EAST AFRICA METALS INC.

INTERIM MD&A - QUARTERLY HIGHLIGHTS

FOR THE THREE MONTHS ENDED

MARCH 31, 2017

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 March 31, 2017 ("Q1 2017"), compared to the three months ended March 31, 2016 ("Q1 2016"). 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 May 30, 2017 and should be read in conjunction with the Company's unaudited condensed interim financial statements ("Interim Financial Statements") for the three months ended March 31, 2017, the audited consolidated financial statements ("Annual Financial Statements") for the year ended December 31, 2016, 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 ended December 31, 2016 ("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, timeliness and approval of mining licence or exploration licence extension applications, strategic plans, financing, 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; delays with respect to required payments and regulatory approvals; 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 current and/or future mining licence applications and exploration licence extensions 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; the speculative nature of strategic metal exploration and development including the risks of contests over title to properties; and changes in project parameters as plans continue to be refined, as well as those risk factors set out in the Company's listing application dated July 8, 2013, the Company's Annual MD&A and within this Interim MD&A. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, sociopolitical 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. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the price of gold; the demand for gold; the ability to carry on exploration and development activities; the timely receipt of any required approvals; the ability to obtain qualified personnel, equipment and services in a timely and cost-efficient manner; the ability to operate in a safe, efficient and effective manner; and the regulatory framework including and not limited to licence approvals, social and 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.

Contents

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 "TSX-V") 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 the Federal Democratic Republic of Ethiopia ("Ethiopia") and the United Republic of Tanzania ("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 and other information discussed in this Interim MD&A can be found on the East Africa's website at www.eastafricametals.com.

KEY OPERATING MILESTONES

Exploration update

- On January 23, 2017, the Company announced the final results of a comprehensive metallurgical test program completed for the Terakimti Oxide Gold Project, including the results of two separate column leach tests at SGS Mineral Services in Johannesburg, which achieved gold extractions of 74.8% and 70.2%. Further information can be located in the Company's respective news release and on East Africa's website www.eastafricametals.com.

- On February 22, 2017, the Company provided an update for on-going exploration and resource definition on the Adyabo and Harvest Projects in Ethiopia. Preparations started in March 2017 to initiate a staged Induced Polarization ("I.P") survey over the Mato Bula deposit (Adyabo Project) with the aim of profiling existing mineralization and using derived data to identify additional targets for drill testing. The Company currently has a mining licence application filed for the Terakimti Oxide Gold deposit at Harvest (refer to May 11, 2017, update below for further information). Exploration licence extensions have been filed for exploration ground at both the Harvest and Adi Dairo (Adyabo Project) licences with the goal of retaining additional prospects outside of current defined resources that warrant assessment for potential inclusion into the building resource base on the Company's Ethiopian Projects. Further details can be located in the Company's respective news release and on East Africa's website www.eastafricametals.com.

- On March 27, 2017, the Company announced results from a multi targeted drill program at the Harvest and Adyabo Projects. Highlight intersections include:

  - At Silica Hill (Adyabo Project) - 31.55 metres grading 9.40 grams per tonne gold, and 0.10% copper, from 111.32 metres drill depth; and
  - At VTEM09 (Harvest Project) - 24.06 metres grading 1.88% copper, 3.08 grams per tonne gold, 66.4 grams per tonne silver, and 2.54% zinc, from 35.84 metres drill depth.
  - A table of all Harvest and Adyabo Project intercept results, related maps and further information can be located in the Company's respective news release and on East Africa's website www.eastafricametals.com.

- On April 24, 2017, the Company announced results from on-going diamond drilling at the Adyabo Project. Highlight intersections include:

  - At Da Tambuk - 20.00 metres grading 4.70 grams per tonne gold, and 4.7 grams per tonne silver, from 105.00 metres drill depth (ADD025); and
  - At Mato Bula - 5.72 metres grading 6.06 grams per tonne gold, from 50.78 metres drill depth (WMD066).
  - A table of all Adyabo Project intercept results, related maps and further information can be located in the Company's respective news release and on East Africa's website www.eastafricametals.com.

- On May 11, 2017, East Africa announced it has been informed by the Ministry of Mines, Petroleum and Natural Gas (the "Ministry of Mines") has completed its review of the Company's Mine Permit Application and has issued a draft Model Agreement for the Company's Terakimti Oxide Gold Project located in the Tigray National Regional in Ethiopia.

The delivery of the draft Model Agreement indicates the Ministry of Mines has approved the permit application and advanced the permitting process to the next stage. The draft Model Agreement sets out the rights and obligations of both parties with respect to the development and operation of the Terakimti Oxide Gold Project and once executed will result in the issuance of the mining licence.

The Company is currently reviewing the draft Model Agreement and is planning to provide its response to the Ministry of Mines during Q2 2017. In anticipation of the pending development program, the Company has engaged SENET of Johannesburg South Africa to initiate the detailed engineering for the project. East Africa's representatives travelled to China and met with Shandong Tyan Home Co. Ltd ("STH") on financing options. Discussions included debt financing and strategic alliances to advance the Ethiopian Projects with further discussions planned in Q2/Q3 2017.

Corporate update

- On January 17, 2017, the Company announced a related party loan in the amount of $500,000 with an interest rate of 12% per annum from an insider, SinoTech (Hong Kong) Corporation Limited ('SinoTech'). The loan and all accrued and unpaid interest (non-compounding) is payable upon the earlier of (a) 10 business days after the Company's closing of the $5,200,000 financing with STH or (b) 90 days from the Company's receipt of the loan proceeds. The proceeds will be used for short-term working capital, metallurgical/engineering work at the Terakimti Oxide Gold Project and exploration work to further define the resource at the Adyabo Project. The Company paid the principal and interest of $509,800 subsequent to the closing of the STH private placement in March 2017.
- On March 7, 2017, the Company announced the closing of the $5,200,000 private placement with STH. The private placement will finance ongoing exploration and project development activities at the Company's Harvest and Adyabo Projects. The Company also announced the appointment of Mr. Yongwen Wang to the Board of Directors.

  In November 2016, the Company announced the signing of a Letter of Intent with STH, a listed public company of China, to subscribe for 20 million units of the Company at a price of $0.26 per unit ("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 STH owns approximately 14.3% of the outstanding shares of the Company.

  Under the Letter of Intent, STH also agreed to provide US$10,000,000 debt financing for the development of the Terakimti Oxide Gold Project, which is non-binding. Alternatively, STH 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.
- In April 2017, the Company granted 1 million stock options to certain directors pursuant to the Company's Stock Option Plan. The options have an exercise price of $0.285 per share and an expiry date of April 25, 2022.

For further details on the above operating highlights refer to the news releases available on SEDAR at www.sedar.com or East Africa's website, www.eastafricametals.com.

OUTLOOK

As of the date of this Interim MD&A, the Company's focus is on advancing the Ethiopian Projects. The Company has submitted a mining licence application and received a draft Model Agreement for the Terakimti Gold Oxide Project. The Company is reviewing the draft Model Agreement. In addition, the Company has submitted applications for a 2 year extension on its Harvest and Adi Dairo (Adyabo Project) exploration licences. If the exploration extension applications are successful the Company will undertake exploration drilling on the satellite targets at the Harvest Project, resource drilling at the Terakimti Oxide Gold Project and advance the Adi Dairo licence towards the submission of a mining licence application. In parallel, the Company continues discussions with a number of interested parties on financing its exploration and potential development programs including and not limited to: debt financing for the development of the Terakimti Oxide Gold resource (on the receipt of a mining permit); strategic alliances with development partners, sale of non-strategic assets, debt finance, streaming contracts and/or equity placements. The Company has released initial mineral resource estimates on each of its exploration projects at Harvest, Adyabo and Magambazi.

For the three months ended March 31, 2017, the Company incurred a net loss attributable to shareholders totaling $2,586,772 (Q1 2016 – $1,496,543) and as at March 31, 2017, had an accumulated deficit of 175,461,297 (December 31, 2016 – $172,874,525) and working capital surplus of $2,685,615 (December 31, 2016 - $103,924).

Based on the Company's financial position as at March 31, 2017, the available funds, including the funds from the warrant exercise subsequent to March 31, 2017 (refer to "Other MD&A requirements" section), 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 TSX-V 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, a marketing program to strengthen market demand to exercise outstanding warrants, strategic alliance with development partners, 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" and "Capital Resources" sections 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 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 ("Balance Payment") by no later than 12 months from the Tanzanian Effective Date. As at March 31, 2017, the Company received an aggregate of US$300,000 (CAD$397,547).

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 March 31, 2017, pursuant to the Definitive Agreement, the Company recognized US$58,966 (CAD$78,423) in accounts receivable for the Tanzanian recoverable operating expenses and accrued US$200,000 (CAD$265,993) for the outstanding payments related to the first instalment of US$500,000. 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. Subsequent to March 31, 2017, the Developer and the Company are in discussions for a further extension of the Tanzanian Effective Date of three (3) months. The Developer has indicated that first stage of financing for the development of the Tanzanian Assets is in its final stages.

CURRENT COMPANY OBJECTIVES

Current objectives are:

1. Obtain mining licence for the Terakimti Oxide Gold Project;
2. Obtain 2 year extensions for the Harvest and Adi Dairo (Adyabo Project) exploration licences;
3. Complete additional upgrading of the resource at the Adyabo Project and assess resource growth potential along the prospective Mato Bula Trend (Adyabo Project);
4. Assess resource growth potential in satellite targets on the Harvest Project;

5. Continue the preparation for a mine permitting application on the Adyabo Project;
6. Assess new potential exploration opportunities in Ethiopia;
7. Continue to work with the Developer to meet the conditions of the Tanzanian Definitive Agreement;
8. 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

East Africa will continue to advance the Harvest Project through communication with the Ministry of Mines on the Company's rights and obligations set out in the draft Model Agreement for the Terakimti Oxide Gold mining licence. The Harvest exploration licence has a term of 10 years and expired in January 2017. The Ethiopian regulations allows for retentions to the exploration licence term once the term has reached 10 years. Management believes there is precedence in the Ethiopian mining industry for the Ministry of Mines granting extensions to exploration licences that have reached their 10 year term and has applied for a 2 year exploration licence extension. The Company will continue to engage the Ministry of Mines on the application including follow-up meetings and providing additional information as requested. The 2 year exploration extension application objectives is to conduct further exploration on satellite targets on the Harvest Project and at depth drilling on the Terakimti resource transition and supergene zones. If merit is sufficient with the Lihamat, Mayshehagne, and VTEM09, these potential satellite prospects will be assessed through metallurgical and resource analyses, as additional project resource assets. In parallel with the mining licence application the Company continues discussions with a number of 3rd parties, including STH, to provide funding for the development of the Terakimti Oxide Gold Project. The funding may include and is not limited to debt finance, strategic alliances, gold streaming contracts, and/or an equity placement in East Africa.

Adyabo Project Path Forward

East Africa plans to advance the Adyabo Project through a resource update following the core deposit area infill drilling program that commenced in Q4 2016 and continuing into Q2 2017. An updated resource is anticipated during the second half of 2017. The exploration licences each have a term of 10 years and Adi Dairo licence expired in January 2017. The Ethiopian regulations allows for retentions to the exploration licence term once the term has reached 10 years. Management believes there is precedence in the Ethiopian mining industry of the Ministry of Mines granting extensions to exploration licences that have reached their 10 year term and has applied for a 2 year exploration extension for the Adi Dairo exploration licence. The Company continues to engage the Ministry of Mines on the application including follow-up meetings and providing additional information as requested. On the successful receipt of a 2 year exploration licence on the Adi Dairo resource the Company plans to continue forwarding the project through in-fill drilling, I.P follow-up testing, metallurgical testing, preliminary engineering work, on-going community relations work and socio economic studies, in accordance with application requirements for a mining licence. The Company continues to assess cost effective methods of gold targeting and further resource upgrades along the highly prospective Mato Bula Trend. The West Shire exploration licence expires in October 2017 and the Company plans to submit a 2 year exploration licence extension application.

Tanzanian Assets Path forward

East Africa will continue to move forward with the Definitive Agreement and work with the Developer to advance the Magambazi Project. Refer to the "Proposed Transaction" for further information.

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 March 31, 2017, 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 March 31, 2017 and December 31, 2016:

	March 31, 2017	December 31, 2016
Total assets	$ 27,595,035	$ 24,891,293
Total liabilities	1,427,196	992,882
Equity (before non-controlling interest)	22,125,164	19,723,641

Total assets

The $2,703,742 increase relates to $5,200,000 financing from the STH private placement and $206,490 proceeds from the exercise of warrants and stock options Q1 2017. The funds primarily used for exploration and head office cash related expenditure totalled $2,431,204. The increase in total assets is partially offset by foreign exchange of approximately of $208,000 in losses on the translation of United States dollars to Canadian dollars of the foreign operations. 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.

Total liabilities

As at March 31, 2017 and December 31, 2016, the Company's total liabilities are predominately comprised of trade payables and accruals. The increase in total liabilities of $434,314 as at March 31, 2017, compared to December 31, 2016, is the result of the drill program at the Adyabo Project (an increase in accounts payable for drilling related expenditure of approximately $150,000 from December 31, 2016) and finders' fees accrual of $218,000 in connection with STH financing.

Total equity

The increase of equity of $2,401,523 is predominately the closing of the STH financing of $5,200,000 offset with the net loss for Q1 2017, of $2,586,772 attributable to shareholders (Q1 2016 − $1,496,543) and foreign exchange loss of $174,195 attributable to shareholders (Q1 2016 – foreign exchange loss of $1,196,876) on the translation of its foreign operations into Canadian dollars. In connection with the STH financing the Company issued 20,000,000 shares and 10,000,000 Warrants. Refer to the section "Key Operating Milestones" 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 three months ended March 31, 2017 and 2016. The following financial data are derived from the Company`s Interim Financial Statements for the three months ended March 31, 2017 and 2016 respectively:

	Three months ended March 31, 2017	2016
Revenue	$ Nil	$ Nil
Exploration and evaluation expenditures	1,897,410	923,258
Other expenditures*	770,622	619,175
Net loss for the period	2,668,032	1,542,433
Net loss for the period and attributable to shareholders	2,586,772	1,496,543
Basic and diluted loss per share and attributable to shareholders	$ 0.02	$ 0.01
Weighted average number of common shares used in the calculation of loss per share – basic and diluted	125,161,303	102,799,661
Distributions or Dividends	$ Nil	$ Nil

* 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 MARCH 31, 2017 ("Q1 2017"), COMPARED TO THE THREE MONTHS ENDED MARCH 31, 2016 ("Q1 2016")

The loss for Q1 2017 is $2,668,032 compared to a loss for Q1 2016 of $1,542,433. The significant items contributing to the Q1 2017 loss includes exploration expenditures of $1,897,410 (Q1 2016 – $923,258), investor/shareholder communications and filing fees of $247,729 (Q1 2016 − $30,346), management consulting fees of $146,425 (Q1 2016 – $182,089), and share-based compensation of $Nil (Q1 2016 − $116,372). Significant balances and changes are discussed below.

Exploration and evaluation expenditure ("Exploration Expenditures")

Exploration Expenditures incurred costs of $1,897,410 in Q1 2017 compared to $923,258 in Q1 2016. The increase of $974,152 in Exploration Expenditures is primarily a result of completing an infill drilling program phase on the Adyabo Resource in preparation for an updated resource. In Q1 2017, diamond drilling expenditure of $1,021,256 (Q1 2016 − $190,066) was incurred at the West Shire (Adyabo) project. Additionally, the Company conducted drill testing at the Harvest Project for $105,617 in current quarter compared to $2,529 in Q1 2016.

Camp and administration costs ("camp costs") of $364,977 (Q1 2016 − $392,349) represents in-country expenses such as salary, legal, accounting, office costs, and project management expenses to manage the foreign operations. The Q1 2017 costs remain consistent with the same quarter of the prior year.

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

	Three months ended March 31, 2017			Three months ended March 31, 2016		
	Tanzania	Ethiopia	Total	Tanzania	Ethiopia	Total
Exploration Expenditures						
Amortization	$ 46,471	$ 21,787	$ 68,258	$ 59,440	$ 25,249	$ 84,689
Camp and administration costs	102,856	262,121	364,977	105,492	286,857	392,349
Drilling	--	1,126,873	1,126,873	--	192,595	192,595
Geochemistry	628	8,892	9,520	721	54,417	55,138
Geology	--	188,847	188,847	1,704	54,458	56,162
Geophysics	--	3,098	3,098	--	--	--
Preliminary resource and engineering studies	--	59,089	59,089	--	7,682	7,682
Project management and consulting	6,946	--	6,946	11,064	--	11,064
Share-based compensation	--	--	--	--	71,176	71,176
Technical services	374	69,428	69,802	--	52,403	52,403
Total for the period	157,275	1,740,135	1,897,410	178,421	744,837	923,258
Balance at the beginning of the period	70,027,814	10,697,078	80,724,892	69,386,051	8,574,124	77,960,175
Cumulative balance at the end of the period	$ 70,185,089	$ 12,437,213	$ 82,622,302	$ 69,564,472	$ 9,318,961	$ 78,883,433

Management consulting fees

In Q1 2017, the Company recorded management consulting fees and expenses of $146,425 compared to $182,089 in Q1 2016, a decrease of $35,664. In Q1 2017, the Company recorded $62,500 (Q1 2016 − $62,500) for consulting fees provided by a management company controlled by an officer of the Company; $12,500 (Q1 2016 − $11,875) was paid to a related party for Chinese translation and administration services; $25,000 (Q1 2016 − $30,600) was paid for corporate secretary services.

Investor/shareholder communications and filing fees

In Q1 2017, the Company recorded investor/shareholder communications and filing fees of $247,729 compared to $30,346 in Q1 2016, an increase of $217,383. The increase relates to the engagement of consultants 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 Q1 2017 average trading volumes on the TSX-V of East Africa shares were approximately 200,000 shares per day with a Q1 2017 trading volume high of over 950,000 shares for one day.

Share-based compensation

The Company did not grant stock options in Q1 2017. In Q1 2016, the Company granted 12 million stock options to employees, officers, directors and consultants, and recorded share-based compensation of $187,548 which $116,372 was recorded as share-based compensation expense and $71,176 was recognized as share-based compensation expense within Exploration Expenditures.

LIQUIDITY

As at March 31, 2017, the Company had cash and cash equivalents of $3,261,892, other current assets of $778,788 and current liabilities of $1,355,065, compared to cash and cash equivalents of $367,690, other current assets of $650,428 and current liabilities of $914,194 as at December 31, 2016.

As at March 31, 2017 and December 31, 2016, the Company had the following commitments:

		March 31, 2017		**December 31, 2016**
No later than 1 year	$	309,262	$	307,933
Later than 1 year and no later than 5 years		542,431		619,922
Later than 5 years		--		--
	$	851,693	$	927,855

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 March 31, 2017, with the Company's working capital being $2,685,615 (December 31, 2016 - $103,924), 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 but are not limited to the exploration drilling of satellite targets near the Terakimti Oxide Gold Project 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 Interim Financial Statements for the period ended March 31, 2017, 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's approximate minimum monthly administration costs whilst monitoring costs until receiving the Terakimti Oxide Gold mining licence 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. In addition, during Q1 2017, the Company has commenced a drill and exploration program, with an estimated cost of $2,400,000, on the West Shire exploration licence (Adyabo Project) to meet the requirements of the 10th and final year of the exploration licence term. As at March 31, 2017, the Company estimated there was two (2) months remaining on the current West Shire exploration program. The site and camp 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. This drill and exploration program will provide additional support for the Company's application for a 2 year extension on the West Shire exploration licence. The 2 year exploration extension will be used to complete in-fill drilling, I.P follow-up testing, metallurgical testing, environmental and social studies, preliminary engineering work and submission of a mining licence application on the West Shire resource.

The Company has commenced discussions with a number of interested parties to provide the funding for the development of the Terakimti Oxide Gold Project on the receipt of mine licence, on-going exploration and general administration costs. Funding options discussions include and not limited to the sale of non-strategic assets, strategic alliances, debt finance, gold streaming contracts and/or equity placements. As a result of discussions the Company announced in March 2017 the closing of 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 and accrued US$200,000 (CAD$265,993) for the outstanding payments related to the first instalment of US$500,000.

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, strategic alliances, a marketing program to strengthen market demand to exercise outstanding warrants, 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. 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 continued poor North American market conditions and further downward trends for exploration focused 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, the pursuit of a growth strategy that targets property acquisitions, 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 continues discussions with a number of interested parties in providing capital funding to advance the Company's Harvest Project. Refer to the sections "Key Operating Milestones" 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, strategic alliances, 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, market, environmental protection, foreign taxation, government policies and regulation.

Capital Expenditures

During the three months ended March 31, 2017, the Company expended $4,785 (Q1 2016 – $64,113) on maintenance payments of mineral property which have been capitalized. Mineral property capital expenditures and acquisitions for Q1 2017 are summarized as follows:

	Tanzania, Handeni properties	Tanzania, other properties	Ethiopia Harvest Project	Ethiopia Adyabo Project	Total
Acquisition costs					
As at December 31, 2016	$ 1,929,119	$ 2,175,344	$ 17,482,161	$ 833,958	$ 22,420,582
Property payments	4,785	--	--	--	4,785
Property payments recoveries	(5,982)	(13,116)	--	--	(19,098)
Foreign exchange	(23,432)	(21,040)	(166,658)	(4,286)	(215,416)
As at March 31, 2017	$ 1,904,490	$ 2,141,188	$ 17,315,503	$ 829,672	$ 22,190,853

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 and as at March 31, 2017, the Company had recorded the following significant related party transactions:

For Q1 2017, the Company incurred management consulting fees of $75,000 (Q1 2016 – $74,375). Of this amount East Africa recorded $62,500 (Q1 2016 – $62,500) for management services provided by a privately held company controlled by the CEO.

For Q1 2017, the Company recorded fees of $159,532 (Q1 2016 – $284,968) 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.

For Q1 2017, SinoTech, a related party with directors in common, granted a short–term unsecured loan to the Company in the amount of $500,000 with an interest rate of 12% per annum. The loan and all accrued and unpaid interest was payable on the earlier of 10 business days after the Company's closing of the STH private placement announced in November 2016 or 90 days from the Company's receipt of the loan proceeds. The loan and interest of $509,800 was repaid subsequent to the receipt on closing of the November 2016 Private Placement in March 2017.

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

The Company uses the non-GAAP financial measures of Other Expenditures 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 disclosure 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 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 East Africa's website www.eastafricametals.com.

Financial (liquidity) Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with the financial liabilities. Historically 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 $3,261,892 and working capital of $2,685,615 as at March 31, 2017. 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 may consist of Guaranteed Investment Certificates and short-term deposits issued by major Canadian banks. Receivables mainly consist of the Tanzanian Definitive Agreement receivable, taxes recoverable and trade receivables from related parties. The carrying amount of cash and cash equivalents, Tanzanian Definitive Agreement receivable, receivables from related parties, tax receivables and other accounts receivable represents the Company's maximum exposure to credit risk. In 2016 the foreign government had concluded that the Company's foreign subsidiary does not qualify for a VAT refund (recoverable indirect taxes), as the Company's foreign subsidiary had not generated taxable supplies. This positon has not changed at the date of this Interim MD&A. 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 foreign government has indicated that the VAT receivable may be carried forward and deducted against future VAT payables 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 rejection of the Foreign Government to grant all or part of the taxes recoverable.

In addition, the Company's assessment of its ability to collect its outstanding Tanzanian Definitive Agreement 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.

Exploration and Commercial Viability Risk

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

Foreign Countries and Political Policy Risk

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

Conflict of Interest

East Africa's directors and officers may serve as directors and/or officers, or may be associated with, other reporting companies, or may have significant shareholdings in other public companies. To the extent that such other companies may participate in financing, business or asset acquisitions, dispositions or ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms reflecting the transaction. Consequently, there exists the possibility that such directors will be in a position of conflict of interest. Any decision made by such directors involving the Company are made in accordance with their duties and obligations to deal fairly and in good faith with the Company and such other companies. In addition, such directors will declare, and refrain from voting on, any matter in which such directors may have a material conflict of interest.

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

From January 1, 2017, to the date of the Interim MD&A 7,033,591 warrants exercised at a weighted average exercise price of $0.23 and 1,207,057 options were exercised at a weighted average exercise price of $0.18 for a total proceeds of approximately $1,845,880. On May 8, 2017, 16,624,968 East Africa warrants expired unexercised.

As at May 30, 2017, the Company has 147,897,161 common shares issued and outstanding.

As at May 30, 2017, the Company has 14,556,380 warrants issued and outstanding.

As at May 30, 2017, the Company had 16,682,193 options outstanding and exercisable.

APPROVAL

At the date of this document 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.