



Eastmain increases resources with new James Bay property

PAST-PRODUCER SHUT DOWN IN 1995

Somewhat fittingly, **Eastmain Resources** (ER-T, EANRF-O) has acquired the Eastmain Mine copper-gold-silver property in Quebec's James Bay region from MSV Resources, a wholly owned subsidiary of **Campbell Resources** (CCH-T, CBLRF-O).

Campbell Resources says it has decided to focus mainly on the Chibougamau region of Quebec. After the sale of the past-producing property, Campbell announced that it was able to emerge from bank-ruptcy protection, which it entered in June 2005 due to a shortage of capital and difficulties in the startup of the Copper Rand copper-gold mine in Chibougamau.

In total, Eastmain will pay MSV \$2.5 million in cash, 2 million shares, 500 warrants at an exercise price of \$1 per share and another 500 warrants at \$1.50 per share.

The property is located along the Eastmain River greenstone belt, 310 km northeast of Chibougamau. Eastmain also owns 100% of the Eau Clair gold deposit, which is located within the same greenstone belt.

MSV will retain a 2% net smelter return royalty, which Eastmain will be able to purchase half of for \$1 million for any production over 250,000 oz. gold.

Historical estimates put the Eastmain Mine deposit at nearly 256,000 oz. gold and 4.1 million lbs. copper, including

measured resources of 91,500 short tons grading 0.268 oz. gold per ton and indicated resources of 786,600 tons grading 0.294 oz. gold.

The company's total measured and indicated resources (from Eastmain and Eau Clair) are now 565,000 oz. gold and inferred resources are up to 680,000 oz.

Infrastructure at the Eastmain property includes an access ramp and lateral development on two levels. Eastmain estimates the deposit has an NSR value of \$230 per ton, or about \$100 million, based on current metal prices. Eastmain's acquisition cost of the gold deposit is about \$16 per oz.

The Eastmain deposit has been explored sporadically since the 1940s. The three known gold zones, A, B and C, weren't discovered until the 1970s and 1980s when the property was operated by Placer Development (which became Placer Dome before being taken over by **Barrick Gold** [ABX-T, ABX-N]).

In past drilling, Zone A yielded intersections of 9.22 metres grading 13.44 grams gold per tonne and 4.8 metres grading 17.7 grams gold, 25.1 grams silver and 0.61% copper. Drilling in Zone B returned 8.95 metres averaging 61.45 grams gold. The deposit is open at depth and numerous gold occurrences have been detected elsewhere on the property.

MSV and Placer formed a joint venture

on the property in 1987 but MSV became the sole proprietor by 1989. MSV started developing the mine in 1994, but closed it down the following year due to the remoteness of the location and the cost of transporting ore. For operations to resume, a small mill would need to be built and a winter road for year-round access would have to be completed.

Eastmain also holds 215 sq. km of prospective land surrounding the Eastmain gold deposit, including the Ruby Hill property.

In October 2005, Eastmain completed airborne geophysical surveys over the Ruby Hill East and West claim blocks as well as the Eastmain Mine property. The surveys clearly defined the A, B and C zones on the property as well as some highly prospective anomalies at Ruby Hill similar to those at Eastmain Mine.

Eastmain is planning deposit and regional scale exploration work, which will lead to a multi-phase drill program to test the depth extension of the gold deposit as well as geophysical targets.

Eastmain also has a joint venture with Les Mines Opinaca, a subsidiary of **Goldcorp** (G-T, GG-N) and **Azimut Exploration** (AZM-V, AZMTF-O) on the Éléonore South property, which is south of Goldcorp's Roberto gold deposit on the Éléonore property.