



## **SECOND QUARTERLY REPORT FOR THE PERIOD ENDING – April 30, 2009**

Eastmain Resources Inc. — Exploration, Discovery, Profitability. Eastmain continues to be a well-funded junior exploration company with exceptional projects and senior partners. In a positive-trending gold market, companies like Eastmain, those with expanding in-situ resources located in politically stable environments, near significant infrastructure, will become profitable.

The Company remains focused on increasing the size and delineating the geometry of the Eau Claire gold deposit through drilling. With each drill phase your Company adds additional gold resources to the deposit at Eau Claire, while searching for a second discovery elsewhere on the property.

Goldcorp has committed funding for exploration at our Éléonore South Joint Venture, matching last year's contribution, despite the downturn in the economy. Éléonore South hosts an early-stage discovery, with key similarities to the neighbouring Roberto deposit, which may lead us to another gold deposit in the Opinaca region.

Eastmain's funding for 2009 of approximately \$4 million has been allocated to the exploration of five key projects in the James Bay region of Québec.

### Clearwater Project

The immediate objectives at Clearwater are to convert indicated and inferred gold resources to a measured category, while enhancing both the size and grade of the Eau Claire gold deposit.

During the period, the Company reported assay results for winter drilling completed within the deposit. 20 HQ drill holes were completed to continue to define resources within the upper 1/3 of the deposit. 65 gold-bearing vein and schist zones were intersected within the Eau Claire gold deposit, including 27 veins containing visible gold ranging from 4.58 to 348 g/t Au (0.13 to 10.2 ounces gold per ton). The deposit is characterized by abundant very fine grained "gold flour", not normally visible to the naked eye, within both vein and schist rocks. The profusion of visible gold grains detected in drilling indicates that a very robust, extremely rich, gold-bearing mineral system was active at Eau Claire during its formation. These free-milling gold grains also suggest that a portion of the contained gold within the deposit will be amenable to simple gravity separation techniques during refining.

Highlights from the winter drill program include a high-grade intersection within the D Vein, which assayed 10.2 ounces gold per ton (348 g/t Au) across 0.5 metres, 580 metres west of discovery hole C87L06, which also intersected 14.5 ounces per ton (497 g/t Au) over 2.0 metres within the D Vein. Past drilling within the Eau Claire deposit has demonstrated that high-grade gold is widely distributed throughout the deposit both laterally and vertically.

In addition to defining the geometry and grade of known veins within the deposit, drilling over the past 16 months intersected 60 high-grade, gold-bearing veins north of the known gold resource (T Vein series). High-grade, gold-bearing veins from the T-series have been delineated along a strike length of 300 metres. T-Vein intersections from the northernmost hole into the deposit, ER09-187, comprise 7.13 g/t Au over 1.0 metres; 9.31 g/t Au over 2.5 metres (including 39.0 g/t Au), and 10.37 g/t Au over 4.0 metres, which also contains 60.7 g/t Au over 0.5 metres.

Over the past 16 months 125 (HQ) drill holes have intersected over 1,000 quartz-tourmaline vein and schist intervals, of which 365 intercepts have an average grade of 14.0 g/t Au (0.41 ounces per ton) at an average thickness of 1.32 metres. 250 vein intervals contain an average grade of 19.6 g/t Au (0.57 ounces per ton). 150 vein intercepts contain an average of 28.2 g/t Au (0.82 ounces per ton). 50 vein intervals contain 66.0 g/t Au (1.93 ounces per ton) and 10 intersections average 210 g/t Au (6.14 ounces per ton). None of these intercepts have been included in the currently reported resource calculation.

A summer diamond drill program is expected to begin late June / early July and will continue to delineate the high-grade central portion of the deposit to a vertical depth of 300 metres, focusing on the newly discovered T Veins.

## Éléonore South JV

Eastmain and Goldcorp, through its wholly-owned subsidiary Les Mines Opinaca Ltée. ("Opinaca"), have agreed to jointly fund a \$1.8-Million, 3,500-metre diamond drill program on the Éléonore South Joint Venture project. Azimut Exploration Inc. has declined to participate in the program and will have its ownership diluted accordingly. Eastmain made a final cash payment of \$80,000 to Azimut during the period to become fully vested in the project.

Goldcorp reported an increase in both the grade and contained ounces at its wholly-owned Éléonore project (Roberto Deposit) as of December 31, 2008. The Roberto Deposit is estimated to contain 2.3 million ounces of measured and indicated gold resources at an average grade of 10.05 grams per tonne and 3.0 million ounces of inferred gold resources at an average grade of 12.75 grams per tonne. Goldcorp plans to complete an internal feasibility study at Éléonore. Goldcorp's target production parameters are for a 3,000-tonne-per-day plant with a 15-year mine life at an average grade of 10 g/t.

The 2009 Éléonore South program will primarily focus on drill testing the 800-metre-long JT discovery area, which is underlain by gold-bearing sedimentary rocks resembling Roberto mine rocks. An additional three or four kilometric-size areas of interest, identified on the property, will require detailed mapping and sampling followed by diamond drilling. Work is scheduled to begin late June or early July.

## Other James Bay Gold Projects

An extensive compilation of previous exploration work is underway on three of the Company's other James Bay projects. The Eastmain Mine property, Radisson and Reservoir projects each host significant gold mineralization. Programs at each of these properties will begin this summer with detailed geological mapping, prospecting and sampling. Diamond drilling will follow.

## Financial

The Company has over \$18.3 million in available funds for exploration, comprised of approximately \$13.0 million cash and cash equivalents, \$1.1 million in short-term marketable securities, \$2.39 million in prepaid and sundry receivables and \$1.76 million in long-term marketable securities. An additional \$300,000 in exploration rebates are receivable from the province of Québec. As at April 30, 2009 there were 85.9 million shares issued and 6.86 million warrants outstanding at an average exercise price of \$1.91 per share. At quarter-end there were 4.67 million options at an average exercise price of \$0.71 per share. Subsequent to the end of the reporting period, the Company received \$2,167,894 (included in prepaid and sundry receivables) in Québec provincial tax rebates for previous exploration programs completed in James Bay.

## Outlook

The Corporation is well positioned with sufficient funds to continue our exploration programs for the foreseeable future. Our \$4 million exploration budget will focus on expanding the high-grade gold resources at Eau Claire, while advancing other key projects toward the discovery of new resources.

We look forward to an exciting 2009 season.

Donald J. Robinson, Ph.D., P. Geo.  
President and Chief Executive Officer  
June 10, 2009

*All scientific and technical data disclosed in this report has been prepared under the supervision of, and verified by Dr. Donald J. Robinson, a "qualified person" within the meaning of National Instrument 43-101. For further details on the properties of the Corporation, please refer to the 2007 Annual Information Form available on SEDAR at [www.sedar.com](http://www.sedar.com).*

## **Forward-Looking Statements**

*Certain information set forth in this letter may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Corporation, including, but not limited to, the impact of general economic conditions, industry conditions, volatility of commodity prices, risks associated with the uncertainty of exploration results and estimates, currency fluctuations, dependence upon regulatory approvals, the uncertainty of obtaining additional financing and exploration risk. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements.*

# EASTMAIN RESOURCES INC.

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### General

*The following discussion of performance, financial condition and future prospects should be read in conjunction with the interim consolidated financial statements (the "interim consolidated financial statements") of Eastmain Resources Inc. (the "Company" or "Eastmain") for the six months ended April 30, 2009 and related notes thereto, which have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). All dollar amounts are expressed in Canadian dollars unless otherwise indicated.*

*All statements, other than historical facts, included herein, including without limitation, statements regarding potential mineralization, resources, exploration results and future plans and objectives of the Company are forward-looking statements and involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated. Factors which may cause actual results and events to differ materially from those anticipated include, but are not limited to, actual results of mineral exploration and development, availability of financing, changes in applicable regulations, mineral value, equity market fluctuations and cost and supply of materials.*

This management's discussion and analysis is dated June 10, 2009.

### Corporate Overview

The Company, incorporated under the laws of Ontario, and its wholly-owned subsidiary, Eastmain Mines Inc. are engaged in the mining, exploration and development of resource properties, primarily those containing gold, silver, copper, nickel and zinc, within Canada.

The Company is primarily focused on gold exploration in the Eastmain/Opinaca area of James Bay, Québec, a region that is becoming one of Canada's most important areas for mineral exploration and discovery. Goldcorp Inc.'s ("Goldcorp's") purchase in 2006 of the Éléonore property and the Roberto gold deposit from Virginia Mines Inc., in a transaction valued at US\$406 million (Goldcorp 2006 First Quarter Report), created renewed interest in the exploration of the frontiers of James Bay. The Company holds 12 properties covering over 1200 km<sup>2</sup> in this new mining district, including 100% interest in both the Clearwater Project, which hosts a gold resource referred to as the Eau Claire gold deposit, and the Eastmain Mine property, which also contains a gold resource.

In May of 2006, Goldcorp, Eastmain and Azimut Exploration Inc. ("Azimut") formed a joint venture by combining 65 km<sup>2</sup> of the Éléonore property with the Azimut C claim block, to form what is now referred to as the Éléonore South Property. Goldcorp also increased its ownership in Eastmain and extended its strategic alliance with the Company into 2011. Goldcorp currently holds 8.8% of Eastmain's common shares.

In February 2007, the Company acquired 100% interest in the Eastmain gold deposit, which hosts a resource of 255,700 ounces gold (measured and indicated) and 4.1 million pounds of copper. The total gold resource comprises measured resources of 91,500 tons grading 0.268 ounces/ton gold and indicated resources of 786,600 tons at 0.294 ounces/ton gold, (Source: Campbell Resources Inc. 2004 Annual Report, Alain Blais VP Geology and Development - Qualified Person). These resources are historical estimates and may no longer be National Instrument 43-101 compliant

In May 2007, Eastmain and Goldcorp signed a confidentiality agreement on the Clearwater Project for the purposes of data sharing and providing technical support in a preliminary economic evaluation of the Eau Claire gold deposit.

In February 2008, Les Mines Opinaca Ltée. ("Opinaca"), a wholly-owned subsidiary of Goldcorp, elected to increase its interest by 6.67% in the Éléonore South joint venture, to a total of 40%. To earn the additional interest, Opinaca had an option to fund exploration expenditures and prepare a bankable feasibility study by June 2015. Opinaca retained Eastmain as project manager, for a management fee based on a percentage of exploration costs. In January 2009, Opinaca withdrew from its option to fund a bankable feasibility study in favour of funding continuing exploration as a 3-way joint venture. Eastmain as the project operator, proposed a 2009 exploration budget for Éléonore South in which Azimut declined participation. Eastmain and Goldcorp will proceed with a \$1.6 million exploration budget which, upon completion, will result in the dilution of Azimut's interest in the property.

The Company has formed joint-venture partnerships or strategic alliances with a number of senior mining companies, including Barrick Gold Corporation, BHP Billiton PLC, Xstrata Copper Canada Inc. and Goldcorp, in order to capitalize on the senior explorers' technical, financial and marketing expertise.

The Company holds a 70% interest in a district-scale exploration project in joint venture with Xstrata in Northeastern Ontario. The joint venture is designed to locate base metal deposits (copper, nickel and zinc) within trucking distance of Xstrata's existing smelters, utilizing proprietary geophysical technology.

### **Overall Performance**

The Company's total consolidated assets were \$44.3 million as at April 30, 2009 (\$45.4 million on October 31, 2008 and \$30.2 million as at April 30, 2008). During the six months ended April 30, 2009, the Company raised net cash proceeds of \$122,907 through the issue of shares. During this same period, the Company invested \$2.1 million in gross exploration expenditures. During the six months ended April 30, 2008, the Company invested \$0.8 million in exploration expenditures.

The Company holds 100% interest in the Clearwater Project, subject to a 2% Net Smelter Return Royalty ("NSR") in favour of SOQUEM Inc. Eastmain also holds an option to purchase one-half of the NSR for \$1 million. The cash component of this acquisition, made during fiscal 2005, was offset by \$427,655 in tax rebates received that year.

In 2006, Eastmain, Azimut and Goldcorp formed a 3-way joint venture by combining Azimut's mining claims from the Opinaca C Block and selected mining claims from Goldcorp's Éléonore claim block to create the Éléonore South Property. In January 2009, Goldcorp withdrew from its option to fund a bankable feasibility study in favour of funding continuing exploration as a 3-way joint venture, with Eastmain as the project operator.

Exploration expenditures on wholly-owned properties are discretionary. As operator and manager of the Company's joint-ventures, Eastmain can propose exploration programs at its discretion. Should the partners not elect to participate, they dilute their interest at prescribed rates according to their relative joint venture agreements. As per the Éléonore South joint venture agreement, each partner is required to contribute its one-third share of any proposed exploration expenditures for the Éléonore South project. Azimut Exploration Inc. has elected not to participate in the 2009 proposed drill program at Éléonore South. As a result, its interest will be diluted on the basis prescribed in the joint-venture agreement, whereas both Eastmain's and Goldcorp's interests in the property will increase to approximately 35%. Eastmain's budget for its participation in the 2009 exploration work program has been approved at \$0.83 million.

The Eastmain Mine property was acquired in February 2007 from Campbell Resources Inc. through the Company's wholly-owned subsidiary, Eastmain Mines Inc., at a total consideration of \$4.3 million in cash, shares and purchase warrants. In July 2008, 500,000 purchase warrants were exercised, generating proceeds to the Company of \$750,000. Campbell Resources Inc. retains a 2% NSR on the mine property. Eastmain holds an option to purchase one-half of the NSR for \$1 million when production exceeds 250,000 ounces of gold.

There are significant uncertainties regarding the trends in gold, silver and other mineral prices and the availability of equity financing when proceeds are used for the purposes of mineral exploration and development. For instance, the price of gold, silver and other minerals has fluctuated widely over the short term in recent years and short-term wide fluctuations are expected to continue. For most of the 1990's, the market price of gold was above US\$350 per ounce. It fell to US\$260 per ounce in 2000 and since January 2001 has shown a general upward trend. In early 2008 the price of gold rose to US\$1,002, and has since retreated to a range between US\$850 and US\$1,000 per ounce. Although world markets may experience volatility in the short term, the long-term outlook for gold remains bullish.

Increased gold prices in the last several years have encouraged the Company to participate more actively in exploration and acquisition activities. The price of gold is typically quoted in US dollars. Exchange fluctuations between the US dollar and the Canadian dollar may impact the Company's intrinsic value, however, the Company's geographic area of operations is within Canada and its revenues and expenditures are almost entirely denominated in Canadian dollars. A portion of the Company's exploration expenditures such as fuel and transportation are impacted by changes in the price of oil.

See the Company's annual information form filed on SEDAR for a full list of the Company's risk factors.

## Results of Operations

During the second quarter the Company's primary exploration focus was the continued expansion of the Eau Claire gold deposit at Clearwater.

During the period, Eastmain completed 20 diamond drill holes, for a total of 6,657 metres, within the upper 300 vertical metres of the deposit. Drilling delineated the high-grade T-series veins over a strike length of 300 metres and intersected several new near-surface, high-grade intervals containing visible gold within the D vein. The original Eau Claire discovery hole, which assayed 14.5 ounces per ton of gold, also within the D vein, is located 580 metres east of this recent drilling.

Assay results released from five drill holes during the quarter included multiple high-grade intervals ranging from half an ounce to 2.37 ounces per ton gold. These results are part of hundreds of high-grade intercepts not included in the current resource calculation.

Over the past 16 months, 125 HQ drill holes, for a total of 21,720 metres, have been completed to expand the gold resource within the upper 300 metres of the Eau Claire Gold deposit. The deposit is characterized by abundant very-fine-grained, "flour-sized" gold particles within vein and schist zones. The gold at Eau Claire is not normally visible to the naked eye. When gold grains can be seen and counted, positive assays can generally be expected. Visible gold in core confirms the high-grade nature of this deposit.

### Financial Overview

The Company does not earn any significant revenue from consolidated operations. Interest is derived from the investment of funds for the period between the receipt of funds from equity placements and the disbursement of exploration expenditures. Other income is derived from management fees and charges for the use of Company facilities by third parties. Interest and other income was \$48,947 for the three months ended April 30, 2009 (year-to-date: \$98,688) and \$75,156 for the three months ended April 30, 2008 (year-to-date 2008: \$106,904).

In accordance with Canadian GAAP, some significantly large, non-cash, income and expense items are recorded through the Company's consolidated financial statements. Net loss for the three months ended April 30, 2009 was \$276,592 (year-to-date: \$409,046) compared to a net loss of \$136,703 for the three months ended April 30, 2008 (year-to-date 2008: \$338,511). The net loss for the six months ended April 30, 2009 included a non-cash expense of \$55,200 for the Black-Scholes value of stock option compensation granted. By comparison, the net loss for the six months ended April 30, 2008 included a non-cash expense of \$40,200 and a non-cash recovery of future income taxes of \$53,700, arising from the renunciation of resource expenditures in favour of flow-through share investors. Those non-cash items were derived from the flow-through placement with directors, officers, employees and other service providers completed in December 2007. Under the accounting standard regarding the income component of flow-through shares, a part of the equity raised from flow-through shares is apportioned to a future tax liability, based on an estimate of the value of future income tax recoveries, otherwise available to the Company, that are being transferred to the shareholder. The 2007 flow-through transaction resulted in an income statement recovery in which the Company's actual cost of its assets exceeded its tax cost for those assets. The December 2008 issue of flow-through shares created an additional future income tax liability of \$43,605 (creating a total future income tax liability of \$97,305 for the period ended April 20, 2009), but no recovery of future income taxes.

The Company did not issue any stock options during the six months ended April 30, 2009.

At the time of this report, interest rates are at historically low levels. As a result of current market uncertainties, the Company is holding a larger than usual cash balance in an interest-bearing bank account, which maintains its liquidity. Where call provisions exist in the bonds held by the Company, the call provisions are being exercised, forcing the Company to reinvest funds at lower rates of interest. The Company's investment in bonds at April 30, 2009 was \$2.2 million at cost. The average rate of return for the fiscal year ended October 31, 2008 was 4.24%.

With the current uncertainty in financial markets, the Company has been investing in short-term instruments only. Current short-term interest rates are less than 1.0%

With the exception of some promotional expenditures incurred in foreign currencies, all administrative and exploration expenditures are denominated in Canadian dollars. As such, these costs have little exposure to foreign exchange fluctuations.

For a description of the proposed future activities of the Company, see "Future Outlook" below.

## Second Quarter Financial Review – Results of Operations

In accordance with Canadian GAAP, the Company defers the cost of acquisition and exploration expenditures on mining claims. These expenditures represent 85% of the Company's spending for the three months ended April 30, 2009 (year-to-date: 83%) and 62% for the three months ended April 30, 2008 (year-to-date 2008: 70%).

For the six months ended April 30, 2009, general and administrative expenses, including costs for advertising and promotion, were \$12,000 less than the comparable period last year. Advertising and promotional expenditures were approximately \$61,000 less than those incurred during the comparable period last year. Advertising and promotional expenditures are not incurred evenly throughout the year. Corporate services, accounting, and the cost of shareholder information was higher by \$44,000 in the six months ended 2009, largely due to higher costs associated with Annual General Meeting requirements and general regulations regarding accountability and shareholder reporting. During the second fiscal quarter ended April 30, 2009, there was a non-cash expenditure of \$55,200 for stock option compensation. During the first quarter last year, the Company recorded a stock option compensation expense of \$40,200 and a deferred income tax recovery of \$53,700. No non-cash revenue or expenditure of this nature occurred in either the first quarter of fiscal 2009 or the second quarter of fiscal 2008.

### **Selected Quarterly Information**

	<b>Quarter ended 04/30/2009</b>	<b>Quarter ended 01/31/2009</b>	<b>Quarter ended 10/31/2008</b>	<b>Quarter ended 07/31/2008</b>
<b>Interest / other income</b>	\$ 48,947	\$ 49,741	\$ 123,494	\$ 78,536
<b>Net Income (loss)</b>	\$ (276,592)	\$ (132,453)	\$ (1,329,520)	\$ (174,903)
Per share basic	\$(0.0032)	\$(0.0015)	\$(0.0178)	\$(0.0022)
Per share diluted	\$(0.0032)	\$(0.0015)	\$(0.0056)	\$(0.0022)
<b>Trading Range of Shares</b>				
High	\$1.15	\$1.09	\$1.55	\$1.87
Low	\$0.80	\$0.55	\$0.48	\$1.10
	<b>Quarter ended 04/30/2008</b>	<b>Quarter ended 01/31/2008</b>	<b>Quarter ended 10/31/2007</b>	<b>Quarter ended 07/31/2007</b>
<b>Interest / other income</b>	\$ 75,156	\$ 31,748	\$ 52,452	\$ 12,702
<b>Net Income (loss)</b>	\$ (136,703)	\$ (201,808)	\$ (109,326)	\$ (420,892)
Per share basic	\$(0.0018)	\$(0.0015)	\$(0.0019)	\$(0.0063)
Per share diluted	\$(0.0018)	\$(0.0015)	\$(0.0019)	\$(0.0063)
<b>Trading Range of Shares</b>				
High	\$1.55	\$0.92	\$0.77	\$0.89
Low	\$0.75	\$0.63	\$0.57	\$0.65

### **Risks and Uncertainties**

#### ***Exploration and Development Risks***

The business of exploration for minerals involves a high degree of risk. Major expenses may be required to establish ore resources and reserves, to develop metallurgical processes and to construct mining and processing facilities at a particular site. It is impossible to ensure that current exploration programs will result in profitable mining operations.

#### ***Financing Risks***

The Company has limited financial resources, no operating cash flow and no assurance that sufficient funding will be available to it for future exploration and development of its projects, or to fulfill its obligations under any applicable agreements. There can be no assurance that the Company will be able to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects, possibly resulting in the forced sale or loss of such properties. The Company at some point

will require additional financing for ongoing exploration, however, management believes that there are sufficient funds on hand to continue its exploration program on current projects for approximately five years.

### Deferred Mining Property Costs and Exploration Expenditures

The cost of exploration and development is recorded on a property-by-property basis and deferred in the Company's accounts, pending recovery based on the discovery and/or extraction of economically recoverable reserves. When it is determined that there is little prospect of minerals being economically extracted from a property, the deferred costs associated with that property are charged to operations. The Company has a policy, described in Note 2b to the Audited Consolidated Financial Statements, whereby the carrying amounts of exploration properties are reviewed for events or changes in circumstances that suggest that the carrying amount may not be recoverable.

The Company and Azimut had letters of agreement for two claim blocks, Opinaca C and Opinaca D ("Azimut C and Azimut D"), held by Azimut and located in the Éléonore district. According to the original agreements, Eastmain could acquire 50% interest in the properties during a five-year period and acquire an additional 15% interest upon delivery of a bankable feasibility study.

Under the terms of the Opinaca C agreement, Eastmain had the option to earn a 50% interest in Block C from Azimut during a five-year period through total cash payments of \$160,000 and the issuance of 30,000 common shares of the Company. In April 2006, Eastmain, Azimut and Goldcorp formed a 3-way joint venture by combining Azimut's mining claims from the Opinaca C Block and selected mining claims from Goldcorp's Éléonore claim block to create a new property, referred to as the Éléonore South project. The 3-way joint venture agreement, which supercedes the Azimut Opinaca Block C agreement, is also described in Note 7c to the Audited Consolidated Financial Statements.

Eastmain also had the option to earn a 50% interest in the Opinaca D project from Azimut by making total cash payments of \$140,000, issuing 45,000 common shares of the Company, and completing \$1.9 million in total work expenditures of over the five-year term of the agreement, of which an aggregate of \$900,000 in work expenditures was required to be completed prior to the third anniversary of the agreement. Eastmain made cash payments of \$55,000, issued 45,000 common shares of the Company to Azimut and satisfied its work expenditure commitments for the third-year anniversary. In January 2009, the Company elected to withdraw from its option in the Opinaca D project with no further financial obligations. Deferred exploration expenditures of \$847,219 related to this project were written-off in the fiscal year ended October 31, 2008.

The Company's activities involve the exploration and development of gold and base metals on its properties in Ontario, Québec and New Brunswick. Gross exploration expenditures for the last eight quarters are as follows:

Project Expenditures by Quarter (in thousands of dollars)								
Project	Quarter ended 04/30/2009		Quarter ended 01/31/2009		Quarter ended 10/31/2008		Quarter ended 07/31/2008	
	\$	%	\$	%	\$	%	\$	%
Clearwater	1,250	83	140	23	1,913	67	288	22
Eastmain Mine	56	4	6	1	77	3	36	3
Éléonore South	22	1	69	11	75	3	0	0
Xstrata JV	37	2	277	45	4	0	11	1
Azimut C	80	5	0	0	2	0	15	1
Ruby Hill	21	1	26	4	788	27	951	72
Reservoir	2	0	3	1	8	0	0	0
Radisson	2	0	20	3	1	0	4	0
Other	40	3	73	12	1	2	18	1
	1,510	100	614	100	2,869	100	1,323	100

Project Expenditures by Quarter (in thousands of dollars)								
Project	Quarter ended 04/30/2008		Quarter ended 01/31/2008		Quarter ended 10/31/2007		Quarter ended 07/31/2007	
	\$	%	\$	%	\$	%	\$	%
Clearwater	105	31	568	71	251	17	58	3
Eastmain Mine	30	9	6	1	(36)	(2)	826	48
Éléonore South	2	1	186	23	1,150	78	778	45
Xstrata JV	22	6	12	2	34	2	14	1
Azimet C	37	11	5	1	23	2	9	1
Ruby Hill	28	8	6	1	3	0	2	0
Reservoir	31	9	3	0	14	1	1	0
Radisson	4	1	1	0	28	2	0	0
Other	82	24	10	1	6	0	39	2
	341	100	798	100	1,473	100	1,727	100

### Liquidity and Capital Resources

During the six months ended April 30, 2009, the Company received proceeds of \$142,107 from the issue of shares (the Company received \$3.2 million from the exercise of common share purchase warrants and the issue of common shares in the six months ended April 30, 2008). During the same period the Company invested \$2.1 million in acquisition and exploration of mineral resource properties (\$1.1 million in the six months ended April 30, 2008). As at April 30, 2009 cash and cash equivalents, the current portion of marketable securities, prepaid expenses and sundry receivables on hand totalled \$16.6 million (\$5.7million - April 30, 2008). Current liabilities are \$0.9 million (\$0.7 million - April 30, 2008) and the Company has no long-term debt. Accordingly, as the Company's base operating cost is approximately \$60,000 per month, and as all exploration expenditures to be made by the Company are discretionary, management believes the Company has sufficient working capital to fund the ongoing overheads and costs of its exploration activities for the foreseeable future. Resource investment credits of \$2.2 million, included in accounts receivable April 30, 2009, were received in May 2009.

During the six months ended April 30, 2009, directors, officers, employees and other service providers of the Company undertook a private placement financing. The December 2008 private placement issue of 127,500 flow-through common shares at \$1.00 raised net proceeds of \$122,907. Other private placements may be completed if market conditions are appropriate.

Exploration expenditures on the Company's Québec projects are subject to approximately 46.1% mining duty and provincial refund to the Company. Québec resource credits are refunds from the government that are paid to companies exploring for precious metals in Québec, subject to verification and adjustment of expenditures by both the Québec Ministry of Natural Resources and the Ministry of Revenue. Rebates are recorded when they are received or confirmed receivable.

As at April 30, 2009, the Company has an estimated \$300,000 in resource investment and mining duty credits recoverable from the Province of Québec for qualified expenditures incurred between November 1, 2007 and October 31, 2008. Since no confirmation of the amount outstanding of the Company's refund has, as yet, been received, the estimated refund outstanding has not been recorded in the Company's financial statements.

As at April 30, 2008 the Company was eligible for resource tax credits and mining duty rebates estimated at more than \$1,000,000 for qualified expenditures up to October 31, 2007. Amounts received in respect of those claims were recorded in the financial statements for the year ended October 31, 2008.

The properties held by the Company are not income generating. The Company is reliant on equity markets over the long term to raise capital to fund its exploration activities. In the past, the Company has been successful in raising funds through equity offerings, and while there is no guarantee that this will continue, there is no reason either to believe that this capacity will diminish.

Funds on-hand for future exploration costs are invested from time-to-time in money market funds, term deposits, bonds or certificates of deposit with maturities matching the Company's cash-flow requirements, which in management's opinion, yield the greatest return with the least risk. The Company's policy is to maintain its investment portfolio in very low-risk liquid securities, which are selected and managed under advice from independent professional advisors. Shares in other companies acquired as a result of property transactions are classified as available-for-sale and are also a component of the funds on-hand for exploration. Due to current financial market uncertainties, funds are being kept in short-term notes and interest-bearing bank accounts.

Marketable securities are subject to changes in valuation depending on market fluctuations. Under current reporting requirements for corporations with year-ends after October 1, 2006, financial assets designated as available-for-sale must be recorded at fair market values. Unrealized gains or losses arising from the valuation of these financial assets are reported in the balance sheet as "Other Comprehensive Income (Loss)". Realized gains and losses are transferred to the statement of operations. The Company adopted this accounting standard on a prospective basis as of November 1, 2006 and has classified all of its marketable securities as available-for-sale. As a result of fair-market valuations April 30, 2009, the carrying value of the Company's investments has been written down from book value by \$341,396. The effect on comprehensive net loss for the quarter was a loss of \$4,862, (\$134,256 for the six months) ended April 30, 2009. For the six months ended April 30, 2008 investments were written down by \$64,886 to reflect fair market values at that date. The write-down from book value as at April 30, 2008 was \$553,782. As a result, the effect on comprehensive net loss for the quarter ended April 30, 2008 was a loss of \$541,971.

Accounts receivable at April 30, 2009 includes an amount of \$163,190 for recoverable sales taxes, which are subject to verification and normally refunded within 60 to 90 days of the claim. Taxes are not considered a financial instrument since no obligation exists for governments to make these payments.

Accounts payable outstanding as at April 30, 2009 were \$897,065 (\$734,749 – 2008). The accounts payable amount varies from month-to-month depending on the amount of work performed and the time required to verify the satisfactory completion of work invoiced.

For tax year-ends after December 31, 2005, non-capital losses can be carried forward and used to offset future gains for a period of twenty years, after which they expire (ten years for losses in tax years ending prior to December 31, 2005 and seven years for losses in tax years ending prior to March 22, 2004). To the extent that loss carry-forwards could be used to reduce future tax liabilities, they are a financial resource that can be managed. The Company, by its nature as a mineral exploration business, generates non-capital tax losses, which are not recognized on the income statement because, at this point in time, it is not certain that they will be used to offset tax liabilities within their carry-forward life. Canadian tax legislation allows an enterprise to issue securities to investors, whereby the deductions for tax purposes, relating to resource expenditures, may be claimed by the investors when not claimed by the enterprise. These securities are referred to as flow-through shares. Under recommendation number 146, issued by the Emerging Issues Committee (EIC-146), regarding GAAP for the accounting treatment of flow-through shares, the issuer recognizes part of the proceeds from the sale of flow-through shares as tax credits associated with the expenditures being transferred to the shareholders, records this amount as a future income tax liability and the rest of the net proceeds as shareholders' equity. As a result, the Company has recorded a future income tax liability of \$43,605 in the six months ended April 30, 2009 in connection with the December 2008 issue of flow-through shares, and a future income tax recovery of \$53,700 in the six months ended April 30, 2008 in connection with the December 2007 renunciation of expenditures associated with the issue of flow-through shares.

During the six months ended April 30, 2009, there was no change in the number of common share purchase warrants outstanding. As at April 30, 2009 there were 6,828,200 common share purchase warrants at an average exercise price of \$1.90 expiring July 3, 2010. If exercised, these warrants would result in proceeds to the Company of \$13,061,727.

During the six months ended April 30, 2009 a total of 200,000 stock options with an average weighted exercise price of \$0.77 expired. Stock option compensation of 100,000 options was issued and 30,000 options were exercised. As at April 30, 2009, 4,670,000 options were outstanding with a weighted average exercise price of \$0.71, which if exercised, would result in proceeds of \$3,331,300 to the Company.

The Company does not hold any Asset-Backed Commercial Paper (ABCP).

### **Off-Balance-Sheet Arrangements**

The Company has no off-balance-sheet arrangements.

### **Transactions with Related Parties**

Related party transactions include \$15,000 per month salary and \$1,000 premises rent paid to the President of the Company. Consulting fees of \$500 per day and out of pocket expenditures are paid to a service provider of the Company.

## **Share Capital**

The authorized capital of the Company consists of an unlimited number of common shares of which, as of June 10, 2009 there are 85,931,918 common shares outstanding. In addition, as of June 10, 2009, 5,520,000 share purchase options and 6,868,200 common share purchase warrants are outstanding.

## **Critical Accounting Estimates**

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of the recoverable value of its mineral properties, related deferred exploration expenditures and stock-based compensation. These critical accounting estimates significantly affect the values attributed to the following line items in the Company's financial statements: mining properties and deferred exploration expenditures; total assets; shareholders' equity; stock-based compensation; total expenses; loss for the period before extraordinary items; net loss; deficit; and basic and diluted loss per share.

These estimates involve considerable judgment and are, or could be, affected by factors that are out of the Company's control. Factors affecting stock-based compensation include estimates of when stock options and compensation warrants might be exercised and stock-price volatility. The timing for exercise of options is out of the Company's control and will depend upon the market value of the Company's shares and the financial objectives of the holders of the options. The Company has used historical data to determine volatility in accordance with the Black-Scholes model, however future volatility is uncertain and the model has its limitations. These estimates can have a material impact on the stock-based compensation and hence results of operations. The assumptions used for options issued are detailed in Note 7 to the interim financial statements and assumptions used for warrants are detailed in Note 8.

The Company's recorded value of its mineral properties and associated deferred exploration expenses is based on historical costs that may be recovered in the future. The Company's recoverability evaluation is based on market conditions for minerals, underlying mineral resources associated with its properties and future costs that may be required for ultimate realization through mining operations or by sale. The Company operates in an industry that is exposed to a number of risks and uncertainties, including but not limited to: exploration risk; development risk; commodity-price risk; operating risk; ownership and political risk; currency risk; and environmental risk. The ability of the Company to obtain necessary financing to complete the development of its properties and obtain future profitable production is also uncertain.

## **Change in Accounting Policy**

There have been no changes in accounting policy since the year ended October 31, 2008.

## **Future Accounting Pronouncements International Financial Reporting Standards ("IFRS")**

In January 2006, the CICA's Accounting Standards Board ("AcSB") formally adopted the strategy of replacing Canadian GAAP with IFRS for Canadian enterprises with public accountability. On February 13, 2008 the AcSB confirmed that the use of IFRS will be required in 2011 for publicly accountable profit-oriented enterprises. For these entities, IFRS will be required for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The Company will be required to have prepared, in time for its first quarter of fiscal 2012 filing, ending January 31, 2012, IFRS compliant 2011 quarterly comparative financial statements.

Currently under IFRS, companies deferring exploration expenditures as permitted under Canadian GAAP will be allowed to continue this practice. They may however, elect to expense exploration expenditures, as is the practice under US GAAP. Those currently treating exploration expenditures as operating expenses or those opting to write-off their deferred exploration expenditures will not be permitted to reverse these deferrals or defer any future exploration expenditures. The effect of adopting such a policy would cause the mining properties and deferred exploration expenditures, on the balance sheet as at April 30, 2009, in the amount of \$25,893,358, to be written-off, therefore increasing the deficit from \$9,212,494 to \$35,105,852. If adopted, the loss per share for the quarter under this policy would be \$0.03, and \$0.03 for the six months ended April 30, 2009.

Under IFRS, pre-exploration expenditures such as acquisition expenditures, leasing, staking, etc. are expensed. Companies electing to use the deferral method will also be allowed to continue the deferral of pre-exploration costs if such has been their past practice under Canadian GAAP. Eastmain's current policy is to defer both exploration and pre-exploration expenditures.

The company is currently planning its IFRS conversion implementation and has not as yet determined what policy it will adopt, with respect to exploration expenditures, under IFRS.

### **Use of Financial Instruments**

The Company has not entered into any specialized financial agreements to minimize its investment risk, currency risk or commodity risk. There are no off-balance-sheet arrangements and the Company does not hold any asset-backed commercial paper. The principal financial instruments affecting the Company's financial condition and results of operations currently are its cash and marketable securities portfolio. To minimize risk, the funds are managed by independent financial advisors with ultimate administration by the Company. All of the Company's investment portfolio has been designated as available-for-sale and is recorded at fair market value in accordance with CICA Handbook Section 3855.

### **Future Outlook**

The Company is focusing its efforts on exploring for gold in the Eastmain/Éléonore region of Northern Québec, where sedimentary-hosted gold deposits, like Roberto, have multi-million-ounce size potential and projects like Clearwater have demonstrated Red-Lake-type ore grades. In the eastern end of the region, strong similarities also exist between the Eastmain Mine Deposit and the multi-million-ounce Detour Lake Gold Deposit, located in west-central Ontario.

At Clearwater, advanced definition diamond drilling continues to outline the vein geometry and gold grade of the Eau Claire Deposit within a proposed open pit area, and has provided sufficient ore and wall rock material for metallurgical testing. Six tonnes of large diameter (HQ) core delivered to SGS Minerals Lakefield Research will be the basis for designing an optimum processing flow-sheet for the ore at Eau Claire this year. These studies will also determine if ore from Eau Claire can be processed locally at Goldcorp's future mill site, which although construction has been delayed, will proceed once Goldcorp has determined the appropriate location for the sinking of the shaft in an increasingly large and fertile deposit.

Drill programs at Eau Claire continue to add near-surface, high-grade quality ounces at low cost, while expanding the proposed open-pit area. 2009 drilling will focus on continued testing of the high-grade central keel of the deposit to a vertical depth of 300 metres, giving the Company the information necessary to convert indicated resources to a measured category.

Detailed surface work planned at Clearwater for the summer of 2009 will concentrate on finding a second deposit on the property.

At the Eastmain Mine property, detailed surface and underground compilation and a comprehensive summer (2009) field program will generate the drill targets needed to effectively evaluate the existing deposit both laterally and at depth. This work will also optimize the search for a second deposit on the property. Based on historic information and comparisons to successful models like Detour Gold, management believes that the wholly-owned Eastmain Mine project adds significant future growth potential to the Company.

As part of its *Implementation of the North Plan*, the Government of Québec has allocated \$130 million to road construction from Chibougamau, through the Eastmain Mine property, to the Otish Mountains. As this proposed infrastructure develops, the intrinsic value of the Eastmain Mine property will be realized.

The Company will continue to manage exploration at the Éléonore South property. A second-phase of drilling, proposed to the joint-venture partners for the summer of 2009, will continue to test the potential of a sedimentary-hosted gold deposit within the JT Gold Zone. Still in its early stages, management believes that Éléonore South exhibits the same key geological ingredients and gold mineralization found by Virginia during the early days at Roberto. Upon completion of the 2009 exploration program, Eastmain's and Goldcorp's interests in the joint-venture will increase from approximately 33% to 35% as a result of dilution to Azimut's interest.

The Company will also concentrate on exploring other wholly-owned projects in areas of known gold mineralization within highly prospective areas in the James Bay region.

Continued exploration of the Xstrata MegaTEM JV will focus on areas where isolated magnetic and electromagnetic conductors coincide with prospective geology and mineralization.

Exploration and development expenditures for fiscal 2009 are forecast to be approximately \$4.4 million, excluding contributions from joint-venture partners.

The Corporation has significant positive leverage to the price of gold through its growing in-situ resource ounces and has enough capital to proceed with substantial exploration programs at projects that are more advanced or those in which it holds 100% interest for the foreseeable future.

### **Subsequent events**

In accordance with the Company's stock option compensation plan for director, officer, employee and service provider compensation, 850,000 stock options were issued in June 2009 with an estimated Black-Sholes value of \$498,100.

### **Scientific and Technical Disclosure**

All disclosure of a scientific or technical nature herein concerning the Clearwater Project is based upon the technical report entitled "Clearwater Project (1170) – Report on the 2004 Exploration Activities for Eastmain Resources Inc." dated December 30, 2005, which was prepared by E. Canova and M.J. Perkins (the "Clearwater Report"). E. Canova is a "qualified person" within the meaning of National Instrument 43-101 of the Canadian Securities Administrators and has verified the data underlying the statements contained herein concerning the Clearwater Project. Further information concerning the Clearwater Project is contained in the Clearwater Report available at [www.sedar.com](http://www.sedar.com).

### **Disclosure Controls and Procedures**

Disclosure controls and procedures are designed to provide assurance that all relevant information is gathered and reported to senior management, which includes the Company's President and Chief Executive Officer, Chief Financial Officer and the Corporate Secretary on a timely basis so that appropriate decisions can be made regarding public disclosure. As of April 30, 2009, the company's certifying officers, being the President and Chief Executive Officer and the Chief Financial Officer, evaluated the effectiveness of the Company's disclosure controls and procedures. Based on that evaluation, the certifying officers have concluded that, as of April 30, 2009, the disclosure controls and procedures effectively provide reasonable assurance that information required to be disclosed in the Company's annual filings and interim filings, (as such terms are defined in multilateral instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*), and reports filed or submitted under Canadian securities laws were recorded, processed, summarized and reported within the time periods specified by those laws. The certifying officers also concluded that material information was accumulated and communicated to management of the Company, including the President and Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding disclosure.

### **Internal Controls over Financial Reporting**

The Company's President and Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining the Company's internal controls over financial reporting in accordance with Multilateral Instrument 52-109 of the Canadian Securities Administrators. These controls were reviewed as at April 30, 2009. There were no changes during the six months ended April 30, 2009 which materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

### **Accounting Responsibilities, Procedures and Policies**

The Board of Directors, which among other things is responsible for the financial statements of the Company, delegates to management the responsibility for the preparation of the financial statements. Responsibility for their review rests with the Audit Committee. Each year the shareholders appoint independent auditors to audit and report directly to them on the financial statements.

The Audit Committee is appointed by the Board of Directors and all of its members are non-management directors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls, auditing matters and financial reporting issues, and to confirm that all administrative duties and responsibilities are properly discharged. The Audit Committee also reviews the financial statements, management's discussion and analysis and considers the engagement or reappointment of external auditors. The Audit Committee reports its findings to the Board of Directors for its consideration when approving the financial statements for issuance to the shareholders. The external auditors have full and free access to the Audit Committee.

The accounting systems employed by the Company include appropriate controls, checks and balances to provide reasonable assurance that the Company's assets are safeguarded from loss or unauthorized use as well as facilitating the preparation of comprehensive, timely and accurate financial information. There are limits inherent in all systems based on the recognition that the cost of such systems should not exceed the benefits to be derived. Given the small size of the Company, a true segregation of duties is impossible to achieve. The Company believes that its policies and procedures provide the best controls achievable under the constraints described above.

#### **Use of Accounting Estimates**

In preparing the financial statements, great care is taken to use appropriate Canadian generally accepted accounting principles and estimates, considered necessary by management, to present the financial position and results of operations on a fair and consistent basis. The principal accounting policies followed by the Company are summarized in Note 2 to the Audited Consolidated Financial Statements.

#### **Additional Information**

Additional information relating to the Company, including any published Annual Information Forms, can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

# **NOTICE TO SHAREHOLDERS FOR THE SIX MONTHS ENDED APRIL 30, 2009 EASTMAIN RESOURCES INC.**

## Responsibility for Financial Statements:

The accompanying financial statements for Eastmain Resources Inc. have been prepared by management in accordance with Canadian generally accepted accounting principles. The most significant of these accounting principles were set out in the October 31, 2008 audited financial statements. Only changes in accounting information have been discussed in the current financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependant upon future events. Therefore, using careful judgment, estimates and approximations have been made. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

## Auditors' involvement

The auditors of Eastmain Resources Inc. have not performed a review of the unaudited financial statements for the six months ended April 30, 2009 and April 30, 2008.

# EASTMAIN RESOURCES INC.

CONSOLIDATED BALANCE SHEETS  
(PREPARED BY MANAGEMENT – UNAUDITED)

	April 30, 2009	October 31, 2008
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 13,065,263	\$ 16,098,247
Marketable securities maturing in 1 year (Note 3)	1,105,706	755,361
Prepaid and sundry receivables	2,393,575	526,966
	16,564,544	17,380,574
Marketable securities (Note 3)	1,762,062	1,924,263
Equipment (Note 4)	82,395	96,941
Mining properties and deferred exploration expenditures (Note 5)	25,893,358	25,992,671
	\$ 44,302,359	\$ 45,394,449
<b>Liabilities and Shareholders' Equity</b>		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 897,065	\$ 1,911,673
Future income tax liabilities	97,305	53,700
Shareholders' equity		
Capital stock		
Authorized –		
Unlimited common shares		
Issued –		
Common shares (Note 6)	43,944,716	43,832,594
Warrants (Note 8)	4,681,823	4,681,823
Contributed Surplus	4,290,539	4,248,959
	52,917,078	52,763,376
Deficit	(9,267,694)	(8,858,649)
Accumulated other comprehensive loss	(341,395)	(475,651)
Total equity	43,307,989	43,429,076
	\$ 44,302,359	\$ 45,394,449

The attached notes form an integral part of these financial statements.

# EASTMAIN RESOURCES INC.

## CONSOLIDATED STATEMENTS OF OPERATIONS

(PREPARED BY MANAGEMENT – UNAUDITED)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
<b>EXPENSES</b>				
Amortization	\$ 5,019	\$ 9,388	\$ 14,546	\$ 18,776
General and administration	230,116	184,816	389,039	401,280
Professional fees	32,520	17,655	46,265	38,859
Stock option compensation (Note 7)	55,200	-	55,200	40,200
	322,855	211,859	505,050	499,115
Loss for the period before the following:	(322,855)	(211,859)	(505,050)	(499,115)
Interest and other income	48,947	75,156	98,688	106,904
Loss for the period before income taxes	(273,908)	(136,703)	(406,362)	(392,211)
Income Taxes	(2,684)	-	(2,684)	-
Future income tax recovery (Note 6)	-	-	-	53,700
<b>NET LOSS FOR THE PERIOD</b>	<b>(276,592)</b>	<b>(136,703)</b>	<b>(409,046)</b>	<b>(338,511)</b>
<b>DEFICIT, Beginning of period (audited)</b>	<b>(8,991,102)</b>	<b>(7,217,523)</b>	<b>(8,858,648)</b>	<b>(7,015,715)</b>
<b>DEFICIT, End of period (unaudited)</b>	<b>\$ (9,267,694)</b>	<b>\$ (7,354,266)</b>	<b>\$ (9,267,694)</b>	<b>\$ (7,354,266)</b>
Loss per share, basic and diluted	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Weighted average number of common shares outstanding, basic and diluted	85,801,538	71,627,951	85,801,538	71,627,951

The attached notes form an integral part of these financial statements.

# EASTMAIN RESOURCES INC.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)  
(PREPARED BY MANAGEMENT – UNAUDITED)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
NET LOSS FOR THE PERIOD	\$ (276,592)	\$ (136,703)	\$ (409,046)	\$ (338,511)
OTHER COMPREHENSIVE INCOME (LOSS)				
Unrealized gains (loss) on available-for-sale financial assets arising during the period (net of income taxes and taxes recovered of \$142,754 for the quarter; \$145,865 for the six-month period in 2008)	(4,862)	(541,971)	134,256	(553,782)
COMPREHENSIVE LOSS FOR THE PERIOD	\$ (281,454)	\$ (678,674)	\$ (274,790)	\$ (892,293)

## CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (PREPARED BY MANAGEMENT – UNAUDITED)

	Share Capital	Warrants	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Deficit	Total Shareholders' Equity
As at October 31, 2008 (audited)	\$ 43,832,594	\$ 4,681,823	\$ 4,248,959	\$ (475,651)	\$ (8,858,648)	\$ 43,429,077
Share capital issued	142,107	-	-	-	-	142,107
Flow-through tax effect	(43,605)	-	-	-	-	(43,605)
Options issued	-	-	55,200	-	-	55,200
Options exercised	13,620	-	(13,620)	-	-	-
Fair market value gain on available-for-sale financial assets	-	-	-	134,256	-	134,256
Net loss for the period	-	-	-	-	(409,046)	(409,046)
As at April 30, 2009 (unaudited)	\$ 43,944,716	\$ 4,681,823	\$ 4,290,539	\$ (341,395)	\$ (9,267,694)	\$ 43,307,989

The attached notes form an integral part of these financial statements.

# EASTMAIN RESOURCES INC.

## CONSOLIDATED STATEMENTS OF CASH FLOWS (PREPARED BY MANAGEMENT – UNAUDITED)

	Three Months Ended April 30,		Six Months Ended April 30,	
	2009	2008	2009	2008
Cash Provided by (used in)				
<b>OPERATING ACTIVITIES</b>				
Income (loss) for the period	\$ (276,592)	\$ (136,703)	\$ (409,046)	\$ (338,511)
Adjustments not affecting cash:				
Amortization	5,019	9,388	14,546	18,776
Future income tax recovery	-	-	-	(53,700)
Stock option compensation (Note 6)	55,200	-	55,200	40,200
Change in non-cash working capital items	609,172	(730,229)	(657,703)	(703,593)
	392,799	(857,544)	(997,003)	(1,036,828)
<b>FINANCING ACTIVITIES</b>				
Issue of common shares, net of costs	19,200	27,500	142,107	3,217,200
<b>INVESTING ACTIVITIES</b>				
Mining properties and deferred exploration expenditures	(1,509,874)	(340,914)	(2,124,200)	(1,139,301)
Government grants and recoveries	-	229,713	-	229,713
Purchase of equipment	-	-	-	(25,995)
Purchase of marketable securities	(645,044)	(109,165)	(951,431)	(109,165)
Net proceeds from the sale and redemptions of marketable securities	596,966	83,000	897,543	89,346
	(1,557,952)	(137,366)	(2,178,088)	(955,402)
Change in cash and cash equivalents	(1,145,953)	(967,410)	(3,032,984)	1,224,970
Cash and cash equivalents, beginning of period	14,211,216	2,606,753	16,098,247	414,373
Cash and cash equivalents, end of period	\$ 13,065,263	\$ 1,639,343	\$ 13,065,263	\$ 1,639,343

The attached notes form an integral part of these financial statements.

# EASTMAIN RESOURCES INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT – UNAUDITED)

Six months Ended April 30, 2009

### 1. NATURE OF OPERATIONS

Eastmain Resources Inc. (the "Company" or "Eastmain") and its wholly-owned subsidiary, Eastmain Mines Inc. are engaged in the mining, exploration and development of resource properties. 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.

The company is in the exploration stage of operations and has not yet determined whether its properties contain reserves that are economically recoverable. The recoverability of the monies spent for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of its properties, and upon future profitable production or proceeds from the disposition of its properties. The Company will periodically have to raise additional funds to continue operations and while it has been successful in doing so in the past, there can be no assurance it will be able to do so in the future. To date the Company has not earned significant revenues and is considered a company in the exploration stage. Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and therefore not compliant with regulatory requirements.

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will realize its assets and discharge its liabilities in the ordinary course of business. As at April 30, 2009, the Company had an accumulated deficit of \$9,267,694 and working capital of \$15,667,479.

### 2. FINANCIAL RISK FACTORS

#### Sensitivity Analysis

The Company has designated its cash and cash equivalents and marketable securities as available-for-sale, which are both measured at fair value with unrealized gains and losses recorded in other comprehensive income. Financial instruments included in prepaid and sundry receivables are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

The carrying and fair value amounts of the Company's financial instruments are:

	April 30, 2009	
	Carried at cost (\$)	Carried at fair Market value (\$)
Cash and cash equivalents	13,053,261	12,002
Marketable securities	-	2,867,768
Prepaid expenses and sundry receivables	2,230,693	-
Accounts payable and accrued liabilities	(897,065)	-

Of the cash and cash equivalents balance of \$13,065,263, cash denominated in Canadian dollars is carried at cost. The portion of cash on hand, which is denominated in United States dollars, is carried at Canadian FMV \$12,002, using the April 30, 2009 Bank of Canada average exchange rate. Financial instruments included in prepaid and sundry receivables April 30, 2009 of \$2,230,693 are comprised of government resource investment credits, which were confirmed receivable and paid in May 2009, sundry receivables and prepaid expenses. Accounts receivable that represent recoverable sales taxes, are not considered a financial instrument. Based on Management's knowledge and experience of the financial markets, the Company believes that the following movements are "reasonably possible" over a twelve-month period:

i) Interest bearing bank accounts are at a variable rate. Investments maturing in less than one year are subject to renewal at differing interest rates. Sensitivity to a plus or minus 1% (100 basis point) change in interest rates would affect net income or loss by \$137,000.

ii) The Company has investments in public companies. Sensitivity to a plus or minus 50% change in the fair market value of those securities would affect comprehensive net income or loss by \$281,000.

# EASTMAIN RESOURCES INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT – UNAUDITED)

Six months Ended April 30, 2009

### 3. MARKETABLE SECURITIES

#### a) Marketable Securities

Bonds and other securities are recorded at current market values in accordance with CICA Section 3855 on financial instruments. The Company has classified all of its investments in marketable securities, including the investments below, as available-for-sale in the current year. Investments in bonds bear interest at annual rates ranging from 0.09% to 6.15%, maturing between January 22, 2009 and November 19, 2037. Investments in public companies consist of shares in Dianor Resources Inc., which were acquired in exchange for geological data, shares of Threegold Resources Inc. received as a dividend from Dianor Resources Inc., shares in Western Uranium Corporation received in exchange for prospecting permits and mineral claims and shares in Western Lithium Corporation resulting from a spin-out of Western Uranium Corporation.

The Company has classified marketable securities as long-term assets because currently, it has no intention of liquidating these securities. The current portion of marketable securities is comprised of those securities with maturity dates occurring in less than one year.

#### Marketable Securities

	April 30, 2009	October 31, 2008
Investment grade bonds	\$ 2,306,033	\$ 2,150,884
Dianor common shares	45,000	47,500
Three Gold common shares	1,114	1,238
Western Uranium Corporation common shares	422,334	432,511
Western Lithium Corporation common shares	93,287	47,491
	2,867,768	2,679,624
Less:		
Current portion	(1,105,706)	(755,361)
	\$ 1,762,062	\$ 1,924,263

#### b) Hedging Activities

The Company does not engage in hedging activities nor does it hold or issue any derivative financial instruments.

### 4. EQUIPMENT

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

	Cost	Accumulated Amortization	Net Book Value April 30, 2009	Net Book Value October 31, 2008
Computer equipment	\$ 30,981	\$ 24,486	\$ 6,495	\$ 7,643
Field equipment	251,619	175,719	75,900	89,298
	\$ 282,600	\$ 200,205	\$ 82,395	\$ 96,941

# EASTMAIN RESOURCES INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT – UNAUDITED)

Six months Ended April 30, 2009

### 5. MINERAL PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

#### STATEMENT OF MINING AND DEFERRED EXPLORATION EXPENDITURES

FOR THE SIX MONTHS ENDED APRIL 30, 2009

Project	Balance October 31, 2008	Expenditures	Government Grants	Write Down & Recoveries	Balance April 30, 2009
Clearwater	\$ 8,797,928	\$ 1,389,609	\$(1,073,510)	\$ -	\$ 9,114,027
Eastmain Mine	4,434,407	62,449	(55,540)	-	4,441,316
Éléonore South	2,917,114	91,306	(266,774)	-	2,741,646
Xstrata JV	3,586,993	313,710	-	-	3,900,703
Azimut Block C	652,885	80,000	(5,494)	-	727,391
Ruby Hill	2,341,526	47,329	(665,979)	-	1,722,876
Reservoir	372,539	4,619	(8,173)	-	368,985
Radisson	211,995	21,850	(4,890)	-	228,955
Québec Projects	1,704,245	113,328	(143,153)	-	1,674,420
New Brunswick Projects	903,084	-	-	-	903,084
Ontario Projects	69,955	-	-	-	69,955
	\$ 25,992,671	\$ 2,124,200	\$(2,223,513)	\$ -	\$ 25,893,358

The following is a breakdown of mineral properties and deferred expenditures by type for the Company's significant projects for the six months ended April 30, 2009.

Project	Balance Oct. 31, 2008	Drilling & Assays	Technical Surveys	Project Acquisition	Grants & Write Downs	Total	Balance April 30, 2009
Clearwater	\$ 8,797,928	\$ 1,324,239	\$ 32,073	\$ 33,297	\$(1,073,510)	\$ 316,099	\$ 9,114,027
Eastmain Mine	4,434,407	759	44,400	17,290	(55,540)	6,909	4,441,316
Éléonore South	2,917,114	74,248	11,167	5,891	(266,774)	(175,468)	2,741,646
Xstrata JV	3,586,993	292,441	18,882	2,387	-	313,710	3,900,703
Azimut Block C	652,885	-	-	80,000	(5,494)	74,506	727,391
Ruby Hill	2,341,526	21,673	3,653	22,003	(665,979)	(618,650)	1,722,876
Reservoir	372,539	-	4,856	(237)	(8,173)	(3,554)	368,985
Radisson	211,995	-	3,450	18,400	(4,890)	16,960	228,955
Other	2,677,284	-	38,745	74,583	(143,153)	(29,825)	2,647,459
<b>Total</b>	<b>\$ 25,992,671</b>	<b>\$ 1,713,360</b>	<b>\$ 157,226</b>	<b>\$ 253,614</b>	<b>\$(2,223,513)</b>	<b>\$ (99,313)</b>	<b>\$ 25,893,358</b>

Mineral properties and deferred exploration expenditures are recorded at cost.

As at April 30, 2009 the Company has outstanding refund claims for mining duties and resource investment tax credits from the Ministry of Natural Resources (Québec) and Revenu Québec in respect to claims filed up to October 31, 2008 amounting to approximately \$300,000. As of the financial statement date the Company had not received confirmation of those refund amounts, therefore they have not been reflected in the financial statements.

# EASTMAIN RESOURCES INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT – UNAUDITED)

Six months Ended April 30, 2009

### 6. CAPITAL STOCK

Common Shares	Shares	Amount
Issued and outstanding, October 31, 2008 (audited)	85,754,418	\$ 43,832,594
Private placement (i)	127,500	127,500
Cost of issue (i)		(4,593)
Flow-through tax effect (ii)		(43,605)
Stock options exercised	30,000	19,200
Black-Scholes value of options exercised		13,620
Issued and outstanding, April 30, 2009 (unaudited)	85,911,918	\$ 43,944,716

- i) In December 2008 the Company issued 127,500 flow-through shares in a private placement to directors, officers, employees and other service providers at \$1.00 per share for gross proceeds of \$127,500. Legal costs in connection with the private placement were \$4,593.
- ii) The Company has adopted EIC-146, whereby the Company recognizes the future tax liability and reduces shareholders' equity accordingly, on the date that the Company renounces the tax credits associated with expenditures from flow-through proceeds. The Company is then allowed to offset the future income tax liability against unrecognized future income tax assets, if certain criteria are met. As a result of the private placement in note 6(i), the Company has recorded a future income tax liability of \$43,605.

### 7. STOCK OPTIONS

The Company has a stock option plan available to directors, officers, employees and other service providers of the Company. Under the plan, the Company may issue options, up to a maximum of 10% of the common shares outstanding, at prices not less than the market price of the common shares at the close of the trading day on the day immediately preceding the date of the 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. The Company applies the fair-value method of accounting for all stock-based compensation awards.

For purposes of the options granted, the fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model applying the following assumptions:

	<u>2009</u>
Dividend yield	0
Expected volatility	68.1%
Risk free interest rate	1.93 %
Expected term – years	5

	Number of Options	Weighted Average Exercise Price
Outstanding, October 31, 2008 (audited)	4,800,000	\$ 0.71
Issued during the period	100,000	\$ 0.96
Exercised during the period	(30,000)	\$ 0.64
Cancelled or expired during period	(200,000)	\$ 0.77
Outstanding, April 30, 2009 (unaudited)	4,670,000	\$ 0.71

# EASTMAIN RESOURCES INC.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT – UNAUDITED)

Six months Ended April 30, 2009

### 7. STOCK OPTIONS (continued)

Stock options outstanding as at April 30, 2009

Expiry date	Black-Scholes Value (\$)	Number of Options	Exercise Price (\$)
November, 2009	326,880	720,000	0.64
February, 2010	30,500	100,000	0.48
April, 2010	183,000	600,000	0.43
June, 2010	44,700	150,000	0.42
November, 2010	28,700	100,000	0.52
January, 2011	358,200	900,000	0.72
April, 2012	40,500	100,000	0.75
June, 2012	312,375	975,000	0.78
January, 2013	40,200	100,000	0.79
September, 2013	386,925	825,000	0.96
April, 2014	55,200	100,000	0.96
	1,807,180	4,670,000	0.71

### 8. WARRANTS

For purposes of the warrants granted, the fair value of each warrant is estimated on the date of grant using the Black-Scholes option pricing model.

Warrants outstanding as at April 30, 2009

Expiry date	Black-Scholes Value (\$)	Number of Warrants	Exercise Price (\$)
July, 2010	3,754,616	5,723,500	2.00
July, 2010	927,207	1,144,700	1.41
	4,681,823	6,868,200	1.90

### 9. SUPPLEMENTARY INFORMATION

As at April 30, 2009, contributed surplus is comprised of the following:

Outstanding, October 31, 2008 (audited)	\$ 4,248,959
Options granted	55,200
Options exercised	(13,620)
Outstanding, April 30, 2009 (unaudited)	\$ 4,290,539

### 10. RELATED PARTY TRANSACTIONS

Management wages paid to a director	\$ 90,000
Premises rent paid to a director	\$ 6,000

Geological and administrative fees and out-of-pocket expenditures to a private company controlled by a service provider to the Company	\$ 70,060
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### 11. RECLASSIFICATION

Certain comparative figures have been reclassified to conform to the presentation adopted in the current fiscal year.

# **EASTMAIN RESOURCES INC.**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT – UNAUDITED)

Six months Ended April 30, 2009

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## **12. SUBSEQUENT EVENTS**

In accordance with the Company's stock option compensation plan for director, officer, employee and service provider compensation, 850,000 stock options with an estimated Black-Scholes value of \$498,100, were issued in June of 2009.