



Ticker: T-ER Eastmain Resources

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Eastmain Resources...the next Detour Lake?:

Recent Price: 1.00

Shares outstanding: 85 million

Working Capital: 20 million dollars

With Gold prices hovering around the 900 dollar mark, it does leave some investors a little uneasy about the market and direction of gold prices. As many of you will note, I am modestly bullish on gold with a high end price target around the 1250-1300 dollar mark. Eastmain Resources is in an advantageous spot because they do not need the sky high gold prices to be attractive.

Quality management has to always be considered and Dr. Don Robinson, the President and CEO, is a highly respected and top notch geologist and businessman. I will leave the rest of the management team for you to review at your leisure at www.eastmain.com

Location is something that I would really like to emphasize. Quebec is the best place to do mining/exploration in Canada according to Fraser Institute for several years now. It also ranks in the top 10 in the world according to the Fraser Institute. It is home to many world class gold and base metal deposits. The Baie James area has been fairly overlooked in comparison to areas such as the Malartic where Niogold (NOX.V) and Osisko (OSK.V) are exploring and developing very real deposits. Quebec has the government cash rebates on exploration for nearly 50% of the cost. This makes every dollar sunk into the ground go that much farther. There are well-seasoned and very well-trained mining communities all over Quebec, so labor is no problem.

Let's focus a little more on Baie James (James Bay). The company is quite active in this area with several projects including the Clearwater and Eleonore projects. The Clearwater project has just under 1 million ounces of gold in the inferred and indicated category. This is a nice size deposit...it is especially nice because of its grade. The project has an average grade of 0.28 ounces per tonne in the indicated category and 0.2 ounces per tonne in the inferred category. There are grades as high as 75 ounces per tonne over

multiple tens of centimeters as well. This deposit is open at depth and to the east. With the high grade and fact that the deposit is still open in several directions, I have every bit of confidence that this deposit can be further expanded while maintaining very good grades. There is power that goes right over the property and excellent road access.

Over the past 16 months Eastmain has intersected 365 veins from drilling with an average grade of 0.41 ounces gold per ton over an average width of 1.32 m (4.3 feet), including 250 vein intercepts at 0.57 ounces gold per ton and 100 vein intercepts with an average grade of 1.18 ounces gold per ton.

The Eleonore project is reasonably close to the Clearwater project. Eastmain, Goldcorp and Azimut have agreed to combine the southern portion of the Eleonore property with the Azimut C claim block to form a 3-Way Joint Venture on the Eleonore South Property, in order to consolidate the land position and accelerate exploration (see maps). Eastmain has earned a 1/3rd interest on the property by completing \$4 million in exploration. The 2009 exploration program will be jointly funded by ER and Goldcorp. Goldcorp has taken this a little further by acquiring 9.0% of Eastmain Resources. This is a significant step because it demonstrates the viability and confidence in not only Eleonore but all of Eastmain as well. The Eleonore project has very interesting anomalies and seems to merit considerable attention.

The other project I will speak about in this release is Ruby Hill. The main reason why I bring this up is because it is beside the Eastmain mine. The Eastmain Mine contains 256,000 ounces of gold grading 0.30 ounces per tonne. This is highly encouraging for two reasons; first, small scale production in the area is proven to be feasible, and second, these projects are adjacent so the trend more than likely continues on the Eastmain Resources property. Eastmain Resources acquired the Eastmain Mine property, including \$40 million in previous expenditures for \$16 per ounce of gold or ten cents on the dollar. The Quebec government recently announced funding of a permanent access road which will link the mine property to the road network to the south. This property has geological similarities to Detour Lake according to the President, Dr. Robinson.

The company currently has around 20 million dollars in the bank which, thanks to government credits, is like having nearly 30 million dollars in the bank. There are 85 million shares out and more than 1 million ounces of gold in the ground. All this apparently has a 100 million dollar market cap. Currently, the company is being assigned a 40 dollar per ounce value. The per ounce value merits to be closer to 100 dollars per ounce based on the proximity to Goldcorp and their facilities. Further, Goldcorp is a 9.9% stakeholder. The infrastructure is very good. The company is in no need of financing anytime soon and there is a strong potential for further discovery. Based on this, I would assign a 180-195 million dollar market cap to the company for a 2.00 per share NPV.