



EASTMAIN

Eastmain Resources Inc.

FOURTH QUARTER REPORT

FOR THE PERIOD ENDING APRIL 30, 2000

Highlights

- **Surface stripping and channel sampling in progress at Clearwater – High-grade QT veins have steeper dip than previously interpreted. More favourable for future mining.**
- **Second round of drilling completed at Abitibi Extension – Massive sulphide intersected in 16 of 17 targets tested. 62 first and second priority AEM targets defined on Nett River claim block.**
- **New Brunswick base metal sulphide program in progress – Fall drilling recommended.**

Clearwater Project – Eastmain and SOQUEM are completing a \$332,000 surface stripping and channel sampling program on three priority areas: Eau Claire, North Sector and Cannard. Evidence from the last drilling program combined with surface mapping of the 450W area at Eau Claire has confirmed that the gold-bearing quartz-tourmaline (QT) veins are dipping at a steeper angle than previously interpreted.

The gold-bearing P, Q, J and R veins appear to be dipping at 65° across the 450W area, which in-turn has improved the interpreted continuity of the veins. Further west at 850W, gold-bearing QT veins appear to be near vertical. A steeper dip angle is more favourable for mining. It also significantly improves the interpreted continuity of the veins both down dip and along strike on many drill sections. It is anticipated that this new interpretation may increase the calculated tonnage of the drill-indicated resource.

Previous channel sampling at 10-metre-intervals along the *P- Vein* indicate an average grade of 12.3 grams gold per tonne for a length of 135 metres, diluted to a two-metre minimum mining

width. The average drill-hole grade of the *P-Vein* at 25-metre-intervals is 9.73 grams gold per tonne, for a length of 225 metres, diluted to a minimum two-metre width. These gold-bearing veins are open in all directions.

In-fill channel sampling, at five-metre intervals, is in progress on the 450W area at Eau Claire for each of the P, Q, J and R Veins. Additional stripping and channel sampling is also in progress at 50-metre intervals east and west of this area.

One objective of the current program is to evaluate the high-grade tourmaline zones on the property. A 17.6 metre-wide **tourmaline zone** located immediately east of the *J-Vein* at 450W-100N, assayed 16.2 grams gold per tonne (0.47 ounces per ton). This high-grade zone includes a **3.9-metre-wide interval grading 67.1 grams gold per tonne** (1.96 ounces per ton). This tourmaline zone is conformable in strike and dip with the QT veins on surface. The tourmaline zones have not been included in any of the previous resource calculations. These zones may also add significant tonnage to the total gold resource.

Quartz veins and tourmaline-rich rock found on the *North Sector* have been trenched and channel sampled. This sector may represent a potential repetition of the Eau Claire gold deposit.

Seven north-south trenches and channel sampling have also been completed between line zero and 1700W on the *Cannard Prospect*. This prospect straddles a broad east-west trending deformation zone located two kilometres east of Eau Claire. Previous surface sampling and drilling encountered gold-bearing quartz veins.

Surface stripping and sampling on the *Natel*

Sector will be completed at a later date. This prospect is approximately ten kilometres east of Eau Claire. Previous drilling intersected 8.9 grams gold across 2.65 metres, associated with actinolite-rich rock, similar to the alteration found at Eau Claire.

A fifth area of interest, the Junction Zone, is situated midway between the Rosemary Cu-Fe porphyry prospect and the Eau Claire gold deposit. This sector is not amenable to surface stripping and must be tested by drilling.

Eastmain and SOQUEM are planning a third-phase fall diamond-drilling program. Assay results from the second phase of stripping are pending. An updated resource estimate will be released following completion of the fall drill program.

Abitibi Extension Project – Seven phase-two diamond drill holes totalling 825 metres were completed on the Nett River claim block, located in northern Ontario. Eastmain and Quaterra Resources are jointly exploring the western extension of the Abitibi Greenstone Belt – which has accounted for numerous gold, copper-zinc-silver VMS and nickel-copper-platinum-rich ore deposits.

Drilling to date has intersected exhalative massive sulphide (pyrite-pyrrhotite) and chert horizons in 16 of 17 targets tested. These massive sulphide-chert horizons are commonly situated near both base metal and gold ore deposits. There are 62 first and second priority airborne anomalies on the Nett River Block, in addition to several untested targets located within the Kesagami, North French and Chabbie Lake claim blocks. Further ground geophysical surveys and diamond drilling are required to test this unexplored frontier.

Bathurst VMS Exploration

Eastmain controls a large area adjacent to the 25-million-tonne former producing base metal mine at Heath Steele, New Brunswick. The Bathurst mining district is dominated by Noranda's giant Brunswick #12 VMS deposit, which produced 243,000 tonnes of zinc concentrate in 1998. The favourable Brunswick Mine horizon is interpreted to extend across Eastmain's land holdings.

Four first-priority VMS targets have been identified on Eastmain's 100%-owned Railroad Project. A two-phase program totalling \$600,000 including 10,000 metres of diamond drilling has been recommended. An \$80,000 surface exploration program is in progress.

In March 2000, the Corporation entered into an option agreement with Stratabound Minerals Corp. on ground contiguous with Railroad. Two first-priority targets have been identified on the Stratabound option. The favourable Brunswick Mine horizon extends across the CNE property and an untested AEM anomaly is situated immediately east of the B Zone Mine at Heath Steele. An initial compilation of previous work is underway.

Geophysical modeling has also identified a large untested magnetic anomaly on the 75%-owned Tingley Brook Project. This deep-seated target coincides with Brunswick Mine rocks and represents a potential metallic source. The Company is seeking a joint venture partner to fund additional work on this prospect.

Financial

Eastmain had approximately \$1.0 million in working capital and no debt as at April 30, 2000. In the twelve-month period, the Corporation spent \$356,826 on exploration, after government grant reimbursements. SOQUEM also contributed \$270,000 to exploration at Clearwater in 1999 and a further \$200,000 was funded by Quebec MRN grants. During the twelve-month period Quaterra Resources funded \$494,000 towards exploration on the Abitibi Extension Project.

The Corporation changed its year-end to July 31 in order that the timing of reporting of its financial year end results coincides with the timing of reporting of its exploration programs.

Donald J. Robinson,
President and Chief Executive Officer
June 30, 2000

EASTMAIN RESOURCES INC.
BALANCE SHEETS

As at April 30,	2000	1999
	Unaudited	Audited
ASSETS		
CURRENT		
Cash and short-term investments	\$ 632,107	\$ 628,363
Marketable securities	356,478	551,425
Prepaid and Sundry	59,486	6,995
	1,048,071	1,186,783
Capital Assets	18,782	26,831
Mining Properties	707,350	645,845
Deferred Exploration	4,843,074	4,486,248
	<u>\$ 6,617,277</u>	<u>\$ 6,345,707</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 214,919	\$ 69,700
Advances from joint venture partners	40,530	135,845
	255,449	205,545
SHAREHOLDERS' EQUITY		
Capital stock	8,618,578	8,098,578
Deficit	(2,256,750)	(1,958,416)
	6,361,828	6,140,162
	<u>\$ 6,617,277</u>	<u>\$ 6,345,707</u>

**EASTMAIN RESOURCES INC.
STATEMENT OF OPERATIONS**

Twelve months ended April 30,	2000		1999	
	Unaudited		Audited	
Revenue				
Interest and dividends	\$	50,656	\$	112,050
Management fees		35,884		-
		86,540		112,050
Expenses				
Write down of marketable securities to market value		-		191,292
Legal and audit fees		16,273		13,281
General and office		202,129		173,705
Abandoned mineral property		-		52,527
Loss on sale of investments		158,422		5,232
Depreciation		8,050		10,326
		384,874		446,363
Net loss for the period		298,334		334,313
Deficit, beginning of period		1,958,416		1,624,103
Deficit, end of period	\$	2,256,750	\$	1,958,416
Net loss per share	\$	0.02	\$	0.02

SCHEDULE OF EXPLORATION EXPENDITURES

Twelve months ended April 30,

Projects	2000		1999	
	Unaudited		Audited	
Clearwater	\$	1,359,193	\$	1,142,253
Reservoir		1,381,994		1,380,098
Lac Elmer		125,640		136,274
Lidge		370,659		370,659
Mattagami VMS		4,354		4,354
Abitibi Extension		46,369		46,369
Akweskwa		613,066		613,066
Kidd		69,203		69,203
Bathurst VMS		89,554		88,489
Railroad		256,429		185,832
Rocky Lake		92,036		89,565
Tingley Brook		33,311		-
General Exploration and Other		283,718		242,538
	\$	4,843,074	\$	4,486,248

EASTMAIN RESOURCES INC.
STATEMENT OF CASH FLOWS

Twelve months ended April 30,	2000	1999
Cash provided by (used in)	Unaudited	Audited
Operating Activities		
Net loss for the period	\$ (298,334)	\$ (334,313)
Loss on sale of marketable securities	158,422	5,232
Items not affecting cash:		
Write down of marketable securities to market value	-	191,292
Abandoned mineral property	-	52,527
Depreciation	8,050	10,326
	(131,862)	(74,936)
Net changes in non-working capital		
Prepaid and sundry	(52,491)	41,682
Accounts payable	145,218	41,862
Advances from joint venture partners	(95,315)	(9,200)
	(21,768)	(592)
Investing activities		
Exploration expenditures (schedule)	(356,826)	(430,875)
Acquisition of capital assets	-	(5,472)
Acquisition of mining claims	(61,505)	(39,534)
Net sales (purchases) of marketable securities	36,525	(296,733)
	(381,806)	(772,614)
Financing activities		
Private placement	500,000	-
For cash, on exercise of stock options	20,000	6,250
	520,000	6,250
Increase (decrease) in cash	3,744	(766,956)
Cash and short-term investments, beginning of period	628,363	1,395,319
Cash and short-term investments, end of period	<u>\$ 632,107</u>	<u>\$ 628,363</u>

SCHEDULE OF MINING PROPERTIES

Twelve months ended April 30,

Projects	2000		1999	
	Unaudited		Audited	
Clearwater	\$	230,822	\$	230,800
Reservoir		107,432		103,874
Lac Elmer		12,571		12,542
Lidge		46,730		44,842
Lac Hudson		18,414		11,738
Mattagami VMS		1,829		1,829
Abitibi Extension		23,966		18,747
Akwekwa		139,483		139,483
Kidd		60,340		60,340
Bathurst VMS		1,775		1,404
Railroad		20,866		8,743
Rocky Lake		11,116		10,146
Otter Brook		1,529		1,357
Tingley Brook		3,322		-
Stratabound		24,300		-
CNE Mining Lease		2,367		-
Opinaca		488		-
	\$	707,350	\$	645,845

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of significant accounting policies

The accounting policies followed in preparing these financial statements are those used by Eastmain Resources Inc. as set out in the notes of April 30, 1999 audited financial statements.

Note 2. Capital Stock

The following table sets forth the changes in issued and outstanding Common shares of the Company:

Authorized
Unlimited Common Shares

	Number of Shares		Amount
Issued and outstanding – April 30, 1998	16,301,187	\$	8,092,328
Issued during the period – conversion of stock option (cash)	25,000		6,250
Issued and outstanding – April 30, 1999	16,326,187		8,096,578
Issued during the period – conversion of stock option (cash)	80,000		20,000
Issued during the period – private placement	1,428,567		500,000
Issued and outstanding – April 30, 2000	17,834,754	\$	8,618,578

Note 3. Stock Options

The Company has a stock option plan available to directors, officers, employees and other service providers of the corporation. A maximum of 2,000,000 Common Shares may be issued under the plan from time to time at prices not less than the market price of the Common Shares at the date of grant. The number of Common Shares reserved for issuance to any one person may not exceed 5% of the issued and outstanding Common Shares at the date of such grant.

At April 30, 2000, the following stock options were outstanding:

Number of Options	Price per share	Expiry Date
325,000	0.60	March 21, 2001
100,000	0.87	October 16, 2001
100,000	0.25	March 25, 2003
470,000	0.65	August 13, 2002
50,000	0.30	May 19, 2003
825,000	0.36	February 4, 2005

Note 4: Change of year end

The Company has changed the ending date of the financial year from April 30 to July 31.

EASTMAIN RESOURCES INC.

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SHARES LISTED

The Toronto Stock Exchange
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