EAST AFRICA METALS INC.
(an exploration stage company)

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended December 31, 2015 and 2014

Expressed in Canadian dollars

April 28, 2016

Independent Auditor's Report

To the Shareholders of East Africa Metals Inc.

We have audited the accompanying consolidated financial statements of East Africa Metals Inc., which comprise the consolidated balance sheets as at December 31, 2015 and December 31, 2014 and the consolidated statements of operations, comprehensive loss, changes in equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of East Africa Metals Inc. as at as at December 31, 2015 and December 31, 2014 and its financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of matter
Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about East Africa Metals Inc's ability to continue as a going concern.

(Signed) PricewaterhouseCoopers LLP

Chartered Professional Accountants

EAST AFRICA METALS INC.
(an exploration stage company)
Consolidated Balance Sheets
Expressed in Canadian dollars, unless otherwise stated

	December 31, 2015	December 31, 2014
Assets		
Current assets		
Cash and cash equivalents	$ 2,319,653	$ 2,216,673
Short-term investments	--	8,220,825
Accounts receivable (Note 8)	660,779	719,770
Prepaid expenses and deposits	206,547	261,846
	3,186,979	11,419,114
Taxes recoverable (Note 8)	204,349	--
Mineral property interests (Note 11)	23,779,063	20,056,226
Property and equipment (Note 10)	1,657,705	1,829,485
	$ 28,828,096	$ 33,304,825
Liabilities and Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 1,161,662	$ 1,077,623
	1,161,662	1,077,623
Non-current liability		
Leasehold inducement (Note 9)	104,917	131,146
Total liabilities	1,266,579	1,208,769
Equity		
Share capital (Note 13(b))	38,209,582	38,179,332
Warrant (Note 13(d))	1,408,806	1,407,076
Contributed surplus (Note 13(c))	145,953,144	145,943,957
Accumulated other comprehensive income	5,106,630	1,843,341
Deficit	(167,703,138)	(159,652,398)
	22,975,024	27,721,308
Non-controlling interest (Notes 6,7 and 11)	4,586,493	4,374,748
	27,561,517	32,096,056
	$ 28,828,096	$ 33,304,825

Nature of operations, Tanzanian Definitive Agreement and going concern (Note 1)
Subsequent events (Notes 1, 8, and 19)
Commitments (Note 9)

Approved on behalf of the Board

(signed) “David Parsons"

(signed) “Dr. Antony Harwood”

EAST AFRICA METALS INC.

(an exploration stage company)

Consolidated Statements of Operations

Expressed in Canadian dollars, unless otherwise stated

	Year ended December 31, 2015	Year ended December 31, 2014
Expenses		
Amortization (Note 10)	$ 87,337	$ 148,973
Directors and advisory board fees	78,319	76,595
Exploration and evaluation expenditure (Note 12)	6,903,698	5,272,245
Investor/shareholder communications and filing fees	299,703	330,748
Legal, audit and audit related fees	362,936	195,516
Management consulting fees and expenses	541,286	567,561
Office and administration	441,885	513,331
Project generation	--	377,204
Rent and occupancy costs	141,680	232,842
Salaries and benefits	391,771	421,353
Share-based compensation (Note 13(d))	9,187	21,616
Write-off of mineral property interests (Note 11)	--	2,375,466
	9,257,802	10,533,450
Change in fair value of other assets	--	154,979
Change in fair value of share purchase warrants (Note 6)	--	388,630
Change in fair value of warrants derivative liability	(1,630)	(167,630)
Finance income (Note 6)	--	(229,280)
Foreign exchange gain	(53,042)	(170,317)
Loss on sale of marketable securities	--	38,150
Loss on disposal of property and equipment (Note 10)	--	27,511
Insurance recovery (Note 8)	(450,000)	--
Interest income	(29,200)	(190,916)
Other	--	266,626
Net loss for the year	8,723,930	10,651,203
Net loss attributable to:		
Shareholders	8,050,740	10,441,622
Non-controlling interest	673,190	209,581
Loss per share, basic and diluted	$ 0.08	$ 0.12
Weighted average number of common shares used in the calculation of loss per share – basic and diluted	102,343,086	89,646,641

Consolidated Statements of Comprehensive (Income) Loss

Expressed in Canadian dollars, unless otherwise stated

	Year ended December 31, 2015	Year ended December 31, 2014
Net loss for the year	$ 8,723,930	$ 10,651,203
Items that may be reclassified to statement of operations		
Currency translation adjustment		
Attributable to shareholders of Company	(3,263,289)	(1,319,351)
Attributable to shareholders of non-controlling interest	(884,935)	(285,292)
Unrealized loss on investments, net of deferred income tax	--	172,430
Realized gain on investments transferred to net loss	--	(31,377)
Comprehensive loss for the year	4,575,706	9,187,613
Attributable to shareholders of Company	4,787,451	9,263,324
Attributable to shareholders for non-controlling interest	(211,745)	(75,711)
	$ 4,575,706	$ 9,187,613

The accompanying notes are an integral part of these consolidated financial statements.

EAST AFRICA METALS INC.
(an exploration stage company)
Consolidated Statements of Changes in Equity
For the year ended December 31, 2015 and 2014
Expressed in Canadian dollars, unless otherwise stated

	Common Shares Without Par Value				Accumulated		Total		
					Other		Common	Non-	
				Contributed	Comprehensive		Shareholders'	Controlling	
	Shares	Amount	Warrants	Surplus	Income	Deficit	Equity	Interest	Total Equity
Balance, December 31, 2013	67,305,842	$ 33,873,666	$ --	$ 145,644,115	$ 696,424	$(149,210,776)	$ 31,003,429	$ --	$ 31,003,429
Repurchase of common shares under normal course issuer bid	(932,500)	(330,755)	--	191,356	--	--	(139,399)	--	(139,399)
Shares issued – Tigray acquisition (Notes 6 and 13(b))	35,326,319	4,592,421	--	--	--	--	4,592,421	--	4,592,421
Shares issued for mineral property interest (Notes 11 and 13(b))	550,000	44,000	--	--	--	--	44,000	--	44,000
Share-based compensation (Note 13(d))	--	--	--	21,616	--	--	21,616	--	21,616
Stock options – Tigray acquisition (Notes 6 and 13(d))	--	--	--	86,870	--	--	86,870	--	86,870
Warrants issued – Tigray acquisition (Notes 6 and 13(e))	--	--	1,311,421	--	--	--	1,311,421	--	1,311,421
Warrants – Tigray acquisition (Notes 6 and 13(e))	--	--	87,280	--	--	--	87,280	--	87,280
Warrants issued for mineral property (Notes 11 and 13(e))	--	--	8,375	--	--	--	8,375	--	8,375
Acquisition of Tigray (Note 6)	--	--	--	--	--	--	--	4,299,037	4,299,037
Unrealized loss on investments	--	--	--	--	(172,340)	--	(172,340)	--	(172,340)
Realized gain on investments transferred to net loss	--	--	--	--	31,377	--	31,377	--	31,377
Currency translation adjustment on foreign operations	--	--	--	--	1,287,880	--	1,287,880	285,292	1,573,172
Net loss for the year	--	--	--	--	--	(10,441,622)	(10,441,622)	(209,581)	(10,651,203)
Balance, December 31, 2014	102,249,661	$ 38,179,332	$ 1,407,076	$ 145,943,957	$ 1,843,341	$(159,652,398)	$ 27,721,308	$ 4,374,748	$ 32,096,056

The accompanying notes are an integral part of these consolidated financial statements.

EAST AFRICA METALS INC.

(an exploration stage company)

Consolidated Statements of Changes in Equity

For the year ended December 31, 2015 and 2014

Expressed in Canadian dollars, unless otherwise stated

	Common Shares Without Par Value				Accumulated Other Comprehensive Income		Total Common Shareholders' Equity	Non-Controlling Interest	
	Shares	Amount	Warrants	Contributed Surplus		Deficit			Total Equity
Balance, December 31, 2014	102,249,661	$ 38,179,332	$ 1,407,076	$ 145,943,957	$ 1,843,341	$(159,652,398)	$ 27,721,308	$ 4,374,748	$ 32,096,056
Shares issued for mineral property interest (Notes 11 and 13(b))	550,000	30,250	--	--	--	--	30,250	--	30,250
Share-based compensation (Note 13(d))	--	--	--	9,187	--	--	9,187	--	9,187
Warrants issued for mineral property interest (Notes 11 and 13 (e))	--	--	1,730	--	--	--	1,730	--	1,730
Currency translation adjustment on foreign operations	--	--	--	--	3,263,289	--	3,263,289	884,935	4,148,224
Net loss for the year	--	--	--	--	--	(8,050,740)	(8,050,740)	(673,190)	(8,723,930)
Balance, December 31, 2015	102,799,661	$38,209,582	$ 1,408,806	$ 145,953,144	$ 5,106,630	$(167,703,138)	$ 22,975,024	$ 4,586,493	$ 27,561,517

EAST AFRICA METALS INC.
(an exploration stage company)
Consolidated Statements of Cash Flows
Expressed in Canadian dollars, unless otherwise stated

	Year ended December 31, 2015	Year ended December 31, 2014
Cash flows provided by (used for) operating activities		
Loss for the year	$ (8,723,930)	$ (10,651,203)
Items not involving cash		
Amortization – administration (Note 10)	87,337	148,973
Amortization – exploration and evaluation (Note 12)	395,207	350,107
Amortization – leasehold inducement (Note 9)	(26,229)	--
Share based compensation – administration (Note 13(d))	9,187	21,616
Write-off of mineral property interests (Note 11)	--	2,375,466
Change in fair value of share purchase warrants and warrants derivative liability	(1,630)	375,979
Finance income (Note 6)	--	(229,280)
Unrealized foreign exchange gain	(111,118)	(176,285)
Loss on sale of marketable securities and other assets	--	38,150
Loss on disposal of property and equipment (Note 10)	--	27,511
Interest income	--	(62,667)
Other	--	266,622
Changes in operating assets and liabilities		
Accounts receivable and taxes recoverable	(182,108)	211,527
Prepaid expenses, deposits, materials and supplies	79,749	267,186
Accounts payable and accrued liabilities	300,624	(7,746)
	(8,172,911)	(7,044,044)
Cash flows provided by (used for) investing activities		
Cash received from acquisition of Tigray (Note 6)	--	294,448
Tigray transaction costs (Note 6)	--	(354,504)
Disposal of marketable securities and other assets	--	175,257
Mineral property interests acquisitions (Note 11)	(61,068)	(467,156)
Definitive Agreement deposit (Note 11)	133,030	--
Purchase of equipment (Note 10)	(334,782)	(147,907)
Purchase of short-term investments	--	(11,658,859)
Redemption of short-term investments	8,312,157	15,310,078
	8,049,337	3,151,357
Cash flows provided by (used for) financing activities		
Repurchase of common shares - normal course issuer bid	--	(139,399)
	--	(139,399)
Effects of exchange rate changes on cash and cash equivalents	226,554	64,569
Increase (decrease) in cash and cash equivalents	102,980	(3,967,517)
Cash and cash equivalents, beginning of year	2,216,673	6,184,190
Cash and cash equivalents, end of year	$ 2,319,653	$ 2,216,673
Non-cash investing and financing activities		
Common shares - Tigray Arrangement (Notes 6 and 13(b))	$ --	$ 4,592,421
Warrants - Tigray Arrangement (Notes 6 and 13(e))	--	1,311,421
Mineral property interest – common shares (Notes 11 and 13 (b))	30,250	44,000
Mineral property interest – warrants (Notes 11and 13(e))	1,730	8,375
Normal course issuer bid	--	191,356

1. Nature of operations, Tanzanian Definitive Agreement and going concern

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

East Africa is a mineral exploration company focused on the identification, acquisition, exploration, development and/or sale of base and precious mineral resource properties in Ethiopia and Tanzania. The Company's major mineral properties consist of two projects in Ethiopia, the Harvest Project and the Adyabo Project and one project in Tanzania, the Handeni Properties.

The Company has not yet determined whether its properties contain mineral reserves that are economically recoverable. The continued operations of the Company and the recoverability of the amounts capitalized for mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the exploration and development of such properties and upon future profitable production or proceeds from the disposition of such properties.

These audited consolidated financial statements ("Financial Statements") are prepared on a going concern basis, which contemplates that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of business. For the year ended December 31, 2015, the Company incurred a net loss attributable to shareholders totaling $8,050,740 (2014 – $10,441,622) and as at December 31, 2015, had an accumulated deficit of $167,703,138 (2014 – $159,652,398) and working capital of $2,025,317 (2014 - $10,341,491).

Based on the Company's financial position at December 31, 2015, the available funds are not considered adequate to meet requirements for the estimated operations, exploration and development expenditures in the coming twelve-month period. These requirements may be adversely impacted by an absence of normal available financing due to the continued uncertainty in the Exchange and commodity markets. To address its financing requirements, the Company will seek financing through and not limited to the sale of non-strategic assets, debt financing, gold streaming contracts or similar hybrid instruments, equity financing and optioning its mineral properties. However, there is no assurance that such financing will be available. This uncertainty casts significant doubt upon the Company's ability to continue as a going concern. If the going concern assumption were not appropriate for these Financial Statements, then adjustments would be necessary to the carrying values of assets, liabilities, the reported income and expenses and the consolidated balance sheets classifications used. Such adjustments could be material.

Tanzanian Definitive Agreement

On June 10, 2015, East Africa signed a binding agreement ("Definitive Agreement") 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 Handeni properties and Other Properties in Tanzania. On October 16, 2015, the Company extended the Tanzanian effective date of the Definitive Agreement, including the receipt of the initial payment, to November 30, 2015. On December 4, 2015, the Company further extended the effective date to February 29, 2016, including the requirement for a US$100,000 (CAD$133,000) non-refundable deposit (received – refer to Note 11). Subsequent to the year-end, on March 5, 2016, (the "Tanzanian Effective Date") the Company completed the execution of the Definitive Agreement and the Gold Purchase Agreement with the Developer.

Under the terms of the agreements, the Developer will:

(a) pay East Africa US$2,000,000 (US$200,000 paid of which US$100,000 was paid subsequent to the year ended December 31, 2015) in cash for a 100% interest in the Handeni properties, which includes the Magambazi Project, all of "Tanzania - Other properties" owned by East Africa in Tanzania and the camp, equipment and other assets (together the "Tanzanian Assets") within 12 months of the Tanzanian Effective Date;
(b) convey to East Africa the right to receive a 1.6% net smelter royalty on production, capped at US$1,800,000;

1. Nature of operations, Tanzanian Definitive Agreement and going concern (continued)

Tanzanian Definitive Agreement (continued)

(c) convey to East Africa 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 as per the Gold Purchase Agreement;

(d) 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

(e) 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. Pursuant to the Definitive Agreement, the Company recognized US$59,558 in accounts receivable for the Tanzanian recoverable operating expenses between October 16, 2015 and December 31, 2015 from the Developer (Note 8).

Further, the Developer will provide a complete guarantee under which the Developer will pay East Africa advanced cash payment of US$592,500 for every quarter after 48 months from the Tanzanian Effective Date that 8,000 ounces of gold is not produced. East Africa will have a right of first offer and a right to re-acquire the properties if commercial production, defined when production reaches 8,000 ounces per quarter, is not reached in four years from the Tanzanian Effective Date or if the project is abandoned.

2. Statement of compliance and basis of preparation

These Financial Statements of the Company and its subsidiaries are prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These Financial Statements were approved by the Board of Directors on April 28, 2016.

3. Significant accounting policies

(a) Basis of presentation

These Financial Statements have been prepared on an accrual basis and are on an historical costs basis, except for certain financial instruments, which are measured at fair value. The preparation of the Financial Statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company’s accounting policies. The areas involving a higher degree of judgment of complexity, or areas where assumptions and estimates are significant to the Financial Statements are disclosed in Note 4. These Financial Statements are prepared in Canadian dollars, with all amounts rounded to the nearest dollar, unless otherwise stated.

(b) Consolidation

These Financial Statements include the accounts of the Company and its wholly owned subsidiaries. Subsidiaries are all entities (including structured entities) over which the Company has control. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are deconsolidated from the date that control ceases.

All intercompany transactions, balances and unrealized gains and losses from intercompany transactions in Canada are eliminated on consolidation, with the exception of any unrealized gains and losses with Harvest Mining PLC (“Harvest Project”) which would then be eliminated on a pro-rata ownership basis. The functional currency of the Company and its subsidiaries in the British Virgin Islands (“BVI”) is the Canadian dollar and the functional currency of its Tanzanian and Ethiopian subsidiaries is the US dollar (“USD”).

Expressed in Canadian dollars, unless otherwise stated

3. Significant accounting policies (continued)

(b) Consolidation (continued)

The principal subsidiaries of East Africa and their geographic locations at December 31, 2015, were as follows:

Name of subsidiary	Principal Activity	Location	Proportion of ownership interest and/or voting power held
Canaco Resources (BC) 2009 Inc.	Holding company	Canada	100%
Canaco Tanzania Limited	Mineral exploration	Tanzania	100%
Canaco Resources Holdings Inc.	Holding company	BVI	100%
Canaco Tanzania Holdings Inc.	Holding company	BVI	100%
Tigray Resources Inc.	Holding company	Canada	100%
Tigray Resources Holdings Inc.	Holding company	BVI	100%
Tigray Ethiopia Holdings Inc.	Holding company	BVI	100%
Tigray Resources Incorporated PLC	Mineral exploration	Ethiopia	100%
Harvest Mining PLC	Mineral exploration	Ethiopia	70%
Denwill Mining Services Limited	Mineral exploration	Tanzania	100% (consolidated structured entity)

Structured entities are entities controlled by the Company that were designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Structured entities controlled by the Company were established under terms that impose strict limitations on the decision-making powers of the structured entities' management. As a result in the Company receiving the majority of the benefits related to the structured entities' operations, net assets being exposed to the majority of risks incident to the structured entities' activities, and retaining the majority of the residual or ownership risks related to the structured entities or their assets.

The Company accounts for Denwill Mining Services Limited ("Denwill") as a structured entity in accordance with IFRS 10 *Consolidated Financial Statements*. The Company has concluded that it controls this entity as the Company has the power to control the principal economic and strategic decisions on exploration activities. Refer to Note 4(b) for further information.

(c) Cash and cash equivalents

Cash is cash on deposit with banks and cash equivalents are money market investments with maturities on the date of acquisition of 90 days or less. Cash and cash equivalents are readily convertible to cash and are subject to insignificant changes in value.

(d) Short-term investments

Short-term investments include amounts held as cash term deposits in banks with maturities at date of purchase of between 90 days and one year.

(e) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses.

Loans are considered to be impaired when there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the loan, the estimated future cash flows of the loan have been affected. Loans are considered past due once the borrower has failed to make payments within 30 days of the contractual due date. Alternatively, if there has been a specific event that gives rise to uncertainty as to the ultimate collectability of a loan, including those loans that are less than 30 days in arrears, the loan is deemed to be impaired. Objective evidence of an impairment of a loan could include significant financial difficulty of the borrower; breach of contract such as a default or delinquency in interest or principal payments; or it becomes probable that the borrower will enter bankruptcy or other financial reorganization.

3. Significant accounting policies (continued)

(f) Foreign currency translation

(i) Transactions and balances

Foreign currency transactions are translated into the functional currency of an entity using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses result from the settlement of foreign currency transactions and from the translation of monetary assets and liabilities denominated in currencies other than an operation's functional currency. These gains and losses are recognized in the consolidated statements of operations. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

(ii) Translation of foreign operations results into the presentation currency

The results and balance sheets of all the Company's subsidiaries with functional currencies different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of the consolidated balance sheet;
- Income and expenses are translated at monthly average exchange rates, unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions; and
- All resulting exchange differences are recognized as a currency translation adjustment in the statements of comprehensive income (loss).

The parent company has monetary items that are inter-company receivables from foreign operations. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is in substance a part of the parent company's net investment in that foreign operation. On consolidation, such exchange differences are recognized in the statements of comprehensive income and accumulated other comprehensive income in the statement of equity. When a foreign operation is sold, such exchange differences are recognized in the consolidated statements of operations as part of the gain or loss on sale.

(g) Financial instruments

Financial assets and liabilities are initially recognized at fair value on the consolidated balance sheet when the Company becomes a party to the contractual provisions of the instrument. Measurement in subsequent periods depends on the financial instrument's classification. The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- Cash and cash equivalents have been designated as loans and receivables.
- Receivables and short-term deposits have been designated as loans and receivables and are recorded at amortized cost, net of anticipated collection costs, if any.
- Accounts payable is initially recorded at fair value and subsequently measured at amortized cost.
- Held for trading financial instruments are measured at fair value. All gains and losses are included in the consolidated statements of operations in the period in which they arise.
- Available-for-sale are non-derivative financial assets not included in the above categories are classified as available-for-sale. They are carried at fair value with changes in fair value recognized in other comprehensive income ("OCI"). Where a decline in the fair value of an available-for-sale financial asset constitutes objective evidence of impairment, the amount of the loss is removed from OCI and recognized in the consolidated statements of operations.

3. Significant accounting policies (continued)

(g) Financial instruments (continued)

The three levels of the fair value hierarchy are:

- Level 1 – Valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Valuation based on directly or indirectly observable inputs (other than Level 1 inputs) such as quoted interest or currency exchange rates; and
- Level 3 – Valuation based on significant inputs that are not based on observable market data such as discounted cash flow methodologies based on internal cash flow forecasts.

(h) Impairment of financial assets

Financial assets, other than those at fair value through the consolidated statements of operations, are assessed for indicators of impairment at each reporting date. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized.

(i) Non-controlling interest

Non-controlling interest represents equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interest is presented as a component of equity. The loss and each component of other comprehensive income are attributed to non-controlling interests where applicable.

(j) Mineral property interests

The Company capitalizes the direct costs of acquiring and maintaining mineral property interests. Option payments are considered acquisition costs if the Company has the intention of exercising the underlying option. From time to time, the Company acquires and disposes of mineral property interests pursuant to the terms of option agreements. Options are exercisable entirely at the discretion of the optionee, and accordingly, are recorded as mineral property costs (recoveries) when payments are made or received until the original cost is recovered and after which subsequent recoveries are charged to the consolidated statements of operations. Ownership in mineral property interests involves certain inherent risks due to the difficulties of determining and obtaining clear title to claims as well as the potential for problems arising from the frequently ambiguous conveyance history characteristics of many mineral properties.

(k) Exploration and evaluation expenditures (“Exploration expenditures”)

The Company’s Exploration expenditures are charged to the consolidated statements of operations in the period incurred until such time as it has been determined that a property has economically recoverable reserves, in which case subsequent exploration and development expenditures are capitalized. Exploration expenditures may include salary costs of geologists, field employees and local management.

(l) Property and equipment (“Fixed Assets”)

Property and equipment are stated at cost as at the date of acquisition or completion and are available for their intended use. Residual values, method of amortization (depreciation) and useful lives of the assets are reviewed annually and adjusted if expectations differ from previous estimates. Amortization (depreciation) related to property and equipment used in exploration and evaluation activities are classified within Exploration expenditures. The Company amortizes (depreciates) property and equipment using the straight-line method over their useful lives as follows:

• Buildings and roads	5-10 years
• Office and field equipment	5-10 years
• Computer equipment and software	2-4 years
• Vehicles	4 years
• Leasehold improvements	over the term of the lease

3. Significant accounting policies (continued)

(l) Property and equipment (continued)

Gains and losses on disposals of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the consolidated statements of operations.

(m) Impairment of non-financial assets

(i) Impairment

The Company's mineral property interests and fixed assets are reviewed for indications of impairment at each reporting period. If indication of impairment exists, the asset's recoverable amount is estimated.

The Company performs an impairment test when events or circumstances occur which indicate the assets may not be recoverable. The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. Impairment tests are performed on a project by project basis with each project representing a cash-generating unit. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount and recognized in the consolidated statements of operations.

(ii) Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(n) Share-based compensation

The Company grants stock options to directors, officers, employees and service providers. Each tranche in an award is considered a separate award with its own vesting period and fair values. The Company applies the fair-value method of accounting for share-based compensation. The fair value is calculated using the Black-Scholes option-pricing model.

Share-based compensation for employees and others providing similar services are determined based on the grant date fair value. Share-based compensation for non-employees is determined based on the fair value of the goods or services received or option granted measured at the date on which the Company obtains such goods or services.

Share-based compensation expense is recognized over each tranche's vesting period, in the consolidated statements of operations or capitalized as appropriate, based on the number of awards that vest less the estimated forfeitures. The number of forfeitures likely to occur is estimated on grant date. If and when stock options are exercised, the applicable amounts of contributed surplus are transferred to share capital.

(o) Income tax

Income tax on the consolidated statement of operations for the years presented comprises current and deferred tax. Income tax is recognized in the consolidated statements of operations except to the extent that it relates to items recognized directly in equity, in which case the income tax is also recognized directly in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, adjusted for any adjustment to tax payable in respect of previous years.

In general, deferred tax is recognized in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except, in the case of subsidiaries, where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

3. Significant accounting policies (continued)

(o) Income tax (continued)

Deferred income tax assets and liabilities are presented as non-current. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

(p) Loss per share

Basic loss per share is computed by dividing loss attributable to common shareholders by the weighted average number of common shares outstanding during the year. The diluted loss per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of outstanding options and their equivalents are reflected in diluted earnings per share by application of the treasury method. In this method, whereby all 'in the money" options and warrants are assumed to have been exercised at the beginning of the year and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the year. If the Company incurs losses, basic and diluted loss per share is the same as the exercise of options and warrants is considered anti-dilutive.

(q) Share capital

(i) The proceeds from the exercise of stock options and warrants, in addition to the estimated fair value attributable to these equity instruments, are recorded as share capital when exercised. Warrants issued are recorded at the estimated fair value using the Black-Scholes pricing model.

(ii) Share capital issued for non-monetary consideration is recorded at an amount based on estimated fair market value reduced by an estimate of transaction costs incurred when issuing shares for cash.

(iii) On unit offerings, the Company prorates the proceeds between the relative fair values of the shares issued and the Black-Scholes value of the warrants issued.

(r) Comprehensive income (loss)

Comprehensive income (loss) is the change in the Company's net assets that results from transactions, events and circumstances from sources other than the Company's shareholders. It includes items that are not included in consolidated statements of operations such as unrealized gains or losses on available-for-sale investments, gains or losses on certain derivative instruments and foreign currency gains or losses related to a translation of foreign operations. The Company's comprehensive income (loss) and cumulative translation adjustments are presented in the consolidated statements of comprehensive income (loss) and the consolidated statements of changes in equity.

(s) Operating lease and lease inducements

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments under an operating lease are charged to the consolidated statement of operations loss on a straight-line basis over the period of the lease. Related expenses, such as maintenance and insurance expenses are charged to the consolidated statement of operations as incurred. Leasehold inducements are amortized to rent expense on a straight-line basis over the term of the lease.

4. Significant accounting estimates and judgments

The preparation of these 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.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Financial Statements is included in the notes to the Financial Statements where applicable. Actual results may differ from these estimates. 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.

4. Significant accounting estimates and judgments (continued)

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) Going Concern

These Financial Statements have been prepared on the assumption that the Company is able to continue as a going concern. The Company has estimated its development, exploration and operational expenditure for the coming 12 months from historical and projected costs of its development, exploration and corporate programs. The Company's expected commitments is based on management's best estimates of operating conditions for its preparation of its mining licence application for the Harvest Project, on-going drill programs, exploration and corporate requirements in the context of current economic conditions and today's capital market climate. Refer to Note 1.

(b) 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 primary mining licenses ("PML") in Magambazi, restricted to citizens of Tanzania (see Note 11). 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 1) Denwill's three directors are directors of the Company's 100% owned Canaco Tanzanian Limited, 2) the Company provides funds for the payments of PML's and 3) has the power to direct the exploration activities, which affects the risks and rewards from the Magambazi Project.

(c) Asset held for sale

The Company has announced the proposed sale of its assets in Tanzania to a third party (see Note 1). 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 an impairment assessment was required (see Note 4(d)), as at December 31, 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 approvals. Management has assessed that the assets in Tanzania should not be classified as held for sale as at December 31, 2015.

(d) Impairment Assessment - Tanzania

Management identified the Definitive Agreement to sell the Tanzanian Assets as an indicator of impairment and performed an impairment assessment on its Tanzanian Assets. Management impairment assessment identified that the carrying amount did not exceed the recoverable amount of the Tanzanian Assets. Management used the fair value less costs of disposal to calculate the recoverable amount. In estimating the fair value less costs of disposal, the Company used a market approach. The Company's market approach calculated a fair value of comparable companies ("Peer") using an average of Peer's enterprise value to ounces. The Peer enterprise value inputs include the Peer market capitalization, cash, short-term assets and liabilities. The Peer's enterprise value and the gold equivalent ounces of its properties are used to calculate an enterprise value / ounce (EV/ounce) value.

In estimating fair value less costs of disposal, management's judgement was involved in identifying the Peer group. Management assumptions included criteria that would identify the Peer characteristics similar to the Company and its Tanzanian Assets. The criteria included market capitalization, continent of operations (Africa), commodity, stage of development and amount of mineral resources.

4. Significant accounting estimates and judgments (continued)

(e) Tanzanian Value Added Tax ("VAT") receivable recoverability

At December 31, 2015, $204,349 was due to the Company's foreign subsidiary from the foreign government for VAT. The foreign government has concluded that the Company's foreign subsidiary does not qualify for VAT refund, as the Company's foreign subsidiary had not generated taxable supplies. The Company's foreign subsidiary professional advisors have advised in their opinion the foreign government's conclusion is not consistent with the foreign country regulations. The Company has commenced correspondence with the foreign government on this matter.

The Company's assessment of its ability to collect its foreign VAT accounts receivable required judgement on the Government's position. The Company's foreign advisors have indicated that the VAT receivable should be recoverable. Management made a judgement with respect to the ability to receive payment from the foreign government and concluded that a provision against outstanding receivables is not necessary. In addition, management determined that in accordance to the foreign government's position the government should pay the VAT receivable no later than when the Company's foreign subsidiary generates taxable supplies. A change in this judgment in future periods may have an impact on statement of operations or receipt of other evidence indicating that collection is unlikely.

5. IFRSs not yet effective

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the 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, and is available for early adoption. In addition, the credit risk 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 Consolidated Financial Statements - 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 does not expect any significant changes to its financial statements with the adoption this standard.

(c) *IFRS 16 Leases ("IFRS 16")*

In January 2016, the IASB announced its new leasing standard, *IFRS 16*. The new standard will eliminate the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. The new standard will present a single on-balance sheet accounting model that is similar to current finance lease accounting. The new standard will take effect for fiscal years starting on or after January 1, 2019. The Company expects the new standard to result in some leases that are currently accounted for under the operating lease method being added to the balance sheet. The Company is in the process of determining the extent of the impact of adopting this standard.

Expressed in Canadian dollars, unless otherwise stated

6. Acquisition of Tigray Resources Inc.

For the year ended December 31, 2014, East Africa announced on May 7, 2014 (the "Tigray Effective Date), that it had completed the acquisition of all of the issued and outstanding common shares (the "Tigray Shares") of Tigray, other than the Tigray Shares already held by East Africa, by way of a plan of arrangement (the "Tigray Arrangement") under the CBCA. Tigray was incorporated on September 23, 2010, under the CBCA. Tigray was formed for the purpose of acquiring Harvest Mining Plc. Tigray is a mineral exploration company focused on the identification, acquisition, exploration, and development of base and precious metal resource properties in Ethiopia. Tigray has two projects in Ethiopia, the Harvest Project and the Adyabo Project.

Under the terms of the Tigray Arrangement, East Africa acquired all of the outstanding common shares of Tigray on the basis of 0.55 of an East Africa Share and 0.40 of an East Africa Warrant (the "Exchange Ratio") for each Tigray Share held by Tigray shareholders. Each East Africa Warrant will entitle the holder to purchase one common share of East Africa at a price of $0.23 and is exercisable for a period of three (3) years from the Tigray Effective Date. Each issued and outstanding Tigray warrant and option will be exercisable as at and after the Tigray Effective Date of the Tigray Arrangement to acquire that number of East Africa Shares as is determined based on the Exchange Ratio and the same terms of an East Africa Warrant, in lieu of receiving Tigray Shares. The outstanding Tigray warrants and options will continue to be governed by the same terms and conditions as the original Tigray warrant and option certificate except that upon exercise of each warrant or option, the shareholder would receive 0.55 of East Africa Share and 0.40 of an East Africa Warrant.

For accounting purposes, Tigray was not considered as a business under *IFRS 3 "Business Combinations"* as at the time of the acquisition it is not capable of generating outputs that can provide a return to East Africa. As a result, the Tigray Arrangement was accounted for as an asset acquisition.

The allocation of the consideration to the assets and liabilities acquired is as follows:

Allocation of assets and liabilities		
Current assets	$	521,329
Mineral property interests		14,527,698
Property and equipment		215,939
Current liabilities		(212,713)
Non-controlling interest		(4,299,037)
	$	10,753,216

The total consideration relating to the Tigray Arrangement is summarized below:

Consideration		
Common shares issued	$	4,592,421
Warrants issued		1,311,421
Fair value of Tigray stock options assumed		86,870
Fair value of Tigray warrants assumed		87,280
Fair value of warrants derivative liability assumed		169,260
Fair value of Tigray Shares and warrants held		958,667
Loan and interest receivable from Tigray		2,071,893
Fair value of Tigray warrants held in connection with the loan		6,075
Other receivables from Tigray		1,113,054
Transaction costs		356,275
Total consideration	$	10,753,216

6. Acquisition of Tigray Resources Inc. (continued)

Total consideration of $10,753,216 is comprised of:

a) 35,326,319 East Africa Shares issued with a fair value of $4,592,421 based on the opening price of an East Africa's share on May 7, 2014, at $0.13 per share.

b) 25,691,867 East Africa Warrants issued with a fair value of $1,311,421. The fair value was determined using the Black-Scholes option-pricing model based on the following assumptions: expected dividend yield of 0%, expected volatility of 81.81%, risk-free rate of 1.17% and expected life of 3 years.

c) 2,316,600 East Africa Shares and 1,684,800 East Africa Warrants are issuable on exercise of the outstanding stock options of Tigray and 4,998,703 East Africa Shares are issuable on exercise of the outstanding share purchase warrants of Tigray. The fair value of Tigray's outstanding stock options of $86,870 and the fair value of the East Africa Warrants of $87,280, issuable on the exercise of Tigray's outstanding stock options, was determined using the Black-Scholes option-pricing model. The assumptions used in the model were : stock option exercise price (post Exchange Ratio) $0.19 and Tigray warrant exercise price (post Exchange Ratio) of $0.23 to $0.73, expected dividend yield of 0%, expected volatility of 48.69% to 86.33%, risk-free rate of 1.05% to 1.17%, and expected life of 0.38 years to 3 years.

d) The financial liability fair value of $169,260, related to the 3,635,420 East Africa Warrants, was determined using the Black-Scholes option pricing model based on the following assumptions: exercise price of $0.23, expected dividend yield of 0%, expected volatility of 84.89% to 89.33%, risk-free rate of 1.07% to 1.17% and expected life of 2.05 years to 2.62 years.

e) On December 3, 2013, the Company granted a loan of $2,000,000 to Tigray due and payable in full on June 3, 2014. The loan bore an interest rate of 12% per annum, calculated and compounded quarterly. In connection with the loan, Tigray issued 8,000,000 share purchase warrants to East Africa, with each share purchase warrant exercisable at a price of $0.15 at any time prior to June 3, 2014, the maturity date of the loan ("Maturity Date"). The carrying loan payable and interest accrual carrying amounts of $2,071,893 on the closing of the Tigray Arrangement were recorded as part of the consideration. For the year ended December 31, 2014, the Company recorded fair value loss of $388,630 for the share purchase warrants ("other assets") and recorded finance (accretion) income of $229,280 with a corresponding increase in the carrying amount of the loan receivable.

f) On April 19, 2013, the Company acquired 8,000,000 common shares and 4,000,000 share purchase warrants of Tigray. Each warrant allowed the holder to purchase one common share of Tigray at an exercise price of $0.20 until April 19, 2015. The shares were valued at $800,000 based on the closing price immediately before the completion of the Tigray Arrangement. As part of the consideration of the Tigray Arrangement, the 12,000,000 share purchase warrants (Notes 6 (e) & (f)) were voluntarily cancelled and fair valued at $164,742 on May 7, 2014.

g) $1,113,054 payable to East Africa for exploration related costs and administrative expenses paid on behalf of Tigray.

h) Transaction costs of $356,275 have been included as part of the consideration.

7. Non-controlling interest

On May 7, 2014, East Africa acquired Tigray (see Note 6) which included a non-controlling interest in the Ethiopian subsidiary Harvest Mining PLC, which operates in the Tigray State of Ethiopia. The Company has a 70% interest in Harvest Mining PLC with the remaining 30% held with Ezana Mining Development ("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 exploration costs until completion of a feasibility study. Subsequent to the completion of a 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.

Expressed in Canadian dollars, unless otherwise stated

7. Non-controlling interest (continued)

The below summarized financial information of Harvest Mining PLC is before inter-company eliminations:

	December 31, 2015	December 31, 2014
Balance sheets		
Current assets	$ 195,228	$ 239,264
Non-current assets	18,178,660	15,264,989
Current liabilities	(47,734)	(6,108)
Non-current liabilities	(13,085,692)	(10,946,738)
Statements of operations - (income) loss		
Loss for the period	$ 2,243,968	$ 698,603
Net comprehensive income	(705,815)	(252,370)
Statements of cash flows - (outflow) inflow		
Net cash used for operating activities	$ (2,171,995)	$ (656,846)
Net cash used for investing activities	(1,317)	(14,015)
Net cash provided by financing activities	2,138,954	869,963
Increase (decrease) in cash and cash equivalents	$ (34,358)	$ 199,102

Changes to non-controlling interest	
Balance, January 1, 2014	$ 4,299,037
Non-controlling interests' share of loss	(209,581)
Non-controlling interests' share of other comprehensive income	285,292
Balance, December 31, 2014	$ 4,374,748
Balance, January 1, 2015	$ 4,374,748
Non-controlling interests' share of loss	(673,190)
Non-controlling interests' share of other comprehensive income	884,935
Balance, December 31, 2015	$ 4,586,493

8. Accounts receivable

	December 31, 2015	December 31, 2014
Current		
Insurance recoverable	$ 450,000	$ --
Leasehold inducement	--	131,146
Related parties and other receivables	108,830	128,974
Taxes recoverable	101,949	459,650
	660,779	719,770
Non-current		
Taxes recoverable	$ 204,349	$ --

Insurance recoverable relates to the British Columbia Securities Commission hearing costs, which are covered under the Company's insurance policy. The recovery was received subsequent to the year ended December 31, 2015. Non-current taxes receivable relates to VAT refund claim from Tanzanian government ("TRA"). During the year ended December 31, 2015, the TRA identified $186,000 in VAT transactions and related foreign exchange that did not qualify for a VAT refund. As a result, the Company wrote-off $186,000 to the consolidated statement of operations.

Expressed in Canadian dollars, unless otherwise stated

9. Commitments and leasehold inducement

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. As at December 31, 2015 and 2014, the Company had the following commitments:

	December 31, 2015	December 31, 2014
No later than 1 year	$ 342,572	$ 762,668
Later than 1 year and no later than 5 years	899,890	1,221,891
Later than 5 years	--	--
	$ 1,242,462	$ 1,984,559

10. Property and equipment

Details of the Company's property and equipment are as follows:

	Buildings and roads	Office and field equipment	Computers and software	Leasehold improvements	Vehicles	Total
Cost						
As at December 31, 2014	$ 1,802,174	$ 1,036,038	$ 464,797	$ 552,295	$ 141,619	$ 3,996,923
Additions	--	27,930	19,706	--	--	47,636
Foreign exchange	354,809	149,588	20,588	16,994	27,333	569,312
As at December 31, 2015	$ 2,156,983	$ 1,213,556	$ 505,091	$ 569,289	$ 168,952	$ 4,613,871

	Buildings and roads	Office and field equipment	Computers and software	Leasehold improvements	Vehicles	Total
Accumulated amortization						
As at December 31, 2014	$ 769,099	$ 585,583	$ 448,341	$ 364,415	$ --	$ 2,167,438
Amortization	--	41,206	10,121	36,010	--	87,337
Exploration amortization	236,059	113,369	7,571	--	38,208	395,207
Foreign exchange	167,895	98,542	19,603	16,995	3,149	306,184
As at December 31, 2015	$ 1,173,053	$ 838,700	$ 485,636	$ 417,420	$ 41,357	$ 2,956,166

	Buildings and roads	Office and field equipment	Computers and software	Leasehold improvements	Vehicles	Total
Cost						
As at December 31, 2013	$ 1,611,900	$ 801,769	$ 439,949	$ 357,092	$ --	$ 3,210,710
Acquisition of Tigray (Note 6)	38,206	166,959	10,774	--	--	215,939
Additions	--	99,591	5,963	187,880	141,619	435,053
Disposals	--	(92,201)	--	--	--	(92,201)
Foreign exchange	152,068	59,920	8,111	7,323	--	227,422
As at December 31, 2014	$ 1,802,174	$ 1,036,038	$ 464,797	$ 552,295	$ 141,619	$ 3,996,923

	Buildings and roads	Office and field equipment	Computers and software	Leasehold improvements	Vehicles	Total
Accumulated amortization						
As at December 31, 2013	$ 502,298	$ 443,229	$ 388,922	$ 293,719	$ --	$ 1,628,168
Amortization	--	53,072	36,206	59,695	--	148,973
Disposals	--	(64,690)	--	--	--	(64,690)
Exploration amortization	210,639	120,008	15,641	3,819	--	350,107
Foreign exchange	56,162	33,964	7,572	7,182	--	104,880
As at December 31, 2014	$ 769,099	$ 585,583	$ 448,341	$ 364,415	$ --	$ 2,167,438

Expressed in Canadian dollars, unless otherwise stated

10. Property and equipment (continued)

	Buildings and roads	Office and field equipment	Computers and software	Leasehold improvements	Vehicles	Total
Net book value						
As at December 31, 2015	$ 983,930	$ 374,856	$ 19,455	$ 151,869	$ 127,595	$ 1,657,705
As at December 31, 2014	1,033,075	450,455	16,456	187,880	141,619	1,829,485
As at December 31, 2013	1,109,602	358,540	51,027	63,373	--	1,582,542

11. Mineral property interests

Details of the Company's mineral property interests are 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	49,278	11,315	309	166	61,068
Shares and warrants issued	--	--	--	31,980	31,980
Definitive Agreement deposit	(133,030)	--	--	--	(133,030)
Foreign exchange	387,903	384,933	2,915,156	74,827	3,762,819
As at December 31, 2015	$ 2,529,204	$ 2,382,821	$ 18,019,853	$ 847,185	$ 23,779,063

	Tanzania, Handeni properties	Tanzania, other properties	Ethiopia Harvest Project	Ethiopia Adyabo Project	Total
Acquisition costs					
As at December 31, 2013	$ 2,815,705	$ 3,295,454	$ --	$ --	$ 6,111,159
Property payments	(108,495)	112,886	675	352,051	357,117
Acquisition of Tigray (Note 6)	--	--	14,163,673	364,025	14,527,698
Impairment	(659,432)	(1,716,034)	--	--	(2,375,466)
Foreign exchange	177,275	294,267	940,040	24,136	1,435,718
As at December 31, 2014	$ 2,225,053	$ 1,986,573	$ 15,104,388	$ 740,212	$ 20,056,226

Harvest Project

The Harvest Project in Ethiopia consists of three exploration concessions on the Harvest exploration licence. The three concessions are known as Hamlo, Terakimti, and Igub. The exploration licence has a term of 10 years and expires in 2017. The Ethiopian regulations allows for retentions to the exploration licence term. Company has a 70% interest in the Harvest Project with the remaining 30% held with Ezana. Refer to Note 7 for further details on the non-controlling interest.

Adyabo Project

Prior to the Tigray Arrangement (Note 6), Tigray completed the first phase of the option agreement, to acquire 55%, under which it may acquire up to an undivided 80% interest in the Adyabo Project in two phases. The Adyabo Project consists of two exploration licences, West Shire and Adi Dairo, located in the Tigray National Regional State of Ethiopia. The exploration licences have a term of 10 years and expires in 2017. The Ethiopian regulations allows for retentions to the exploration licence term. As at December 31, 2015, the Company completed the second phase with the issuance of 550,000 East Africa common shares at a price of $0.055 per share and 400,000 East Africa share purchase warrants during 2015 and has now acquired an undivided 80% interest in the Project.

Once the Company has received government approval on a positive feasibility study, the Company shall issue 550,000 East Africa common shares and 400,000 East Africa share purchase warrants to the optionor, and on commencement of commercial production, the Company shall issue 275,000 East Africa common shares and 200,000 East Africa share purchase warrants to the optionor. The optionor may elect to convert the remaining 20% interest into a 2.0% net smelter royalty ("NSR"), and the Company will have the option to buy back 1.0% of the NSR for a cash payment of $5,000,000.

Expressed in Canadian dollars, unless otherwise stated

11. Mineral property interests (continued)

Adyabo Project (continued)

Subsequent to December 31, 2015, the Company received confirmation from the optionor to convert its 20% interest to a 2.0% NSR. Upon the execution of a NSR agreement, the Company will hold a 100% undivided interest in the Adyabo Project, subject to the 2.0% NSR.

Tanzania – Handeni properties

As identified in Note 1 the Company has entered into a Definitive Agreement to sell and develop the Tanzania Handeni properties and Other properties. The properties are located in the Handeni district, Tanga Region of Tanzania. The Company has two mining licenses over the Magambazi resource.

In 2010, the Magambazi agreement was restructured and transferred from the original optionor, Magambazi Mines Company Limited ("MML"), to Denwill for US$1,800,000, subject to the 2% net smelter royalty. Magambazi is owned 100% by 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. As at December 31, 2015, the option has not yet been exercised.

During the year ended December 31, 2015, the Company entered into a five-year retention agreement whereby the option holders agreed to hold the property on behalf of the Company for US$30,000. This arrangement allows the Company to retain the property for other use connected to its mining activities in the adjacent properties. During the year ended December 31, 2014, the Company decided to discontinue its exploration program on selected PMLs and prospecting licenses ("PL") and recorded an impairment charge of $659,432.

Tanzania – Other properties

The Company's "Other properties" consists of three claims. The properties are located in the Handeni district, Tanga Region of Tanzania. During the year ended December 31, 2014, the Company decided to discontinue its exploration program on the non-strategic claims within Tanzania – Other properties and recorded an impairment charge totaling $1,716,034.

12. Exploration and evaluation expenditure ("exploration expenditure")

Details of the Company's exploration expenditure are as follows:

	Tanzania, Handeni Properties	Tanzania other properties	Ethiopia Harvest Project	Ethiopia Adyabo Project	Year ended December 31, 2015
Exploration expenditures					
Amortization	$ 295,082	$ --	$ 31,200	$ 68,925	$ 395,207
Camp and administration costs	1,537,294	--	304,342	588,314	2,429,950
Drilling	--	--	1,263,905	1,475,292	2,739,197
Geochemistry	7,071	--	51,047	37,822	95,940
Geology	10,375	--	176,806	209,400	396,581
Preliminary resource and engineering studies	--	--	201,306	91,028	292,334
Project management and consulting	72,886	--	--	--	72,886
Technical services	105,980	1,844	208,006	165,773	481,603
Total for the year	2,028,688	1,844	2,236,612	2,636,554	6,903,698
Cumulative Exploration expenditures as at December 31, 2014	65,801,813	1,553,706	703,927	2,997,031	71,056,477
Cumulative Exploration expenditures as at December 31, 2015	$67,830,501	$ 1,555,550	$ 2,940,539	$ 5,633,585	$ 77,960,175

Expressed in Canadian dollars, unless otherwise stated

12. Exploration and evaluation expenditure (continued)

	Tanzania, Handeni Properties	Tanzania other properties	Ethiopia Harvest Project	Ethiopia Adyabo Project	Year ended December 31, 2014
Exploration expenditures					
Amortization	$ 308,008	$ --	$ 27,911	$ 14,188	$ 350,107
Camp and administration costs	873,924	44,308	94,255	566,173	1,578,660
Drilling	--	--	194,880	1,864,410	2,059,290
Geochemistry	9,479	5,956	120,812	72,854	209,101
Geology	11,677	927	178,999	338,543	530,146
Geometallurgy	--	--	614	12,225	12,839
Project management and consulting	46,403	--	--	--	46,403
Technical services	183,476	87,129	86,456	128,638	485,699
Total for the year	1,432,967	138,320	703,927	2,997,031	5,272,245
Cumulative Exploration expenditures as at December 31, 2013	64,368,846	1,415,386	--	--	65,784,232
Cumulative Exploration expenditures as at December 31, 2014	$65,801,813	$ 1,553,706	$ 703,927	$ 2,997,031	$ 71,056,477

13. Share capital

As at December 31, 2015, the Company's share capital consisted of the following:

(a) Authorized: Unlimited common shares without par value.

(b) Issued and outstanding: 102,799,661 (December 31, 2014 – 102,249,661) common shares.

On October 30, 2015, the Company issued 550,000 common shares (2014 – 550,000) and 400,000 warrants (2014 – 400,000) at a fair value of $30,250 (2014 − $44,000) and $1,730 (2014 − $8,375) respectively pursuant to the option agreement to acquire an additional 25% interest in the Adyabo Project (Notes 11 and 13(e)). For the year ended December 31, 2014, the Company issued 35,326,319 common shares at a fair value of $4,592,421 as part of the acquisition of Tigray (see Note 6(a)).

(c) Escrowed shares

As at December 31, 2015, 675,045 (December 31, 2014 – 675,045) common shares are held in escrow. In connection with the acquisition of Tigray (see Note 6), 167,492 common shares are held in escrow based on the Exchange Ratio and the number of outstanding Tigray escrow shares of 304,530, immediately prior to the Tigray Effective Date. The release of these shares is based on the future Exploration expenditure, discovery of an ore deposit and achieving commercial mineral production.

(d) Share-based compensation

The Company has established a share purchase option plan whereby the Board of Directors may grant stock options to directors, officers, employees or consultants in order to more closely align the grant-recipients' interests with those of shareholders. Pursuant to the Amended and Restated 2015 stock option plan, the Company has been authorized by its shareholders to grant stock options of up to twenty percent (20%) of the number of common shares issued and outstanding. Options granted are subject to a maximum term of ten years from the date of grant. The exercise price of an option must be determined in accordance with the share purchase option plan. Options vest at the time the stock options are granted unless determined otherwise by the Board of Directors, other than options granted to consultants performing investor relations activities, which vest in stages over twelve months with no more than one quarter vesting in any three-month period.

For the year ended December 31, 2015, the Company recorded share-based compensation of $9,187 (2014 − $21,616) as a result of the graded vesting of options granted in prior year. There were no stock options granted or exercised during the current year.

Expressed in Canadian dollars, unless otherwise stated

13. Share capital (continued)

(d) Share-based compensation (continued)

In the prior year, pursuant to the Tigray Arrangement in May 2014, the fair value of the Tigray outstanding stock options at the Tigray Arrangement was $86,870. As at December 31, 2015, there were 3,750,000 (December 31, 2014 – 3,850,000) Tigray stock options outstanding that on exercise would be exchanged for 2,062,500 (December 31, 2014 – 2,117,500) East Africa Shares and 1,500,000 (December 31, 2014 – 1,540,000) East Africa Warrants. Refer to Note 6(c) for the assumptions and further details.

Details of stock options activity during the years ended December 31, 2015 and 2014, are as follows:

	Number of options outstanding	Weighted average exercise price
Balance, December 31, 2014	5,900,000	$ 0.14
Expired and forfeited	(1,150,000)	0.14
Outstanding and exercisable, December 31, 2015	4,750,000	$ 0.14

	Number of options outstanding	Weighted average exercise price
Balance, December 31, 2013	5,000,000	$ 0.14
Granted	1,150,000	0.14
Expired and forfeited	(250,000)	0.14
Outstanding, December 31, 2014	5,900,000	0.14
Exercisable, December 31, 2014	4,900,000	$ 0.14

The following table summarizes information about the stock options outstanding and exercisable at December 31, 2015:

Options outstanding				Options exercisable	
Number outstanding	Weighted average exercise price	Weighted average remaining life	Expiry date	Number exercisable	Weighted average exercise price
4,600,000	$ 0.14	2.64 years	August 19, 2018	4,600,000	$ 0.14
150,000	0.14	3.38 years	May 16, 2019	150,000	0.14
4,750,000	$ 0.14	2.66 years		4,750,000	$ 0.14

(e) Share-purchase warrants

Details of share-purchase warrants activity during the years ended December 31, 2015 and 2014 are as follows:

	Number of warrants outstanding	Weighted average exercise price
Balance, December 31, 2013	--	$ --
Issued on acquisition of Tigray (Note 6)	25,691,867	0.23
Issued on mineral property interests (Note 11)	400,000	0.23
Balance, December 31, 2014	26,091,867	0.23
Issued on mineral property interests (Note 11)	400,000	0.23
Balance, December 31, 2015	26,491,867	$ 0.23

Pursuant to the Tigray Arrangement (see Note 6(b)), the Company has issued 25,691,867 warrants based on the Exchange Ratio and the number of outstanding shares immediately prior to the Tigray Effective Date. The fair value of $1,311,421 was estimated using the Black-Scholes option-pricing model. The fair value of East Africa Warrants in connection with outstanding Tigray warrants and stock options was $87,280. Refer to Note 6(c) for assumptions used in calculating the fair value.

As at December 31, 2015, there are 1,500,000 East Africa Warrants (December 31, 2014 – 1,540,000) that can be issued on the exercise of 3,750,000 outstanding Tigray stock options (December 31, 2014 – 3,850,000).

Expressed in Canadian dollars, unless otherwise stated

13. Share capital (continued)

(e) Share-purchase warrants (continued)

The following table summarizes information about the warrants outstanding and exercisable at December 31, 2015:

Warrants outstanding and exercisable	Weighted average exercise price	Weighted average remaining contractual life	Expiry date
25,691,867	$ 0.23	1.35 years	May 7, 2017
400,000	0.23	1.35 years	May 7, 2017
400,000	0.23	1.35 years	May 7, 2017
26,491,867	$ 0.23	1.35 years	

14. Related party transactions

(a) Related parties

	Year ended December 31, 2015	Year ended December 31, 2014
Services rendered and expenses incurred (v):		
Services and related expenses (i)	$ 228,268	$ 695,759
Management and consulting fees (ii)	310,000	281,667

	December 31, 2015	December 31, 2014
Balances receivable from (v):		
Reimbursement of shared costs (iii)	$ 8,491	$ 43,048
	8,491	43,048
Balances payable to (v):		
Services rendered (i)	(15,136)	(39,480)
Directors and officers (iv)	(2,231)	(21,297)
	$ (17,367)	$ (60,777)

Related parties transactions:

(i) Geological and administration services and related expenses are paid to related parties with directors in common.

(ii) Management fees were paid to a privately held company for the services of an officer of the Company and consulting fees to a company with directors in common.

(iii) The Company shares office premises with two other companies that have directors in common and expenses were reimbursed at cost.

(iv) Director fees and salaries paid or accrued to directors and officers of the Company.

(v) These transactions were in the normal course of business that is recorded at their exchanged amounts and was established and agreed to by the related parties. The balances payable are included in accounts payable and accrued liabilities and the balances receivable are included in accounts receivable.

(b) Key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management includes the Company's directors and members of the senior management group. Details of key management personnel compensation is as follows:

	Year ended December 31, 2015	Year ended December 31, 2014
Directors fees, key management personnel salaries and short-term benefits	$ 620,902	$ 565,953

Expressed in Canadian dollars, unless otherwise stated

15. Financial instruments

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 (refer to Note 3(g)). 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, and accounts receivable are representative of their respective fair values due to the short-term nature of these instruments. The fair value of accounts payable may be less than the carrying value as a result of the Company's credit and liquidity risk (See Note 1). As at December 31, 2015 and 2014, the classifications of the financial instruments are shown in the table below:

	Loans and receivables	Other financial liabilities	Total carrying value
As at December 31, 2015			
Cash and cash equivalents	$ 2,319,653	$ --	$ 2,319,653
Insurance receivable and related parties	558,830	--	558,830
Accounts payable	--	(992,640)	(992,640)
	$ 2,878,483	$ (992,640)	$ 1,885,843

	Loans and receivables	Other financial liabilities	Total carrying value
As at December 31, 2014			
Cash and cash equivalents	$ 2,216,673	$ --	$ 2,216,673
Short-term investments	8,220,825	--	8,220,825
Accounts receivable	260,119	--	260,119
Accounts payable	--	(902,270)	(902,270)
	$ 10,697,617	$ (902,270)	$ 9,795,347

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, the Company's functional currency is the Canadian dollar, and for its foreign operations, the functional currency is the USD. The Company's expenses is 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 December 31, 2015 and 2014, 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 December 31, 2015					
Cash and cash equivalents	€ --	$ --	$ 866,226	53,196,972	3,849,872
Accounts receivable	--	--	59,558	--	284,930
Accounts payable	(11,314)	(2,776)	(12,679)	(359,996)	(520,402)
	€ (11,314)	$ (2,776)	$ 913,105	52,836,976	3,614,400

Expressed in Canadian dollars, unless otherwise stated

15. Financial instruments (continued)

Currency risk (continued)

	EUR	AUD	USD	TSH	ETB
As at December 31, 2014					
Cash and cash equivalents	€ --	$ --	$ 606,791	142,968,211	3,899,356
Short-term investments	--	--	1,000,000	--	--
Accounts receivable	--	--	--	--	294,973
Accounts payable	(24,152)	(40,511)	(422,580)	(359,996)	(398,974)
	€ (24,152)	$ (40,511)	$ 1,184,211	142,608,215	3,795,355

Based on the above net exposure as at December 31, 2015, and assuming that all other variables remain constant, a 10% depreciation or appreciation of the Canadian dollar against these currencies would result in a decrease/increase of $151,808 (December 31, 2014 – $161,728) 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 year ended December 31, 2015, ranged between 0.20% to 1.75% (year ended December 31, 2014 – 1.4% to 1.9%).

Based on the amount of cash and cash equivalents and short term investments as at December 31, 2015, and assuming that all other variables remain constant, a 0.5% change in the applicable interest rate would result in an insignificant increase/ decrease to the interest earned 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 and receivables. Cash and cash equivalents consist of Guaranteed Investment Certificates ("GIC's") and short-term deposits issued by major Canadian banks. Receivables mainly consist of insurance receivable and trade receivables from related parties. The carrying amount of cash and cash equivalents, insurance receivable, receivables from related parties and other accounts receivable represents the Company's maximum exposure to credit risk. As at December 31, 2015, a foreign government had concluded that the Company's foreign subsidiary does not qualify for VAT refund (taxes recoverable), as the Company's foreign subsidiary had not generated taxable supplies. The Company's foreign subsidiary professional advisors have advised in their opinion the foreign government's conclusion is not consistent with the foreign country regulations. The Company has commenced correspondence with the foreign government on this matter. As a result, Taxes Recoverable could be exposed to the credit risk associated with the potential rejection of the Foreign Government to grant the taxes recoverable.

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 concerning the expected timing of expenditures from continuing operations. The Company ensures that sufficient funds are raised from private placements or other sources to meet its operating requirements, after taking into account existing cash.

The Company manages liquidity risk through the management of its capital structure as described in Note 16. As at December 31, 2015, the Company had cash and cash equivalents of $2,319,653 (December 31, 2014 - $10,437,498) to settle current liabilities of $1,161,662 (December 31, 2014 – $1,077,623). The Company estimates that it does not have available funds to meet requirements for the coming twelve months based on current planned expenditures for operations, exploration and development of its mineral property interests (See Note 1).

Expressed in Canadian dollars, unless otherwise stated

16. Management of capital

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development of its mineral properties and to maintain a flexible capital structure, which optimizes the cost of capital at an acceptable risk.

In the management of capital, the Company includes the components of equity attributable to common shareholders. The Company manages the capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, issue debt and acquire or dispose of assets. In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company's investment policy is to limit investments to guaranteed investment certificates, banker's acceptance notes, investment savings accounts or money market funds with high quality financial institutions in Canada, selected concerning the expected timing of expenditures from continuing operations.

17. Income tax

The provision for income taxes differs from the amount calculated using the Canadian federal and provincial statutory income tax rates as at December 31, 2015 of 26.00% (December 31, 2014 – 26.00%) as follows:

	December 31, 2015	December 31, 2014
Expected tax recovery	$ (2,268,222)	$ (2,789,053)
Stock based compensation and other permanent differences	(88,981)	66,248
Tax rate differences	(26,796)	14,179
Tax impact of restructuring	141,236	120,874
Unrecognized tax assets	2,242,763	2,587,752
Income tax expense	$ --	$ --

As at December 31, 2015, no deferred tax assets are recognized on the following temporary differences, as it is not probable that sufficient future taxable profit will be available to utilize such differences:

	December 31, 2015	December 31, 2014
Non-capital loss carry forwards – Canada	$ 7,041,000	$ 5,860,000
Non-capital loss carry forwards – Tanzania	15,320,000	7,966,000
Non-capital loss carry forwards – Ethiopia	18,750,000	15,699,000
Financing and other costs	493,000	442,000
Unamortized capital costs in excess of net book value	439,000	356,000
Mineral properties	81,193,000	66,354,000
Unrealized gain on available-for-sale investments	--	--
Total unrecognized deferred tax assets	$ 123,236,000	$ 96,677,000

Expressed in Canadian dollars, unless otherwise stated

17. Income tax (continued)

The below non-capital losses represent the losses of East Africa from April 4, 2013. At December 31, 2015, the Company has accumulated non-capital losses of approximately $7,041,000 (December 31, 2014 – $5,860,000) which may be carried forward to apply against future year's income for Canadian income tax purposes subject to final determination by taxation authorities, expiring as follows:

Year	$
2030	249,000
2031	992,000
2032	1,467,000
2033	1,111,000
2034	1,739,000
2035	1,483,000
Total	7,041,000

18. Geographical segment information

The Company's activities are all in the one industry segment of mineral property acquisition, exploration and development. Following is a summary of net loss, assets and liabilities by geographical segment:

	Canada	Tanzania	Ethiopia	Total
For the year ended December 31, 2015				
Net loss	$ 1,694,410	$ 2,152,090	$ 4,877,430	$ 8,723,930
As at December 31, 2015				
Total non-current assets	712,796	6,056,103	18,872,218	25,641,117

	Canada	Tanzania	Ethiopia	Total
For the year ended December 31, 2014				
Net loss	$ 3,308,429	$ 3,655,674	$ 3,687,100	$ 10,651,203
As at December 31, 2014				
Total non-current assets	871,762	5,114,838	15,899,111	21,885,711

19. Subsequent events

(a) On January 15, 2016, the Company granted 11,000,000 stock options to certain directors, officers, employees and consultants pursuant to the Company's stock option plan. The options have an exercise price of $0.10 per share and an expiry date of January 15, 2021.

(b) On March 24, 2016, the Company granted 1,000,000 stock options to a newly appointed director pursuant to the Company's stock option plan. The options have an exercise price of $0.10 per share and an expiry date of March 23, 2021. In addition, the Company granted 2,750,000 bonus common shares to certain officers of the Company subject to a vesting schedule of the later of July 1, 2016 or the date when a mining license for the Company's Harvest Project is issued. The shares have a deemed issue price of $0.10 per common share. The shares are also subject to the Exchange hold period, a voluntary hold period expiring March 1, 2017, shareholder approval and approval of the TSX Venture Exchange.