EAST AFRICA METALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED
December 31, 2019

This Management's Discussion and Analysis ("MD&A") provides a review of the performance of the operations of East Africa Metals Inc. (collectively, with its subsidiaries, "East Africa" or the "Company") for the year ended December 31, 2019 ("Fiscal 2019") compared to the year ended December 31, 2018 ("Fiscal 2018"). This MD&A has been prepared in compliance with National Instrument 51-102 F1 - Continuous Disclosure Obligations. This MD&A has been prepared on the basis of available information up to May 29, 2020 and should be read in conjunction with the Company's consolidated financial statements for the year ended December 31, 2019 and the corresponding notes to the financial statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). These documents are available on SEDAR at www.sedar.com. All dollar amounts are expressed in Canadian dollars ("CAD") except where indicated otherwise.

Cautionary Statement Regarding Forward-Looking Information

This Interim MD&A may contain certain forward-looking statements concerning anticipated developments in the Company's operations in future periods, "forward-looking information," within the meaning of applicable Canadian securities legislation. The forward-looking statements are set forth in this Interim MD&A and may include statements regarding exploration results and budgets, mineral resource estimates, work programs, capital expenditures, timelines, strategic plans, market price of commodities or other statements that are not a 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: closing of the Tibet Huayu Transaction; obtaining all required approvals for the Tibet Huayu Transaction; the ability of Tibet Huayu to develop and operate the Adyabo Property within the required laws and agreements; the outcome of the arbitration case with the Developer; if the arbitration case is successful that the Company can occupy the site and advance the project; if the arbitration is successful the Tanzanian Definitive Agreement payments are not refundable; recoverability of the Ethiopian and Tanzanian VAT receivable; early exploration; the ability of the Company to identify any other corporate opportunities; the possibility that the Company may not be able to generate sufficient cash to service its planned operations and may be forced to take other options; contest over title; 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 Property into a mining operation; the risks associated with obtaining necessary licenses or permits including and not limited to Ethiopian Government approval of future EAM Mineral Resources targets for the Company's Ethiopian Properties and 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 Handeni Properties; realization of mineral resource estimates; interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of exploration activities; government regulation; political or economic developments; foreign taxation risks; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in connection with development activities; personnel relations; the speculative nature of strategic metal exploration and development including the risks of contests over title to properties; and changes in project parameters as plans continue to be refined, as well as those risk factors set out in the Company's listing application dated July 8, 2013, and within this Interim MD&A. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred mineral resources as the estimation is uncertain in nature and there has been insufficient exploration to define any inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading inferred mineral resources to an indicated or measured mineral resource category. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the price of precious and base metals; the demand for precious and base metals; 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 license 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.

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 1100, 595 Howe Street, Vancouver, British Columbia, Canada. On July 11, 2013, the Company commenced trading on the TSX Venture Exchange as a Tier 2 mining issuer under the trading symbol "EAM".

DESCRIPTION OF THE BUSINESS

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"). The Company's major mineral property interests consist of one project in Ethiopia, the Harvest Property consisting of the Terakimti Gold Heap Leach Project ("Terakimti HL Project"), and one project in Tanzania, the Handeni and Other Properties. Additionally, the Company has a 30% equity interest in Tigray Resources Incorporate PLC, which has one project in Ethiopia, the Adyabo Property Mato Bula Gold Copper Project ("Mato Bula Project"), Da Tambuk Gold Project ("Da Tambuk Project").. Additional information on the Company's mineral property interests discussed in this Interim MD&A can be found on the Company's website at www.eastafricametals.com.

KEY OPERATING MILESTONES

EXPLORATION UPDATES

- On February 8, 2019, the Company announced the execution of a binding Letter of Intent with Tibet Huayu Mining Co., Ltd. ("Tibet Huayu") for the exploration, development and operation of the Company's Adyabo Project consisting of the Mato Bula Gold Copper Project ("Mato Bula Project"), Da Tambuk Gold Project ("Da Tambuk Project") and the 70% owned Harvest Project consisting of the Terakimti Gold Heap Leach Project ("Terakimti HL Project"), located in the Tigray National Regional State of Northern Ethiopia (the "Tibet Huayu Transaction"). Tibet Huayu is a Chinese mining company with its headquarters in Lhasa, China and is publicly listed on the Shanghai Stock Exchange. In exchange Tibet Huayu was required to make a cash payment of US$1,200,000 for the Adyabo Project and US $500,000 for the Harvest Project.
- On May 21, 2019, the Company announced the receipt of government approval of mining licenses for the Mato Bula and Da Tambuk Projects at the Adyabo Property located in Ethiopia.
- On May 27, 2019, the Company announced a general update on the mining licenses and the Tibet Huayu Transaction. On May 23, 2019, the Company attended the mining license ceremony for the Mato Bula and Da Tambuk Projects. During May 14 to 16, 2019, the Company held meetings with Tibet Huayu to advance the Letter of Intent into final agreements. On completion of these meetings, the Company and Tibet Huayu proceeded with completing the drafting of the definitive agreements and finalizing the terms of the Tibet Huayu transaction.
- On July 2, 2019, the Company announced that it has signed a Share Purchase Agreement and Joint Venture Contract with Silk Road Resources Investment Co., Limited, a wholly owned subsidiary of Tibet Huayu, for the development and operation of the Mato Bula and Da Tambuk Projects. Tibet Huayu has agreed to purchase 70% interest of the Mato Bula and Da Tambuk Projects, in exchange the Company receives a cash payment of US$1,200,000 and retains a 30% Net Profit Interest. Tibet Huayu is required to finance 100% of the capital costs and operate the mine development program and mining operations of the Mato Bula and Da Tambuk Projects.
- On August 14, 2019, the Company announced that it has signed an amendment to the Share Purchase Agreement, the parties have agreed all conditions precedent and obligations required for closing under the Share Purchase Agreement have been met or waived and the parties are proceeding towards formally closing the transaction.
- On August 23, 2019, the Company announced that the transaction with Tibet Huayu has closed and the parties are working to complete the formal registration of the transfer of 70% of the Company's equity interest in its Ethiopian subsidiary pursuant to Ethiopian laws and regulations (the "Share Transfer Registration"). Of the U$1,200,000 payable by Tibet Huayu under the Share Purchase Agreement, the Company has received US$600,000, and the remaining US$600,000 was placed in trust and released to the Company on November 27, 2019. With the transaction closed, Tibet Huayu has the right to initiate the design, construction and related

works at the Mato Bula and Da Tambut Projects in accordance with the joint venture contract entered into by the parties.

- The binding Letter of Intent signed by the Company and Tibet Huayu for the Harvest Project in February 2019 was terminated in August 2019.
- On February 24, 2020, the Company announced the execution of a binding Letter of Intent with Sino Union Energy Investments ("Sino Union") to acquire a majority equity position in EAM's Ethiopian wholly owned subsidiary, Tigray Ethiopia Holdings Inc. ("THEI"). TEHI holds a 70% interest in the Harvest Joint Venture Project with Ezana, located in the Tigray National Regional State of the Federal Democratic Republic of Ethiopia ("Ethiopia"). In exchange Sino Union would be required to make a cash payment of US$500,000 and EAM will retain a 15% Net Profit Interest. Sino Union will finance 70% of the capital costs and operate the mine development program and mining operations of the Terakimti HL Project. Closing of the transaction is subject to but not limited to board, regulatory and government approvals
- For the above exploration updates, mineral resource estimates, related maps and further information on the Harvest Property and the Adyabo Property can be viewed in East Africa's respective news releases and on East Africa's website at www.eastafricametals.com.

CORPORATE UPDATES

- On February 11, 2019, the Company announced its intention to complete an equity financing by way of a private placement of up to $3,000,000 at a price of $0.16 per unit for 18,750,000 units. Each unit consist of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share at an exercise price of $0.30 per share for a period of 24 months following the closing of the private placement. All of the securities issued in connection with this private placement are subject to resale restrictions which expire four months and one day from closing. On February 28, 2019, the Company announced it had closed tranche one of the private placement for proceeds of $2,326,960. On April 12, 2019, the Company announced the closing of the second tranche of the private placement for proceeds of $184,400. On completion of tranche two the Company closed the private placement and issued 15,696,000 units for proceeds of $2,511,360.
- On May 31, 2019, the Company announced the voting results from its annual shareholders meeting and the appointment of Jacqueline Tucker as the Company's Chief Financial Officer. Ms. Tucker replaced Peter Granata who resigned as CFO and Jeffrey Heideman also resigned as VP Exploration of the Company.
- On June 7, 2019, the Company announced the grant of 6,300,000 stock options to certain directors, officers and consultants pursuant to the Company's Stock Option Plan. The options have an exercise price of $0.22 per share and an expiry date of June 7, 2024. The options vested immediately and were subject to the approval of the TSX Venture Exchange.
- On February 24, 2020, the Company announced that Sino Union has agreed to subscribe to a private placement to acquire equity in the Company through a non-brokered private placement financing of 23,076,923 units at a price of $0.13 per unit for gross proceeds of $3,000,000. Each unit will consist of one common share and one common share purchase warrant of the Company. Each warrant will entitle the holder to purchase one common share at an exercise price of $0.35 per share for a period of 24 months following the closing of the private placement. All of the securities issued in connection with this private placement are subject to resale restrictions which expire four months and one day from closing. The financing remains subject to certain conditions, including, but, not limited to, receipt of TSX Venture Exchange approval.
- On April 28, 2020, the Company announced due to circumstances created by COVID-19 pandemic, the filing of its annual financial statements and related management's discussion and analysis together with the related CEO and CFO certificates for the year ended December 31, 2019 and its interim financial statements and related management's discussion and analysis together with the related CEO and CFO certificates for the three month period would not be filed by the scheduled dates of April 29, 2020 and May 30, 2020 respectively. An additional news release was issued on May 28, 2020 providing an updating the status of filing financial reports.
- On May 28, 2020, the Company entered into an agreement with SinoTech (Hong Kong) Corporation Limited ("SinoTech") to provide a loan of $250,000. The loan is unsecured and bears interest at the rate of 12% per annum. The loan is repayable upon the earlier of (a) 15 business days after the Company's closing of any financing or transaction in connection with the development of the Company's Harvest project; or (b) 6 months

from the Company's receipt of the loan proceeds. Any extension of the loan is subject to SinoTech's agreement. The loan is a related party transaction, as SinoTech is a significant shareholder.

For the above corporate updates highlights refer to East Africa's respective news releases or the Company website, www.eastafricametals.com for further details.

OUTLOOK

As of the date of this MD&A, the Company's focus is on advancing the Ethiopian Properties. East Africa has released mineral resource estimates and received mining licenses on each of its advanced staged exploration projects in Ethiopia and Tanzania.

CORPORATE TRANSACTIONS

Development of the Adyabo Property in Ethiopia

In February 2019, the Company entered into a Letter of Intent with Tibet Huayu for the Harvest and Adyabo Properties. The Letter of Intent contemplates Tibet Huayu would develop and operate the Harvest and Adyabo Properties. In July 2019, the parties signed a Share Purchase Agreement and Joint Venture Contract for the development and operation of Adyabo Property's Mato Bula and Da Tambuk Projects. In August 2019, with the Share Purchase Agreement closed, Tibet Huayu has the right to initiate the design, construction and related works at the Mato Bula and Da Tambuk projects. On November 27, 2019, formal registration of the transfer of 70% of the Company's equity interest in its Ethiopian subsidiary to Tibet Huaya was completed.

Exploration of the Adyabo Property in Ethiopia

The Company submitted an application for extension of exploration rights on the remaining prospective targets not included within the boundaries of the Mato Bula and DaTambuk (East Africa Mineral Resources) Mining Licenses, which has been approved pending a resubmission of detailed quotes for IP and LIDAR surveys. On receipt of the the Ministry of Mines and Petroleum ("MoMP") approval of the proposed work program and identification of funding, the Company intends to continue assessment of identified exploration targets through diamond drilling and geophysical surveys, including high priority targets along the highly prospective Mato Bula Trend.

Development of the Harvest Property in Ethiopia

In February 2020, the Company entered into a binding letter of intent ("LOI") with Sino Union Energy Investments ("Sino Union") for the Harvest Property. The LOI contemplates Sino Union would develop and operate the Harvest Property.

Exploration of the Harvest Property in Ethiopia

The Company submitted an application for the exploration rights on the remaining prospective targets not included in the Terakimti HL Project (East Africa Mineral Resources), which has been approved pending a resubmission of detailed quotes for EM and IP surveys from an Ethiopian geophysical contractor and a LIDAR budget. On receipt of the MoMP's approval of the proposed work program and identification of funding, the Company intends to continue assessment of the Lihamat, Mayshehagne, and VTEM09 potential satellite prospects through metallurgical and resource analyses, as potential additional project resource assets.

Properties in Tanzania – Unresolved Legal Action

All approved development and exploration work on the Company's Tanzania assets were suspended during 2019 due to resolution of pending legal action.

Tanzanian Goldfields Company Limited ("TzGF") submitted an application to sue CTL and the Tanzania Commissioner of Mines for specific claims. The claims include

1. Interim injunctions for carrying out or performing any adverse actions against TzGF interest.
2. Order staying the arbitration proceedings in Vancouver, British Columbia.

Hearings are pending but dates unclear due to COVID-19 pandemic.

CURRENT COMPANY OBJECTIVES

Current objectives:

1. Obtain approvals and required documents from stakeholders to close the transaction with Sino Union;

2. Commence a work program on the EAM Mineral Resources targets, subject to further financing, with the goal to increase the mineral resources on the Harvest and Adyabo Properties including upgrading the mineral resource at the Adyabo Property.
3. Assess new potential exploration opportunities in Ethiopia or other jurisdictions;
4. Resolve the legal actions brought against the Company by TzGF and once successful, identify a new development partner for the Tanzanian Assets;
5. Continue to examine opportunities to raise funding including debt finance, equity financing, through strategic alliances, and optioning its mineral properties for equity, cash and/or expenditure commitments.

PROJECT DESCRIPTIONS

The Company's mineral resources[1]:

EAM Project Resources (Au + Aueqv Metal ounces)		
Project	**Category**	**Au + Aueqv ounces**
Adyabo Project	Indicated	**446,000**
	Inferred	**551,000**
Harvest Project	Indicated	**469,000**
	Inferred	**426,000**
Handeni Project	Indicated	**721,000**
	Inferred	**292,000**
**See East Africa Metals Project Resource Table attached for additional detail*		

Ethiopia

Ethiopia is located in northeast Africa, in the region termed the Horn of Africa. The country is landlocked and is comprised topographically of predominantly high plateaus. New mining regulations ("Proclamation(s)") were issued in 1993 with the purpose of promoting the exploration and development of Ethiopia's natural resources. The Proclamations allow for business incentives that include security of tenure, the right to sell minerals, preferential duty and tax provisions on equipment and machinery, a 5-8% production royalty (revised in Proclamation 678/2010), and a 25% income tax rate.

The Company currently has interests in two areas in Ethiopia, the Harvest Property and the Adyabo Property. The current Mineral Resources at the Ethiopian Properties straddle an infrastructure corridor, with the projects being located within 11 and 7 kilometres respectively of a paved highway and a high-tension power corridor.

Where applicable, information within this MD&A which pertains to the Harvest and Adyabo Properties may reference work performed by Tigray Resources Inc. ("Tigray") before the completion of the Tigray Arrangement on May 7, 2014. References to Tigray news releases before May 7, 2014, can be found on East Africa's website at www.eastafricametals.com and information on the Tigray Arrangement can be found in Tigray's management information circular dated March 28, 2014, which can be found on SEDAR at www.sedar.com .

HARVEST PROPERTY – ETHIOPIA

The Company has a 70% interest in Harvest with the remaining 30% held by Ezana, an Ethiopian company. The non-controlling interest is carried at 30% until the completion of the feasibility study. The Company is responsible for all costs until completion of a feasibility study. Subsequent to the feasibility study any approved contributions by the Company for which Ezana elects not to contribute or elects to contribute less than its equity interest, could increase the Company's interest.

The Harvest Property is located 600 kilometres north of Ethiopia's capital city of Addis Ababa. The Harvest Property is located in the highly prospective Asmara Mineral Belt in the southern part of the Arabian Nubian Shield (ANS), host to

[1] Mineral resource data based on 100% ownership of the Projects

the Bisha, Debarwa and Emba Derho volcanogenic massive sulphide deposits. Vein-related gold deposits are also typical of the ANS, including the >13 million ounce Sukari deposit in Egypt, the one million ounce gold discovery at Koka-Zara in central Eritrea and the approximate 140,000 ounce per year gold producer at Lega Dembi in southern Ethiopia.

On December 7, 2017, the Company had received government approval of East Africa's mining license application for the Terakimti HL project. The mining license agreement has been formally approved by the MoMP, the Prime Minister and the Council of Ministers.

Preliminary Economic Assessments

On April 30, 2018, the Company announced receipt from Tetra Tech Canada Inc. ("Tetra Tech") of positive results from Preliminary Economic Assessments ("PEAs") for its three gold projects in Ethiopia. Separate PEAs studies have been received for the Company's Mato Bula, Da Tambuk and the Terakimti HL projects. Each of the projects demonstrates robust economics utilizing industry standard mining and processing technology. The key estimated technical and base case pre-tax and post-tax metrics for each project are presented below:

PARAMETER[3]		PROJECT			
		Units	Mato Bula	Da Tambuk	Terakimti HL[1]
Mine Plan		Tonnes	3,335,000	650,000	1,086,000
Grade	Gold	g/t	3.0	4.9	3.1
	Copper	%	0.26%	N/A	N/A
	Silver	g/t	0.70	2.3	22.9
Metal Recoveries	Gold	%	86.4%	93.0%	65.0%
	Copper	%	87.4%	N/A	N/A
	Silver	%	50.0%	50.0%	30.0%
Recovered Metals	Gold	Ozs	278,000	95,000	71,000
	Copper	Lbs (x000)	13,353	N/A	N/A
	Silver	Ozs	38,300	24,000	229,000
	Au Equiv	Ozs	305,000	95,000	74,000
Capital Cost		US$(x000)	$54,200	$34,030	$17,180
Sustaining Capital		US$(x000)	$5,600	$8,030	$1,720
Operating Cost	Site - C1	US$/tonne	$47.53	$61.85	$34.10
Metal Prices					
Gold Price	US$/oz		$1,325	$1,325	$1,325
Copper Price	US$/lb		$3.00	N/A	N/A
Silver Price	US$/oz		$17.00	$17.00	$17.00
PRE-TAX					
Cash Flow		US$(x000)	$139,710	$31,160	$29,360
NPV @8%		US$(x000)	$83,820	$20,670	$19,470
IRR		%	34.1%	37.8%	37.4%
POST-TAX					
Cash Flow	LOM	US$ (x000)	$97,700	$20,615	$20,890
NPV @8%		US$ (x000)	$56,660	$13,020	$13,180
IRR		%	28.4%	28.6%	30.1%
OTHER METRICS					
Payback		Years	3.0	1.9	2.4
C1 Op Cost		US$/oz Au	$412	$420	$465
AISC		US$/oz Au	$620	$642	$649

Notes:
(1) Metrics are presented for 100% attributable to Terakimti HL operation. Metrics attributable to East Africa would be 70% of values presented above as per Joint Venture agreement terms.
(2) Cash Flows presented are not discounted.
(3) Values may not reconcile to others disclosures within the PEA disclosure due to rounding.

Metal Price Sensitivities - Post Tax

PARAMETER(2)	Units	Base Case	Lowest Case	5 Year Ave	Long Term
Metals Prices					
Gold Price	**US$/oz**	$1,325	$1,200	$1,250	$1,379
Copper Price	**US$/lb**	$3.00	$2.50	$2.75	$3.25
Silver Price	**US$/oz**	$17.00	$17.00	$17.00	$17.00
MATO BULA – Gold, Copper and Silver					
Cash Flow(1)	**US$(x000)**	$97,700	$75,050	$84,325	$107,340
NPV @ 8%	**US$(x000)**	$56,660	$39,460	$46,490	$63,980
IRR	**%**	28.4%	22.5%	25.0%	30.8%
Payback	**Years**	3.0	3.7	3.4	1.8
DA TAMBUK – Gold and Silver					
Cash Flow(1)	**US$(x000)**	$20,615	$12,600	$15,805	$24,080
NPV @ 8%	**US$(x000)**	$13,020	$6,060	$8,840	$16,025
IRR	**%**	28.6%	17.7%	22.1%	33.2%
Pay back	**Years**	1.9	3.2	3.1	1.7
TERAKIMTI HL – Gold and Silver					
Cash Flow(1)	**US$(x000)**	$20,890	$15,130	$17,430	$23,380
NPV @ 8%	**US$(x000)**	$13,180	$8,340	$10,280	$15,275
IRR	**%**	30.1%	21.9%	25.2%	33.7%
Payback	**Years**	2.4	2.8	2.6	2.3

(1) Cash Flows presented are not discounted.

(2) Values may not reconcile to others disclosures within the PEA disclosure due to rounding.

Each of the PEA studies has been completed by Tetra Tech's mining and process engineering team in Vancouver, B.C. The PEAs are based on the mineral resource estimates for Mato Bula, Da Tambuk and Terakimti as previously disclosed by East Africa. The mineral resource estimates were completed by David Thomas P.Geo., Q.P. of Fladgate Exploration Consulting Corporation as follows:

- Adyabo Property Mineral Resource Estimate, David Thomas, P. Geo. (Effective Date: May 31, 2016), East Africa news release June 14, 2016.
- Updated Terakimti Oxide Mineral Resource Estimate at a 0.5 g/t Gold Equivalent Cut-Off, David Thomas, P. Geo. (Effective Date: October 18, 2015), East Africa news release October 27, 2015
- Terakimti Mineral Resource Estimate David Thomas, P. Geo., Effective Date: January 17, 2014, East Africa news release January 27, 2014.

Metallurgical test work for the Mato Bula Gold Copper and Da Tambuk Gold projects has been completed by Blue Coast Research, an independent metallurgical laboratory in Parksville B.C. Canada. Metallurgical test work for the Terakimti was completed by SGS Minerals Services ("SGS") in Johannesburg, South Africa. Additional metallurgical test work for Terakimti was performed by McClelland Laboratories Inc. ("McClelland") in Reno, Nevada. Blue Coast Research, SGS, and McClelland are internationally recognized for their metallurgical testing expertise.

Technical Report and Cautionary Statement NI 43-101:

Each of the PEAs was prepared in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects. Each of the PEA Reports has been filed by the Company on SEDAR.

Readers are cautioned that a PEA is preliminary in nature. These PEAs include Indicated and Inferred mineral resources. Inferred mineral resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA results will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Harvest Property Path Forward

In December 2017, the Company received a mining license for the Terakimti HL project. The Company has submitted an application for the exploration rights on the remaining prospective targets, EAM Mineral Resources, not included in the Terakimti HL project. The mining license has a term of 6 years with the ability for renewal of up to 10 years on the approval of the MoMP and is due to expire in December 2023. The Company has a 70% interest in the Harvest Property in Ethiopia with the remaining 30% interest held by Ezana Mining Development PLC (“Ezana”). Subsequent to December 31, 2019, the Company executed a LOI with Sino Union for the development and operation of the Harvest Property and Terakimti HL Project. The Company continues to advance the LOI with negotiations on the final agreements.

The Company submitted an application for the exploration rights on the remaining prospective targets not included in the Terakimti HL Project (East Africa Mineral Resources), which has been approved pending a resubmission of detailed quotes for EM and IP surveys from an Ethiopian geophysical contractor and a LIDAR budget. .

ADYABO PROPERTY - ETHIOPIA

The Adyabo Property is located approximately 600 kilometres north of Ethiopia's capital city of Addis Ababa and comprised of two exploration licenses, West Shire and Adi Dairo, covering approximately 195 square kilometres. The exploration licenses each had a term of 10 years and Adi Dairo and West Shire licenses expired in 2017 however extensions for the exploration rights outside the mining license area have been submitted. Discussions on the extension of exploration rights have resulted in an agreement for a one-year extension pending the submission and approval of an exploration program. Progress on the formal granting of the extension are currently tabled due to COVID-19 restrictions

The MoMP approved and ratified Mining Licenses for the Mato Bula and Da Tambuk projects in January 2019. The concessions are considered prospective for VMS and orogenic (structurally controlled) gold deposits, and contain numerous alluvial and bedrock gold workings as well as several large gold and gold-copper-arsenic anomalies defined by previous companies' stream-sediment sampling programs.

Further information on the Adyabo Property including past intercept results and related maps can be viewed on the Company’s respective news releases or on the East Africa’s website www.eastafricametals.com.

HANDENI PROPERTIES – TANZANIA

East Africa has projects in the Handeni gold district in eastern Tanzania. One of the Company’s key properties is Handeni, located 173 kilometres northwest of Dar es Salaam and 35 kilometres south of the town of Handeni. The Handeni properties consists of two mining licenses covering 9.9 square kilometres (“Magambazi”) and contiguous mineral tenures totalling approximately 83.5 square kilometres including Prospecting Licenses (“PL”) and Primary Mining Licenses (“PMLs”). One mining license is held by Denwill Mining Services Ltd. (“Denwill”), a structured entity controlled by East Africa, and the Company has an option agreement to acquire a 100% interest upon payment of US$40,000. Denwill acquired the Magambazi PMLs by the payment of US$1,800,000, which the PMLs were later converted to a mining license and granted the vendors a 2.0% NSR royalty. As at the date of this MD&A, the option has not yet been exercised.

Tanzanian Assets Path forward

The Company has initiated the arbitration proceedings with the view to terminate the Tanzanian Definitive Agreements and Addendum from what the Company believes are failures of the Developer to adhere to the terms of the Tanzanian Definitive Agreements and Addendum. In August 2018, the Company received a default notice from the Tanzanian Government relating to certain issues attributed to development and operational actions that are non-compliant with the Tanzanian Mining Act. The Company has submitted a plan to the Tanzanian Government to address the issues identified in the notice and restore compliance to the project. With the on-going legal dispute case in Tanzania, the Tanzanian Government has postponed its assessment of the Company's proposed remediation program until the legal hearing concludes.

The arbitration process is on-going and the Company has commenced discussions with the Tanzanian Government regarding the status of the Magambazi project. The Company, if successful with the arbitration process, plans to advance the Tanzanian Assets to attract interest and identify a development partner or buyer.

SELECTED ANNUAL INFORMATION

(Information extracted from the Company's audited financial statements)

(Expressed in Canadian Dollars)

	2019 $	2018 $	2017 $
Revenues	-	-	-
Net income (loss) attributable to:			
Shareholders	(1,552,578)	(6,413,002)	(9,124,298)
Non-controlling interest	(71,544)	(142,671)	(255,187)
Net income (loss)	(1,624,122)	(6,555,673)	(9,379,485)
Net income (loss) per share - basic and diluted	(0.01)	0.04	0.06
Cash dividends	-	-	-
Total assets	23,587,082	23,308,570	24,432,042
Long term liabilities	-	26,230	52,456
Shareholders' equity			
Share capital	52,344,641	50,382,075	48,894,803
Obligation to issue shares - bonus	184,375	184,375	295,000
Obligation to issue shares - mineral property interests	143,000	-	-
Warrants	833,960	197,473	882,630
Contributed surplus	150,338,270	149,739,954	147,733,060
Accumulated other comprehensive loss	3,783,454	4,761,059	3,311,074
Deficit	(189,964,403)	(188,411,825)	(181,998,823)
	17,663,297	16,853,111	19,117,744
Non-controlling interest	3,534,751	3,857,493	3,570,381
Shareholders' equity	21,198,048	20,710,604	22,688,125

FINANCIAL POSITION

Total assets

The $278,512 increase in total assets from 2018 to 2019 relates to receipt of funds from financing of $2,511,360, cash received on exercise of stock options $99.600 and cash received from sale of Tigray Resources Incorporated PLC ("TRI PLC") shares of US$1,200,000 (CAD$1,593,206) offset from property and equipment amortization ($123,491) and net disposals of $38,346, deconsolidation of TRI PLC's assets on loss of control ($1,215,114), , recognition of the fair value of the retained interest in TRI PLC ($683,073), exploration and head office cash related expenditure of approximately $3,138,733 and foreign exchange of approximately $1,117,000 in unrealized 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 currency 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 December 31 2019 and December 31, 2018, the Company's total liabilities are predominantly comprised of trade payables, accruals, related party payables and loan payable. The decrease in total liabilities of $208,932 as at December 31 2019 compared to December 31, 2018 relates to accrued fees, salaries and trade payables reflected in the December 31, 2018 accounts payable outstanding being paid in 2019, net of additional expenditures incurred in 2019 that are included in the accounts payable outstanding at December 31, 2019 .

Total equity

The increase of equity attributable to shareholders of $810,186 as at December 31, 2019 from December 31, 2018, is related to the financing of $2,511,360, stock options exercises of $99,600 and recognition of obligation to issue 550,000 shares ($143,000) for mineral property interests, which is offset with 2019 currency translation loss of $977,605 attributable to shareholders and 2019 net loss of $1,552,578 attributable to shareholders.

RESULTS OF OPERATIONS

Year ended December 31, 2019 compared with year ended December 31, 2018
(Information extracted from the Company's financial statements)

	Year ended December 31, 2019	2018
Expenses		
Amortization	$ 14,531	$ 51,522
Directors and advisory board fees	85,015	72,876
Exploration and evaluation expenditure	1,172,650	2,714,646
Investor/shareholder communications and filing fees	227,929	595,683
Legal, audit and audit related fees	117,158	330,663
Management consulting fees and expenses	512,196	520,136
Office and administration	217,230	320,071
Rent and occupancy costs	82,418	256,951
Salary and benefits	140,781	304,184
Share-based compensation	608,470	1,115,172
Write-off of mineral property interests	-	127,409
Write-off of property and equipment	38,346	-
Operating loss	(3,216,724)	(6,409,313)
Other income (expenses)		
Bad debts	-	(75,395)
Foreign exchange gain (loss)	44,385	(32,765)
Gain (loss) on sale of Tigray Resources Incorporated PLC	1,589,686	-
Income (loss) on equity accounted investment	(18,659)	-
Interest expense	(42,500)	(38,200)
Interest income	19,690	-
Net loss for year	$ (1,624,122)	$ (6,555,673)
Net loss attributable to:		
Shareholders	$ (1,552,578)	$ (6,413,002)
Non-controlling interest	(71,544)	(142,671)
	$ (1,624,122)	$ (6,555,673)

NET LOSS

The net loss for the year ended December 31, 2019 amounted to $1,624,122 compared to a net loss for the year ended December 31, 2018 of $6,555,673. The activity for the year ended December 31, 2019 includes the following significant other items:

- Gain on sale of 70% equity interest in TRI PLC to Silk Road Resources Investments Co. Limited; and,
- Recording the Company's share of TRI PLC's losses from the date of loss of control.

OPERATING EXPENSES

For the year ended December 31, 2019, total operating expenses were $3,216,724 compared to $6,409,313 recorded during the same period in 2018 representing a decrease of $3,192,589.

Significant factors that contributed to the variances are discussed below:

Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred costs of $1,172,650 for the year ended December 31, 2019 compared to $2,714,646 for the year ended December 31, 2018. The decrease of $1,514,996 in exploration and evaluation expenditure is primarily a result of overall decrease in activity due to the Company's limited cash resources available during the year.

A summary of East Africa's and evaluation expenditure for the year ended December 31, 2019 are as follows:

	Tanzania, Handeni Property	Tanzania, Other Properties	Harvest Project	Adyabo Project	Year ended December 31, 2019
Exploration and evaluation expenditure					
Amortization	$ -	$ 79,091	$ 18,792	$ 11,077	$ 108,960
Camp and administration	-	281,997	169,051	303,110	754,158
Drilling	-	-	3,069	2,408	5,477
Geochemistry	889	-	24,775	24,620	50,284
Geology	-	-	3,298	-	3,298
Other	-	-	11,151	76,888	88,040
Provision for (recovery of) taxes	-	16,748	(12,734)	17,370	21,384
Reclamation	56,758	-	-	-	56,758
Share-based compensation	-	9,814	-	-	9,814
Survey	-	-	606	2,633	3,239
Technical services	-	-	27,362	43,876	71,238
Total for year	$ 57,647	$ 387,650	$ 245,370	$ 481,982	$ 1,172,650

Investor/shareholder communications and filing fees

For the year ended December 31, 2019, the Company recorded investor/shareholder communications and filing fees of $227,929 compared to $595,683 for the year ended December 31, 2018, a decrease of $367,754. The decrease is related to the Company having limited cash resources available to fund these activities. In 2018 approximately $175,000 was expended on the European marketing program to advertise the Company's projects to European investors to increase the trading volume demand of East Africa's shares.

Office and administration

For the year ended December 31, 2019, the Company recorded office and administration expenses of $217,230 compared to $320,071 for the year ended December 31, 2018, a decrease of $102,841. Costs for office and administration include office expenses, travel expenses for corporate head office staff, network services and insurance costs. The overall decrease is predominantly related to reduced travel costs due to limited cash resources available.

Rent and occupancy costs

On March 31, 2019, the Company's lease for premises was terminated. Monthly lease payments including base rent and occupancy costs were approximately $27,000 per month ($324,000 per annum) before estimated rental recoveries from sub leasing. Commencing April 1, 2019, the Company leased premises on a month to month basis (approximately $7,000 per month before rental recoveries of approximately $1,500 per month).

Salaries and benefits

Salaries and benefits decreased by $163,403 from $304,184 for the year ended December 31, 2018 to $140,781 for the year ended December 31, 2019. All salaried employees resigned in the second quarter of 2019.

Share-based compensation

During the year ended December 31, 2019, the Company granted 6,300,000 (2018 – 16,450,000) options to officers, directors and consultants and recorded share-based compensation of $618,284 (2018 − $1,458,113), of which $608,470 (2018 – $1,115,172) was recorded as share-based compensation and $9,814 (2018 – $342,941) was recorded as share-based compensation within exploration expenditures.

CAPITAL EXPENDITURES

During the year ended December 31, 2019, the Company recorded $233,120 (2018 – $91,359) for maintenance payments on its Tanzanian mineral property interests ($90,120) and recognition of obligation to issue 550,000 shares ($143,000) for the Adyabo Property to the previous owner, TIBA Resource Inc. ("TIBA") upon receipt of government approval on a positive feasibility study (May 23, 2019). In 2019, the Company did not receive any further payments related to the Tanzanian Definitive Agreements and Addendum (2018 – $361,281).

SUMMARY OF QUARTERLY RESULTS – UNAUDITED

The following table details the Company's quarterly results:

Quarter Ended	Net revenues	Net income (loss) attributable to shareholders	Net income (loss) attributable to non-controlling interest	Net income (loss)	Income (loss) per share - basic	Income (loss) per share - diluted
	$'s	$'s	$'s	$'s	$'s	$'s
31-Dec-19	-	839,323	(13,443)	825,880	0.01	0.00
30-Sep-19	-	(612,807)	(33,116)	(645,923)	(0.00)	(0.00)
30-Jun-19	-	(1,084,723)	(6,102)	(1,090,825)	(0.01)	(0.01)
31-Mar-19	-	(694,371)	(18,883)	(713,254)	(0.00)	(0.00)
31-Dec-18	-	(941,949)	(28,494)	(970,443)	(0.01)	(0.01)
30-Sep-18	-	(935,665)	(20,616.00)	(956,281)	(0.01)	(0.01)
30-Jun-18	-	(3,137,894)	(39,303.00)	(3,177,197)	(0.02)	(0.02)
31-Mar-18	-	(1,397,494)	(54,258)	(1,451,752)	(0.01)	(0.01)

*Values may not add to reported amount for the years then ended due to rounding

There are no meaningful trends evident from analysis of the summary of quarterly financial information over the last eight quarters.

Factors that can cause significant fluctuations in the Company's quarterly results are set out in the table below.

Quarter Ended	Exploration and evaluation expenditure	Share-based compensation	Write-offs of mineral property interests	Gain (loss) on sale of TRI PLC	Income (loss) on equity accounted investment
	$'s	$'s	$'s	$'s	$'s
31-Dec-19	532,807	-	-	1,589,686	(18,659)
30-Sep-19	291,695	-	-	-	-
30-Jun-19	58,804	608,470	-	-	-
31-Mar-19	289,344	-	-	-	-
31-Dec-18	300,673	-	127,409	-	-
30-Sep-18	431,169	31,601	-	-	-
30-Jun-18	1,376,396	1,073,361	-	-	-
31-Mar-18	606,408	-	-	-	-

LIQUIDITY

As at December 31, 2019, the Company had cash and cash equivalents of $104,229, other current assets of $1,888,626 and current liabilities of $2,389,034, compared to cash and cash equivalents of $60,683, other current assets of $257,343 and current liabilities of $2,571,736 as at December 31, 2018.

As at December 31, 2019, East Africa had a working capital deficit of $396,179 (December 31, 2018 – working capital deficit of $2,253,710). The Company estimates that it does not have available funds, to meet requirements for the coming twelve months based on current estimated expenditures for operations, exploration and development of its mineral property interests and the outcome of the arbitration. Estimated exploration expenditures include but are not limited to, payment of accrued fees for Tanzanian mining licenses, assess resource growth on satellite targets near the Terakimti HL Project and assess resource growth on the Mato Bula trend. These uncertainties cast significant doubt on the ability of the Company to continue as a going concern. As at December 31, 2019, the financial statements 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 sustaining monthly head office administration expenses are $72,000. This minimum cost estimate assumes limited investor relations / shareholder information costs and excludes non-cash costs. Currently, the site and camp expenses (operating subsidiaries) are approximately $25,000 monthly to maintain the normal operations in Ethiopia and Tanzania. The site and camp monthly administration expenses include Ethiopian costs for head office technical services, Ethiopian administrative staff and costs of operating the Ethiopian offices and warehouses and Tanzanian expenses to maintain a corporate presence in Tanzania until the arbitration is finalized.

In 2018, East Africa announced it had commenced an arbitration process to seek a determination that the Developer is in breach of the Tanzanian Definitive Agreements and Addendum and that the appropriate remedy is a declaration that the Tanzanian Definitive Agreements and Addendum be terminated, which may include a claim for any damages. The Company, if successful with the arbitration process, plans to identify a development partner or buyer of the Tanzanian Assets.

In August 2019, the Company and Tibet Huayu closed the Share Purchase Agreement for the development of the Mato Bula and Da Tambuk Projects. The Company received US$600,000 from the closing and the remaining US$600,000 was placed in trust and released to the Company on November 28, 2019.

The ability of the Company to carry out its planned business objectives is dependent on its ability to raise adequate capital funds including and not limited to the sale of non-strategic assets, strategic alliances, debt financing, equity financing and optioning its mineral properties. 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 East Africa will be able to obtain financing in the future or that such financing will be on terms acceptable to East Africa.

CAPITAL RESOURCES

The Company has historically met its exploration and corporate capital requirements predominantly through the completion of equity placements and may be impacted by continued poor North American market conditions for exploration and development resource companies with operations in emerging countries. Trends affecting the Company's liquidity may be dictated by the demands on financial resources created by the advancing nature of East Africa's mineral property 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 projects advance through exploration, they typically require more capital-intensive programs that apply pressure to the Company's financial resources.

The Company does not have any commitments as at December 31, 2019. The Company's lease for office premises was terminated March 31, 2019. East Africa's sustaining costs to maintain its head office and operating subsidiaries is approximately $97,000 per month. The Company has accrued approximately $187,000 (US$144,000) for Tanzanian mining licenses and prospecting licenses ("PL") annual payments. During the year ended December 31, 2019, the Company received net proceeds of $2,479,485 from a non brokered private placement and $99,600 from the exercise of stock options. From the net proceeds from the financing, the Company prepaid approximately $1,800,000[2] for a minimum drill program of approximately 10,000 meters for the Ethiopian properties. Additionally, the Company

[2] The drill program was to commence in Q1-2020 but due to travel restrictions imposed by COVID-19, it has been delayed.

received $1,593,206 (US$1,200,000) from the sale of 70% equity interest in TRI PLC. Based on the aforementioned items, the Company has determined it does not have sufficient funds to meet its 2020 objectives without further funding.

Any additional planned work programs and any future development programs will result in a further decrease to the Company's current liquidity. In obtaining the required capital to pursue East Africa's business plan, capital may be generated from, 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 or some combination thereof. If the Company is successful in the Tanzanian arbitration case, it would look to identify a new development partner on terms that may include a cash payment. 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 East Africa 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 East Africa's performance in creating shareholder value and in demonstrating the ability to manage East Africa's affairs and achieve mandated objectives. Uncertainty is a prevalent element in exploration and development of mineral property 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 discoveries of new resources or commercial mineral deposits. There is also no assurance that if a commercial mineral deposit is discovered that the deposit 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 East Africa's control. Some of these factors are the attributes of the deposit, market conditions, environmental protection, foreign taxation, and government policies and regulation.

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 year ended December 31, 2019, the Company had recorded the following significant related party transactions:

On August 31, 2017, SinoTech (Hong Kong) Corporation Limited ("SinoTech") provided a second short-term unsecured loan to the Company for $600,000 with an interest rate of 12% per annum. During the year ended December 31, 2018, the Company repaid $324,000 of the principal and interest. As at December 31, 2019 $377,900 (2018- $335,400) is payable and continues to accrued interest.

During 2019, the Company repaid loans and interest of $77,500 to officers and employees of the Company. Of the loan proceeds, $49,000 was received in 2018 and $27,000 received in 2019.

For the year ended December 31, 2019, the Company recorded fees of $1,057,650 (2018 – $1,776,044) to directors and senior key management for directors fees, management consulting fees, salaries and benefits, services and related expenses and share-based compensation. At December 31, 2019, the Company owed $408,424 (December 31, 2018 - $653,119) to key management personnel.

CHANGE IN ACCOUNTING POLICIES INCLUDING INITIAL ADOPTION

The Company has adopted the following new and revised standard, along with any consequential amendments, effective January 1, 2019. These changes were made in accordance with the applicable transitional provisions.

IFRS 16 - Leases

IFRS 16 addresses accounting for leases and lease obligations. It replaces the existing leasing guidance in IAS 17, Leases. The objective of the new standard is to report all leases on the statement of financial position and to define how leases and lease liabilities are measured. IFRS 16 is effective January 1, 2019 with early adoption permitted for companies that also apply IFRS 15. Effective January 1, 2019, the Company adopted IFRS 16. The Company currently is not party to any lease agreement so there was no impact on the transition.

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 East Africa's 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 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 an additional 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 East Africa predominately 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 $104,229 and working capital deficit of $396,179 as at December 31, 2019. 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 taxes recoverable and accounts receivables. The carrying amount of cash and cash equivalents, tax receivables and other accounts receivable represents the Company's maximum exposure to credit risk.

As at December 31, 2019, $565,532 was due to the Company's foreign subsidiaries in Tanzania and Ethiopia from the foreign governments for Value Added Tax ("VAT"). East Africa is due refunds of certain taxes based on consumption, of which the timing of realization is uncertain. If these recoverable taxes are not collected, it could reduce the carrying value of these assets. Management has judged to raise a provision for 100% of the taxes recoverable given limited methods available to recover these taxes and the length of time it takes to recover these taxes. The Company continues to pursue approval of VAT refund claims from the various foreign governments. As a result, the outstanding taxes recoverable receivable could be exposed to the credit risk associated with the outstanding amounts.

Exploration and Commercial Viability Risk

The Company has no production of minerals and some of its properties are currently at the pre-development and exploration stage. 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 EAM Mineral Resources targets applications; the ability to extend current EAM Mineral Resources targets within the available legislation; 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.

Development Stage Projects

Profits from commercial operations will depend on a significant number of factors, including economic feasibility, changing market conditions, environmental and government regulations, labour availability, the cost of and the ability to attract external financial capital, and the ability to attract partners with sufficient technical expertise and relevant industry experience to further develop the various projects. Any failure to meet one or a combination of these factors may result in project delays or potential cancellation of the projects permits and the Company's future operating results may be adversely affected.

Licensing Matters

The Company's operations are subject to receiving and maintaining permits and licenses from appropriate governmental authorities. Title insurance is generally not available for permits and licenses and the Company's ability to ensure that it has obtained a secure claim to individual mineral properties or mining concessions may be severely constrained. East Africa's mineral properties may be subject to prior unregistered agreements, transfers or claims, and title may be affected by, among other things, undetected defects. The Company has not conducted surveys of all of the mineral rights in which it holds direct or indirect interest

Although, the Company currently has the required mining licenses for its Terakimti HL, Da Tambuk and Mato Bula Projects, there is no assurance that delays will not occur in connection with obtaining all necessary renewals for future existing applications or additional permits or licenses for all future operations. There can be no assurance that East Africa will continue to hold all permits and licenses necessary to develop or continue operating at any particular property, or that any such licenses or permits awarded will not be cancelled pursuant to applicable current or future legislation. The rights of East Africa's in the Terakimti HL, Mato Bula and Da Tambuk Projects are held through the mining agreements and mining licenses that sets out a tax regime and development and production framework. There can be no assurance that the Company will continue to be in compliance with all terms and conditions of the mining agreements and mining licenses or assurance that any dispute resolution process will decide in the Company's favour.

The Tanzanian Assets are held with two (2) mining licenses for the Magambazi project and associated PLs for the exploration assets. With the current default notice suspended for the Magambazi project until the legal dispute is resolved, East Africa has accrued its mining license and PL annual payments. There can be no assurance that the Company will continue to be in compliance with all terms and conditions of the mining licenses or PLs or assurance that any dispute resolution process will decide in the Company's favour.

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 East Africa'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. There is no assurance that the Company's mineral exploration activities will result in any discoveries of new bodies of commercial deposits as a result of changes in Foreign Country or Political Policy risks.

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 East Africa 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.

Arbitration Proceedings

In 2018 the Company began a binding arbitration process against the Developer with respect to certain disputes that East Africa has with the Developer relating to the Company's Tanzanian properties. The cost of the arbitration process maybe substantial and there is no assurance that the Company will be successful in establishing the Developer's liability or, if successful, will collect any award by the arbitration tribunal for compensation from the Developer. Failure to prevail in the arbitration process and obtain adequate compensation could materially adversely affect the Company. Certain legal liabilities may result from legal matters arising in Tanzania or from the arbitration. The final outcome of the arbitration and any Tanzanian legal matters cannot be predicted with certainty.

Key Management individuals

The Company's success depends, to a certain degree, upon key members of the management. These individuals are a significant factor in the Company's growth and success and East Africa does not have key man insurance in place in respect of any of its directors, management or employees. The loss of the service of members of the management and certain key employees could have a material adverse effect on the Company.

Information Technology Threats

Information systems and other technologies, including those related to the Company's financial and operational management, are an integral part of the Company's business activities. Network and information systems-related events, such as computer hackings, cyber-attacks, computer viruses, worms or other destructive or disruptive software, process breakdowns, denial of service attacks, power outages, natural disasters, terrorist attacks or any combination of the foregoing, could result in damage to the Company's property, equipment and data. These events also could result in significant expenditures to repair or replace the damaged property or information systems and/or to protect them from similar events in the future. Further, any security breaches, such as misappropriation, misuse, leakage, falsification or accidental release or loss of information maintained in the Company's information technology systems, including personnel and other data, could damage its reputation and require the Company to expend significant capital and other resources to remedy any such security breach. The Company does not have insurance coverage against losses resulting from any such events or security breaches and the occurrence of any such events or security breaches could have a material adverse effect on the business of the Company.

COVID-19

In late 2019, a virus which causes coronavirus disease 2019 (COVID-19) was identified in Wuhan, Hubei, China. The virus subsequently spread throughout most of the world and in March 2020, COVID-19 was recognized as a pandemic by the World Health Organization. COVID-19 has had a significant impact on businesses through the restrictions put in place by Canadian and foreign governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. We anticipate this outbreak may increase difficulties in financing and increased government regulations, all of which may negatively impact the Company's business and financial condition

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

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

OUTSTANDING SHARE DATA

As at December 31, 2019 and the date of this report, the Company has 180,537,091 common shares issued and outstanding.

As at December 31, 2019 and the date of this report, the Company has 15,803,695 warrants issued and outstanding.

As at December 31, 2019 the date of this report, the Company has 31,524,500 stock options outstanding and exercisable..