EASTMAIN RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS – YEAR ENDED OCTOBER 31, 2015

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, 2015. 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, 2015 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 26, 2016 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 26, 2016.

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 area 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 is 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, which hosts the Roberto gold deposit. The Company also holds several high-potential exploration properties covering approximately 1000 km^2 of this new and fertile mining district.

Significant Events

- Mineral Resource update for Eau Claire confirms Measured and Indicated (M&I) Open Pit resources increased by 53% to 885,000 ounces of gold within 6.8 M tonnes at an average grade of 4.05 g/t Au [(1)];
- Eau Claire Gold Deposit – One of the highest-grade undeveloped Open Pit M&I gold resources in North America;
- Total M&I gold resource at Eau Claire increased to 951,000 ounces of gold contained within 7.2 M tonnes at an average grade of 4.09 g/t Au[(1)];

- Measured Open Pit Gold resource grade at Eau Claire increased to 7.29 g/t Au – includes 227,000 ounces of gold contained within 0.97 M tonnes[(1)];
- G Mining Inc. contracted to initiate a Preliminary Economic Assessment for Eau Claire;
- Option agreement with Darnley Bay Resources Limited funds wholly-owned Lac Lessard Project;
- Drill-tested 10 PGM-Nickel-Copper anomalies at Lac Lessard – initial results include 12.5-metres of 0.38% nickel (Ni) and 0.13% copper (Cu), with semi-massive sulphides at bottom of interval grading 1.08% Ni and 0.31% Cu over 2.5 metres;
- Eastmain awarded the "Discovery of the Year 2015" by the Association de L'Exploration Minière du Quebec ("AEMQ");
- Dr. Laurie Curtis appointed Chairman of the Board and Director of the Corporation;
- Mr. Claude Lemasson appointed Director of the Corporation and Chair of the Technical Committee;
- 29 drill holes totalling 12,837 metres completed at Eau Claire – focused on expanding Measured & Indicated Open Pit and Ramp Accessible Underground gold resources;
- December 2015 private placement with single Quebec Institution raised $440,000 at significant premium to market with no warrants or commissions;
- Received $766,355 in Mining Duties plus interest for 2014 exploration work in January 2016; and
- Eastmain share performance over the last year has outperformed both the gold sector and peer group.

(1) *Results from NI43-101 compliant Mineral Resource update completed by SRK Consulting (Canada) Inc. in April of 2015 (see also 2015 Mineral Resource Statement, page 3). By definition, Mineral Resources are a preliminary estimation only and do not demonstrate economic viability.*

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 Goldcorp's Eleonore Mine, located only 50 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 18 kms from an existing substation at 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 April 27, 2015 (News Release), the Eau Claire Deposit hosts a combined Measured and Indicated (M&I) Resource of 7.2 M tonnes at an average grade of 4.09 g/t gold containing 951,000 ounces of gold, plus an additional 5.1 M tonnes at an average grade of 3.88 g/t gold, classified as Inferred Resources, containing 633,000 ounces of gold[(1)] .

Eau Claire is one of the highest-grade undeveloped open pit gold deposits in North America. The block model M&I open pit resources at Eau Claire increased by 53% over the previous resource estimate to 885,000 ounces at 4.05 g/t Au, contained within 6.8 M tonnes. Measured open pit resources include 227,000 ounces at 7.29 g/t Au within 0.97 M tonnes (see also *2015 Mineral Resource Statement).*

Eau Claire is a structurally-controlled gold deposit consisting of multiple en-echelon, sheeted quartz-tourmaline veins and altered rock, forming two distinctly oriented vein sets known as the 450 and 850 West Zones. These sectors coincide with major structural shear zones, near a mafic/felsic volcaniclastic rock contact, to 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 in excess 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.

Polyphase gold mineralization evident throughout the Eau Claire deposit includes: early-stage, gold-rich stratabound schist units, which are generally lower grade, but when crosscut by other gold-bearing structures can often exceed 10 g/t across widths of in excess of 10 metres; high-grade laminated quartz-tourmaline feeder veins, ranging from 10 to more than 100 grams gold per tonne in 0.5- to 10-metre-wide intervals (approximately 2.0 metres on average), which infill deep-seated east-west trending gold-bearing hydrothermal structures; and later cross-cutting and extensional, gold-rich veins and gashes within both laminated east-west veins and schist zones.

Distinct rock alteration associated with gold mineralization, consisting of actinolite-tourmaline-biotite-carbonate can often create wide zones of lower-grade gold mineralization ranging from 0.5 to 10 grams per tonne over thicknesses of 5.0 to 25 metres. Both veins and alteration zones contain finely disseminated particles of free gold, tellurides and bismuth minerals.

Mineral Resources

Mineral Resources are only a preliminary estimation, through exploration and sampling, of a concentration of material of intrinsic economic interest, which has been identified in such form, grade, quality and quantity that may have reasonable prospects for eventual economic extraction. Mineral Resources do not demonstrate economic viability, but are the first step in the process to establishing potential economic viability. Both the quality and quantity of Mineral Resources may subsequently be re-defined and re-estimated, through additional consideration and the application of several de-risking modifying factors during preliminary economic assessment, to potentially minable mineral resources. These resources are in turn, after the application of additional modifying mining and economic factors during pre-feasibility and feasibility studies, further de-risked to an estimation of Mineral Reserves, which demonstrate that, at the time of these advanced studies, economic extraction could reasonably be justified.

2015 Mineral Resource Statement

SRK Consulting (Canada) Inc. ("SRK") was contracted to complete a block model Mineral Resource estimate for the Eau Claire Gold Deposit. SRK, in conjunction with management, created a revised geological model and interpretation of the gold mineralization using 3D Leapfrog® software. The revised model has improved the confidence in the geological and geostatistical continuity of gold mineralization within the deposit. The block model Mineral Resource Statement (Table 1) is based on results from an additional 183 drill holes (72,859 metres) and 189 channel samples (940 metres) completed since the previous Mineral Resource estimate (News release Oct.11, 2012).

Table 1. Mineral Resource Statement [1, 2], Eau Claire Gold Deposit, Quebec

SRK Consulting (Canada) Inc., April 27, 2015

Category	**Tonnage**	**Grade**		**Contained Metal**	
		Gold	**Tellurium**	**Gold**	**Tellurium**
	('000 t)	**Au (g/t)**	**Te (g/t)**	**Au (oz)**	**Te (kg)**
Open Pit [2] Mineral Resources					
Measured	970	7.29	10.18	227,000	9,900
Indicated	5,827	3.51	4.58	658,000	26,700
Measured & Indicated	**6,797**	**4.05**	**5.38**	**885,000**	**36,600**
Inferred	1,098	3.12	3.63	110,000	4,000

Category	Tonnage	Grade		Contained Metal	
		Gold	Tellurium	Gold	Tellurium
	('000 t)	Au (g/t)	Te (g/t)	Au (oz)	Te (kg)
Underground (2) Mineral Resources					
Measured	-	-	-	-	-
Indicated	428	4.78	6.07	66,000	2,600
Measured & Indicated	**428**	**4.78**	**6.07**	**66,000**	**2,600**
Inferred	3,974	4.09	3.12	523,000	12,400
Combined Mineral Resources					
Measured	970	7.29	10.18	227,000	9,900
Indicated	6,255	3.60	4.68	724,000	29,300
Measured & Indicated	**7,225**	**4.09**	**5.42**	**951,000**	**39,200**
Inferred	5,072	3.88	3.23	633,000	16,400

Notes:

1. Mineral resources are not mineral reserves and as such have not demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. Composites have been capped where appropriate.

2. Open pit mineral resources are reported at a cut-off grade of 0.5 g/t gold within a conceptual pit shell and underground mineral resources are reported at a cut-off grade of 2.5 g/t gold outside the conceptual pit shell. Cut-off grades are based on a gold price of US$1300 per ounce, a foreign exchange of US$0.90 to C$1.00 and a gold recovery of 95%. The value of tellurium has not been considered.

2015 Exploration

The 2015 field program included drilling, infill core sampling, prospecting and channel sampling of pre-stripped trench areas along a corridor lateral to the Eau Claire gold deposit. Exploration activity focused on expanding near-surface measured and indicated gold resources within Eau Claire, was combined with targeting potential open-pit satellite resources well outside the limits of the deposit.

29 HQ drill holes, for a total of 12,837 metres of definition drilling, were completed on the upper portion of the Eau Claire gold deposit. Assay data received to date confirms 45 gold-bearing intervals ranging from 0.50 to 25.6 grams gold per tonne over widths ranging from 2.0 to 11.5 metres. Assay intervals exceeding the cut-off grade for underground resources contain an average grade of 8.78 grams gold per tonne over an average width of 2.78 metres.

Significant Assay Intercepts include:

- 10.4 g/t Au over 2.0 m (Hole 553)
- 9.35 g/t Au over 3.0 m (Hole 556)
- 15.8 g/t Au over 2.0 m (Hole 557)
- 25.6 g/t Au over 2.0 m (Hole 561)
- 5.98 g/t Au over 4.5 m (Hole 566)
- 24.8 g/t Au over 2.0 m (Hole 568)
- 20.4 g/t Au over 3.0 m (Hole 570)
- 6.20 g/t Au over 5.5 m (Hole 572)

The 2015 program confirmed the continuation of gold mineralization lateral to the current Measured and Indicated Mineral Resources at Eau Claire. Multiple half-metre-wide quartz-tourmaline vein intersections contain very-fine-grained visible gold ranging in grade from 24.5 to 98.8 grams gold per tonne.

A number of drill holes from this recent drilling campaign also intersected copper-gold-silver mineralization, ranging from 2.0 to 11.5 metres in width, within the upper portion of the Eau Claire deposit. Composite intervals of this sulphide zone range in grade from 0.10 to 1.50 grams gold (Au) per tonne, 7.0 to 16.4 grams silver (Ag) per tonne and 0.40 to 1.5% copper (Cu). This Cu-Au-Ag zone is hosted by highly altered felsic volcaniclastic rocks containing disseminated chalcopyrite-pyrite-pyrrhotite, similar in nature to rocks hosting massive sulphide deposits found in Timmins and Noranda. The Cu-Au-Ag metal signature of this zone is also metallogenically similar to host mineralization at the Eastmain Mine gold deposit, and may have the potential to contribute to future mineable resources at Clearwater.

Infill Core Sampling

Infill sampling of historical near-surface drill holes from within the 450 West Zone confirmed a high-grade interval from hole 131, which assayed 6.65 grams per tonne (g/t) Au over 5.0 metres, in the JQ Vein at a depth of 66.0 metres. When combined with assay results from the adjacent P Vein, the intersection provides a composite interval grading 6.75 g/t Au across 13.8 metres, lying within the potential 450 West Zone open pit. 1,438 infill core samples were taken during the 2015 exploration program.

Trenching and Channel Sampling

There is a prospective corridor for discovery of additional gold resources straddling the favourable structural break lateral to Eau Claire. Channel sampling of comparable host lithologies two kilometres east of Eau Claire, within the SNL area, has exposed a potential open-pit resource target. Anomalous gold, detected in 124 channel samples taken along a newly discovered vein structure, ranges from 0.50 to 5.91 g/t Au, with an average grade of 1.07 g/t Au. Previous sampling of what may now be an extension of this vein structure to the east, returned values of up to 20.1 g/t Au over a two-metre interval (including 67.9 g/t Au over a half-metre). The SNL target covers an area approximately 850 metres long by 220 metres wide.

Preliminary Economic Assessment

G Mining Inc. was contracted to perform a preliminary economic assessment ("PEA") of the Eau Claire gold deposit. The scope of services for the PEA will include open-pit and underground mine engineering and design, metallurgical and processing studies, environmental and social impact studies, a review of infrastructure requirements and preliminary economic modeling and analysis. As part of the PEA a series of optimization tests are being performed.

A preliminary phase-one $1.5 M exploration program has been budgeted for 2016. The principal objectives include completion of the PEA, optimization studies of grade parameters and ongoing expansion of gold resources through drilling.

The Company's net investment in the Clearwater project to October 31, 2015 is $41.4 million.

Eastmain Mine

The Company owns 100% interest in Eastmain Mine property, which comprises 152 mineral claims 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[(2)]. 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, equipment, buildings, underground generators, fuel farm, fully-functioning airstrip, tailings pond, underground ramp access and underground mine workings.

The Québec government's Plan Nord infrastructure program now provides permanent road access to the Eastmain Mine property north from the communities of Chibougamau and Mistissini. This new infrastructure substantially reduces costs, improves project logistics and has stimulated exploration in the region.

(2) *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.*

Previous Exploration

Previous exploration of the property has confirmed surface copper-gold-silver mineralization in rocks and soils within the key mine horizon extending four kilometres northwest from the Eastmain Mine Gold Deposit. Four well-defined targets displaying the Eastmain Mine metal signature returned assays from 0.5 to 125 g/t Au, 0.5 to 28g/t Ag and 0.1 to 3% Cu in rock outcrops occurring in what appears to be a regular periodicity both within the extension of the mine sequence and along a secondary parallel structure.

Surface trenching and drilling are recommended as the next steps in the search for additional gold resources at Eastmain Mine. A $500,000 trenching program is proposed for 2016.

The Company's net investment in the Eastmain Mine project to October 31, 2015 is $13.6 million.

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 fold repetition of the key mine horizon. This claim block straddles a regional stratigraphic and structural break – a prime target location for ore deposits. The new Route 167 extension bisects the Ruby Hill East block, providing additional access for exploration along the favourable mine trend.

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. Access to the Ruby Hill West block is via helicopter.

Previous exploration successfully identified several new mineralized targets, each having a similar Au-Ag-Cu signature to the Eastmain Mine Gold Deposit, on both Ruby Hill properties. Anomalous assays of up to 3.1 g/t Au, 3.4 g/t Ag and 0.04% Cu occur in cherty iron formation within mafic volcanic units, near an interpreted structural break at Ruby Hill West, while anomalous gold values of up to 1.65 g/t gold were also detected within cherty units on Ruby Hill East.

In 2015, DIAGNOS Inc. conducted a regional CARDS (Computer Aided Resource Detection System) analysis over the Ruby Hill property areas to create the Eastmain Mine gold signature and to develop similar gold targets. Four separate models of CARDS analysis generated 15 untested gold exploration targets over the Ruby Hill properties – four along the north part of Ruby Hill East and 11 along the northwest flank of Ruby Hill West. Follow-up mapping and prospecting of these target areas is the next phase of work proposed for Ruby Hill.

The Company's net investment in the Ruby Hill project as at October 31, 2015 is recorded as $nil. In accordance with IFRS standards, the Company recorded impairment charges of $2.7 million on Ruby Hill in 2014 to reflect the current drop in mineral prices and the subsequent affect on the Company's share price and market capitalization. As such, expenditures of $83,945 incurred during fiscal 2015 have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements).

Lac Lessard

The Company holds 100% interest in the Lac Lessard property, located 15 kms northeast of the Eastmain Mine project. The property consists of forty-seven claims in one claim block covering 2,475 hectares. Previous airborne VTEM and magnetic surveys indicated that a large portion of the property is underlain by the Crete-du-Coq ultramafic intrusion, a prospective host to nickel, copper, Platinum Group Metals and gold (Ni-Cu-PGM-Au).

The project is under option to Darnley Bay Resources ("DBL"), whereby DBL can earn 50% interest in the 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 1.6 million DBL common shares to Eastmain. The 2015 exploration program was funded by DBL and managed by Eastmain.

Eleven drill holes, totalling 1,995 metres, testing 10 VTEM targets were completed. Nine drill holes intersected the Crete-du-Coq ultramafic intrusion. Drill hole LL15-02 intersected disseminated sulphides over a 12.5-metre interval assaying 0.38% nickel and 0.13% copper. Semi-massive sulphides intersected at the bottom of this interval contain

1.08% nickel and 0.31% copper over a length of 2.5 metres. A five-metre interval of disseminated nickel sulphides containing 0.41% nickel and 0.09% copper was also intersected 126.0 metres down the hole.

Due to current market conditions DBL has requested an extension in time for the second-year cash payment and required work commitments. The Company's net investment in the Lac Lessard project to October 31, 2015 is $0.21 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 (38.7%), Azimut Exploration Inc. (22.61%), and Les Mines Opinaca Ltée. (38.69%), 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.

The Company recorded an impairment charge on this project in the amount of $4.9 million in 2014. As such, the Company's expenditures in the project of $9,867 incurred during fiscal 2015, have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements). As at October 31, 2015, the Company's net investment in the project has been recorded as $ nil.

Reservoir

The Company holds 100% interest in the Reservoir property, which comprises 156 claims, covering approximately 8,099 hectares, 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, similar to those hosting multi-million-ounce past producing gold mines in Timmins, Ontario.

Reservoir straddles the regional structural/stratigraphic break dividing volcanic and sedimentary domains. This break represents an important ore localizing event throughout the region. Previous trenching and drilling confirmed there is a significant kilometric-scale mineralizing system at Reservoir.

As at October 31, 2014 the Company recorded an impairment charge for this project of $1.5 million, and as such, any expenditure incurred on the project during fiscal 2015 has been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements). Accordingly, the Company's investment in Reservoir as at October 2015 is $ nil.

Lac Hudson

The Company holds 100% interest in 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.

Previous work included a desk-top structural interpretation by SRK based on detailed high-resolution airborne magnetic survey data. 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. Future prospecting and geological targeting are planned once market conditions improve.

The Company's investment in the project to October 31, 2015 is $0.95 million.

Radisson

The Company owns 100% interest 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. Honey Badger dropped the option in 2014 as it was unable to raise exploration funds and would therefore not be able to fulfill its obligations with respect to the option agreement.

The Company's net investment in the project as at October 31, 2015 is $ nil. The Company recorded an impairment charge on this project in the amount of $0.2 million in 2014. Accordingly, expenditures associated with claims maintenance incurred during fiscal 2015 have been written-down (Note 9 to the audited consolidated financial statements). However, as market conditions improve impairment charges may be reversed.

Road King

The wholly-owned 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. Additional exploration is warranted.

The Company's investment in the project to October 31, 2015 is $0.3 million.

Lac Elmer

The Lac Elmer project is located at the western end of the Eastmain River 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, 2015 is $0.8 million.

Lidge

The Company holds 100% interest in Lidge, a very-early- to early-stage exploration property located in a prospective geological regime within the James Bay District of Québec. High-density airborne magnetic surveys flown over Lidge delineated several geophysical anomalies in 2014.

The Company recorded an impairment charge for Lidge in 2014. Accordingly, $9,978 in exploration expenditures incurred during fiscal 2015, have been written-down (Note 9 to the audited consolidated financial statements). Expenditures for Lidge will continue to be written-down until such time as market conditions improve and impairment charges are reversed. Therefore, the Company's investment in the project to October 31, 2015 is recorded as nil.

Dyna

Although in 2014 high-density airborne surveys also delineated several anomalies on Dyna, a very-early-stage prospect located in the Opinaca region of James Bay, due to the current decline in gold and base metals markets, the Dyna claims were allowed to expire. The Company's investment in the project to October 31, 2015 is recorded as $nil

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, 2015, the Company had working capital of $3,504,083 (October 31, 2014 – $2,499,336) and shareholders' equity of $56,751,428 (October 31, 2014 – $54,613,635). 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, 2015 compared to the three months ended October 31, 2014:

Net loss for the quarter ended October 31, 2015 was $41,541 (2014 – $9,572,669) a variance of $9,531,128 (99.6%).

- General and administrative expenses were $410,350 (2014 – $166,902) a variance of $243,448 (145.9%), which included Stock option compensation of $66,885, higher costs of supplying shareholder information in the amount of $116,161 and higher professional fees in the amount of $64,419. The aggregate of other administrative expenses was lower by $4,017.
- Impairment of exploration and evaluation assets was $13,093 (2014 – $10,434,944) a variance of $10,421,851. At the end of each reporting period, management reviews 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. During the 4th quarter of fiscal 2014, the decline in commodity prices, which was reflected in the decrease of the Company's share price, prompted management to recognize an impairment charge and to limit its exploration activity while the cost of capital was at a premium. The properties affected by the impairment charge were: Éléonore South, Ruby Hill, Reservoir, Radisson, Lidge, and Dyna. As a result of their impairment status, exploration expenditures incurred on these properties after October 2014, are written-off as incurred, until such time as an economic value for the properties can be determined.
- Interest and other income was $104,646 (2014 – $10,405) a variance of $94,241. The increased income was derived from the rental of the Eastmain Mine camp to a third party.
- The unrealized loss on investment revaluation for the quarter was $36,267 (2014 – $30,046) a variance of $6,222 (20.7%). The loss is attributable to the decline in market values of the common shares in resource companies held by the Company as detailed in Note 6 to the audited consolidated financial statements.
- Premium income from flow-through shares was $986,567 (2014 – $525,232) a variance of $461,335 (87.8%). 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 those 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. The premium calculated was increased by $0.07 per share ($743,212) to reflect the drop in share price to the market price on the day of issue.

- Deferred income taxes were $673,541 (2014 – recovery of $523,585) a variance of $1,197,126. Deferred income tax expense is largely affected by the amortization of flow-through premium income and the expected deferred tax recovery related to impairment charges recorded, as detailed in Note 18 to the audited consolidated financial statements.

Year ended October 31, 2015 compared to the year ended October 31, 2014:

Net loss was $853,496 (2014 – $9,193,660) a variance of $8,340,164 (90.7%).

- General and administrative expenses were $1,136,950 (2014 –- $902,460) a variance of $234,490 (26.0%).
- Interest and other income was $162,824 (2014 – $63,019) a variance of $99,805.
- Impairment of exploration and evaluation assets was $133,239 (2014 – $10,434,944) a variance of $10,301,705 (98.7%).
- Realized loss on marketable securities $61,904 (2014 – nil). The company incurred realized losses of $61,904 on the disposal of shares from its investment portfolio. The unrealized loss on investment revaluation was $248,089 (2014 – a gain of $202,828) a variance of $450,917. The loss is attributable to the decline in market values of common shares in resource companies held by the Company as detailed in Note 6 to the audited consolidated financial statements.
- Premium income from flow-through shares was $1,327,164 (2014 – $1,733,150) a variance of $405,986 (23.4%). The premium is amortized on a pro-rata basis to eligible expenditures incurred. There was an adjustment to the calculated value of the flow-through premium in the 4th quarter to reflect a drop in share price to the market price on the day of issue.
- Deferred income taxes were $763,302 (2014 – a recovery of $144,747) a variance of $908,049. Deferred income tax expense is largely affected by the amortization of flow-through premium income and the expected deferred tax recovery related to impairment charges recorded.

Summary of Quarterly Results

	Quarter ended 10/31/2015	**Quarter ended 07/31/2015**	**Quarter ended 04/30/2015**	**Quarter ended 01/31/2015**
Interest / other income	$ 104,646	$ 27,814	$ 20,132	$ 10,232
Comprehensive (loss)	$(41,541)	$(315,689)	$(238,436)	$(257,830)
Per share basic	$(0.0003)	$(0.0024)	$(0.0018)	$(0.0020)
Per share diluted	$(0.0003)	$(0.0024)	$(0.0018)	$(0.0020)
Trading range of shares				
High	$0.42	$0.49	$0.62	$0.38
Low	$0.28	$0.29	$0.29	$0.17

	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

Significant charges included in the amounts above are as follows:

10/31/2015
Comprehensive net loss includes: flow-through share premium income of $986,567; deferred income taxes of $673,044 and; an unrealized loss on investment revaluation of $36,267.

07/31/2015
Comprehensive net loss includes: flow-through share premium income of $137,563; deferred income tax of $36,454; a charge of $117,600 for stock option compensation; an unrealized loss on investment valuation of $75,884 and; an impairment charge of $33,703.

04/30/2015
Comprehensive net loss includes: flow-through share premium income of $68,671; deferred income tax of $20,479; a realized loss on disposal of investments of $60,183; an unrealized loss on investment revaluation of $12,637 and; an impairment charge of $46,700.

01/31/2015
Comprehensive net loss includes: flow-through share premium income of $134,363; deferred income taxes of $33,325; an unrealized loss on investment revaluation of $134,363 and; an impairment charge of $39,743.

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

07/31/2014
Comprehensive net loss 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 investment revaluation 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 investment revaluation 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 investment revaluation of $16,838.

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 peoples, 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, 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, 2015, the Company's carrying value of exploration and evaluation assets, net of recoveries and impairment charges was $57,261,681 (October 31, 2014 – $55,272,791).

Project expenditures for the year ended October 31, 2015

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	Gross expenditures	Income tax credits	2015 Net Expenditures
Clearwater	$ 2,581,961	$1,209,160	$ 49,983	$ 3,841,104	$(1,910,065)	$ 1,931,039
Eastmain Mine	6,577	110,066	14,394	131,037	-	131,037
Éléonore South	1,654	5,063	3,150	9,867	-	9,867
Ruby Hill	976	58,835	24,134	83,945	-	83,945
Reservoir	4,521	2,334	-	6,855	-	6,855
Lac Hudson	-	7,455	15,347	22,802	-	22,802
Lac Elmer	2,979	590	2,048	5,617	-	5,617
Radisson	-	-	22,594	22,594	-	22,594
Road King	-	10,333	14,788	25,121	-	25,121
Lidge	-	9,978	-	9,978	-	9,978
Lac Lessard	1,625	1,649	-	3,274	-	3,274
Total	$ 2,600,293	$1,415,463	$146,438	$ 4,162,194	$(1,910,065)	$ 2,252,129

Cumulative acquisition, exploration and evaluation expenditures as at October 31, 2015

Project	Balance November 1, 2014	2015 Net expenditures	Write-downs	Recoveries	Balance October 31, 2015
Clearwater	$ 39,448,418	$ 1,931,039	$ -	$ -	$ 41,379,457
Eastmain Mine	13,462,168	131,037	-	-	13,593,205
Éléonore South	-	9,867	(9,867)	-	-
Ruby Hill	-	83,945	(83,945)	-	-
Reservoir	-	6,855	(6,855)	-	-
Lac Hudson	928,369	22,802	-	-	951,171
Lac Elmer	821,254	5,617	-	-	826,871
Radisson	-	22,594	(22,594)	-	-
Road King	276,658	25,121	-	-	301,779
Lidge	-	9,978	(9,978)	-	-
Lac Lessard	335,924	3,274	-	(130,000)	209,198
	$ 55,272,791	$ 2,252,129	$(133,239)	$(130,000)	$ 57,261,681

Project expenditures for the year ended October 31, 2014

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	Gross expenditures	Income tax credits	2014 Net Expenditures
Clearwater	$ 3,047,614	$ 867,256	$ 12,326	$ 3,927,196	$(1,774,142)	$ 2,153,054
Eastmain Mine	184,946	291,334	6,011	482,291	(248,250)	234,041
Éléonore South	2,928	18,373	36,132	57,433	-	57,433
Ruby Hill	62,021	631,277	10,751	704,049	-	704,049
Reservoir	570,432	147,248	19,599	737,279	-	737,279
Lac Hudson	-	65,748	38,723	104,471	-	104,471
Lac Elmer	-	211,694	22,709	234,403	-	234,403
Radisson	-	1,260	5,969	7,229	-	7,229
Road King	-	93,363	-	93,363	-	93,363
Dyna	-	163,270	-	163,270	-	163,270
Lidge	-	35,345	4,572	39,917	-	39,917
Lac Lessard	36,486	244,340	6,072	286,898	-	286,898
Total	$ 3,904,427	$ 2,770,508	$ 162,864	$ 6,837,799	$(2,022,392)	$ 4,815,407

Cumulative acquisition, exploration and evaluation expenditures as at October 31, 2014

Project	Balance November 1, 2013	2014 Net expenditures	Write-downs	Recoveries	Balance October 31, 2014
Clearwater	$ 37,295,364	$ 2,153,054	$ -	$ -	$ 39,448,418
Eastmain Mine	13,228,127	234,041	-	-	13,462,168
Éléonore South	4,894,824	57,433	(4,952,257)	-	-
Ruby Hill	1,947,306	704,049	(2,651,355)	-	-
Reservoir	727,399	737,279	(1,464,678)	-	-
Lac Hudson	823,898	104,471	-	-	928,369
Lac Elmer	586,851	234,403	-	-	821,254
Radisson	200,405	7,229	(207,634)	-	-
Road King	183,295	93,363	-	-	276,658
Dyna	471,692	163,270	(634,962)	-	-
Lidge	484,141	39,917	(524,058)	-	-
Lac Lessard	49,026	286,898	-	-	335,924
	$ 60,892,328	$ 4,815,407	$(10,434,944)	$ -	$ 55,272,791

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 October 31, 2015, the Company had current assets of $4.6 million and current liabilities of $1.1 million yielding a working capital of $3.5 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, 2015 the Company held investments of $0.5 million valued at fair market with initial 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, 2015 were $1,399,328, which included $761,597 for confirmed resource investment tax credits from the Province of Quebec, and also included recoverable HST and QST sales taxes of $188,238, which are subject to verification and normally refunded within 60 to 90 days of the claim. Refunds of taxes are not considered a financial instrument since governments are not obligated to make these payments. Other accounts receivable were $346,509. Advances and prepaid amounts were $102,984.

At October 31, 2015, trade accounts payable and accrued liabilities were $1,074,609 which included payroll withholdings of $46,597 and amounts due to related parties of $69,582. Trade accounts are normally settled within 30 days. Flow-through premiums are amortized to income in proportion to eligible Canadian exploration expenditures (CEE) incurred.

The Company has an estimated $120,000 in resource investment credits and mining duty rebates recoverable from the Province of Québec for current qualified expenditures and returns filed up to October 31, 2015. 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, 2015, the Company received net proceeds of $3.8 million from shares issued and $1.2 million in resource investment tax credits to fund fiscal 2015 activities. During the same period, the Company spent $3.9 million on claim acquisition, claim maintenance, and exploration and evaluation of mineral resource properties. The Company's current base operating cost is approximately $112,000 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 2015, the Company issued flow-through shares for which it was committed to spend $3,450,625 in eligible Canadian exploration expenditures ("CEE") by December 31, 2015. As of October 31, 2015, the Company had incurred qualifying expenditures in excess of the $3,450,625 required.

In December 2015 the Company issued flow-through shares in a private placement for gross proceeds of $440,000. The flow-through premium associated with this issue was $149,600. In accordance with income tax legislation, the Company renounced resource expenditures of $440,000 in favour of the investors with an effective date of December 31, 2015 for activities funded by this flow-through share arrangement. The liability for flow-through premium derived from the issue was $149,600

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 field equipment of $398,536. The net book value October 31, 2015 was $54,126.

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.

As at October 31, 2015, the Company has non-capital losses available for deduction of $9,704,876 which begin to expire in 2026 and unused capital losses of $438,844 which have no expiry date. In addition, the Company has Canadian exploration and development expenditures available to reduce future years' taxable income of approximately $27,000,000. The tax benefit of these amounts may be carried forward indefinitely.

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, 2015 was $492,285 (2014 – $491,391). The amount due to related parties October 31, 2015 was $69,582 (2014 – $84,745).

Share Capital

The authorized share capital of the Company consists of an unlimited number of common shares of which, as of January 28 2016, there are 133,919,815 common shares outstanding and 7,868,605 share-purchase options with a weighted average exercise price of $0.68, which would generate proceeds of $5,383,512 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 their related notes. Although these estimates are based on management's best knowledge of the amounts, events or actions, actual results may differ from those estimates and these 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, 2015 and 2014 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. During 2015 the Company's exploration and evaluation assets were written-down by $133,239 (2014 – $10,434,944).

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 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

Each reporting period, management reviews the general and economic conditions and mining industry trends that influence recoverability of the carrying value of its exploration and evaluation expenditures. As at October 31, 2015, no further impairment charges were deemed necessary, however, during the year ongoing exploration and evaluation expenditures of $133,239 incurred on properties previously determined to be impaired were written-off as impairment charges. An impairment analysis performed in 2014, identified impairment characteristics on some of the company's properties which lead to an impairment write-off totaling $10,434,944 during the year ended October 31, 2014. Ongoing expenditures on properties affected by the write-down are now being written off as incurred until such time as economic conditions permit a reversal of the impairment charges.

New Accounting Standards Adopted During the Year

IAS 32 – Financial Instruments, Presentation, ("IAS 32") is effective for annual periods beginning on or after January 1, 2014. IAS 32 was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. As at November 1, 2014, the Company adopted this pronouncement and there was no material impact on the Company's consolidated financial statements.

Standards Issued But Not Yet Effective

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. Most of the requirements in IAS 39 for the classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. 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 financial assets. The new standard also requires the use of a single method of impairment determination, which replaces the multiple methods available under IAS 39. The standard will be effective for annual periods beginning on or after 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'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 is 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, 2015, the Company had current assets of $4,578,692 to settle current liabilities of $1,074,609. All of the Company's financial liabilities have contractual maturities of 30 days or less except flow-through liabilities which continue until December 31, 2015.

During the year ended October 31, 2015, the Company raised net proceeds of $3,796,768 through the issue of shares and the exercise of warrants, and received resource tax credits of $1,148,468 to fund general 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, 2015.

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.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are reasonably possible over a twelve month period:

i. Cash and cash equivalents are subject to floating interest rates. The Company has no variable debt and receives low interest rates on its cash and cash equivalent balances. As such, the Company does not have significant interest rate risk.

ii. Only $623,510 of the Company's investment in marketable securities, amounting to $2,101,239, is subject to market fluctuations. As at October 31, 2015, if the fair value of the Company's investment in marketable securities had increased or decreased by 25%, with all other variables held constant, the comprehensive loss and equity for the year ended October 31, 2015 would have been approximately $155,877 higher or lower.

Future Outlook

In October, Eastmain was awarded the "Discovery of the Year 2015" by the Association de L'Exploration Minière du Quebec ("AEMQ"). This peer-nominated award recognizes the importance of Eastmain's recent discoveries, which have significantly led to the expansion and delineation of its Eau Claire gold deposit and to new prospects discovered along the Eau Claire trend. The award reinforces that our principal objective is to create shareholder value through exploration, discovery and the profitability of future mining of the Eau Claire deposit.

Eau Claire is one of the highest-grade undeveloped open-pit projects in North America. There is excellent exploration potential to further expand the size and improve the grade of the current open-pit Mineral Resource and potential ramp-accessible underground mineralization. The Clearwater Project is transitioning from pure exploration towards an early pre-development stage with the initiation of a preliminary economic assessment (PEA). This initial step will lay the groundwork for further exploration, which will increasingly define the geometry and mineral potential of Eau Claire, while de-risking the project.

A four-year decline of metal commodity prices has manifested as a steady decline in the market capitalization of most exploration and development companies. This past year has been one of the most difficult for the mining sector. The precious metals market in particular has been under pressure with weakening metal prices and the forecast consensus is predicting a sluggish outlook for 2016. Senior, intermediate and junior gold producers were down 18%, 11% and 8% year-over-year respectively during 2015. The sector continues searching for the means to lowering costs and improving efficiencies, while ore grades in mines of some of the largest market capitalization companies continue to fall. Regulation, especially on the social and environmental fronts will continue to become more stringent. Future gold price predictions continues to be a flash point amongst analysts and investors alike, being predominantly negative.

In the midst of this turmoil, Eastmain's share price appreciated by 48% during the calendar year, while our exploration peer group generally saw their share performance for 2015 decrease by 15%. Approximately one-half of the total issued shares of the Corporation (133.9 M) traded over this 12-month period.

An updated block model Mineral Resource estimate for the Eau Claire gold deposit resulted in an increase in Measured and Indicated gold Resources while maintaining a very high grade. Eau Claire, one of the highest-grade undeveloped potential open-pit gold projects in North America, is located within one of the most favourable mining jurisdictions in the world, and is complimented by road access and abundant hydro-electric power nearby.

As we continue to unlock its geological potential, the top-priority objectives to advancing Clearwater toward development include completing the PEA, increasing open pit resources both within, and lateral to, the Eau Claire deposit, continued definition drilling to improve grade and continuity, and drilling for new discoveries along the favourable Eau Claire trend. Project expansion through diamond drilling and possible near-future underground exploration is currently facilitated by weak market conditions which have triggered a substantial drop in direct exploration costs.

Scheduled for calendar Q2 2016, the preliminary economic assessment will include open-pit and underground mine engineering and design, metallurgical and processing studies, environmental and social impact studies, a review of infrastructure requirements and preliminary economic modeling and analysis. A weak Canadian currency will continue to be a positive catalyst for non-US based precious metal assets.

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. Exploration work completed by Eastmain and funded by Darnley Bay Limited, as part of their first-year earn-in requirements on an option to earn 50% interest in the Lac Lessard project, has confirmed nickel-copper mineralization in sufficient quantities to necessitate additional work.

Now is the time to build for tomorrow. A continued down-turn in the metals market has prompted a significant decrease in the costs associated with fundamental exploration, while increased access to remote areas has triggered new interest in Quebec's Far North. As an explorer, Eastmain will continue to take advantage when possible of lower-priced drilling, air-support and technical advances on its road to the creation of shareholder value, through the discovery of economically viable deposits.

A $3.0 million budget has been recommended for our two key Québec projects in 2015.

Subsequent Events

i. In accordance with the Company's stock option compensation plan, 250,000 ten-year-term stock options with an exercise price of $0.36 were granted to a director in November 2015. The estimated cost of these changes, using the Black-Scholes pricing model, is $53,250.

ii. In December 2015 the Company issued 880,000 flow-through shares at $0.50 per share in a private placement for gross proceeds of $440,000. Issue costs in connection with the private placement are estimated to be $22,400. No brokerage commission or finder's fee was paid. The flow-through premium associated with this issue was $149,600. In accordance with income tax legislation, the Company renounced resource expenditures of $440,000 in favour of the investors with an effective date of December 31, 2015 for activities funded by this flow-through share arrangement. The liability for flow-through premium derived from the issue was $149,600.

Scientific and Technical Disclosure

All disclosure of a scientific or technical nature herein concerning the currently published Eau Claire resource estimate (Company News Release April 27, 2015) is based upon the technical report entitled "Technical Report for the Eau Claire Gold Deposit, Clearwater Project, Quebec" (the "Clearwater Report"), which was prepared by SRK Consulting (Canada) Inc. as of June 11, 2015. Dominic Chartier, P.Geo, Jean Francois Ravenelle, Ph.D., P.Geo and Jean Francois Couture, Ph.D., 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.