EASTMAIN RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS – YEAR ENDED OCTOBER 31, 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 year ended October 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 audited consolidated financial statements for the year ended October 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 January 28, 2015 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 January 28, 2015.

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 greenstone belts 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 several high-potential exploration properties covering over 1200 km^2 of this new and fertile mining district.

Significant Events

- A kilometric-scale PGM-Nickel-Copper anomaly discovered on wholly-owned Lac Lessard Project in 2014 triggered a $2.5M-option agreement in favour of the Corporation;
- 2014 exploration defined a regional structural break, coincident with large gold anomaly, over rock assemblages similar to host rocks of adjacent Eastmain Mine property at Ruby Hill East Project;
- Four new Au-Ag-Cu targets defined by rock sampling along the Eastmain Mine horizon have same rock chemistry as mineralization within the Eastmain Mine gold deposit;

- Q1 2014 drilling at Eau Claire intersected a number of exceptional assay intervals, ranging from 131.5 grams per tonne (g/t) gold over two metres to 9.69 g/t over 10 metres (holes 508 through 534);
- Prospecting and trenching at Clearwater expanded regional footprint of Eau Claire gold belt to a length of 7.5 kilometres;
- New high-priority gold target discovered at Clovis Lake, three kilometres east of Eau Claire;
- Revised geological modeling of Eau Claire deposit – 450 West Zone confirms at least three major orientations of gold mineralization with high confidence of lateral and vertical continuity;
- Detailed modelling of Eau Claire deposit delineates more than 100 high-grade gold vein (HGV) meshes and 53 lower-grade gold swarms within 450 West Zone. 45 HGV gold domain meshes and 16 swarms defined for 850 West Zone; and
- December 2014, the Company raised $3.9 Million to secure solid exploration programs for 2015. Placement completed at premium, without issuance of warrants.

Exploration and Evaluation Activities

Clearwater

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 less than 10 kms northeast of Hydro Québec's EM-1 complex. With initial production in 2014 of 18,300 ounces of gold at Goldcorp's Eleonore Mine, located only 45 kms geographically north of Clearwater, the James Bay region has become one of the newest gold producing districts in Canada.

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 10 kms from 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.

Our objective is to establish Eau Claire as a high-grade gold resource that would support a profitable, stand-alone mining operation for a minimum ten-year mine life, based on prevailing metal prices. Over the last few years, Eastmain has focused not only on expanding and defining gold resources potentially amenable to extraction by open pit and underground methods, but also on the discovery of additional resources elsewhere on the property.

Eau Claire Gold Deposit

As at October 11, 2012 (news release), the Eau Claire Deposit hosts a combined Measured and Indicated (M&I) Resource of 4.87 million tonnes at an average grade of 4.60 g/t gold containing 721,000 ounces of gold, plus an additional 6.4 million tonnes at an average grade of 5.45 g/t gold, classified as Inferred Resources, containing 1,122,000 ounces of gold. Uncapped resources* include 4.94 million tonnes M&I, containing 780,000 ounces at 4.91 g/t gold, and 6.5 million tonnes Inferred containing 1,148,000 ounces at 5.48 g/t gold.

Gold resources at Eau Claire have been estimated for both potentially open pittable and underground extraction methods. At 4.32 g/t gold (4.91 g/t uncapped*), the combined potential M&I Open Pit resource grade makes Eau Claire one of the highest-grade potentially open-pittable, undeveloped gold projects in North America. Measured potential Open Pit resources from the 450 West Zone exceed 6 g/t gold (Au).

Eau Claire is a structurally-controlled gold deposit consisting of multiple en-echelon, sheeted quartz-tourmaline veins and altered rock. Over 145 high-grade veins, forming two vein sets known as the 450 and 850 West Zones, have been discovered. These two zones, which coincide with major structural shear zones, form a crescent-shaped body covering a footprint that is over 100 metres wide, extends for about 1.8 kilometres in length, and has, to date, been traced to a vertical depth of 900 metres. Portions of the 450 & 850 West Zones outcrop on topographic highs. The 450 West Zone vein set is oriented at N 85^{o}E, dips 45 to 60^{o} south and plunges steeply to the southeast, sub-parallel to an F2 fold axis. The 850 West Zone vein set is aligned N 60^{o}E, dips sub-vertically and plunges gently southwest.

The deposit coincides with a mafic volcanic/felsic volcaniclastic rock contact, along the south limb of an anticlinal fold. Over 90% of the known gold-mineralization occurs within iron- and magnesium-rich tholeiitic basalts, sandwiched between hangingwall quartz-feldspar porphyry dyke swarms and footwall felsic volcaniclastic units. Geological modeling of the deposit has delineated at least three main orientations of high-grade gold domains within the 450 West Zone. A well-defined east-west vein system appears to cross cut a series of NW-SE trending schist zones, while a west-northwest-trending gold-bearing domain has been traced laterally across the 450 West Zone for approximately one kilometre. Less prominent north-south gash vein structures are also visible in the 450 West Zone.

Polyphase gold mineralization is evident throughout the Eau Claire deposit. At least four styles of gold mineralization appear to be coincident to the structural domains described above. Possible early-stage, gold-rich stratabound units occur in proximity to east-west trending gold-bearing structures (fractures). These fractures mark deep-seated plumbing systems through which gold-bearing hydrothermal fluids moved towards the surface, altering and replacing previously deformed rocks, and depositing gold in centimetre- to multi-metre-wide (over 15 metres) alteration envelopes to the fractures. As the hydrothermal system continued, bonanza-style, high-grade, often laminated quartz-tourmaline feeder veins, ranging from 10 to more than 100 grams gold per tonne, over 0.5- to 4.0-metre-wide intervals (2.0 metres on average), filled the original plumbing structures. Later cross-cutting and extensional, gold-rich veins form gashes and piano key textures within these laminated east-west veins.

Three or more stratabound high-grade gold-bearing schist zones, consisting of wide zones of altered gold-rich rock aligned parallel to the host rock foliation, appear to follow the contour of a felsic porphyry dyke swarm located on the southern or hanging wall side of the deposit. These zones have subsequently been crosscut by east-west trending, high-grade, gold-bearing, quartz-tourmaline, laminated and piano key breccia veins. Where crosscut, these gold zones can be up to 10-plus metres thick, with gold values of up to 10 g/t.

Rock alteration associated with gold mineralization is very distinct, consisting of quartz-carbonate and black tourmaline occurring as veins, and as actinolite-tourmaline-biotite-carbonate schists. Alteration zones can often be wide zones of lower-grade gold mineralization ranging from 0.5 to 10.0 grams per tonne over thicknesses of 5.0 to 25 metres. Gold-bearing units vary in composition from 100% vein quartz to 100% schist. Many drill intersections and channel samples contain significant amounts of gold within tourmaline and/or actinolite and/or biotite altered rock with little or no visible vein quartz. Both veins and alteration zones contain finely disseminated particles of free gold, tellurides and bismuth minerals. Gold also occurs as coatings and interstitial filling within tourmaline grains and accessory sulphides. Accessory sulphide minerals range from nil to 1% pyrite, pyrrhotite and chalcopyrite.

**Gold assay composite intervals exceeding 100 grams per tonne have been capped to 100 grams.*

2014 Exploration

The 2014 field program included prospecting and trenching along a 7.5 kilometre-long corridor lateral to the Eau Claire gold deposit. With discovery of second deposit as the focus of this work, 1,793 channel samples and 636 rock samples were submitted for assay (November 14, 2014 news release). Numerous gold-bearing quartz-tourmaline veins and alteration zones comparable to those hosting Eau Claire gold deposit were found along this corridor. Significant rock and channel sample assays range from 0.1 to 62.4 g/t gold. Anomalous gold values were detected in rocks on both the north and south shores of Clovis Lake. A follow-up 5,000-metre drill program was completed in the Clovis Lake area in December 2014. Assay results are pending for this program.

Trenching and drilling results obtained from the 2013 exploration program (completed in the first fiscal quarter of 2014) indicated a significant number of wider higher-grade intervals than had previously been observed (See table below). A revised three-dimensional (3-D) geological interpretation of the deposit incorporating these intervals, undertaken in 2014, has defined numerous wide gold-bearing alteration zones following the foliation of the host rock. These units have locally been cut by typical high-grade quartz-tourmaline "feeder veins", resulting in both very high grade and much wider gold-rich intervals. New deposit modelling also clearly identifies a major WNW structure thought to be responsible for a third orientation of gold mineralization. This gold-rich structure has been traced to date for a length of a kilometre in the 450 West Zone.

The net result of this revised geological model is an improved understanding of the controls of gold mineralization, which in turn has lead to better continuity within the Eau Claire gold deposit. Modeling has also helped to better define the spatial distribution of gold zones in relation to structural trends, which can be used as a predictive tool for locating possible preferential zones of additional resources within the existing gold deposit, laterally and vertically to current deposit boundaries, and to new gold targets elsewhere on the property.

Using our new interpretation, SRK Consulting (Canada) Inc. (SRK) was contracted to build wire frame meshes of the high-grade vein and lower-grade vein swarm gold domains for the Eau Claire deposit. These wire frame meshes will form the basis of a Block Model Resource Estimate.

Drill holes 508 through 534 were completed in the first fiscal quarter of 2014. Highlights are summarized below:

Table 1; Drill Highlights

Hole ID	From (m)	To (m)	Length (m)	Au (g/t)	Te (g/t)	DOMAIN
ER13-510	365.5	370.0	4.50	11.8	10.0	JQ
ER13-511	204.0	206.0	2.00	15.7	20.0	D
ER13-512	312.5	343.5	31.0	4.89	6.57	H to P
incl.	**320.0**	**336.0**	**16.0**	**8.50**	**11.6**	**I**
incl.	**320.0**	**329.0**	**9.00**	**9.69**	**13.4**	**I**
incl.	331.0	336.0	5.00	9.77	12.9	I2
ER13-513	288.5	291.5	3.00	10.0	12.5	H
ER13-514	283.3	285.0	2.00	10.0	8.50	G
ER13-515	288.5	290.5	2.00	15.4	15.5	H
ER13-517	249.5	252.5	3.00	5.43	16.8	F
	257.5	260.0	2.50	7.00	11.9	G
	278.5	291.0	12.5	2.93	2.18	H
ER13-518	290.0	292.0	2.00	11.9	16.8	G1
	297.5	299.5	2.00	5.65	7.28	H
ER13-520	**230.5**	**240.5**	**10.0**	**9.69**	**15.9**	**F**
incl.	237.5	240.0	2.50	32.3	55.0	F
ER13-521	249.0	251.0	2.00	59.4	89.7	F
ER13-522	229.0	230.5	1.50	14.3	19.0	F
	251.5	252.0	0.50	68.2	102.0	G
	265.0	274.0	9.00	8.25	11.5	G1
ER13-524	**256.5**	**258.5**	**2.00**	**131.5**	**224.8**	**F**
ER13-525	220.5	222.0	1.50	53.6	61.5	D1
ER13-529	285.0	292.5	7.00	4.00	5.75	H
ER13-532	279.2	283.2	4.00	25.8	37.3	G
ER13-533	293.3	299.3	6.00	3.81	4.81	G
	339.2	**343.2**	**4.00**	**44.4**	**80.2**	**I**
ER13-534	286.4	292.4	6.00	5.80	10.9	G
	354.3	360.3	6.00	3.32	3.85	JQ

A $2.0M exploration program has been budgeted for 2015. The principal objectives of the program are to report on an updated Block Model Resource for the Eau Claire deposit and discovery of a second deposit on the Clearwater property.

The Company's net investment in the Clearwater project to October 31, 2014 is $39.4 million.

Eastmain Mine

The Eastmain Mine property comprises 152 mineral claims and one mining license, which as of January 9th, 2015 is in the process of being converted to mineral claims covered by an industrial lease, 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 during the 2014 summer field season.

2014 Exploration

A program of prospecting and sampling focused on target generation along the favourable Eastmain Mine trend. 326 rock samples and 1,495 soil samples collected during the 2014 field season confirmed highly anomalous gold values in mine sequence rocks and overlying soils, for several kilometres along the key horizon. Four specific high-grade target zones were identified northwest of the Eastmain Gold Deposit. Two of the areas, "Hillhouse" and "Julian", coincide directly with the projected Eastmain Mine horizon and two targets, "Michel" and "Susanna", are located along a secondary parallel structure, which may be an immediate repetition of the mine sequence.

Hillhouse Target

249 rock samples were collected from this area as part of the 2014 geological targeting program in search of additional resources along the mine corridor. The Hillhouse target, which occurs 850 metres northwest of the A and B Zones, consists of a 400-metre long by 150-metre wide area, containing anomalous rock samples, with gold (Au) ranging from 0.5 to 39.5 g/t; silver (Ag) ranging from 0.5 to 25.8 g/t and; copper (Cu) ranging from 0.1 to 2.4%.

Julian Target

The Julian target is situated 1.7 kms northwest of the A and B Zones. This target coincides with a high magnetic response in mine corridor rocks extending for a length of 500 metres. The Julian target has been defined by hundreds of anomalous rock samples containing from 0.5 to 27.2 g/t Au; from 0.5 to 28.8 g/t Ag and; from 0.1 to 2.3% Cu.

Susanna Target

Susanna is situated 600 metres west of and parallel to the Julian anomaly. This target extends for a length of 375 metres with rock assays ranging from 0.5 to 38.7 g/t Au, 0.5 to 26.6 g/t Ag and 0.1 to 3.06% Cu.

Michel Target

The Michel target is located 400 metres north of the Susanna anomaly and is defined by two clusters of rock samples ranging from 0.5 to 125.1 g/t Au; 0.5 to 12.5 g/t Ag; and 0.1 to 1.08% Cu.

Surface trenching and drilling are planned as the next steps in searching for additional gold resources at Eastmain Mine; a $700,000 trenching and drilling program is planned for 2015.

The Company’s net investment in the Eastmain Mine project to October 31, 2014 is $13.5 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 immediately east of and contiguous with the Eastmain Mine property and covers what has been interpreted as a geological repetition of the key mine horizon. This claim block straddles a regional stratigraphic and structural break – a prime target location for ore deposits. Ruby Hill East was screened using regional soil geochemical surveys at 200-metre line intervals and 50-metre stations. Review of 1,132 B-horizon assays indicates there is a significantly gold-enriched soil anomaly, ranging from >10 to 405 ppb Au, across an 800-metre-long interval coinciding with a regional magnetic high, in the south-central portion of the claim block.

Prospecting along additional regional conductive horizons at Ruby Hill East yielded results from 0.1 to 1.65 g/t gold in cherty iron formation. This anomaly also coincides with an interpreted repetition of the mine horizon.

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. Preliminary prospecting of the southwestern part of this claim block delineated several anomalous rock trends. Assays returned values of up to 3.1 g/t gold, 3.4 g/t Ag and .04% Cu in a cherty iron formation within mafic volcanic units, near an interpreted structural break.

2014 exploration very successfully identified new widespread mineralized systems, matching the Au-Ag-Cu signature of the Eastmain Mine Gold Deposit, on both the Eastmain Mine and Ruby Hill properties. 2015 work will focus on follow-up trenching and drilling of these targets.

The Company's net investment in the Ruby Hill project as at October 31, 2014, is $nil. In accordance with IFRS standards, the Company has recorded impairment charges of $2.7 million on Ruby Hill to reflect the current drop in mineral prices and the subsequent affect on the Company's share price and market capitalization (Note 9 to the audited consolidated financial statements). However, Ruby Hill is considered highly prospective for mineral deposits and in light of successful 2014 results, exploration and evaluation expenditures will be incurred in 2015.

Lac Lessard

The Company holds 100% interest in the Lac Lessard project. Located 15 kms northeast of the Eastmain Mine project, Lac Lessard consists of forty-seven claims in one claim block covering 2,475 hectares. Airborne VTEM and magnetic surveys competed in 2013 indicated that a large portion of the property is underlain by an ultramafic rock complex, a prospective host to nickel, copper, Platinum Group Metals and gold (Ni- Cu-PGM-Au). During the 2014 summer season, preliminary field work consisting of geological mapping, prospecting and soil sampling confirmed that the property is indeed underlain by a kilometric-sized ultramafic pyroxenite intrusion containing elevated concentrations of Ni-Cu-PGM-Au.

Of the 235 rock samples collected from the pyroxenite intrusion, 86 samples contain from 0.10 to 2.82% Ni with 25 percent of these returning values of more than 0.5% Ni. 60 rock samples assayed from 0.10 to 0.60% Cu, with 40 % of those grading over 0.25% Cu. The intrusion also contains elevated concentrations of platinum (Pt), palladium (Pd) and gold, with 64 rock samples ranging from 0.10 to 2.50 grams total Pt + Pd + Au per tonne. These assay values include ranges of from 0.29 to 1.05 g/t Pd, 0.12 to 0.89 g/t Pt and 0.04 to 0.45 g/t Au.

Subsequent to the year end, Eastmain granted Darnley Bay Resources Limited ("DBL") an option to earn a 50% undivided interest in the Lac Lessard Project in exchange for $2.5 M in exploration expenditures over a four-year period, annual cash payments of $50,000 and the issuance of 8 million DBL common shares to Eastmain. DBL has agreed to a firm work commitment in 2015 of $500,000. Eastmain will be the project manager.

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

Éléonore South

Éléonore South, an exploration-drilling-stage project, is located adjacent to Goldcorp Inc.'s multi-million-ounce Roberto gold deposit (Éléonore project), in the Opinaca geologic Subprovince of James Bay, Québec. Jointly held by Eastmain (37%), Azimut Exploration Inc. (26%), and Les Mines Opinaca Ltée. (37%), a wholly-owned subsidiary of Goldcorp Inc., the property consists of 282 mining claims covering 147 km^2 of prospective land, contiguous with and underlain by the same rock formations as those found on Goldcorp's mine property.

Éléonore mine geology is interpreted to extend onto the Éléonore South property. The property covers a very large area, with very little rock exposure and no record of exploration prior to our first phase of work. Eastmain's discovery of the JT Gold occurrence returned assays of up to 5.3 g/t gold across 8.0 metres and 10.9 g/t Au over three metres. Subsequent drilling conducted by the Company delineated a kilometre-long, stacked horizon of metamorphosed sediments and intrusive rocks, similar to those found at Éléonore, containing anomalous gold, arsenic and antimony mineralization, the signature metal suite at Éléonore.

No work was completed during 2014. The Company recorded an impairment charge on this project in the amount of $4.9 million; the Company's net investment in the project as at October 31, 2014 is $ nil. The project merits further exploration, and as market conditions improve, exploration and evaluation expenditures will be incurred. See Note 9 to the audited consolidated financial statements.

Reservoir

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

Reservoir straddles the regional structural/stratigraphic (rock formation) break dividing volcanic and sedimentary domains of this new mining district. This break represents an important ore localizing event throughout the region. Previous trenching and drilling confirmed there is a significant kilometric-scale mineralizing system.

Four drill holes totalling 1,365 metres were completed in Q1 2014 to test two targets areas defined by airborne surveys near a sedimentary-volcanic contact. Drilling confirmed a large zone of geochemically anomalous gold mineralization on the property. RES13-01 intersected 5.9 g/t Au over 1.0 metre. RES13-03 intersected 0.56 g/t Au over 24.0 metres, and RES13-04 intersected 0.21 g/t Au over a width of 101.0 metres.

As at October 31, 2014, the Company recorded and impairment charge in this project of $1.5 million and as such its investment in Reservoir at year-end is $ nil. As market conditions improve exploration and evaluation of this prospective project will continue and expenditures will be incurred. See Note 9 to the audited consolidated financial statements.

Lac Hudson

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

2014 work included a desk-top structural interpretation by SRK based on detailed high-resolution airborne magnetic survey data obtained by the Company in Q1 2014. SRK's work delineated a regional crustal-scale "D2" structure which bisects the property. This feature is thought to be a regional extension of the same crustal structure found spatially associated with the Eau Claire gold deposit at Clearwater. Follow-up prospecting and geological targeting are planned for 2015.

The Company's investment in the project to October 31, 2014 is $0.9 million.

Radisson

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

Honey Badger Exploration Inc. (HBE), had an option to earn a 50% interest in the Radisson project, in exchange for a cash payment of $50,000, issuance of 5 million common shares of HBE to Eastmain and work expenditure commitments of $2.5 million, including 6,000 metres of drilling, over a three-year period. HBE reported that 13 priority targets were confirmed from its phase-one exploration program. HBE completed four short drill holes totaling 827 metres.

Honey Badger dropped the option in 2014 as it was unable to raise exploration funds and would therefore not be able to fulfill its requirements with respect to the option agreement.

The Company recorded an impairment charge on this project in the amount of $0.2 million; the Company's net investment in the project as at October 31, 2014 is $ nil. However, as market conditions improve, exploration and evaluation expenditures may continue to be incurred.

Road King

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

The Company's investment in the project to October 31, 2014 is $0.3 million.

Lac Elmer

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

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

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

The Company's investment in the project to October 31, 2014 is $0.8 million.

OTHER PROPERTIES

Dyna and Lidge Projects

The Company holds 100% interest in these very-early- to early-stage exploration properties, all of which are located in prospective geological regimes within the James Bay District of Québec. High-density airborne surveys flown over each of these projects during Q1 2014 delineated several geophysical anomalies.

Due to the current decline in gold and base metals markets and since the Company has no plans to explore these projects in 2015, the carrying value of its investment ($1.2 million) in Other Properties of geological interest located in the James Bay area of Northern Québec (Dyna and Lidge) has been written-off as an impairment charge.

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 audited 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 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 October 31, 2014, the Company had working capital of $2,499,336 (October 2013 – $2,597,817) and shareholders' equity of $54,613,635 (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 October 31, 2014 compared to the three months ended October 31, 2013:

Net loss for the quarter ended October 31, 2014 was $9,572,669 (2013 – loss of $945,814) a variance of $8,626,855. The variance is due to the write-down of exploration and evaluation assets based on current commodity prices (See impairment of exploration and evaluation assets below).

- General and administrative expenses were $166,902 (2013 – $197,556) a variance of $30,654 (15.5%).
- Interest and other income was $10,405 (2013 – $27,976) a variance of $17,571 (63.8%). Interest on investments and bank balances for the quarter was $8,592 less than last year.
- The unrealized loss on marketable securities was $30,046 (2013 – gain $8,818) a variance of $62,535. 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 $525,232 (2013 – $615,505) a variance of $90,273 (14.7%). 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 audited consolidated financial statements.
- Impairment of exploration and evaluation assets was $10,434,944 (2013 – $0) a variance of $10,434,944. At the end of each reporting period, management reviews the carrying amounts of its non-financial assets with finite lives to determine whether there is any indication that those assets have suffered an impairment loss. Where such an indication exists, the recoverable amount is adjusted to the higher of the asset's fair value less cost to sell or its value in use. Indicators of impairment were the continued decline in commodity values (gold and base metals) during the 4th quarter, which was reflected in the sustained decrease of the Company's share price, prompting lower valuations of its early-stage and inactive projects. The properties affected by the impairment charge were: Éléonore South - $4.9M; Ruby Hill - $2.7M; Reservoir - $1.5M; Radisson - $0.2M; Dyna - $0.6M; and Lidge $0.5M.
- Deferred income taxes were a recovery of $523,585 (2013 – expense of $1,400,557) a variance of $1,924,142. Deferred income tax expense is largely affected by the amortization of flow-through premium income, and the expected deferred tax recovery is largely due to the impairment charges recorded as detailed in Note 18 to the audited consolidated financial statements October 31, 2014.

Year ended October 31, 2014 compared to the year ended October 31, 2013:

Net loss was $9,193,660 (2013 – loss of $1,638,192) a variance of $7,555,468. The variance is due to the write-down of exploration and evaluation assets based on current commodity prices (See impairment of exploration and evaluation assets above).

- General and administrative expenses were $902,460 (2013 – $970,021) a variance of $67,561 (7.0%). Expenses decreased as a result of efforts to reduce administrative costs.
- Interest and other income was $63,019 (2013 – $128,036) a variance of $65,017 (50.8%). Interest on investments and bank balances was $47,401 of that variance.
- The unrealized gain on marketable securities was $202,828 (2013 – loss of $267,463). The variance of $470,291 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 $1,733,150 (2013 – $798,035) a variance of $935,115. 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 audited consolidated financial statements. Flow-through eligible exploration expenditures incurred during the period were $6,078,770 (2013 – $5,807,032).
- Impairment of exploration and evaluation assets was $10,434,944 (2013 – $0) a variance of $10,434,944. (See results of operations for the fourth quarter above.)

- Deferred income taxes were a recovery of $144,747 (2013 – expense of $1,326,779) a variance of $1,471,526. Deferred income tax expense is largely affected by the amortization of flow-through premium income and the expected deferred tax recovery is largely due to the impairment charges recorded as detailed in Note 18 to the audited consolidated financial statements October 31, 2014.

Summary of Quarterly Results

	Quarter ended 10/31/2014	Quarter ended 07/31/2014	Quarter ended 04/30/2014	Quarter ended 01/31/2014
Interest / other income	$ 10,405	$ 10,578	$ 29,034	$ 13,002
Comprehensive income (loss)	$(9,572,669)	$ (206,936)	$ 19,341	$ 566,604
Per share basic	$0.0803	$(0.0017)	$0.0002	$0.0049
Per share diluted	$0.0803	$(0.0017)	$0.0002	$0.0049
Trading range of shares				
High	$0.40	$0.47	$0.56	$0.44
Low	$0.21	$0.28	$0.28	$0.21

	Quarter ended 10/31/2013	Quarter ended 09/31/2013	Quarter ended 04/30/2013	Quarter ended 01/31/2013
Interest / other income	$ 27,976	$ 30,448	$ 52,096	$ 17,516
Comprehensive income (loss)	$ (945,814)	$ (67,710)	$ (414,451)	$ (210,217)
Per share basic	$(0.0089)	$(0.0006)	$(0.0039)	$(0.0021)
Per share diluted	$(0.0089)	$(0.0006)	$(0.0039)	$(0.0021)
Trading range of shares				
High	$0.48	$0.46	$0.82	$0.90
Low	$0.26	$0.19	$0.38	$0.59

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

10/31/2014
Comprehensive net loss includes: flow-through share premium income of $525,232; deferred income tax recovery of $80,447; an unrealized loss on investments of $30,045; and an impairment charge of $10,434,944.

07/31/2014
Comprehensive net income includes: flow-through share premium income of $188,222; deferred income taxes of $108,619; 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: a flow-through share premium income negative adjustment of $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; 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.

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(c) to the audited consolidated financial statements, dated October 31, 2014, 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. As at October 31, 2014, the Company's carrying value of exploration and evaluation assets, net of impairment charges of $10,434,944, was $55,272,791 (2013 – $60,892,328).

Exploration and evaluation expenditures by quarter:

	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Clearwater				
Drilling and assays	$ 482,506	$ 113,098	$ 261,861	$2,190,149
Technical surveys	404,530	171,399	115,892	175,435
Acquisition and maintenance	-	12,326	-	-
Resource tax credits	(113,963)	-	(1,660,179)	-
Total Clearwater	773,073	296,823	(1,282,426)	2,365,584

	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Eastmain Mine				
Drilling and assays	21,345	3,635	1,373	158,593
Technical surveys	103,642	150,566	4,823	32,303
Acquisition and maintenance	-	-	-	6,011
Resource tax credits	(15,950)	-	(232,300)	-
Total Eastmain Mine	109,037	154,201	(226,104)	196,907
Éléonore South				
Drilling and assays	1,564	100	534	730
Technical surveys	14,918	1,943	12	1,500
Acquisition and maintenance	23,781	4,382	3,654	4,315
Total Éléonore	40,263	6,425	4,200	6,545
Ruby Hill				
Drilling and assays	60,706	1,315	-	-
Technical surveys	152,023	176,199	8,793	294,262
Acquisition and maintenance	-	6,580	10,219	(6,048)
Total Ruby Hill	212,729	184,094	19,012	288,214
Reservoir				
Drilling and assays	1,420	5,760	85,504	477,748
Technical surveys	9,896	6,099	8,389	122,864
Acquisition and maintenance	-	6,152	58	13,389
Total Reservoir	11,316	18,011	93,951	614,001

	Q4 2014	Q3 2014	Q2 2014	Q1 2014
Lac Hudson				
Technical surveys	14,362	26,504	22,399	2,483
Acquisition and maintenance	-	-	38,723	-
Total Lac Hudson	14,362	26,504	61,122	2,483
Lac Elmer				
Technical surveys	315	85,777	125,520	82
Acquisition and maintenance	4,191	-	18,518	-
Total Lac Elmer	4,506	85,777	144,038	82
Radisson				
Technical surveys	630	630	-	-
Acquisition and maintenance	-	5,969	-	-
Total Radisson	630	6,599	-	-
Road King				
Technical surveys	4,707	19,653	-	69,003
Total Road King	4,707	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	33,304	3,182	-	-
Technical surveys	31,839	76,581	15,431	120,489
Acquisition and maintenance	-	-	-	6,072
Total Lac Lessard	65,143	79,763	15,431	126,561
Total net expenditures	$ 1,235,766	$ 886,526	$(1,163,682)	$3,856,797

Liquidity

Working capital is a measure of 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 October 31, 2014, the Company had current assets of $3.0 million and current liabilities of $0.5 million yielding a working capital of $2.5 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 October 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 October 31, 2014 were $240,269, which included $107,278 for recoverable sales taxes, which are subject to verification and normally refunded within 60 to 90 days of the claim, and approved resource tax credits of $129,913. Refunds of taxes are not considered a financial instrument since governments are not obligated to make these payments. Other advances and prepaid amounts were $3,078.

As at October 31, 2014, trade accounts payable and accrued liabilities were $503,975. Trade accounts are usually settled within 30 days. Income taxes payable and payroll withholdings were $19,534. The amount due to related parties was $84,745. 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 2014. 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 year ended October 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 $6.8 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 October 31, 2014, qualifying expenditures of $4,280,000 had been incurred. In December 2014, the Company issued flow-through shares for which it is committed to spend $3,450,625 in eligible Canadian exploration expenditures ("CEE") by December 31, 2015

Capital Resources

The Company, as is typical of junior exploration companies, has only a small investment in capital resources, which is comprised of $58,114 in computer equipment and $397,786 in field equipment. The net book value October 31, 2014 was $76,189.

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 year ended October 31, 2014 was $491,391 (2013 – $499,250). The amount due to related parties October 31, 2014 was $84,745 (2013 – $46,056).

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares of which, as of January 26, 2015, there are 132,661,815 common shares outstanding; 6,068,605 share-purchase options with a weighted average exercise price of $0.78, which would generate proceeds of $4,745,512, 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 the audited consolidated financial statements under IFRS requires management to make certain estimates, judgements and assumptions about future events that affect the amounts reported in those audited consolidated financial statements and related notes to the audited consolidated 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.

a) Significant judgements in applying accounting policies

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

Exploration and evaluation assets; and
In estimating the recoverability of capitalized exploration and evaluation assets, management is required to apply judgement in determining whether technical feasibility and commercial viability can be demonstrated for its mineral properties. Once technical feasibility and commercial viability of a property can be demonstrated, it is reclassified from exploration and evaluation assets to property and equipment, and subject to different accounting treatment. As at October 31, 2014 and 2013 management deemed that no reclassification of exploration and evaluation assets was required.

Income taxes and recoverability of potential deferred tax assets.
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 both 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 deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

b) Significant accounting estimates and assumptions

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

Impairment of exploration and evaluation assets;
When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value requires the Company to estimate future cash flows associated with the assets and a suitable discount rate in order to calculate the present value. Based on an impairment analysis performed in 2014, in light of current gold and base metal markets, some of the company's exploration and evaluation assets in Quebec were written-down by a total of $10,434,944 (Note 3c to the audited consolidated financial statements).

Where an impairment loss subsequently reverses, the carrying value of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, unless that amount exceeds the carrying value recorded prior to the recognition of the impairment loss, in which case the carrying value would be re-instated to its pre-impairment-loss carrying value. A reversal of an impairment loss is recognized immediately in the income statement.

Management estimates of mineral prices, recoverable reserves, operating capital and restoration costs are subject to certain risks and uncertainties that may affect the recoverability of exploration and evaluation assets. Although management has made its best estimate of these factors, it is possible that changes could occur in the near term that could adversely affect management's estimate of net cash flow to be generated from its projects.

Share-based payments;
The amount expensed for share-based payments is derived from the application of the Black-Scholes option pricing model, which is highly dependent on the expected volatility of the Company's shares and the expected life of the options. The Company uses an expected volatility rate for its shares based on past trading data. Actual volatility may be significantly different. While the estimate of share-based payments can have a material impact on the operating results reported by the Company, it is a non-cash charge and as such has no impact on the Company's cash position or future cash flows.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Depreciation and impairment of property and equipment; and
The determination of the useful life of property and equipment is based on management's estimates. Indicators of impairment are also subject to management's estimates.

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 year.

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. Due to a prevailing decrease in the gold and base metals commodities markets over the last three years, mineral exploration and production companies have witnessed a steady decline in their market capitalizations, creating impairment of non-financial assets. After an impairment analysis performed by the Company in 2014, some of its exploration and evaluation properties in Northern Québec have been written down by a total of $10,434,944.

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 audited consolidated 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.

Financial Instruments: Presentation

IFRS 9 – Financial Instruments: Presentation, effective for annual periods beginning on or after January 1, 2014, this amendment provides guidance on the offsetting of financial assets and financial liabilities.

Use of Financial Instruments

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 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 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 October 31, 2014, the Company had current assets of $3,003,311 to settle current liabilities of $503,975. All of the company's financial liabilities have contractual maturities of 30 days or less.

During the year ended October 31, 2014, the Company raised net proceeds of $4,761,021 through the issue of flow-through and non-flow-through share units. In a flow-through share issue subsequent to the October 31, 2014 reporting period, gross proceeds of $3.9 million were generated to fund exploration activities planned for fiscal 2015. 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 October 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

Like most junior explorers our market capitalization is strongly influenced by commodity price. Eau Claire is one of the highest-grade undeveloped gold deposits in the Canadian Shield and its value will be impacted by the future price of gold. Gold price assumptions for 2015 are expected by many to remain in the current trading range of US$1200 for the near future. Average all-in sustaining costs ("AISC") for gold producers are hovering near $1,050 per ounce. AISC have risen systematically and in proportion with gold price over the last decade. As gold prices rose to peak levels in 2011, the mining industry continued to lower the average mine grade, which now stands at less than 2.0 g/t Au. Average reserve grades also dropped, now standing at 1.2 g/t Au. While world-wide production is expected to peak in 2015 at 95 million ounces, new discoveries peaked almost two decades ago. High-grade gold assets like Eau Claire will be targeted to fill that void.

Exploration is expected to be trimmed by developers and producers in this current price environment, despite the fact that it is well below the level needed to replenish current reserve depletion. Enterprise value per ounce of gold resource or reserve has never been cheaper for those needing to re-stock their shelves. We foresee a return to quality over quantity with respect to grade and a re-emphasis on stable jurisdictions versus the ever shifting policies being implemented by a number of unstable regions.

Eastmain continues to be one of the most active exploration companies in the James Bay region of Québec. The Company owns a 100% royalty-free interest in the second largest gold deposit in the district. Eastmain's technical team is cracking the geological code of the Eau Claire gold deposit and assembling a well constrained three-dimensional model of gold mineralization and associated structural controls. Over 100 High Grade Vein (HGV) domains have been defined for the 450 West Zone and 45 HGV domains for the 850 West Zone. These domains have been established where the lateral and vertical continuity is well defined with high confidence and will form the basis of the upcoming Block Model resource estimate.

Q1 2014 exploration continued to generate multiple, thick, high-grade gold zones within the Eau Claire deposit. Summer work expanded the Eau Claire gold belt to a length of 7.5 kilometres. In the search for a second deposit on the Clearwater property, recent drilling focused on the Clovis Lake area, located three kilometres away from Eau Claire, where surface work discovered gold in quartz-tourmaline veins and alteration zones, similar to those units forming the Eau Claire gold deposit. Assay results are pending for this 18-hole drill program.

Field work on the Eastmain Mine property and adjacent Ruby Hill East claim block continues to develop priority target areas. Four high-grade, copper-gold-silver zones have been outlined northwest of the Eastmain gold deposit and a prospective regional-scale rock and soil anomaly has been outlined on the Ruby Hill East block. Project access has improved dramatically with the extension of Route 167 Nord, funded by the Québec Government and Stornaway Diamond Corporation. Increased access to the region is generating new interest in the exploration of what would otherwise have been remote projects. In addition, the cost of mobilizing fuel, personnel and equipment has significantly decreased with this new permanent road access. The Company plans to mobilize its own excavator to the property in 2015 to test a number of near-surface targets along the extension of the Eastmain Mine horizon.

Part of our exploration approach includes the optioning of non-core assets. This process allows the Company to focus funding and personnel on more advanced exploration of its primary assets, while using other people’s money to move non-key assets forward. This approach also mitigates some of the risk involved in the exploration of earlier-staged projects. 2014 prospecting and geochemical sampling generated very interesting PGM-nickel-copper results from our wholly-owned Lac Lessard property. These results proved to be a decisive factor in Darnley Bay Resources Limited signing a $2.5M-option agreement with a firm commitment of $500,000 funding for the first phase of drilling in 2015.

A three-year decline of metal commodity prices has manifested as a steady decline in the market capitalization of most exploration and development companies in the mineral sector, including Eastmain. Resulting lower valuations for early-staged projects has prompted management to introduce impairment charges for a number of its non-core, currently inactive projects. However, with the continued market malaise comes a valuable decrease in the costs associated with fundamental exploration. Eastmain is in the discovery business. Now is the time for those intrepid explorers who are able to raise funds to take advantage of lower-priced drilling, air-support and technical advances on the road to the discovery of economic deposits. Now is the time to build for tomorrow. Prospecting, geological targeting, trenching and drilling – all facets of essential fundamental exploration are slated for several of our key Québec projects in 2015. A $4.0 million budget has established for 2015.

Subsequent Events

On November 27, 2014 the Corporation completed a non-brokered private placement consisting of 10,617,308 flow-through common shares at a price of $0.325 per unit and 1,850,000 non-flow-through common shares at a price of $0.24 for aggregate gross proceeds of $3,894,625. All of the shares issued are subject to a hold period of four months. Management supported the placement with a contribution of $88,625. Finder’s fees of $228,360, equal to 6% of gross proceeds, not including management's support, were paid to the placement agent. In accordance with income tax legislation, the Company will renounce resource expenditures of $3,450,625 in favour of the investors with an effective date of December 31, 2014 for activities funded by the flow-through share portion of this arrangement, as described in Note 3(i) to the audited consolidated financial statements. The liability for flow-through premium derived from the issue is $1,327,164

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.