

EASTMAIN RESOURCES INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS – FIRST QUARTER 2016
THREE MONTHS ENDED JANUARY 31, 2016

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 factors that affected the Company's financial and operating performance for the three months ended January 31, 2016. 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 unaudited condensed interim consolidated financial statements ("interim financial statements") for the quarter ended January 31, 2016, together with the notes thereto, which were prepared in accordance with IAS 34 – *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). All amounts in the interim 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 March 14, 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 March 14, 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 areas of James Bay, Québec, a relatively under-explored region that comprises several Archean greenstone belts – rock assemblages responsible for most of the world's gold supplies. The James Bay region 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 km² of this new and fertile mining district.

Quarterly Highlights

- Drilling confirms the continuation of gold mineralization lateral and vertical to current in-situ Measured and Indicated gold mineral resources at Eau Claire;
- Additional high-grade intervals, as well as wider zones of gold mineralization, likely to add to current mineral resources;
- 26 composite intervals at average grade of 7.76 g/t gold over average width of 2.73 metres, with 11 composites averaging 13.87 g/t gold over an average thickness of 3.09 metres (range 2.54 to 25.6 g/t Au over 2.0 to 6.0 metres);
- Drill hole ER15-577 intersected 6 metres of 15.4 g/t gold;
- Intersected copper-gold-silver sulphide zone in upper part of Eau Claire deposit (grades from 0.14 to 0.60 g/t Au, 7.08 to 13.7 g/t Ag and 0.44 to 1.3% Cu over widths from 2 to 11.5 metres);
- Infill sampling confirms untested high-grade zones (up to 6.75 g/t Au across 13.8 metres) within 450 West Zone open pit mineral resource;
- Surface exploration successfully outlines drill-ready, potential open-pit target two kilometres east of Eau Claire – SNL target covers area approximately 850 metres long by 220 metres wide;
- Appointment of Claude Lemasson, P.Eng, MBA, as independent non-executive Director of the Board;
- \$440,000 non-brokered private placement to Quebec-based fund at approximately 60% premium to market with no warrants and no commissions;
- 28% gain on one-year share-price performance, outperforming peer group, producers and developers, S&P/TSX Gold Index and gold price; and
- 9% share-price gain year-to-date.

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. Goldcorp Inc. ("Goldcorp") has forecasted 2016 production of 250,000 to 280,000 ounces of gold at its Eleonore Mine, which located only 45 kms due north of Clearwater.

The Clearwater Project covers about 200 km² 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 high-grade 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

The most prevalent Archean gold deposits are associated with deep-seated regional structural breaks in the vicinity of a geologic contact, near intrusive bodies. Most gold production in these camps comes from structurally-controlled, vein-hosted deposits occurring within iron-rich mafic volcanic rocks associated with felsic porphyry intrusions. Eau Claire is situated approximately one kilometre north of a structural break, which extends east-west for more than 100 kilometres. At Clearwater this break coincides with a major geologic contact between iron-rich mafic volcanic rocks and felsic volcanoclastic units, and the Eau Claire gold deposit occurs near a swarm of felsic porphyritic intrusive rocks.

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 in-situ open pit gold resources in North America. Block model in-situ 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 in-situ open pit resources include 227,000 ounces at 7.29 g/t Au within 0.97 M tonnes (*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 volcanoclastic 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°E, dips 45 to 60° south and plunges steeply to the southeast, sub-parallel to an F2 fold axis. The 850 West Zone vein set is aligned N 60°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.

(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. 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 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.

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. 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.

Q1 2016 Exploration

During the quarter, 5,076 metres of drilling and several kilometres of trench mapping were completed.

The 2015 program was successful in intersecting high-grade gold in drill intercepts lateral to the current resource. Infill core sampling of historical holes also provided positive results within the proposed 450 West Zone pit, and trench sampling (228 samples) two kilometres east of the Eau Claire gold deposit outlined another potential pit-constrained resource target.

Drilling focused on extending Measured and Indicated gold resources in the Eau Claire gold deposit down-plunge and laterally to the east. Composite intervals from five drill holes (556, 568, 570, 572 and 577) down-plunge of the limits of currently defined Measured and Indicated gold resources will clearly contribute to future mineral resource estimates. Significant results from these holes include values of 24.6 g/t gold over two metres, 9.35 g/t and 20.4 g/t gold across widths of 3.0 metres each, 6.20 g/t over 5.5 metres and 15.4 g/t gold over a 6.0-metre interval. In addition, drill hole ER15-566, with a composite interval of 5.98 g/t gold over 4.5 metres, indicates that there is still potential to expand the deposit laterally to the east as well (see website for long section).

Work completed during the 2015 campaign confirms that not only is there still considerable upside potential within the top 300 metres of surface, both immediately along strike of the Eau Claire gold deposit and within the prospective Eau Claire structural trend, but also at depth down-plunge from potentially ramp-accessible mineral resources as well.

A phase one \$2.5 million exploration budget has been recommended at Clearwater to include ongoing deposit modeling and grade optimization studies, completion of a preliminary economic assessment, definition drilling to expand Measured and Indicated mineral resources, and drill testing of near-surface resource targets, located east of Eau Claire along the key structural corridor.

The Company's net investment in the Clearwater project to January 31, 2016 is \$42.5 million.

Eastmain Mine

With a partially-developed historic high-grade gold-copper deposit and extensive delineation of mine trend rocks extending over 10 kms northwest and southeast of the past minesite, the Eastmain Mine project provides very attractive exploration and discovery opportunities for the Company. Infrastructure is vital to all successful exploration, and the scenario at our second wholly-owned gold deposit improved significantly with Plan Nord's newly constructed permanent road to the district – Route 167 North. Exploration in this frontier region has also perked up since the completion of the new road. Eastmain is very well positioned with multiple claim blocks covering complete segments of the regional greenstone belt in this area.

The Eastmain Mine property 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⁾.

(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.

The project is in the target-definition and drilling stages of exploration. The Company's exploration focus at Eastmain Mine is the expansion of known resources and discovery of a second deposit along the regionally extensive 10-kilometre-long mine trend. The project includes a 60-80 person camp, fuel farm, fully functioning airstrip, tailings pond, underground ramp access and underground mine workings.

Previous exploration of the property 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 January 31, 2015 is \$13.6 million.

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 previously completed by the Company 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 million 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.

As part of its first year commitment, DBL funded an 11-hole drill program totalling 1,995 metres to test 10 VTEM targets in 2015. Nine drill holes intersected the Crete-du-Coq ultramafic intrusion. Disseminated to semi-massive sulphides over a 12.5-metre interval returned geochemically anomalous values over five-metre intervals, to up to 1.08% nickel and 0.31% copper over a length of 2.5 metres.

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 January 31, 2016 is \$0.22 million.

Éléonore South

Éléonore South, an exploration-drilling-stage project, lies in the Opinaca geologic Subprovince of James Bay, Québec immediately south of and contiguous with Goldcorp's Éléonore property, which hosts the multi-million-ounce Roberto gold deposit. The Éléonore South property is also located immediately west of and is contiguous with the Sirois Resources Inc. ("Sirios") / Golden Valley Mines Ltd. Cheechoo property.

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 km² 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.

Recently, Sirius intersected 4.18 g/t gold over a 20-metre interval within a tonalitic intrusion near the contact with surrounding metasediments. This tonalite body extends onto the Éléonore South property, outcropping immediately east of the JT Zone. Approximately one km southeast of JT an elevated gold-arsenic soil geochemical anomaly has been interpreted as an extension of the tonalite body, which has never been drill tested. In light of recent drill results on the neighbouring property, additional exploration is warranted on the eastern portion of the Éléonore South property.

Due to earlier impairment charges, the Company's net investment in the project has been recorded as \$ nil. Expenditures for Eleonore South have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements).

Properties available for Joint Venture

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. Regional geochemical surveys completed by the Company on the Ruby Hill East property resulted in a very attractive gold-in-soil anomaly coinciding with a regional structural break delineated by airborne magnetic data.

Ruby Hill West straddles the western limb of the Upper Eastmain River Greenstone Belt approximately 30 kms northwest of the Eastmain Mine deposit in a similar geologic setting. Preliminary prospecting of the south-western part of this claim block delineated two anomalous rock trends. This claim block covers an entire segment of greenstone that is prospective for ore deposits and occurs within a poorly-explored region.

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 highly prospective Ruby Hill project as at January 31, 2016, is \$nil. In accordance with IFRS analysis of impairment, expenditures for Ruby Hill have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements).

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 kilometeric-scale mineralizing system at Reservoir.

Due to previous impairment analysis under IFRS, the Company's investment in Reservoir as at January 31, 2016 is recorded as \$ nil. Expenditures for Reservoir 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 Hudson

The Company holds 100% interest in Lac Hudson. This early-stage exploration project is prospective for a sedimentary- or volcanic-hosted gold deposit. 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 gold and base metal occurrences 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.

A regional crustal-scale "D2" structure, thought to be an extension of the same crustal structure found spatially associated with the Eau Claire gold deposit at Clearwater, bisects the property. Additional exploration is highly warranted.

The Company's net investment in the project to January 31, 2016 is \$0.95 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 kilometeric-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 net investment in the project to January 31, 2016 is \$0.83 million.

Radisson

The Company owns 100% interest in 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.

Due to earlier impairment analysis under IFRS, the Company's net investment in the project as at January 31, 2016 is \$ nil. Expenditures for Radisson have been written-off until such time as economic conditions permit a reversal of the impairment (Note 9 to the audited consolidated financial statements).

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 net investment in the project to January 31, 2015 is \$0.3 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 in 2014 delineated several geophysical anomalies.

The Company's net investment in the project to January 31, 2016 is \$nil. Under earlier IFRS impairment analysis expenditures for Lidge were written-down (Note 9 to the audited consolidated financial statements). Expenditures for Lidge will continue to be written-down until such time as impairment charges are reversed.

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 exploration and evaluation assets.

The interim financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration-stage Company, the Company does not have any sources of revenue and historically has incurred recurring operating losses.

As at January 31, 2016, the Company had working capital of \$2,753,455 (October 31, 2015 - \$3,504,083) and shareholders' equity of \$56,695,841 (October 31, 2015 - \$56,571,428). 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 the interim 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 January 31, 2016 compared to the three months ended January 31, 2015:

Net loss for the quarter ended January 31, 2016 was \$192,611 (2015 - \$257,830) a variance of \$65,219 (25.3%).

- General and administrative expenses were \$401,450 (2015 - \$204,335) a variance of \$197,115 (96.5%), which included the following increases: stock option compensation - \$53,250; shareholder information - \$20,491; directors' fees - \$21,336; consulting fees - \$66,547; and professional fees - \$34,710.
- Impairment of exploration and evaluation assets was \$11,736 (2015 - \$39,743) a variance of \$28,007 (70.5%). 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.

- The unrealized income on investment revaluation for the quarter was \$90,783 (2015 – loss of \$123,301) a variance of \$214,084. The income is attributable to an increase in market values of the common shares in resource companies held by the Company detailed in Note 6 to the interim financial statements for the quarter.
- Premium income from flow-through shares was \$149,600 (2015 – \$134,363) a variance of \$15,237 (11.3%). The premium on flow-through shares is calculated as being the difference between the price paid by investors for flow-through shares and the fair-market price of the common shares. The premium is recorded as a liability and income is derived from premium amortization pro rata to eligible expenditures incurred. Premiums recorded on the issue of flow-through shares are disclosed in Note 11 to the interim financial statements.
- Deferred income taxes were \$39,644 (2015 – \$33,325) a variance of \$6,319 (19.0%). 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 01/31/2016	Quarter ended 10/31/2015	Quarter ended 07/31/2015	Quarter ended 04/30/2015
Interest / other income	\$ 19,288	\$ 104,646	\$ 27,814	\$ 20,132
Comprehensive loss	\$(192,611)	\$(41,541)	\$(315,689)	\$(238,436)
Per share basic	\$(0.0014)	\$0.0003	\$(0.0024)	\$(0.0018)
Per share diluted	\$(0.0014)	\$0.0003	\$(0.0024)	\$(0.0018)
Trading range of shares				
High	\$0.31	\$0.42	\$0.49	\$0.62
Low	\$0.39	\$0.28	\$0.29	\$0.29

	Quarter ended 01/31/2015	Quarter ended 10/31/2014	Quarter ended 07/31/2014	Quarter ended 04/30/2014
Interest / other income	\$ 10,232	\$ 10,405	\$ 10,578	\$ 29,034
Comprehensive income (loss)	\$(257,830)	\$(9,572,669)	\$(206,936)	\$ 19,341
Per share basic	\$(0.0020)	\$(0.0803)	\$(0.0017)	\$0.0002
Per share diluted	\$(0.0020)	\$(0.0803)	\$(0.0017)	\$0.0002
Trading range of shares				
High	\$0.38	\$0.40	\$0.47	\$0.56
Low	\$0.17	\$0.21	\$0.28	\$0.28

Significant charges included in the amounts above are as follows:

01/31/2016

Comprehensive net income includes: flow-through share premium income of \$149,600; a charge of \$53,250 for stock option compensation; deferred income taxes of \$39,644 and; an unrealized gain on investment revaluation of \$90,783.

10/31/2015

Comprehensive net loss includes: flow-through share premium income of \$986,567; a charge of \$86,685 for stock option compensation; deferred income taxes of \$673,044; an unrealized loss on investment revaluation of \$36,267 and; an impairment charge of \$13,093.

07/31/2015

Comprehensive net loss includes: flow-through share premium income of \$137,563; deferred income tax of \$36,454 and; 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 and; 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.

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, 2015, 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 January 31, 2016, the Company's carrying value of exploration and evaluation assets, net of recoveries and impairment charges was \$58,444,892 (October 31, 2015 – \$57,261,681).

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 January 31, 2016, the Company had current assets of \$3.1 million and current liabilities of \$0.3 million, yielding a working capital of \$2.8 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 January 31, 2016 the Company held investments of \$0.2 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 January 31, 2016 were \$349,067, including recoverable sales taxes paid of \$238,681, 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 \$10,213. Advances and prepaid amounts were \$100,173.

As at January 31, 2016, trade accounts payable and accrued liabilities were \$311,540 which included payroll withholdings of \$26,088 and amounts due to related parties of \$6,000. 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 qualified expenditures on returns filed up to January 31, 2016. 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 three months ended January 31, 2016, the Company received net proceeds of \$413,374 from shares issued and \$761,597 in resource investment tax credits. During the same period, the Company spent \$1.2 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 as described below, are discretionary. As such, management believes the Company will have sufficient funds available to 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

In December 2015, the Company issued flow-through shares for which it was committed to spend \$440,000 in eligible Canadian exploration expenditures ("CEE") by December 31, 2016. As of January 31, 2016, the Company had incurred qualifying expenditures in excess of the \$440,000 required.

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 as at January 31, 2016 was \$50,062.

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.

Income taxes on interim results have been estimated and apportioned at a reasonable approximation of the deferred income tax liability that will be applicable to the operating results for the full fiscal year.

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, who is also the Chief Geologist. 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 three months ended January 31, 2016 was \$124,373 (2015 – \$114,745). The amount due to related parties as at January 31, 2016 was \$6,000 (October 31, 2015 – \$69,582).

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares of which, as of March 11, 2016, there are 133,919,815 common shares outstanding and 7,618,605 share-purchase options with a weighted average exercise price of \$0.68, which would generate proceeds of \$5,203,512, if exercised.

Critical Accounting Estimates

The preparation of these consolidated financial statements under IFRS requires management to make certain estimates, judgements and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the consolidated financial statements. 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, estimates and assumptions 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 January 31, 2016 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 the three months ended January 31, 2016 the Company's exploration and evaluation assets were written down by \$11,736 (2015 – \$39,742).

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 reinstated 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. During the quarter the Company granted stock options valued at \$53,250 (2015 – nil).

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

For 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 January 31, 2016, no further impairment charges were deemed necessary. However, during the quarter, ongoing exploration and evaluation expenditures of \$11,736 incurred on properties previously determined to be impaired were written off. 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 in that year. The properties affected were: Éléonore South; Ruby Hill; Reservoir; Radisson; Dyna; and Lidge. Ongoing exploration and claims maintenance expenditures on these properties are now being written off as incurred until such time as economic conditions permit a reversal of the impairment charges.

Changes in Accounting Policies

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 financial assets. Most of the requirements in IAS 39 for the classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. 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 has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk and the Company does not hold any asset-backed commercial paper. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, interest-rate risk and commodity-price risk. The Company's exposure to risk factors and their impact on the Company's financial instruments are summarized below:

a) Fair value

Fair value represents the amount at which a financial instrument could be exchanged between willing parties, based on current markets for instruments with the same risk, principal and remaining maturity. Fair-value estimates are based on quoted market values and other valuation methods. The Company's exposure to financial risk relates to its investments in marketable securities as described in Note 6 to the interim financial statements.

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 January 31, 2016, the Company had current assets of \$3,064,995 to settle current liabilities of \$311,540. All of the Company's financial liabilities have contractual maturities of 30 days or less.

During the three months ended January 31, 2016, the Company raised net proceeds of \$413,374 through the issue of flow-through common shares and received \$761,597 from income tax. 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 January 31, 2016.

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. As at January 31, 2016, \$604,693 of the Company's \$1,807,473 investment in marketable securities is subject to market fluctuations. 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 three months ended January 31, 2016 would have been approximately \$151,173 higher or lower.

Future Outlook

Eastmain's experienced management and technical teams are focused on the objective of establishing Eau Claire as a high-grade gold resource that will support a profitable, stand-alone mining operation for a minimum ten-year mine life. To that end, over the last few years, Eastmain has been persistent in expanding and defining high-grade gold resources, which are potentially amenable to extraction by open pit and underground methods, as well as the discovery of additional resources elsewhere on the Clearwater property.

2016 will see a continuation of that drive to create shareholder value through exploration, discovery and the transition towards the development of Eau Claire. Completion of a preliminary economic assessment (PEA) will lay the groundwork for further exploration, which will increasingly define the geometry and mineral potential of Eau Claire, while de-risking the project. Ongoing deposit modelling and grade optimization studies will continue to assist with the evolution and understanding of the deposit, while sustained drilling campaigns will support necessary resource growth, geological understanding and the drive to new discoveries.

Lower costs of exploration, which have been precipitated by the prolonged down-turn in metals markets, facilitate robust programs on key projects. A 30,000-metre drill program, consisting of 75% deposit drilling and 25% exploration drilling, along the key Eau Claire structural trend in search of near-surface satellite resources, is recommended for Clearwater for the summer exploration season. Surface programs are also recommended for the Eastmain Mine property

To generate added shareholder value, our district-scale portfolio of additional highly-prospective gold projects is available for option. We are "Building for Tomorrow, Today!"

Subsequent Events

As of the date of this report, there have been no known subsequent events to the interim financial statements that would materially affect the Company's financial position.

Scientific and Technical Disclosure

All disclosure of a scientific or technical nature herein concerning the currently published Eau Claire resource estimate (Company News Release 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.