CONDENSED INTERIM
CONSOLIDATED FINANCIAL STATEMENTS OF
EASTMAIN RESOURCES INC.
FOR THE THREE AND NINE MONTHS ENDED
JULY 31, 2017
(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 July 31, 2017	As at October 31, 2016
ASSETS		
Current assets		
Cash and cash equivalents (note 3)	**$ 10,713,627**	$ 16,442,540
Prepaid and sundry receivables (note 5)	**1,818,873**	563,583
Total current assets	**12,532,500**	17,006,123
Non-current assets		
Marketable securities (note 4)	**433,591**	421,817
Property and equipment (note 6)	**44,283**	56,801
Exploration and evaluation (note 7)	**71,625,925**	60,709,890
Total non-current assets	**72,103,799**	61,188,508
Total assets	**$ 84,636,299**	$ 78,194,631
LIABILITIES AND EQUITY		
Current liabilities		
Amounts payable and accrued liabilities (notes 8 and 14)	**$ 1,565,807**	$ 1,847,089
Flow-through share premium liability (note 9)	**2,757,285**	3,215,384
Total current liabilities	**4,323,092**	5,062,473
Non-current liabilities		
Deferred income taxes	**5,847,739**	3,814,739
Total liabilities	**10,170,831**	8,877,212
Equity		
Share capital (note 10(a))	**94,984,444**	88,556,715
Warrants (note 11)	**1,495,300**	1,495,300
Contributed surplus	**12,794,396**	12,386,746
Deficit	**(34,808,672)**	(33,121,342)
Total equity	**74,465,468**	69,317,419
Total liabilities and equity	**$ 84,636,299**	$ 78,194,631

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

Nature of operations and going concern (note 1)

Eastmain Resources Inc.
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three months ended July 31, 2017	Three months ended July 31, 2016	Nine months ended July 31, 2017	Nine months ended July 31, 2016
Operating expenses				
General and administrative expenses (note 13)	**$ 536,664**	$ 1,074,028	**$ 2,463,398**	$ 4,788,924
Impairment of exploration and evaluation assets (note 7)	**13,526**	21,138	**107,388**	84,255
Operating loss before the following	**(550,190)**	(1,095,166)	**(2,570,786)**	(4,873,179)
Interest and other income	**23,110**	29,422	**209,893**	56,369
Realized loss on marketable securities	**-**	-	**-**	(82,570)
Unrealized (loss) gain on marketable securities	**(126,053)**	192,937	**11,774**	490,078
Premium on flow-through shares (note 9)	**1,065,997**	-	**2,694,789**	149,600
Income (loss) before income taxes	**412,864**	(872,807)	**345,670**	(4,259,702)
Deferred income tax (expense) recovery	**(668,000)**	-	**(2,033,000)**	347,121
Loss and comprehensive loss for the period	**$ (255,136)**	$ (872,807)	**$ (1,687,330)**	$ (3,912,581)
Basic and diluted loss per share (note 12)	**$ (0.00)**	$ (0.01)	**$ (0.01)**	$ (0.03)
Weighted average number of common shares outstanding - basic and diluted	**185,531,126**	160,757,456	**178,832,379**	143,562,591

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)

Nine months ended July 31,	2017	2016
Operating activities:		
Comprehensive net loss for the period	**$ (1,687,330)**	$ (3,912,581)
Adjustments for:		
Depreciation	**12,827**	12,422
Impairment of exploration and evaluation assets	**107,388**	84,255
Gain on marketable securities	**(11,774)**	(407,508)
Premium on flow-through shares	**(2,694,789)**	(149,600)
Deferred income taxes expense (recovery)	**2,033,000**	(347,121)
Share-based compensation	**413,375**	568,537
Prepaid and sundry receivables	**(1,255,290)**	1,094,039
Amounts payable and accrued liabilities	**(281,282)**	(561,125)
Net cash used in operating activities	**(3,363,875)**	(3,618,682)
Financing activities:		
Proceeds on issue of common shares	**9,155,760**	22,709,624
Exercise of options	**9,500**	235,500
Share issue expenses	**(506,566)**	(1,173,977)
Net cash provided by financing activities	**8,658,694**	21,771,147
Investing activities:		
Exploration and evaluation expenditures	**(11,023,423)**	(3,320,694)
Government exploration tax credits	**-**	1,020,960
Purchase of property and equipment	**(309)**	(9,986)
Proceeds on sale and redemption of marketable securities	**-**	2,078,719
Net cash used in financing activities	**(11,023,732)**	(231,001)
Net change in cash and cash equivalents	**(5,728,913)**	17,921,464
Cash and cash equivalents, beginning of period	**16,442,540**	1,590,789
Cash and cash equivalents, end of period (note 3)	**$ 10,713,627**	$ 19,512,253

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 #	Share Capital $	Warrants #	Warrants $	Contributed Surplus	Deficit	Total
Balance at October 31, 2015	**133,039,815**	**$ 71,364,347**	**-**	**$ -**	**$ 11,986,810**	**$ (26,779,729)**	**$ 56,571,428**
Private placements	41,279,999	22,709,624	-	-	-	-	22,709,624
Share issue expenses	-	(1,173,977)	-	-	-	-	(1,173,977)
Premium on issue of flow-though shares	-	(3,364,984)	-	-	-	-	(3,364,984)
Shares issued for acquisition of claims	60,000	28,800	-	-	-	-	28,800
Share-based compensation issued	-	-	-	-	568,537	-	568,537
Share-based compensation exercised	725,000	370,400	-	-	(134,900)	-	235,500
Warrants issued	-	(1,495,300)	6,899,999	1,495,300	-	-	-
Comprehensive loss for the period	-	-	-	-	-	(3,912,581)	(3,912,581)
Balance, July 31, 2016	**175,104,814**	**$ 88,438,910**	**6,899,999**	**$ 1,495,300**	**$ 12,420,447**	**$ (30,692,310)**	**$ 71,662,347**

	Share Capital #	Share Capital $	Warrants #	Warrants $	Contributed Surplus	Deficit	Total
Balance, October 31, 2016	**175,404,814**	**$ 88,556,715**	**6,899,999**	**$ 1,495,300**	**$ 12,386,746**	**$ (33,121,342)**	**$ 69,317,419**
Private placement	17,582,000	9,155,760	-	-	-	-	9,155,760
Share issue expenses	-	(506,566)	-	-	-	-	(506,566)
Premium on issue of flow-through shares	-	(2,236,690)	-	-	-	-	(2,236,690)
Share-based compensation issued	-	-	-	-	413,375	-	413,375
Share-based compensation exercised	25,000	15,225	-	-	(5,725)	-	9,500
Comprehensive loss for the period	-	-	-	-	-	(1,687,330)	(1,687,330)
Balance, July 31, 2017	**193,011,814**	**$ 94,984,444**	**6,899,999**	**$ 1,495,300**	**$ 12,794,396**	**$ (34,808,672)**	**$ 74,465,468**

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

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”. 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 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 July 31, 2017, the Company had working capital of $8,209,408 (October 31, 2016 - $11,943,650) and shareholders’ equity of $74,465,468 (October 31, 2016 - $69,317,419). Management has assessed that this working capital is 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 IFRSs issued and outstanding as of September 11, 2017, 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, 2016, 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, 2017, could result in restatement of these unaudited condensed interim consolidated financial statements.

(Expressed in Canadian Dollars)

2. Basis of presentation (continued)

Change in accounting policies

Under the Restricted Stock Unit Plan (the "RSU Plan"), selected employees are granted RSUs where each RSU has a value equal to one Eastmain common share. RSUs are measured at fair value on the grant date. The fair value of RSUs are recognized as a charge to salaries and benefits over the vesting period with a corresponding increase in equity. RSUs expected to settle in cash are reclassified as a liability and valued at market. As of July 31, 2017, no RSUs were granted.

Standard issued but not yet effective

IFRS 9 – Financial Instruments ("IFRS 9"), issued by the IASB in October 2010 is intended to entirely replace IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"), using a single approach to determine whether a financial asset is measured at amortized cost or fair value, thereby reducing the complexity of the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash-flow characteristics of financial assets. Most of the requirements in IAS 39 for the classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires the use of a single method of impairment determination, which replaces the multiple methods available under IAS 39. The standard will be effective for annual periods beginning on or after January 1, 2018. The Company is currently evaluating the impact this final standard is expected to have on its unaudited condensed interim consolidated financial statements.

3. Cash and cash equivalents

	As at July 31, 2017	As at October 31, 2016
Cash	**$ 485,203**	$ 15,777,640
Cash equivalents	**10,228,424**	664,900
	$ 10,713,627	$ 16,442,540

4. Marketable securities

(a) Marketable securities held

	Number of shares	As at July 31, 2017	Number of shares	As at October 31, 2016
Darnley Bay Resources Limited common shares	1,600,000	$ 360,000	1,600,000	$ 303,999
Dianor Resources Inc. common shares	500,000	-	500,000	-
Honey Badger Exploration common shares [1]	994,796	54,714	4,973,980	99,480
Kaizen Discovery Inc. common shares	107,867	16,180	107,867	15,641
Meryllion Resource Corp. common shares	107,867	2,697	107,867	2,697
Threegold Resources Inc. common shares	12,380	-	12,380	-
Total investments		**$ 433,591**		**$ 421,817**

(1) Share consolidation: 4,973,980 common shares were decreased to 994,796 common shares.

(Expressed in Canadian Dollars)

4. Marketable securities (continued)

(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

	As at July 31, 2017	As at October 31, 2016
Sales tax input credits recoverable	$ 670,351	$ 442,614
Sundry accounts receivable	3,946	75,000
Advances and prepaid expenses (i)	1,144,576	45,969
	$ 1,818,873	**$ 563,583**

(i)The significant increase in Advances and prepaid expenses pertains to an advance made to the Eleonore South JV in the amount of $947,376. These funds represent Eastmain's contribution for the upcoming 2017/2018 exploration program at Eleonore South.

6. Property and equipment

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

Cost	**Computer equipment**	**Field equipment**	**Total**
Balance, October 31, 2016	**$ 73,803**	**$ 403,396**	**$ 477,199**
Additions during the period	309	-	309
Balance, July 31, 2017	**$ 74,112**	**$ 403,396**	**$ 477,508**

Accumulated depreciation	**Computer equipment**	**Field equipment**	**Total**
Balance, October 31, 2016	**$ 53,106**	**$ 367,292**	**$ 420,398**
Depreciation during the period	4,703	8,124	12,827
Balance, July 31, 2017	**$ 57,809**	**$ 375,416**	**$ 433,225**

Net book value	**Computer equipment**	**Field equipment**	**Total**
Balance, October 31, 2016	**$ 20,697**	**$ 36,104**	**$ 56,801**
Balance, July 31, 2017	**$ 16,303**	**$ 27,980**	**$ 44,283**

(Expressed in Canadian Dollars)

7. Exploration and evaluation

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

Project expenditures for the nine months ended July 31, 2017

Project	Drilling & assays	Technical surveys	Project acquisition & maintenance	2017 net expenditures
Clearwater	$ 7,138,529	$ 2,414,343	$ 55,226	**$ 9,608,098**
Eastmain Mine	396,468	250,657	24,362	**671,487**
Éléonore South	-	413,249	17,721	**430,970**
Ruby Hill	-	37,503	21,565	**59,068**
Lac Hudson	-	-	3,000	**3,000**
Lac Elmer	-	-	6,275	**6,275**
Radisson	-	22,118	-	**22,118**
Lac Clarkie	-	205,480	-	**205,480**
Other	-	-	16,927	**16,927**
Total	**$ 7,534,997**	**$ 3,343,350**	**$ 145,076**	**$ 11,023,423**

Cumulative acquisition, exploration and evaluation expenditures as at July 31, 2017

Project	Balance October 31, 2016	2017 net expenditures	Write-down	Balance July 31, 2017
Clearwater	$ 45,232,040	$ 9,608,098	$ -	$ 54,840,138
Eastmain Mine	14,606,643	671,487	-	15,278,130
Éléonore South	518,066	430,970	-	949,036
Ruby Hill	-	59,068	(59,068)	-
Lac Hudson	-	3,000	(3,000)	-
Lac Elmer	-	6,275	(6,275)	-
Radisson	-	22,118	(22,118)	-
Lac Lessard	230,482	-	-	230,482
Lac Clarkie	122,659	205,480	-	328,139
Other	-	16,927	(16,927)	-
Total	**$ 60,709,890**	**$ 11,023,423**	**$ (107,388)**	**$ 71,625,925**

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 nine months ended July 31, 2017, ongoing expenditures on these properties were written down by $107,388 (nine months ended July 31, 2016 - $84,255). 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. As at July 31, 2017, the Company is entitled to mining duties and investment related tax credits from the Ministry of Natural Resources (Québec) and The Ministry of Revenue (Québec) of approximately $175,000 (October 31, 2016 - $175,000). The Company does not record these refunds in the unaudited condensed interim consolidated financial statements until confirmed by the respective agencies.

(Expressed in Canadian Dollars)

8. Amounts payable and accrued liabilities

	As at July 31, 2017	As at October 31, 2016
Amounts payables and accrued liabilities	**$ 1,482,002**	$ 1,700,083
Government remittances payable	**-**	73,314
Due to related parties	**83,805**	73,692
	$ 1,565,807	$ 1,847,089

9. Flow-through share premium liability and expenditure commitment

In April 2016, the Company raised $4,750,000 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $nil. In accordance with flow-through regulations, the Company was committed to incur before December 31, 2017, eligible exploration expenditures for the amount renounced to investors in December 31, 2016. The flow-through spending commitment has been fulfilled.

In May 2016, the Company raised $1,550,000 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $nil. In accordance with flow-through regulations, the Company was committed to incur before December 31, 2017, eligible exploration expenditures for the amount renounced to investors in December 31, 2016. The flow-through spending commitment has been fulfilled.

In July 2016, the Company raised $8,999,154 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $3,215,384. In accordance with flow-through regulations, the Company was committed to incur before December 31, 2017, eligible exploration expenditures for the amount renounced to investors in December 31, 2016.

In June 2017, the Company raised $5,155,760 by issuing flow-through shares. The premium paid by investors in excess of the market price of the shares was $2,236,690. In accordance with flow-through regulations, the Company was committed to incur before December 31, 2018, eligible exploration expenditures for the amount renounced to investors in December 31, 2017.

	Flow-through premium liability	Flow-through spending commitment
Balance, October 31, 2016	**$ 3,215,384**	**$ 11,064,603**
June 2017 flow-through issue	2,236,690	5,155,760
Reduction for expenses incurred	(2,694,789)	(9,607,572)
Balance, July 31, 2017	**$ 2,757,285**	**$ 6,612,791**

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) In December 2015, the Company completed a non-brokered private placement consisting of the issue of 880,000 flow-through shares at $0.50 per share for aggregate gross proceeds of $440,000. No finder's fees were associated with the financing. Issue costs in connection with the offer were $26,626. In accordance with income tax legislation, the Company renounced resource expenditures of $440,000 in favour of the investors with an effective date of December 31, 2015, for activities funded by this flow-through share arrangement. The liability for flow-through premium derived from the issue was $149,600.

(ii) In April 2016, the Company issued 60,000 common shares at $0.48 per share to remedy the status of certain claims.

(iii) In April 2016, the Company completed a non-brokered private placement consisting of the issue of 9,500,000 flow-through shares at $0.50 per share and 999,999 units at $0.35 per unit for aggregate gross proceeds of $5,100,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to acquire one non-flow-through common share at a price of $0.50 until October 11, 2018. Issue costs in connection with the offer were $248,697. Finder's fees of $304,500 for the placement agent were equal to 6% of the gross proceeds of the financing. There was no liability for flow-through premium derived from this issue.

(iv) In May 2016, the Company completed a private placement consisting of the issue of 3,100,000 flow-through shares at $0.50 per share and 12,800,000 units at $0.35 per unit for aggregate gross proceeds of $6,030,000. Each unit consisted of one common share and one-half of one transferable common share purchase warrant. Each whole warrant entitles the holder to acquire one non-flow-through common share at a price of $0.50 until November 2018. Issue costs in connection with the offer were $43,447. There was no liability for flow-through premium derived from this issue.

(v) In July 2016, the Company completed a private placement consisting of the issue of 9,803,000 flow-through shares at $0.918 per share and 4,197,000 common shares at $0.51 per common share for aggregate gross proceeds of $11,139,624. Issue costs in connection with the offer were $151,652. Underwriting's fees of $556,981 for the placement agent were equal to 5% of the gross proceeds of the financing. The liability for flow-through premium derived from the issue was $3,215,384.

(vi) In June 2017, the Company completed a private placement consisting of the issue of 7,582,000 flow-through shares at $0.68 per share and 10,000,000 common shares at $0.40 per common share for aggregate gross proceeds of $9,155,760. The shares issued are subject to a hold period of four months. Issue costs in connection with the offer were $114,378 and underwriting's fees were $392,188. The liability for flow-through premium derived from the issue was $2,236,690.

b) Share purchase option plan

(i) In November 2015, 250,000 share purchase options with an exercise price of $0.36 were issued to a director. The options fully vested on the date of issue. The estimated fair value of the grant was $53,250 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 57.6%; a risk-free interest rate of 1.43% and an expected average term of 7.5 years. During the three and nine months ended July 31, 2017, $nil (three and nine months ended July 31, 2016 - $nil and $53,250, respectively) was recognized as a general and administrative expense.

10. Share capital (continued)

b) Share purchase option plan (continued)

(ii) In March 2016, 250,000 share purchase options with an exercise price of $0.36 were issued to a director. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was $56,125 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 62.6%; a risk-free interest rate of 1.02% and an expected average term of 7.5 years. During the three and nine months ended July 31, 2017, $nil (three and nine months ended July 31, 2016 - $nil and $56,125, respectively) was recognized as a general and administrative expense.

(iii) In April 2016, 375,000 share purchase options with an exercise price of $0.48 were issued to executives as part of a termination settlement. The options fully vested on the date of issue. The estimated fair value of the grant was $111,376 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 69.9%; a risk-free rate of 0.85% and an expected average term of 5 years. During the three and nine months ended July 31, 2017, $nil (three and nine months ended July 31, 2016 - $nil and $111,376, respectively) was recognized as a general and administrative expense.

(iv) In June 2016, 1,885,000 share purchase options with an exercise price of $0.60 were issued to executives, directors and consultants of the Company. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was $655,000 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 66.8%; a risk-free rate of 0.59% and an expected average term of 5 years. During the three and nine months ended July 31, 2017, $56,114 and $219,864, respectively (three and nine months ended July 31, 2016 - $335,831) recognized as a general and administrative expense.

(v) In July 2016, 100,000 share purchase options with an exercise price of $0.62 were issued to executives of the Company. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was $35,000 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 72.0%; a risk-free rate of 0.65% and an expected average term of 5 years. During the three and nine months ended July 31, 2017, $4,183 and $12,933, respectively (three and nine months ended July 31, 2016 - $11,955) was recognized as a general and administrative expense.

(vi) In January 2017, 740,000 share purchase options with an exercise price of $0.51 and expiry date of January 2, 2022 were issued to certain executives, employees and contractors of the Company. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was $228,000 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 74.18%; a risk-free interest rate of 1.11% and an expected average term of 5 years. During the three and nine months ended July 31, 2017, $28,500 and $142,058, respectively (three and nine months ended July 31, 2016 - $nil) was recognized as a general and administrative expense.

(vii) In May 2017, 250,000 stock options with an exercise price of $0.42 and expiry date of May 15, 2022, were granted to a director of the Company. One-third of the options vest immediately, one-third vest on the first anniversary and one-third on the second anniversary. The estimated fair value of the grant was $63,000 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 74.00%; a risk-free interest rate of 1.02% and an expected average term of 5 years. During the three and nine months ended July 31, 2017, $27,645 (three and nine months ended July 31, 2016 - $nil) was recognized as a general and administrative expense.

(Expressed in Canadian Dollars)

10. Share capital (continued)

b) Share purchase option plan (continued)

	Number of stock options		Weighted average exercise price
Outstanding, October 31, 2015	**7,618,605**	**$**	**0.69**
Granted (i)(ii)(iii)(iv)(v)	2,860,000		0.54
Exercised	(725,000)		0.32
Expired	(250,000)		0.72
Balance, July 31, 2016	**9,503,605**	**$**	**0.68**

	Number of stock options		Weighted average exercise price
Outstanding, October 31, 2016	**9,188,605**	**$**	**0.69**
Granted (vi)(vii)	990,000		0.49
Exercised	(25,000)		0.38
Expired/cancelled	(518,605)		0.69
Balance, July 31, 2017	**9,635,000**	**$**	**0.67**

Options outstanding and exercisable as of July 31, 2017:

Exercise price range	Number outstanding	Weighted average remaining contractual life (years)		Weighted average exercise price	Number exercisable
$0.01 - $0.50	4,050,000	5.75 years	$	0.33	3,800,000
$0.51 - $1.00	3,410,000	3.80 years	$	0.66	1,965,000
$1.01 - $1.50	1,925,000	3.43 years	$	1.21	1,925,000
$1.51 - $2.00	250,000	3.74 years	$	1.51	250,000

(Expressed in Canadian Dollars)

10. Share capital (continued)

b) Share purchase option plan (continued)

The following table reflects the actual stock options issued and outstanding as of July 31, 2017:

Expiry date	Black-Scholes value ($)	Number of options	Exercise price ($)
April, 2018	173,389	500,000	0.60
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
June, 2023	102,000	600,000	0.33
September, 2023	27,900	150,000	0.36
June, 2024	155,160	900,000	0.30
June, 2025	269,075	1,175,000	0.38
	3,636,151	**9,635,000**	

11. Warrants

In April 2016, 499,999 share purchase warrants with an exercise price of $0.50, expiring in October 2018, were issued as part of a private placement share issue. The estimated fair value of the warrants was $119,300 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 80.1%; a risk-free interest rate of 0.55% and an expected term of 2.5 years.

In May 2016, 6,400,000 share purchase warrants with an exercise price of $0.50, expiring in November 2018, were issued as part of a private placement share issue. The estimated fair value of the warrants was $1,376,000 using the Black-Scholes option pricing model with the following assumptions: dividend of $0.00; expected volatility of 82.4%; a risk-free interest rate of 0.60% and an expected term of 2.5 years.

(Expressed in Canadian Dollars)

11. Warrants (continued)

	Number of warrants	Weighted average exercise price
Outstanding, October 31, 2015	**-**	**$ -**
Issued	6,899,999	0.50
Balance, July 31, 2016	**6,899,999**	**$ 0.50**
Balance, October 31, 2016 and July 31, 2017	**6,899,999**	**$ 0.50**

The following table reflects the warrants issued and outstanding as of July 31, 2017:

Expiry date	Exercise price ($)	Warrants outstanding	Valuation ($)
October 11, 2018	0.50	499,999	119,300
November 10, 2018	0.50	6,400,000	1,376,000
		6,899,999	**1,495,300**

12. Net loss per share

The calculation of basic and diluted loss per share for the three and nine months ended July 31, 2017, was based on the loss attributable to common shareholders of $255,136 and $1,687,330, respectively (three and nine months ended July 31, 2016 - $872,807 and $3,912,581, respectively) and the weighted average number of common shares outstanding of 185,531,126 and 178,832,379, respectively (three and nine months ended July 31, 2016 - 160,757,456 and 143,562,591, respectively). Diluted loss per share did not include the effect of stock options and warrants as they are anti-dilutive.

13. General and administrative expenses

	Three months ended July 31,		Nine months ended July 31,	
	2017	**2016**	**2017**	**2016**
Depreciation	**$ 4,284**	$ 4,292	**$ 12,827**	$ 12,422
General and office	**371,127**	707,042	**1,917,303**	2,326,195
Professional fees	**41,186**	14,908	**119,893**	443,556
Share-based compensation	**120,067**	347,786	**413,375**	568,537
Contract termination costs	**-**	-	**-**	1,438,214
	$ 536,664	$ 1,074,028	**$ 2,463,398**	$ 4,788,924

(Expressed in Canadian Dollars)

13. General and administrative expenses (continued)

In early 2016, the Company was subject to an opportunistic attempt to take control of the Company. The Board of Directors formed a Special Committee and hired an Investment Bank to evaluate strategic alternatives. While the process was ongoing, Columbus Gold Corporation, with the support of several major shareholders, began a dissident proxy battle to replace management and the Board of Directors. As a result of the proxy battle and strategic alternatives process, the Special Committee reached a solution accepted by dissident shareholders and approved at the Annual General Meeting. Three senior executives agreed to their termination, four of seven Board Directors were newly slated and approved and a strategic investment from Integra Gold Corp. was enacted. The costs to evaluate strategic alternatives and defence of the dissident proxy battle were $622,450. Transition payments for the three executives were $1,572,672, additional fees paid to the special committee and outgoing directors totaled $190,000 and financing costs were $550,000. The aggregate was approximately $2,935,000, resulting in a significant variance to general and office expenditures.

14. 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 July 31, 2017	Three months ended July 31, 2016	Nine months ended July 31, 2017	Nine months ended July 31, 2016
Donald Robinson (i)(ii)	**$ -**	$ -	**$ -**	$ 119,400
Shawonis Explorations and Enterprises Ltd. ("Shawonis") (i)(iii)	**$ -**	$ -	**$ -**	$ 109,746
QB 2000 Inc. (i)(iv)	**$ -**	$ -	**$ -**	$ 31,200
OTD Exploration Services Inc. ("OTD") (v)	**$ 49,960**	$ -	**$ 174,470**	$ -
OTD - rental agreement (vi)	**$ 4,304**	$ -	**$ 4,304**	$ -

(i) Transactions with related parties ceased April 29, 2016.

(ii) Donald Robinson was the former President and Chief Executive Officer ("CEO") of Eastmain and a member of the Board of Directors of Eastmain to April 29, 2016. Fees paid to Donald Robinson are related to management services and office rental.

(iii) The Exploration Manager of Eastmain to April 29, 2016, is the president of Shawonis and is related to the former CEO of Eastmain. Fees paid to Shawonis are related to professional geological exploration and management services.

(iv) The Chief Financial Officer ("CFO") of Eastmain to April 29, 2016, is the president of QB 2000 Inc. Fees paid to QB 2000 Inc. are related to the CFO function.

(v) 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 July 31, 2017, the amount due to OTD was $68,794 (October 31, 2016 - $23,504) 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.

(vi) 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.

(Expressed in Canadian Dollars)

14. Related party balances and transactions (continued)

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

	Three months ended July 31,		Nine months ended July 31,	
	2017	**2016**	**2017**	**2016**
Salaries and benefits	**$ 164,192**	$ 142,865	**$ 649,192**	$ 476,765
Share-based compensation	**$ 92,094**	$ 313,959	**$ 305,372**	$ 423,334

The Company considers its key management personnel to be the CEO and CFO.

Certain previous officers had employment or service contracts with the Company which triggered termination payments on April 28, 2016. Directors do not have any employment or service contracts but received remuneration as a result of their work under the mandate of the Special Committee. Officers and directors are entitled to share-based compensation and cash remuneration for their services.

At July 31, 2017, the amount due to officers was $15,011 (October 31, 2016 - $31,948) and the amount due to directors was $nil (October 31, 2016 - $18,240).

(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 July 31, 2017.