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Analyst Note

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Eastmain Resources Inc. (ER-T)

New Breezes of Change

Event: Eastmain confirms changes to management and outlines next steps for the Eau Claire deposit, James Bay, Québec.

Impact: Mixed. Eastmain is executing a new strategic plan to unlock value. Last few weeks have been evolving as comprehensive changes in management positions at Eastmain may lead to advancing the Clearwater project as well as other projects. However with the reset button pressed, the PEA shall be delayed.

Analysis

- **On April 29, 2016 Eastmain Resources Inc. announced the appointment as President and CEO of Mr. Claude Lemasson, member of the Eastmain board of directors since November 2015, effective April 28, 2016.** Mr. Lemasson is a skilled mining professional with over 30 years of mine development and operational experience. He was former General Manager Projects, Canada and U.S., for Goldcorp Inc. and was responsible for the early development of the Éléonore project in northern Québec, from advanced exploration to feasibility study. The new board of directors includes Integra Gold's, Stephen de Jong and George Salamis, as well as Michael L. Hoffman, P.Eng. Laurence Curtis, Ph.D., P.Geo., and independent newcomers Blair Schultz and Timo Jauristo. As a result, Donald Robinson has resigned as President, CEO and director after 22 years at the helm of Eastmain Resources. Also, effective April 28, 2016, Cathy Butella and James Bezeau have resigned as Exploration Manager and CFO respectively, but all shall be retained on an advisory capacity to ensure a proper and efficient transition.

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- **Eastmain is a Canadian exploration company with 100% interest in a portfolio of over 10 projects in the James Bay of Québec.** The flagship Eau Claire and Eastmain gold deposits, both of which are located proximal to infrastructure and within a favorable jurisdiction, may be set to advance. The Clearwater project, which hosts the Eau Claire gold deposit, is located 350km north of Chibougamau and 15km east of Hydro Quebec's EM-1 power installation, and work has been conducted with partners of the Cree First Nations of Eeyou Istchee Baie-James, in particular the Cree Nation of Eastmain. Recall on April 27, 2015 Eastmain had reported a new resource estimate for its 100%-owned and royalty free Eau Claire gold deposit on the Clearwater Project with M&I and inferred gold resources standing at 1.583M oz. (previously 1.8M oz. Au). The M&I open pit resources had increased by 53% to 6.8Mt containing 885,000oz. Au at a grade of 4.05 g/t Au (please see April 28, 2015 Analyst Note). The 2015 resource estimate had been completed by SRK Consulting (Canada) Inc. and was comprised of 183 additional drill holes (72,859m) as well as 189 channel samples (940m) completed on the 450 West and 850 West zones. The previous mineral resource, dated October 11, 2012, had been completed by P&E Mining Consultants Inc. and was the 5th estimate since 2002 (see Exhibit 1). The Eau Claire gold deposit has long been claimed to potentially be amenable for open pit mining with depth extensions attainable by eventual underground mining.

- **Eastmain is resetting and is now contemplating an underground ramp development and exploration program for Eau Claire.** At its annual meeting, Mr. Lemasson announced that he intends to delay the PEA. We believe this stems from the fact that the 2015 mineral resource estimate apparently did not fully consider true mineability of the deposit. G Mining (Montreal), contracted in July 2015, identified several key opportunities for optimization that could significantly impact the final PEA. We now understand that Eastmain intends to issue an updated resource estimate in early 2017 and optimize and complete a PEA shortly thereafter. For the remainder of 2016, Eastmain shall undertake geological and technical reviews, as well as a comprehensive strategic drill campaign and other technical optimization work. As previously stated on several occasions, there remained lack of clarity in regards to the mineability of all the vein sets at Eau Claire (see October 23, 2014, December 18, 2014 and February 12, 2015 Analyst Notes). Much had been represented that Eau Claire deposit could be one of the highest-grade open pit projects in Canada and one would expect that after 6 mineral resource estimates since 2002, a solid base for an upcoming PEA would be present. We had believed that Eau Claire deposit was on solid footings with upside laterally, at depth and a block model with robust sensitivity to cut-off grades. M&I open pit mineral resources (defined by Whittle Pit constraints at US\$1300 gold price, \$0.90 Cdn currency, 95% recovery, 5% dilution, 5% mining loss, capping at ~100 g/t Au and 0.5 g/t Au cut-off grade) of over 0.8M oz. should be indicative of a solid base to build upon. We view that this potential delay in the PEA could have negative implications for the stock price. Conversely, the market might be prepared to give the new team the benefit of the doubt given the track record of the new CEO and board members.

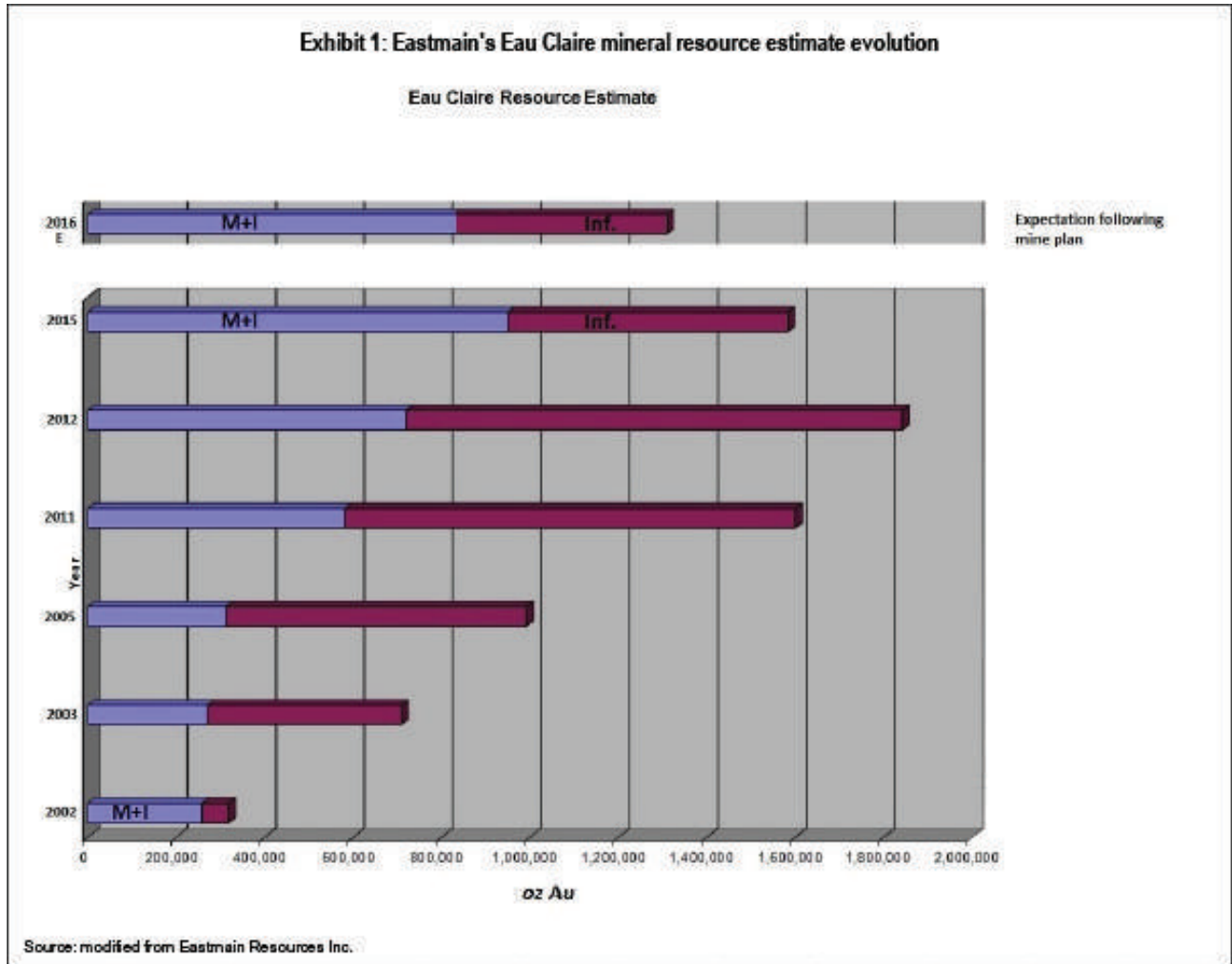


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- **Eastmain is strengthening the senior management team and intends to pursue new exciting opportunities.** Eastmain holds a pipeline of exploration projects in the James Bay of Québec which, with the discovery of Éléonore in 2004 and the Cheechoo project retaining current attention, can be considered a new Canadian mining district. Recall in October 2015, Eastmain was presented with the “Discovery of the Year 2015” award by the Association de l’Exploration Minière du Québec (“AEMQ”) for its contributions to the development of Quebec’s mining exploration industry. This award recognized the importance of Eastmain’s recent discoveries (850W, Clovis, Boomerang zones), which had led to the expansion and delineation of its Eau Claire gold deposit and new prospects within the Eau Claire trend. The 2015 AEMQ ‘Discovery of the Year’ award deferred from the previous ‘Prospector of the Year’ award as it recognized and honoured not a new discovery in the calendar year but the notable contribution to the development of Québec’s mining exploration industry by a project that had steadily advanced in the last decades and, more recently, had seen some increase in the pace of its progression. We highlight that the Cheechoo area near the Éléonore South project has attracted attention recently (see Analyst Notes of April 15 and 22, 2016) and believe new management is set to advance the Éléonore South project a JV between Eastmain / Azimut / Goldcorp. Azimut Exploration (AZM-V) has recently disclosed geochemical analysis highlighting the exploration potential of the Eleonore South property and Sirius Resources (SOI-V) completed a 4,179m winter drilling program (26 drill holes) on its Cheechoo gold property. NE-SW structures may be key new elements on the tonalite/metasediments interface (see Exhibit 2).
- **Integra steps out of the Triangle and assures a pipeline of organic growth:** Eastmain announced on April 7, 2016 that Integra Gold Corporation (ICG-V) proposed to complete a strategic investment in Eastmain permitting access to Integra’s technical expertise and additional financial resources. Integra shall make a \$6M strategic investment in Eastmain via a private placement permitting Integra to become the owner of 9.9% of the outstanding shares of the Eastmain. The investment leverages Integra’s technical team acumen in the area as several individuals previously worked at Goldcorp’s nearby Éléonore Mine. Eastmain hence benefits from the knowledge base of Integra’s development team that has advanced the Triangle deposit at the Lamaque South project in a very short period of time. We believe this mingling of expertise as very positive and paves way for additional growth potential in due time.
- **More good exploration potential to be examined through advanced exploration and the pursuit of new opportunities:** Recall the spatial footprint of the Eau Claire gold deposit extends for a length of ~1.8km and has been traced to a depth of ~900m, hence exploration potential remains. Eastmain and Integra shall each have the right to appoint two members to a newly created Technical Committee, comprised of four members whose purpose shall consist of reviewing and providing recommendations in an advisory capacity in respect of exploration and development activities on the Clearwater and other projects. These changes appear to reinvigorate Eastmain with the capacity to accelerate exploration programs in the James Bay, particularly the Clearwater and Éléonore South projects.



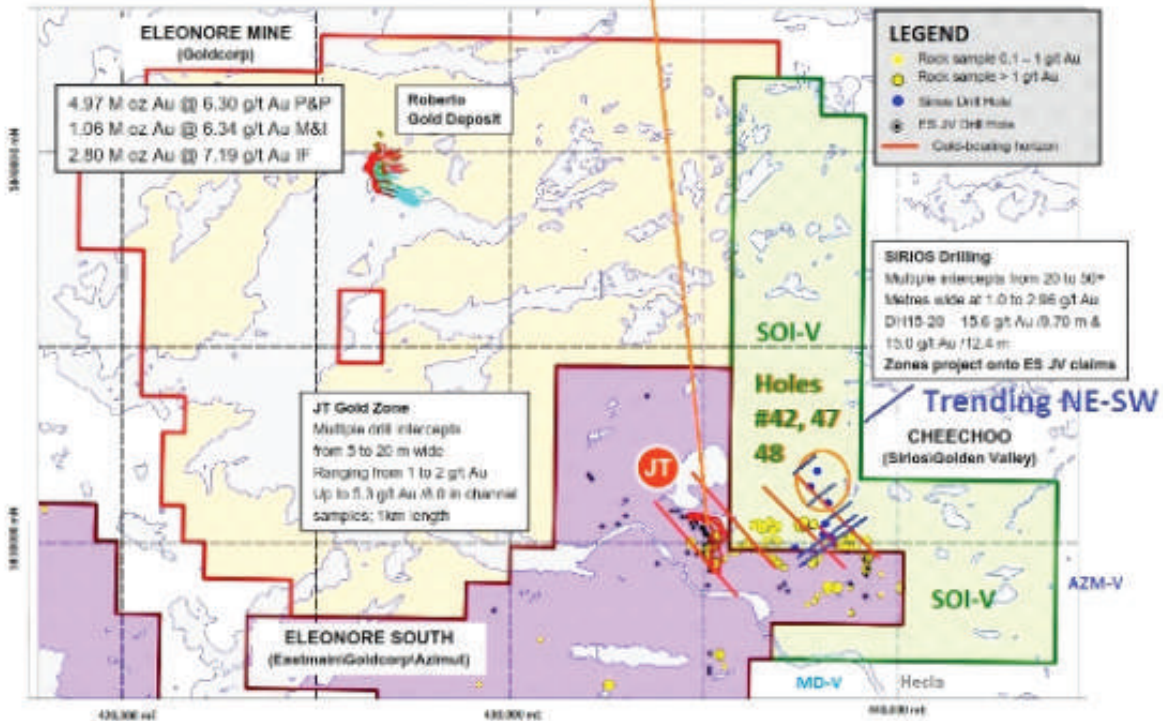
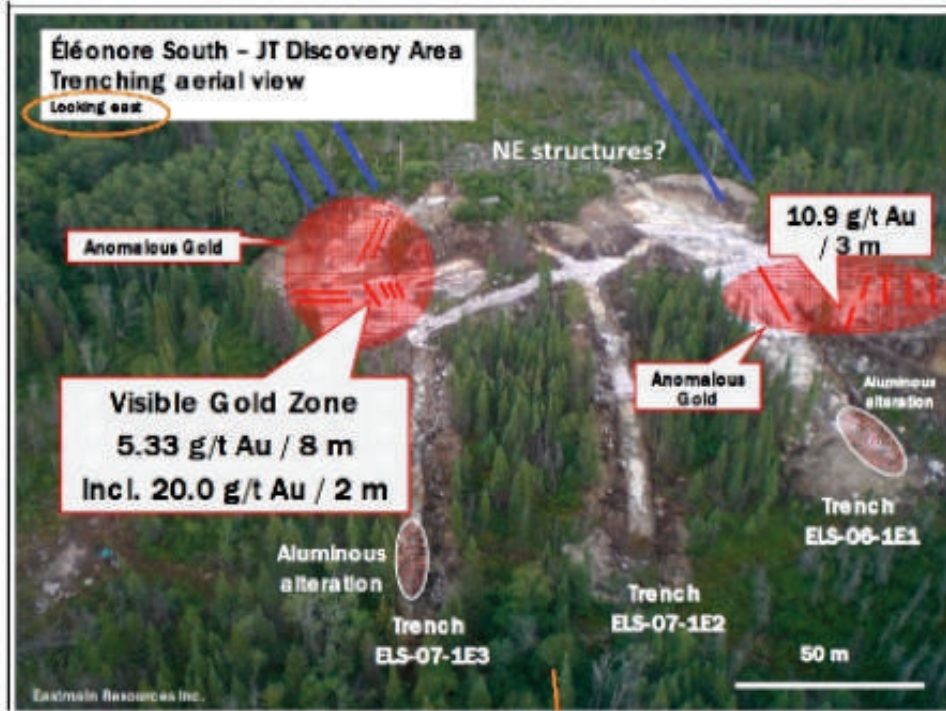
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Exhibit 2: JT Zone on the Eléonore South project and potential NE-SW structures



Source: modified from Eastmain Resources Inc.