CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS OF EASTMAIN RESOURCES INC. FOR THE THREE AND NINE MONTHS ENDED JULY 31, 2016 (EXPRESSED IN CANADIAN DOLLARS) (UNAUDITED)

NOTICE TO READER

The accompanying unaudited condensed interim consolidated financial statements of Eastmain Resources Inc. (the "Company") have been prepared by, and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

Eastmain Resources Inc.
Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

	As at July 31, 2016	As at October 31, 2015
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	**$ 19,512,253**	$ 1,590,789
Marketable securities maturing in one year (note 4)	**-**	1,588,575
Prepaid and sundry receivables (note 5)	**305,289**	1,399,328
Total current assets	**19,817,542**	4,578,692
Non-current assets		
Marketable securities (note 4)	**430,028**	512,664
Property and equipment (note 6)	**51,690**	54,126
Exploration and evaluation (note 7)	**59,505,960**	57,261,681
Total assets	**$ 79,805,220**	$ 62,407,163
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and accrued liabilities (notes 8 and 14)	**$ 513,484**	$ 1,074,609
Flow-through premium liability (note 9)	**3,215,384**	-
Total current liabilities	**3,728,868**	1,074,609
Non-current liabilities		
Deferred income taxes	**4,414,005**	4,761,126
Total liabilities	**8,142,873**	5,835,735
Equity		
Share capital (note 10)	**88,438,910**	71,364,347
Warrants (note 11)	**1,495,300**	-
Contributed surplus	**12,420,447**	11,986,810
Deficit	**(30,692,310)**	(26,779,729)
Total equity	**71,662,347**	56,571,428
Total liabilities and equity	**$ 79,805,220**	$ 62,407,163

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Nature of operations and going concern (note 1)
Contingencies (note 15)
Subsequent events (note 16)

Eastmain Resources Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended July 31, 2016	Three months ended July 31, 2015	Nine months ended July 31, 2016	Nine months ended July 31, 2015
Operating expenses				
General and administrative (note 13)	**$ 1,074,028**	$ 335,025	**$ 4,788,924**	$ 726,600
Impairment of exploration and evaluation assets (note 7)	**21,138**	33,703	**84,255**	120,146
Operating loss before the following	**(1,095,166)**	(368,728)	**(4,873,179)**	(846,746)
Interest and other income	**29,422**	27,814	**56,369**	58,178
Realized loss on marketable securities	**-**	-	**(82,570)**	(61,904)
Unrealized gain (loss) on marketable securities	**192,937**	(75,884)	**490,078**	(211,822)
Premium on flow-through shares (note 9)	**-**	137,563	**149,600**	340,597
Loss before income taxes	**(872,807)**	(279,235)	**(4,259,702)**	(721,697)
Deferred income tax (expense) recovery	**-**	(36,454)	**347,121**	(90,258)
Loss and comprehensive loss for the period	**$ (872,807)**	$ (315,689)	**$ (3,912,581)**	$ (811,955)
Basic and diluted loss per share (note 12)	**$ (0.01)**	$ (0.00)	**$ (0.03)**	$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	**160,757,456**	133,039,815	**143,562,591**	130,976,882

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Eastmain Resources Inc.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine months ended July 31, 2016	Nine months ended July 31, 2015
Operating activities:		
Comprehensive net loss for the period	**$ (3,912,581)**	$ (811,955)
Adjustments for:		
Amortization	**12,422**	15,944
Impairment of exploration and evaluation assets	**84,255**	120,146
(Gain) loss on marketable securities	**(407,508)**	211,822
Premium on flow-through shares	**(149,600)**	(340,597)
Deferred income taxes (recovery) expense	**(347,121)**	90,258
Share-based compensation	**568,537**	117,600
Prepaid and sundry receivables	**1,094,039**	(133,698)
Amounts payable and accrued liabilities	**(561,125)**	(211,140)
Net cash used in operating activities	**(3,618,682)**	(941,620)
Financing activities:		
Proceeds on issue of common shares	**22,709,624**	3,894,625
Exercise of warrants	**-**	170,100
Exercise of options	**235,500**	-
Share issue expenses	**(1,173,977)**	(267,957)
Net cash provided by financing activities	**21,771,147**	3,796,768
Investing activities:		
Exploration and evaluation expenditures	**(3,320,694)**	(2,000,045)
Government exploration tax credits	**1,020,960**	52,163
Purchase of property and equipment	**(9,986)**	-
Purchase of marketable securities	**-**	(2,047,648)
Proceeds on sale and redemption of marketable securities	**2,078,719**	1,941,860
Net cash used in financing activities	**(231,001)**	(2,053,670)
Net change in cash and cash equivalents	**17,921,464**	801,478
Cash and cash equivalents, beginning of period	**1,590,789**	1,211,517
Cash and cash equivalents, end of period	**$ 19,512,253**	$ 2,012,995

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Eastmain Resources Inc.
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)
(Unaudited)

Equity attributable to shareholders

	Common shares #	Common shares $	Warrants #	Warrants $	Contributed Surplus	Deficit	Total
Balance at November 1, 2014	**120,194,507**	**$ 68,880,757**	**6,768,750**	**$ 250,444**	**$ 11,408,667**	**$ (25,926,233)**	**$ 54,613,635**
Private placements	12,467,308	3,894,625	-	-	-	-	3,894,625
Share issue expenses	-	(267,957)	-	-	-	-	(267,957)
Premium on issue of flow-though shares	-	(583,952)	-	-	-	-	(583,952)
Share-based compensation issued	-	-	-	-	235,200	-	235,200
Warrants exercised	378,000	184,086	(378,000)	(13,986)	-	-	170,100
Warrants expired	-	-	(6,390,750)	(236,458)	236,458	-	-
Comprehensive loss for the period	-	-	-	-	-	(811,955)	(811,955)
Balance, July 31, 2015	**133,039,815**	**$ 72,107,559**	**-**	**$ -**	**$ 11,880,325**	**$ (26,738,188)**	**$ 57,249,696**

	Common shares #	Common shares $	Warrants #	Warrants $	Contributed Surplus	Deficit	Total
Balance, November 1, 2015	**133,039,815**	**$ 71,364,347**	**-**	**$ -**	**$ 11,986,810**	**$ (26,779,729)**	**$ 56,571,428**
Private placements	41,279,999	22,709,624	-	-	-	-	22,709,624
Share issue expenses	-	(1,173,977)	-	-	-	-	(1,173,977)
Premium on issue of flow-through shares	-	(3,364,984)	-	-	-	-	(3,364,984)
Shares issued for acquisition of claims	60,000	28,800	-	-	-	-	28,800
Share-based compensation issued	-	-	-	-	568,537	-	568,537
Share-based compensation exercised	725,000	370,400	-	-	(134,900)	-	235,500
Warrants issued	-	(1,495,300)	6,899,999	1,495,300	-	-	-
Comprehensive loss for the period	-	-	-	-	-	(3,912,581)	(3,912,581)
Balance, July 31, 2016	**175,104,814**	**$ 88,438,910**	**6,899,999**	**$ 1,495,300**	**$ 12,420,447**	**$ (30,692,310)**	**$ 71,662,347**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

1. Nature of operations and going concern

Eastmain Resources Inc. (the "Company" or "Eastmain") and its wholly-owned subsidiary, Eastmain Mines Inc., are engaged in the acquisition and exploration of resource properties within Canada. The Company is a publicly-held company incorporated under the Business Corporations Act (Ontario) and its common shares are listed on the Toronto Stock Exchange under the symbol "ER". The Company's registered office address is 36 Toronto Street, Suite 1000, Toronto, Ontario, Canada M5C 2C5.

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 are dependent upon the ability of the Company to obtain financing to complete the exploration and development of its exploration and evaluation assets, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its exploration and evaluation assets. The carrying cost for exploration and evaluation does not necessarily represent the present or future value of the projects. Changes in future conditions could require a material change in the amount recorded for the exploration and evaluation assets.

These unaudited condensed interim 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, Eastmain does not have any sources of revenue and historically has incurred recurring operating losses. As at July 31, 2016, the Company had working capital of $16,088,674 (October 31, 2015 - $3,504,083) and shareholders' equity of $71,662,347 (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 these unaudited condensed interim consolidated financial statements it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

2. Basis of presentation

Statement of Compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRSs issued and outstanding as of September 6, 2016, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended October 31, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending October 31, 2016 could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

2. Basis of presentation (continued)

Recent Accounting Pronouncement

IFRS 9 – Financial Instruments ("IFRS 9"), issued by the IASB in October 2010 is intended to entirely replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), IAS 39, 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.

3. Cash and cash equivalents

	As at July 31, 2016	As at October 31, 2015
Cash	**$ 19,512,253**	$ 1,112,054
Cash equivalents	**-**	478,735
	$ 19,512,253	$ 1,590,789

4. Marketable securities

(a) Marketable securities held

	Number of Shares	As at July 31, 2016	Number of Shares	As at October 31, 2015
GIC's and investment grade bonds	-	$ -	-	$ 1,957,980
Darnley Bay Resources Limited	1,600,000	256,000	1,600,000	32,000
Dianor Resources Inc. common shares	500,000	-	500,000	-
Honey Badger Exploration common shares	4,973,980	149,219	5,323,980	26,620
Kaizen Discovery Inc. common shares	107,867	22,652	107,867	20,495
Meryllion Resource Corp. common shares	107,867	2,157	107,867	539
Threegold Resources Inc. common shares	12,380	-	12,380	-
Lithium Americas Corp. common shares	-	-	169,612	63,605
Total investments		**430,028**		**2,101,239**
Less current portion		**-**		**1,588,575**
Non-current portion		**$ 430,028**		**$ 512,664**

(Expressed in Canadian Dollars)

4. Marketable securities (continued)

(b) Hedging activities

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

5. Prepaid and sundry receivables

	As at July 31, 2016	As at October 31, 2015
Sales tax input credits recoverable	$ 213,624	$ 188,238
Sundry accounts receivable	85,213	346,509
Government resource tax credits	-	761,597
Advances and prepaid expenses	6,452	102,984
	$ 305,289	**$ 1,399,328**

6. Property and Equipment

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

Cost	**Computer equipment**	**Field equipment**	**Total**
Balance, November 1, 2015	**$ 58,114**	**$ 398,536**	**$ 456,650**
Additions during the period	5,126	4,860	9,986
Balance, July 31, 2016	**$ 63,240**	**$ 403,396**	**$ 466,636**

Accumulated amortization	**Computer equipment**	**Field equipment**	**Total**
Balance, November 1, 2015	**$ 49,340**	**$ 353,184**	**$ 402,524**
Amortization during the period	2,195	10,227	12,422
Balance, July 31, 2016	**$ 51,535**	**$ 363,411**	**$ 414,946**

Net book value	**Computer equipment**	**Field equipment**	**Total**
Balance, November 1, 2015	**$ 8,774**	**$ 45,352**	**$ 54,126**
Balance, July 31, 2016	**$ 11,705**	**$ 39,985**	**$ 51,690**

(Expressed in Canadian Dollars)

7. Exploration and evaluation

Mineral property acquisition, exploration and evaluation expenditures are recorded at cost and are comprised as follows:

Project expenditures for the nine months ended July 31, 2016

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	Gross expenditures	Income tax credits	2016 Net expenditures
Clearwater	$ 1,123,500	$ 561,935	$ 57	$ 1,685,492	$ (259,003)	**$ 1,426,489**
Eastmain Mine	24,192	126,198	-	150,390	-	**150,390**
Éléonore South	-	338,444	32,145	370,589	-	**370,589**
Ruby Hill	5,859	8,696	11,372	25,927	-	**25,927**
Reservoir	(997)	630	4,117	3,750	-	**3,750**
Lac Hudson	-	-	14,607	14,607	-	**14,607**
Lac Elmer	-	640	151,771	152,411	-	**152,411**
Radisson	-	-	6,336	6,336	-	**6,336**
Road King	-	-	-	-	-	**-**
Lac Lessard	11,142	2,700	7,442	21,284	-	**21,284**
Lac Clarkie	-	-	122,659	122,659	-	**122,659**
Other	-	-	34,092	34,092	-	**34,092**
Total	**$ 1,163,696**	**$ 1,039,243**	**$ 384,598**	**$ 2,587,537**	**$ (259,003)**	**$ 2,328,534**

Cumulative acquisition, exploration and evaluation expenditures as at July 31, 2016

Project	Balance November 1, 2015	2016 Net expenditures	Write-down	Balance July 31, 2016
Clearwater	$ 41,379,457	$ 1,426,489	$ -	$ 42,805,946
Eastmain Mine	13,593,205	150,390	-	13,743,595
Éléonore South	-	370,589	(14,150)	356,439
Ruby Hill	-	25,927	(25,927)	-
Reservoir	-	3,750	(3,750)	-
Lac Hudson	951,171	14,607	-	965,778
Lac Elmer	826,871	152,411	-	979,282
Radisson	-	6,336	(6,336)	-
Road King	301,779	-	-	301,779
Lac Lessard	209,198	21,284	-	230,482
Lac Clarkie	-	122,659	-	122,659
Other	-	34,092	(34,092)	-
Total	**$ 57,261,681**	**$ 2,328,534**	**$ (84,255)**	**$ 59,505,960**

(Expressed in Canadian Dollars)

7. Exploration and evaluation (continued)

Impairment of exploration and evaluation assets:

In 2014, the Company recognized impairment on certain properties because there were indications that the carrying amount of these assets exceeded their demonstrable recoverable amounts. During the nine months ended July 31, 2016, ongoing expenditures on these properties were written down by $84,255 (nine months ended July 31, 2015 - $120,146). Under certain conditions, these impairment charges may be reversed. 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. As at July 31, 2016, the Company is entitled to mining duties and investment related tax credits from the Ministry of Natural Resources (Québec) and The Ministry of Revenue (Québec) of approximately $120,000 (October 31, 2015 - $120,000). The Company does not record these refunds in the unaudited condensed interim consolidated financial statements until confirmed by the respective agencies.

8. Amounts payable and accrued liabilities

	As at July 31, 2016	As at October 31, 2015
Amounts payables and accrued liabilities	**$ 385,904**	$ 958,430
Government remittances payable	**18,868**	46,597
Due to related parties	**108,712**	69,582
	$ 513,484	$ 1,074,609

9. Flow-through share premium liability and expenditure commitment

In December 2015, the Company raised $440,000 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $149,600. The flow-through spending commitment has been fulfilled.

In April 2016, the Company raised $4,750,000 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $nil. In accordance with flow-through regulations, the Company is committed to incur eligible exploration expenditures before December 31, 2017 in the amount of $4,750,000 which will be renounced to investors in December 2016.

In May 2016, the Company raised $1,550,000 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $nil. In accordance with flow-through regulations, the Company is committed to incur eligible exploration expenditures before December 31, 2017 in the amount of $1,550,000 which will be renounced to investors in December 2016.

In July 2016, the Company raised $8,999,154 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $3,215,384. In accordance with flow-through regulations, the Company is committed to incur eligible exploration expenditures before December 31, 2017 in the amount of $8,999,154 which will be renounced to investors in December 2016.

(Expressed in Canadian Dollars)

9. Flow-through share premium liability and expenditure commitment (continued)

	Flow-through premium liability	Flow-through spending commitment
Balance, November 1, 2015	$ -	$ -
December 2015 flow-through issue	149,600	440,000
Reduction for expenses incurred	(149,600)	(440,000)
April 2016 flow-through issue	-	4,750,000
May 2016 flow-through issue	-	1,550,000
July 2016 flow-through issue	3,215,384	8,999,154
Reduction for expenses incurred	-	(754,378)
Balance, July 31, 2016	**$ 3,215,384**	**$ 14,544,776**

10. Share capital

a) Authorized and issued share capital

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(i) In December 2015, the Company completed a non-brokered private placement consisting of the issue of 880,000 flow-through shares at $0.50 per share for aggregate gross proceeds of $440,000. The shares issued were subject to a hold period of four months. No finder's fees were associated with the financing. 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.

(ii) In April 2016, the Company issued 60,000 common shares at $0.48 per share to remedy the status of certain claims.

(iii) In April 2016, the Company completed a non-brokered private placement consisting of the issue of 9,500,000 flow-through shares at $0.50 per share and 999,999 units at $0.35 per unit for aggregate gross proceeds of $5,100,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. The shares and warrants issued are subject to a hold period of four months. Each whole warrant entitles the holder to acquire one non-flow-through common share at a price of $0.50 until October 11, 2018. Issue costs in connection with the offer, including warrants, were $248,697. Finder's fees of $304,500 for the placement agent were equal to 6% of the gross proceeds of the financing. There was no liability for flow-through premium derived from this issue.

(iv) In May 2016, the Company completed a private placement consisting of the issue of 3,100,000 flow-through shares at $0.50 per share and 12,800,000 units at $0.35 per unit for aggregate gross proceeds of $6,030,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. The shares and warrants issued are subject to a hold period of four months. Each whole warrant entitles the holder to acquire one non-flow-through common share at a price of $0.50 until November 2018. Issue costs in connection with the offer were $43,447. There was no liability for flow-through premium derived from this issue.

10. Share Capital (continued)

a) Authorized and issued share capital (continued)

(v) In July 2016, the Company completed a private placement consisting of the issue of 9,803,000 flow-through shares at $0.918 per share and 4,197,000 common shares at $0.51 per common share for aggregate gross proceeds of $11,139,624. The shares issued are subject to a hold period of four months. Issue costs in connection with the offer were $151,652. Underwriting's fees of $556,981 for the placement agent were equal to 5% of the gross proceeds of the financing. The liability for flow-through premium derived from the issue was $3,215,384.

b) Share purchase option plan

(i) In November 2015, 250,000 share purchase options with an exercise price of $0.36 were issued to a director. The options fully vested on the date of issue. The estimated fair value of the grant was $53,250 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 57.6%; a risk-free interest rate of 1.43% and an expected average term of 7.5 years. During the three and nine months ended July 31, 2016, $nil and $53,250, respectively was recognized as a general and administrative expense.

(ii) In March 2016, 250,000 share purchase options with an exercise price of $0.36 were issued to a director. The options fully vested on the date of issue. The estimated fair value of the grant was $56,125 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 62.6%; a risk-free interest rate of 1.02% and an expected average term of 7.5 years. During the three and nine months ended July 31, 2016, $nil and $56,125, respectively was recognized as a general and administrative expense.

(iii) In April 2016, 375,000 share purchase options with an exercise price of $0.48 were issued to executives as part of a termination settlement. The options fully vested on the date of issue. The estimated fair value of the grant was $111,376 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 69.9%; a risk-free rate of 0.85% and an expected average term of 5 years. During the three and nine months ended July 31, 2016, $nil and $111,376, respectively was recognized as a general and administrative expense.

(iv) In June 2016, 1,885,000 share purchase options with an exercise price of $0.60 were issued to executives, directors and consultants of the Company. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was $655,000 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 66.8%; a risk-free rate of 0.59% and an expected average term of 5 years. During the three and nine months ended July 31, 2016, $335,831 was recognized as a general and administrative expense.

(v) In July 2016, 100,000 share purchase options with an exercise price of $0.62 were issued to executives of the Company. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was $35,000 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 72.0%; a risk-free rate of 0.65% and an expected average term of 5 years. During the three and nine months ended July 31, 2016, $11,955 was recognized as a general and administrative expense.

(vi) Approval will be sought at the 2017 Annual General Meeting of Eastmain for the issue of 900,000 share purchase options with an exercise price of $0.60 and expiry date of May 1, 2022.

(Expressed in Canadian Dollars)

10. Share Capital (continued)

b) Share purchase option plan (continued)

	Number of stock options		Weighted average exercise price
Outstanding, November 1, 2014	**6,068,605**	**$**	**0.78**
Granted	1,200,000		0.38
Balance, July 31, 2015	**7,268,605**	**$**	**0.71**

	Number of stock options		Weighted average exercise price
Outstanding, November 1, 2015	**7,618,605**	**$**	**0.69**
Granted	2,860,000		0.54
Exercised	(725,000)		0.32
Expired	(250,000)		0.72
Balance, July 31, 2016	**9,503,605**	**$**	**0.68**

Options outstanding and exercisable as of July 31, 2016:

Exercise price range	Number outstanding	Weighted average remaining contractual life (years)		Weighted average exercise price	Number exercisable
$0.01 - $0.50	4,125,000	7.11 years	$	0.35	4,125,000
$0.51 - $1.00	3,178,605	4.98 years	$	0.70	2,105,272
$1.01 - $1.50	1,950,000	4.43 years	$	1.22	1,950,000
$1.51 - $2.00	250,000	4.74 years	$	1.51	250,000

(Expressed in Canadian Dollars)

10. Share Capital (continued)

b) Share purchase option plan (continued)

The following table reflects the actual stock options issued and outstanding as of July 31, 2016:

Expiry date	Black-Scholes value ($)	Number of options	Exercise price ($)
June, 2017	102,080	168,605	0.78
June, 2017	60,300	100,000	0.78
April, 2020	192,750	250,000	1.35
June, 2020	536,250	750,000	1.27
September, 2020	66,885	350,000	0.32
September, 2020	41,600	50,000	1.46
March, 2021	56,125	250,000	0.36
April, 2021	111,376	375,000	0.48
April, 2021	224,250	250,000	1.51
June, 2021	655,000	1,885,000	0.60
June, 2021	395,850	650,000	1.15
July, 2021	35,000	100,000	0.62
April, 2022	158,250	250,000	1.05
June, 2022	384,200	850,000	0.88
September, 2022	35,925	75,000	0.96
June, 2023	153,000	900,000	0.33
September, 2023	27,900	150,000	0.36
June, 2024	155,160	900,000	0.30
June, 2025	274,800	1,200,000	0.38
	3,666,701	**9,503,605**	

11. Warrants

In April 2016, 499,999 share purchase warrants with an exercise price of $0.50, expiring in October 2018, were issued as part of a private placement share issue. The estimated fair value of the warrants was $119,300 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 80.1%; a risk free interest rate of 0.55% and an expected term of 2.5 years.

In May 2016, 6,400,000 share purchase warrants with an exercise price of $0.50, expiring in November 2018, were issued as part of a private placement share issue. The estimated fair value of the warrants was $1,376,000 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 82.4%; a risk free interest rate of 0.60% and an expected term of 2.5 years.

(Expressed in Canadian Dollars)

11. Warrants (continued)

	Number of warrants	Weighted average exercise price
Outstanding, November 1, 2014	**6,768,750**	**$ 0.45**
Exercised	(378,000)	0.45
Expired	(6,390,750)	0.45
Balance, July 31, 2015	**-**	**$ -**

	Number of warrants	Weighted average exercise price
Outstanding, November 1, 2015	**-**	**$ -**
Issued	6,899,999	0.50
Balance, July 31, 2016	**6,899,999**	**$ 0.50**

The following table reflects the warrants issued and outstanding as of July 31, 2016:

Expiry date	Exercise price ($)	Warrants outstanding	Valuation ($)
October 11, 2018	0.50	499,999	119,300
November 10, 2018	0.50	6,400,000	1,376,000
		6,899,999	**1,495,300**

12. Net loss per share

The calculation of basic and diluted loss per share for the three and nine months ended July 31, 2016 was based on the loss attributable to common shareholders of $872,807 and $3,912,581, respectively (three and nine months ended July 31, 2015 - $315,689 and $811,955, respectively) and the weighted average number of common shares outstanding of 160,757,456 and 143,562,591, respectively (three and nine months ended July 31, 2015 - 133,039,815 and 130,976,882, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

13. General and administrative expenses

	Three months ended July 31, 2016	Three months ended July 31, 2015	Nine months ended July 31, 2016	Nine months ended July 31, 2015
Amortization	**$ 4,292**	$ 5,305	**$ 12,422**	$ 15,944
General and office	**707,042**	156,857	**2,326,195**	499,227
Professional fees	**14,908**	55,263	**443,556**	93,829
Share-based compensation	**347,786**	117,600	**568,537**	117,600
Contract termination costs	**-**	-	**1,438,214**	-
	$ 1,074,028	$ 335,025	**$ 4,788,924**	$ 726,600

(Expressed in Canadian Dollars)

13. General and administrative expenses (continued)

In early 2016, the Company was subject to an opportunistic attempt to take control of the Company. The Board formed a Special Committee and hired an Investment Bank to evaluate strategic alternatives. While the process was ongoing, Columbus Gold Corporation, with the support of several major shareholders, began a dissident proxy battle to replace management and the Board of Directors. As a result of the proxy battle and strategic alternatives process, the Special Committee reached a solution accepted by dissident shareholders and approved at the Annual General Meeting. Three senior executives agreed to their termination, four of seven Board Directors were newly slated and approved and a strategic investment from Integra Gold Corp. was enacted. The costs to evaluate strategic alternatives and defence of the dissident proxy battle were $622,450. Transition payments for the three executives were $1,572,672, additional fees paid to the special committee and outgoing directors totaled $190,000 and financing costs were $550,000. The aggregate was approximately $2,935,000, resulting in a significant variance to general and office expenditures.

14. Related party balances and transactions

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

(a) Transactions with related parties

	Three months ended July 31, 2016	**Three months ended July 31, 2015**	**Nine months ended July 31, 2016**	**Nine months ended July 31, 2015**
Donald Robinson (i)	**$ -**	$ 59,700	**$ 119,400**	$ 179,100
Shawonis Explorations and Enterprises Ltd. ("Shawonis") (ii)	**$ -**	$ 38,000	**$ 109,746**	$ 114,095
QB 2000 Inc. (iii)	**$ -**	$ 14,300	**$ 31,200**	$ 44,280

Transactions with related parties ceased April 29, 2016.

(i) Donald Robinson was the former President and Chief Executive Officer ("CEO") of Eastmain and a member of the Board of Directors of Eastmain to April 29, 2016. Fees paid to Donald Robinson are related to professional geological exploration and management services and office rental. At July 31, 2016, fees due to Mr. Robinson was $nil (October 31, 2015 - $3,000) related to his function as the former President and CEO of Eastmain and a member of the Board of Directors of Eastmain.

(ii) The Exploration Manager of Eastmain, to April 29, 2016 is the president of Shawonis and is related to the former CEO of Eastmain. Fees paid to Shawonis are related to professional geological exploration and management services. At July 31, 2016, the amount due to Shawonis was $nil (October 31, 2015 - $37,517) related to her function as the Exploration Manager of Eastmain.

(iii) The Chief Financial Officer ("CFO") of Eastmain, to April 29, 2016 is the president of QB 2000 Inc. Fees paid to QB 2000 Inc. are related to the CFO function. At July 31, 2016, the amount due to QB 2000 Inc. was $nil (October 31, 2015 - $16,894) related the to function of CFO.

Amounts due to related parties are included in accounts payable and other liabilities.

(Expressed in Canadian Dollars)

14. Related party balances and transactions (continued)

(b) Remuneration of directors and key management personnel other than consulting fees

	Three months ended July 31, 2016	Three months ended July 31, 2015	Nine months ended July 31, 2016	Nine months ended July 31, 2015
Salaries and benefits	**$ 142,865**	$ 72,200	**$ 476,765**	$ 216,600
Share-based compensation	**$ 313,959**	$ 147,000	**$ 423,334**	$ 147,000

The Company considers its key management personnel to be the CEO, CFO and Corporate Secretary.

Certain officers have employment or service contracts with the Company which invoked termination payments on April 28, 2016. Directors do not have any employment or service contracts but received remuneration as a result of the mandate of the Special Committee being fulfilled. Officers and directors are entitled to share-based compensation and cash remuneration for their services.

(c) A director of the Company purchased 14,285 units and 40,000 flow-through shares in the April 2016 Private Placement.

(d) Officer and directors of the Company purchased 1,250,000 in the July 2016 financing.

(e) The Company has a diversified base of investors. To the Company's knowledge, no shareholder holds more than 10% of the Company's common shares as at July 31, 2016.

15. Contingencies

The Company has been contacted by the Ordre des géologues du Québec ("OGQ") asserting that the Company and the previous CEO of the Company had violated certain OGQ rules with respect to professional conduct by engaging individuals that were not licensed by the OGQ to perform geological activities. The Company continues to review the matter and has retained legal representation to defend against the claims. If the Company is unsuccessful in its defense it will be subject to a monetary penalty that is not expected to be material.

16. Subsequent events

(i) On August 4, 2016, 250,000 share purchase options with an exercise price of $0.33 and expiry date of June, 2023 were exercised for cash proceeds of $82,500.

(ii) On August 11, 2016, the Company announced staking of the 600 claim (31,600 ha) Lac Clarkie Project ("Clarkie") located immediately east of the Company's flagship Clearwater project. The Clearwater project and Clarkie claims cover a combined total of 51,614 ha of prospective greenstone belt in the Eastmain/Opinaca district of James Bay, Quebec.