contact with a cherty felsic volcanic unit.

Ruby Hill West straddles the western limb of the Upper Eastmain River Greenstone Belt approximately 30 kms west of the Eastmain Mine deposit in a similar geologic setting.

2014 Exploration

The Ruby Hill East claim block covers what has been interpreted as a repetition of the mine horizon. This claim block straddles a regional break in volcanism where mafic volcanic rocks, containing chert and sulfide iron formation, lie in contact with felsic volcanics containing disseminated sulfides at or near the contact. Airborne geophysical surveys have defined two regional conductive horizons; one located within the mafic volcanic formation, and the second trend coinciding with the mafic/felsic contact. A major structural corridor, interpreted through detailed magnetic surveys, coincides with this bimodal volcanic sequence.

A program of prospecting, soil geochemical sampling and geological targeting was completed on Ruby Hill East during the reporting period. The program focused on confirming a possible repetition of the Eastmain Mine horizon, based on structural and lithological interpretation of airborne geophysical surveys flown in 2013.

Geological mapping and prospecting has confirmed at least two potential target horizons which parallel the Eastmain Mine horizon. Cherty iron formation hosted within a mafic volcanic formation has been traced along the length of the claim block. Mapping has also confirmed a major break in volcanism, coincident with a structural break, providing a highly prospective target zone for ore deposits. Soil sampling, a very effective screening tool which led to the discovery of the Eau Claire gold deposit, was also completed over the claim block on a 200-metre by 50-metre grid spacing.

A preliminary prospecting and mapping campaign at Ruby Hill West has also led to the discovery of Eastmain Mine series rocks in the southern and western-most parts of the property, near what has been interpreted as a regional structural break.

Rock and soil assay data is pending for the program.

The Company's net investment in the Ruby Hill project to July 31, 2014, is $2.4 million.

Lac Lessard

The Company holds 100% interest in the Lac Lessard project, located 15 kms northeast of the Eastmain Mine project. This project consists of forty-seven claims in one claim block covering 2,475 hectares. A surface exploration program was completed during the reporting period to evaluate the nickel-copper- Platinum Group Metals-gold (Ni-CU-PGM-Au) potential of the claim group. Property-scale mapping confirmed that a large portion of the property is underlain by ultramafic rocks, a common host to Ni-CU-PGM-Au mineralization.

235 rock samples and 181 soil samples were taken, targeting airborne magnetic and VTEM anomalies previously defined on the property. Assay data is pending.

A follow-up drill program is planned for 2014 to test up to seven priority targets.

The Company's net investment in the Lac Lessard project to July 31, 2014, is $0.3 million.

Going Concern

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 exploration 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 interim 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 operating 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 historically has incurred recurring operating losses. As at July 31, 2014, the Company had working capital of $3,365,697 (October 2013 - $2,597,817) and shareholders' equity of $64,186,304 (October 2013 - $60,007,364). 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 was not appropriate for these financial statements it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

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. From time to time, other income is derived from management fees and charges for the use of Company facilities by third parties.

Three months ended July 31, 2014 compared to the three months ended July 31, 2013:

Net loss the quarter ended July 31, 2014 was $206,936 (2013 - loss of $67,710) a variance of $139,226.

- General and administrative expenses were $256,958 (2013 - $221,266) a variance of $35,692 (16.1%).
- Interest and other income was $10,578 (2013 - $30,448) a variance of $19,870 (65.3%). Interest on investments and bank balances for the quarter was $16,539 less than last year.

- The unrealized loss on marketable securities was $40,159 (2013 - loss of $9,663) a variance of $30,496. The variance is due to the loss in market value of the Company's common stock holdings. Gains and losses result from the regular recurring adjustments of the Company's investment portfolio to market value. The losses to date have been reflective of the depressed market trend that prevails on mineral resource companies. Marketable securities include share ownership in resource companies obtained in exchange for property, property rights or exploration data.
- Premium income from flow-through shares was $188,222 (2013 - $105,713) a variance of $82,509. 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 premium amortization pro rata to eligible expenditures incurred. Premiums recorded on the issue of flow-through shares are disclosed in Note 11 to the interim financial statements.

Nine months ended July 31, 2014 compared to the nine months ended July 31, 2013:

Net income was $379,009 (2013 - loss of $692,378) a variance of $1,071,387.

- General and administrative expenses were $735,558 (2013 - $772,465) a variance of $36,907 (4.8%). Expenses decreased as a result of efforts to reduce administrative costs.
- Interest and other income was $52,614 (2013 - $100,060) a variance of $47,446 (47.4%). Interest on investments and bank balances was $38,809 of that variance.
- The unrealized gain on marketable securities was $232,873 (2013 - loss of $276,281) The variance of $509,154 is primarily due to a recovery in the value of the Company's holdings in Honey Badger shares which had suffered a substantial loss in market value last year. Gains and losses result from the regular recurring adjustments of the Company's investment portfolio to market value. Marketable securities include share ownership in resource companies obtained in exchange for property, property rights or exploration data.
- The premium income on flow-through shares was $1,207,918 (2013 - $182,530) a variance of $1,025,388. 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 premium amortization pro rata to eligible expenditures incurred. The Company extended its successful fiscal 2012-2013 drilling program into November and December of 2013 and completed geophysical surveys on several projects with the use of flow-through funds. Premiums recorded on the issue of flow-through shares are disclosed in Note 11 to the interim financial statements. Flow-through eligible exploration expenditures incurred during the period were $4,234,529 (2013 - $1,684,997).

Summary of Quarterly Results

	Quarter ended 07/31/2014	Quarter ended 04/30/2014	Quarter ended 01/31/2014	Quarter ended 10/31/2013
Interest / other income	$ 10,578	$ 29,034	$ 13,002	$ 27,976
Comprehensive income (loss)	$ (206,936)	$ 19,341	$ 566,604	$ (945,814)
Per share basic	$(0.0017)	$0.0002	$0.0049	$(0.0089)
Per share diluted	$(0.0017)	$0.0002	$0.0049	$(0.0089)
Trading range of shares				
High	$0.47	$0.56	$0.44	$0.48
Low	$0.28	$0.28	$0.21	$0.26

	Quarter ended 07/31/2013	Quarter ended 04/30/2013	Quarter ended 01/31/2013	Quarter ended 10/31/2012
Interest / other income	$ 30,448	$ 52,096	$ 17,516	$ 62,079
Comprehensive income (loss)	$ (67,710)	$ (414,451)	$ (210,217)	$ 285,165
Per share basic	$(0.0006)	$(0.0039)	$(0.0021)	$0.0029
Per share diluted	$(0.0006)	$(0.0039)	$(0.0021)	$0.0028
Trading range of shares				
High	$0.46	$0.82	$0.90	$1.07
Low	$0.19	$0.38	$0.59	$0.76

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

07/31/2014
Comprehensive net income includes: flow-through share premium income of $188,222; deferred income taxes of $108,619 and; a charge of $124,990 for stock option compensation and an unrealized loss on investments of $40,159.

04/30/2014
Comprehensive net income includes: flow-through share premium income negative adjustment $86,924; deferred income taxes of $23,036 and; an unrealized gain on investments of $289,870.

01/31/2014
Comprehensive net income includes: flow-through share premium income of $1,106,620; deferred income taxes of $293,255 and; an unrealized loss on investments of $16,838.

10/31/2013
Comprehensive net loss includes: flow-through share premium income of $615,505; deferred income taxes of $1,400,557 and; an unrealized gain on investments of $8,818.

07/31/2013
Comprehensive net loss includes: flow-through share premium income of $105,713; deferred income tax recovery of $27,058 and; a charge of $119,425 for stock option compensation and an unrealized loss on investment valuation of $9,663.

04/30/2013
Comprehensive net loss includes: flow-through share premium income of $36,804; no stock option compensation expense; deferred income tax recovery of $3,601 and; an unrealized loss on investments of $217,947.

01/31/2013
Comprehensive net loss includes: flow-through share premium income of $40,013; deferred income tax recovery of $43,119 and; an unrealized loss on investments of $48,671.

10/31/2012
Comprehensive net income includes: flow-through share premium income of $196,627; deferred income tax recovery of $342,610 and; an unrealized loss on investments of $20,081.

Risks and Uncertainties

The Company is in the exploration stage and has not yet determined whether its mineral resource properties contain reserves that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for mineral resource properties are dependent upon the ability of the Company to obtain financing to complete the exploration and development of its mineral resource properties, 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 mineral resource properties.

Due to the inherently risky nature of the Company's activities, it is subject to numerous risk factors that may affect its business prospects in the future. These risks include, but are not limited to: access to additional capital to fund future activities; the loss of its mineral properties or the inability to obtain exploration permits licenses and approvals; price fluctuations for gold; title risks; political and regulatory risks related to prospecting, development, mining, labour standards, occupational health and safety, waste disposal, land use, water use, environmental protection, land claims of aboriginal people, statutory and regulatory compliance; the adequacy and availability of insurance coverage; competition for equipment and skilled personnel; liquidity risk; conflicts of interest; and the Company's dependence upon key management.

Exploration and Evaluation Assets

The cost of exploration and evaluation 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 3(b) to the audited consolidated financial statements, dated October 31, 2013, 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. The Company's carrying value of exploration and evaluation assets as of July 31, 2014 was $63,585,443 (2013 - $56,919,652).

Exploration and evaluation expenditures by quarter:

	Q3 2014	Q2 2014	Q1 2014
Clearwater			
Drilling and assays	$ 113,098	$ 261,861	$2,190,149
Technical surveys	171,399	115,892	175,435
Acquisition and maintenance	12,326	-	-
Tax credits received	-	(1,660,179)	-
Total Clearwater	296,823	(1,282,426)	2,365,584

	Q3 2014	Q2 2014	Q1 2014
Eastmain Mine			
Drilling and assays	3,635	1,373	158,593
Technical surveys	150,566	4,823	32,303
Acquisition and maintenance	-	-	6,011
Tax credits received	-	(232,300)	-
Total Eastmain Mine	154,201	(226,104)	196,907
Éléonore South			
Drilling and assays	100	534	730
Technical surveys	1,943	12	1,500
Acquisition and maintenance	4,382	3,654	4,315
Total Éléonore	6,425	4,200	6,545
Ruby Hill			
Drilling and assays	1,315	-	-
Technical surveys	176,199	8,793	294,262
Acquisition and maintenance	6,580	10,219	(6,048)
Total Ruby Hill	184,094	19,012	288,214
Reservoir			
Drilling and assays	5,760	85,504	477,748
Technical surveys	6,099	8,389	122,864
Acquisition and maintenance	6,152	58	13,389
Total Reservoir	18,011	93,951	614,001
Lac Hudson			
Technical surveys	26,504	22,399	2,483
Acquisition and maintenance	-	38,723	-
Total Lac Hudson	26,504	61,122	2,483
Lac Elmer			
Technical surveys	85,777	125,520	82
Acquisition and maintenance	-	18,518	-
Total Lac Elmer	85,777	144,038	82
Radisson			
Technical surveys	630	-	-
Acquisition and maintenance	5,969	-	-
Total Radisson	6,599	-	-
Road King			
Technical surveys	19,653	-	69,003
Total Road King	19,653	-	69,003
Dyna			
Technical surveys	3,778	2	159,490
Total Dyna	3,778	2	159,490
Lidge			
Technical surveys	4,898	2,520	27,927
Acquisition and maintenance	-	4,572	-
Total Lidge	4,898	7,092	27,927
Lac Lessard			
Drilling and assays	3,182	-	-
Technical surveys	76,581	15,431	120,489
Acquisition and maintenance	-	-	6,072
Total Lac Lessard	79,763	15,431	126,561
Total net expenditures	$ 886,526	$(1,163,682)	$3,856,797

Liquidity

Working capital is a measure of a both a company’s efficiency and its short-term financial health, which is calculated as current assets less current liabilities. The working capital ratio of current assets to current liabilities indicates whether a company has enough short-term assets to cover its short-term debt.

At July 31, 2014, the Company had current assets of $4.4 million and current liabilities of $1.0 million yielding a working capital of $3.4 million. The Company maintains a high liquidity by holding cash balances in interest-bearing Canadian bank accounts. The high working capital ratio is a reflection of the Company's operating cycle, which consists of obtaining funds through the issuance of shares, before engaging in exploration activities.

The Company has no long-term debt.

At July 31, 2014 the Company held investments of $0.8 million valued at fair market with maturities extending beyond one 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.

Accounts receivable and prepaid expenses as at July 31, 2014 were $190,871 which included $57,143 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. Accounts receivable from cost-sharing agreements were $121,550. Other advances and prepaid amounts were $12,178.

As at July 31, 2014, trade accounts payable and accrued liabilities were $399,312. Trade accounts are usually settled within 30 days. Income taxes payable and payroll withholdings were $48,589. Due to related parties was $18,430. Flow-through premiums are amortized in proportion to their related exploration expenditures.

The Company has an estimated $1.0 million in resource investment credits and mining duty rebates recoverable from the Province of Québec for qualified expenditures in respect of returns filed up to October 2013. Since confirmation of these amounts has not yet been received, this estimated refund has not been recorded in the Company's financial statements.

During the nine months ended July 31, 2014, the Company received net proceeds of $4.8 million from share units issued and $1.9 million in tax credits to fund fiscal 2014 activities. During the same period, the Company spent $5.3 million on claim acquisition, claim maintenance, and 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 will have sufficient funds available to meet all of its flow-through obligations and cover its ongoing administrative and overhead costs for the foreseeable future.

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.

Commitments

During fiscal 2014, the Company issued flow-through shares for which it is committed to spend $4,280,000 in eligible Canadian exploration expenditures ("CEE") by December 31, 2014. As of July 31, 2014, qualifying expenditures of $2,435,759 had been incurred.

Capital Resources

The Company, as is typical of junior exploration companies, has only a small investment in capital resources, which is comprised of $54,182 in computer equipment and field equipment of $397,786. The net book value July 31, 2014 was $80,266.

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). 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. The value of related party transactions for the nine months ended July 31, 2014 was $336,510 (2013 - $317,190). The amount due to related parties July 31, 2014 was $18,430. (2013 - $25,984).

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares of which, as of September 15, 2014, there are 120,194,507 common shares outstanding; 6,143,605 share-purchase options with a weighted average exercise price of $0.79, which would generate proceeds of $4,835,762, if exercised; and 6,768,750 common share-purchase warrants outstanding at a price of $0.45, which would generate proceeds of $3,045,938 if exercised.

Critical Accounting Estimates

The preparation of these interim financial statements under IFRS requires management to make certain estimates, judgements and assumptions about future events that affect the amounts reported in the interim financial statements and related notes to the interim financial statements. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from these estimates and those differences could be material.

The areas which require management to make significant judgements, estimates and assumptions in determining carrying values include, but are not limited to:

a) Assets' carrying values and impairment charges;

In the determination of carrying values and impairment charges, management looks at the higher of the recoverable amount or the fair value less costs to sell in the case of all assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

b) Estimation of restoration, rehabilitation and environmental obligations;

Restoration, rehabilitation and environmental liabilities are estimated based on the Company's interpretation of current regulatory requirements and constructive obligations. These estimates are measured at fair value, which is determined by the net present value of estimated future cash expenditures for the settlement of restoration, rehabilitation and environmental liabilities that may occur upon ceasing exploration and evaluation activities. Such estimates are subject to change based on changes in laws and regulations and negotiations with regulatory authorities. Management's determination that there are currently no provisions required for site restoration is based on facts and circumstances that existed during the reporting period.

c) Income taxes and recoverability of potential deferred tax assets; and

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

d) Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of market-based and performance-based share awards is determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgement used in applying valuation techniques. These assumptions and judgements include estimates of: the future volatility of the stock price; expected dividend yield; future employee turnover rates; and future employee stock option exercise behaviours as well as Company performance. Such judgements and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

Impairment Analysis

Management has reviewed the general and economic conditions and mining industry trends that influence recoverability of the carrying value of its exploration and evaluation expenditures. Currently, there is a strong trend toward gold mining development in the James Bay area of Québec. Management is confident that under Québec's current mining regime, these carrying values will be recoverable.

Changes in Accounting Policies

A number of new standards, amendments to standards and interpretations were effective for annual periods beginning on or after January 1, 2013. The Company has applied the following new and revised International Financial Reporting Standards in its financial reporting effective November 1, 2013 with no change to the Company's interim financial statements:

Consolidated Financial Statements
IFRS 10 – *Consolidated Financial Statements*, issued by the IASB in May 2011. This standard 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.

Joint Arrangements
IFRS 11 – *Joint Arrangements,* issued by the IASB in May 2011. This 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 each party accounts for the assets, liabilities, revenue and expenses in proportion to their interest, whereas in a joint venture each party recognises their interest as an investment and accounts for that investment using the equity method.

Disclosure of Interests in Other Entities
IFRS 12 – *Disclosure of Interests in Other Entiti*es, issued by the IASB in May 2011. This standard provides comprehensive disclosure requirements for entities' reporting of interests in other entities, including joint arrangements, special-purpose arrangements and off-balance-sheet arrangements.

Fair Value Measurement
IFRS 13 – *Fair Value Measurement,* issued by the IASB in May 2011. This standard provides a precise definition of fair value and a single source of fair-value measurement considerations for use across IFRS. IFRS 13 clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date, under current market conditions. It also establishes disclosures about fair-value measurement.

Accounting Pronouncements

Financial Instruments
IFRS 9 – *Financial Instruments,* issued by the IASB in October 2010 is intended to entirely replace IAS 39 *Financial Instruments: Recognition and Measurement,* using a single approach to determine whether a financial asset is measured at amortized cost or fair value, thereby reducing the complexity of the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash-flow characteristics of each financial asset. The new standard also requires the use of a single method of impairment determination, which replaces the multiple methods available under IAS 39. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018. The Company is currently evaluating the impact this final standard is expected to have on its consolidated financial statements.

Use of Financial Instruments

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk and the Company does not hold any asset-backed commercial paper. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest-rate risk and commodity-price risk. 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 at 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. The Company's exposure to financial risk relates to its investments in marketable securities as described in Note 6.

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 its concentration of credit risk, with respect to financial instruments included in prepaid and sundry receivables, is minimal.

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. As at July 31, 2014, the Company had current assets of $4,357,260 to settle current liabilities of $991,563. All of the company's financial liabilities have contractual maturities of 30 days or less except for deferred flow-through premiums which mature December 31, 2014.

During the quarter ended July 31, 2014, the Company raised net proceeds of $4,761,021 through the issue of flow-through shares and non-flow-through shares to fund general exploration activities planned for fiscal 2014. In management's opinion, there are sufficient funds to support the planned exploration program for the foreseeable future.

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 July 31, 2014.

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 currency risk derived from currency conversions is manageable and therefore, does not hedge its foreign currency risk.

Future Outlook

The Company allocated $4.28 M for exploration in James Bay, Quebec for 2014.

2014 field work has focused on evaluating and upgrading resource targets located lateral to both the Eau Claire and Eastmain gold deposits. Property-scale prospecting, geological mapping and geochemical sampling has confirmed additional gold deposit potential northwest of the Eastmain Mine horizon with a possible repetition on the Ruby Hill East and West properties. Prospecting and geological targeting has confirmed the justification for advancing Lac Lessard to the drill stage.

New interpretation of gold domains and related geological controls of the Eau Claire gold deposit suggest that in addition to the narrow high-grade gold-bearing veins, an earlier stage of gold mineralization exists over much wider intervals. Trenching and drilling evidence also indicates that these wider "blowout" zones occur at the intersection of two prevailing structures, which may form a continuous mineralized domain between veins. These "blowout" zones have the potential to positively impact the future development of the Eau Claire deposit.

Upon completion of the wire-framing process, the newly interpreted geological model of Eau Claire will be used to create a geo-statistical, block-model resource estimate of the deposit. Assuming positive results, a Preliminary Economic Assessment of the deposit will then be initiated.

The remaining $1.8M in 2014 flow-through funds will be allocated to trenching and drilling high-priority targets defined lateral to our two high-grade gold deposits, and to testing new targets at Lac Lessard.

Subsequent Events

As of the date of this report, there have been no events subsequent to the quarter end that would materially change the Company's financial position.

Scientific and Technical Disclosure

All disclosure of a scientific or technical nature herein concerning the currently published Eau Claire resource estimate (Company News Release October 11, 2012) is based upon the technical report entitled "Eau Claire Gold Deposit, Clearwater Project, James Bay Area, Middle North Québec" (the "Clearwater Report"), which was prepared by P&E Mining Consultants Inc. 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 therein 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 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 and 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.