



**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS OF  
EASTMAIN RESOURCES INC.  
FOR THE THREE MONTHS ENDED JANUARY 31, 2017  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

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**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 January 31, 2017	As at October 31, 2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	\$ 11,166,488	\$ 16,442,540
Prepaid and sundry receivables (note 5)	756,812	563,583
<b>Total current assets</b>	<b>11,923,300</b>	<b>17,006,123</b>
<b>Non-current assets</b>		
Marketable securities (note 4)	724,080	421,817
Property and equipment (note 6)	52,541	56,801
Exploration and evaluation (note 7)	64,178,276	60,709,890
<b>Total non-current assets</b>	<b>64,954,897</b>	<b>61,188,508</b>
<b>Total assets</b>	<b>\$ 76,878,197</b>	<b>\$ 78,194,631</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and accrued liabilities (notes 8 and 14)	\$ 1,224,736	\$ 1,847,089
Flow-through share premium liability (note 9)	3,184,939	3,215,384
<b>Total current liabilities</b>	<b>4,409,675</b>	<b>5,062,473</b>
<b>Non-current liabilities</b>		
Deferred income taxes	4,060,739	3,814,739
<b>Total liabilities</b>	<b>8,470,414</b>	<b>8,877,212</b>
<b>Equity</b>		
Share capital (note 10(a))	88,571,940	88,556,715
Warrants (note 11)	1,495,300	1,495,300
Contributed surplus	12,555,954	12,386,746
Deficit	(34,215,411)	(33,121,342)
<b>Total equity</b>	<b>68,407,783</b>	<b>69,317,419</b>
<b>Total liabilities and equity</b>	<b>\$ 76,878,197</b>	<b>\$ 78,194,631</b>

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

Nature of operations and going concern (note 1)

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**Eastmain Resources Inc.**

**Condensed Interim Consolidated Statements of Loss and Comprehensive Loss**  
**(Expressed in Canadian Dollars)**  
**(Unaudited)**

<b>Three months ended January 31,</b>	<b>2017</b>	<b>2016</b>
<b>Operating expenses</b>		
General and administrative expenses (note 13)	\$ 1,152,821	\$ 401,450
Impairment of exploration and evaluation assets (note 7)	57,729	11,736
<b>Operating loss before the following</b>	<b>(1,210,550)</b>	<b>(413,186)</b>
Interest and other income	29,773	19,288
Realized gain on marketable securities	-	548
Unrealized gain on marketable securities	302,263	90,783
Premium on flow-through shares	30,445	149,600
<b>Loss before income taxes</b>	<b>(848,069)</b>	<b>(152,967)</b>
Deferred income tax expense	(246,000)	(39,644)
<b>Loss and comprehensive loss for the period</b>	<b>\$ (1,094,069)</b>	<b>\$ (192,611)</b>
<b>Basic and diluted loss per share (note 12)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>175,425,681</b>	<b>133,565,902</b>

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

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

<b>Three months ended January 31,</b>	<b>2017</b>	<b>2016</b>
<b>Operating activities:</b>		
Comprehensive net loss for the period	\$ (1,094,069)	\$ (192,611)
Adjustments for:		
Depreciation	4,260	4,064
Impairment of exploration and evaluation assets	57,729	11,736
Gain on marketable securities	(302,263)	(90,783)
Premium on flow-through shares	(30,445)	(149,600)
Deferred income taxes expense	246,000	39,644
Share-based compensation	174,933	53,250
Prepaid and sundry receivables	(193,229)	288,664
Amounts payable and accrued liabilities	(622,353)	(763,069)
<b>Net cash used in operating activities</b>	<b>(1,759,437)</b>	<b>(798,705)</b>
<b>Financing activities:</b>		
Proceeds on issue of common shares	-	440,000
Exercise of options	9,500	-
Share issue expenses	-	(26,626)
<b>Net cash provided by financing activities</b>	<b>9,500</b>	<b>413,374</b>
<b>Investing activities:</b>		
Exploration and evaluation expenditures	(3,526,115)	(1,194,947)
Government exploration tax credits	-	761,597
Proceeds on sale and redemption of marketable securities	-	384,549
<b>Net cash used in financing activities</b>	<b>(3,526,115)</b>	<b>(48,801)</b>
<b>Net change in cash and cash equivalents</b>	<b>(5,276,052)</b>	<b>(434,132)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>16,442,540</b>	<b>1,590,789</b>
<b>Cash and cash equivalents, end of period (note 3)</b>	<b>\$ 11,166,488</b>	<b>\$ 1,156,657</b>

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

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

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**Equity attributable to shareholders**

	Share Capital		Warrants		Contributed Surplus	Deficit	Total
	#		#				
<b>Balance at October 31, 2015</b>	<b>133,039,815</b>	<b>\$ 71,364,347</b>	-	\$ -	<b>\$ 11,986,810</b>	<b>\$(26,779,729)</b>	<b>\$ 56,571,428</b>
Private placements	880,000	440,000	-	-	-	-	440,000
Share issue expenses	-	(26,626)	-	-	-	-	(26,626)
Premium on issue of flow-through shares	-	(149,600)	-	-	-	-	(149,600)
Share-based compensation issued	-	-	-	-	53,250	-	53,250
Comprehensive loss for the period	-	-	-	-	-	(192,611)	(192,611)
<b>Balance, January 31, 2016</b>	<b>133,919,815</b>	<b>\$ 71,628,121</b>	-	\$ -	<b>\$ 12,040,060</b>	<b>\$(26,972,340)</b>	<b>\$ 56,695,841</b>

	Share Capital		Warrants		Contributed Surplus	Deficit	Total
	#		#				
<b>Balance, October 31, 2016</b>	<b>175,404,814</b>	<b>\$ 88,556,715</b>	<b>6,899,999</b>	<b>\$ 1,495,300</b>	<b>\$ 12,386,746</b>	<b>\$(33,121,342)</b>	<b>\$ 69,317,419</b>
Share-based compensation issued	-	-	-	-	174,933	-	174,933
Share-based compensation exercised	25,000	15,225	-	-	(5,725)	-	9,500
Comprehensive loss for the period	-	-	-	-	-	(1,094,069)	(1,094,069)
<b>Balance, January 31, 2017</b>	<b>175,429,814</b>	<b>\$ 88,571,940</b>	<b>6,899,999</b>	<b>\$ 1,495,300</b>	<b>\$ 12,555,954</b>	<b>\$(34,215,411)</b>	<b>\$ 68,407,783</b>

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

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# Eastmain Resources Inc.

## Notes to Condensed Interim Consolidated Financial Statements

January 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

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### 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 82 Richmond Street East, Suite 201, Toronto, Ontario, Canada M5C 1P1.

The Company is in the exploration stage and has not yet determined whether its exploration and evaluation assets contain resources 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 assets 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 January 31, 2017, the Company had working capital of \$7,513,625 (October 31, 2016 - \$11,943,650) and shareholders' equity of \$68,407,783 (October 31, 2016 - \$69,317,419). 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 March 9, 2017, 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, 2016. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending October 31, 2017 could result in restatement of these unaudited condensed interim consolidated financial statements.

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## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

January 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

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#### 2. Basis of presentation (continued)

##### *Standard issued but not yet effective*

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"), 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 unaudited condensed interim consolidated financial statements.

#### 3. Cash and cash equivalents

	As at January 31, 2017	As at October 31, 2016
Cash	\$ 1,478,737	\$ 15,777,640
Cash equivalents	9,687,751	664,900
	<b>\$ 11,166,488</b>	<b>\$ 16,442,540</b>

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#### 4. Marketable securities

##### (a) Marketable securities held

	Number of Shares	As at January 31, 2017	Number of Shares	As at October 31, 2016
Darnley Bay Resources Limited common shares	1,600,000	\$ 576,000	1,600,000	\$ 303,999
Dianor Resources Inc. common shares	500,000	-	500,000	-
Honey Badger Exploration common shares	4,973,980	124,350	4,973,980	99,480
Kaizen Discovery Inc. common shares	107,867	21,573	107,867	15,641
Meryllion Resource Corp. common shares	107,867	2,157	107,867	2,697
Threegold Resources Inc. common shares	12,380	-	12,380	-
<b>Total investments</b>		<b>\$ 724,080</b>		<b>\$ 421,817</b>

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##### (b) Hedging activities

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

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

January 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

#### 5. Prepaid and sundry receivables

	As at January 31, 2017	As at October 31, 2016
Sales tax input credits recoverable	\$ 600,943	\$ 442,614
Sundry accounts receivable	8,585	75,000
Advances and prepaid expenses	147,284	45,969
	<b>\$ 756,812</b>	<b>\$ 563,583</b>

#### 6. Property and equipment

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

Cost	Computer equipment	Field equipment	Total
<b>Balance, October 31, 2016 and January 31, 2017</b>	<b>\$ 73,803</b>	<b>\$ 403,396</b>	<b>\$ 477,199</b>
	Computer equipment	Field equipment	Total
<b>Accumulated depreciation</b>			
<b>Balance, October 31, 2016</b>	<b>\$ 53,106</b>	<b>\$ 367,292</b>	<b>\$ 420,398</b>
Depreciation during the period	1,552	2,708	4,260
<b>Balance, January 31, 2017</b>	<b>\$ 54,658</b>	<b>\$ 370,000</b>	<b>\$ 424,658</b>
	Computer equipment	Field equipment	Total
<b>Net book value</b>			
<b>Balance, October 31, 2016</b>	<b>\$ 20,697</b>	<b>\$ 36,104</b>	<b>\$ 56,801</b>
<b>Balance, January 31, 2017</b>	<b>\$ 19,145</b>	<b>\$ 33,396</b>	<b>\$ 52,541</b>

#### 7. Exploration and evaluation

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

##### Project expenditures for the three months ended January 31, 2017

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	2017 net expenditures
Clearwater	\$ 2,532,543	\$ 436,896	\$ 52,644	\$ 3,022,083
Eastmain Mine	262,438	44,869	21,012	328,319
Éléonore South	-	100,000	15,621	115,621
Ruby Hill	-	6,693	21,565	28,258
Lac Hudson	-	-	1,078	1,078
Lac Elmer	-	-	6,275	6,275
Radisson	-	22,118	-	22,118
Lac Clarkie	2,363	-	-	2,363
<b>Total</b>	<b>\$ 2,797,344</b>	<b>\$ 610,576</b>	<b>\$ 118,195</b>	<b>\$ 3,526,115</b>



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**Eastmain Resources Inc.****Notes to Condensed Interim Consolidated Financial Statements****January 31, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

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**7. Exploration and evaluation (continued)****Cumulative acquisition, exploration and evaluation expenditures as at January 31, 2017**

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<b>Project</b>	<b>Balance October 31, 2016</b>	<b>2017 net expenditures</b>	<b>Write- down</b>	<b>Balance January 31, 2017</b>
Clearwater	\$ 45,232,040	\$ 3,022,083	\$ -	\$ 48,254,123
Eastmain Mine	14,606,643	328,319	-	14,934,962
Éléonore South	518,066	115,621	-	633,687
Ruby Hill	-	28,258	(28,258)	-
Lac Hudson	-	1,078	(1,078)	-
Lac Elmer	-	6,275	(6,275)	-
Radisson	-	22,118	(22,118)	-
Lac Lessard	230,482	-	-	230,482
Lac Clarkie	122,659	2,363	-	125,022
<b>Total</b>	<b>\$ 60,709,890</b>	<b>\$ 3,526,115</b>	<b>\$ (57,729)</b>	<b>\$ 64,178,276</b>

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***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 three months ended January 31, 2017, ongoing expenditures on these properties were written down by \$57,729 (three months ended January 31, 2016 - \$11,736). 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 January 31, 2017, 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 \$175,000 (October 31, 2016 - \$175,000). 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**

	<b>As at January 31, 2017</b>	<b>As at October 31, 2016</b>
Amounts payables and accrued liabilities	\$ 1,156,554	\$ 1,700,083
Government remittances payable	5,630	73,314
Due to related parties	62,552	73,692
	<b>\$ 1,224,736</b>	<b>\$ 1,847,089</b>

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## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

January 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

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#### 9. Flow-through share premium liability and expenditure commitment

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 was committed to incur before December 31, 2017 eligible exploration expenditures for the amount renounced to investors in December 31, 2016. The flow-through spending commitment has been fulfilled.

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 was committed to incur before December 31, 2017 eligible exploration expenditures for the amount renounced to investors in December 31, 2016. The flow-through spending commitment has been fulfilled.

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 was committed to incur before December 31, 2017 eligible exploration expenditures for the amount renounced to investors in December 31, 2016.

	Flow-through premium liability	Flow-through spending commitment
<b>Balance, October 31, 2016</b>	<b>\$ 3,215,384</b>	<b>\$ 11,064,603</b>
Reduction for expenses incurred	(30,445)	(2,158,270)
<b>Balance, January 31, 2017</b>	<b>\$ 3,184,939</b>	<b>\$ 8,906,333</b>

#### 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. No finder's fees were associated with the financing. Issue costs in connection with the offer were \$26,626. 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.

##### 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 months ended January 31, 2017, \$nil (three months ended January 31, 2016 - \$53,250) was recognized as a general and administrative expense.

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

January 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

#### 10. Share capital (continued)

##### b) Share purchase option plan (continued)

(ii) On January 2, 2017, 740,000 share purchase options with an exercise price of \$0.51 and expiry date of January 2, 2022 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 \$228,000 using the Black-Scholes option pricing model with the following assumptions: dividend of \$0.00; expected volatility of 74.18%; a risk-free interest rate of 1.11% and an expected average term of 5 years. During the three months ended January 31, 2017, \$85,058 (three months ended January 31, 2016 - \$nil) was recognized as a general and administrative expense.

(iii) 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.

	Number of stock options	Weighted average exercise price
<b>Outstanding, October 31, 2015</b>	<b>7,618,605</b>	<b>\$ 0.69</b>
Granted (i)	250,000	0.36
Expired	(250,000)	0.72
<b>Balance, January 31, 2016</b>	<b>7,618,605</b>	<b>\$ 0.68</b>

	Number of stock options	Weighted average exercise price
<b>Outstanding, October 31, 2016</b>	<b>9,188,605</b>	<b>\$ 0.69</b>
Granted (ii)	740,000	0.51
Exercised	(25,000)	0.38
<b>Balance, January 31, 2017</b>	<b>9,903,605</b>	<b>\$ 0.67</b>

Options outstanding and exercisable as of January 31, 2017:

Exercise price range	Number outstanding	Weighted average remaining contractual life (years)	Weighted average exercise price	Number exercisable
\$0.01 - \$0.50	3,800,000	6.62 years	\$ 0.36	3,800,000
\$0.51 - \$1.00	3,928,605	4.43 years	\$ 0.66	2,071,940
\$1.01 - \$1.50	1,925,000	3.93 years	\$ 1.21	1,925,000
\$1.51 - \$2.00	250,000	4.24 years	\$ 1.51	250,000

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

January 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

#### 10. Share capital (continued)

##### b) Share purchase option plan (continued)

The following table reflects the actual stock options issued and outstanding as of January 31, 2017:

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	20,800	25,000	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
August, 2021	29,000	60,000	0.81
January, 2022	228,000	740,000	0.51
April, 2022	158,250	250,000	1.05
June, 2022	384,200	850,000	0.88
September, 2022	11,975	25,000	0.96
June, 2023	102,000	600,000	0.33
September, 2023	27,900	150,000	0.36
June, 2024	155,160	900,000	0.30
June, 2025	269,075	1,175,000	0.38
	<b>3,822,226</b>	<b>9,903,605</b>	

#### 11. Warrants

	Number of warrants	Weighted average exercise price
<b>Balance, October 31, 2015 and January 31, 2016</b>	-	\$ -
<b>Balance, October 31, 2016 and January 31, 2017</b>	<b>6,899,999</b>	<b>\$ 0.50</b>

The following table reflects the warrants issued and outstanding as of January 31, 2017:

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
		<b>6,899,999</b>	<b>1,495,300</b>

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## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

January 31, 2017

(Expressed in Canadian Dollars)

(Unaudited)

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#### 12. Net loss per share

The calculation of basic and diluted loss per share for the three months ended January 31, 2017 was based on the loss attributable to common shareholders of \$1,094,069 (three months ended January 31, 2016 - \$192,611) and the weighted average number of common shares outstanding of 175,425,681 (three months ended January 31, 2016 - 133,565,902). 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 January 31,	
	2017	2016
Depreciation	\$ 4,260	\$ 4,064
General and office	932,041	281,071
Professional fees	41,587	63,065
Share-based compensation	174,933	53,250
	<b>\$ 1,152,821</b>	<b>\$ 401,450</b>

#### 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 January 31,	
	2017	2016
Donald Robinson (i)(ii)	\$ -	\$ 57,900
Shawonis Explorations and Enterprises Ltd. ("Shawonis") (i)(iii)	\$ -	\$ 50,873
QB 2000 Inc. (i)(iv)	\$ -	\$ 15,600
OTD Exploration Services Inc. ("OTD") (v)	\$ 72,300	\$ -

(i) Transactions with related parties ceased April 29, 2016.

(ii) 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 management services and office rental.

(iii) 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.

(iv) 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.

(v) The Vice President Exploration of Eastmain, is the president of OTD. Fees paid to OTD are related to professional geological exploration and management services. At January 31, 2017, the amount due to OTD was \$39,858 (October 31, 2016 - \$23,504) related to his function as the Vice President Exploration of Eastmain.

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

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**Eastmain Resources Inc.****Notes to Condensed Interim Consolidated Financial Statements****January 31, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

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**14. Related party balances and transactions (continued)**

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

	<b>Three months ended January 31,</b>	
	<b>2017</b>	<b>2016</b>
Salaries and benefits	<b>\$ 324,942</b>	\$ 92,700
Share-based compensation	<b>\$ 130,523</b>	\$ 53,250

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

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

At January 31, 2017, the amount due to officers was \$22,694 (October 31, 2016 - \$31,948) and the amount due to directors was \$nil (October 31, 2016 - \$18,240).

(c) 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 January 31, 2017.