

EAST AFRICA METALS INC.

INTERIM FINANCIAL STATEMENTS

For the three months ended March 31, 2013 and
the period from December 7, 2012 (date of incorporation) to March 31, 2013
(Expressed in Canadian Dollars, unless otherwise stated)

(Unaudited – prepared by management)

EAST AFRICA METALS INC.

Interim Balance Sheet - unaudited

Expressed in Canadian dollars, unless otherwise stated

	March 31, 2013
Assets	
Current assets	
Due from shareholder – Canaco Resources Inc.	\$ 1
	<u>\$ 1</u>
Liabilities and Shareholders' Equity	
Current liabilities	
Accrued liabilities	2,500
	<u>2,500</u>
Shareholders' Equity	
Share capital (Note 3)	1
Deficit	(2,500)
	<u>(2,499)</u>
	<u>\$ 1</u>
Nature of operations, related party transactions and economic dependence (Note 1)	
Subsequent events (Note 4)	

Approved on behalf of the Board

(signed) "Antony Harwood"(signed) "Andrew Lee Smith"

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

EAST AFRICA METALS INC.

Interim Statement of Comprehensive Loss - unaudited

For the three months ended March 31, 2013 and the period from December 7, 2012 (date of incorporation) to March 31, 2013

Expressed in Canadian dollars, unless otherwise stated

	Three months ended March 31, 2013	Period ended March 31, 2013
Expenses		
Professional fees	\$ 2,500	\$ 2,500
Loss for the period	2,500	2,500
Total comprehensive loss for the period	(2,500)	(2,500)
Loss per share, basic and diluted	\$ (2,500)	\$ (2,500)
Weighted average number of common shares used in the calculation of loss per share – basic and diluted	1	1

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

EAST AFRICA METALS INC.

Interim Statement of Changes in Shareholder's Equity - unaudited

For the period from December 7, 2012 (date of incorporation) to March 31, 2013

Expressed in Canadian dollars, unless otherwise stated

		March 31, 2013
Shareholder's equity- beginning of period	\$	--
Due from shareholder – Canaco Resources Inc.		1
Loss for the period		(2,500)
Shareholder's equity, end of period	\$	(2,499)

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

EAST AFRICA METALS INC.

Interim Statement of Cash Flows - unaudited

For the period from December 7, 2012 (date of incorporation) to March 31, 2013

Expressed in Canadian dollars, unless otherwise stated

	March 31, 2013
Cash flow from operating activities	
Loss for the period	\$ (2,500)
Change in non-cash working capital	2,500
	--
Cash flow for operating activities and for the period	--
Cash – beginning of period	--
Cash – end of period	\$ --

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

EAST AFRICA METALS INC.

Notes to the Interim Financial Statements

For the period from December 7, 2012 (date of incorporation) to March 31, 2013 - unaudited

Expressed in Canadian dollars, unless otherwise stated

1. Nature of operations, related party transactions and economic dependence

East Africa Metals Inc. ("East Africa Metals" or the "Company") 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 3114, 1055 Dunsmuir Street, Vancouver, British Columbia, Canada.

The Company is a wholly-owned subsidiary of Canaco Resources Inc. ("Canaco") and was formed for the purpose of a spinout of the assets of Canaco which will include all the assets and liabilities of Canaco other than \$60,000,000 in cash and certain liabilities pursuant to a spinout transaction. Since its inception, the Company has been economically dependent upon its parent, Canaco, which has provided administrative and other services to the Company without charge. On April 4, 2013, Canaco completed a share purchase agreement between Canaco, Shark Minerals Inc. ("Shark") and the shareholders of Shark dated December 14, 2012. Refer to Note 4 for further details.

As at March 31, 2013, and for the period since incorporation, the Company had no source of operating cash flows.

2. Significant accounting policies

(a) Statement of compliance

These interim financial statements have been prepared using International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC" together "IFRS"). These interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34").

These interim financial statements were authorized for issuance in accordance with a resolution from the Board of Directors dated May 30, 2013.

(b) Basis of presentation

These interim financial statements have been prepared on a historical cost basis.

These interim financial statements are prepared in Canadian dollars. The functional currency of the Company is Canadian dollars.

(c) Financial instruments

Financial assets and liabilities are initially recognized at fair value in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. The fair values of the Company's financial instruments are estimated by management to approximate their carrying values based on their immediate or short-term maturity. Measurement in subsequent periods depends on the financial instrument's classification.

The Company classifies its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. The Company's accounting policy for each category is as follows:

- Amounts due from shareholder have been designated as loans and receivables and are initially recorded at fair value and subsequently measured at amortized cost, net of anticipated collection costs, if any.
- Accrued liabilities have been designated as other financial liabilities and are initially recorded at fair value and subsequently measured at amortized cost.

Risk management

The Company has been formed to be engaged in the transaction described in Note 4 which will be primarily in resource exploration and manages related industry risk issues directly.

Foreign exchange risk

The Company's functional and reporting currency is the Canadian dollar and as at March 31, 2013, is not exposed to foreign exchange risk.

EAST AFRICA METALS INC.

Notes to the Interim Financial Statements

For the period from December 7, 2012 (date of incorporation) to March 31, 2013 - unaudited

Expressed in Canadian dollars, unless otherwise stated

2. Significant accounting policies (continued)

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. Refer to Note 1.

(d) Share capital

Common shares are classified as equity. Share capital issued for non-monetary consideration is recorded at an amount based on fair value. Incremental costs directly attributable to the issue of common shares are recognized as a deduction from equity, net of any tax effects.

(e) Loss per share

Basic loss per share is calculated by dividing loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share is determined by adjusting the loss attributable to common shareholders and the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which comprise share options granted and warrants outstanding. When a loss is incurred during the reporting period, the exercise of options and warrants is considered to be anti-dilutive and the basic and diluted loss per share is equal.

3. Share capital

(a) Authorized:

Unlimited number of common shares without par value

(b) Issued and outstanding:

1 common share

4. Subsequent events

(i) Spinout of Canaco's assets and liabilities and acquisition of Shark Minerals Inc.

On April 4, 2013, Canaco closed a share purchase agreement between Canaco, Shark and the shareholders of Shark dated December 14, 2012. Under the agreement the Canaco acquired all of the outstanding common shares of Shark in exchange for the issuance of 118,584,735 of its common shares (the "Acquisition"). In connection with the Acquisition and effective on the same date, Canaco also completed a share consolidation (the "Consolidation") on the basis of one (1) new share for three (3) existing shares resulting in issued capital of 106,834,124 common shares and changed its name to Orca Gold Inc. ("Orca Gold"). As of closing of the Acquisition and Consolidation, Orca Gold is 63% owned by former Canaco shareholders and 37% owned by former Shark shareholders.

Immediately prior to the Acquisition and Consolidation, Canaco completed a spinout transaction (the "Spinout") by way of a plan of arrangement whereby Canaco (a) transferred all of its assets other than certain included assets and \$60,000,000 in cash, and certain liabilities as defined in the agreement, to East Africa Metals and (b) distributed all of the shares of East Africa Metals to the shareholders of Canaco immediately prior to giving effect to the Acquisition on the basis of one (1) East Africa Metals share for every three (3) pre-Consolidation Canaco shares held by shareholders as of the effective date of the Spinout. In addition to the cash noted above, \$4,000,000 was set aside in an account jointly controlled by Orca Gold and East Africa Metals to cover any potential future costs that may be incurred after April 4, 2013, as a result of the British Columbia Securities Commission ("BCSC") hearing. Under the terms of the Acquisition and Spinout, once the BCSC hearing and outcome are concluded, the unexpended balance of these funds will be released to East Africa Metals. Until that date, East Africa Metals will reflect these funds as restricted cash on its balance sheet.

EAST AFRICA METALS INC.

Notes to the Interim Financial Statements

For the period from December 7, 2012 (date of incorporation) to March 31, 2013 - unaudited

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4. Subsequent events (continued)

(ii) Continuity of interests accounting

The legal form of the Spinout provided that on April 4, 2013, Canaco transferred materially all of the assets and liabilities of Canaco to East Africa Metals, except for cash and short-term investments of \$60,000,000 and sufficient funds to pay certain liabilities outstanding as at March 31, 2013. For accounting purposes, under a continuity of business basis of presentation (1) the continuing business of East Africa Metals, and its related comparatives will be the historical results of Canaco, except for the cash and related balances acquired by Shark pursuant to the Acquisition and Spinout; and (2) Canaco, now Orca Gold, will report the business of Shark and its related historical comparatives as its continuing business.

(iii) Investment in Tigray Resources Inc.

Subsequent to March 31, 2013, East Africa Metals acquired 8,000,000 units of Tigray Resources Inc.'s ("Tigray"), a related party with Directors and officers in common, non-brokered private placement (the "equity placement") at a price of \$0.15 per unit. Each unit comprises one common share and one-half of one non-transferable common share purchase warrant. Each whole warrant allows the holder to purchase one common share of the Company at an exercise price of \$0.20 for a period of two years from the date of closing. On completion of the equity placement, EAM held 8,000,000 common shares and 4,000,000 share purchase warrants, representing approximately 13.4% of the then outstanding common shares of the Tigray, assuming exercise of the warrants.