EAST AFRICA METALS INC.

INTERIM MD&A - QUARTERLY HIGHLIGHTS

FOR THE THREE AND NINE MONTHS ENDED

SEPTEMBER 30, 2016

This Interim MD&A - Quarterly Highlights ("Interim MD&A") provides a review of the business activities of East Africa Metals Inc. (collectively, with its subsidiaries, "East Africa" or the "Company") for the three months ended September 30, 2016 ("Q3 2016"), compared to the three months ended September 30, 2015 ("Q3 2015"). This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. The Interim MD&A has been prepared on the basis of available information up to November 29, 2016 and should be read in conjunction with the Company's unaudited condensed interim financial statements ("Interim Financial Statements") for the three and nine months ended September 30, 2016 ("Fiscal 2016"), the audited consolidated financial statements ("Annual Financial Statements") for the year ended December 31, 2015, the corresponding notes to the Annual Financial Statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Management's Discussion and Analysis for the year end December 31, 2015 ("Annual MD&A"). 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 Interim 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 in this Interim 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 Tanzanian Definitive Agreement reflecting the conditions, terms and timing outlined herein; delays with respect to required payments and regulatory approvals; results of the due diligence review; recoverability of Tanzanian VAT receivable; early exploration; the ability of East Africa to identify any other corporate opportunities for the Company; the possibility that the Company may not be able to generate sufficient cash to service its planned operations and may be force to take other options; the risk the Company may not be able to continue as a going concern; the possibility the Company will require additional financing to develop the Harvest Project into a mining operation; the risks associated with obtaining necessary licences or permits including and not limited to Ethiopian Government approval of any future mining licence applications for the Company's Ethiopian Projects; 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 and any updates to the 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 2015 Annual MD&A, and its listing application dated July 8, 2013. 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 any 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. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. Any contained gold figures shown in this MD&A are in situ. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the successful integration of Tigray Resources Inc.'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 including and not limited to the Terakimti oxide gold mining application; 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 (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 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. Additional information on the Company's mineral property interests discussed in this Interim MD&A can be found on the Company's website at www.eastafricametals.com.

KEY OPERATING MILESTONES

- On November 2, 2016, the Company announced the signing of a Letter of Intent with a listed public company (the "Purchaser") in China to subscribe 20 million units of the Company at a price of $0.26 per unit for gross proceeds of $5,200,000. Each unit will consist of one common share and one half share purchase warrant. The share purchase warrants ("Warrants") will entitle the holder to purchase one common share at an exercise price of $0.45 and will expire 18 months from closing. If at any time after the date that is four months from the date the Warrants are issued, the Company's common shares have a closing price of $0.65 or greater for a period of 10 consecutive trading days, the Company will be entitled to accelerate the expiry date of the Warrants upon 20 days' notice given and the Warrants will then expire on the 20th day after the date of such notice. As a result of this placement the Purchaser will own approximately 14.3% of the outstanding shares of the Company. The Letter of Intent is subject to certain conditions including and not limited to the Purchaser completing its due diligence review of the Company, execution of definitive agreements and receipt of approval of the Exchange.

  Under the Letter of Intent, the Purchaser also agreed to provide US$10,000,000 debt financing for the development of the Terakimti Oxide Gold Project, which is non-binding. Alternatively, the Purchaser can choose to identify a third party to provide or participate in the debt financing. The debt financing is subject to a number of conditions, including and not limited to receiving a mining permit from the Ethiopian Ministry of Mines, Petroleum and Natural Gas ("Ministry of Mines").

- On October 05, 2016, the Company provided an update for the Magambazi Project. According to Tanzanian Goldfields, the mobilization of equipment required to initiate test-mining and bulk-sampling operations as an initial phase of the development plan, is in progress. Gravity recovery equipment is currently onsite with additional equipment being mobilized to site from Dar es Salaam. Agitated leach tanks and Carbon in Leach recovery equipment are scheduled for construction and installation over the next several months. Additionally, Magambazi Camp upgrades have commenced, with the production site preparation now in place.

- On August 23, 2016, the Company announced the election made by long time shareholder Sino Tech (Hong Kong) Corporation Limited ("SinoTech") to exercise 3,500,000 warrants at a price of $0.23. The resulting shares were released for an aggregate consideration of $805,000 in September 2016.

- On August 11, 2016, the Company announced the submission of the Terakimti Oxide Gold Project mine permit application to the Ministry of Mines.

  Terakimti Oxide Gold Project Profile:

  - **Mineral Resource(2):** 1,125,000 tonnes grading 3.2 grams and 24.0 grams silver per tonne containing 107,000 ounces of gold and 812,000 ounces of silver;
  - **Column Test Leach Recoveries (Average):** 72.5% gold and 38.9% silver;
  - **Mining Method:** Conventional open pit;
  - **Processing:** Heap leaching to produce gold-silver dore.

(2) Metal prices for gold and silver are $1,300/oz and $17.50/oz, respectively. Terakimti Oxide Gold Resource update disclosed October 27, 2015; effective date October 18, 2015. Full mineral resource estimate disclosure can be found in the Company's news release dated October 27, 2015.

- On July 05, 2016, the Company reported the initial results of ongoing column leaching test work for the Terakimti Oxide Gold Project.
  - Two column leach tests were underway at the SGS laboratory in Johannesburg. The first column has been in operation for 24 days and had achieved gold extraction of 76.8 percent and a silver extraction of 36.8 percent based on solution assays. The second column had been in operation for five days and had already achieved a gold extraction of 50.3 percent. Both columns are scheduled to operate for 60 days.
- For the all above operating highlights refer to the news releases or the Company website, www.eastafricametals.com, for further details.

OUTLOOK

As of the date of this Interim MD&A, the Company's focus is on advancing the Ethiopian Projects. This includes further engineering and economic analysis on the Terakimti oxide gold resource. In parallel, the Company continues discussions with a number of interested parties to provide the funding, and not limited to, for the development of the Terakimti oxide gold resource (on the receipt of a mining permit) through financing sources including and not limited to sale of non-strategic assets, debt finance, streaming contracts and/or equity placements. East Africa will continue to advance the Adyabo Project through resource upgrading and further advanced testwork which is expected to commence during Q1 2017. The Company has released initial mineral resource estimates on each of its exploration projects at Harvest, Adyabo and Magambazi.

For the three months ended September 30, 2016, the Company had incurred a net loss attributable to shareholders totaling $1,185,323 (Q3 2015 – $1,435,447) and as at September 30, 2016, had an accumulated deficit of $171,403,502 (December 31, 2015 – $167,703,138) and working capital surplus of $1,476,111 (December 31, 2015 - $2,025,317). During the three months ended September 30, 2016, the Company received $1,007,167 from the exercise of warrants and $234,000 from the exercise of stock options. Subsequent to September 30, 2016, the Company and the Purchaser, a listed public company in China, entered into a Letter of Intent whereby the Purchaser agreed to subscribe 20 million units of the Company at a price of $0.26 unit for gross proceeds of $5,200,000. The Letter of Intent conditions include board and regulatory approval. The Letter of Intent includes a non-binding component which the Purchaser is to provide US$10,000,000 debt financing for the development of the Terakimti Oxide Gold Project. Under the terms of the non-binding component of the Letter of Intent the Purchaser can choose to identify a third party to provide or participate in the debt financing. The debt financing is subject to a number of conditions, including and not limited to receiving a mining permit from the Minister of Mines. Refer to the "Key Operating Milestones" section for further details.

Based on the Company's financial position as at September 30, 2016, the available funds, including the proposed funds from the financing under a Letter of Intent announced subsequent to September 30, 2016, 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: a lack of normal available financing, obtaining a mining permit for the Harvest Project and continued uncertainty in the Exchange and the mineral exploration industry. To address its financing requirements, the Company will seek financing through and not limited to sale of non-strategic assets, debt financing, gold streaming contracts, 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 the Interim 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.

The outcome of these measures cannot be predicted at this time and Management's ability to complete these measures will depend on market conditions and its ability to identify and secure financing. The Company's Board of Directors has approved pursuing these measures. Refer to the "Liquidity" section for further details.

PROPOSED TRANSACTION

Tanzanian Definitive Agreement

On June 10, 2015, East Africa signed a binding agreement (“Definitive Agreement”) with the Developer, an arm's length private exploration and development company with management based in the United Kingdom and Tanzania, to acquire and develop East Africa's Handeni Properties and Other Properties in Tanzania (“Tanzanian Assets”). On March 5, 2016, (the “Tanzanian Effective Date”) the Company and the Developer completed the execution of the Definitive Agreement and the Gold Purchase Agreement. The Definitive Agreement requires the Developer to pay US$2,000,000 by no later than 12 months from the Tanzanian Effective Date. As at September 30, 2016, the Company received an aggregate of US$300,000 (CAD$397,547) in deposits. The Company is in discussions with the Developer on the outstanding instalment payments.

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. As at September 30, 2016, pursuant to the Definitive Agreement, the Company recognized US$64,134 (CAD$84,121) in accounts receivable for the Tanzanian recoverable operating expenses and accrued US$200,000 (CAD$262,330) for the outstanding payments related to the first instalment of US$500,000. Subsequent to September 30, 2016, the Developer settled US$65,000 (CAD$87,724) related to the outstanding recoverable operating expenses. The final deposit payment of US$1,500,000 (“Balance Payment”) is due no later than 12 months from the Tanzanian Effective Date and the Developer has the option to terminate the Definitive Agreement before this date. If the Developer terminates the Definitive Agreement before the Balance Payment is completed the recoverable operating expenses will remain payable from the Developer to the Company.

On August 3, 2016, the Company reported that the Developer had appointed Mr. Gareth Taylor as General Manager. In 2006 Mr. Taylor joined Barrick Gold, where he was Executive General Manager for Barrick Gold Tanzania and Vice President for Barrick Gold Africa, responsible for all Barrick's operational interests in Africa. In 2010 he joined Shanta Gold Limited and held positions as COO and CEO whilst bringing the New Luika Gold Mine to production. Shanta was a company focused on small to medium sized orebodies with production in the 50,000-100,000 ounce per year range requiring relatively low capex with fast payback.

CURRENT COMPANY OBJECTIVES

Current objectives are:

1. Complete additional upgrading of the resource at the Adyabo Project and assess resources growth potential along the prospective Mato Bula Trend (Adyabo Project);
2. Assess resource growth potential in satellite targets on the Harvest Project ;
3. Commence the preliminary work for the preparation for a mine permitting application on the Adyabo Project;
4. Assess new potential exploration opportunities in Ethiopia;
5. Continue to work with the Developer to meet the conditions of the Magambazi Definitive Agreement;
6. Continue to examine opportunities to raise capital including debt finance, equity financing, merger and acquisitions, strategic alliances, joint ventures and optioning its mineral properties for equity, cash and/or expenditure commitments.

Harvest Project Path Forward

With the formal submission of the Terakimti oxide gold mine permit application to the Ethiopian Ministry of Mines for review, the Company anticipates the review will result in a recommendation to the Licensing Commission for final approval of the license.

In parallel with the mine permit application the Company continues discussions with a number of 3rd parties to provide funding for the development of the Terakimti Oxide Gold Project. The funding may include and not be limited to debt finance, gold streaming contracts, and/or an equity placement in East Africa.

The Company continues the on-going independent metallurgical testwork for the Terakimti Oxide Gold Project. The objectives of this program are to test the amenability of the Terakimti near surface oxide material to extraction of gold and silver utilizing industry standard heap leaching or agitated leaching technology, and to determine parameters for preliminary process design.

The metallurgical testwork results received to date are positive and support the potential for development of the Terakimti Oxide Gold Project via either heap leach or agitated leach methodology. Collectively the positive gold extractions achieved in the simulated heap leach tests on coarse crush material, combined with the satisfactory percolation results, indicate that heap leaching may be the preferred technology for Terakimti.

East Africa has initiated a second phase of testwork to further assess the heap leach potential. This phase will utilize column leach tests on samples of minus 16mm, minus 38 mm crush material, operating over a 60 day leach period, to extract gold and silver. These column leach tests are specifically designed to assess, at a higher level of confidence, the amenability of heap leaching and to provide initial design parameters for a heap leaching operation.

On July 5, 2016, East Africa reported the on-going second phase of testwork results. The results received to date from the first column leach test demonstrate excellent gold extractions have been achieved as indicated by the rapid extraction of 76.8 percent of gold after 24 days of a planned 60 day leach test. These initial column leach results are positive and further support heap leaching as the preferred technology for the extraction of gold and silver at Terakimti.

Column operation is monitored daily by analyzing the gold and silver content and volume of the discharge solution as well as other key operating parameters including flow rates and reagent levels. At the completion of the 60 day leach period the solids residues from the columns will be assayed to finalize the gold and silver extractions. The column tests are being performed on composite samples developed to be representative of the Terakimti oxide gold resource. The samples have been crushed to a relatively coarse particle size of 100% passing 16 mm and have been agglomerated prior to placement in the columns. The columns are two meters high with a diameter of 150 mm. On-going results are expected to be finalized in Q4 2016.

In terms of exploration and project advancement, the Company plans to continue drilling with the objective to delineate additional mineralization at known prospects in the vicinity of Terakimti, and to assess resource potential.

For further details on Harvest Project results can be found on the Company's website www.eastafricametals.com and at www.sedar.com.

Adyabo Project Path Forward

The Company continues to assess cost effective methods of gold targeting and further resource upgrades along the highly prospective Mato Bula Trend. In addition, the Company will continue building momentum in forwarding the project through on-going community relations work and socio economic studies, in accordance with the requirements for a mine permitting application. The Company intends to continue development of resources at Adyabo through further delineation and engineering work. Additional surface targets remain to be tested on the Mato Bula trend, and the development of targets to depth remains a key consideration.

For further details on the Adyabo Project results can be found on the Company's website www.eastafricametals.com and at www.sedar.com.

Tanzanian Assets Path forward

The Company will continue to move forward with the Magambazi Definitive Agreement and the Developer to advance the Magambazi Project. During the three months ended September 30, 2016, the Developer provided payments of $163,461 (US$125,000) in connection with the operations of the Magambazi Project and Other Properties in Tanzania. Subsequent to September 30, 2016, East Africa received additional payments of $87,724 (US$65,000). The Company is in discussions with the Developer on the outstanding payments. In addition, the Developer has appointed Mr. Gareth Taylor as General Manager of Tanzanian Goldfields. Mr. Taylor has worked for AngloGold Ashanti as Managing Director of the Geita Gold Mine and head of mining and planning of Anglo Ashanti's East and West Africa Regions; Barrick Gold as Executive General Manager for Barrick Gold Tanzania and Vice President for Barrick Gold Africa; and Shanta Gold Limited as COO and CEO of the New Luika Gold Mine. Refer to the "Proposed Transaction" for further information.

For further details on the Tanzanian Assets can be found on the Company's website www.eastafricametals.com and at www.sedar.com.

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 Annual Financial Statements, 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 acquisition, exploration and development of gold, copper, and other precious and base metals. At September 30, 2016, East Africa has three geographic locations: Canada (head office), Ethiopia and Tanzania. Information discussed herein reflects the Company as a consolidated entity, consistent with the Company's determination that the one industry in which the Company operates provides the most meaningful information for an exploration stage enterprise.

FINANCIAL POSITION

The following financial data is derived from the Company's Interim Financial Statements as at September 30, 2016 and December 31, 2015, and represents balance sheet transactions for the nine months ended September 30, 2016:

	September 30, 2016	December 31, 2015
Total assets	$ 25,364,630	$ 28,828,096
Total liabilities	432,060	1,266,579
Equity (before non-controlling interest)	20,763,017	22,975,024

Total assets

The $3,463,466 decrease represents a reduction in cash for related exploration and head office expenditure, foreign exchange losses on the translation of USD to CAD of the foreign operations, and amortization of property and equipment. 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 capitalized such as mineral property interest, and property and equipment. All direct costs associated with exploration of these properties are expensed as incurred. The outflows were primarily offset by the private placement financing for gross proceeds of $1,000,000, the exercise of warrants for funds of $1,007,167, and the exercise of stock options for proceeds of $254,000.

Total liabilities

As at September 30, 2016, and December 31, 2015, the Company's total liabilities are predominantly comprised of trade payables and accruals. The decrease in total liabilities of $834,519 from December 31, 2015, is related to the non-recurring Tanzanian severance payable of $358,498 as the Company prepares to hand over the Tanzanian Assets to the Developer. In addition, as at December 31, 2015, the Company was engaged in a drill program at its Ethiopian Projects with associated expenditures of $384,339 which were settled during the nine months ended September 30, 2016.

Total equity

The decrease of total equity is predominantly a result of the net loss attributable to shareholders for the nine months ended September 30, 2016, of $3,700,364 compared to the nine month ended September 30, 2015 ("Fiscal 2015") of $5,706,867 and foreign exchange loss attributable to shareholders of $1,011,044 (Fiscal 2015 – foreign exchange gain of $2,569,005) on the translation of its foreign operations into Canadian dollars. This loss was offset with the closing of the Private Placement for net proceeds of $937,382, the granting of 13,500,000 stock options, which vested on the grant date, totalling $300,852, the exercise of 2,470,000 stock options for funds of $254,000 and the exercise of 4,377,264 warrants for funds of $1,007,167. Refer to the section "Other MD&A Requirements" for further information.

RESULTS OF OPERATIONS

The selected period information and summary of financial results in this Interim MD&A should be read in conjunction with the Company's Interim Financial Statements for the period ended September 30, 2016 and 2015.

The following financial data is derived from the Company`s Interim Financial Statements for the period ended September 30, 2016 and 2015 respectively:

	Three months ended September 30, 2016	2015
Revenue	$ Nil	$ Nil
Exploration and evaluation expenditures	422,840	1,152,608
Other expenditures*	808,479	471,307
Net loss for the period	1,231,319	1,623,915
Net loss for the period and attributable to shareholders	1,185,323	1,435,447
Basic and diluted loss per share and attributable to shareholders	$ 0.01	$ 0.01
Weighted average number of common shares used in the calculation of loss per share – basic and diluted	115,492,468	102,249,661

* 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 THREE MONTHS ENDED SEPTEMBER 30, 2016 ("Q3 2016"), COMPARED TO THE THREE MONTHS ENDED SEPTEMBER 30, 2015 ("Q3 2015")

The loss for Q3 2016 is $1,231,319 compared to a loss for Q3 2015 of $1,623,915. The significant items contributing to the Q3 2016 loss includes exploration costs of $422,840 (Q3 2015 – $1,152,608), investor/shareholder communication and filing fees $301,862 (Q3 2015 – $61,976), management consulting fees of $244,819 (Q3 2015 – $168,601), office and administration of $79,510 (Q3 2015 − $100,559) and salary and benefits of $58,318 (Q3 2015 − $87,625). Significant balances and changes are discussed below.

Exploration and evaluation expenditure ("Exploration Expenditures")

Exploration Expenditures incurred costs of $422,840 in Q3 2016 compared to $1,152,608 in Q3 2015, a decrease of $729,768. The decrease in exploration expenditure is primarily related to the reduction of $241,287 in camp and administration costs ("camp costs") and a reduction in drilling costs of $292,350. Camp costs of $211,386 (Q3 2015 − $452,673) represents in-country expenses such as salary, legal, accounting, office costs, and project management expenses to manage the foreign operations. The decrease is a result of the recovery of camp costs incurred on East Africa's Handeni Properties and Other Properties in Tanzania from the Developer and reduced costs as a result of reduction in staff at Ethiopia and Tanzania.

Furthermore, the decrease in exploration expenditure is a result of lower drilling expenses of $9,067 in Q3 2016 compared to $301,417 in Q3 2015, a decrease of $292,350. In Q3 2015, the Company undertook a reverse circulation drill program to define the Terakimti oxide gold resource estimate with the corresponding costs of $246,420 and no drill program was undertaken in Q3 2016. A summary of East Africa's Exploration Expenditures are as follows:

	Three months ended September 30, 2016			Three months ended September 30, 2015		
	Tanzania	Ethiopia	Total	Tanzania	Ethiopia	Total
Exploration Expenditures						
Amortization	$ 49,520	$ 26,216	$ 75,736	$ 69,694	$ 22,783	$ 92,477
Camp and administration costs	79,191	132,195	211,386	266,633	186,040	452,673
Drilling	--	9,067	9,067	--	301,417	301,417
Geochemistry	729	5,169	5,898	2,435	24,247	26,682
Geology	--	32,826	32,826	2,234	76,058	78,292
Preliminary resource and engineering studies	--	22,743	22,743	--	35,973	35,973
Project management and consulting	6,850	--	6,850	13,745	--	13,745
Technical services	85	58,249	58,334	31,098	120,251	151,349
Total for the period	136,375	286,465	422,840	385,839	766,769	1,152,608
Balance at the beginning of the period	69,698,942	9,671,481	79,370,423	68,205,908	6,276,355	74,482,263
Cumulative balance at the end of the period	$ 69,835,317	$ 9,957,946	$ 79,793,263	$ 68,591,747	$ 7,043,124	$ 75,634,871

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 $301,862 were incurred in Q3 2016, compared to $61,976 in Q3 2015, an increase of $239,886. The increase relates to the engagement of contractors to provide financial consulting, advertising and promotion services for the Company's European marketing program. As a result of the European marketing program and market factors the Company's European Q3 2016 average trading volumes of approximately 200,000 shares per day with a Q3 2016 trading volume high of over 1,300,000 shares for one day.

Management consulting fees

In Q3 2016, the Company recorded management consulting fees and expenses of $244,819 compared to $168,601 in Q3 2015, an increase of $76,218. In Q3 2016, the Company recorded $62,500 (Q3 2015 − $62,500) for consulting fees provided by a management company controlled by an officer of the Company, $11,250 (Q3 2015 − $15,000) was paid to a related party for Chinese translation and administration services, and $25,570 (Q3 2015 − $Nil) was recorded for corporate secretary services. In addition, the Company paid fees of $97,143 (Q3 2015 − $Nil) to a consultant for entering to an agreement to identify opportunities and provide corporate development services to enhance the interests of the Company and its shareholders.

Office and administration

Office and administration costs totalled $79,510 in Q3 2016, compared to $100,559 in Q3 2015. Costs for office and administration include office expenses, travel expense for corporate head office staff, IT/network services and insurance. The decrease of $21,049 is related to savings gained from moving to a smaller office and the Company's objective to reduce head office costs.

Salaries and benefits

In Q3 2016, the Company incurred salaries and benefits of $58,318 compared to $87,625 in Q3 2015. The decrease is related to one staff member changing to contractor status and the reduction in administration staff which is aligned with the Company's objective to reduce head office costs.

LIQUIDITY

As at September 30, 2016, the Company had cash and cash equivalents of $1,178,959, other current assets of $643,967 and current liabilities of $346,815, compared to cash and cash equivalents of $2,319,653, other current assets of $867,326 and current liabilities of $1,161,662 as at December 31, 2015.

As at September 30, 2016 and December 31, 2015, the Company had the following commitments:

		September 30, 2016		**December 31, 2015**
No later than 1 year	$	302,789	$	342,572
Later than 1 year and no later than 5 years		677,768		899,890
Later than 5 years		--		--
	$	980,557	$	1,242,462

A significant component of the commitments relates to an office lease. 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.

As at September 30, 2016, with the Company's working capital being $1,476,111 (December 31, 2015 − $2,025,317), 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. Planned expenditures includes and not limited to the exploration drilling of satellite targets near the Terakimti oxide gold resources and in-fill drilling and associated costs to update the Adyabo initial mineral resource in preparation for a mine permitting application. The Company is currently assessing the costs for the required documents applicable for the Adyabo mine permitting application. These uncertainties cast significant doubt on the ability of the Company to continue as a going concern.

The Company's approximate minimum monthly administration costs whilst monitoring costs until receiving the Terakimti oxide gold mine permit and obtaining financing for development ("Interim Phase") are $140,000. During this Interim Phase the site and camp costs are approximately $130,000 monthly to maintain the normal operations in Ethiopia and Tanzania. These balances are non-GAAP financial measures and have been determined on past expenditures and budgeted operations adjusted for non-cash and one-off items. The monthly administration costs represent head office costs and site and camp costs include expenses for geologists, administrative staff and costs of operating the Ethiopian offices and warehouses.

The Interim Financial Statements for the three and nine months ended September 30, 2016, were prepared on a going concern basis which contemplates the realization of assets and the settlement of liabilities in the normal course of operations.

The Company has commenced discussions with a number of interested parties to provide the funding for the development of the Terakimti oxide gold resource on the receipt of mine permit, on-going exploration and general administration costs. Funding options discussions include and not limited to the sale of non-strategic assets, debt finance, gold streaming contracts and/or equity placements. As a result of discussions the Company announced subsequent to September 30, 2016, a Letter of Intent for an equity placement of $5,200,000 with a Chinese public company (Refer to the section "Key Operating Milestones" for further details).

In addition, the Company has executed the Definitive Agreement with the Developer on March 5, 2016, for the sale of the Tanzanian Assets and received deposit instalment payments of US$300,000 to date. The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate capital funds from the sale of non-strategic assets, debt financing, equity financings or by other form of financing including joint venture arrangements, optioning of its mineral properties for cash and/or expenditure commitments. If adequate financing is not available, the Company may be required to delay, reduce the scope of, or eliminate one or more exploration and/or development activities or relinquish rights to certain of its interests. There is no assurance that the Company will be able to obtain adequate financing in the future or that such financing will be on terms acceptable to the Company.

CAPITAL RESOURCES

The Company has historically met its exploration capital requirements through the completion of equity placements and may be impacted by future poor market conditions for mineral exploration companies. 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.

The Company has commenced discussion with a number of interested parties in providing capital funding to advance the Company's Harvest Project. Refer to the sections "Outlook" and "Liquidity" for further information. Additional planned exploration programs and any future 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 may be generated from, or a combination of, debt financing, 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 development of mineral assets, therefore it 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, government policies and regulation and environmental protection.

Capital Expenditures

During the three months ended September 30, 2016, the Company expended $33,763 (Q3 2015 – $5,990) on maintenance payments of mineral properties, before recoveries, which have been capitalized. The Tanzanian maintenance payments have been offset with recoveries of $17,391 (Q3 2015 − $Nil) pursuant to the Definitive Agreement on the Magambazi Project. The Company expended insignificant amount on Property, Plant & Equipment additions in Q3 2016 and 2015 which is aligned with the Company's overall objectives to minimize expenditure.

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 three months ended September 30, 2016, the Company had recorded the following significant related party transactions:

The Company incurred reimbursable goods and services for True North Gems Inc. and Nickel North Exploration Corp. totaling $26,972 (Q3 2015 – $31,944) for shared office, administration and exploration expenditures.

East Africa incurred fees of $11,200 (Q3 2015 − $Nil) for metallurgical services provided by a director. For the same period in the prior year, the Company incurred fees of $17,340 for exploration services provided by a related company. The related company and the Company have directors in common.

The Company incurred management consulting fees of $73,750 (Q3 2015 – $77,500). Of this amount the Company recorded $62,500 (Q3 2015 – $62,500) for management services provided by a privately held company controlled by the CEO.

East Africa recorded fees of $151,526 (Q3 2015 – $152,304) to directors and senior key management for consulting fees, director fees, and salaries and benefits, all which can include share-based compensation. Senior key management includes the CEO, VP of Exploration, and the CFO.

SinoTech, a related party with Directors in common, exercised 3,500,000 warrants at a price of $0.23 realizing $805,000 (Q3 2015 − $Nil) for the Company.

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 Generally Accepted Accounting Principles ("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 AND MONTHLY EXPENDITURES

The Company uses the non-GAAP financial measures of other expenditures and the liquidity monthly expenditures balances to manage, evaluate operating performance and prepare the Company's Interim MD&A. The Company believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate the Company's 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 Interim Financial Statements disclosures additional information and/or reconciliation may be provided within the Non-GAAP disclosure if deemed necessary.

RISK FACTORS

Below are the known risk factors for this Interim MD&A. Please refer to the section entitled "Risk Factors" in the Company's 2015 Annual MD&A for a complete list of risk factors that may impact the Company. You can review and obtain copies of the Company's filings from SEDAR at www.sedar.com or from the Company's website www.eastafricametals.com.

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 $1,178,959 and working capital of $1,476,111 as at September 30, 2016. 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 the "Liquidity" section of this Interim MD&A for further discussion on the Company's ability to operate as a going concern.

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 and short-term deposits issued by major Canadian banks. Receivables mainly consist of the Tanzanian Definitive Agreement receivable and trade receivables from related parties. The carrying amount of cash and cash equivalents, Tanzanian Definitive Agreement, receivables from related parties, tax receivables and other accounts receivable represents the Company's maximum exposure to credit risk.

As at the date of this Interim MD&A, 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 foreign government has indicated that the VAT receivable may be carried forward and deducted against future VAT payable when the Company's foreign subsidiary starts making taxable supplies. As a result, Taxes Recoverable could be exposed to the credit risk associated with the potential future rejection of the Foreign Government to grant the taxes recoverable in part or whole.

In addition, the Company's assessment of its ability to collect its outstanding receivable required judgement on the ability of the Developer to complete the outstanding payments related to the first payment tranche of US$500,000. The Developer has indicated to the Company that financing is close to finalizing and has been delayed to unforeseen circumstances. The Company is in discussions with the Developer on the outstanding instalment payments. Management made a judgement with respect to the ability to receive the first installment payment from the Developer and concluded that a provision against outstanding receivables is not necessary based on the preceding facts. As a result, the first instalment receivable could be exposed to the credit risk associated with the unfulfilled payments from the Developer.

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 resources as described in the section "Capital Resources". As at September 30, 2016, the Company had cash and cash equivalents of $1,178,959 (December 31, 2015 − $2,319,653) to settle current liabilities of $346,815 (December 31, 2015 – $1,161,662). The Company announced subsequent to September 30, 2016, a Letter of Intent for an equity placement of $5,200,000 with a Chinese public company (refer to the section "Key Operating Milestones" for further details). 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 the "Liquidity" section of this Interim MD&A for further discussion on the Company's ability to operate as a going concern.

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue

Refer to elsewhere in this Interim 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, Stock Options and Warrants

Common shares and warrants

During the three months ended September 30, 2016, 4,377,264 warrants were exercised for a total consideration of $1,007,167. Of the total consideration, $805,000 related to 3,500,000 warrants exercised by SinoTech, a related party with directors in common, which resulted in SinoTech holding a 32.10% interest in the Company's outstanding shares at the time of exercise.

Stock Options

During the three months ended September 30, 2016, 2,270,000 stock options were exercised for a total consideration of $234,000.

As at November 29, 2016, the Company has 119,656,513 common shares issued and outstanding.

As at November 29, 2016, the Company has 27,690,695 warrants issued and outstanding.

As at November 29, 2016, the Company had 17,489,250 options outstanding and 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 the Company's filings from SEDAR at www.sedar.com and copies will be provided to anyone who requests it.