



EASTMAIN

Eastmain Resources Inc.
THIRD QUARTERLY REPORT
FOR THE PERIOD ENDING APRIL 30, 2003

Exploration Activities

The Corporation announced an 80% increase in the total tonnage and contained ounces at the Clearwater Project. Mr. Robert A. Campbell completed an independent resource estimate for the Eau Claire gold deposit based on the 2002 diamond drilling results combined with previous drilling completed on the project. The Eau Claire gold deposit contains an estimated total mineral resource of 2,666,493 tonnes grading 6.75 grams gold per tonne, (7.37 g/t gold, uncut), for a total of 578,846 ounces of gold or 631,698 ounces uncut. The deposit includes an indicated resource of 1,024,968 tonnes at 8.15 g/t gold (0.24 ounces per ton) or 9.43 g/t gold uncut (0.28 ounces per ton) and an inferred resource of 1,641,525 tonnes at 5.88 g/t gold (0.17 ounces per ton) or 6.08 g/t gold uncut (0.18 ounces per ton). 74% of the total resource is contained within five veins G, H, I, P and JQ.

Eastmain completed a wide-spaced drill program in 2002 with the objective of expanding the limits of the deposit to a 500-metre or 1,640-foot vertical depth. Due to this wide drill spacing, all gold-bearing vein intersections above the cut-off grade were classified as inferred resources. Consequently the indicated resource increased by 5%, whereas the inferred resource tonnage increased by 300%; grade rose by 60% and contained ounces improved by over 500%. There is a consistent spatial overlap of contained gold from vein to vein aligned at 45° to the southeast.

The Eau Claire gold deposit is open in all directions and potential exists for additional resources in the immediate vicinity of the deposit. There is also excellent exploration potential for additional gold discoveries regionally on the property east and southwest of the Eau Claire deposit. These areas are highlighted by anomalous gold in rock and soil, coincident with a favourable structural corridor or “gold pathway” which may be responsible for the formation of additional undiscovered gold deposits. Diamond drilling and trenching are scheduled to begin in early July 2003. The program objectives are to complete Eastmain’s 75% option and to advance Eau Claire to a million ounce gold resource.

Financial

As at April 30, 2003 the working capital of the Corporation was \$996,829. Eastmain contributed \$35,215 in deferred exploration expenditures for the three-month period and \$1,264,766 for the nine-month period. Revenue for the nine-month period was \$176,459 compared to \$66,256 for same period in 2002. Operating expenses increased to \$350,457 for the nine-month period compared to \$168,009 for 2002, principally due to the increased activity of the Corporation. The Company is eligible for a refund of approximately \$1 million from previous expenditures completed at Clearwater.

Donald J. Robinson,
President and Chief Executive Officer
June 27, 2003

EASTMAIN RESOURCES INC.

Balance Sheets (Prepared by Management)

	April 30, 2003 (Unaudited)	July 31, 2002 (Audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 864,854	\$ 2,099,207
Marketable securities	29,000	49,125
Prepaid and sundry receivables	219,057	51,107
	1,112,911	2,199,439
Capital assets	24,692	28,321
Mining properties	1,049,141	899,102
Deferred exploration expenditures	7,962,416	6,697,651
	\$ 10,149,160	\$ 9,824,513

Liabilities and Shareholders' Equity

Current Liabilities		
Accounts payable and accrued liabilities	\$ 116,082	\$ 143,927
Shareholders' equity		
Capital stock		
Authorized - Unlimited common shares Issued		
Common shares (Note 2)	12,688,190	12,168,190
Contributed Surplus (Note 3)	6,500	-
Deficit	(2,661,612)	(2,487,604)
	10,033,078	9,680,586
	\$ 10,149,160	\$ 9,824,513

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 consistently applied. The most significant of these accounting principles have been set out in the July 31, 2002 audited financial statements. Only changes in accounting policies have been disclosed in these 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, estimates and approximations have been made using careful judgement. 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.

EASTMAIN RESOURCES INC.

(Prepared by Management - Unaudited)

	Three Months Ended April 30,		Nine Months Ended April 30,	
	2003	2002	2003	2002
Statements of Operations and Deficit				
Revenue				
Interest and dividends	\$ 3,994	\$ 5,490	\$ 48,396	\$ 19,134
Management fees	<u>4,313</u>	<u>6,857</u>	<u>128,063</u>	<u>47,122</u>
	<u>8,307</u>	<u>12,347</u>	<u>176,459</u>	<u>66,256</u>
Expenses				
Amortization	605	242	3,629	726
General and administration	120,370	40,443	326,713	167,283
Write-down of marketable securities	<u>-</u>	<u>-</u>	<u>20,125</u>	<u>-</u>
	<u>120,975</u>	<u>40,685</u>	<u>350,467</u>	<u>168,009</u>
Loss for the period before the following:	(112,668)	(28,338)	(174,008)	(101,753)
Gain on marketable securities	<u>-</u>	<u>36,518</u>	<u>-</u>	<u>47,469</u>
Income (loss) for the period	(112,668)	8,180	(174,008)	(54,284)
DEFICIT, beginning of period	<u>(2,548,944)</u>	<u>(2,474,058)</u>	<u>(2,487,604)</u>	<u>(2,411,594)</u>
DEFICIT, end of period	<u>\$ (2,661,612)</u>	<u>\$ (2,465,878)</u>	<u>\$ (2,661,612)</u>	<u>\$ (2,465,878)</u>

Statements of Cash Flows

Cash provided by (used in)

OPERATING ACTIVITIES

Income (loss) for the period	\$ (112,668)	\$ 8,180	\$ (174,008)	\$ (54,284)
Less: Adjustments not affecting cash				
Amortization	605	242	3,629	726
Write-down / (gain) on marketable securities	-	(36,518)	20,125	(47,469)
Changes in non-cash working capital items	<u>(10,110)</u>	<u>(60,497)</u>	<u>(189,294)</u>	<u>(72,011)</u>
	<u>(122,173)</u>	<u>(88,593)</u>	<u>(339,548)</u>	<u>(173,038)</u>

FINANCING ACTIVITIES

Funding from joint venture partner	-	-	-	250,000
Issue of common shares, net of costs	<u>-</u>	<u>-</u>	<u>520,000</u>	<u>510,000</u>
	<u>-</u>	<u>-</u>	<u>520,000</u>	<u>760,000</u>

INVESTING ACTIVITIES

Acquisition of mining claims	(2,394)	(37,527)	(150,039)	(102,952)
Deferred exploration expenditures	(35,215)	(155,107)	(1,264,766)	(661,914)
Net sale (purchase) of marketable securities	<u>-</u>	<u>153,518</u>	<u>-</u>	<u>224,547</u>
	<u>(37,609)</u>	<u>(39,116)</u>	<u>(1,414,805)</u>	<u>(540,319)</u>

Change in cash and cash equivalents	(159,782)	(127,709)	(1,234,353)	46,643
Cash and cash equivalents, beginning of period	<u>1,024,636</u>	<u>762,731</u>	<u>2,099,207</u>	<u>588,379</u>
Cash and cash equivalents, end of period	<u>\$ 864,854</u>	<u>\$ 635,022</u>	<u>\$ 864,854</u>	<u>\$ 635,022</u>

EASTMAIN RESOURCES INC.

Notes to Financial Statements (Prepared by Management)

Nine Months Ended April 30, 2003

(Unaudited)

1. ACCOUNTING POLICIES

The management of Eastmain Resources Inc. (the "Company") have prepared these financial statements in accordance with Canadian generally accepted accounting principles. These statements should be read in conjunction with the audited financial statements for the year ended July 31, 2002.

The disclosures in these interim financial statements do not conform in all respects to generally accepted accounting principles in Canada for annual financial reporting.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the nine months ended April 30, 2003 are not indicative of the results that may be expected for the full year ending July 31, 2003.

These statements follow the same accounting policies as the July 31, 2002 audited financial statements except for the following:

Stock Option Compensation

Effective August 1, 2002, the Company adopted the new recommendations of the CICA Handbook Section, Stock-based Compensation and Other Stock-based Payments. This section established standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. These new recommendations require that compensation for all awards made to non-employees and certain awards made to employees be measured and recorded in the financial statements at fair value. This section also sets out a fair value based method of accounting for stock options issued to employees and applies to awards granted on or after fiscal years ending January 1, 2002.

The Company, as permitted by Section 3870, has chosen not to use the fair value method to account for stock-based employee compensation plans, but to disclose pro-forma information for options granted after August 1, 2002. The Company records no compensation expense when options are issued to employees. Any consideration paid by employees on the exercise of the options is credited to capital stock.

2. CAPITAL STOCK

	Shares	Amount
Balance, July 31, 2002 (audited)	28,794,469	\$ 12,168,190
Private placement	909,091	500,000
Flow-through shares	115,000	30,000
Cost of issue	-	(10,000)
Balance, April 30, 2003 (unaudited)	<u>29,818,560</u>	<u>\$ 12,688,190</u>

During the period, the Company issued 909,091 units at a price of \$0.55 per unit for gross proceeds of \$500,000. Each unit consists of one common share and one half-warrant. Each complete warrant gives the warrant holder the right to buy one common share of the Company at a price of \$0.75 per share for a period of 18 months (February 26, 2004).

During the period, the Company also issued 115,000 flow-through shares for gross proceeds of \$30,000.

EASTMAIN RESOURCES INC.

Notes to Financial Statements (Prepared by Management)

Nine Months Ended April 30, 2003

(Unaudited)

3. STOCK OPTIONS

The following summarizes the stock option activity for the period:

	Number of Options	Weighted Average Exercise Price (\$)
Balance, July 31, 2002	1,770,000	0.40
Expired during the period	(495,000)	0.57
Granted	<u>25,000</u>	<u>0.34</u>
Balance, January 31, 2003	<u>1,300,000</u>	<u>0.33</u>

As at April 30, 2003, the Company had the following stock options outstanding:

NUMBER OF OPTIONS	EXERCISE PRICE (\$)	EXPIRY DATE
50,000	0.30	May, 2003 (See Note 8)
825,000	0.36	February, 2005
100,000	0.34	May, 2006
300,000	0.26	February, 2007
<u>25,000</u>	0.34	November, 2007
<u>1,300,000</u>		

Effective August 1, 2002, the Company applied the fair value method of accounting for stock based compensation awards to non-employees and accordingly \$6,500 was recorded as consulting expense and contributed surplus relating to 25,000 options granted to a non-employee in November 2002. For purposes of this calculation, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model with the following assumptions used for the grant: dividend yield of 0%, expected volatility of 100%, risk-free interest rate of 4.5% and expected life of 5 years. The consulting expense was included in general and administration on the Statements of Operations and Deficit.

4. WARRANTS

As at January 31, 2003, the Company had the following warrants outstanding:

NUMBER OF WARRANTS	EXERCISE PRICE (\$)	EXPIRY DATE
3,050,000	0.40	May 2003 (See Note 8)
200,000	0.25	December 2003
<u>454,546</u>	0.75	February 2004
<u>3,704,546</u>		

In November 2002, 500,000 warrants with an exercise price of \$0.80 expired.

EASTMAIN RESOURCES INC.

Notes to Financial Statements (Prepared by Management)

Nine Months Ended April 30, 2003

(Unaudited)

5. RELATED PARTY TRANSACTIONS

The Company paid a director \$72,000 for management wages.

6. LOSS PER SHARE

The following table sets forth the computation of basic and diluted earnings per share:

	2003	2002
Basic loss per share	\$ (0.01)	\$ 0.00
Fully-diluted loss per share	\$ (0.01)	\$ 0.00

Numerator:

Net loss for the period	\$ (174,008)	\$ (54,284)
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Denominator:

Weighted average of common shares for basic loss per share	29,400,530	21,054,469
Weighted average of diluted common shares	29,400,530	21,054,469

7. INCOME TAXES

The estimated taxable income for the period is nil. Based upon the level of historical taxable income, it cannot be reasonably determined if the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values have been reduced by an equivalent estimated taxable temporary difference valuation allowance. This estimated taxable temporary difference valuation allowance will be adjusted in the period that it can be determined that it is more likely than not that some or all of the future tax assets or future tax liabilities will be realized.

For further information about the Company's losses for tax purposes, refer to the audited July 31, 2002 financial statements. The benefits for these losses and the estimated loss for the period are not recognized in these financial statements.

8. SUBSEQUENT EVENTS

In May 2003, 333,500 warrants to purchase common shares at \$0.40 per share were exercised. The remaining 2,716,500 warrants at the same exercise price and expiry date expired.

In May 2003, 50,000 stock options with an exercise price of \$0.30 expired.

EASTMAIN RESOURCES INC.

Supplement to Financial Statements (Prepared by Management)

Nine Months Ended April 30, 2003

(Unaudited)

As of June 13, 2003 the following items were outstanding:

a) 30,152,060 common shares

b) Stock Options:

	NUMBER OF OPTIONS	EXERCISE PRICE (\$)	EXPIRY DATE
	825,000	0.36	February, 2005
	100,000	0.34	May, 2006
	300,000	0.26	February, 2007
	<u>25,000</u>	0.34	November, 2007
	<u>1,250,000</u>		

c) Warrants:

	NUMBER OF WARRANTS	EXERCISE PRICE (\$)	EXPIRY DATE
	200,000	0.25	December, 2003
	<u>454,546</u>	0.75	February, 2004
	<u>654,546</u>		
