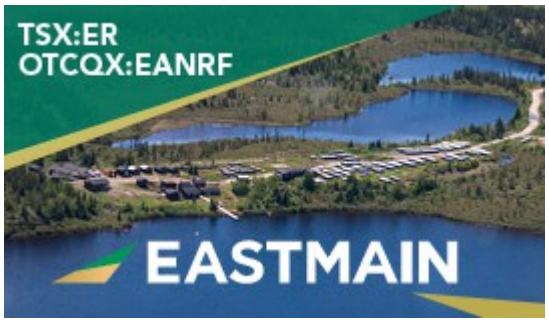
Eastmain Options the Eastmain Mine Project to Benz Mining

written by Raj Shah | August 8, 2019



August 8, 2019 (Source) – **Eastmain Resources Inc. ("Eastmain" or the "Company" – TSX:ER, OTCQX:EANRF)**, a gold exploration and development company based in Eeyou Istchee James Bay, Quebec, is pleased to announce that, through its wholly-owned subsidiary **Eastmain Mines Inc.**, it has reached an agreement with Benz Mining Corp. ("Benz") (TSX-V:BZ) to option the Eastmain Mine Project (the "Project").

Claude Lemasson, Eastmain President and CEO commented, "The agreement with Benz Mining is opportune to Eastmain, allowing our team to focus our resources on our key James Bay gold assets, Clearwater and the Eleonore South JV. The Eastmain Mine Project holds great potential and we look forward to watching the developments over the coming years. We believe the Project will allow Benz Mining the opportunity to explore, develop and eventually bring the gold-poly-metallic mine back into production."

He continued, "Our three-pronged approach in James Bay includes Clearwater exploration at the KS Horizon which hosts the new Percival discovery, Clearwater pre-development at the Eau Claire Project and exploration of the Eleonore South Joint Venture as operator of the partnership with Newmont Goldcorp and Azimut Exploration."

"With gold prices moving through US$1,500 and triggering what appears to be a genuine gold bull market, we think our timing to

acquire the former producing Eastmain Gold project couldn't be better," **Miloje Vicentijevic, Benz president and CEO** said.

OPTION AGREEMENT HIGHLIGHTS

- Eastmain grants an exclusive option to Benz to acquire an initial 75% interest in the Project (the "Option") following:
  - Payments to Eastmain of $2,500,000, of which up to $875,000 may be paid in common shares of Benz ("Payment Shares"), during a 4-year earn-in period; and
  - Benz incurring expenditures of $3,500,000 on the Project over 4 years;
- A milestone payment of $1,000,000 related to Benz obtaining project financing following the exercise of the Option, to complete the 100% earn-in;
- A milestone payment of $1,500,000 related to commercial production following the exercise of the Option; and
- NSR Royalty of 2% after the first 250,000 oz of production, with a buyback of 1% for $1,500,000, to be granted to Eastmain following exercise of the Option.

OPTION AGREEMENT DETAILS

Pursuant to the Option Agreement, Eastmain grants Benz an exclusive option to earn a 75% interest in the Project by receiving from Benz, the following cash and common shares payments (the "Option Payments"):

1. $75,000 within five business days of the Effective Date (as defined below);

2. $200,000 on or before the 1st anniversary, of which up to $100,000 may be paid in Payment Shares;

3. $210,000 on or before the 2nd anniversary, of which up to

$110,000 may be paid in Payment Shares;

4. $210,000 on or before the 3rd anniversary, of which up to $110,000 may be paid in Payment Shares; and,

5. $1,625,000 on or before the 4th anniversary, of which up to $375,000 may be paid in Payment Shares.

In addition to the Option Payments, Benz must issue 3,000,000 common shares within five business days of the Effective Date to Eastmain, representing a value of approximately $180,000.

The Project property expenditure schedule, as defined in the Option Agreement totals $3,500,000 and is as follows:

1. $500,000 of expenditures on or before the 1st anniversary;

2. An additional $1,000,000 of expenditures on or before the 2nd anniversary;

3. An additional $1,000,000 of expenditures on or before the 3rd anniversary; and

4. An additional $1,000,000 of expenditures on or before the 4th anniversary.

The option to acquire 75% of the Eastmain Mine Project will be satisfied if and when Benz has met the above requirements. Benz has the right to accelerate expenditures at any time.

Following the exercise of the Option, the Company will receive from Benz the following milestone payments on the occurrence of the following events:

1. $1,000,000 within five (5) business days of the earlier of:

    1. Closing of project financing to develop the Project property with the intent to place the property or any part

thereof into commercial production; or
2. The date that is 24 months after the exercise of the Option.

With this payment, Benz will have acquired 100% of Eastmain's recorded and/or leasehold interest in the Project property. If Benz fails to make this milestone payment, Eastmain will have the right to buy back Benz's 75% interest in the Project for $3,500,000, of which up to $1,225,000 may be paid in common shares of Eastmain.

2. $1,500,000 within five (5) business days of the commencement of commercial production on the Project property.

Benz, at its election, may pay up to 25% of this milestone payment in common shares as Payment Shares.

Following exercise of the Option, Eastmain will retain a 2% NSR royalty which will commence payment following the production of the initial 250,000 oz from the former mining area. Half of the royalty may be repurchased by Benz, thereby reducing the royalty to a 1% NSR, for a purchase price of $1,500,000. It is understood by both parties that there exist other underlying NSR royalties on the Project property.

The transactions contemplated by the Option Agreement are subject to Benz obtaining the approval of the TSX Venture Exchange. The "Effective Date" will be the date on which Benz has received approval of the TSX Venture Exchange.

About Eastmain Resources Inc. (TSX:ER) www.eastmain.com

Eastmain is a Canadian exploration company advancing three high-grade gold assets in the emerging James Bay gold camp in Québec. The Company holds a 100%-interest in the Clearwater Property, host of the Eau Claire Project, for which it issued a Preliminary Economic Assessment ("PEA") in May 2018, and the

Percival Discovery made in November 2018. Eastmain is also the operator of the Éléonore South Joint Venture, located immediately south of Goldcorp Inc.'s Éléonore Mine, which hosts the Moni/Contact Trend Discovery (2017). In addition, the Company has a 100% interest in the Eastmain Mine Project currently under option to a third party, and a pipeline of exploration projects in this favourable mining jurisdiction with nearby infrastructure.

Forward-Looking Statements – Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. Forward-looking statements consist of statements that are not purely historical, including statements regarding beliefs, plans, expectations or timing of future plans, and include, but not limited to, statements with respect to the potential success of the Company's future exploration and development strategies and potential success of the Eastmain Mine Project. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of Eastmain, including, but not limited to the impact of general economic conditions, industry conditions, dependence upon regulatory approvals and the availability of financing, timely completion of proposed studies and technical reports, and risks associated with the exploration, development and mining industry generally such as economic factors as they effect exploration, future commodity prices, changes in interest rates, safety and security, political, social or economic developments, environmental risks, insurance risks, capital expenditures, operating or technical difficulties in connection with development activities, personnel relations, the speculative nature of gold exploration and development, including the risks of diminishing quantities of grades of Mineral Resources, contests over property title, and changes in project parameters

as plans continue to be refined. Readers are cautioned that the assumptions, used in the preparations of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company assumes no obligation to update such information, except as may be required by law.