



Friday, October 16, 2009

Eastmain Resources Inc. (ER-T / \$ 1.37)

Éric Lemieux, MSc, P.Geo Tel.: (819) 472-8037

Company Profile

Eastmain Resources Inc. is focused on exploration in the James Bay area of Northern Quebec. The company's primary focal point is gold exploration within the emerging Eastmain/Opinaca mining district. Eastmain owns 100% of the Eau Claire gold deposit (Clearwater Project) and has significant land holdings with partners covering key geology adjacent to the Eleonore project where Goldcorp (Les Mines Opinaca Ltée) is defining and developing a more than 5.3 million oz. Au gold deposit that is slated for production in 2014 or earlier. Eastmain also owns 100% of the past producing Eastmain Mine further east in the Eastmain River Greenstone Belt as well as an another half dozen properties in the James Bay sector.



Source: BigCharts.com

Market Data			
Ticker	ER-T	Shares F/D (M)	98.3
Rating	Buy (S)	Market Cap (M)	134.7
Risk	High	Float F/D (M)	86.0
Price	\$1.37	Float Value (M)	117.8
1-Yr Target	\$2.20	Avg Daily Volume (K)	120
Dividend	\$0.00	Control Blocks	NA
1-Yr ROR	60.6%	Voting	NA
52-Wk High -Low	\$1.50-\$0.49	Equity	NA
Next Reporting	December 2009	Management	4%
Valuation	NAV 10%	Major Shareholder-Goldcorp	8.8%
Web site	www.eastmain.com		

Source: Company reports; Thomson One; LBS estimates.

Buy (S) / Target Price: \$2.20

lemieux@lb-securities.ca

Golden Opportunities Giving Positive Outlook

Event - Company Marketing

Eastmain spent the day marketing with LBS in Toronto on Tuesday October 13, 2009. Positive tones generally emerged from institutional investor meetings with portfolio managers. We believe that management gave conservative and solid technical presentations. We highlight the following:

Impact – Moving in Right Direction

Management appeared confident and optimistic in the company's prospects for coming year as it intends to pursue development and exploration works on its portfolio of properties in the James Bay area. Management documented advancements on the Clearwater, Eleonore South and Eastmain Mine projects. We maintain our assessment of the quality of Eastmain's exploration and development projects.

Analysis – Positive Outlook

- 1. Strong Foundations:** Eastmain remains active with an aggressive 2010 exploration program that should see a new mineral resource estimate on the Eau Claire deposit, more drilling on Eleonore South (JV with Goldcorp and Azimut) and a drilling on program on the Eastmain Mine property, which is emerging as a good exploration play.
- 2. Development Potential:** Eastmain has been advancing its Clearwater project with an on-going definition drill program (160 HQ drill holes) that aims to define a measured resource to a vertical depth of 300m. Resources should expand both in size and in confidence level and a new estimate should be tabled by Q1 2010 with results of metallurgical test works and a scoping study. Summer surface prospecting and structural geology mapping has led to the discovery of more gold mineralization 0.5km to the east of the main vein swarm area (450 West Zone) on Eau Claire. Eastmain's on-going drilling on the Clearwater project also suggests that the Eau Claire deposit is growing with a more extensive mineralized system.
- 3. Potential Good Assay Results:** Eastmain has completed a 15 hole drilling program on the Eleonore South project with Goldcorp. Assay results should hopefully show good grade with thickness. Exploration potential is viewed as excellent no matter the assay results that should be disclosed in the coming next 2 months.
- 4. Relative sound cash position:** \$17 million in the treasury, no debt, Eastmain aims to maintain a total budget of \$5 million in 2010 based on activities to prepare active exploration programs on Clearwater, Eleonore South and Eastmain Mine properties, among other. Eastmain has the luxury of being able to accelerate and increase exploration programs if results warrant.

Conclusion – Maintain Speculative Buy, Target Price

Eastmain is in a good position to deliver positive results because of its exploration activities, financial flexibility and quality management. We continue to believe that Eastmain's land position will lead to more sizeable discoveries and that Eastmain should create shareholder value by virtue of its qualities as a strong explorer. We reiterate our Speculative Buy rating and our target price of \$2.20 per share.

The information contained in this document is based on what we deem to be reliable sources, but no guarantee or promise, explicit or implicit, is given as to the accuracy and exhaustiveness of these sources. This report shall under no circumstances be considered an offer to buy or sell, or a request to buy and/or sell the stocks mentioned. Laurentian Bank Securities Inc. and its employees may not be held liable for any monetary losses stemming from the implementation of the recommendations contained in this document. Laurentian Bank Securities Inc. and/or its officers, directors, representatives, traders, analysts and members of their families may hold positions in the stocks mentioned in this document and may buy and/or sell these stocks on the market or otherwise. Stocks in foreign currency may be adversely affected by exchange rate fluctuations. Laurentian Bank Securities Inc. is a wholly-owned subsidiary of Laurentian Bank of Canada. The opinions, projections and estimates are those of the Economic and Financial Research department of Laurentian Bank Securities Inc. as at the date appearing on the cover page, and are subject to change without prior notice. Laurentian Bank Securities Inc. may, in exchange for remuneration, act as a financial advisor or tax consultant for, or participate in the financing of companies mentioned in this document. This study may not be reproduced, in whole or in part, without the consent of Laurentian Bank Securities Inc.

Member of the Investment Dealers Association of Canada and of the Canadian Investor Protection Fund.

The regulation of the securities market establishes requirements that analysts must follow when issuing research reports or making recommendations. These guidelines are included in the research dissemination policy of Laurentian Bank Securities, available at http://www.vml.ca/actions/Actions_PolitiquesRecherche.jsp?lang=en.



Friday, October 16, 2009

APPENDIX – Important Disclosures

Company	Ticker	Disclosures*
Eastmain Resources Inc.	ERT	U, V

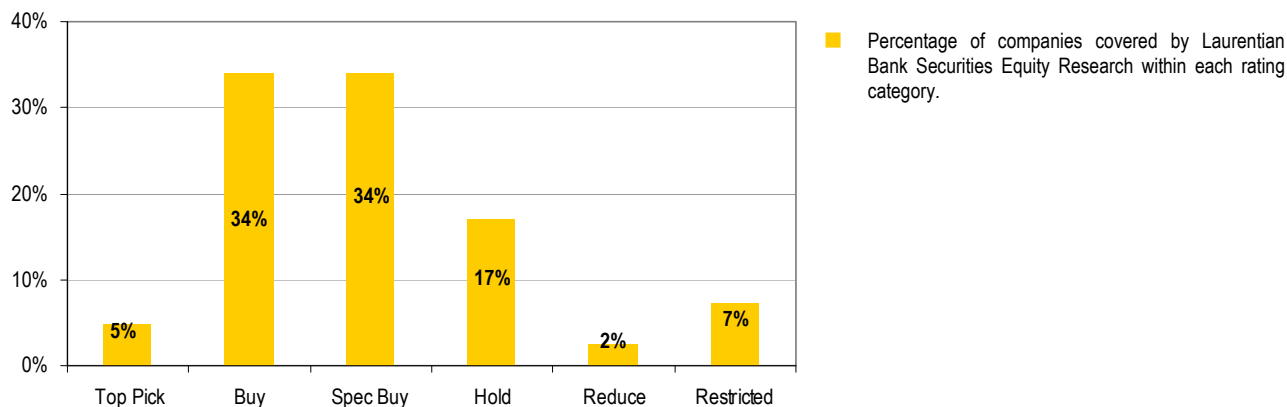
The analyst(s) certify that (1) the views expressed in this report in connection with securities or issuers they analyze accurately reflect their personal views and (2) no part of their compensation was, is, or will be directly or indirectly, related to the specific recommendations or views expressed by them in this report.

The Research Analyst's compensation is based on various performance and market criteria and is charged as an expense to certain departments of Laurentian Bank Securities (LBS), including investment banking.

* Legend

- A** The Analyst, in his/her own account or in a related account, owns securities of this issuer.
- L** LBS collectively beneficially owns in excess of 1% of one or more classes of the issued and outstanding equity securities of this issuer.
- O** The Director of Equity Research, in his/her own account or in a related account, owns securities of this issuer.
- U** Within the last 24 months, LBS has undertaken an underwriting liability with respect to equity securities of, or has provided advice for a fee with respect to, this issuer.
- V** The Analyst has visited material operations of this issuer, specifically the Clearwater project.
- P** This issuer paid a portion of the travel-related expenses incurred by the Analyst to visit material operations of this issuer

Laurentian Bank Securities Equity Research Ratings Distribution



Source: Laurentian Bank Securities

Recommendation Terminology

LBS (Laurentian Bank Securities) recommendation terminology is as follows:

- Top Pick** Our best investment idea, the greatest potential value appreciation.
- Buy** The stock is expected to generate significant risk-adjusted returns over the next 12 months.
- Hold** The stock is expected to generate modest risk-adjusted returns over the next 12 months.
- Reduce** The stock is expected to generate negative risk-adjusted returns over the next 12 months.

Our ratings may be followed by "(S)" which denotes that the investment is speculative and has a higher degree of risk associated with it. Additionally, our target prices are based on a 12-month investment horizon.

The information contained in this document is based on what we deem to be reliable sources, but no guarantee or promise, explicit or implicit, is given as to the accuracy and exhaustiveness of these sources. This report shall under no circumstances be considered an offer to buy or sell, or a request to buy and/or sell the stocks mentioned. Laurentian Bank Securities Inc. and its employees may not be held liable for any monetary losses stemming from the implementation of the recommendations contained in this document. Laurentian Bank Securities Inc. and/or its officers, directors, representatives, traders, analysts and members of their families may hold positions in the stocks mentioned in this document and may buy and/or sell these stocks on the market or otherwise. Stocks in foreign currency may be adversely affected by exchange rate fluctuations. Laurentian Bank Securities Inc. is a wholly-owned subsidiary of Laurentian Bank of Canada. The opinions, projections and estimates are those of the Economic and Financial Research department of Laurentian Bank Securities Inc. as at the date appearing on the cover page, and are subject to change without prior notice. Laurentian Bank Securities Inc. may, in exchange for remuneration, act as a financial advisor or tax consultant for, or participate in the financing of companies mentioned in this document. This study may not be reproduced, in whole or in part, without the consent of Laurentian Bank Securities Inc.

Member of the Investment Dealers Association of Canada and of the Canadian Investor Protection Fund.

The regulation of the securities market establishes requirements that analysts must follow when issuing research reports or making recommendations. These guidelines are included in the research dissemination policy of Laurentian Bank Securities, available at http://www.vml.ca/actions/Actions_PolitiquesRecherche.jsp?lang=en.