



EASTMAIN

Eastmain Resources Inc. SECOND QUARTERLY REPORT FOR THE PERIOD ENDING JANUARY 31, 2002

Highlights

- **Clearwater Project** – inferred and indicated resource increased by 32% to 1,482,565 tonnes grading 7.62 grams gold per tonne. Metallurgical sampling confirms high gold recoveries from gravity and conventional extraction techniques.
- **Abitibi Extension** – 2,000-metre diamond drill program to test gold and base metal targets
- **Plummer Additional** – Corporation acquires Iron Oxide Copper Gold Project from Phelps Dodge
- **Financial** – CMP 2001 II Resource Fund completes \$500,000 placement to finance drilling at Clearwater

Clearwater Project, Quebec

SOQUEM reported a 32% increase in the inferred and indicated resource at Clearwater to 1,482,565 tonnes grading 7.62 grams gold per tonne (0.22 ounces per ton). The deposit includes an indicated resource of 973,000 tonnes grading 9.62 grams gold per tonne (0.28 ounces per ton). This estimate represents a 28% increase in total contained gold to 363,000 ounces from 2001 and an 82% increase since 1999.

Metallurgical testing was completed on the JQ, P, R and V16 veins from the Eau Claire gold deposit. The study confirmed that recoverable gold using both gravity and conventional extraction techniques is excellent. Gold occurs in each of the veins as fine particles, ranging in size from 25 to 50 microns. Grinding tests indicate that the ores could be processed with a standard mill configuration. The average grades of the composite samples from the four veins, which range from 19.2 to 53.0 grams gold per tonne and 2.5 to 15.8 grams silver per tonne, are consistent with SOQUEM's surface channel sample determinations. The average specific gravity determined for the veins varied from 2.85 to 2.99 tonnes/m³. Previous resource calculations assumed a lower specific gravity resulting in a smaller tonnage estimate for each vein.

Conventional cyanidation extraction methods verified excellent gold and silver recoveries ranging from 95.7 to 98.6% and 87.0 to 91.8% respectively. Preliminary tests using only a Knelson gravity concentrator yielded gold recoveries ranging from 60 to 80%. These early stage metallurgical results indicate that high gold recoveries can be expected from the Eau Claire deposit using conventional milling techniques.

Hydro Quebec announced that construction of its

Eastmain-1 hydroelectric project would begin this year. The project includes building a dam and reservoir immediately south of the Eau Claire Gold deposit. Road construction to Eau Claire project area is expected to begin as early as May 2002. Accommodation and support facilities as well as a temporary transmission line will be installed near the Clearwater Project. This new infrastructure will greatly enhance the economics of our project and reduce future exploration and development costs.

Surface stripping and drilling at Eau Claire will continue by early summer. Eastmain has proposed a minimum \$500,000 exploration program.

Abitibi Extension Project, Ontario

Drill testing of up to 15 first priority airborne electromagnetic (EM) targets has begun on the North French and Chabbie Lake claim blocks. Fifty-six EM anomalies were detected at North French using a high-powered multi-coil system contracted by BHP Minerals. Fifteen targets were outlined with the same system at Chabbie Lake. Quaterra Resources has funded \$830,000 of \$1.53 million, to earn a 50% interest in the project. Eastmain is the project operator.

Plummer Additional Project, Ontario

Eastmain acquired an option to earn 100% interest in this Iron Oxide-Copper-Gold project located near Bruce Mines, Ontario. The project was selected due to its similarities with the world class Olympic Dam ore body in Australia. Olympic Dam is the fifth largest copper resource in the world and the second largest uranium producer. The Company is seeking a partner to explore this project.

Financial

As at January 31, 2001 the working capital of the Corporation was \$937,909. Eastmain has contributed \$506,807 in deferred exploration expenditures on the Railroad and Clearwater Projects. Revenue for the six-month period was \$53,909 while operating expenses totaled \$127,324. The Company raised \$500,000 in a private placement from CMP 2001 II Resource Fund during the period.

Donald J. Robinson,
President and Chief Executive Officer
March 28, 2002

EASTMAIN RESOURCES INC.

Balance Sheets (Prepared by Management)

	January 31, 2002 (Unaudited)	July 31, 2001 (Audited)
Assets		
Current assets		
Cash and cash equivalents	\$ 762,731	\$ 588,379
Marketable securities	166,125	226,203
Prepaid and sundry receivables	9,053	36,938
	937,909	851,520
Capital assets	4,121	4,605
Mining properties	872,821	807,396
Deferred exploration expenditures	6,152,467	5,895,660
	\$ 7,967,318	\$ 7,559,181
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 109,038	\$ 148,437
Shareholders' equity		
Capital stock		
Authorized		
Unlimited common shares		
Issued		
Common shares (Note 2)	10,332,338	9,822,338
Deficit	(2,474,058)	(2,411,594)
	7,858,280	7,410,744
	\$ 7,967,318	\$ 7,559,181

EASTMAIN RESOURCES INC.

Statements of Operations and Deficit (Prepared by Management) (Unaudited)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2002	2001	2002	2001
Revenue				
Interest and dividends	\$ 5,014	\$ 3,909	\$ 13,644	\$ 17,364
Management fees	3,530	2,101	40,265	14,357
	8,544	6,010	53,909	31,721
Expenses				
Amortization	242	2,013	484	4,025
General and administration	98,399	43,643	126,840	72,223
	98,641	45,656	127,324	76,248
Loss for the period before the following	(90,097)	(39,646)	(73,415)	(44,527)
Gain (loss) on sale - marketable securities	11,556	(131,429)	10,951	(131,429)
Loss for the period	(78,541)	(171,075)	(62,464)	(175,956)
DEFICIT, beginning of period	(2,395,517)	(2,239,457)	(2,411,594)	(2,234,576)
DEFICIT, end of period	\$ (2,474,058)	\$ (2,410,532)	\$ (2,474,058)	\$ (2,410,532)
Loss per share (Note 5)	\$ (0.004)	\$ (0.002)	\$ (0.003)	\$ (0.002)

EASTMAIN RESOURCES INC.

Statements of Cash Flows (Prepared by Management) (Unaudited)

	Three Months Ended January 31,		Six Months Ended January 31,	
	2002	2001	2002	2001
Cash provided by (used in)				
OPERATING ACTIVITIES				
Loss for the period	\$ (78,541)	\$ (171,075)	\$ (62,464)	\$ (175,956)
Less: Adjustments not affecting cash				
Amortization	242	2,013	484	4,025
Loss (gain) on sale of marketable securities	(11,556)	131,429	(10,951)	131,429
Changes in non-cash working capital items	80,353	4,850	(11,514)	(79,445)
	(9,502)	(32,783)	(84,445)	(119,947)
FINANCING ACTIVITIES				
Issue of common shares	510,000	1,207,400	510,000	1,207,400
INVESTING ACTIVITIES				
Acquisition of mining claims	(79,763)	(7,318)	(65,425)	(10,765)
Deferred exploration expenditures	(71,030)	(232,636)	(506,807)	(345,132)
Funding from joint venture partner	100,000	-	250,000	-
Net sale (purchase) of marketable securities	50,556	135,071	71,029	135,071
	(237)	(104,883)	(251,203)	(220,826)
Change in cash	500,261	1,069,734	174,352	866,627
Cash and cash equivalents, beginning of period	262,470	39,867	588,379	242,974
Cash and cash equivalents, end of period	\$ 762,731	\$ 1,109,601	\$ 762,731	\$ 1,109,601

EASTMAIN RESOURCES INC.

Notes to Financial Statements (Prepared by Management)

Six Months Ended January 31, 2002

(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, 2001. These statements follow the same accounting policies as the July 31, 2001 audited financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the six months ended January 31, 2002 are not indicative of the results that may be expected for the full year ending July 31, 2002.

2. CAPITAL STOCK

As of January 31, 2002, the following were the shares issued and outstanding:

	Shares	Amount
Balance, July 31, 2001	20,334,469	\$ 9,822,338
Flow-through private placement	2,160,000	540,000
Cost of issue	-	(30,000)
Balance, January 31, 2002	22,494,469	\$ 10,332,338

3. STOCK OPTIONS

As at January 31, 2002, the Company had the following stock options outstanding:

	NUMBER OF OPTIONS	EXERCISE PRICE (\$)	EXPIRY DATE
	395,000	0.65	August 13, 2002
	100,000	0.25	March 25, 2003
	50,000	0.30	May 19, 2003
	825,000	0.36	February 4, 2005
	100,000	0.34	May 2006
	1,470,000		

4. WARRANTS

As at January 31, 2002, the Company had the following warrants outstanding:

	NUMBER OF WARRANTS	EXERCISE PRICE (\$)	EXPIRY DATE
	500,000	0.80	November 2002
	375,000	0.45	June 2002
	200,000	0.25	December 2003
	1,075,000		

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Notes to Financial Statements (Prepared by Management)

Six Months Ended January 31, 2002

(Unaudited)

5. LOSS PER SHARE

The loss per share figures are calculated using the weighted monthly average number of common shares outstanding during the period. Fully diluted loss per share considered the dilutive impact of the conversion of outstanding stock options and warrants as if the events had occurred at the beginning of the year. For the periods presented, this calculation proved to be anti-dilutive.

6. 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, 2001 financial statements. The benefits for these losses and the estimated loss for the period are not recognized in these financial statements.