



EASTMAIN

Eastmain Resources Inc. FIRST QUARTERLY REPORT FOR THE PERIOD ENDING OCTOBER 31, 2000

Highlights

- >60 drill intersections from 5 to 200 gpt gold at Clearwater
- \$2.2 Million Joint Venture Agreement with Billiton
- Diamond, gold and base metal targets at Abitibi Extension
- Contrarian Fund Private Placement
- \$1.2 Million raised in December 2000

Clearwater Project

More gold has been found through surface stripping and diamond drilling at Clearwater. The largest vein exposed in 2000 occurs in the centre of the Eau Claire deposit. This vein extends for 167 metres (545 feet) and contains an average grade of 30.37 grams gold per tonne (0.89 ounces) across mineable widths. A number of high-grade veins have now been identified from stripping and drilling. During the year 2000, more than sixty drill intersections assayed from 5 to 200 grams gold per tonne, thereby confirming the gold bearing veins extend at depth. Three phases of work including an estimated 6,000 metres of drilling and surface stripping, are planned for 2001.

Railroad Project / Stratabound Option

The Corporation has formed a new joint venture on the Railroad Project with Billiton Inc. – one of the world's largest mining companies. Billiton will fund a major diamond drill program in the first quarter of 2001. Four zinc-rich massive sulphide prospects have been found on the property within the same rock formations as the Brunswick #12 mine. Brunswick #12 is one of the largest VMS deposits in the world and accounts for approximately 8% of the world's zinc production.

Three kilometric size targets have also been found adjacent to the CNE and Captain VMS deposits on our neighboring Stratabound option. These targets extend laterally from the

Railroad property and occur within the Brunswick Mine horizon rock formations. Geological evidence suggests that the Railroad VMS deposit, discovered by BHP, occurs on the same trend as the CNE deposit, located 4 kilometres to the northeast. Evidence also indicates that the Railroad Footwall Zone is laterally equivalent to the Captain deposit, located south of CNE. The Footwall Zone represents another large untested base metal trend.

Abitibi Extension Project

Geophysical surveys and diamond drilling are planned for the Abitibi Extension Project in Northern Ontario. Linecutting and ground geophysical surveys have been recommended on the Kesagami, North French and Chabbie Lake claim blocks. Recent review of airborne geophysical data has also identified several circular magnetic anomalies, which have been interpreted as potential kimberlite pipes – a host rock for diamonds. Quatterra Resources is earning a 50% interest in the project by funding the next \$1.0 million in exploration.

Financial

As at October 31, 2000 the working capital of the Corporation was \$515,970. Eastmain contributed \$112,496 in deferred exploration expenditures on the Railroad and Clearwater Projects. Revenue for the quarter was \$25,711, while operating expenses totaled \$30,592.

Subsequent to the end of the reporting period Billiton Metals Canada Inc. purchased 1,000,000 common shares at \$0.70 per share for a net proceeds of \$700,000. Eastmain raised an additional \$500,000 in two private placement financings in December 2000.

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

EASTMAIN RESOURCES INC.

BALANCE SHEETS (Prepared by Management)

	Three Months Ended October 31, 2000 (Unaudited)	Year Ended July 31, 2000 (Audited)
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 39,867	\$ 242,974
Marketable securities	402,193	402,193
Accounts receivable	73,910	15,311
	515,970	660,478
Capital Assets	19,596	21,608
Mining Properties	772,836	769,389
Deferred Exploration	5,155,699	5,043,203
	\$ 6,464,101	\$ 6,494,678
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 68,774	\$ 94,470
SHAREHOLDERS' EQUITY		
Capital stock		
Authorized		
Unlimited common shares		
Issued		
17,884,757 common shares	8,634,784	8,634,784
Deficit	(2,239,457)	(2,234,576)
	6,395,327	6,400,208
	\$ 6,464,101	\$ 6,494,678

EASTMAIN RESOURCES INC.

STATEMENT OF OPERATIONS (Prepared by Management)

(Unaudited)

Three months ended October 31,	2000	1999
Revenue		
Interest and dividends	\$ 13,455	\$ 25,635
Management fees	12,256	6,077
	25,711	31,712
Expenses		
Professional fees	-	9,441
General and office	28,580	48,731
Write-down of marketable securities	-	84,240
Depreciation	2,012	2,013
	30,592	144,425
Net loss for the period	(4,881)	(112,713)
DEFICIT, beginning of period	(2,234,576)	(1,958,416)
DEFICIT, end of period	\$ (2,239,457)	\$ (2,071,129)
Net loss per share (Note 3)	\$ (0.0003)	\$ (0.0069)

EASTMAIN RESOURCES INC.

STATEMENT OF CASH FLOWS (Prepared by Management)

(Unaudited)

Three months ended October 31,

2000

1999

Cash provided by (used in)

Operating Activities

Net loss for the period	\$ (4,881)	\$ (112,713)
Changes in non-cash working capital items	(84,295)	(97,690)
Write down of marketable securities	-	84,240
Depreciation	2,012	2,013
	(87,164)	(124,150)

Investing activities

Deferred Exploration Expenditures	(112,496)	(104,808)
Acquisition of mining claims	(3,447)	(1,638)
	(115,943)	(106,446)

Financing activities

Issuance of common shares:	-	7,500
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Increase (decrease) in cash

	(203,107)	(223,096)
Cash and cash equivalents, Beginning of period	242,974	472,743
Cash and cash equivalents, End of period	\$ 39,867	\$ 249,647

EASTMAIN RESOURCES INC.

Notes to Financial Statements (Prepared by Management)

Three Months Ended October 31, 2000

(Unaudited)

1. ACCOUNTING POLICIES

The accounting policies and methods followed in preparing these financial statements are those used by Eastmain Resources Inc. (the "Corporation") as set out in the July 31, 2000 audited financial statements. However, the unaudited financial statements for the three months ended October 31, 2000 do not conform in all respects to the disclosure and information that is required by generally accepted accounting principles in Canada for annual financial statements. For further information, see the Corporation's July 31, 2000 audited financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three months ended October 31, 2000 is not indicative of the results that may be expected for the full year ended July 31, 2001.

2. STOCK OPTIONS

At October 31, 2000, the Corporation had the following stock options outstanding:

NUMBER OF OPTIONS	EXERCISE PRICE \$	EXPIRY DATE
275,000	0.60	March 21, 2001
395,000	0.65	August 13, 2002
100,000	0.25	March 25, 2003
50,000	0.30	May 19, 2003
825,000	0.36	February 4, 2005
1,645,000		

3. NET LOSS PER SHARE

The net loss per share figures are calculated using the weighted monthly average number of common shares outstanding during the period. The fully diluted loss per share has not been disclosed because it would be anti-dilutive.

4. INCOME TAXES

At October 21, 2000, the Corporation's income tax expense was nil. No benefit has been recognized in these financial statements.

5. SUBSEQUENT EVENT

The Corporation has entered into an option and subscription agreement with Billiton Metal Canada Inc. and Billiton Resources Canada Limited (collectively Billiton). Under the terms of the subscription agreement, Billiton has purchased 1,000,000 units at a price of \$0.70 per unit for a net proceeds of \$700,000. Each unit consists of one common share of the Corporation and one-half of one share purchase warrant. Each warrant entitles Billiton to buy an additional common share of the Corporation for a period of two years at an exercise price of \$0.80 per share. Billiton has the right to participate in future Eastmain financings pro rata with its percentage interest in the Corporation.

Under the terms of the agreement, Billiton has the right to earn an initial 50% interest in the Railroad property through incurring additional work expenditures of \$1.5 million over a three-year period. Upon earning its 50% interest in the property, but prior to an expenditure of \$3.0 million by both partners, Billiton would have the right to earn a further 20% working interest, for an aggregate 70% working interest, by funding the project to commercial production.

EASTMAIN RESOURCES INC.

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The Toronto Stock Exchange

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