



**CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS OF
EASTMAIN RESOURCES INC.
FOR THE THREE AND SIX MONTHS ENDED
APRIL 30, 2017
(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 April 30, 2017	As at October 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	\$ 6,086,288	\$ 16,442,540
Prepaid and sundry receivables (note 5)	869,462	563,583
Total current assets	6,955,750	17,006,123
Non-current assets		
Marketable securities (note 4)	559,644	421,817
Property and equipment (note 6)	48,567	56,801
Exploration and evaluation (note 7)	68,642,433	60,709,890
Total non-current assets	69,250,644	61,188,508
Total assets	\$ 76,206,394	\$ 78,194,631
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and accrued liabilities (notes 8 and 14)	\$ 1,252,030	\$ 1,847,089
Flow-through share premium liability (note 9)	1,586,592	3,215,384
Total current liabilities	2,838,622	5,062,473
Non-current liabilities		
Deferred income taxes	5,179,739	3,814,739
Total liabilities	8,018,361	8,877,212
Equity		
Share capital (note 10(a))	88,571,940	88,556,715
Warrants (note 11)	1,495,300	1,495,300
Contributed surplus	12,674,329	12,386,746
Deficit	(34,553,536)	(33,121,342)
Total equity	68,188,033	69,317,419
Total liabilities and equity	\$ 76,206,394	\$ 78,194,631

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

Nature of operations and going concern (note 1)

Subsequent events (note 15)

Eastmain Resources Inc.

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

	Three months ended April 30,		Six months ended April 30,	
	2017	2016	2017	2016
Operating expenses				
General and administrative expenses (note 13)	\$ 773,913	\$ 3,313,446	\$ 1,926,734	\$ 3,714,896
Impairment of exploration and evaluation assets (note 7)	36,133	51,381	93,862	63,117
Operating loss before the following	(810,046)	(3,364,827)	(2,020,596)	(3,778,013)
Interest and other income	157,010	7,659	186,783	26,947
Realized loss on marketable securities	-	(83,118)	-	(82,570)
Unrealized (loss) gain on marketable securities	(164,436)	206,358	137,827	297,141
Premium on flow-through shares (note 9)	1,598,347	-	1,628,792	149,600
Income (loss) before income taxes	780,875	(3,233,928)	(67,194)	(3,386,895)
Deferred income tax (expense) recovery	(1,119,000)	386,765	(1,365,000)	347,121
Loss and comprehensive loss for the period	\$ (338,125)	\$ (2,847,163)	\$ (1,432,194)	\$ (3,039,774)
Basic and diluted loss per share (note 12)	\$ (0.00)	\$ (0.02)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding - basic and diluted	175,429,814	136,143,555	175,427,679	134,861,793

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)**

Six months ended April 30,	2017	2016
Operating activities:		
Comprehensive net loss for the period	\$ (1,432,194)	\$ (3,039,774)
Adjustments for:		
Depreciation	8,543	8,130
Impairment of exploration and evaluation assets	93,862	63,117
Gain on marketable securities	(137,827)	(297,141)
Premium on flow-through shares	(1,628,792)	(149,600)
Deferred income taxes expense (recovery)	1,365,000	(347,121)
Share-based compensation	293,308	220,751
Prepaid and sundry receivables	(305,879)	368,625
Amounts payable and accrued liabilities	(595,059)	278,892
Net cash used in operating activities	(2,339,038)	(2,894,121)
Financing activities:		
Proceeds on issue of common shares	-	5,540,000
Exercise of options	9,500	90,000
Share issue expenses	-	(433,897)
Net cash provided by financing activities	9,500	5,196,103
Investing activities:		
Exploration and evaluation expenditures	(8,026,405)	(1,396,059)
Government exploration tax credits	-	1,020,960
Purchase of property and equipment	(309)	-
Proceeds on sale and redemption of marketable securities	-	821,500
Net cash (used in) provided by financing activities	(8,026,714)	446,401
Net change in cash and cash equivalents	(10,356,252)	2,748,383
Cash and cash equivalents, beginning of period	16,442,540	1,590,789
Cash and cash equivalents, end of period (note 3)	\$ 6,086,288	\$ 4,339,172

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

	Share Capital		Warrants		Contributed Surplus	Deficit	Total
	#		#				
Balance at October 31, 2015	133,039,815	\$ 71,364,347	-	\$ -	\$ 11,986,810	\$(26,779,729)	\$ 56,571,428
Private placements	11,379,999	5,540,000	-	-	-	-	5,540,000
Share issue expenses	-	(433,897)	-	-	-	-	(433,897)
Premium on issue of flow-through shares	-	(149,600)	-	-	-	-	(149,600)
Shares issued for acquisition of claims	60,000	28,800	-	-	-	-	28,800
Share-based compensation issued	-	-	-	-	220,751	-	220,751
Share-based compensation exercised	250,000	143,250	-	-	(53,250)	-	90,000
Warrants issued	-	(119,300)	499,999	119,300	-	-	-
Comprehensive loss for the period	-	-	-	-	-	(3,039,774)	(3,039,774)
Balance, April 30, 2016	144,729,814	\$ 76,373,600	499,999	\$ 119,300	\$ 12,154,311	\$(29,819,503)	\$ 58,827,708

	Share Capital		Warrants		Contributed Surplus	Deficit	Total
	#		#				
Balance, October 31, 2016	175,404,814	\$ 88,556,715	6,899,999	\$ 1,495,300	\$ 12,386,746	\$(33,121,342)	\$ 69,317,419
Share-based compensation issued	-	-	-	-	293,308	-	293,308
Share-based compensation exercised	25,000	15,225	-	-	(5,725)	-	9,500
Comprehensive loss for the period	-	-	-	-	-	(1,432,194)	(1,432,194)
Balance, April 30, 2017	175,429,814	\$ 88,571,940	6,899,999	\$ 1,495,300	\$ 12,674,329	\$(34,553,536)	\$ 68,188,033

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

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

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 The Canadian Venture Building, 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 April 30, 2017, the Company had working capital of \$4,117,128 (October 31, 2016 - \$11,943,650) and shareholders' equity of \$68,188,033 (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 June 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, except as noted below. 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.

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

2. Basis of presentation (continued)

Change in accounting policies

Under the Restricted Stock Unit Plan (the "RSU Plan"), selected employees are granted RSUs where each RSU has a value equal to one Eastmain common share. RSUs are measured at fair value on the grant date. The fair value of RSUs are recognized as a charge to salaries and benefits over the vesting period with a corresponding increase in equity. RSUs expected to settle in cash are reclassified as a liability and valued at market. As of April 30, 2017, no RSUs were granted.

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 April 30, 2017	As at October 31, 2016
Cash	\$ 374,351	\$ 15,777,640
Cash equivalents	5,711,937	664,900
	\$ 6,086,288	\$ 16,442,540

(i) Refer to note 15(ii).

4. Marketable securities

(a) Marketable securities held

	Number of Shares	As at April 30, 2017	Number of Shares	As at October 31, 2016
Darnley Bay Resources Limited common shares	1,600,000	\$ 464,000	1,600,000	\$ 303,999
Dianor Resources Inc. common shares	500,000	-	500,000	-
Honey Badger Exploration common shares	4,973,980	74,610	4,973,980	99,480
Kaizen Discovery Inc. common shares	107,867	19,955	107,867	15,641
Meryllion Resource Corp. common shares	107,867	1,079	107,867	2,697
Threegold Resources Inc. common shares	12,380	-	12,380	-
Total investments		\$ 559,644		\$ 421,817

Eastmain Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****April 30, 2017****(Expressed in Canadian Dollars)****(Unaudited)**

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 April 30, 2017	As at October 31, 2016
Sales tax input credits recoverable	\$ 688,448	\$ 442,614
Sundry accounts receivable	37,480	75,000
Advances and prepaid expenses	143,534	45,969
	\$ 869,462	\$ 563,583

6. Property and equipment

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

Cost	Computer equipment	Field equipment	Total
Balance, October 31, 2016	\$ 73,803	\$ 403,396	\$ 477,199
Additions during the period	309	-	309
Balance, April 30, 2017	\$ 74,112	\$ 403,396	\$ 477,508

Accumulated depreciation	Computer equipment	Field equipment	Total
Balance, October 31, 2016	\$ 53,106	\$ 367,292	\$ 420,398
Depreciation during the period	3,127	5,416	8,543
Balance, April 30, 2017	\$ 56,233	\$ 372,708	\$ 428,941

Net book value	Computer equipment	Field equipment	Total
Balance, October 31, 2016	\$ 20,697	\$ 36,104	\$ 56,801
Balance, April 30, 2017	\$ 17,879	\$ 30,688	\$ 48,567

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

7. Exploration and evaluation

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

Project expenditures for the six months ended April 30, 2017

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	2017 net expenditures
Clearwater	\$ 5,190,180	\$ 1,614,214	\$ 54,621	\$ 6,859,015
Eastmain Mine	369,477	189,892	21,012	580,381
Éléonore South	-	387,910	15,696	403,606
Ruby Hill	-	37,357	21,565	58,922
Lac Hudson	-	-	1,115	1,115
Lac Elmer	-	-	6,275	6,275
Radisson	-	22,118	-	22,118
Lac Clarkie	-	89,541	-	89,541
Other	-	-	5,432	5,432
Total	\$ 5,559,657	\$ 2,341,032	\$ 125,716	\$ 8,026,405

Cumulative acquisition, exploration and evaluation expenditures as at April 30, 2017

Project	Balance October 31, 2016	2017 net expenditures	Write-down	Balance April 30, 2017
Clearwater	\$ 45,232,040	\$ 6,859,015	\$ -	\$ 52,091,055
Eastmain Mine	14,606,643	580,381	-	15,187,024
Éléonore South	518,066	403,606	-	921,672
Ruby Hill	-	58,922	(58,922)	-
Lac Hudson	-	1,115	(1,115)	-
Lac Elmer	-	6,275	(6,275)	-
Radisson	-	22,118	(22,118)	-
Lac Lessard	230,482	-	-	230,482
Lac Clarkie	122,659	89,541	-	212,200
Other	-	5,432	(5,432)	-
Total	\$ 60,709,890	\$ 8,026,405	\$ (93,862)	\$ 68,642,433

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 six months ended April 30, 2017, ongoing expenditures on these properties were written down by \$93,862 (six months ended April 30, 2016 - \$63,117). 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 April 30, 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.

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

8. Amounts payable and accrued liabilities

	As at April 30, 2017	As at October 31, 2016
Amounts payables and accrued liabilities	\$ 1,183,842	\$ 1,700,083
Government remittances payable	-	73,314
Due to related parties	68,188	73,692
	\$ 1,252,030	\$ 1,847,089

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
Balance, October 31, 2016	\$ 3,215,384	\$ 11,064,603
Reduction for expenses incurred	(1,628,792)	(6,624,080)
Balance, April 30, 2017	\$ 1,586,592	\$ 4,440,523

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.

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

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

10. Share capital (continued)

a) Authorized and issued share capital (continued)

(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. 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 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) Refer to note 15(ii).

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 six months ended April 30, 2017, \$nil (three and six months ended April 30, 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. 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 \$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 six months ended April 30, 2017, \$nil (three and six months ended April 30, 2016 - \$56,125) 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 six months ended April 30, 2017, \$nil (three and six months ended April 30, 2016 - \$111,376) was recognized as a general and administrative expense.

(iv) 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 certain directors, employees and contractors 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 and six months ended April 30, 2017, \$28,500 and \$113,558, respectively (three and six months ended April 30, 2016 - \$nil) was recognized as a general and administrative expense.

(v) Refer to note 15(i).

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

10. Share capital (continued)

b) Share purchase option plan (continued)

	Number of stock options	Weighted average exercise price
Outstanding, October 31, 2015	7,618,605	\$ 0.69
Granted (i)(ii)(iii)	875,000	0.41
Exercised	(250,000)	0.36
Expired	(250,000)	0.72
Balance, April 30, 2016	7,993,605	\$ 0.67

	Number of stock options	Weighted average exercise price
Outstanding, October 31, 2016	9,188,605	\$ 0.69
Granted (iv)	740,000	0.51
Exercised	(25,000)	0.38
Balance, April 30, 2017	9,903,605	\$ 0.67

Options outstanding and exercisable as of April 30, 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	6.38 years	\$ 0.36	3,716,667
\$0.51 - \$1.00	3,928,605	3.54 years	\$ 0.66	2,071,940
\$1.01 - \$1.50	1,925,000	3.68 years	\$ 1.21	1,925,000
\$1.51 - \$2.00	250,000	3.99 years	\$ 1.51	250,000

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 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 April 30, 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
July, 2017	86,695	250,000	0.60
April, 2018	173,389	500,000	0.60
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	394,916	1,135,000	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
	3,822,226	9,903,605	

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.

	Number of warrants	Weighted average exercise price
Outstanding, October 31, 2015	-	\$ -
Issued	499,999	0.50
Balance, April 30, 2016	499,999	\$ -
Balance, October 31, 2016 and April 30, 2017	6,899,999	\$ 0.50

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

11. Warrants (continued)

The following table reflects the warrants issued and outstanding as of April 30, 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
		6,899,999	1,495,300

12. Net loss per share

The calculation of basic and diluted loss per share for the three and six months ended April 30, 2017, was based on the loss attributable to common shareholders of \$338,125 and \$1,432,194, respectively (three and six months ended April 30, 2016 - \$2,847,163 and \$3,039,774, respectively) and the weighted average number of common shares outstanding of 175,429,814 and 175,427,679, respectively (three and six months ended April 30, 2016 - 136,143,555 and 134,861,793, 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 April 30,		Six months ended April 30,	
	2017	2016	2017	2016
Depreciation	\$ 4,283	\$ 4,066	\$ 8,543	\$ 8,130
General and office	614,135	1,338,082	1,546,176	1,619,153
Professional fees	37,120	365,583	78,707	428,648
Share-based compensation	118,375	167,501	293,308	220,751
Contract termination costs	-	1,438,214	-	1,438,214
	\$ 773,913	\$ 3,313,446	\$ 1,926,734	\$ 3,714,896

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 April 30,		Six months ended April 30,	
	2017	2016	2017	2016
Donald Robinson (i)(ii)	\$ -	\$ 56,700	\$ -	\$ 119,400
Shawonis Explorations and Enterprises Ltd. ("Shawonis") (i)(iii)	\$ -	\$ 58,873	\$ -	\$ 109,746
QB 2000 Inc. (i)(iv)	\$ -	\$ 15,600	\$ -	\$ 31,200
OTD Exploration Services Inc. ("OTD") (v)	\$ 52,210	\$ -	\$ 124,510	\$ -

Eastmain Resources Inc.

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April 30, 2017

(Expressed in Canadian Dollars)

(Unaudited)

14. Related party balances and transactions (continued)

(a) Transactions with related parties (continued)

(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 April 30, 2017, the amount due to OTD was \$41,161 (October 31, 2016 - \$23,504) related to his function as the Vice President Exploration of Eastmain.

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

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

	Three months ended		Six months ended	
	April 30,		April 30,	
	2017	2016	2017	2016
Salaries and benefits	\$ 160,058	\$ 240,700	\$ 485,000	\$ 333,900
Share-based compensation	\$ 82,755	\$ 56,125	\$ 213,278	\$ 109,375

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 April 30, 2017, the amount due to officers was \$27,027 (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 April 30, 2017.

Eastmain Resources Inc.

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(Expressed in Canadian Dollars)

(Unaudited)

15. Subsequent events

(i) On May 15, 2017, 250,000 stock options with an exercise price of \$0.42 and expiry date of May 15, 2022, were granted to a director of the Company. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary.

(ii) Also subsequent to quarter-end, the Company completed a private placement on June 8, 2017, with a syndicate of underwriters led by Cormark Securities Inc., pursuant to which the underwriters purchased 10,000,000 common shares at a price of \$0.40 per common shares and 7,582,000 flow-through common shares at a price of \$0.68 per flow-through common shares of the Company on a bought deal private placement basis, for aggregate gross proceeds to the Company of approximately \$9.15 million.