



**CONDENSED INTERIM  
CONSOLIDATED FINANCIAL STATEMENTS OF  
EASTMAIN RESOURCES INC.  
FOR THE THREE AND SIX MONTHS ENDED  
APRIL 30, 2019  
(EXPRESSED IN CANADIAN DOLLARS)  
(UNAUDITED)**

---

**NOTICE TO READER**

The accompanying unaudited condensed interim consolidated financial statements of Eastmain Resources Inc. (the "Company") have been prepared by, and are the responsibility of management. The unaudited condensed interim consolidated financial statements have not been reviewed by the Company's auditors.

## Eastmain Resources Inc.

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in Canadian Dollars)  
(Unaudited)

	As at April 30, 2019	As at October 31, 2018
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents (note 3)	\$ 1,466,091	\$ 6,318,544
Prepaid and sundry receivables (note 5)	782,327	739,708
<b>Total current assets</b>	<b>2,248,418</b>	<b>7,058,252</b>
<b>Non-current assets</b>		
Marketable securities (note 4)	247,036	202,226
Property and equipment (note 6)	23,800	28,000
Exploration and evaluation (note 7)	85,366,044	82,022,988
<b>Total non-current assets</b>	<b>85,636,880</b>	<b>82,253,214</b>
<b>Total assets</b>	<b>\$ 87,885,298</b>	<b>\$ 89,311,466</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Current liabilities</b>		
Amounts payable and accrued liabilities (notes 8 and 13)	\$ 1,792,711	\$ 1,882,394
Advances received for exploration work	-	145,655
Flow-through share premium liability (note 9)	-	443,999
<b>Total current liabilities</b>	<b>1,792,711</b>	<b>2,472,048</b>
<b>Non-current liabilities</b>		
Deferred income taxes	6,859,311	7,631,160
<b>Total liabilities</b>	<b>8,652,022</b>	<b>10,103,208</b>
<b>Equity</b>		
Share capital (note 10(a))	101,487,489	101,361,658
Shares to be issued (note 10(a)(i))	300,125	-
Warrants (note 11)	235,000	1,611,000
Contributed surplus	13,496,176	13,350,314
Deficit	(36,285,514)	(37,114,714)
<b>Total equity</b>	<b>79,233,276</b>	<b>79,208,258</b>
<b>Total liabilities and equity</b>	<b>\$ 87,885,298</b>	<b>\$ 89,311,466</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

Nature of operations and going concern (note 1)  
Subsequent event (note 14)

## Eastmain Resources Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)  
(Unaudited)

	Three months ended April 30,		Six months ended April 30,	
	2019	2018	2019	2018
<b>Operating expenses</b>				
Depreciation (note 6)	\$ 2,100	\$ 3,000	\$ 4,200	\$ 6,000
Director fees	49,808	46,084	105,720	78,751
General and office	121,157	243,843	250,577	352,432
Government reassessment (note 8(i))	-	-	-	280,000
Impairment of exploration and evaluation assets (note 7)	9,595	102,023	70,813	131,317
Marketing and investor relations	54,773	44,129	223,554	79,620
Professional fees	62,933	14,586	114,451	50,624
Rent	20,775	29,819	37,875	67,074
Salaries	319,817	225,468	738,494	781,148
Share-based compensation	65,229	98,083	271,693	253,873
Travel expenses	21,856	24,744	31,916	40,287
<b>Operating loss before the following</b>	<b>(728,043)</b>	<b>(831,779)</b>	<b>(1,849,293)</b>	<b>(2,121,126)</b>
Interest and other income	18,622	10,913	41,835	49,632
Realized gain on marketable securities	-	144,110	-	144,110
Unrealized gain (loss) on marketable securities	57,813	(166,013)	44,809	(135,960)
Premium on flow-through shares (note 9)	-	379,496	443,999	1,105,809
<b>Loss before income taxes</b>	<b>(651,608)</b>	<b>(463,273)</b>	<b>(1,318,650)</b>	<b>(957,535)</b>
Deferred income tax recovery (expense)	312,633	(301,958)	771,850	(867,917)
<b>Loss and comprehensive loss for the period</b>	<b>\$ (338,975)</b>	<b>\$ (765,231)</b>	<b>\$ (546,800)</b>	<b>\$ (1,825,452)</b>
<b>Basic and diluted loss per share (note 12)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>
<b>Weighted average number of common shares outstanding - basic and diluted</b>	<b>222,722,910</b>	<b>199,241,813</b>	<b>222,295,385</b>	<b>197,712,566</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## Eastmain Resources Inc.

### Condensed Interim Consolidated Statements of Cash Flows (Expressed in Canadian Dollars) (Unaudited)

Six months ended April 30,	2019	2018
<b>Operating activities:</b>		
Comprehensive net loss for the period	\$ (546,800)	\$ (1,825,452)
Adjustments for:		
Depreciation	4,200	6,000
Impairment of exploration and evaluation assets	70,813	131,317
Gain on marketable securities	(44,809)	(8,150)
Premium on flow-through shares	(443,999)	(1,105,809)
Deferred income taxes (recovery) expense	(771,850)	867,917
Share-based compensation	271,693	253,873
Prepaid and sundry receivables	(42,619)	658,794
Amounts payable and accrued liabilities	(89,683)	(1,590,585)
Advances receivable for exploration work	(145,655)	-
<b>Net cash used in operating activities</b>	<b>(1,738,709)</b>	<b>(2,612,095)</b>
<b>Financing activities:</b>		
Proceeds on issue of common shares	-	2,280,000
Advance received on shares to be issued	300,125	-
Share issue expenses	-	(3,325)
<b>Net cash provided by financing activities</b>	<b>300,125</b>	<b>2,276,675</b>
<b>Investing activities:</b>		
Exploration and evaluation expenditures	(3,413,869)	(3,949,694)
Proceeds on sale of marketable securities	-	173,195
<b>Net cash used in investing activities</b>	<b>(3,413,869)</b>	<b>(3,776,499)</b>
<b>Net change in cash and cash equivalents</b>	<b>(4,852,453)</b>	<b>(4,111,919)</b>
<b>Cash and cash equivalents, beginning of period</b>	<b>6,318,544</b>	<b>7,005,320</b>
<b>Cash and cash equivalents, end of period (note 3)</b>	<b>\$ 1,466,091</b>	<b>\$ 2,893,401</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

## Eastmain Resources Inc.

### Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Expressed in Canadian Dollars) (Unaudited)

#### Equity attributable to shareholders

	Share Capital #		Shares to be issued	Warrants #		Contributed Surplus	Deficit	Total
<b>Balance, October 31, 2017</b>	<b>193,125,146</b>	<b>\$ 95,009,260</b>	<b>\$ -</b>	<b>6,899,999</b>	<b>\$ 1,495,300</b>	<b>\$ 12,966,895</b>	<b>\$(34,726,519)</b>	<b>\$ 74,744,936</b>
Private placement	6,000,000	2,280,000	-	-	-	-	-	2,280,000
Share issue expenses	-	(3,325)	-	-	-	-	-	(3,325)
Premium on issue of flow-through shares	-	(420,000)	-	-	-	-	-	(420,000)
Restricted shares vested and converted to common shares	116,667	35,000	-	-	-	(35,000)	-	-
Share-based compensation issued	-	-	-	-	-	253,873	-	253,873
Comprehensive loss for the period	-	-	-	-	-	-	(1,825,452)	(1,825,452)
<b>Balance, April 30, 2018</b>	<b>199,241,813</b>	<b>\$ 96,900,935</b>	<b>\$ -</b>	<b>6,899,999</b>	<b>\$ 1,495,300</b>	<b>\$ 13,185,768</b>	<b>\$(36,551,971)</b>	<b>\$ 75,030,032</b>

	Share Capital #		Shares to be issued	Warrants #		Contributed Surplus	Deficit	Total
<b>Balance, October 31, 2018</b>	<b>221,884,037</b>	<b>\$101,361,658</b>	<b>\$ -</b>	<b>12,367,660</b>	<b>\$ 1,611,000</b>	<b>\$ 13,350,314</b>	<b>\$(37,114,714)</b>	<b>\$ 79,208,258</b>
Advance received on shares to be issued	-	-	300,125	-	-	-	-	300,125
Restricted shares vested and converted to common shares	838,873	125,831	-	-	-	(125,831)	-	-
Share-based compensation issued	-	-	-	-	-	271,693	-	271,693
Warrants expired	-	-	-	(6,400,000)	(1,376,000)	-	1,376,000	-
Comprehensive loss for the period	-	-	-	-	-	-	(546,800)	(546,800)
<b>Balance, April 30, 2019</b>	<b>222,722,910</b>	<b>\$101,487,489</b>	<b>\$ 300,125</b>	<b>5,967,660</b>	<b>\$ 235,000</b>	<b>\$ 13,496,176</b>	<b>\$(36,285,514)</b>	<b>\$ 79,233,276</b>

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements.

---

# Eastmain Resources Inc.

## Notes to Condensed Interim Consolidated Financial Statements

April 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

---

### 1. Nature of operations and going concern

Eastmain Resources Inc. (the "Company" or "Eastmain") and its wholly-owned subsidiary, Eastmain Mines Inc., are engaged in the acquisition and exploration of resource properties within Canada. 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 under the symbol "ER" and on the OTCQX under the symbol "EANRF". The Company's registered office address is The Canadian Venture Building, 82 Richmond Street East, Suite 201, Toronto, Ontario, Canada, M5C 1P1.

The Company is in the exploration stage and has not yet determined whether its exploration and evaluation assets contain resources that are economically recoverable. The continued operations of the Company and the recoverability of amounts shown for its exploration and evaluation assets are dependent upon the ability of the Company to obtain financing to complete the exploration and development of its exploration and evaluation assets, the existence of economically recoverable reserves and future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its exploration and evaluation assets. The carrying cost for exploration and evaluation assets does not necessarily represent the present or future value of the projects. Changes in future conditions could require a material change in the amount recorded for the exploration and evaluation of its assets.

These unaudited condensed interim consolidated financial statements are prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to continue operating for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operations. As an exploration-stage company, Eastmain does not have any sources of revenue and historically has incurred recurring operating losses. As at April 30, 2019, the Company had working capital of \$455,707 (October 31, 2018 - \$4,586,204) and shareholders' equity of \$79,233,276 (October 31, 2018 - \$79,208,258). Management has assessed that this working capital and the proceeds from recently completed financing are sufficient for the Company to continue as a going concern beyond one year. If the going concern assumption was not appropriate for these unaudited condensed interim consolidated financial statements it would be necessary to restate the Company's assets and liabilities on a liquidation basis.

### 2. Basis of presentation

#### Statement of compliance

The Company applies International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the interpretations issued by the IFRS Interpretations Committee. These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 - Interim Financial Reporting. Accordingly, they do not include all of the information required for full annual financial statements required by IFRS as issued by the IASB.

The policies applied in these unaudited condensed interim consolidated financial statements are based on IFRS' issued and outstanding as of June 11, 2019, the date the Board of Directors approved the statements. The same accounting policies and methods of computation are followed in these unaudited condensed interim consolidated financial statements as compared with the most recent annual consolidated financial statements as at and for the year ended October 31, 2018, except as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending October 31, 2019, could result in restatement of these unaudited condensed interim consolidated financial statements.

---

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

April 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

---

## 2. Basis of presentation (continued)

### New Accounting Standard Adopted

On July 24, 2014, the IASB issued the completed IFRS 9 - Financial Instruments ("IFRS 9") to come into effect on January 1, 2018 with early adoption permitted.

IFRS 9 includes finalized guidance on the classification and measurement of financial assets. Under IFRS 9, financial assets are classified and measured either at amortized cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 largely retains the existing requirements in IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), for the classification and measurement of financial liabilities.

The Company adopted IFRS 9 in its unaudited condensed interim consolidated financial statements on November 1, 2018. Due to the nature of its financial instruments, the adoption of IFRS 9 had no impact on the opening accumulated deficit balance on November 1, 2018. The impact on the classification and measurement of its financial instruments is set out below.

All financial assets not classified at amortized cost or FVOCI are measured at FVTPL. On initial recognition, the Company can irrevocably designate a financial asset at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated at FVTPL:

- It is held within a business model whose objective is to hold the financial asset to collect the contractual cash flows associated with the financial asset instead of selling the financial asset for a profit or loss;
- Its contractual terms give rise to cash flows that are solely payments of principal and interest.

All financial instruments are initially recognized at fair value on the statement of financial position. Subsequent measurement of financial instruments is based on their classification. Financial assets and liabilities classified at FVTPL are measured at fair value with changes in those fair values recognized in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the period. Financial assets classified at amortized cost and financial liabilities are measured at amortized cost using the effective interest method.

The following table summarizes the classification and measurement changes under IFRS 9 for each financial instrument:

<b>Classification</b>	<b>IAS 39</b>	<b>IFRS 9</b>
Cash and cash equivalents	FVTPL	FVTPL
Marketable securities	FVTPL	FVTPL
Other receivables	Loans and receivables (amortized cost)	Amortized cost
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Advances received for exploration work	Other financial liabilities	Amortized cost
Flow-through share premium liability	Other financial liabilities	Amortized cost

The original carrying value of the Company's financial instruments under IAS 39 has not changed under IFRS 9.

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

April 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

#### 2. Basis of presentation (continued)

##### Standard issued but not yet effective

On January 13, 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"). The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17 - Leases ("IAS 17"). This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. IFRS 16 substantially carries forward the lessor accounting requirements of IAS 17, while requiring enhanced disclosures to be provided by lessors. Other areas of the lease accounting model have been impacted, including the definition of a lease. Transitional provisions have been provided. The Company intends to adopt IFRS 16 in its financial statements for the period beginning on November 1, 2019. The Company is evaluating the impact of adoption and expects to report more detailed information in its consolidated financial statements as the effective date approaches.

#### 3. Cash and cash equivalents

	As at April 30, 2019	As at October 31, 2018
Cash	\$ 966,091	\$ 1,186,544
Cash equivalents	500,000	5,132,000
	<b>\$ 1,466,091</b>	<b>\$ 6,318,544</b>

#### 4. Marketable securities

##### (a) Marketable securities held

Bonds and other securities are recorded at fair value. As at January 31, 2019, the Company did not hold any bonds. 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 Kaizen Discovery Inc. and Meryllion Resource Corp. were received as a result of a sale of prospecting permits and mineral claims to Western Lithium Corp.; and shares of Osisko Metals Inc. (formerly Pine Point Mining Ltd.) ("Pine Point") were acquired in conjunction with an option enabling Pine Point to acquire a 50% interest in the Lac Lessard project.

	Number of shares/warrants	As at April 30, 2019	Number of shares	As at October 31, 2018
Osisko Metals Inc. ("Osisko Metals") common shares (proceeds of merger with Pine Point)	333,600	\$ 196,824	333,600	\$ 170,136
Osisko Metals warrants (i)	-	-	108,320	-
Generation Mining Ltd. common shares	160,000	43,200	160,000	24,000
Dianor Resources Inc. common shares	500,000	-	500,000	-
Kaizen Discovery Inc. common shares	107,867	5,394	107,867	6,472
Meryllion Resource Corp. common shares	107,867	1,618	107,867	1,618
Threegold Resources Inc. common shares	12,380	-	12,380	-
<b>Total investments</b>		<b>\$ 247,036</b>		<b>\$ 202,226</b>



---

**Eastmain Resources Inc.****Notes to Condensed Interim Consolidated Financial Statements****April 30, 2019****(Expressed in Canadian Dollars)****(Unaudited)**

---

**4. Marketable securities (continued)****(a) Marketable securities held (continued)**

(i) In the absence of a quoted market price, Eastmain has elected to designate the market value of the Osisko Metals warrants as \$nil at October 31, 2018. During six months ended April 30, 2019, Osisko Metals warrants expired unexercised.

**(b) Hedging activities**

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

**5. Prepaid and sundry receivables**

	<b>As at April 30, 2019</b>	<b>As at October 31, 2018</b>
Sales tax input credits recoverable	\$ 432,564	\$ 256,645
Advances and prepaid expenses	143,080	114,116
Receivable for exploration work	206,683	368,947
	<b>\$ 782,327</b>	<b>\$ 739,708</b>

**6. Property and equipment**

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

<b>Cost</b>	<b>Computer equipment</b>	<b>Field equipment</b>	<b>Total</b>
<b>Balance, October 31, 2018 and April 30, 2019</b>	<b>\$ 74,112</b>	<b>\$ 403,396</b>	<b>\$ 477,508</b>
<b>Accumulated depreciation</b>	<b>Computer equipment</b>	<b>Field equipment</b>	<b>Total</b>
<b>Balance, October 31, 2018</b>	<b>\$ 63,804</b>	<b>\$ 385,704</b>	<b>\$ 449,508</b>
Depreciation during the period	1,546	2,654	4,200
<b>Balance, April 30, 2019</b>	<b>\$ 65,350</b>	<b>\$ 388,358</b>	<b>\$ 453,708</b>
<b>Net book value</b>	<b>Computer equipment</b>	<b>Field equipment</b>	<b>Total</b>
<b>Balance, October 31, 2018</b>	<b>\$ 10,308</b>	<b>\$ 17,692</b>	<b>\$ 28,000</b>
<b>Balance, April 30, 2019</b>	<b>\$ 8,762</b>	<b>\$ 15,038</b>	<b>\$ 23,800</b>

---

**Eastmain Resources Inc.****Notes to Condensed Interim Consolidated Financial Statements****April 30, 2019****(Expressed in Canadian Dollars)****(Unaudited)**

---

**7. Exploration and evaluation**

Mineral property acquisition, exploration and evaluation expenditures are recorded at cost and are comprised as follows:

**Project expenditures for the six months ended April 30, 2019**

---

<b>Project</b>	<b>Drilling &amp; assays</b>	<b>Technical surveys</b>	<b>Project acquisition &amp; maintenance</b>	<b>2019 net expenditures</b>
Clearwater	\$ 1,642,630	\$ 826,075	\$ 73,387	\$ 2,542,092
Eastmain Mine	13,897	2,624	22,569	39,090
Éléonore South JV	503,977	247,330	9,588	760,895
Ruby Hill	-	-	23,163	23,163
Lac Hudson	-	-	1,158	1,158
Radisson	-	880	18,054	18,934
Lac Clarkie	-	979	-	979
Other	-	-	27,558	27,558
<b>Total</b>	<b>\$ 2,160,504</b>	<b>\$ 1,077,888</b>	<b>\$ 175,477</b>	<b>\$ 3,413,869</b>

---

**Cumulative acquisition, exploration and evaluation expenditures as at April 30, 2019**

---

<b>Project</b>	<b>Balance October 31, 2018</b>	<b>2019 net expenditures</b>	<b>Write-down</b>	<b>Balance April 30, 2019</b>
Clearwater	\$ 61,163,788	\$ 2,542,092	\$ -	\$ 63,705,880
Eastmain Mine	17,212,711	39,090	-	17,251,801
Éléonore South JV	2,906,580	760,895	-	3,667,475
Ruby Hill	-	23,163	(23,163)	-
Lac Hudson	-	1,158	(1,158)	-
Radisson	-	18,934	(18,934)	-
Lac Lessard	230,602	-	-	230,602
Lac Clarkie	509,307	979	-	510,286
Other	-	27,558	(27,558)	-
<b>Total</b>	<b>\$ 82,022,988</b>	<b>\$ 3,413,869</b>	<b>\$ (70,813)</b>	<b>\$ 85,366,044</b>

---

**Impairment of exploration and evaluation assets:**

In 2014, the Company recognized impairment on certain properties because there were indications that the carrying amount of these assets exceeded their demonstrable recoverable amounts. During the six months ended April 30, 2019, ongoing expenditures on these properties were written down by \$70,813 (six months ended April 30, 2018 - \$131,317). Under certain conditions, these impairment charges may be reversed. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised and in any future periods affected.

---

**Eastmain Resources Inc.****Notes to Condensed Interim Consolidated Financial Statements****April 30, 2019****(Expressed in Canadian Dollars)****(Unaudited)**

---

**8. Amounts payable and accrued liabilities**

	<b>As at April 30, 2019</b>	<b>As at October 31, 2018</b>
Amounts payable and accrued liabilities	<b>\$ 1,304,236</b>	\$ 1,515,908
Government remittances payable	-	120
Accrual for flow-through financings reassessment (i)	<b>280,000</b>	280,000
Due to related parties (note 13)	<b>208,475</b>	86,366
	<b>\$ 1,792,711</b>	\$ 1,882,394

---

(i) In late 2017, the Company was advised by the Canada Revenue Agency ("CRA") that certain Canadian Exploration Expenses ("CEE") expenditures which had been renounced to investors in 2013 and 2014 via flow-through financings were reassessed by the CRA. The Company is currently awaiting final documentation regarding the specific reassessment amounts and intends to file an objection and vigorously contest the reassessment. The Company and its tax advisors maintain its stance that the associated expenditures are CEE-eligible. Assuming the Company is unsuccessful in its appeal and/or fails to reach a settlement with the CRA, the Company anticipates potential repayments of up to \$280,000. While not considered material to the operations of Eastmain, the Company has accrued for this amount and will adjust the accrual on completion of the appeal process.

**9. Flow-through share premium liability and expenditure commitment**

	<b>Flow-through premium liability</b>	<b>Flow-through spending commitment</b>
<b>Balance, October 31, 2018</b>	<b>\$ 443,999</b>	<b>\$ 1,912,613</b>
Reduction for expenses incurred	(443,999)	(1,912,613)
<b>Balance, April 30, 2019</b>	<b>\$ -</b>	<b>\$ -</b>

---

During the six months ended April 30, 2019, the Company satisfied all remaining flow-through expenditure commitments.

**10. Share capital****a) Authorized and issued share capital**

The authorized share capital consists of an unlimited number of common shares. The common shares do not have a par value. All issued shares are fully paid.

(i) On December 14, 2017, the Company closed a non-brokered offering of 6,000,000 "flow-through" common shares (the "FT Shares") at a price of \$0.38 per FT Share, to raise aggregate gross proceeds of \$2,280,000.

The net proceeds of the offering are expected to be used to fund exploration and development of the Company's mineral concessions in Quebec.

(ii) As at April 30, 2019, \$300,125 of subscriptions were received in advance for shares issued subsequent to April 30, 2019 (note 14(i)).

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

April 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

#### 10. Share capital (continued)

##### b) Share purchase option plan

(i) In January 2018, 250,000 share purchase options with an exercise price of \$0.30 and expiry date of January 25, 2023 were issued to a director of the Company. One-third of the options vested immediately, one-third vested on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was \$45,000 using the Black-Scholes option pricing model with the following assumptions: dividend of \$0.00; expected volatility of 72.69%; a risk-free interest rate of 2.04% and an expected average term of 5 years. During the three and six months ended April 30, 2019, \$27,125 and \$54,250, respectively (three and six months ended April 30, 2018 - \$5,625 and \$20,995, respectively) was recognized as share-based compensation.

Due to the resignation of this director in July 2018, the unvested portion of the grant (166,667 options) were subsequently canceled as required by the Company share option plan.

(ii) In January 2019, 476,600 share purchase options with an exercise price of \$0.15 and expiry date of January 29, 2024 were issued to management and employees of the Company. One-third of the options vested immediately, one-third vest on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was \$42,000 using the Black-Scholes option pricing model with the following assumptions: dividend of \$0.00; expected volatility of 69.12%; a risk-free interest rate of 1.88% and an expected average term of 5 years. During the three and six months ended April 30, 2019, \$5,250 and \$19,423, respectively (three and six months ended April 30, 2018 - \$nil) was recognized as share-based compensation.

	Number of stock options	Weighted average exercise price
<b>Outstanding, October 31, 2017</b>	<b>10,760,000</b>	<b>\$ 0.63</b>
Granted (i)	250,000	0.30
Expired/cancelled	(500,000)	0.60
<b>Balance, April 30, 2018</b>	<b>10,510,000</b>	<b>\$ 0.63</b>

	Number of stock options	Weighted average exercise price
<b>Outstanding, October 31, 2018</b>	<b>12,393,333</b>	<b>\$ 0.56</b>
Granted (ii)	476,600	0.15
<b>Balance, April 30, 2019</b>	<b>12,869,933</b>	<b>\$ 0.54</b>

Options outstanding and exercisable as of April 30, 2019:

Exercise price range	Number outstanding	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable
\$0.01 - \$0.50	7,784,933	4.11 years	\$ 0.28	5,586,644
\$0.51 - \$1.00	2,910,000	2.57 years	\$ 0.67	2,910,000
\$1.01 - \$1.50	1,925,000	1.68 years	\$ 1.21	1,925,000
\$1.51 - \$2.00	250,000	1.99 years	\$ 1.51	250,000

---

**Eastmain Resources Inc.****Notes to Condensed Interim Consolidated Financial Statements****April 30, 2019****(Expressed in Canadian Dollars)****(Unaudited)**

---

**10. Share capital (continued)**

## b) Share purchase option plan (continued)

The following table reflects the actual stock options issued and outstanding as of April 30, 2019:

<b>Expiry date</b>	<b>Black-Scholes value (\$)</b>	<b>Number of options</b>	<b>Exercise price (\$)</b>
April, 2020	192,750	250,000	1.35
June, 2020	536,250	750,000	1.27
September, 2020	66,885	350,000	0.32
September, 2020	20,800	25,000	1.46
March, 2021	56,125	250,000	0.36
April, 2021	111,376	375,000	0.48
April, 2021	224,250	250,000	1.51
June, 2021	394,916	1,135,000	0.60
June, 2021	395,850	650,000	1.15
July, 2021	35,000	100,000	0.62
August, 2021	29,000	60,000	0.81
January, 2022	228,000	740,000	0.51
April, 2022	158,250	250,000	1.05
May, 2022	63,000	250,000	0.42
June, 2022	384,200	850,000	0.88
September, 2022	11,975	25,000	0.96
September, 2022	242,000	1,125,000	0.36
January, 2023	15,000	83,333	0.30
June, 2023	102,000	600,000	0.33
September, 2023	27,900	150,000	0.36
September, 2023	217,000	2,050,000	0.18
June, 2024	155,160	900,000	0.30
January, 2024	42,000	476,600	0.15
June, 2025	269,075	1,175,000	0.38
	<b>3,978,762</b>	<b>12,869,933</b>	<b>0.54</b>

## c) Restricted Share Unit ("RSU") plan

During the year ended October 31, 2017, the Company adopted an RSU Plan. The maximum aggregate number of shares reserved for issuance under the RSU Plan shall not exceed a combined total of 5% of the Company's issued and outstanding shares.

The grant date fair value of the RSU equals the fair market value of the corresponding shares at the grant date. The fair value of these equity-settled awards is recognized as compensation expense with a corresponding increase in equity. The total amount expensed is recognized over the vesting period, which is the period over which all the specified vesting conditions should be satisfied. RSU are converted in common shares when vested.

During the year ended October 31, 2017, the Company granted 340,000 RSU to certain employees under its RSU Plan. These RSU vest as follows: one-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. In relation to this grant, RSU vesting for the three and six months ended April 30, 2019 was \$4,958 and \$9,916, respectively (three and six months ended April 30, 2018 - \$14,875 and \$29,750), respectively.

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

April 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

#### 10. Share capital (continued)

##### c) RSU plan (continued)

During the year ended October 31, 2018, the Company granted 116,667 RSU to an employee under its RSU Plan. These RSU vested immediately as the RSU were taken in lieu of cash compensation. In relation to this grant, RSU vesting for the three and six months ended April 30, 2019 was \$nil (three and six months ended April 30, 2018 - \$nil and \$35,000, respectively).

During the year ended October 31, 2018, the Company granted 675,000 RSU to certain employees under its RSU Plan. These RSU vest as follows: one-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. In relation to this grant, RSU vesting for the three and six months ended April 30, 2019 was \$15,188 and \$30,376, respectively (three and six months ended April 30, 2018 - \$nil).

During the six months ended April 30, 2019, the Company granted nil and 838,873 RSU, respectively to certain employees as part of certain member's short and long-term compensation under its RSU Plan. These RSU vested immediately as the RSU were taken in lieu of cash compensation. In relation to this grant, RSU vesting for the six months ended April 30, 2019 was \$125,831 (six months ended April 30, 2018 - \$nil).

As at April 30, 2019, there were 563,335 RSU issued and outstanding (October 31, 2018 - 563,335). The weighted average fair value of RSU granted during the six months ended April 30, 2019 was \$0.15 (six months ended April 30, 2018 - \$0.35) per share.

#### 11. Warrants

	Number of warrants	Weighted average exercise price
<b>Balance, October 31, 2017 and April 30, 2018</b>	<b>6,899,999</b>	<b>\$ 0.50</b>
<b>Outstanding, October 31, 2018</b>	<b>12,367,660</b>	<b>\$ 0.43</b>
Expired	(6,400,000)	0.50
<b>Balance, April 30, 2019</b>	<b>5,967,660</b>	<b>\$ 0.35</b>

The following table reflects the warrants issued and outstanding as of April 30, 2019:

Expiry date	Exercise price (\$)	Warrants outstanding	Valuation (\$)
July 4, 2020	0.35	5,967,660	235,000

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

April 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

#### 12. Net loss per share

The calculation of basic and diluted loss per share for the three and six months ended April 30, 2019, was based on the loss attributable to common shareholders of \$338,975 and \$546,800, respectively (three and six months ended April 30, 2018 - \$765,231 and \$1,825,452, respectively) and the weighted average number of common shares outstanding of 222,722,910 and 222,295,385, respectively (three and six months ended April 30, 2018 - 199,241,813 and 197,712,566, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

#### 13. Related party balances and transactions

Related parties include the Board of Directors, key management, close family members and enterprises that are controlled by these individuals. Related party transactions conducted in the normal course of operations are measured at the amount established and accepted by the parties.

##### (a) Transactions with related parties

	Three months ended April 30,		Six months ended April 30,	
	2019	2018	2019	2018
OTD Exploration Services Inc. ("OTD") (i)	\$ 42,504	\$ 58,920	\$ 113,861	\$ 107,500
OTD - rental agreement (ii)	\$ -	\$ 2,151	\$ -	\$ 5,379

(i) The Vice President Exploration of Eastmain is the President of OTD. Fees paid to OTD are related to professional geological exploration and management services. At April 30, 2019, the amount due to OTD was \$34,202 (October 31, 2018 - \$35,356) related to a) his function as the Vice President Exploration of Eastmain and to b) reimburse operating and exploration expenses incurred by OTD on behalf of the Company.

(ii) In addition, Eastmain signed a mobile equipment rental agreement with OTD in April 2017 for a period of 12 months at a monthly rate of \$1,076 per month.

Amounts due to related parties are included in amounts payable and accrued liabilities.

##### (b) Remuneration of directors and key management personnel other than consulting fees

	Three months ended April 30,		Six months ended April 30,	
	2019	2018	2019	2018
Salaries and benefits	\$ 198,058	\$ 156,968	\$ 490,685	\$ 506,804
Share-based compensation	\$ 55,555	\$ 74,514	\$ 219,991	\$ 204,720

The Company considers its key management personnel to be the Chief Executive Officer and Chief Financial Officer.

Independent directors do not have any employment or service contracts. Officers and directors are entitled to share-based compensation and cash remuneration for their services.

At April 30, 2019, the amount due to officers was \$169,379 (October 31, 2018 - \$18,943) and the amount due to directors was \$39,096 (October 31, 2018 - \$32,067).

(c) The Company has a diversified base of investors. To the Company's knowledge, no shareholder holds more than 10% of the Company's common shares as at April 30, 2019.

---

## Eastmain Resources Inc.

### Notes to Condensed Interim Consolidated Financial Statements

April 30, 2019

(Expressed in Canadian Dollars)

(Unaudited)

---

#### 14. Subsequent event

(i) On May 8, 2019, the Company announced it completed a bought deal private placement (the "Offering") for aggregate gross proceeds of approximately \$3,189,000.

The Offering was conducted by a syndicate of underwriters led by Laurentian Bank Securities Inc. and included Cormark Securities Inc., Industrial Alliance Securities Inc., Echelon Wealth Partners Inc., GMP Securities L.P. and CIBC Capital Markets.

Pursuant to the Offering, the Company issued an aggregate of 8,987,203 units ("Hard Units") at a price of \$0.135 per Hard Unit, 8,044,285 Quebec flow-through common shares of the Company (the "Quebec FT Shares") at a price of \$0.175 per Quebec FT Share, 1,064,500 federal flow-through common shares of the Company (the "Federal FT Shares") at a price of \$0.17 per Federal FT Share, and 1,646,900 charity flow-through units of the Company ("Charity FT Units") at a price of \$0.235 per Charity FT Unit (together with the Hard Units, Quebec FT Shares, Federal FT Shares, and Charity FT Units, the "Securities"). Each Hard Unit and each Charity FT Unit consisted of one common share of the Company and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant"). Each Warrant will entitle the holder to acquire one common share of the Company for two years from the closing of the Offering at a price of \$0.17.

The net proceeds from the sale of the Hard Units will be used to fund the exploration and development of the Company's Québec mineral concessions and for general corporate and working capital purposes. The gross proceeds received by the Company from the sale of the Quebec FT Shares, Federal FT Shares and common shares comprising, in part, the Charity FT Units, will be used to incur Canadian Exploration Expenses ("CEE") that are "flow-through mining expenditures" (as such terms are defined in the Income Tax Act (Canada) and the Taxation Act (Quebec)) on the Company's properties in Québec, which will be renounced to the subscribers with an effective date no later than December 31, 2019.

All Securities issued pursuant to the Offering are subject to a statutory hold period expiring September 9, 2019. Insiders of the Company purchased, directly and indirectly, an aggregate of 688,000 Federal FT Shares, 298,500 Hard Units, 115,000 Quebec FT Shares and 850,000 Charity FT Units in connection with the Offering.