EAST AFRICA METALS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2013 AND
THE PERIOD FROM DECEMBER 7, 2012, TO MARCH 31, 2013

This Management's Discussion and Analysis ("MD&A") provides a review of the performance of the operations of East Africa Metals Inc. ("East Africa Metals" or the "Company"). The MD&A has been prepared on the basis of available information up to May 30, 2013, and should be read in conjunction with the unaudited 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, (fiscal 2013) of East Africa Metals, which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are expressed in Canadian dollars except where indicated otherwise.

Cautionary Statement Regarding Forward-Looking Information

This MD&A may contain certain forward-looking statements concerning anticipated development in the Company's operations in future periods, "forward-looking information," within the meaning of applicable Canadian securities legislation. The forward-looking statements are set forth principally under the heading "Outlook" in this MD&A and may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not statement of fact. Generally, forward-looking information can be identified by the use of forward-looking terminology such as "anticipate", "believe", "plan", "expect", "intend", "estimate", "forecast", "project", "budget", "schedule", "may", "will", "could", "might", "should" or variations of such words or similar words or expressions. Forward-looking information is based on reasonable assumptions that have been made by the Company as at the date of such information and is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: risks associated with mineral exploration and development; metal and mineral prices; availability of capital; accuracy of the Company's projections and estimates; 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; 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 diminishing quantities of grades of reserves; contests over title to properties; and changes in project parameters as plans continue to be refined. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred mineral resources as the estimation is uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading inferred mineral resources to an indicated or measured mineral resource category. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the price of gold; the demand for gold; the ability to carry on exploration and development activities; the timely receipt of any required approvals; the ability to obtain qualified personnel, equipment and services in a timely and cost-efficient manner; the ability to operate in a safe, efficient and effective manner; and the regulatory framework regarding environmental matters, and such other assumptions and factors as set out herein. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The Company does not update or revise forward looking information even if new information becomes available unless legislation requires the Company 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 Metals 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 was 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 the corporate developments, spinout transaction and outlook section below for additional information on East Africa Metals pursuant to a share purchase agreement and plan of arrangement (together the "Plan of Arrangement") voted on and approved by Canaco shareholders on March 28, 2013. Additional information on the Company's mineral property interests discussed in this MD&A can be found on the Company's website at www.eastafricametals.com.

CORPORATE DEVELOPMENTS, SPINOUT TRANSACTION AND OUTLOOK

Subsequent to March 31, 2013, Canaco closed the Plan of Arrangement on April 4, 2013, between Canaco, Shark and the shareholders of Shark dated December 14, 2012. Under the Plan of Arrangement, 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"). Subsequent to the Acquisition and effective on the same date, Canaco also completed a share consolidation on the basis of one (1) new share for three (3) existing shares (the "Consolidation") 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, Canaco 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. Pursuant to Plan of Arrangement, Canaco distributed 67,305,842 East Africa Metals shares to its shareholders. In addition to the cash noted above, $4,000,000 was set aside in a jointly controlled account between 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.The Spinout, Acquisition and Consolidation, as well as the name change, were approved by Canaco shareholders at a special meeting held on March 28, 2013.

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.

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.

HANDENI PROJECT – TANZANIA

Pursuant to the Plan of Arrangement, Canaco spunout its mineral property interests to East Africa Metals, including its material property Handeni. The Handeni property consists of two contiguous mineral tenures totalling approximately 97 square kilometres: the 100%-owned Kilindi property (96.92 square kilometres) and the Magambazi property (0.34 square kilometres), in which Canaco is earning a 100% interest. The Magambazi property is owned 100% by Denwill Mining Services Ltd. ("Denwill"), a special purpose entity, and East Africa Metals has an option agreement to acquire a 100% interest upon payment of $40,000. Denwill acquired the Magambazi property by payment of US$1,800,000, and granted the vendors a 2.0% net smelter return ("NSR") royalty.

East Africa Metals is focused on mineral exploration in the Handeni gold district in eastern Tanzania. The Company's key property is Handeni, located 160 kilometres northwest of Dar es Salaam and 35 kilometres south of the town of Handeni. Additional preliminary exploration is being conducted on peripheral properties to Handeni. Work conducted includes geological mapping, soil sampling, and localized trenching.

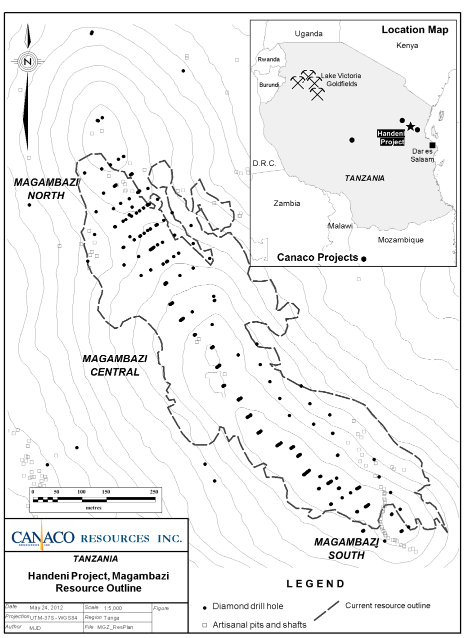
The information below pertaining to the Handeni property references work performed by Canaco before the Plan of Arrangement and the subsequent transfer of the Handeni property to East Africa Metals.

MAGAMBAZI

Magambazi Drill Program

The Handeni gold district consists of numerous gold-bearing zones defined by artisanal workings over a 15-kilometre trend, highlighted by the Magambazi discovery. Figure 1 illustrates the extent and distribution of drilling in the Magambazi area.

Figure 1- Extent of Magambazi Exploration Drilling



The Magambazi, Magambazi Central and Magambazi North prospects form a 1.4-kilometre long trend of gold mineralization defined by soil geochemical anomalies and artisanal mine workings. This trend represents a segment of the total 15 kilometres of gold occurrences and anomalous gold geochemistry known to be contained within the Handeni gold property area.

Prior to the Plan of Arrangement, Canaco on completion of the drill program at Magambazi in February 2012, had drilled a total of 471 diamond drill holes totalling approximately 121,846 metres on the project since the discovery in 2009. No further diamond drilling is planned at this time at Magambazi. Additional RC is recommended for a prospective target horizon immediately west of Magambazi, and east of the MK trend, pending additional on-ground geological review after the rainy season.

MAGAMBAZI INITIAL MINERAL RESOURCE

On May 15, 2012, Canaco published an initial mineral resource estimate for the Magambazi area of its Handeni project in Tanzania. Using a cut-off grade of 0.5 grams per tonne gold, Magambazi is estimated to contain an indicated mineral resource of 15.2 million tonnes grading 1.48 grams per tonne gold and containing 22.4 million grams of gold (721,300 ounces), as well as an inferred mineral resource estimate of 6.7 million tonnes grading 1.36 grams per tonne gold and containing 9.1 million grams of gold (292,400 ounces).

Table 1 below summarizes the classification of mineral resources within the mineral resource block model.

Table 1 – Initial Magambazi Mineral Resource Estimate Summary – May 2012

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

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

Table 2 below presents a summary of the estimated mineral resource for a range of cut-off grades.

Table 2 - Cut-off Grade Sensitivities

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

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

Magambazi Metallurgy

In January 2012 Canaco launched a comprehensive metallurgical test work program at Magambazi in preparation for a PEA. The program was designed to determine the effect of mineralization, lithology and grade variation on metallurgical recovery, grind size and leach residence time, and work-index and abrasion characteristics. Approximately 2,900 samples were analyzed at G&T Metallurgical Services laboratory in Kamloops, BC. Results of this program confirmed potential processing characteristics for Magambazi material and were published, in June 2012, with the mineral resource estimate. The mineral resource estimate report is available on the Company's website at www.eastafricametals.com.

Agreement for Development of Magambazi

In August 2012 Canaco announced it had entered into a memorandum of understanding ("MOU") with an arm's length third party, a Chinese gold producer, to create a joint venture to develop the Magambazi project. Under the terms of the MOU, Canaco's initial contribution to the joint venture would be the Handeni property, including the

Magambazi project, and all rights and obligations within the Handeni property. The value of Canaco's initial contribution would be determined by an independent valuation firm retained by both parties. The Chinese gold company may earn up to a 55% interest in the joint venture by funding 100% of the costs of the ongoing operations of the joint venture until the earn-in is complete. With the transfer of all assets of Canaco, other than certain cash balances, to East Africa Metals, the MOU was terminated on April 2, 2013.

MINING LICENCE

Prior to the Plan of Arrangement, Canaco has received an Environmental Impact Assessment ("EIA") certificate from the Tanzanian government for the entire Handeni property, including the Magambazi project area. This achievement was the culmination of a two-year process involving environmental studies, ministerial reviews and public hearings. The receipt of the EIA certificate was the first step in the mine permitting process and a prerequisite for a Tanzanian mining licence which was received on November 16, 2012. The mining licence is related to the four primary mining licences ("PMLs") that cover 29.6 hectares. The Magambazi project includes a portion of the Handeni property. East Africa Metals will now focus on the continued development of plans to move the project forward, including the submission of an application to expand the mining licence to cover the entire project area.

MAGAMBAZI PRELIMINARY ECONOMIC ANALYSIS - DEFERRED

In August 2011 Canaco announced its intention to initiate a PEA at Magambazi, with completion initially anticipated by the end of June 2012. The PEA was planned to include metallurgical testing, geotechnical assessment, engineering design, preliminary mine planning, preliminary production scheduling and economic assessment of the project. In light of the MOU described above, Canaco made a decision in August 2012 to defer completion of the PEA. In parallel with that deferral, ongoing completion of environmental baseline reports, flow sheet design and site planning were advanced, to continue advancing the permitting process and to provide a basis for completion of the PEA, if required.

SELECTED FINANCIAL INFORMATION

At March 31, 2013, the Company had current assets of $1 and current liabilities of $2,500.

RESULTS OF OPERATIONS

(Information extracted from the Company's unaudited interim financial statements for the three months ended March 31, 2013 and the period from December 7, 2012 to March 31, 2013, expressed in Canadian dollars):

	Three months ended March 31, 2013	Period ended March 31, 2013
Expenses		
Professional fees	$ 2,500	$ 2,500
	2,500	2,500
Loss for 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

LOSS FOR THE PERIOD ENDED MARCH 31, 2013

The loss for period ended March 31, 2013, is $2,500. The item contributing to fiscal 2013 loss is for professional fees of $2,500. There are no comparative balances.

SUMMARY OF QUARTERLY RESULTS – UNAUDITED

Quarter ended	Revenue	Loss(1)	Loss per share, basic
Fiscal 2013			
March 31, 2013	Nil	(2,500)	(2,500)
December 31, 2012	Nil	--	--

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

LOSS FOR THE THREE MONTHS ENDED MARCH 31, 2013

The loss for the three months ended March 31, 2013, ("Q3 2013") of $2,500 relates to professional fees of $2,500. There are no comparative balances.

LIQUIDITY

The Company was 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.

CAPITAL RESOURCES

The information below describes the risks for obtaining capital for exploration companies and apply to East Africa Metals subsequent to the date of the Acquisition and Spinout.

The Company may be impacted by any potential downward trend in market conditions. Trends affecting the Company's liquidity may be dictated by the demands on financial resources created by the advancing nature of the Company's current exploration assets and the pursuit of a growth strategy that targets property acquisition, with the related exploration commitments and the Company's ability to access the financial resources required to meet these demands. As the exploration properties advance through exploration, they typically require more capital-intensive programs that apply pressure to the Company's financial resources. Additional planned exploration programs, future pre-development programs and a pre-feasibility study on the non-producing mineral property interests will result in a decrease to the Company's liquidity.

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

Trends that affect the market generally, and the perception of Canaco 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 will be affected by general trends in the resource equity markets, the Company's performance in creating shareholder value and in demonstrating the ability to manage the Company's affairs and achieve mandated objectives.

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

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

Management of financial risk

The information on the management of financial risk applies to East Africa Metals subsequent to the date of the Acquisition and Spinout. The Company's financial instruments are exposed to two significant financial risks: currency risk and liquidity risk.

Currency 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. Subsequent to the date of the Acquisition and Spinout, the Company is exposed to the financial risk related to the fluctuation of foreign exchange rate. The Company operates in Tanzania and a portion of its expenses are incurred in Euros, Australian dollars, US dollars and Tanzanian shillings. A significant change in the currency exchange rates between the Canadian dollar relative to these currencies could have an effect on the Company's results of operation. The Company has not hedged its exposure to currency fluctuations.

Liquidity risk

As at March 31, 2013, the Company was economically dependent on Canaco, refer to the Introduction and Corporate Developments, Spinout Transaction and Outlook sections for further details. The information below is applicable to the Company subsequent to the date of the Acquisition and Spinout.

Liquidity risk is the risk that the Company will not be able to meets 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. The Company coordinates the planning and budgeting process with its financing activities through the capital management process.

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

CAPITAL EXPENDITURES

During the period ended March 31, 2013, the Company had not incurred any capital expenditures.

TRANSACTIONS WITH RELATED PARTIES

The Company's related parties transactions consist of account receivable due from the shareholder for one common share issued on the incorporation of East Africa Metals. Pursuant to the Plan of Arrangement the share will be cancelled and the accounts receivable balance to be written off.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

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

Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

OTHER MD&A REQUIREMENTS

Additional Disclosure for Venture Issuers without Significant Revenue

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

Outstanding Shares

At May 30, 2013, after accounting for the Acquisition, East Africa Metals has 67,305,842 common shares issued and outstanding.

At May 30, 2013, there were no stock options or share purchase warrants outstanding.

APPROVAL

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