



**CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS OF
EASTMAIN RESOURCES INC.
FOR THE THREE AND NINE MONTHS ENDED
JULY 31, 2018
(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, 2018	As at October 31, 2017
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	\$ 6,971,508	\$ 7,005,320
Prepaid and sundry receivables (note 5)	333,626	901,912
Total current assets	7,305,134	7,907,232
Non-current assets		
Marketable securities (note 4)	219,463	378,788
Property and equipment (note 6)	31,000	40,000
Exploration and evaluation (note 7)	80,619,001	76,062,242
Total non-current assets	80,869,464	76,481,030
Total assets	\$ 88,174,598	\$ 84,388,262
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and accrued liabilities (notes 8 and 14)	\$ 549,948	\$ 1,993,834
Flow-through share premium liability (note 9)	799,349	914,377
Total current liabilities	1,349,297	2,908,211
Non-current liabilities		
Deferred income taxes	7,709,777	6,735,115
Total liabilities	9,059,074	9,643,326
Equity		
Share capital (note 10(a))	101,281,491	95,009,260
Warrants (note 11)	1,730,300	1,495,300
Contributed surplus	13,266,444	12,966,895
Deficit	(37,162,711)	(34,726,519)
Total equity	79,115,524	74,744,936
Total liabilities and equity	\$ 88,174,598	\$ 84,388,262

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

Nature of operations and going concern (note 1)

Eastmain Resources Inc.

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

	Three months ended July 31,		Nine months ended July 31,	
	2018	2017	2018	2017
Operating expenses				
Depreciation	\$ 3,000	\$ 4,284	\$ 9,000	\$ 12,827
Director fees	40,000	39,000	118,750	144,500
General and office	60,737	68,300	257,553	277,750
Government reassessment (note 8(i))	-	-	280,000	-
Impairment of exploration and evaluation assets (note 7)	49,713	13,526	181,030	107,388
Marketing and investor relations	81,441	16,359	161,061	118,153
Professional fees	85,330	(23,945)	291,571	213,818
Rent	24,513	38,929	91,587	99,881
Salaries	200,165	265,555	981,313	1,098,393
Share-based compensation	80,676	120,067	334,549	413,375
Travel expenses	38,691	8,115	78,978	84,701
Operating loss before the following	(664,266)	(550,190)	(2,785,392)	(2,570,786)
Interest and other income	9,374	23,110	59,006	209,893
Realized gain on marketable securities	-	-	144,110	-
Unrealized gain (loss) on marketable securities	5,720	(126,053)	(130,240)	11,774
Premium on flow-through shares (note 9)	145,176	1,065,997	1,250,985	2,694,789
(Loss) income before income taxes	(503,996)	412,864	(1,461,531)	345,670
Deferred income tax expense	(106,744)	(668,000)	(974,661)	(2,033,000)
Loss and comprehensive loss for the period	\$ (610,740)	\$ (255,136)	\$ (2,436,192)	\$ (1,687,330)
Basic and diluted loss per share (note 12)	\$ (0.00)	\$ (0.00)	\$ (0.01)	\$ (0.01)
Weighted average number of common shares outstanding - basic and diluted	205,528,005	185,531,126	200,340,676	178,832,379

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,	2018	2017
Operating activities:		
Comprehensive net loss for the period	\$ (2,436,192)	\$ (1,687,330)
Adjustments for:		
Depreciation	9,000	12,827
Impairment of exploration and evaluation assets	181,030	107,388
Gain on marketable securities	(13,870)	(11,774)
Premium on flow-through shares	(1,250,985)	(2,694,789)
Deferred income taxes expense	974,661	2,033,000
Share-based compensation	334,549	413,375
Prepaid and sundry receivables	568,286	(1,255,290)
Amounts payable and accrued liabilities	(1,443,886)	(281,282)
Net cash used in operating activities	(3,077,407)	(3,363,875)
Financing activities:		
Proceeds on issue of common shares	8,030,000	9,155,760
Exercise of options	-	9,500
Share issue expenses	(421,812)	(506,566)
Net cash provided by financing activities	7,608,188	8,658,694
Investing activities:		
Exploration and evaluation expenditures	(4,737,789)	(11,023,423)
Purchase of property and equipment	-	(309)
Proceeds on sale of marketable securities	173,196	-
Net cash used in investing activities	(4,564,593)	(11,023,732)
Net change in cash and cash equivalents	(33,812)	(5,728,913)
Cash and cash equivalents, beginning of period	7,005,320	16,442,540
Cash and cash equivalents, end of period (note 3)	\$ 6,971,508	\$ 10,713,627

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, 2016	175,404,814	\$ 88,556,715	6,899,999	\$ 1,495,300	\$ 12,386,746	\$(33,121,342)	\$ 69,317,419
Private placement	17,582,000	9,155,760	-	-	-	-	9,155,760
Share issue expenses	-	(506,566)	-	-	-	-	(506,566)
Premium on issue of flow-through shares	-	(2,236,690)	-	-	-	-	(2,236,690)
Share-based compensation issued	-	-	-	-	413,375	-	413,375
Share-based compensation exercised	25,000	15,225	-	-	(5,725)	-	9,500
Comprehensive loss for the period	-	-	-	-	-	(1,687,330)	(1,687,330)
Balance, July 31, 2017	193,011,814	\$ 94,984,444	6,899,999	\$ 1,495,300	\$ 12,794,396	\$(34,808,672)	\$ 74,465,468

	Share Capital		Warrants		Contributed Surplus	Deficit	Total
	#		#				
Balance, October 31, 2017	193,125,146	\$ 95,009,260	6,899,999	\$ 1,495,300	\$ 12,966,895	\$(34,726,519)	\$ 74,744,936
Private placements	28,303,891	8,030,000	-	-	-	-	8,030,000
Warrants issued	-	(235,000)	5,967,660	235,000	-	-	-
Share issue expenses	-	(421,812)	-	-	-	-	(421,812)
Premium on issue of flow-through shares	-	(1,135,957)	-	-	-	-	(1,135,957)
Restricted shares vested and converted to common shares	116,667	35,000	-	-	(35,000)	-	-
Share-based compensation issued	-	-	-	-	334,549	-	334,549
Comprehensive loss for the period	-	-	-	-	-	(2,436,192)	(2,436,192)
Balance, July 31, 2018	221,545,704	\$101,281,491	12,867,659	\$ 1,730,300	\$ 13,266,444	\$(37,162,711)	\$ 79,115,524

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

July 31, 2018

(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 July 31, 2018, the Company had working capital of \$5,955,837 (October 31, 2017 - \$4,999,021) and shareholders' equity of \$79,115,524 (October 31, 2017 - \$74,744,936). 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 IFRS' issued and outstanding as of **September 13, 2018**, 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, 2017. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending October 31, 2018, could result in restatement of these unaudited condensed interim consolidated financial statements.

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

July 31, 2018

(Expressed in Canadian Dollars)

(Unaudited)

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 July 31, 2018	As at October 31, 2017
Cash	\$ 1,490,808	\$ 1,006,243
Cash equivalents	5,480,700	5,999,077
	\$ 6,971,508	\$ 7,005,320

4. Marketable securities

(a) Marketable securities held

	Number of shares/warrants	As at July 31, 2018	Number of shares	As at October 31, 2017
Pine Point Mining Ltd. (formerly Darnley Bay Resources Limited) ("Pine Point") common shares (i)	-	\$ -	1,600,000	\$ 320,000
Osisko Metals Inc. ("Osisko Metals") common shares (proceeds of merger with Pine Point) (i)	333,600	186,816	-	-
Osisko Metals warrants (i)(ii)	108,320	-	-	-
Generation Mining Ltd. ("Generation Mining") common shares (i)	160,000	22,400	-	-
Dianor Resources Inc. common shares	500,000	-	500,000	-
Honey Badger Exploration common shares	-	-	994,796	44,766
Kaizen Discovery Inc. common shares	107,867	8,629	107,867	11,865
Meryllion Resource Corp. common shares	107,867	1,618	107,867	2,157
Threegold Resources Inc. common shares	12,380	-	12,380	-
Total investments		\$ 219,463		\$ 378,788

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

July 31, 2018

(Expressed in Canadian Dollars)

(Unaudited)

4. Marketable securities (continued)

(a) Marketable securities held (continued)

(i) During the nine months ended July 31, 2018, the Company's investment in Pine Point was subject to a friendly acquisition by Osisko Metals. Under the terms of the agreement, holders of Pine Point common shares received, for each share held immediately prior to the arrangement: (a) 0.271 of a common share of Osisko Metals; (b) 0.0677 of a common share purchase warrant of Osisko Metals, with each Osisko Metals consideration warrant entitling the holder thereof to acquire one Osisko Metals share at an exercise price of \$1.50 per Osisko Metals share for a period of 12 months from the closing of the arrangement; and (c) one common share of Generation Mining, which was consolidated on a 10:1 basis under the arrangement.

(ii) In the absence of a quoted market price, Eastmain has elected to designate the market value of the Osisko Metals warrants as \$nil at this time.

(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, 2018	As at October 31, 2017
Sales tax input credits recoverable	\$ 170,625	\$ 645,090
Sundry accounts receivable	-	28,366
Government resource tax credits	-	21,915
Advances and prepaid expenses	163,001	206,541
	\$ 333,626	\$ 901,912

6. Property and equipment

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

Cost	Computer equipment	Field equipment	Total
Balance, October 31, 2017 and July 31, 2018	\$ 74,112	\$ 403,396	\$ 477,508
Accumulated depreciation	Computer equipment	Field equipment	Total
Balance, October 31, 2017	\$ 59,384	\$ 378,124	\$ 437,508
Depreciation during the period	3,315	5,685	9,000
Balance, July 31, 2018	\$ 62,699	\$ 383,809	\$ 446,508
Net book value	Computer equipment	Field equipment	Total
Balance, October 31, 2017	\$ 14,728	\$ 25,272	\$ 40,000
Balance, July 31, 2018	\$ 11,413	\$ 19,587	\$ 31,000

Eastmain Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****July 31, 2018****(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 nine months ended July 31, 2018

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	2018 net expenditures
Clearwater	\$ 1,425,453	\$ 1,165,189	\$ 115,374	\$ 2,706,016
Eastmain Mine	474,644	530,133	13,796	1,018,573
Éléonore South	-	697,012	25,624	722,636
Ruby Hill	-	8,048	30,136	38,184
Reservoir	-	14,566	480	15,046
Lac Elmer	-	1,595	465	2,060
Radisson	-	14,398	47,107	61,505
Lac Lessard	-	-	120	120
Lac Clarkie	520	18,931	89,963	109,414
Other	-	-	64,235	64,235
Total	\$ 1,900,617	\$ 2,449,872	\$ 387,300	\$ 4,737,789

Cumulative acquisition, exploration and evaluation expenditures as at July 31, 2018

Project	Balance October 31, 2017	2018 net expenditures	Write-down	Balance July 31, 2018
Clearwater	\$ 57,501,473	\$ 2,706,016	\$ -	\$ 60,207,489
Eastmain Mine	16,179,938	1,018,573	-	17,198,511
Éléonore South	1,755,349	722,636	-	2,477,985
Ruby Hill	-	38,184	(38,184)	-
Reservoir	-	15,046	(15,046)	-
Lac Elmer	-	2,060	(2,060)	-
Radisson	-	61,505	(61,505)	-
Lac Lessard	230,482	120	-	230,602
Lac Clarkie	395,000	109,414	-	504,414
Other	-	64,235	(64,235)	-
Total	\$ 76,062,242	\$ 4,737,789	\$ (181,030)	\$ 80,619,001

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, 2018, ongoing expenditures on these properties were written down by \$181,030 (nine months ended July 31, 2017 - \$107,388). 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.

Eastmain Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****July 31, 2018****(Expressed in Canadian Dollars)****(Unaudited)**

8. Amounts payable and accrued liabilities

	As at July 31, 2018	As at October 31, 2017
Amounts payables and accrued liabilities	\$ 216,679	\$ 1,904,833
Government remittances payable	-	8,177
Accrual for flow-through financings reassessment (i)	280,000	-
Due to related parties (note 14)	53,269	80,824
	\$ 549,948	\$ 1,993,834

(i) In late 2017, the Company was advised by the Canada Revenue Agency ("CRA") that certain Canadian Exploration Expenses ("CEE") expenditures which had been renounced to investors in 2013 and 2014 via flow-through financings were reassessed by the CRA. The Company is currently awaiting final documentation regarding the specific reassessment amounts and intends to file an objection and vigorously contest the reassessment. The Company and its tax advisors maintain its stance that the associated expenditures are CEE-eligible. Assuming the Company is unsuccessful in its appeal and/or fails to reach a settlement with the CRA, the Company anticipates potential repayments of up to \$280,000. While not considered material to the operations of Eastmain, the Company has accrued for this amount and will adjust the accrual on completion of the appeal process.

9. Flow-through share premium liability and expenditure commitment

In December 2017, the Company raised \$2,280,000 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was \$420,000. In accordance with flow-through regulations, the Company is committed to incur eligible exploration expenditures before December 31, 2018 in the amount of \$2,280,000 which was renounced to investors in December 2017.

In July 2018, the Company raised \$2,945,200 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was \$715,957. In accordance with flow-through regulations, the Company is committed to incur eligible exploration expenditures before December 31, 2019 in the amount of \$2,945,200 which will be renounced to investors in December 2018.

	Flow-through premium liability	Flow-through spending commitment
Balance, October 31, 2017	\$ 914,377	\$ 2,107,716
December 2017 flow-through issue	420,000	2,280,000
July 2018 flow-through issue	715,957	2,945,200
Reduction for expenses incurred	(1,250,985)	(3,935,015)
Balance, July 31, 2018	\$ 799,349	\$ 3,397,901

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

July 31, 2018

(Expressed in Canadian Dollars)

(Unaudited)

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 June 2017, the Company completed a private placement consisting of the issue of 7,582,000 flow-through shares at \$0.68 per share and 10,000,000 common shares at \$0.40 per common share for aggregate gross proceeds of \$9,155,760. Issue costs in connection with the offer were \$114,378 and underwriting's fees were \$392,188. The liability for flow-through premium derived from the issue was \$2,236,690.

(ii) On December 14, 2017, the Company closed a non-brokered offering of 6,000,000 "flow-through" common shares (the "FT Shares") at a price of \$0.38 per FT Share, to raise aggregate gross proceeds of \$2,280,000. Issue costs in connection with the offer were \$5,235.

The net proceeds of the offering are expected to be used to fund exploration and development of the Company's mineral concessions in Quebec.

(iii) On July 5, 2018, the Company completed a private placement consisting of the issue of 8,268,570 Federal flow-through shares at \$0.28 per share, 2,100,000 Quebec flow-through shares at \$0.30 and 11,935,321 units ("Units") at \$0.235 per common share for aggregate gross proceeds of \$5,750,000. Issue costs in connection with the offer were \$112,819 and underwriting's fees were \$303,758.

Each Unit consists of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant entitles the holder to acquire one common share of the Company for 2 years from the closing at a price of \$0.35.

The net proceeds of the offering are expected to be used to fund exploration and development of the Company's mineral concessions in Quebec and for general corporate and working capital purposes.

All securities issued pursuant to the offering are subject to a statutory hold period expiring November 6, 2018.

b) Share purchase option plan

(i) In January 2017, 740,000 share purchase options with an exercise price of \$0.51 and expiry date of January 2, 2022 were issued to certain executives, 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 nine months ended July 31, 2018, \$9,500 and \$41,462, respectively (three and nine months ended July 31, 2017 - \$28,500 and \$142,058, respectively) was recognized as a general and administrative expense (share-based compensation).

(ii) In May 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. The estimated fair value of the grant was \$63,000 using the Black-Scholes option pricing model with the following assumptions: dividend of \$0.00; expected volatility of 74.00%; a risk-free interest rate of 1.02% and an expected average term of 5 years. During the three and nine months ended July 31, 2018, \$3,445 and \$19,195, respectively (three and nine months ended July 31, 2017 - \$27,645) was recognized as a general and administrative expense (share-based compensation).

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

July 31, 2018

(Expressed in Canadian Dollars)

(Unaudited)

10. Share capital (continued)

b) Share purchase option plan (continued)

(iii) In January 2018, 250,000 share purchase options with an exercise price of \$0.30 and expiry date of January 25, 2023 were issued 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. The estimated fair value of the grant was \$45,000 using the Black-Scholes option pricing model with the following assumptions: dividend of \$0.00; expected volatility of 72.69%; a risk-free interest rate of 2.04% and an expected average term of 5 years. During the three and nine months ended July 31, 2018, \$5,625 and \$26,620, respectively (three and nine months ended July 31, 2017 - \$nil) was recognized as a general and administrative expense (share-based compensation).

	Number of stock options	Weighted average exercise price
Outstanding, October 31, 2016	9,188,605	\$ 0.69
Granted (i)(ii)	990,000	0.49
Exercised	(25,000)	0.38
Expired/cancelled	(518,605)	0.69
Balance, July 31, 2017	9,635,000	\$ 0.67

	Number of stock options	Weighted average exercise price
Outstanding, October 31, 2017	10,760,000	\$ 0.63
Granted (iii)	250,000	0.30
Expired/cancelled	(500,000)	0.60
Balance, July 31, 2018	10,510,000	\$ 0.63

Options outstanding and exercisable as of July 31, 2018:

Exercise price range	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable
\$0.01 - \$0.50	5,425,000	4.65 years	\$ 0.34	4,341,667
\$0.51 - \$1.00	2,910,000	3.32 years	\$ 0.67	2,643,333
\$1.01 - \$1.50	1,925,000	2.43 years	\$ 1.21	1,925,000
\$1.51 - \$2.00	250,000	2.74 years	\$ 1.51	250,000

Eastmain Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****July 31, 2018****(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 July 31, 2018:

Expiry date	Black-Scholes value (\$)	Number of options	Exercise price (\$)
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
May, 2022	63,000	250,000	0.42
June, 2022	384,200	850,000	0.88
September, 2022	11,975	25,000	0.96
September, 2022	242,000	1,125,000	0.36
January, 2023	45,000	250,000	0.30
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
	3,749,762	10,510,000	

c) Restricted Share Unit ("RSU") plan

During the year ended October 31, 2017, the Company adopted a RSU Plan. The maximum aggregate number of shares reserved for issuance under the RSU Plan shall not exceed a combined total of 5% of the Company's issued and outstanding shares.

The grant date fair value of the RSU equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied.

During the year ended October 31, 2017, the Company granted 340,000 RSU to certain employees under its RSU Plan. These RSU vest as follows: one-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. Compensation for the three and nine months ended July 31, 2018 was \$14,875 and \$44,625, respectively (three and nine months ended July 31, 2017 - \$nil).

Eastmain Resources Inc.

Notes to Condensed Interim Consolidated Financial Statements

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(Expressed in Canadian Dollars)

(Unaudited)

10. Share capital (continued)

c) RSU plan (continued)

During the nine months ended July 31, 2018, the Company granted 116,667 RSU to an employee under its RSU Plan. These RSU vested immediately as the RSU were taken in lieu of cash compensation. Compensation for the three and nine months ended July 31, 2018 was \$nil and \$35,000, respectively (three and nine months ended July 31, 2017 - \$nil).

During the nine months ended July 31, 2018, 116,667 RSU vested and converted to common shares with a value \$35,000.

As at July 31, 2018, there were 226,668 RSU outstanding (October 31, 2017 - 226,668). The weighted average fair value of RSU granted during the nine months ended July 31, 2018 was \$0.35 per share.

11. Warrants

In July 2018, 5,967,660 share purchase warrants with an exercise price of \$0.35, expiring in July 2020, were issued as part of a private placement share issue. The estimated fair value of the warrants was \$235,000 using the Black-Scholes option pricing model with the following assumptions: dividend of \$0.00; expected volatility of 58.6%; a risk-free interest rate of 1.91% and an expected term of 2 years.

	Number of warrants	Weighted average exercise price
Balance, October 31, 2016 and July 31, 2017	6,899,999	\$ 0.50
Outstanding, October 31, 2017	6,899,999	\$ 0.50
Issued	5,967,660	0.35
Balance, July 31, 2018	12,867,659	\$ 0.43

The following table reflects the warrants issued and outstanding as of July 31, 2018:

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
July 4, 2020	0.35	5,967,660	235,000
		12,867,659	1,730,300

12. Net loss per share

The calculation of basic and diluted loss per share for the three and nine months ended July 31, 2018, was based on the loss attributable to common shareholders of \$610,740 and \$2,436,192, respectively (three and nine months ended July 31, 2017 - \$255,136 and \$1,687,330, respectively) and the weighted average number of common shares outstanding of 205,528,005 and 200,340,676, respectively (three and nine months ended July 31, 2017 - 185,531,126 and 178,832,379, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

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Notes to Condensed Interim Consolidated Financial Statements

July 31, 2018

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13. General and administrative expenses

	Three months ended July 31,		Nine months ended July 31,	
	2018	2017	2018	2017
Depreciation	\$ 3,000	\$ 4,284	\$ 9,000	\$ 12,827
Director fees	40,000	39,000	118,750	144,500
General and office	60,737	68,300	257,553	277,750
Government reassessment (note 8(i))	-	-	280,000	-
Marketing and investor relations	81,441	16,359	161,061	118,153
Professional fees	85,330	(23,945)	291,571	213,818
Rent	24,513	38,929	91,587	99,881
Salaries	200,165	265,555	981,313	1,098,393
Share-based compensation (i)	80,676	120,067	334,549	413,375
Travel expenses	38,691	8,115	78,978	84,701
	\$ 614,553	\$ 536,664	\$ 2,604,362	\$ 2,463,398

(i) The Company notes that general and administrative expenses includes share-based compensation which does not represent a cash expense to the Company.

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,		Nine months ended July 31,	
	2018	2017	2018	2017
OTD Exploration Services Inc. ("OTD") (i)	\$ 51,480	\$ 49,960	\$ 158,980	\$ 174,470
OTD - rental agreement (ii)	\$ -	\$ 4,304	\$ 5,379	\$ 4,304

(i) 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 July 31, 2018, the amount due to OTD was \$20,748 (October 31, 2017 - \$55,436) related to a) his function as the Vice President Exploration of Eastmain and to b) reimburse operating and exploration expenses incurred by OTD on behalf of the Company.

(ii) In addition, Eastmain signed a mobile equipment rental agreement with OTD in April 2017 for a period of 12 months at a monthly rate of \$1,076 per month.

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

Eastmain Resources Inc.**Notes to Condensed Interim Consolidated Financial Statements****July 31, 2018****(Expressed in Canadian Dollars)****(Unaudited)**

14. Related party balances and transactions (continued)

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

	Three months ended July 31,		Nine months ended July 31,	
	2018	2017	2018	2017
Salaries and benefits	\$ 170,795	\$ 164,192	\$ 677,599	\$ 649,192
Share-based compensation	\$ 60,930	\$ 92,094	\$ 265,650	\$ 305,372

The Company considers its key management personnel to be the Chief Executive Officer and Chief Financial Officer.

Independent directors do not have any employment or service contracts. Officers and directors are entitled to share-based compensation and cash remuneration for their services.

At July 31, 2018, the amount due to officers was \$26,918 (October 31, 2017 - \$25,263) and the amount due to directors was \$5,603 (October 31, 2017 - \$125).

(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 July 31, 2018.