

Unaudited Financial Statements of

EASTMAIN RESOURCES INC.

(PREPARED BY MANAGEMENT)

Six Months Ended January 31, 2001



EASTMAIN

Eastmain Resources Inc. SECOND QUARTERLY REPORT FOR THE PERIOD ENDING JANUARY 31, 2001

Highlights

- Clearwater gold resource increased to 1,123,870 tonnes grading 8.07 gpt gold (0.24 ounces)
- Billiton Joint Venture – surface geophysics confirms untested “Railroad Footwall Zone”- drilling to follow
- CNE Project – large target defined coincident with Brunswick Mine Horizon
- Abitibi Extension – surface exploration underway for base metals, gold and diamonds
- Working capital increased to \$1.3 million

Clearwater Project, Quebec

The resource estimate of the Eau Claire Gold deposit, as reported by SOQUEM, indicates a 50% increase in the total ounces of contained gold. Drill indicated and inferred resources have increased from 544,000 tonnes to 1,123,870 tonnes grading 8.07 grams gold per tonne (0.24 ounces). Drilling and surface stripping over the past twelve months have doubled the number of ore grade veins. Eight veins have been included in this resource estimate. Several other high-grade gold intersections have not yet been included as there is insufficient drill information or they represent isolated pods of gold mineralization.

Detailed surface channel sampling of the P, R and JQ veins has returned an average grade much higher than drill hole grades. The diluted uncut grade from channel sampling of the P Vein is 50% higher and the J Vein is 165% higher than drill hole grade. Sample spacing may influence this grade variation. Channel samples were collected at 5-metre intervals versus 25- to 50-metre intervals for drill hole intersections.

A 2,250-metre drill program focused on expanding the limits of the ore grade veins within Eau Claire is currently underway. Drilling will also test for the extension of a group of veins previously intersected in hole 96-06. A \$400,000 second-phase surface stripping program, designed to expand the Eau Claire, Maurice, Cannard and Natel gold prospects is scheduled for June and July.

Railroad Project – Billion JV, New Brunswick

The Corporation completed 40 line-kilometres of IP covering the key Brunswick #12 mine horizon contact on the Railroad and Island Lake grids. Our program successfully identified several strong IP anomalies coincident with the chlorite-altered Railroad Footwall Zone.

This target represents the prospective mine horizon within the Brunswick camp. A 5,000- to 10,000-metre diamond drill program is scheduled to commence in June immediately following spring break-up. The program will also test the Railroad massive sulphide horizon where previous drilling intersected 10.2% zinc-lead-copper across 4.7 metres.

CNE Project – Stratabound Option, New Brunswick

Eastmain also completed 26 line-kilometres of IP surveys across the CNE property, which is contiguous with the Railroad project. The survey has defined four strong continuous IP anomalies, which coincide with the favourable Brunswick mine contact. Previous work by Teck Corporation identified three pronounced kilometric-size alteration zones along this contact.

Abitibi Extension Project, Ontario

Line cutting and geophysical surveys are in progress on the Nett River, Kesagami, North French and Chabbie claim blocks. Previous airborne EM surveys completed by BHP have identified a large number of gold, copper-zinc and nickel-copper-platinum group metal targets. Quaterra Resources has indicated that \$230,000 has been raised for the first phase of work in 2001.

Financial

As at January 31, 2001 the working capital of the Corporation was \$1,306,512. Eastmain contributed \$345,132 in deferred exploration expenditures on the Railroad, Abitibi and Clearwater Projects. Revenue for the six-month period was \$31,721 while operating expenses totaled \$76,248.

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
March 16, 2001

EASTMAIN RESOURCES INC.

Balance Sheets (Prepared by Management)

	Six Months Ended January 31 2001 (Unaudited)	Year Ended July 31 2000 (Audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 1,109,601	\$ 242,974
Marketable securities	135,693	402,193
Accounts receivable	61,218	15,311
	1,306,512	660,478
Capital assets	17,584	21,608
Mining properties	780,154	769,389
Deferred exploration expenditures	5,388,335	5,043,203
	\$ 7,492,585	\$ 6,494,678
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 60,933	\$ 94,470
Capital stock (Note 5)		
Authorized		
Unlimited common shares		
Issued		
20,334,469 common shares	9,842,184	8,634,784
Deficit	(2,410,532)	(2,234,576)
	7,431,652	6,400,208
	\$ 7,492,585	\$ 6,494,678

EASTMAIN RESOURCES INC.

Statements of Operations and Deficit (Prepared by Management)

(Unaudited)

	Three Months Ended January 31		Six Months Ended January 31	
	2001	2000	2001	2000
Revenue				
Interest and dividends	\$ 3,909	\$ 4,683	\$ 17,364	\$ 30,318
Management fee	2,101	2,681	14,357	8,758
	6,010	7,364	31,721	39,076
Expenses				
Amortization	2,013	2,012	4,025	4,025
General and administration	43,643	49,922	72,223	108,094
	45,656	51,934	76,248	112,119
Loss for the period before (loss) gain on sale of marketable securities	(39,646)	(44,570)	(44,527)	(73,043)
(Loss) gain on sale of marketable securities	(131,429)	(67,207)	(131,429)	(151,447)
Loss for the period	(171,075)	(111,777)	(175,956)	(224,490)
DEFICIT, beginning of period	(2,239,457)	(2,113,906)	(2,234,576)	(2,001,193)
DEFICIT, end of period	\$ (2,410,532)	\$ (2,225,683)	\$ (2,410,532)	\$ (2,225,683)
Basic loss per share (Note 3)	\$ (0.002)	\$ (0.002)	\$ (0.002)	\$ (0.004)

EASTMAIN RESOURCES INC.

Statements of Cash Flows (Prepared by Management)

(Unaudited)

	Three Months Ended January 31		Six Months Ended January 31	
	2001	2000	2001	2000
Cash provided by (used in)				
OPERATING ACTIVITIES				
Loss for the period	\$ (171,075)	\$ (111,777)	\$ (175,956)	\$ (224,490)
Amortization	2,013	2,012	4,025	4,025
Increase in advances from Joint Venture partners	-	63,446	-	63,446
Loss (gain) on sale of marketable securities	131,429	67,207	131,429	151,447
Changes in non-cash working capital items	4,850	103,331	(79,445)	5,371
	(32,783)	124,219	(119,947)	(201)
FINANCING ACTIVITIES				
Issue of common shares	1,207,400	512,500	1,207,400	520,000
INVESTING ACTIVITIES				
Acquisition of mining claims	(7,318)	69,559	(10,765)	67,921
Deferred exploration expenditures	(232,636)	(148,034)	(345,132)	(252,842)
Change in marketable securities	135,071	80,698	135,071	80,968
	(104,883)	2,223	(220,826)	(103,953)
Change in cash and cash equivalents	1,069,734	638,942	866,627	415,846
Cash and cash equivalents, beginning of period	39,867	249,647	242,974	472,743
Cash and cash equivalents, end of period	\$ 1,109,601	\$ 888,589	\$ 1,109,601	\$ 888,589
Supplementary information				
Interest paid	\$ -	\$ -	\$ -	\$ -
Income taxes paid	-	-	-	-

EASTMAIN RESOURCES INC.

Notes to Financial Statements (Prepared by Management)

Six Months Ended January 31, 2001

(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 six months ended January 31, 2001 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.

The enclosed unaudited financial statements for the six months ended January 31, 2001 conforms with generally accepted accounting principles in Canada for financial reporting for interim 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 six months ended January 31, 2001 is not indicative of the results that may be expected for the full year ended July 31, 2001.

2. STOCK OPTIONS

At January 31, 2001, the Corporation had the following stock options outstanding:

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

3. BASIC LOSS PER SHARE

The basic 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.

EASTMAIN RESOURCES INC.

Notes to Financial Statements (Prepared by Management)

Six Months Ended January 31, 2001

(Unaudited)

4. INCOME TAXES

At January 31, 2001, the Corporation's income tax expense was nil. No benefit has been recognized in these financial statements.

The future income tax assets or future income tax liabilities that may result from differences in tax values and accounting values have not been reflected in these financial statements.

5. CAPITAL STOCK

During the period, the Corporation entered into an option and subscription agreement with Billiton Metals 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.

The Corporation completed an offering of 699,714 flow-through common shares for gross proceeds of \$244,900. The Corporation also sold 750,000 flow-through units to the Contrarian Resource Fund 2000 Limited Partnership for a net proceeds of \$262,500, with each unit consisting of one flow-through common share and one-half of one transferable common share purchase warrant. One warrant is exercisable for 18 months at \$0.45 cents per share.

The Corporation also has an additional 500,000 warrants outstanding exercisable at \$2.75 and expire May 31, 2001.