EAST AFRICA METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED

JUNE 30, 2015

This Management's Discussion and Analysis ("MD&A") provides a review of the performance of the operations of East Africa Metals Inc. (collectively, with its subsidiaries, "East Africa" or the "Company") for the three and six months ended June 30, 2015 ("Q2 2015" and "Fiscal 2015" respectively). The MD&A has been prepared on the basis of available information up to August 28, 2015, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014 ("FY 2014"), and the corresponding notes to the financial statements. The Q2 2015 unaudited condensed interim consolidated financial statements ("Interim Financial Statements") have been prepared in accordance with IAS 34 *Interim Financial Reporting* and the FY 2014 financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS"). These documents are available on SEDAR at www.sedar.com. All dollar amounts are expressed in Canadian dollars except where indicated otherwise.

Cautionary Statement Regarding Forward-Looking Information

This MD&A may contain certain forward-looking statements concerning anticipated development in the Company's operations in future periods, "forward-looking information," within the meaning of applicable Canadian securities legislation. The forward-looking statements are set forth principally under the headings "Key Operating Highlights", "Outlook" and "Proposed Transaction" in this MD&A and may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "anticipate", "believe", "plan", "expect", "intend", "estimate", "forecast", "project", "budget", "schedule", "may", "will", "could", "might", "should" or variations of such words or similar words or expressions. Forward-looking information is based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: the negotiation of a definitive agreement reflecting the anticipated structure and timing outlined herein; delays with respect to required payments and regulatory approvals; results of the due diligence review; early exploration; the ability of East Africa to identify any other corporate opportunities for the Company, the potential impact on the Company's strength, depth and value proposition as a result of the engagement of the investor relations consultants risks associated with the integration of Tigray Resources Inc.'s ("Tigray") business with the Company's; risks associated with mineral exploration and development; metal and mineral prices; availability of capital; accuracy of the Company's projections and estimates, including the initial mineral resource for the Adyabo, Harvest and Magambazi Projects; realization of mineral resource estimates, interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current exploration activities; government regulation; political or economic developments; foreign taxation risks; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in connection with development activities; personnel relations; the speculative nature of strategic metal exploration and development including the risks of contests over title to properties; and changes in project parameters as plans continue to be refined, as well as those risk factors set out in the Company's listing application dated July 8, 2013, and Tigray's Management Information Circular dated March 28, 2014. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred mineral resources as the estimation is uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading inferred mineral resources to an indicated or measured mineral resource category. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the successful integration of Tigray's business with the Company; the price of gold; the demand for gold; the ability to carry on exploration and development activities; the timely receipt of any required approvals; the ability to obtain qualified personnel, equipment and services in a timely and cost-efficient manner; the ability to operate in a safe, efficient and effective manner; and the regulatory framework regarding environmental matters, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company does not update or revise forward looking information even if new information becomes available unless legislation requires the Company to do so. Accordingly, readers should not place undue reliance on forward-looking information contained herein, except in accordance with applicable securities laws.

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INTRODUCTION

East Africa was incorporated on December 7, 2012, under the Canada Business Corporations Act. The address of the Company's corporate office and principal place of business is Suite 700, 1055 W. Georgia Street, Vancouver, British Columbia, Canada. On July 11, 2013, the Company commenced trading on the TSX Venture Exchange as a Tier 2 mining issuer under the trading symbol "EAM".

KEY OPERATING HIGHLIGHTS

- The Company announced its initial Mato Bula Trend Mineral Resources estimate:
  - Inferred Mineral Resources of 9,315,000 tonnes containing 678,000 ounces gold at an average grade of 2.26 g/t gold, 82,100,000 lbs copper at an average grade of 0.40% copper, and 648,000 ounces silver at an average grade of 2.2 g/t silver.
  - The Resource hosts 880,239 gold equivalent ounces[1].
  - This Resource further builds upon the metal asset base East Africa is defining and accumulating on the Adyabo and Harvest Projects in Ethiopia, as a compliment to the Terakimti resource announced on January 27, 2014.

  [1] see resource table within "Adyabo Project – Ethiopia" section

- Infill RC drilling at the Harvest Project include highlight RC drill results of :
  - Gold Rich Oxide
    - 14 metres at 7.25 grams per tonne gold (TRC026 - section 54160N);
    - 10 metres at 11.30 grams per tonne gold (TRC028 -section 54160N); and
    - 33 metres at 7.20 grams per tonne gold (TRC058 – 54060N).
  - Gold-Silver Rich Oxide
    - TRC021 - 15 metres at 7.34 grams per tonne gold and 324.5 grams per tonne silver (section 53120N).
  - Supergene Enriched Massive Sulphide
    - TRC033 - 32 metres at 4.40 grams per tonne gold, 3.08% copper and 15.8 grams per tonne silver (section 53180N).
- During the Q2 2015, East Africa signed a binding letter agreement ("Magambazi LOI") with an arm's length private exploration and development company (the "Developer") with management based in the United Kingdom and Tanzania, to acquire and develop East Africa's Magambazi Project in Tanzania. Under the terms of the Magambazi LOI, the Developer will provide to East Africa among other things:
    - pay East Africa US$1,000,000 in cash for a 100% interest in the Handeni property which includes the Magambazi Project, and all of "Tanzania Other properties" owned by East Africa in Tanzania (the "Tanzanian Assets");
    - pay East Africa approximately US$1,000,000 in cash for the book value of the camp, equipment and other assets;
    - convey to East Africa the right to receive a 1.6% Net Smelter Royalty on production, capped at US$1,800,000;
    - convey to East Africa the right to acquire a gold stream equal to 30% of the life of mine gold production from all of the Tanzanian Assets;
    - issue treasury shares of the Developer that is expected to represent 9.9% of the Developer's outstanding shares;
    - For further information please refer to "Proposed Transaction".

OUTLOOK

As of the date of this MD&A, the Company's focus is on advancing the Ethiopian Projects. This includes in-fill drilling on the oxide portion of the Terakimti deposit at the Harvest Project which was completed in July 2015 with analysis pending. The Company announced on May 5, 2015, the initial mineral resource estimate for the Adyabo Project. East Africa will continue to advance the Adyabo Project through infill drilling and more advanced testwork which is expected to commence during Q4 2015. Additionally, the company will continue building momentum on both the Adyabo and Harvest projects through on-going community relations work and socio economic studies, in accordance with application requirements for Mining Licences. The Company has released initial mineral resource estimates on each of its Exploration Projects at Harvest, Adyabo and Magambazi.

For the Company's Handeni Properties, the Company has signed a binding letter agreement with the Developer to advance East Africa's Magambazi project in Tanzania. As the date of this MD&A, the Company and the Developer continue to work towards to finalizing certain conditions by the proposed deadline date of October 15, 2015.

PROPOSED TRANSACTION

On June 10, 2015, East Africa signed a binding letter agreement with the Developer to acquire and develop East Africa's Magambazi Project in Tanzania. Under the terms of the Magambazi LOI, the Developer will among other things:

- pay East Africa US$1,000,000 in cash for a 100% interest in the Tanzanian Assets;
- pay East Africa approximately US$1,000,000 in cash for the book value of the camp, equipment and other assets;
- convey to East Africa the right to receive a 1.6% Net Smelter Royalty on production, capped at US$1,800,000;
- convey to East Africa the right to acquire a gold stream equal to 30% of the life of mine gold production from all of the Tanzanian Assets;
- issue treasury shares of the Developer that is expected to represent 9.9% of the Developer's outstanding shares. The Developer intends to list on the London Stock Exchange's AIM and expects to issue such shares to East Africa before the listing; and
- offer East Africa a seat on the Board of Directors of the Developer and a seat on the Management Committee of the Magambazi Project.

East Africa will not be required to contribute to capital or exploration expenditures with respect to the construction and development of any of the Tanzanian Assets. The transaction will provide East Africa with the right to purchase 30% of gold produced during mining operations established at any of the Tanzanian Assets, for a per ounce payment equal to the lesser of (i) production cost plus 15% based on the Developer's historical and budgeted production costs, and (ii) the prevailing market price for gold.

The Magambazi LOI is binding and subject to certain conditions to be fulfilled by October 15, 2015, including, but not limited to:

- the completion of satisfactory due diligence by East Africa on the Developer (completed);
- the finalization of the structure of the transaction;
- the entering into of a definitive agreement and gold purchase agreement; and
- the receipt of initial payment of US$500,000 and regulatory approvals, including acceptance by the TSX Venture Exchange. The balance of approximately US$1,500,000 will be payable within one year of the effective date.

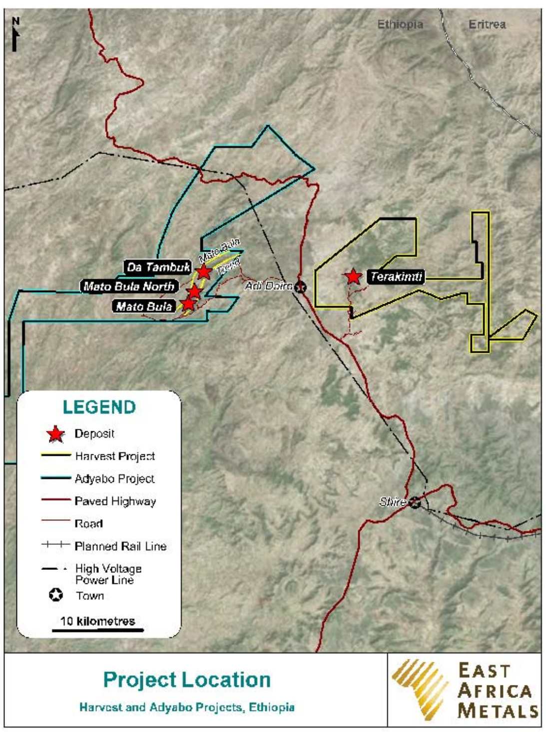
DESCRIPTION OF THE BUSINESS

East Africa is a mineral exploration company focused on the identification, acquisition, exploration, development and/or sale of base and precious metal resource properties in Ethiopia and Tanzania. East Africa's key mineral assets include the Harvest and the Adyabo Projects (together the "Ethiopian Projects") in Ethiopia, and the Handeni Properties in Tanzania. With the recent announcement of the Adyabo initial resource estimate, the Company now has announced Mineral Resource Estimates on each of its projects. Additional information on the Company's mineral property interests discussed in this MD&A can be found on the Company's website at www.eastafricametals.com.

Ethiopia

Ethiopia is located in northeast Africa, in the region termed the Horn of Africa. The country is landlocked and is comprised topographically of predominantly high plateaux. The population is diverse in terms of languages spoken and religious beliefs. Ethiopia has steadily improved in economic development since 2002 according to The Economist magazine's website. In November 2014, The Economist publication "The World in 2015" forecasts growth in Ethiopia for 2015 to be an estimated 7.0%. New mining regulations ("Proclamations") were issued in 1993 with the purpose of promoting the exploration and development of Ethiopia's natural resources. The proclamations allow for business incentives that include security of tenure, the right to sell minerals, preferential duty and tax provisions on equipment and machinery, a 5-8 % production royalty (revised in Proclamation 678/2010), a 25% income tax on taxable income, and a structuring to allow for repatriation of profits. The Company currently has interests in two areas in Ethiopia, the Harvest Project and the Adyabo Project. The Ethiopian Projects comprise a combined total of approximately 380 square kilometres in area. The current Resources at the Adyabo and Harvest Projects straddle an infrastructure corridor, with projects being located within 11 and 7 kilometres respectively of a paved highway and a high-tension power corridor (refer to Figure 1).

Figure 1: Harvest and Adyabo Projects Location



Where applicable, information within this MD&A which pertains to the Harvest and Adyabo Projects may reference work performed by Tigray before the completion of the Tigray Arrangement on May 7, 2014. References to Tigray news releases before May 7, 2014, can be found on the Company's website at www.eastafricametals.com and information on the Tigray Arrangement can be found in Tigray's management information circular dated March 28, 2014, which can be found on SEDAR at www.sedar.com .

HARVEST PROJECT – ETHIOPIA

The Company has a 70% interest in the Harvest Project with the remaining 30% held by Ezana Mining Development Plc ("Ezana"), an Ethiopian company. The non-controlling interest is carried at 30% until the completion of the feasibility study. The Company is responsible for all costs until completion of a feasibility study. Subsequent to the feasibility study any approved contributions by the Company for which Ezana elects not to contribute or elects to contribute less than its equity interest, could increase the Company's interest.

Harvest Project is located 600 kilometres north of Ethiopia's capital city of Addis Ababa and comprises of four exploration concessions - Nefasit, Hamlo, Terakimti, and Igub - covering approximately 116 square kilometres. It is located in the highly prospective Asmara Mineral Belt in the southern part of the Arabian Nubian Shield (ANS), host to the Bisha, Debarwa and Emba Derho volcanogenic massive sulphide (VMS) deposits. Vein-related gold deposits are also typical of the ANS, including the giant >13 million ounce Sukari deposit in Egypt, the one million ounce gold discovery at Koka-Zara in central Eritrea and the approx. 140,000 ounce per year gold producer at Lega Dembi in southern Ethiopia.

Terakimti Initial Mineral Resource

On January 27, 2014, the Company announced its initial National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") compliant gold, copper, silver and zinc mineral resource estimate for the Terakimti area of its Harvest Project in Ethiopia. This mineral resource estimate is contained within the first prospect discovered at the Harvest Project in 2009 and incorporates 16,495 metres of drilling in 79 diamond drill holes. Terakimti is defined at surface by a 800 metre surface NE-SW gossan expression, with the mineralized deposit dipping steeply to the southeast, plunging moderately northeast, and remaining open to extension down plunge at depth. The deposit is located within 7 kilometres of both a paved highway, and the high-voltage power grid line.

The Terakimti deposit is the most advanced prospect on the Harvest Project and Table 1 below summarizes the classification of the mineral resource estimate.

Table 1 Terakimti Mineral Resource Estimate

Mineralization Class	Mineralization Type	NSR Cut-Off ($/t)	Contained Metals								
			Tonnes ('000s)	Cu %	Au g/t	Ag g/t	Zn %	Cu ('000 lb)	Au ('000 oz)	Ag ('000 oz)	Zn ('000 lb)
Indicated	Oxide	25.9	290	0.06	2.55	10.5	0.02	-	24	98	-
	Sulphide	23.9	1,841	2.20	1.06	17.5	1.65	89,477	63	1,033	66,871
	Sub-Total Indicated		2,131					89,477	86	1,130	66,871
Inferred	Oxide	25.9	398	0.13	4.77	7.2	0.07	-	61	92	-
	Sulphide	23.9	2,583	1.09	0.96	20.6	1.42	62,187	80	1,712	77,101
	Underground Primary	63.9	939	0.69	0.84	15.2	2.92	14,198	25	459	60,358
	Sub-Total Inferred		3,920					76,385	166	2,264	137,459

For the footnotes to mineral resource statement, mineral resource estimation methodology, data validation, and quality control please refer to either the Company's new release dated January 27, 2014 or the technical report that can be found on the company website www.eastafricametals.com

As at the August 28, 2015, the Company had drilled 125 drill holes totaling 6,080m completing its Reverse Circulation ("RC") drill program at Terakimti. The RC drill program at the Terakimti VHMS deposit is to define a gold oxide resource on a 20 x 20 metre spaced drill pattern. Results received confirm continuity of oxide mineralization below cover and corroborate initial strong gold grades, as indicated in trench sampling and broad spaced diamond drilling. The RC drilling is focused primarily on the zoned weathering profile, which includes, from top to bottom; gold-rich oxide (gossan), gold-silver rich oxide (gossan), gold-silver rich transition material (pyrite sand) and supergene-enriched massive sulphide.

As disclosed in the outlook section the Company's RC drill program at Terakimti identified key highlight holes ranging from 10 metres at 11.30 grams per tonne gold to 33 metres at 7.20 grams per tonne gold on the Gold Rich Oxide. In addition highlighted holes for the Gold-Silver Rich Oxide include the 15 metres at 7.34 grams per tonne gold and 324.5 grams per tonne silver and a highlighted hole for the Supergene Enriched Massive Sulphide at 32 metres at 4.40 grams per tonne gold, 3.08% copper and 15.8 grams per tonne silver. For further detail of all RC drill holes results please refer to the Company's May 27, 2015 new release.

Terakimti Pit Constrained Sensitivity Analysis

A low sensitivity and a three year average price comparison on pit constrained economics was also conducted, to assess project potential and risk due to commodity price fluctuation. From these scenarios outlined in Table 2, the project illustrates consistency in metal content as prices decrease, and show upside potential in pit expansion to depth, as prices increase. Table 2 summarizes the pit constrained economics sensitivity analysis.

Table 2 Terakimti Pit Constrained Economics Sensitivity Analysis

Pit constrained Total Tonnage and Metal Sensitivity	%Tonnes	Cu Metal	Au Metal	Ag Metal	Zn Metal
Low Case	-2.9%	-0.7%	-0.9%	-0.8%	-1.4%
Base Case	0.0%	0.0%	0.0%	0.0%	0.0%
Optimistic (3yr avg)	16.4%	7.1%	9.5%	11.3%	21.6%

Low Case - – Cu $3.20/lb, Au $1250/oz, Ag $20/oz, Zn $0.80/lb
Base Case – Cu $3.50/lb, Au $1400/oz, Ag $25/oz, Zn $0.90/lb
3 year average – Cu $3.60/lb, Au $1548/oz, Ag $29.90/oz, Zn $0.90/lb

Terakimti Metallurgy

Metallurgical work is considered preliminary in nature and is on-going. A total of 16 composite samples were designed for testing at the Blue Coast Research metallurgical facility in Parksville, BC. These composites were formed from ¼" diamond core from 28 separate drill holes, profiling representation from gold enriched oxide mineralization, copper enriched supergene mineralization, and copper-zinc primary mineralization. Oxide mineralization has been shown to be amenable to conventional leaching, with initial South and North Oxide zone composites illustrating 100 micron grind gold recoveries of 75-80%, and coarser size heap leach type material would be slightly lower at 71-75%. Additional test work, engineering, and trade-off studies would be required to establish the most attractive economic option.

Copper enriched supergene mineralization, derived from the combination of several composite samples, provided provisional Locked Cycle Test results with high copper recoveries of 90% and a concentrate grade of 25%. Locked Cycle Testing on a single composite sample of primary sulfide mineralization resulted in 89% copper recovery being achieved at a 25% concentrate grade, with 86% zinc recovery to a separate concentrate grading 60% zinc. Both concentrates contain gold and silver credits with the potential to prove attractive in a marketing context. One composite test conducted on transition mineralization did not respond favourably to initial conventional floatation, and will require additional review. The metallurgical work conducted to date is considered very preliminary, and more comprehensive work will also follow more detailed drill testing and sampling. Additional metallurgical work will form part of the oxide resource update work conducted at Terakimti.

VTEM09

The VTEM09 airborne electromagnetic ("EM") anomaly is located on the Terakimti concession approximately five kilometres east-northeast of Terakimti, and comprises a strong bedrock conductor over 200 metres in strike length hosting several malachite-rich gossan outcrops (*refer to the Company's news release dated October 16, 2012*).

In May 2015 the Company received assay results for the four (4) diamond drill holes at the VTEM09 VMS prospect to follow-up on the initial drill hole. Results from these drill holes include drill hole TVD002 which intersected 10.75 metres grading 2.24 percent copper, 2.63 grams per tonne gold, 3.74 percent zinc, and 71 grams per tonne silver, from 58.2 metres. The intersection confirms that good grade precious metal rich VMS mineralization, comparable in tenor to that at Terakimti, continues to depth at this target. Three additional holes targeted at VTEM09 (from TVD001 – 40 metre stepouts north and south, and 110 metres down plunge), indicate that this is a short strike length VMS zone that likely plunges more steeply than initially interpreted.

Harvest Project Path Forward

East Africa will continue to advance the Harvest Project through the receipt of assays from the recently completed infill drilling, expected in Q4, 2015, and more advanced testwork at Terakimti. In addition, the company will continue building momentum through on-going community relations work and socio economic studies, in accordance with application requirements for Mining Licence.

ADYABO PROJECT - ETHIOPIA

On November 1, 2012, the Company has completed the first stage of a three-year option agreement to acquire up to an 80% interest in the Adi Dairo and West Shire concessions, the Adyabo Project, from an arm's-length party in two phases. The concessions are located adjacent to the Harvest Project in Ethiopia. The Company has completed the first phase to earn 55% interest in the concessions. East Africa may earn an additional 25% interest in the second phase of the agreement in exchange for (a) a payment of $300,000 (paid) in cash and the issuance of 550,000 East Africa Shares (issued) and 400,000 East Africa Warrants (issued) on November 1, 2014 and (b) the issuance of 550,000 East Africa Shares and 400,000 East Africa Warrants on November 1, 2015. Furthermore, on receipt of a positive feasibility study, East Africa will issue 550,000 East Africa Shares and 400,000 East Africa Warrants to the optionor, and on commencement of commercial production, the Company will issue 275,000 East Africa Shares and 200,000 East Africa Warrants to the optionor. The optionor may elect to convert the remaining 20% interest into a 2.0% NSR and the Company will have the option to buy back 1.0% of the NSR for a cash payment of $5,000,000.

The concessions are considered prospective for VMS and orogenic (structurally controlled) gold deposits, and contain numerous alluvial, elluvial and bedrock gold workings as well as several large gold and gold-copper-arsenic anomalies defined by previous companies' stream-sediment sampling programs.

Adyabo initial Mineral Resource Estimate

On May 5, 2015, the Company announced its initial NI 43-101 compliant gold, copper, silver and zinc mineral resource estimate for the Adyabo Project. This mineral resource estimate comprises mineralization from the Mato Bula trend, a greater than 8 kilometre long zone of alteration identified on the project in 2013. The resource includes mineralization from the Mato Bula, Mato Bula North, and Da Tambuk mineralized zones and hosts 880,239 gold equivalent ounces. This resource incorporates data from 10,266 metres of drilling in 47 diamond drill holes and 1,520 metres of trenching from 22 trenches.

Adyabo Resource Highlights:

- The Mineral Resource is defined to a depth of 500, 330, and 180 metres for Mato Bula, Da Tambuk, and Mato Bula North respectively, with potential for lateral and depth extension within this large altered system.
- Copper concentrate grades ranged from 23% to 27% Cu, 170 to 850 g/t Au, and 27 to 240g/t Ag. Total gold recoveries, inclusive of copper floatation and cyanidation tests, ranged from 77% to 97%*.
- Whole mineralization cyanidation of Da Tambuk and intensive leaching of a Da Tambuk pyrite scavenger concentrate both returned gold recoveries of 97% suggesting that the gold within this composite is not refractory and the flotation-only recovery of 57% could be improved by cyanidation of flotation products.
- Additional metallurgical optimization is possible through regrind work, collector dosage variation, and comminution testwork.
- Synergies available as Resources are spatially aligned on a corridor of infrastructure (including the national power grid transmission corridor and paved highway) with the company's adjacent Terakimti deposit at the Harvest Project, with direct connection to a planned rail network link at Shire.
- Sensitivity analysis indicates that the mineralized zones contain the majority of gold mineralization in significantly higher grade core areas.

*Da Tambuk whole composite leach test and pyrite scavenger concentrate test both returned gold recoveries of 97%.

The initial mineral resource estimate was completed by David Thomas, P. Geo, of Fladgate Exploration Consulting Corporation, who is an independent "qualified person" under NI 43-101. For further information on mineral resource estimation methodology, data validation, and quality control refer to the Company's news release dated May 5, 2015, available on the Company's website at www.eastafricametals.com.

A sensitivity analysis was completed on tonnage and contained metal, to assess project risk with respect to commodity price fluctuations (refer to table 3). The analysis indicates that tonnage is much more sensitive to metal price fluctuations than the contained metal.

Table 3 Adyabo Pit Constrained and Underground Mineable Tonnage and Metal Sensitivity Analysis

Metal Price Assumption	% Difference Tonnes	% Difference Au Metal	% Difference Cu Metal	% Difference Ag Metal
Low Case 2	7.4%	1.6%	3.7%	5.5%
Low Case 1	0.0%	0.0%	0.0%	0.0%
Base Case	-8.2%	-1.9%	-4.7%	-6.3%
Optimistic	-16.3%	-3.9%	-9.5%	-12.8%

Subsequent to the Company's announcement of initial Mineral Resource, one drill hole was completed and the hole's assay results received for the Da Tambuk deposit to test the interpretation of a 30 degree northeast plunge to the high grade gold shoot, derived from the last round of drill testing. Drill hole ADD012 intersected 19.40 metres at 3.85 grams per tonne gold from 141.3 metres, including 9.7 metres at 6.89 grams per tonne gold.

Drill Hole ADD012 extended the known mineralization over 60 metres down plunge of ADD006 (16.65 metres at 3.29 grams per tonne gold - *see news release dated October 3, 2014*), and extends mineralization northeastward beyond surface workings, opening up additional prospectivity. The high-grade gold shoot remains open along strike, down plunge and up dip.

Table 4 Adyabo Initial Mineral Resource Estimate

Pit Constrained Resource Areas*										
	Cut-Off ($/t)	**Tonnes**	**Gold Au g/t**	**Copper Cu %**	**Silver Ag g/t**	**Gold Eq* g/t**	**Gold Metal Au Ozs**	**Copper Metal Cu Mlbs**	**Silver Metal Ag Ozs**	**Gold Eq* Metal Au Ozs**
Da Tambuk	23.9	910,000	6.02	0.09	1.2	6.14	175,000	1.9	36,000	179,000
Mato Bula	23.9	4,900,000	2.60	0.32	1.6	3.15	410,000	34.1	259,000	497,000
Mato Bula North	23.9	2,470,000	0.27	0.70	3.2	1.49	22,000	38.3	252,000	119,000
Sub-Total Pit Constrained	**23.9**	**8,280,000**	**2.28**	**0.41**	**2.1**	**2.98**	**608,000**	**74.4**	**547,000**	**794,000**
Underground Mineral Resource Area*										
			Gold	**Copper**	**Silver**	**Gold Eq***	**Gold Metal**	**Copper Metal**	**Silver Metal**	**Gold Eq* Metal**
	Cut-Off ($/t)	**Tonnes**	**Au g/t**	**Cu %**	**Ag g/t**	**g/t**	**Au Ozs**	**Cu Mlbs**	**Ag Ozs**	**Au Ozs**
Da Tambuk	63.9	310,000	2.25	0.03	0.2	2.28	22,000	0.2	2,000	23,000
Mato Bula	63.9	710,000	2.11	0.47	4.3	2.93	48,000	7.3	98,000	67,000
Mato Bula North	63.9	15,000	0.75	0.79	2.6	2.10	400	0.3	1,000	1,000
Sub-Total Underground	**63.9**	**1,035,000**	**2.13**	**0.34**	**3.0**	**2.73**	**70,000**	**7.7**	**101,000**	**91,000**
Total Pit Constrained and Underground		**9,315,000**	**2.26**	**0.40**	**2.2**	**2.95**	**678,000**	**82.1**	**648,000**	**885,000**

** EQ = Equivalent and for the mineral resource statement, mineral resource estimation methodology, data validation, and quality control please refer to either the Company's new release dated May 5, 2015 or the technical report that can be found on the company website www.eastafricametals.com*

Adyabo Metallurgy

Positive preliminary metallurgical results have been received from composites derived from key mineralized zones at Mato Bula, Silica Hill, and Da Tambuk. Conventional copper floatation was successful in producing encouraging saleable copper gold concentrates, with additional gold recovery realized from cyanidation of gold bearing flotation products.

The metallurgical work was conducted on three diamond drill hole composite samples derived from gold intervals at Mato Bula, Silica Hill, and Da Tambuk, and samples were tested at the Blue Coast Research metallurgical facility in Parksville, BC. Coarse reject diamond drill hole material was utilized from 6 drill holes at Da Tambuk (Da Tambuk composite), and 11 drill holes (7 for the Mato Bula Main composite and 4 for the Silica Hill composite) from Mato Bula. A total of 151 samples were utilized for the composites, with composite grades averaging 11.1g/t Au and 0.3% Cu (Silica Hill), 6.6g/t Au and 0.99% Cu (Mato Bula Main), and 9.5g/t Au and 0.2% Cu (Da Tambuk).

Table 5 Adyabo Metallurgy Summary

Composite	Cu Recovery %	Cu Grade %	Au Recovery %	Py Scav Au Rec %	Cu Clnr 1 Tail Au Rec %	Au Extraction %	Au Recovery %
Da Tambuk	72	24	57	4	16	Not Tested	97*
Silica Hill	82	23	38	12	43	91	77
Mato Bula	93	27	83	8	3	52	85

*Da Tambuk whole mineralization leach test and pyrite scavenger concentrate test both returned gold recoveries of 97%.

The metallurgical work conducted to date is considered preliminary and more detailed testing will follow, to exploit opportunities that remain for more enhancements in overall metallurgical performance.

Mugnae Andi

Mugnae Andi is located in the north central portion of the West Shire concession on the Adyabo Project. Orogenic gold mineralization is present as gold-bearing quartz veins over 900 metres in a narrow (up to 100 metres wide) syenite body intruded into a shear zone within a pyroxenite intrusion. Artisanal bedrock pits and shafts extend over the 900 metre strike length with intense workings over a 400 metre strike in the west. In May 2015 two first pass diamond drill holes were completed and assays received on 80 metre sections to test the central portion of the main 400 metre long artisanal workings. Results include:

- 8.0 metres at 2.48 grams per tonne gold in AMD002 from 36.9 metres, including 2.0 metres at 5.9 grams per tonne gold.
- 3.3 metres at 2.82 grams per tonne gold in AMD001 from 23.9 metres and 3.0 metres at 1.57 grams per tonne gold from 47.75 metres.

Adyabo Project Path Forward

East Africa will continue to advance the Adyabo Project through infill drilling which is expected to commence in Q4 2015, more advanced resource testwork, and more exploration targeting along the highly prospective Mato Bula Trend. In addition, the company will continue building momentum through on-going community relations work and socio economic studies, in accordance with application requirements for a Mining Licence.

Quality Control

The planning, execution and monitoring of the Company's quality control programs at the projects in Ethiopia are under the supervision of Jeff Heidema, P.Geo., the Company's Vice President Exploration. Mr. Heidema is a Qualified Person as defined by NI 43-101.

Diamond drill core samples, RC samples, and rock samples have undergone preliminary preparation at the Acme Laboratories facility in Ankara, Turkey and are crushed to 80% passing 10-mesh and pulverized to 85% passing 200-mesh (Acme R200-1000 package, now PRP70-1KG). Analyses are conducted at Acme Laboratories in Vancouver, Canada, utilizing Aqua Regia digestion and ICP-ES. RC analyses utilize Aqua Regia digestion and ICP-MS/ICP-ES (AQ270, AQ370) for base metal and silver analyses. Precious metal analyses are conducted via Fire Assay Fusion with AA finish, and gravimetric analyses for over-limit samples. Blanks and certified reference standards are inserted into the sample stream to monitor laboratory performance. Soil samples were collected using -60 mesh screening, with reference standards included in every 50 samples, and replicates included every 25 samples. Preparation and analyses were conducted at Ultratrace in Perth, Australia, with Aqua Regia digestion, and ICP-MS finish for gold and silver. Initial core samples at Terakimti were prepared and analyzed at ALS in North Vancouver, Canada, with trace work done by ICP-MS, and Fire Assay analyses conducted on over-limit copper, zinc, lead and silver mineralization. Fire Assay was conducted for all gold analyses. Blanks and certified reference standards were inserted into the sample stream to monitor laboratory performance.

HANDENI PROPERTIES – TANZANIA

East Africa is focused on mineral exploration in the Handeni gold district in eastern Tanzania. One of the Company's key properties is Handeni, located 173 kilometres northwest of Dar es Salaam and 35 kilometres south of the town of Handeni. The Handeni property consists of two contiguous mineral tenures (one PL, and one combined group of Primary Mining Licences ("PMLs") (PMLs together "Magambazi") totalling approximately 83.5 square kilometres. Subsequently two mining licences covering 9.9 square kilometers have been obtained within the property. Magambazi is owned 100% by Denwill Mining Services Ltd. ("Denwill"), a structured entity controlled by East Africa, and East Africa has an option agreement to acquire a 100% interest upon payment of US$40,000. Denwill acquired Magambazi by payment of US$1,800,000, and granted the vendors a 2.0% NSR royalty. As of August 28, 2015, the option has not yet been exercised.

Where applicable, information within this MD&A which pertains to the Handeni property may reference work performed by Canaco Resources Inc. ("Canaco"). Pursuant to a corporate transaction, Canaco spun-out its mineral property interests to East Africa on April 4, 2013, including its material property Handeni (refer to the Canaco's management information circular dated March 28, 2013, available on the Company's website at www.eastafricametals.com).

MAGAMBAZI PROPERTY

Magambazi Initial Mineral Resource

On May 15, 2012, Canaco published an initial mineral resource estimate for Magambazi of its Handeni Properties in Tanzania. Using a cut-off grade of 0.5 grams per tonne gold, Magambazi is estimated to contain an indicated mineral resource of 15.2 million tonnes grading 1.48 grams per tonne gold and containing 721,300 ounces of gold, as well as an inferred mineral resource estimate of 6.7 million tonnes grading 1.36 grams per tonne gold and 292,400 ounces of gold. Table 6 below summarizes the classification of mineral resources within the mineral resource block model and Table 7 below presents a summary of the estimated mineral resource for a range of cut-off grades.

Table 6 – Initial Magambazi Mineral Resource Estimate Summary – May 2012

Category	**Estimated Quantities**		
	Tonnes (000s)	*Average grade (grams/tonne gold)*	*Contained gold (ounces)*
Indicated	15,186	1.48	721,300
Inferred	6,683	1.36	292,400

Note: Quantities are estimated using a cut-off grade of 0.5 grams per tonne gold, a gold price of US$1,250 per ounce, and data from 102,600 metres of diamond drilling in 397 holes.

Table 7 – Magambazi Cut-off Grade Sensitivities

	Indicated			**Inferred**		
Cut-off grade (grams/tonne gold)	*Tonnes (000s)*	*Average grade (grams/tonne gold)*	*Contained gold (ounces)*	*Tonnes (000s)*	*Average grade (grams/tonne gold)*	*Contained gold (ounces)*
0.3	19,685	1.23	777,500	9,256	1.09	324,500
0.4	17,218	1.36	750,300	7,831	1.23	308,800
0.5	**15,186**	**1.48**	**721,300**	**6,683**	**1.36**	**292,400**
0.6	13,392	1.60	689,900	5,593	1.52	273,400
0.7	11,884	1.72	658,700	4,791	1.67	256,800
1.0	8,593	2.07	570,600	3,058	2.14	210,700

For information on mineral resource estimation methodology, data validation, and quality control refer to the Company's website at www.eastafricametals.com.

Mining Licence

East Africa's has now fully permitted Magambazi for project development and commercial mining operations. East Africa has completed the expansion of the Mining Licence footprint at Magambazi and now has two mining licences (ML525/2014 and ML480/2012) covering 9.9 square kilometers.

Prior to submitting applications for the expanded Mining License, Canaco received an Environmental Impact Assessment ("EIA") certificate from the Tanzanian government for the entire Handeni property, including Magambazi on November 16, 2012. This achievement was the culmination of a two-year process involving environmental studies, ministerial reviews and public hearings. The receipt of the EIA certificate was the first step in the mine permitting process and a prerequisite for a Tanzanian mining licence.

Path forward

The Company will continue to move forward with the Magambazi LOI with the Developer to advance the Magambazi project.

CURRENT COMPANY OBJECTIVES

Current objectives of the Company are to:

1. Receive final infill drilling results at Terakimti, and revise and upgrade the oxide portion of the resource;
2. Conduct additional advanced resource level work on the oxide mineralization;
3. Initiate additional diamond drilling to upgrade and potentially expand the Adyabo resource through extension and infill drilling;
4. Work towards a mining licence for the Harvest Project by the end of Q4 2015;
5. Assess new potential exploration opportunities in Ethiopia;
6. Continue to work with the Developer to finalize the conditions of the Magambazi LOI during Q4, 2015;
7. Continue to examine opportunities to raise capital including equity financing, merger and acquisitions, strategic alliances, joint ventures and optioning its mineral properties for equity, cash and/or expenditure commitments.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	Revenue	Loss(1)	Loss per share, basic
Fiscal 2015			
June 30, 2015	Nil	1,833,038	0.02
March 31, 2015	Nil	2,840,814	0.03
Fiscal 2014			
December 31, 2014	Nil	5,543,878(3)	0.05
September 30, 2014	Nil	1,799,713	0.02
June 30, 2014	Nil	2,006,250	0.02
March 31, 2014	Nil	1,301,362	0.02
Fiscal 2014 - HY(2)			
December 31, 2013	Nil	840,091	0.01
September 30, 2013	Nil	1,507,838	0.02

(1) Values may not add to reported amount for the periods due to rounding.

(2) A shortened six month transitional fiscal year as a result of the change of year end from June 30 to December 31, effective December 31, 2013.

(3) In Q4 2014, the increase is primarily due to the expenditures on the acquired Ethiopian Projects and the write-down of mineral property interests.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The Interim Financial Statements have been prepared in accordance with IAS 34, Interim Financial Reporting, and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2014 ("FY 2014"), which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board.

The Company's operations are in one industry – the exploration for gold, copper, and other precious and base metals. At June 30, 2015, East Africa has three geographic locations: Canada (head office), Ethiopia and Tanzania. Information discussed herein reflects the Company as a consolidated entity, consistent with our determination that the one industry in which we operate provides the most meaningful information for an exploration stage enterprise.

RESULTS OF OPERATIONS

The selected period information and summary of financial results in this MD&A should be read in conjunction with the Q2 2015 Interim Financial Statements. The following financial data are derived from the Company`s Interim Financial Statements for the three and six months ended June 30, 2015, and 2014 respectively:

	Three months ended June 30,		Six months ended June 30,	
	2015	2014	2015	2014
Exploration and evaluation expenditures	$ 1,200,027	$ 1,260,859	$ 3,425,786	$ 1,706,767
Other expenditures*	633,011	745,391	1,248,066	1,600,845
Net loss for the period	1,833,038	2,006,250	4,673,852	3,307,612
Net loss for the period and attributable to shareholders	1,712,003	1,989,599	4,271,420	3,290,961
Basic and diluted loss per share and attributable to shareholders	$ 0.02	$ 0.02	$ 0.04	$ 0.04
Weighted average number of common shares used in the calculation of loss per share – basic and diluted	102,249,661	87,336,216	102,249,661	77,199,374

* Non-GAAP measure - Other expenditures represents all other expenditures, other than Exploration and Evaluation expenditures, disclosed in the statement of operations and includes non-cash items.

LOSS FOR THE SIX MONTHS ENDED JUNE 30, 2015 ("FISCAL 2015"), COMPARED TO THE SIX MONTHS ENDED JUNE 30, 2014 ("FISCAL 2014")

The loss for Fiscal 2015 is $4,673,852 compared to a loss for Fiscal 2014 of $3,307,612. The significant items contributing to the Fiscal 2015 loss includes exploration costs of $3,425,786 (Fiscal 2014 – $1,706,767), legal, audit and audit related expenses of $274,074 (Fiscal 2014 – $56,662), office and administration of $251,568 (Fiscal 2014 - $248,314), management consulting fees of $235,725 (Fiscal 2014 – $156,959), investor/shareholder communication and filings of $185,879 (Fiscal 2014 - $94,752), project generation of $Nil (Fiscal 2014 − $366,469), change in fair value of other assets with loan receivable of $Nil (Fiscal 2014 – decrease of $543,609) and finance income of $Nil (Fiscal 2014 − $229,280). Significant balances and changes are discussed below.

Exploration and evaluation expenditure ("Exploration Expenditures")

Exploration Expenditures incurred costs of $3,425,786 in Fiscal 2015 compared to $1,706,767 in Fiscal 2014. A summary of East Africa' Exploration Expenditures are as follows:

	Six months ended June 30, 2015			Six months ended June 30, 2014		
	Tanzania	Ethiopia	Total	Tanzania	Ethiopia	Total
Exploration Expenditures						
Amortization	$ 166,274	$ 55,502	$ 221,776	$ 155,509	$ 13,892	$ 169,401
Camp and administration costs	597,178	449,117	1,046,295	510,083	128,941	639,024
Drilling	--	1,422,437	1,422,437	--	535,668	535,668
Geochemistry	4,157	52,284	56,441	11,621	5,803	17,424
Geology	6,483	248,224	254,707	9,309	99,115	108,424
Preliminary resource and engineering studies	--	181,576	181,576	--	--	--
Project management and consulting	25,938	--	25,938	23,037	--	23,037
Technical services	50,359	166,257	216,616	161,599	52,190	213,789
Total for the period	850,389	2,575,397	3,425,786	871,158	835,609	1,706,767
Balance at the beginning of the period	67,355,519	3,700,958	71,056,477	65,784,232	--	65,784,232
Cumulative balance at the end of the period	$ 68,205,908	$ 6,276,355	$ 74,482,263	$ 66,655,390	$ 835,609	$ 67,490,999

Significant expenditure on the Ethiopian Projects relates to the two drill programs undertaken during Fiscal 2015 on the Ethiopian Projects. The Company incurred expenditure of $744,371 on the Harvest Project for RC drilling and related expenditure to define a gold oxide resource on the Terakimti VHMS deposit and incurred diamond drilling and related expenditure of $483,573 on the Adyabo Project for the initial Mineral Resource Estimate. The increase in drilling expenditure compared to Fiscal 2014 is a result of the number of months of activity. The Fiscal 2014 expenditure, as a result of the Tigray acquisition, represents two months of activity and the current year represents six months of activity.

For Fiscal 2015, the Company expended $103,903 (Fiscal 2014 - $Nil) on the Terakimti resource estimate for metallurgical work and incurred $77,673 (Fiscal 2014 - $Nil) for the preparation of the initial Mineral Resource Estimate (see "Description of The Business": "Harvest Project – Ethiopia" and "Adyabo Project - Ethiopia" for further details on the drill programs and Mineral Resource Estimates). Camp and administration costs for Fiscal 2015 of $1,046,295 (Fiscal 2014 - $639,024) represent in-country expenses such as salary, legal, accounting, office costs, and project management expenses to manage and oversee the foreign operations. The increase from the prior year represents Ethiopian camp and administration costs as a result of the Tigray acquisition.

<u>Legal, audit and audit related expenses</u>

In Fiscal 2015, the Company incurred legal, audit and audit related expenses of $274,074 compared to $56,662 in Fiscal 2014, an increase of $217,412. A predominate amount of the increase was legal costs of $188,631 related to the claim involved Harpreet Sangha, foreign country tax and legal advice and the Tanzanian Magambazi LOI. During the six months ended June 30, 2015, $10,000 was paid to Harpreet Sangha in settlement of the dispute.

<u>Office and administration</u>

Office and administration costs totalled $251,568 in Fiscal 2015, compared to $248,314 in Fiscal 2014. Costs for office and administration include office expenses, travel expense for corporate head office staff, network services and insurance.

<u>Management consulting fees</u>

In Fiscal 2015, the Company paid management consulting fees and expenses of $235,725 compared to $156,959 in Fiscal 2014, an increase of $78,766. In Fiscal 2015, $125,000 (Fiscal 2014 - $74,167) was paid to a management company for services provided for consulting fees rendered by an officer of the Company. A significant portion of the remaining expenditure for Fiscal 2015 relates to the increase in travel costs for the CEO to Africa.

<u>Investor/shareholder communications and filing fees</u>

Investor/shareholder communications and filing fees includes transfer agent, filing fees, and investor relations activities, including news release dissemination, consulting fees paid to external consultants and other costs for communications with shareholders and stakeholders, including travel expense. Expenses of $185,879 were incurred in Fiscal 2015, compared to $94,752 for Fiscal 2014, an increase of $91,127. The increase was the completion of the Company's investor relations project to engage the European and North American markets. With the continued weakening of the Canadian junior resource markets the Company has elected to no longer pursue this project.

<u>Project generation</u>

Project generation costs totalled $Nil in Fiscal 2015, compared to $366,469 in Fiscal 2014. The Fiscal 2014 costs were related to allocation of wages and internal costs, financial advisors, lawyers and other experts for the research, analysis and evaluation for the Tigray Arrangement and potential joint-venture partners for the Magambazi Project.

<u>Change in fair value of other assets with loan receivable</u>

In Fiscal 2015, the Company recorded a change in fair value of other assets with loan receivable of $Nil (Fiscal 2014 – decrease of $543,609). On December 4, 2013, the Company received 8,000,000 share purchase warrants of Tigray in connection with a loan of $2,000,000 provided to Tigray. These share purchase warrants were voluntarily cancelled immediately prior to the completion of the Tigray Arrangement in May 2014.

<u>Finance income</u>

Finance income totalled $Nil in Fiscal 2015, compared to $229,280 in Fiscal 2014. The Fiscal 2014 finance income was related to the loan provided to Tigray. The loan was treated as part of the consideration upon the closing of the Tigray Arrangement in May 2014.

LOSS FOR THE THREE MONTHS ENDED JUNE 30, 2015 ("Q2 2015"), COMPARED TO THE THREE MONTHS ENDED JUNE 30, 2014 ("Q2 2014")

The loss for Q2 2015 is $1,808,038 compared to a loss for Q2 2014 of $2,006,250. The significant items contributing to the Q2 2015 loss includes exploration costs of $1,200,027 (Q2 2014 – $1,260,859), legal, audit and audit related expenses of $103,221 (Q2 2014 – $36,425), office and administration of $118,235 (Q2 2014 - $134,752), investor/shareholder communication and filing fees $95,902 (Q2 2014 – $57,114), and change in fair value of other assets with loan receivable of $Nil (Q2 2014 – decrease of $165,599). Significant balances and changes are discussed below.

Exploration and evaluation expenditure ("Exploration Expenditures")

Exploration Expenditures incurred costs of $ 1,200,027 in Q2 2015 compared to $1,260,859 in Q2 2014.

A summary of East Africa' Exploration Expenditures are as follows:

	Three months ended June 30, 2015			Three months ended June 30, 2014		
	Tanzania	Ethiopia	Total	Tanzania	Ethiopia	Total
Exploration Expenditures						
Amortization	$ 82,302	$ 27,497	$ 109,799	$ 75,226	$ 13,892	$ 89,118
Camp and administration costs	331,928	193,761	525,689	266,039	128,941	394,980
Drilling	--	262,311	262,311	--	535,668	535,668
Geochemistry	2,214	29,827	32,041	10,207	5,803	16,010
Geology	3,623	81,441	85,064	4,725	99,115	103,840
Preliminary resource and engineering studies	--	72,536	72,536	--	--	--
Project management and consulting	12,906	--	12,906	11,446	--	11,446
Technical services	23,070	76,611	99,681	57,607	52,190	109,797
Total for the period	456,043	743,984	1,200,027	425,250	835,609	1,260,859
Balance at the beginning of the period	67,749,865	5,532,371	73,282,236	66,230,140	--	66,230,140
Cumulative balance at the end of the period	$ 68,205,908	$ 6,276,355	$ 74,482,263	$ 66,655,390	$ 835,609	$ 67,490,999

Significant expenditure on the Ethiopian Projects related to the RC drill program undertaken during Q2 2015 on the Harvest Project. Drilling expenditure of $207,172 on the Harvest Project related to RC drilling to define a gold oxide resource on the Terakimti VHMS deposit. The decrease in drilling expenditures of $273,357 in Q2 2015 compared to Q2 2014 is a result of the reduction in the RC drill activity as the drill program is completed subsequent to Q2 2015.

In addition, the Company incurred $46,219 (Q2 2014 - $Nil) on the Terakimti resource estimate for metallurgical work and incurred $26,317 (Q2 2014 - $Nil) for the preparation of the initial Mineral Resource Estimate (see "Description of The Business": "Harvest Project – Ethiopia" and "Adyabo Project - Ethiopia" for further details on the drill programs and Mineral Resource Estimates). Camp and administration costs of $525,689 (Q2 2014 - $394,980) represent in-country expenses such as salary, legal, accounting, office costs, and project management expenses to manage and oversee the foreign operations. The increase in camp and administration costs and resources related work compared to Q2 2014 is a result of the Company working towards the objective of obtaining mining licences for its Ethiopian Projects.

Legal, audit and audit related expenses

In Q2 2015, the Company incurred legal, audit and audit related expenses of $103,221 compared to $36,425 in Q2 2014, an increase of $66,796. A predominate amount of the increase of legal costs was related to the Magambazi LOI, foreign country tax and legal advice and general corporate matters for the Company's annual general meeting.

Office and administration

Office and administration costs totalled $118,235 in Q2 2015, compared to $134,752 in Q2 2014, a decrease of $16,517. Costs for office and administration include office expenses, travel expense for corporate head office staff, network services and insurance. The decrease is attributable to lower office and administration costs are a result of the Company moving to a new Vancouver office premise.

Investor/shareholder communications and filing fees

Investor/shareholder communications and filing fees includes transfer agent, filing fees, and investor relations activities, including news release dissemination, consulting fees paid to external consultants and other costs for communications with shareholders and stakeholders, including travel expense. Expenses of $95,902 were incurred in Q2 2015, compared to $57,114 in Q2 2014, an increase of $38,788. The increase was the completion of the Company's investor relations project to engage the European and North American markets. With the continued weakening of the Canadian junior resource markets the Company has elected to no longer pursue this project.

Change in fair value of other assets with loan receivable

In Q2 2015, the Company recorded a change in fair value of other assets with loan receivable of $Nil (Q2 2014 – decrease of $165,599). On December 4, 2013, the Company received 8,000,000 share purchase warrants of Tigray in connection with a loan of $2,000,000 provided to Tigray. These share purchase warrants were voluntarily cancelled immediately prior to the completion of the Tigray Arrangement in May 2014.

FINANCIAL POSITION

The following financial data is derived from our Interim Financial Statements as at June 30, 2015, and our audited consolidated financial statements as at December 31, 2014:

	June 30, 2015	December 31, 2014
Total assets	$ 29,648,515	$ 33,304,825
Total liabilities	545,338	1,208,769
Equity	24,776,501	27,721,308

Total assets

The $3,656,310 decrease represents a reduction in cash for related exploration and head office expenditure offset by the foreign exchange gains on the translation of USD to CAD of the foreign operations on balance sheet items. Notwithstanding periodic or one-time transactions and subject to changes in foreign exchange, total assets will generally remain constant from one period to the next, less the cost of expenditures on activities not for capitalized such mineral property interest and property and equipment. The Company has not yet completed feasibility studies to determine whether any of our exploration properties contain resources that are economically recoverable. All direct costs associated with exploration of these properties are expensed as incurred. If a property is abandoned or continued exploration is not deemed appropriate in the foreseeable future, the related mineral property interest is written off.

Total liabilities

As at June 30, 2015 and December 31, 2014, the Company's total liabilities are predominately comprised of trade payables and accruals. Included in the total liabilities is a non-current liability of $118,030 (December 31, 2014 – $131,146) for lease inducement which is a non-cash item amortized of the term of the lease of the Company's Vancouver office. The decrease in total liabilities of $663,431 is related to the timing of payments of expenses of trade payables. As at December 31, 2014, the Company was engaged in two drill programs at its Ethiopian properties which resulted in higher than usual liabilities as at December 31, 2014, and subsequently settled during the six months ended June 30, 2015.

Total equity

The decrease of equity is predominately a result of the net loss of the period of $4,271,420 attributable to shareholders offset by foreign exchange gains of $1,318,079 on the translation of its foreign operations into Canadian dollars.

LIQUIDITY

As at June 30, 2015, the Company had cash and cash equivalents of $2,771,188, short-term investments of $2,500,000, other current assets of $1,071,266 and current liabilities of $427,308, compared to cash and cash equivalents of $2,216,673, short-term investments of $8,220,825, other current assets of $981,616 and current liabilities of $1,077,623 as at December 31, 2014.

As at June 30, 2015, the Company had the following commitments:

		June 30, 2015
No later than 1 year	$	326,630
Later than 1 year and no later than 5 years		1,058,576
Later than 5 years		--
	$	1,385,206

During the year ended December 31, 2014, the Company entered into a five (5) year operating lease for office premises commencing on January 1, 2015. The monthly lease payment and building operating costs before estimated rent recoveries is approximately $24,000. Pursuant to the lease agreement, the Company is entitled to leasehold inducement of $131,146. The amount is included in accounts receivable with a corresponding deferred credit amortized on a straight line basis over the term of the lease. During the six months ended June 30, 2015, the rent includes a reduction of $13,116 for the leasehold inducement amortization.

Management believes that the Company's working capital as at June 30, 2015, of $5,915,146 (December 31, 2014 - $10,341,491) is adequate to support the minimum operations, exploration and development opportunities for the coming twelve months.

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with the financial liabilities. The Company has a planning and budget process in place by which it anticipates and determines the funds necessary to support normal operation requirements and development of its mineral property interests as an exploration stage enterprise. The Company coordinates the planning and budgeting process with its financing activities through the capital management process.

The Company's investment policy is to invest its cash in highly liquid short-term interest bearing investments with maturities greater than 90 days from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company ensures that sufficient funds are raised from equity placements or other sources to meet its operating requirements, after taking into account existing cash.

CAPITAL RESOURCES

The Company has historically met its exploration capital requirements through the completion of equity placements and may be impacted by continued poor market conditions and further downward trends. Trends affecting the Company's liquidity may be dictated by the demands on financial resources created by the advancing nature of the Company's exploration assets and the pursuit of a growth strategy that targets property acquisition, with the exploration commitments and the Company's ability to access the financial resources required to meet these demands. As the exploration properties advance through exploration, they typically require more capital-intensive programs that apply pressure to the Company's financial resources. Additional planned exploration programs and any future pre-development programs will result in a decrease to the Company's current liquidity.

In obtaining the required capital to pursue the Company's business plan, capital will be generated from a combination of accessing equity markets, procuring industry partners for its primary exploration assets or sale of exploration assets for equity positions or cash. In the event that additional funding is required, there can be no assurances that such funds will be available and/or on terms acceptable by the Company.

Trends that affect the market generally, and the perception of the Company within the marketplace, can affect the Company's ability to access capital in both a positive and negative way. Trends in this general market are defined by fluctuations in the global economy and the demand for metals and commodity prices. Trends in the perception of the Company in the resource marketplace may be affected by general trends in the resource equity markets which may in turn impact the Company's performance in creating shareholder value and in demonstrating the ability to manage the Company's affairs and achieve mandated objectives.

Uncertainty is a prevalent element in exploration and therefore can, on occasion, impede the Company's ability to meet its financial requirements and result in an inability to advance exploration assets and meet objectives in a timely manner.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial deposits. There is also no assurance that if a commercial deposit is discovered that the ore body would be economical for commercial production. Discovery of mineral deposits is dependent upon a number of factors and significantly influenced by the technical skill of the exploration personnel involved. The commercial viability of a mineral deposit is also dependent upon a number of factors, which are beyond the Company's control. Some of these factors are the attributes of the deposit, market, government policies and regulation and environmental protection.

Capital Expenditures

During the six months ended June 30, 2015, the Company expended $55,029 (Fiscal 2014 – $134,300) on maintenance payments of mineral property interests which have been capitalized. Mineral property capital expenditures and acquisitions for Fiscal 2015 are summarized as follows:

	Tanzania, Handeni properties	Tanzania, other properties	Ethiopia Harvest Project	Ethiopia Adyabo Project	Total
Acquisition costs					
As at December 31, 2014	$ 2,225,053	$ 1,986,573	$ 15,104,388	$ 740,212	$ 20,056,226
Property payments	43,289	11,315	274	151	55,029
Foreign exchange	151,699	152,505	1,157,474	29,718	1,491,396
As at June 30, 2015	$ 2,420,041	$ 2,150,393	$ 16,262,136	$ 770,081	$ 21,602,651

FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are measured on an ongoing basis at fair value or amortized cost. The book values of cash and cash equivalents, short-term investments, accounts receivable and accounts payables and accrued liabilities are representative of their respective fair values due to the short-term nature of these instruments. As at June 30, 2015, the classifications of the financial instruments are shown in the table below:

	Loans and receivables	Other financial liabilities	Total carrying value
As at June 30, 2015			
Cash and cash equivalents	$ 2,771,188	$ --	$ 2,771,188
Short-term investments	2,500,000	--	2,500,000
Accounts receivable	273,319	--	273,319
Accounts payable and accrued liabilities	--	(427,308)	(427,308)
	$ 5,544,507	$ (427,308)	$ 5,117,199

Fair values

The Company's financial assets and liabilities are classified based on the lowest level of input significant to the fair value measurement based on the fair value hierarchy:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data.

The Company's financial assets and liabilities are classified based on the lowest level of input significant to the fair value measurement based on the fair value hierarchy.

Management of financial risk

The Company's financial instruments are exposed to certain financial risks including currency risk, interest rate risk, credit risk and liquidity risk.

Currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Ethiopia and Tanzania and the Company's functional currency is the Canadian dollar and for its foreign operations the functional currency is the United States Dollar ("USD"). A portion of the Company's expenses are incurred in Euros ("EUR"), Australian dollars ("AUD"), USDs, Tanzanian shillings ("TSH") and Ethiopian BIRR

("ETB"). A significant change in the currency exchange rates between the functional currencies relative to these currencies could have an effect on the Company's results of operations. The Company has not hedged its exposure to currency fluctuations.

As at June 30, 2015, the Company is exposed to currency risk through the following assets and liabilities dominated in EUR, AUD, USD, TSH and ETB:

		EUR		AUD		USD	TSH	ETB
As at June 30, 2015								
Cash and cash equivalents	€	--	$	--	$	742,643	96,280,948	3,019,501
Accounts receivable		--		--		--	--	687,649
Accounts payable and accrued liabilities		(24,273)		(104,985)		(28,696)	--	(304,541)
	€	(24,273)	$	(104,985)	$	713,947	96,280,948	3,402,609

A 10% depreciation or appreciation of the Canadian dollar against these currencies would result in a decrease/increase of $101,355 (Fiscal 2014 – $115,967) in the Company's consolidated statements of operations.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's interest rate risk arises from the interest rate impact on cash and cash equivalent and short term investments. The Company earns interest on its cash and cash equivalents and short term investments based on current market interest rates, which during the six months ended June 30, 2015, ranged between 0.2% to 1.75% (Fiscal 2014 – 0.3% to 2.1%). Based on the amount of cash and cash equivalents and short term investments as at June 30, 2015, and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an insignificant increase or decrease to the interest earned (Fiscal 2014 − $73,058) in the Company statements of operations per annum.

Credit risk

Credit risk is the risk of loss associated with counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, short-term investments and receivables. Cash and cash equivalents and short-term investments consist of Guaranteed Investment Certificates ("GIC's") and short-term deposits issued by major Canadian banks. Receivables mainly consist of leasehold inducement receivable and trade receivables from related parties. The carrying amount of cash and cash equivalents, short-term investments, receivables from related parties and other accounts receivable represents the Company's maximum exposure to credit risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with the financial liabilities. The Company has a planning and budget process in place by which it anticipates and determines the funds necessary to support normal operation requirements and development of its mineral property interests for exploration stage enterprises.

The Company's investment policy is to invest its cash in highly liquid short-term interest bearing investments with maturities greater than 90 days from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations. The Company ensures that sufficient funds are raised from private placements to meet its operating requirements, after taking into account existing cash. As at June 30, 2015, the Company has sufficient cash on hand to meet its current liabilities and its expected minimum administrative, explorations and potential acquisition requirements for the coming fiscal year.

TRANSACTIONS WITH RELATED PARTIES

In the normal course of business, the Company transacted with individuals and companies considered to be related parties. Related party transactions involve normal commercial compensation for services rendered by senior management, officers, and directors of the Company, by companies with which they were associated as owners, contractors or employees. For the six months ended and as at June 30, 2015, the Company had recorded the following significant related party transactions:

For the six months ended June 30, 2015, the Company incurred goods and services for True North Gems Inc. and Nickel North Exploration Corp. totaling $83,493 (Fiscal 2014 – $504,698) for shared office, administration and exploration expenses.

As at June 30, 2015, the Company had receivables of $93,662 (December 31, 2014 – $43,048) from True North Gems Inc. and Nickel North Exploration Corp. for outstanding payments for shared office, administration, and exploration expenses.

For the six months ended June 30, 2015, the Company incurred management consulting fees of $155,000 (Fiscal 2014 – $126,667). Of this amount $125,000 (Fiscal 2014 – $104,167) were paid to a privately held company controlled by the CEO for management services.

As at June 30, 2015, a payable of $37,100 (December 31, 2014 – $39,480) was payable to SinoTech (Hong Kong) Corporation Limited ("SinoTech") for geological, administrative and language translation services. SinoTech has a control interest in the Company.

Fees, salaries and benefits, which can include share-based compensation, paid to directors and senior key management totalled $303,443 for the six months ended June 30, 2015 (Fiscal 2014 – $269,914). Senior key management includes the CEO, VP of Exploration, and the CFO. As at June 30, 2015, the Company recorded a payable of $20,670 (December 31, 2014 – $21,297) for past director and consulting services provided by directors and officers and reimbursement of expenses.

CRITICAL ACCOUNTING ESTIMATES

The details of the Company's accounting policies are presented in Note 4 of the audited consolidated financial statements for the year ended December 31, 2014. The Company's financial statements are prepared in accordance with IFRS.

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The Company has identified the following critical accounting policies under which significant judgments, estimates and assumptions are made where actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the Company's balance sheet reported in future periods.

(a) Investment in structured entity – Denwill Mining Services Limited

Denwill is consolidated as a structured entity and the purpose of which is for the benefit of the Company to acquire PMLs in Magambazi, restricted to citizens of Tanzania. During the year ended June 30, 2011, the Company provided funds to Denwill for the payments for the Magambazi PMLs. Concurrently, during the year ended June 30, 2011, the Company and Denwill entered into an agreement whereby the Company is granted an option to acquire all of the issued and outstanding shares of Denwill for US$40,000, which has not yet been exercised. The Company has assessed it has control over Denwill as Denwill's three directors are directors of the Company's Tanzanian subsidiary, it provides funds for the payments of PMLs and it has the power to direct the exploration activities, which affects the risks and rewards from the Magambazi Project.

(b) Asset acquisitions

The Company has determined that the acquisition of Tigray was an asset acquisition rather than a business combination. This is considered a significant judgment that could have a material impact on the assets and liabilities recognized. The purchase consideration is allocated to the identifiable assets acquired and liabilities assumed based on their fair values at the date of acquisition. The determination of the fair value requires the management to make assumptions, estimates and judgments regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities.

(c) Asset held for sale

The Company has announced the sale of its assets in Tanzania to a third party. Following the guidance under IFRS 5, *"Noncurrent assets held for sale and discontinued operations"*, management applied significant judgement to determine the classification of asset held for sale and whether impairment was required as at June 30, 2015. In concluding its judgement, management evaluated the duration of time for which the disposal group has been classified as an asset held for sale, the good standing of the exploration licenses, the continued commitment of the Company to actively sell the assets, the likelihood of shareholders' and regulatory approval and the recoverable amount through the sale. There is no assurance that the Company will complete the sale within one year and obtain in country approval considering the upcoming election in Tanzania. Management has assessed that the assets in Tanzania should not be classified as held for sale as at June 30, 2015.

CHANGE IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

IFRS Accounting policies not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board ("IASB") or International Financial Reporting Interpretations Committee. The Standards impacted that are applicable to the Company are as follows:

(a) *IFRS 9 Financial Instruments* ("IFRS 9")

The final version of IFRS 9 was issued by the IASB in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 introduces a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially reformed approach to hedge accounting. The new single, principle based approach for determining the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. The new model also results in a single impairment model being applied to all financial instruments, which will require more timely recognition of expected credit losses. It also includes changes in respect of credit risk in measuring liabilities elected to be measured at fair value, so that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognized in profit or loss. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, however is available for early adoption. In addition, the credit changes can be early applied in isolation without otherwise changing the accounting for financial instruments. The Company is in the process of assessing the impact of IFRS 9 and has not yet determined when it will adopt the new standard.

(b) IFRS 10 amendment

Sale or contribution of assets between an investor and its associate *IFRS 10, Consolidated Financial Statements* ("IFRS 10") has been amended to address an inconsistency between IFRS 10 and *IAS 28, Investments in Associates and Joint Ventures* . The main consequence of the amendment is that a full gain or loss is recognized when the transaction involves a business combination, and whereas a partial gain is recognized when the transaction involves assets that do not constitute a business. The amendment is effective for years beginning January 1, 2016. The Company is in the process of determining the extent of the impact of adopting this standard.

INTERNAL CONTROL OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

Currently, the certification required by the Company's certifying officers under National Instrument 52-109 Certificate of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate, does not include representations relating to the establishment and maintenance of disclosure controls and procedures (DC&P) and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarised and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's GAAP.

The Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they make in the certificate.

Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

NON-GAAP FINANCIAL MEASURES – OTHER EXPENDITURES

We use the non-GAAP financial measures of other expenditures and equity to manage and evaluate operating performance. We believe that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate our performance. Accordingly, it is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Where Non-GAAP financial measures cannot be matched to the financial statements disclosures additional disclosure and/or reconciliation is provided within the Non-GAAP disclosure.

RISK FACTORS

Financial Risk

The Company relies on equity financings to fund its activities. While it has been successful in raising funds in the past, there is no guarantee that adequate funds will be available in the future. The Company had cash and cash equivalents of $2,771,188, short-term investments of $2,500,000, and working capital of $5,915,146 as at June 30, 2015. Based on minimum planned expenditure scenario at its mineral property interests in Tanzania and Ethiopia, management believes that the Company has sufficient capital resources to fund current levels of activity for the coming twelve months for an exploration stage enterprise.

Currency Risk

The Company's corporate head office is in Vancouver, Canada and the Company maintains the majority of its funds in Canadian dollars. Since the onset of the credit crisis in 2008 there still exists significant fluctuation in the value of the Canadian dollar against other currencies and because the Company operates in foreign countries it may be exposed to significant currency risk. In addition, its operations may be affected by rapid price fluctuation in the countries it operates in.

Environmental Risk

The Company is subject to substantial environmental requirements which could cause a restriction or suspension of certain operations. The current and anticipated future operations and exploration activities of the Company in Tanzania and Ethiopia require permits from various governmental authorities and such operations and exploration activities are and will be governed by federal, regional and local laws and regulations governing various elements of the mining industry including, without limitation, land use, the protection of the environment, prospecting, development, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, and other matters. The Company's projects are all in the exploration stage and as a result activities at Handeni, Harvest and Adyabo Projects have caused little environmental impact to date due to the early stage of its activity. The Company conducts certain environmental restoration efforts including drill rig platform cleanup and the sealing of drill holes among other cleanup activities to rehabilitate areas affected by its operations and it is the Company's intention to ensure that the environmental impact on areas where it operates is mitigated by restoration and rehabilitation of affected areas.

Globally, environmental legislation is evolving towards stricter standards and enforcement, more stringent environmental impact assessments of new mining projects and increasing liability exposure for companies and their directors and officers. There is no assurance that future environmental regulations will not adversely affect the Company's operations

Exploration Risk

The Company has no production of minerals and its properties are all currently at the exploration stage. There is no assurance that a commercially viable mineral deposit exists on any of the Company's properties, and substantial additional work will be required in order to determine the presence of any such deposit. The exploration and development of mineral deposits involves significant risks which even with careful evaluation, experience and knowledge may not, in some cases, be fully mitigated. The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. These factors include, but are not limited to, Government regulations, taxes, royalties, land tenure, land use, environmental protection and reclamation and closure obligations all have an impact on the economic viability of a mineral deposit. These unique environments could limit or reduce production possibilities or if conditions are permissive for potential natural disasters, such as severe weather, could negatively impact facilities, equipment and the safety of its workers dramatically. One or more of these risk elements could have an impact on costs of the operations and if significant enough, reduce the profitability of future production and threaten the continuation of a particular project or operations altogether.

Commercial Viability

The commercial viability of any mineral deposit depends on many factors, not all of which are within the control of management. Some of the factors that affect the financial viability of a given mineral deposit include its size, grade and proximity to infrastructure. Government regulation, taxes, royalties, land tenure, land use, environmental protection, import of specialized equipment and services and reclamation and closure obligations all have an impact on the economic viability of a mineral deposit. Other potential impacts could include the location of the mineral deposit. These unique environments could limit or reduce production possibilities or if conditions are right for potential natural disasters, such as severe weather, could negatively impact facilities, equipment and the safety of its workers dramatically.

Macroeconomic Risk

From a macroeconomic perspective, ongoing global market uncertainty has led to a significant reduction in risk appetite with respect to funding investment into exploration companies. The ability for exploration companies to access capital through traditional means may be significantly diminished, with the possible long-term result that projects may take longer to develop, or may not be developed at all.

Foreign Countries and Political Policy Risk

The Company has interests in exploration properties that are located in the developing countries of Tanzania and Ethiopia and the mineral exploration of the Company may be affected in varying degrees by political instability and government regulations relating to foreign investment and the mining industry. Changes, if any, in mining or investment policies or shifts in political attitude in Tanzania and/or Ethiopia may adversely affect the Company's operations. Operations may be affected in varying degrees by government regulations with respect to, but not limited to, restrictions on production, price controls, export controls, currency remittance, direct and indirect taxes, royalties, expropriation of property, foreign investment, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions there under, including orders issued by regulatory of judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial deposits.

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue

Refer to elsewhere in this MD&A or the Company's Interim Financial Statements for capitalized or expensed exploration and development costs, general and administration expenses and other significant costs. Additional information relating to the Company is on SEDAR at www.sedar.com.

Outstanding Shares

As at August 28, 2015, the Company has 102,249,661 common shares issued and outstanding.

As at August 28, 2015, the Company has 26,091,867 warrants issued and outstanding.

As at August 28, 2015, the Company had 5,400,000 options outstanding and 5,150,000 exercisable.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this interim MD&A. Readers of this interim MD&A and other filings can review and obtain copies of our filings from SEDAR at www.sedar.com and copies will be provided to anyone who requests it.