

Eastmain Resources Inc. Options the Ruby Hill Properties to Benz Mining; Amends Eastmain Mine Project Option

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[Eastmain Resources Inc.](#) (Eastmain; or the Company; - TSX:ER, OTCQB:EANRF), a gold exploration and development company based in Eeyou Istchee James Bay, Quebec, is pleased to announce it has optioned to [Benz Mining Corp.](#) (Benz;) (TSX-V:BZ), the Ruby Hill East and West properties (the Property;). The Property is located immediately west of the Eastmain Mine Project, which was optioned to Benz in August 2019 (see press release August 8, 2019).

In conjunction with the option, Eastmain is amending the existing Eastmain Mine Project option agreement in relation to work commitments on the property. The new work schedule accommodates Quebec's exploration restrictions imposed due to COVID-19 and delays 2020's \$500,000 required spending to 2022.

Blair Schultz, Eastmain Interim President and CEO commented, "This is a great milestone for Eastmain Resources. Monetizing the Ruby Hill Properties and the Eastmain Mine Project allows us to focus on our key James Bay gold assets. Benz has proven themselves as great partners and we're thrilled to give them the opportunity to develop Eastmain Mine and explore neighbouring Ruby Hill East and West properties."

"We are extremely excited about the addition of the large Ruby Hill East and West concessions to our flagship Eastmain gold mine project as it adds a considerable exploration component in a highly prospective area to our company," Miloje Vicentijevic, Benz President and CEO said.

TRANSACTION TERMS

Pursuant to the Amending Agreement entered into with Benz, the terms of the original option to acquire up to a 100% interest in the Eastmain Mine Project were amended to remove the Company's obligation to incur \$500,000 in exploration expenditures by October 23, 2020 and add such expenditures to the work requirement for the period ending October 23, 2022.

The Amending Agreement also adds the Ruby Hill West and Ruby Hill East properties (the Properties;) to the Eastmain Mine Project. Benz can earn a 75% interest in the Properties by satisfying the following acquisition terms:

Cash payments to Eastmain totalling \$375,000 as follows:

- \$75,000 within three business days of TSX Venture Exchange approval;
- \$50,000 on October 23, 2020;
- \$50,000 on October 23, 2021;
- \$100,000 or 500,000 shares on October 23, 2022; and
- \$100,000 or 500,000 shares on October 23, 2023, which can be paid in shares at the election of Eastmain based on the prevailing VWAP of the Company's shares up to a maximum of 500,000 shares.
- A share payment of 2,000,000 common shares of Benz or a cash payment in an amount to enable Eastmain to acquire 2,000,000 common shares of Benz within three months.
- The issuance of 4,000,000 share purchase warrants, each warrant enabling the holder to purchase one common share of Benz at a price of \$0.12 until April 27, 2023.

Benz will have the right to earn an additional 25% interest in the Ruby Hill West and Ruby Hill East

properties by paying an additional \$100,000 to Eastmain by October 23, 2025, which can be paid in shares at the election of Eastmain based on the prevailing VWAP of the Company's shares up to a maximum of 500,000 shares.

Following the acquisition of a 100% interest in the Properties, Eastmain will retain a 1% net smelter return royalty, of which one half may be purchased for \$500,000 thereby reducing it to a 0.5% net smelter returns royalty. The net smelter returns royalty is also offset by any pre-existing royalties which may reduce the royalty burden.

The overall effect of the Amending Agreement is to modify the existing option agreement to eliminate the requirement to meet a minimum expenditure requirement for 2020 while expanding the property package and facilitating cash payments to Eastmain.

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

Eastmain is a Canadian exploration company operating in the Eeyou Istchee 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).

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.

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