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 unaudited financial statements of Eastmain Resources Inc. (the "Company") for the 3 months ended January 31, 2005 and related notes thereto which have been prepared in accordance with Canadian generally accepted accounting principles. 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 and 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 and equity market fluctuations, and cost and supply of materials.

This management's discussion and analysis is dated March 14, 2005.

Corporate Overview

The Company, incorporated under the laws of Ontario, is engaged in the mining, exploration and development of resource properties, primarily those containing gold, silver, copper and zinc. The Company holds an interest in a number of early to advanced stage exploration projects in Ontario, Québec and New Brunswick. The Company holds 100% interest in the Clearwater Project, located in Québec, which hosts a gold resource. The Company also holds 65% interest in a district-scale exploration project in joint venture with Noranda Inc. The Company has an option to earn 50% interest in the Reserve Creek gold project, Ontario.

The Company has also formed joint venture partnerships or strategic alliances with a number of mining companies including Noranda Inc. (the "Noranda Joint Venture") and Goldcorp Inc. to capitalize on their technical, financial and marketing capabilities.

Commencing with the fiscal year starting August 1, 2003, the Company changed its fiscal year-end from July 31 to October 31, resulting in a 15-month reporting period ending October 31, 2004, so that the financial reporting period better corresponds to the exploration season and is co-ordinated with various governmental reporting periods involving funding and rebate processes.

Overall Performance

The Company's total assets of $17,464,509 as at January 31, 2005 have increased from the $14,769,427 reported at the October 31, 2004 year-end. This change is largely due to an increase in the Corporation's net cash position. As of January 31, 2005 the Company's liquid assets balance was comprised mainly of cash, cash equivalents and short-term investments which totalled $6,132,543 compared to $4,243,892 as at October 31, 2004.

As a mineral exploration company, Eastmain relies on equity financing and government incentives to finance its operations. The Company completed a private placement during the first quarter ended January 31, 2005 to raise gross proceeds of approximately $3,010,000 through the issuance of 4,300,000 common flow-through shares and 2,150,000 share-purchase warrants. In addition, proceeds of $225,000 were realized upon the exercise of 500,000 share-purchase warrants by Québec-based mining fund SIDEX, société en commandite.

During the year ended October 31, 2004, the Company purchased SOQUEM's remaining interest in the Clearwater Project for $1,000,000 cash, 500,000 common shares and 500,000 share-purchase warrants, each warrant entitling the holder thereof to purchase one common share at an exercise price of $1.50 per share if exercised within 12 months and $2.00 per share if exercised within 24 months. As a result, the Company now has 100% interest in the Clearwater Project subject to a 2% Net Smelter Return Royalty ("NSR"), held by SOQUEM. The Company has made a cash payment of $500,000 and issued the 500,000 common shares and 500,000 warrants to SOQUEM. A final cash payment of $500,000 is due September 2005 to finalize the acquisition of the Clearwater Project. It is expected that this cash cost will be offset by an estimated $900,000 tax rebate and mining duty owed to the Company by the Province of Québec.

There are significant uncertainties regarding the trends in gold, silver and other mineral prices and the availability of equity financing when the proceeds are used for the purposes of mineral exploration and development. For instance, the price of gold, silver and other minerals has fluctuated widely in recent years and wide fluctuations are expected to continue. The market price of gold fell from above US$350 per ounce for most of the 1990's to below US$300 per ounce in 1997 and has generally remained below this level until finding a recent support level exceeding US$350 per ounce once again. Increased gold prices in the last several years have encouraged the Company to engage in more active exploration and acquisition activities. Apart from these factors, management is not aware of any other trends, commitments, events or uncertainties that would have a material effect on the Company's business, financial condition or results of operations.

Results of Operations

Net loss for the quarter ended January 31, 2005 was $508,302 compared to a net income of $468,345 for the quarter months ended January 31, 2004. The largest component of the net loss for the current quarter arose from the value assigned to stock options issued as director, officer and employee compensation. 850,000 options, each of which is exercisable at a price of $0.64 for a period of five years, were issued to employees, directors, officers and service providers of the Corporation on November 4, 2004. In the comparative quarter last year, non-cash income was derived from the estimated value of future tax recoveries arising from the issue of flow-through shares and a gain on the sale of investments.

Summary of Quarterly Information

	Quarter ended 01/31/2005
Revenue	$ 19,980
Net Income (loss)	$(508,302)
Per share basic	$(0.0108)
Per share diluted	$(0.0108)

	Quarter ended 10/31/2004	**Quarter ended 07/31/2004**	**Quarter ended 04/30/2004**	**Quarter ended 01/31/2004**
Revenue	$ (4,812)	$ 38,578	$ 15,836	$ 32,783
Net Income (loss)	$(2,000,853)	$(42,027)	$ (70,382)	$ 468,345
Per share basic	($0.044)	($0.0011)	($0.0019)	$0.0111
Per share diluted	($0.044)	($0.0011)	($0.0019)	$0.0111

Summary of Quarterly Information (continued)

	Quarter ended 10/31/2003	Quarter ended 07/31/2003	Quarter ended 04/30/2003	Quarter ended 01/31/2003
Revenue	$ 61,072	$ (102,609)	$ 8,307	$ 72,022
Net Income (loss)	$ (125,027)	$ (1,507,421)	$ (112,668)	$ (44,022)
Per share basic	($0.0034)	($0.0505)	($0.0038)	($0.0015)
Per share diluted	($0.0034)	($0.0505)	($0.0038)	($0.0015)

General and administration expenses for the first quarter ended January 31, 2005 are comparable to the quarter ended January 31, 2004. Professional fees were higher for the quarter ended January 31, 2004 as compared to the quarter ending 2005 a result of costs associated with increased financing activities last year.

In the quarter ended January 31, 2005, a non-cash operating expense item estimated at $385,900 was recorded, with an offsetting increase recorded to the contributed surplus account in the balance sheet in respect of stock options granted to directors, officers and employees. In the quarter ended January 31, 2004, the non-cash income component of capital stock issued with flow-through tax benefits was $677,000 arising from the estimated recovery of future corporation income taxes. The accounting standard reporting recommendation regarding the income component of flow-through shares introduced in March 2004 was implemented last year on a prospective basis. Under the recommendation, a part of the equity raised from flow-through shares is apportioned to current income, based on an estimate of the value of future income tax recoveries, otherwise available to the Company, that are being transferred to the shareholder.

Deferred Mining Property Costs and Exploration Expenditures

The Company's activities involve the exploration and development of gold and base metals on its properties in Ontario, Québec and New Brunswick. The major deferred exploration expenditures for the quarter ended January 31, 2005 include: Clearwater Project, $217,000 (27%); Noranda Joint Venture, $337,000 (42%); Reserve Creek Project, $170,000 (21%) and project generation of $87,000 (10%). The Company's most significant and advanced property is the Clearwater Project. The Company acquired SOQUEM's remaining ownership of the Clearwater Project during the fiscal year ended October 31, 2004 in exchange for cash and securities as described above, giving it 100% ownership of Clearwater, subject to a 2% NSR. The Company completed two major diamond drill programs within the reporting period. The program objectives were to expand the Eau Claire gold resource along strike near surface and at depth, through widely spaced drilling, and to explore for new deposits regionally on the property. Subsequent to the reporting period, the Company issued an updated resource calculation resulting in a 30% increase in contained ounces as compared to last year's estimate.

- **Indicated Resources**:
  1,029,332 tonnes at 9.46 g/t gold (8.18 g/t cut grade) or 313,191 ounces gold and
- **Inferred Resources**:
  3,049,660 tonnes at 6.93 g/t gold (6.53 g/t cut grade) or 679,464 ounces gold.

The Company plans to complete advanced exploration on the property including a bulk sample to determine the preliminary mining and economic parameters of the project. To complete the bulk sample, the Company must obtain a permit to build a two-kilometre-long all-weather road to the Eau Claire gold deposit and acquire an environmental permit to extract the sample.

Eligible deferred exploration expenditures at the Clearwater Project are subject to a 45% mining duty and provincial refund to the Company.

Results from the Noranda Joint Venture MegaTEM airborne survey have instigated the acquisition of over 1,000 mineral claim units in Ontario and Québec. Expenditures to date have funded 14,500 line-kilometres of airborne geophysical surveys, generating 225 isolated anomalies. The MegaTEM airborne geophysical system is designed to detect volcanogenic massive sulphide (VMS) copper-zinc-silver deposits, nickel-copper-platinum group element deposits and some gold ore deposits within covered terrain. Forty-six priority targets were selected for detailed follow-up VTEM or FL-TEM geophysical surveys. A $1,279,530 follow-up diamond drill program funded pro-rata by Eastmain and Noranda Inc. is underway.

Exploration at Reserve Creek, Ontario has also confirmed the potential for an economic gold deposit. Deferred expenditures to date have funded geological and geophysical surveys covering three gold zones and their lateral extensions. Additional geophysical surveys and target definition work are planned for 2005.

Project generation expenditures have also instigated the acquisition of four new gold projects located in the James Bay region of Québec. Over 600 mining cells or 300 km^2 covering highly prospective and under-explored geology were acquired by staking. Follow-up airborne geophysical surveys are proposed as the next exploration phase. Subsequent to the reporting period the Company acquired an option to earn 100% interest in the Ruby Hill claims, which cover 70 km^2 of highly prospective land located near the Eastmain Gold Mine.

Costs of exploration and development are 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 adopted a policy whereby the deferred exploration expenditures on a given property shall be reduced as the banked provincial assessment value of the property declines. The determination of property write-downs, if required, is usually performed at the fiscal year-end.

Liquidity and Capital Resources

The Company completed a private placement issue of 4,300,000 flow-through units at $0.70 during the quarter ended January 31, 2005. Each unit consisted of one common share and one-half of a common share-purchase warrant. Each full warrant is exercisable to acquire one common share at a price of $0.85 until December 30, 2005. Gross proceeds from this offering amounted to $3,010,000. The funds will be used primarily in the exploration and development of the Noranda Joint Venture, Reserve Creek and Québec exploration properties.

During the quarter ended January 31, 2005 the Company raised total gross proceeds of approximately $3,235,000 in financing activities and proceeds generated through the exercise of share-purchase warrants. Subsequent to this reporting period an additional $117,000 in gross proceeds was generated through the exercise of options. The Company invested $748,000 in acquisitions and exploration of mineral resource properties during the quarter. As at January 31, 2005 cash, cash equivalents and short-term investments on hand were in excess of $6,000,000. Current liabilities were less than $300,000 and the Company has no long-term debt. As the Company's working capital requirements are $31,500 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 overhead and costs of its exploration activities for the year ending October 31, 2005. However, the Company may complete additional financings if it believes that market conditions are appropriate.

Since the properties held by the Company do not currently generate any operating income, 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.

Cash on hand, for future exploration costs, is invested in term deposits, bonds and 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.

Short-term investments are subject to changes in valuation depending on market fluctuations at the date of reporting. If required, a provision for valuation losses is reported in the operating results. During the quarter ended January 31, 2004, the Company realized a net gain on the sale of investments amounting to $121,588.

Non-capital losses can be carried forward and used to offset future non-capital gains for a period of seven years after which they expire. To the extent that loss carry-forwards could be used to reduce future tax liabilities, they are a financial resource that can be managed. By its nature of business in mineral exploration, Eastmain Resources Inc. generates non-capital tax losses which are not recognized on the income statement because, at this point in time, it is more likely that they will not be used to offset tax liabilities within their seven-year life. In the case of non-capital tax losses, Canadian tax legislation allows an exploration enterprise to issue securities to investors, whereby the deductions for tax purposes relating to eligible resource expenditures may be claimed by the investors and not by the enterprise. These securities are referred to as flow-through shares. As generally accepted accounting principles (GAAP) for the treatment of flow-through shares, under recommendation number 146 issued by the Emerging Issues Committee (EIC-146), the Company recognizes part of the proceeds from the sale of flow-through shares as tax credits associated with expenditures transferred to the shareholders and records this amount as a future income tax liability. The rest of the net proceeds are recorded as shareholders' equity. As a result, the Company has recorded a future tax liability of $1,083,600 in order to recognize the estimated tax component associated with the issue of 4,300,000 flow-through shares during the quarter ended January 31, 2005. It is possible for the Company to recover this future tax liability against income when there are sufficient non-capital losses to offset this amount. At present, it is uncertain when this will happen, and as such, the tax liability is shown on the Company's balance sheet as a long-term liability. This deferred tax liability is an accounting determination of the value of tax on expenditures transferred to shareholders and does not represent actual tax owing by the company. There are no current income taxes owing.

As at January 31, 2005, there were 9,383,095 share-purchase warrants outstanding with an average exercise price of $0.76 which, if exercised, would result in proceeds of $7,462,311 to the Company. As at January 31, 2005, there were 2,225,000 options outstanding which, if exercised, would result in proceeds of $1,146,500 to the Company. The Company also has an estimated $900,000 in resource credits receivable due from the Province of Québec for claims filed up to October 31, 2004. Québec resource credits are refunds from the government that are paid to companies exploring in Québec, subject to verification and adjustment by the Québec Ministry of Natural Resources. The Ministry is experiencing delays in processing claims and since no confirmation of the amount has yet been received, this estimate has neither been included in the Company's reported income nor included as an asset on the Company's balance sheet. The Company fully expects to receive these funds.

Related party transactions include $10,000 per month salary and $1000 per month office rental paid to the President of the Company. Consulting fees of $325 per day are paid to an executive of the Company.

Share Capital

The authorized capital of the Company consists of an unlimited number of common shares of which, as of January 31, 2005, there are 50,477,678 common shares outstanding, 2,225,000 common shares reserved for issuance pursuant to outstanding options and 9,383,095 common shares reserved for issuance pursuant to outstanding share-purchase warrants.

Critical Accounting Estimates

Critical accounting estimates used in the preparation of the financial statements include the Company's estimate of 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 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 exploration risk, development risk, commodity-price risk, operating risk, ownership and political risk and currency risk, as well as environmental risk. The ability of the Company to obtain necessary financing to complete the development of its properties and obtain future profitable production is uncertain.

Change in Accounting Policy

The CICA Handbook Section 3870, Stock-based compensation and other stock-based payments requires that compensation of option awards to employees be recognized in financial statements at fair value for options granted in fiscal years beginning on or after January 1, 2004. The Company, as permitted by CICA Handbook Section 3870, has adopted this section prospectively for new option awards granted on or after August 1, 2003.

The Company has changed its fiscal year-end date from July 31 to October 31 commencing with the year starting August 1, 2003 resulting in a 15-month reporting period ending October 31, 2004.

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. The principal financial instruments affecting the Company's financial condition and results of operations currently are its cash and cash-equivalent portfolio. To minimize risk, the funds are managed by independent financial advisors with ultimate administration by the Company. The investments are recorded at the lower of cost or market value.

Future Outlook

The Company is focusing its efforts on determining the mining and milling characteristics of the gold-bearing ore veins of the Eau Claire gold deposit. It has initiated environmental permit applications for a bulk-mining sample and for construction of an all-weather road linking the deposit to the road network which now reaches the southern boundary of the Clearwater Project. District scale mineral exploration is planned for the James Bay region in Québec and our Noranda MegaTEM joint venture in Ontario. Acquisition, exploration and development expenditures for the year ending October 31, 2005 are forecast to be approximately $3.0 M divided evenly between Ontario and Québec.

Subsequent events

The Company acquired an option to earn 100% interest in certain mineral properties located within the Upper Eastmain River greenstone belt from Ruby Hill Exploration Inc.

The Company can earn 100% interest in the property by making a cash payment and issuing 150,000 common shares of the Company to Ruby Hill, subject to TSX approval. Upon the initial signing of a Letter Agreement, the Company must pay $10,000 in cash and issue 50,000 common shares. The Company must issue an additional 100,000 common shares to Ruby Hill prior to the second anniversary. Ruby Hill will hold a 2.5% Net Smelter Return Royalty, subject to a buy-out of 1.5% of the royalty for $1.5 Million.

The Ruby Hill property consists of 136 claim units covering 70 km^2 in three groups. The Company has subsequently applied for an additional 48 claim units covering 25 km^2 adjoining the Ruby Hill claims.

The Company has also expanded its property holdings, within the James Bay area of Québec, by obtaining an additional 600 claim units covering 300 km^2 of highly prospective geology.

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 2003 Exploration Activities for Eastmain Resources Inc." dated December 15, 2004 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.

Additional Information

Additional information relating to the Company, including any published Annual Information Forms, can be found on SEDAR at www.sedar.com.

Accounting Responsibilities, Procedures and Policies

The Board of Directors, which among other things is responsible for the financial statements on 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.

In preparing the financial statements, great care is taken in the use of appropriate 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 Company's 2004 year-end audited financial statements.

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. The Company believes that its systems provide the appropriate balance in this respect.

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.

NOTICE TO SHAREHOLDERS
FOR THE THREE MONTHS ENDED JANUARY 31, 2005
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 consistently applied. The most significant of these accounting principles have been set out in the October 31, 2004 audited financial statements. Only changes in accounting information 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 dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. 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 three months ended January 31, 2005 and January 31, 2004.

EASTMAIN RESOURCES INC.

BALANCE SHEETS (PREPARED BY MANAGEMENT)

	January 31, 2005 (Unaudited)	October 31, 2004 (Audited)
Assets		
Current assets		
Cash and cash equivalents	$ 2,573,011	$ 2,528,810
Short-term investments (Note 2)	3,356,540	1,567,448
Prepaid and sundry receivables	202,992	147,634
	6,132,543	4,243,892
Equipment (Note 3)	59,732	64,574
Mining properties and deferred exploration expenditures (Note 4)	11,272,234	10,460,961
	$ 17,464,509	$ 14,769,427
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts payable and accrued liabilities	$ 268,536	$ 567,955
Future income tax liability (Note 5)	1,083,600	-
	1,352,136	567,955
Shareholders' equity		
Capital stock		
Authorized - Unlimited common shares		
Issued		
Common shares (Note 5)	19,944,211	17,970,508
Warrants (Note 7)	1,972,041	1,912,441
Contributed Surplus (Note 6)	643,400	257,500
Deficit	(6,447,279)	(5,938,977)
	16,112,373	14,201,472
	$ 17,464,509	$ 14,769,427

EASTMAIN RESOURCES INC.

STATEMENTS OF OPERATIONS AND DEFICIT

(PREPARED BY MANAGEMENT - UNAUDITED)

	Three Months Ended January 31, 2005	2004
Revenue		
Interest and dividends	$ 19,980	$ 20,102
Management fees	-	12,681
	19,980	32,783
Expenses		
Amortization	4,843	4,986
Professional fees	2,943	169,033
General and administration	134,596	189,007
Stock option compensation (Note 6)	385,900	-
	528,282	363,026
Loss for the period before the following:	(508,302)	(330,243)
Gain on sale of investments	-	121,588
Future income tax recovery	-	677,000
(LOSS) INCOME FOR THE PERIOD	(508,302)	468,345
DEFICIT, beginning of period	(5,938,977)	(4,294,060)
DEFICIT, end of period	$ (6,447,279)	$ (3,825,715)

EASTMAIN RESOURCES INC.

STATEMENTS OF CASH FLOWS

(PREPARED BY MANAGEMENT - UNAUDITED)

	Three Months Ended January 31, 2005	2004
Cash provided by (used in)		
OPERATING ACTIVITIES		
(Loss) income for the period	$ (508,302)	$ 468,345
Adjustments not affecting cash		
Stock option compensation (Note 6)	385,900	-
Future income tax recovery	-	(677,000)
Gain on sale of investments	-	(121,588)
Amortization	4,843	4,986
Changes in non-cash working capital items	(354,777)	(30,554)
	(472,336)	(355,811)
FINANCING ACTIVITIES		
Issue of common shares, net of costs	3,053,903	1,827,954
INVESTING ACTIVITIES		
Mining properties and deferred exploration expenditures	(748,273)	(262,610)
Proceeds from sale of marketable securities	-	170,713
Purchase of short-term investments	(1,789,093)	-
	(2,537,366)	(91,897)
Change in cash and cash equivalents	44,201	1,380,246
Cash and cash equivalents, beginning of period	2,528,810	5,044,331
Cash and cash equivalents, end of period	$ 2,573,011	$ 6,424,577

EASTMAIN RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT - UNAUDITED)

Three Months Ended January 31, 2005

1. THE COMPANY

Eastmain Resources Inc. (the "Company") is a publicly held company, engaged in the mining, exploration and development of resource properties. The Company is incorporated under the Business Corporations Act (Ontario) and its common shares are listed on the Toronto Stock Exchange.

The Company's principal assets are the properties as listed in Note 4.

The unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian generally accepted accounting principles for annual financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended January 31, 2005 may not be necessarily indicative of the results that may be expected for the year ending October 31, 2005.

The balance sheet at October 31, 2004 has been derived from the audited financial statements at that date but does not include all of the information and footnotes required by Canadian generally accepted accounting principles for complete financial statements. The interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's financial statements for the fifteen month period ended October 31, 2004. For further information, refer to the financial statements and notes thereto included in the Company's financial statements for the fifteen month period ended October 31, 2004.

The Company changed its year-end from July 31, 2004 to October 31, 2004 therefore the the comparative figures are for the three month period ended January 31, 2004.

2. SHORT-TERM INVESTMENTS

The short-term investments are carried at the lower of cost or market value.

3. EQUIPMENT

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

	Cost	Accumulated Amortization	Net Book Value January 31, 2005	Net Book Value October 31, 2004
Computer equipment	$ 10,905	$ 6,705	$ 4,200	$ 4,540
Field equipment	109,039	53,507	55,532	60,034
	$ 119,944	$ 60,212	$ 59,732	$ 64,574

EASTMAIN RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT - UNAUDITED)

Three Months Ended January 31, 2005

4. MINING PROPERTIES AND DEFERRED EXPLORATION EXPENDITURES

The mining properties and deferred exploration expenditures are recorded at cost and are comprised as follows:

Project	Balance October 31, 2004	Net Expenditures	Government Grants	Write-off	Balance January 31, 2005
Clearwater	$ 6,032,041	$ 217,456	$ -	$ -	$ 6,249,497
Noranda JV	1,820,037	336,884	-	-	2,156,921
Reserve Creek	281,263	169,742	-	-	451,005
Ontario Projects	291,796	-	-	-	291,796
Quebec Projects	968,387	72,732	-	-	1,041,119
New Brunswick Projects	842,923	180	-	-	843,103
Other	224,514	14,279	-	-	238,793
	$ 10,460,961	$ 811,273	$ -	$ -	$ 11,272,234

The following is a breakdown of mining properties and deferred exploration expenditures by expenditure type for the Company's significant projects for the three months ended January 31, 2005:

	Clearwater	Noranda JV	Reserve Creek	Other	Total
Drilling, trenching and assays	$ 209,001	$ 38,213	$ 34,473	$ 2,467	$ 284,154
Geoscience and technical	7,334	279,537	72,069	14,282	373,222
Project acquisition	1,055	13,561	63,000	70,442	148,058
Project overhead	66	-	200	-	266
Project management fees	-	5,573	-	-	5,573
	$ 217,456	$ 336,884	$ 169,742	$ 87,191	$ 811,273

5. CAPITAL STOCK

	SHARES		AMOUNT
Issued and outstanding, October 31, 2004 (audited)	45,587,678	$	17,970,508
Issued for option payment for Reserve Creek Project (*)	90,000		63,000
Private placement (**)	4,300,000		3,010,000
Warrant valuation (**)	-		(137,600)
Exercise of warrants - cash (***)	500,000		225,000
Exercise of warrants - black-scholes valuation	-		78,000
Flow-through tax effect (****)	-		(1,083,600)
Cost of Issue - cash	-		(181,097)
Issued and outstanding, January 31, 2005 (unaudited)	50,477,678	$	19,944,211

(*) On November 11, 2004 the Company issued 90,000 common shares to Slam Exploration Ltd. valued at $63,000, as an option payment for the Reserve Creek Project.

(**) The Company issued 4,300,000 flow-through units at $0.70 per unit for aggregate gross proceeds of $3,010,000. Each unit consisted of one common share and one-half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at a price of $0.85 per share for a period of 12 months following the closing of the offering.

For purposes of the 2,150,000 warrants granted, the fair value of each warrant was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 58%, risk-free interest rate of 4.5% and an expected life of 12 months The value of the warrants was calculated to be $137,600.

(***) Québec-based mining fund SIDEX, société en commandite exercised 500,000 warrants at $0.45 per share for proceeds to the Company of $225,000.

(****) The Company adopted EIC-146 where the Company has to recognize a future income tax liability, and the shareholder's equity reduced, on the date that the Company renounces the tax credits associated with the expenditures from flow-through proceeds. The Company is then allowed to offset the future income liability against unrecognized future income tax assets if certain criteria is met. As a result, the Company recorded a $1,083,600 future income tax liability for the period. The Company will take the future tax liability into income when there is sufficient non-capital losses to offset the full amount. At this time, it is uncertain when this will happen and as a result, the Company has shown the future tax liability as long-term.

EASTMAIN RESOURCES INC.

NOTES TO FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT - UNAUDITED)

Three Months Ended January 31, 2005

6. STOCK OPTIONS

The Company has a stock option plan available to directors, officers, employees and other service providers of the Company.

	Number Of Options	Weighted Average Exercise Price
Outstanding, October 31, 2004 (audited)	1,375,000	$ 0.44
Granted	850,000	0.64
Outstanding, January 31, 2005 (unaudited)	2,225,000	$ 0.52

The Company applies the fair value method of accounting for all stock-based compensation awards and accordingly, $385,900 was recorded as stock option compensation expense and contributed surplus, for the 850,000 options granted during the period. For purposes of the 850,000 options granted, the fair value of each option was estimated on the date of grant using the Black-Scholes option pricing model, with the following assumptions: dividend yield of 0%, expected volatility of 88%, risk-free interest rate of 4.5% and an expected life of 5 years.

Stock options outstanding as at January 31, 2005 were:

Expiry Date	Black-Scholes Value($)	Number of Options	Exercise Price($)
February, 2005	$ -	500,000	$ 0.36
May, 2006	-	100,000	0.34
February, 2007	-	200,000	0.26
November, 2007	6,500	25,000	0.34
September, 2008	15,300	50,000	0.40
October, 2008	168,400	400,000	0.55
January, 2009	67,300	100,000	0.88
November, 2009	385,900	850,000	0.64
	$ 643,400	2,225,000	

7. WARRANTS

	Number of Warrants
Outstanding, October 31, 2004 (audited)	7,733,095
Granted	2,150,000
Exercised	(500,000)
Outstanding, January 31, 2005 (unaudited)	9,383,095

Warrants outstanding as at January 31, 2005:

Expiry Date	Black-Scholes Value($)	Number of Warrants	Exercise Price($)
February, 2005	$ 78,000	500,000	0.45-0.60
October, 2005	1,080,660	4,340,000	0.60
October, 2005	246,400	880,000	0.51
June, 2005	308,333	880,952	1.25
June, 2005	36,119	88,095	0.86
June, 2005	26,429	44,048	1.25
October, 2008	58,500	500,000	1.50-2.00
December, 2005	137,600	2,150,000	0.85
	$ 1,972,041	9,383,095	

8. RELATED PARTY TRANSACTIONS

The Company paid $30,000 in management wages to a director of the Company. Premises rent paid to a director was $3,000 and geological and administrative fees to a private company controlled by the exploration manager of the Company was paid approximately $19,000. These parties were also paid for out-of-pocket expenses.

These transactions were in the normal course of business and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

9. (LOSS) INCOME PER SHARE

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

	Three Months Ended January 31, 2005	2004
Basic (loss) income per share	$ (0.01)	$ 0.01
Diluted (loss) income per share	$ (0.01)	$ 0.01
Numerator:		
Net (loss) income for the period	$ (508,302)	$ 468,345
Denominator:		
Weighted average of basic common shares	47,219,349	42,197,736
Weighted average of diluted common shares	47,219,349	42,197,736

10. SUBSEQUENT EVENTS

The Company acquired an option to earn 100% interest in certain mineral properties located within the Upper Eastmain River greenstone belt from Ruby Hill Exploration Inc.

The Company can earn 100% interest in the property by making a cash payment and issuing 150,000 common shares of the Company to Ruby Hill, subject to TSX approval. Upon the initial signing of a Letter Agreement, the Company must pay $10,000 in cash and issue 50,000 common shares. The Company must issue an additional 100,000 common shares to Ruby Hill prior to the second anniversary. Ruby Hill will hold a 2.5% Net Smelter Return Royalty, subject to a buy-out of 1.5% of the royalty for $1.5 Million.

The Ruby Hill property consists of 136 claim units covering 70 km 2 in three groups. The Company has subsequently applied for an additional 48 claim units covering 25 km 2 adjoining the Ruby Hill claims.

The Company has also expanded its property holdings, within the James Bay area of Québec, by obtaining an additional 600 claim units covering 300 km 2 of prospective geology.

EASTMAIN RESOURCES INC.

SUPPLEMENT I TO THE FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT - UNAUDITED)

Three Months Ended January 31, 2005

The issued and and outstanding shares on March 1, 2005 are as follows:

a) Common Shares - 50,802,678 issued and outstanding

b) Warrants - See Note 7

c) Options

Stock options outstanding as at March 1, 2005

Expiry Date	Black-Scholes Value($)	Number of Options	Exercise Price($)
May, 2006	$ -	100,000	$ 0.34
February, 2007	-	200,000	0.26
November, 2007	6,500	25,000	0.34
September, 2008	15,300	50,000	0.40
October, 2008	168,400	400,000	0.55
January, 2009	67,300	100,000	0.88
November, 2009	385,900	850,000	0.64
	$ 643,400	1,725,000	

EASTMAIN RESOURCES INC.

SUPPLEMENT II TO THE FINANCIAL STATEMENTS

(PREPARED BY MANAGEMENT - UNAUDITED)

Three Months Ended January 31, 2005

The following is a breakdown of General and Administration

	Three Months Ended January 31, 2005	Three Months Ended January 31, 2004
Accounting and corporate services	$ 17,388	$ 20,419
Transfer agent fees and expenses	8,357	10,949
Shareholders' information	15,484	14,518
Meeting expenses	328	4,235
Travel and expenses	3,117	5,863
Directors' fees	23,500	-
Rent	585	585
General and office expenses	9,089	23,349
Filing services	2,427	4,766
Interest and bank charges	258	957
Stock exchange fees	28,379	50,144
Consulting fees	9,000	1,250
Management fees	7,500	-
Advertising and promotion	9,184	27,369
Payroll Expenses	-	24,603
	$ 134,596	$ 189,007