EAST AFRICA METALS INC.

MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE TWELVE MONTH PERIOD ENDED December 31, 2022

This interim MD&A - Quarterly Highlights ("Interim MD&A") provides a review of the business activities of East Africa Metals Inc. (collectively, with its subsidiaries, "East Africa" or the "Company") for the twelve month period ended December 31, 2022 ("Q4 2022"), compared to the twelve month period ended December 31, 2021 ("Q4 2021"). This Interim MD&A has been prepared in compliance with section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This Interim MD&A has been prepared on the basis of available information up to February 21, 2023, and should be read in conjunction with the Company's unaudited condensed interim financial statements ("Interim Financial Statements") for the twelve month period ended December 31, 2022, the audited consolidated financial statements ("Annual December 31Financial Statements") for the year ended December 31, 2021, the corresponding notes to the Annual Financial Statements which have been prepared in accordance with International Financial Reporting Standards ("IFRS") and Management's Discussion and Analysis for the year ended December 31, 2021 ("Annual MD&A"). These documents are available on SEDAR at www.sedar.com. All dollar amounts are expressed in Canadian dollars except where indicated otherwise.

Cautionary Statement Regarding Forward-Looking Information

This 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 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: 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 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 1700, 777 Dunsmuir 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 which hosts the Terakimti Gold Heap Leach Mine ("Terakimti") 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 two projects in Ethiopia on the Adyabo Property - Mato Bula Gold Copper Mine ("Mato Bula") and the Da Tambuk Gold Mine ("Da Tambuk").

OUTLOOK

As of the date of this MD&A, the Company's focus is on advancing the Ethiopian Properties and closing the sale of Canaco Tanzania Limited ("CTL") to PMM Mining Company Limited ("PMM"). East Africa has released mineral resource estimates and received mining licenses on each of its advanced staged exploration projects in Ethiopia and Tanzania.

In 2021 East Africa achieved an important milestone in its growth when production was initiated at the Magambazi mine. The production reported to EAM from PMM in 2021 resulted from the processing of gold tailings accumulated during the illegal artisanal operations between 2007 and 2016. The expansion of the Company's business plan to include production and gold sales has required the Company to transform from an exploration company to a gold trading company in Tanzania. EAM now owns an 80% interest in EMP Umoja Tanzania Plc, a gold trading company that will be the flagship of the Company's Tanzanian operations going forward.

The Company anticipates the continued growth in production from Magambazi in 2022 as the operations shift focus from processing tailings to hard-rock mining of the 1.0M ounce resource at Magambazi.

All of the Company's operations in Ethiopia were suspended during 2021 due to COVID travel restrictions and the regional conflict that resulted in the suspension of all commercial enterprise in the Tigray region.

The Company declared Force Majeure rights on all mining and exploration extension licenses in Ethiopia in response to both COVID travel restrictions (March 2020) and the regional conflict (November 2020). The declaration of Force Majeure suspends any and all obligations in mining and exploration license agreements and protects the Company's assets.

Recent developments and the initiation of peace talks have encouraged management to believe the region will re-open for commercial operations in the short to medium term. The Company's primary objective in Ethiopia during 2022 is to maintain readiness and be prepared to engage the mine development and exploration agendas immediately upon receiving confirmation the Ethiopian Ministry of Mines has declared the Tigray region secure for renewed commercial operations.

EAM's partners in the development of the Mato Bula and Da Tambuk mines, Tibet Huayu Mining, have confirmed EMPC studies are complete and preparations to initiate mine development at Mato Bula and Da Tambuk remain in place. Advancing discussions with Zijin under the LOI for the acquisition of the Harvest project, signed with EAM in 2021, have been suspended under force majeure and will be re-engaged once the Ethiopian government declares the region secure for commercial operations. Going forward, EAM's management will continue to advance the development of mining operations and exploration on priority targets in Ethiopia. EAM will also continue to develop its gold trading business with a view to expanding cash flow as commercial mining operations come on-line.

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 contemplated 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 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 submission of the final EISA documents. On receipt of 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 - Harvest Transaction

On July 22, 2021, the Company entered into a non-binding letter of intent ("LOI") with Zijin Mining Group Company. Ltd. ("Zijin") to acquire a majority ownership stake in the Harvest Project ("Harvest Transaction") currently held by EAM's wholly owned subsidiary, Tigray Ethiopia Holdings Inc. ("TEHI"). TEHI holds a 70% interest in Harvest Mining PLC with Ezana Mining Development PLC ("Ezana") owning 30%. Harvest Mining PLC owns 100% of the Harvest Project, which is located in the Tigray National Regional State of the Federal Democratic Republic of Ethiopia ("Ethiopia").

Due to the inability to conclude the transaction due to force majeure conditions imposed by regional conflict in Tigray, the term of the LOI has expired. In recent discussions EAM and Zijin have agreed to re-engage discussions once the Ethiopia government confirms the region open for commercial operations. Recently the Ethiopia and Tigray regional government have agreed to initiate peace negotiations and form joint sub-committee to develop recommendation for a return to normal operations.

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 were approved as exploration extention right in January 2020. In September 2021, EAM management was advised by the Ministry certain exploration rights in Ethiopia granted to EAM subsidiaries in January 2020, had been granted to a third-party. This action by the Ministry has occurred despite these exploration rights being legally held by EAM and protected by declarations of Force Majeure.

EAM has been able to confirm through Ministry records that this reported action by the Ministry does not impact any of the existing Mining Licenses nor does it affect exploration rights to any priority exploration targets in which EAM has an interest.

The license EL00057, purportedly granted to a third-party, includes property interests that are the subject of a valid Exploration License Period Extension Agreements (the "**Exploration Rights**") granted by the Ministry to Ethiopian subsidiaries of East Africa Metals Inc. ("**EAM**") on January 28, 2020. On May 27, 2021, the Ministry wrongly purported to terminate the License in breach of EAM's legal rights. EAM strongly disputes the validity of the Ministry's purported termination of the Exploration Rights and subsequent grant to a third-party.

The Company has formally filed Legal Notice in compliance with the Company's rights under the Ethiopian Mining Laws and will continue to demand the Ministry cancel any exploration license(s) granted to third-parties in the areas previously granted to EAM subsidiaries and affected by force majeure events and reinstate them to EAM.

Properties in Tanzania –Legal Action

All approved development and exploration work on the Company's Tanzania assets had been suspended during 2019 due to resolution of pending legal action. On September 22, 2020, a Settlements Deed was presented to the Court in Tanga and the judges for the TzGF appeal and the original legal action against CTL and the Commissioner of Mines. The Court ruled the Settlement Deed was valid and acceptable in both cases. All legal action in Tanzania against CTL has now been withdrawn.

In accordance with the Tanzanian Definitive Agreements and the Addendum, the binding arbitration is being decided by a single arbitrator in Vancouver, British Columbia pursuant to the rules of the British Columbia International Commercial Arbitration Centre. The Company has initiated the arbitration proceedings based on what it believes to be failures of the Developer to adhere to the terms of the Tanzanian Definitive Agreements and Addendum and the

Company may submit a claim for damages. The arbitration proceeding in Vancouver, British Columbia has yet to be settled and the Company believes based on the Settlement Deed sanctioned by the Tanzanian Courts on September 22, 2020, the ruling from the British Columbia International Arbitration Centre will be in favour of East Africa

With the successful completion of the tailings processing in the third quarter of 2021, future development of mining operations are focused on hard-rock mining operations.

Planning of the hard rock mining operations will focus on ore extraction from two open pit resources, the "North and "South" pits. These pits will be established on areas of the deposit representing approximately 15 percent of the recently upgraded one-million ounce Measured and Indicated resource (see October 19, 2021, press release).

A second phase of the mining operations will be conducted from underground where the resource within the Magambazi ridge will be accessed from the valley floor, 200m below the surface operations, to take full advantage of gravity in the mining process.

The expansion to the hard-rock mining operations. will require upgrading of the of the crushing and grinding circuit continue to be developed. The current plans anticipate a staged upgrades to the flow-sheet and processing plant will initially expand the capacity of the existing circuit to 1,000 tonnes per day and ultimately to a capacity capable of supporting a 40,000 ounce production rate per year within forty-eight months of commissioning of the hard-rock mining operations.

East Africa Metals has completed the formation of its Tanzanian gold trading company, "EMG Royalty Plc.", in order to facilitate the acquisition of the Company's share of gold production from the Magambazi mine. Under the terms of the sale purchase agreement with PMM, EAM holds the rights to acquire 30% of the gold produced from the mining operations for a payment equal to the per ounce cash costs of mining and processing plus 15%.

CURRENT COMPANY OBJECTIVES

Current objectives:

1. Activate EAM’s wholly owned gold-trading company EMG Pamoja Royalty Limited and initiate gold trading in Tanzania from the 30% streaming royalty;
2. Commence a work program on the EAM Mineral Resource targets, subject to further financing[1], 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 Africa or other jurisdictions; and,
4. **Continue** to examine opportunities to raise funds including debt finance, equity financing, through strategic alliances and optioning its mineral properties for equity, cash and/or expenditure commitments.

[1] In 2019, the Company prepaid approximately US$1,280,000 for a minimum drill program of approximately 10,000 meters for the Ethiopian properties. As at December 31, 2022, the prepaid amount is approximately US$956,141, as rig rental fees and mobilization costs charged by the contractor in 2019, 2020 and 2021 totalling US$323,859 have been applied against the initial deposit on the drill program. Refer to subsequent event disclosure in Liquidity and Capital Resources section.

PROJECT DESCRIPTIONS

The current Global Project Resources discovered by EAM include:

Project Resources (Au + Au^{eqv} Metal ounces)		
Project	**Category**	**Au +Au^{eqv}ounces**
Adyabo Project, Ethiopia *(EAM 30% Net Profit Interest)*	Indicated	**446,000**
	Inferred	**551,000**
Harvest Project, Ethiopia *(EAM = 70% Project Interest)*	Indicated	**469,000**
	Inferred	**426,000**
Handeni Project, Tanzania *(EAM = 30% Streaming Royalty Interest)*	Measured & Indicated	**975,859**
	Inferred	**1,792**

REFERENCES

Tetra Tech (April 30,2018). *National Instrument 43-101 Technical Report and Preliminary Economic Assessment for the Mato Bula Deposit, Adyabo Property, Tigray National Regional State, Ethiopia*

Tetra Tech (April 30,2018). *National Instrument 43-101 Technical Report and Preliminary Economic Assessment for the Da Tambuk Project, Adyabo Property, Tigray National Regional State, Ethiopia*

Tetra Tech (April 30,2018). *National Instrument 43-101 Technical Report and Preliminary Economic Assessment for the Terakimti Oxide Deposit, Harvest Project, Tigray National Regional State, Ethiopia*

Aurum Exploration Services (February 14, 2014). *NI43-101 Technical Report on a Mineral Resource Estimate at the Terakimti Prospect, Harvest Property (centred at 38°21'E, 14°19'N), Tigray National Region, Ethiopia*

Aurum Exploration Services (February 14, 2014). *Mineral Resource Estimate and Update to a NI43-101 Technical Report for the Handeni Property centered at 37.97°E, 5.744°S, Tanga Province, Handeni District, Tanzania*

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 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 exploration costs on the project until government approval of a Mining License is received. Subsequent to the receipt of a mining license 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 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

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").

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) in January 2017. The application for the extension of exploration rights was granted on January 26, 2020.

Development exploration operations on the Harvest property were suspended in February 2020 due to COVID travel restrictions. Additional travel restrictions were imposed in November 2020 in reaction to conflict between Federal government forces and those of the regional government of Tigray. The Company filed a notice of force majeure with the government to suspend any obligations the Company has under the terms of the mining licenses and the government approved exploration programs until the travel restrictions are lifted.

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 has approved and ratified two Mining Licenses for the Adyabo property; the Mato Bula and Da Tambuk mines. 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.

The Company submitted an application for the exploration rights on the remaining prospective targets not included in the Mato Bula and Da Tambuk (East Africa Mineral Resources), which has been approved.

Development exploration operations on the Adyabo property were suspended in February 2020 due to COVID travel restrictions. Additionally travel restrictions were imposed in November 2020 in reaction to conflict between Federal government forces and those of the regional government of Tigray. A notice of force majeure was filed by Tigray Resources Incorporated PLC with the government to suspend any obligations they have under the terms of the mining licenses and the government approved exploration 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. The Company has signed an agreement with an arm's length Tanzanian private company, PMM Mining Company Limited to develop the Magambazi Mine in Tanzania.

Development operations on the Handeni property have continued to move forward and the Company has announced that re-processing of the tailings generated by illegal mining operations between 2007 and 2016 (see press release April 9, 2021). Future activities on site are focused on the preparation of the site and processing facilities for the second phase of mining operations; open-pit hard rock-mining.

Board Changes

Dr. Jingbin Wang, Mr. Andrew Lee Smith, Dr. Antony Harwood, Mr. Sean Waller, Mr. David Parsons and Mr. Zhen Liao (New Appointee) were elected as directors at the Company's Annual Meeting of Shareholders held on December 16, 2022. Dr. Zhijun He did not stand for re-election.

FINANCIAL POSITION

Total assets

The decrease in total assets to $24,262,962 at December 31, 2022 from $24,717,292 at December 31, 2021 relates to the decrease in cash and cash equivalents. Cash and cash equivalents balance in CTL at December 31, 2022 of $18,318 (December 31, 2021 – cash and cash equivalents of $222,280) is included in total of assets held for sale of $3,951,837 (December 31, 2021 - $3,952,690).

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; such as, mineral property interest and property and equipment. All direct costs associated with exploration of these properties are expensed as incurred.

Total liabilities

At December 31, 2022, the Company's total liabilities are predominantly comprised of trade payables, accruals, related party payables, deposit on sale of Canaco Tanzania Limited and loans payable. Total liabilities increase to $4,860,497 at December 30, 2022 from $4,707,856 at December 31, 2021. The increase relates to trade payables and accrued interest on the demand loan together with the significant increase in the period end foreign exchange rate at December 31, 2022 from the period end foreign exchange rate at December 31, 2021.

Total equity

Equity attributable to shareholders at December 31, 2022, is $15,682,500 compared to $16,633,491 at December 31, 2021 representing a decrease of $950,991. The decrease is primarily due to the loss attributable to shareholders incurred of $1,910,924 for the twelve month period ended December 31, 2022, offset by the currency translation gain recorded of $959,933.

RESULTS OF OPERATIONS

Twelve month period ended December 31, 2022, compared with twelve month period ended December 31, 2021
(Information extracted from the Company's condensed interim consolidated financial statements)

(Expressed in Canadian Dollars)

	Twelve month period ended December 31, 2022	2021
Expenses		
Directors and advisory board fees	$ 69,000	$ 69,000
Exploration and evaluation expenditure	563,985	741,115
Investor/shareholder communications and filing fees	296,169	542,132
Legal, audit and audit related fees	26,483	89,118
Management consulting fees and expenses	636,902	566,589
Office and administration	301,096	246,771
Rent and occupancy costs	1,260	1,065
Salary and benefits	-	11,034
Share-based compensation	-	769,991
Operating loss	(1,894,895)	(3,036,815)
Other income (expenses)		
Foreign exchange gain (loss)	66,089	(18,117)
Income (loss) on equity accounted investment	(38,934)	(45,285)
Interest expense	(60,824)	(59,186)
Net loss for period	$ (1,928,564)	$ (3,159,403)
Net loss attributable to:		
Shareholders	$ (1,910,924)	$ (3,132,482)
Non-controlling interest	(17,640)	(26,921)
	$ (1,928,564)	$ (3,159,403)
Loss per share, basic and fully diluted	$ (0.01)	$ (0.02)
Weighted average number of common shares - basic and fully diluted	204,280,236	201,309,479

NET LOSS

The net loss for the twelve month period ended December 31, 2022, amounted to $1,928,564 compared to a net loss for the twelve month period ended December 31, 2021 of $3,159,403. Included in the current period results are foreign exchange gain of $66,089, loss on equity accounted investment of $38,934 and interest expense on loan amounts of $60,824.

OPERATING EXPENSES

For the twelve month period ended December 31, 2022, total operating expenses were $1,894,895 compared to $3,036,815 recorded during the same period in 2021 representing a decrease of $1,141,920.

Significant factors that contributed to the variances are discussed below:

Exploration and evaluation expenditure

Exploration and evaluation expenditure were $563,985 for the twelve month period ended December 31, 2022, compared to $741,115 for the twelve month period ended December 31, 2021. The significant expenditures in Tanzania for the current period were professional fees relating to compliance matters that are required to be addressed to obtain a tax clearance certificate from the Tanzanian Revenue Authority ("TRA") and resolution of other various other issues to complete the sale of CTL to PMM and a provision of $51,556 for the recovery of VAT. Although exploration activities in Ethiopia have been inactive due to the political unrest in the Tigray Region, EAM has ongoing fixed costs. Prior period expenditures were higher due to professionals fees incurred to resolve matters with the TRA to proceed with closing of the sale of CTL to PMM.

A summary of East Africa's exploration and evaluation expenditure for the twelve month period ended December 31, 2022 are as follows:

	Tanzania, Handeni Property	Tanzania, Other Properties	Harvest Project	Adyabo Project	Period ended December 31, 2022
Exploration and evaluation expenditure					
Amortization	$ -	$ 155,136	$ -	$ -	$ 155,136
Camp and administration	-	274,855	57,879	-	332,734
Environmental and Social Impact Assessment ("ESIA")	-	-	-	6,615	6,615
Geochemistry	515	-	-	-	515
Provision for (recovery of) taxes	-	51,556	-	-	51,556
Techncial services	-	-	-	17,429	17,429
Total for twelve month period	$ 515	$ 481,547	$ 57,879	$ 24,044	$ 563,985

Investor/shareholder communications and filing fees

For the twelve month period ended December 31, 2022, the Company recorded investor/shareholder communications and filing fees of $296,169 compared to $542,132 for the twelve month period ended December 31, 2021, a decrease of $245,963. The decrease is related to the Company engaging in a new marketing program in the last quarter of 2020 for a one-year term.

Management and consulting fees

Management and consulting fees increased to $636,902 in the current period from $566,589 from the prior comparative period. In both years included in this account are fees for the services provided by the CEO, CFO and corporate secretary plus expenses for each of the respective parties. During 2022, the Company's CEO has resumed travel to Africa, which is the reason this expense line item has increased in the current period. No travel was undertaken in the prior comparative period due to COVID 19 restrictions.

Office and administration

For the Twelve month period ended December 31, 2022, the Company recorded office and administration expenses of $301,096 compared to $246,771 for the twelve month period ended December 31, 2021, an increase of $54,325. Costs for office and administration include office expenses, network services and insurance costs. Higher insurance premiums and the migration project transferring data from physical server to the cloud are the reason this expense line item has increased in the current period.

Share-based compensation

In the prior comparative period, options entitling the holders to acquire 3,400,000 common shares at $0.30 for a period of five years were granted to directors, officers, employees and consultants and share-based compensation of $769,991 was recorded.

RESULTS OF OPERATIONS

Three month period December 31, 2022, compared with three month period December 31, 2021
(Information extracted from the Company's condensed interim consolidated financial statements)

(Expressed in Canadian Dollars)

	Three month period ended December 31, 2022	2021
Expenses		
Directors and advisory board fees	$ 17,250	$ 17,250
Exploration and evaluation expenditure	121,558	22,463
Investor/shareholder communications and filing fees	43,281	294,158
Legal, audit and audit related fees	4,554	74,286
Management consulting fees and expenses	137,760	128,454
Office and administration	55,898	74,515
Rent and occupancy costs	308	284
Salary and benefits	-	-
Share-based compensation	-	-
Operating loss	(380,609)	(611,410)
Other income (expenses)		
Foreign exchange gain (loss)	(20,689)	(5,125)
Income (loss) on equity accounted investment	(10,145)	(14,960)
Interest expense	(16,022)	(14,218)
Net loss for period	$ (427,465)	$ (645,713)
Net loss attributable to:		
Shareholders	$ (423,043)	$ (731,689)
Non-controlling interest	(4,422)	85,976
	$ (427,465)	$ (645,713)
Loss per share, basic and fully diluted	$ (0.00)	$ (0.00)
Weighted average number of common shares - basic and fully diluted	204,280,236	203,997,627

NET LOSS

The net loss for the three month period ended December 31, 2022, amounted to $427,465 compared to a net loss for the three month period ended December 31, 2021, of $645,713. Included in the current period results are a foreign exchange loss of $20,689, loss on equity accounted investment of $10,145 and interest expense on loan amounts of $16,022. The fluctuations in line item amounts are due to the same factors discussed in the above noted year-to-date analysis.

CAPITAL EXPENDITURES

During the twelve month period ended December 31, 2022, there were no capital expenditures.

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-22	-	(423,043)	(4,422)	(427,465)	(0.00)	(0.00)
30-Sep-22	-	(242,220)	(4,308)	(246,528)	(0.00)	(0.00)
30-Jun-22	-	(603,051)	(4,297)	(607,348)	(0.00)	(0.00)
31-Mar-22	-	(642,613)	(4,613)	(647,226)	(0.00)	(0.00)
31-Dec-21	-	1,696,308	210,033	1,906,341	(0.02)	(0.01)
30-Sep-21	-	(536,815)	(1,480)	(538,295)	(0.00)	(0.00)
30-Jun-21	-	(638,999)	(102,675)	(741,674)	(0.00)	(0.00)
31-Mar-21	-	(1,123,545)	(110,175)	(1,233,720)	(0.01)	(0.01)

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	Income (loss) on equity accounted investment
	$'s	$'s	$'s
31-Dec-22	121,558	-	(10,145)
30-Sep-22	112,165	-	(8,836)
30-Jun-22	190,170	-	(11,829)
31-Mar-22	140,155	-	(8,125)
31-Dec-21	(22,463)	-	(14,960)
30-Sep-21	(82,947)	(130,784)	(7,381)
30-Jun-21	(429,876)	-	(10,175)
31-Mar-21	(205,828)	(639,207)	(12,769)

LIQUIDITY AND GOING CONCERN

As at December 31, 2022, the Company had cash and cash equivalents of $710,478, other current assets of $5,330,000 and current liabilities of $4,860,497, compared to cash and cash equivalents of $2,234,600, other current assets of $5,357,027 and current liabilities of $4,707,856 as at December 31, 2021. At December 31, 2020, the Company reclassified all of its assets in Tanzania as assets held for sale due to the agreement it entered into on October 22, 2020 with PMM to acquire its wholly owned subsidiary company, CTL (December 31, 2022 - $3,951,837 (December 31, 2021 - $3,952,690)). In January 2023, the Company was charged US$456,141 by Kluane Drilling Ltd. for lost drilling equipment and supplies inventory that were being stored in the Company's warehouse facilities located in the Tigray Region that were vandalized during the conflict between the Federal government forces and those of the regional government in Tigray. This amount was offset against the drilling deposit (December 31, 2022 - US$956,141 (CA$1,299,959) and the remaining balance of US$500,000 was refunded to the Company. The US$500,000 was advanced to Tigray Resources Incorporated PLC to support planned future exploration expenditures.

As of December 31, 2022, East Africa had a working capital of $1,178,981 (December 31, 2021 –$2,883,771). The Company estimates that it does not have available funds to meet requirements for the next twelve months based on current estimated expenditures for operations, exploration and development of its mineral property interests. Estimated exploration expenditures include but are not limited to, assess resource growth on satellite targets near the Terakimti HL Project and 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, 2022, 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 $114,000. This cost estimate assumes an active investor relations / shareholder information program but 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 completion of the purchase by PMM Mining Company Limited of 100% of Canaco Tanzania Limited. Government approval, signing of the documents and the issuance of a governmental decree binding both companies to the government approved terms for the sale of CTL and development of the project have been received. Upon receipt of the tax clearance certificate from the Tanzanian Revenue Authority, the shares of CTL will be transferred from East Africa to PMM. During the twelve month period ended December 31, 2021, the Company received US$1,900,000 (CAD $2,431,291) of the sale proceeds and US$100,000 was withheld by PMM and remitted to the Tanzanian Revenue Authority, which have been recorded in the consolidated financial statements as a deposit on sale of CTL.

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. On September 22, 2020, a Settlements Deed was presented to the Court in Tanga and the judges for the TzGF appeal and the original legal action against CTL and the Commissioner of Mines. The Court ruled the Settlement Deed was valid and acceptable in both cases. All legal action in Tanzania against CTL has now been withdrawn.

In accordance with the Tanzanian Definitive Agreements and the Addendum, the binding arbitration relating the Company's claim and the Developer's counter claim is being decided by a single arbitrator in Vancouver, British Columbia pursuant to the rules of the British Columbia International Commercial Arbitration Centre. The Company has initiated the arbitration proceedings based on what it believes to be failures of the Developer to adhere to the terms of the Tanzanian Definitive Agreements and Addendum and the Company may submit a claim for damages. The arbitration proceeding in Vancouver, British Columbia has yet to be settled and the Company believes based on the Settlement Deed sanctioned by the Tanzanian Courts on September 22, 2020, the ruling from the British Columbia International Arbitration Centre will be in favour of East Africa.

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, 2022. East Africa's sustaining costs to maintain its head office and operating subsidiaries is approximately $139,000 per month. In 2019, the Company prepaid approximately $1,800,000[2] for a minimum drill program of approximately 10,000 meters for the Ethiopian properties of which approximately $338,000 has been applied to mobilization and storage of the drill rig and spare parts charged by the contractor in 2020 and 2021. East Africa has received all of the funds from PMM (US$1,900,000 (approximately CAD$2,431,291)) for the sale of CTL. Based on the aforementioned items, the Company has determined it does not have sufficient funds to meet its cash flow requirements for the next 12 months 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. 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 twelve month period ended December 31, 2022, the Company recorded the following significant related party transactions:

On August 31, 2017, SinoTech (Hong Kong) Corporation Limited ("SinoTech") provided a 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, 2022, $580,605 (December 31, 2021 - $519,781) is payable and continues to accrue interest. The loan is repayable 15 days after the Company's closing of sale, cooperation or financing transaction in connection with the development of the Harvest Project; or, June 30, 2021. An additional extension to the agreement has been requested by the Company.

For the twelve month period ended December 31, 2022, the Company recorded fees of $714,009 (December 31, 2021 – $1,096,936 to directors and senior key management for directors' fees, management consulting fees, technical services fees and related expenses. At December 31, 2022, the Company owed $646,668 (December 31, 2021 -$551,538) to key management personnel.

[2] The drill program was to commence in Q1-2020 but due to travel restrictions imposed by COVID-19, it was delayed and more recently by the declaration of a state of emergency on November 4, 2020 in response to the conflict in Tigray. The Company is uncertain when exploration activities will commence. Recent developments and the initiation of peace talks have encouraged management to believe the Tigray region will re-open for commercial operations in the short to medium term.

PROPOSED TRANSACTIONS

As of February 21, 2023, the Company has no proposed material transactions.

CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant are disclosed in note 4 in the Company's audited annual financial statements for the year ended December 31, 2021.

ACCOUNTING POLICIES

The Company has applied IFRS, as disclosed in note 3 to the annual financial statements, which are applied on a consistent basis.

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.

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, 2022, and the date of this report, the Company has 204,280,236, common shares issued and outstanding.

As at December 31, 2022 and date of this report, the Company had no warrants outstanding.

As at December 31, 2022, and the date of this report, the Company has 21,132,000 stock options outstanding and exercisable.

RISK FACTORS

Below are the known risk factors for this MD&A. 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 $710,478 and working capital of $1,179,981 as at December 31, 2022. 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 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, 2022, $304,740 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 under 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. Exploration and development activity was suspended in Ethiopia in February 2020, as a result of COVID-19 travel restrictions and more recently by the declaration of a state of emergency on November 4, 2020 in response to the conflict in Tigray. To protect our rights, the Company filed Force Majeure Notices in the spring of 2020, as a result of the COVID-19 restrictions and in November 2020, due to the declaration of a state of emergency in the Northern Tigray Region. Until the government-imposed travel restrictions and state of emergency are lifted and conditions declared safe to deploy equipment and personnel into the field, East Africa is not able to commence the exploration and development programs on these projects. 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 and the Developer filed a counterclaim 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. On September 22, 2020, a Settlement Deed was presented to the Court in Tanga and the judges for the TzGF appeal and the original legal action against CTL and the Commissioner of Mines. The Court ruled the Settlement Deed was valid and acceptable in both cases. All legal action in Tanzania against CTL has now been withdrawn. The arbitration proceeding in Vancouver, British Columbia has yet to be settled and the Company believes based on the Settlement Deed sanctioned by the Tanzanian Courts on September 22, 2020, the ruling from the British Columbia International Commercial Arbitration Centre will be in favour of East Africa.

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

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any health-related developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. All of the Company's operations in Ethiopia were suspended during 2021 due to COVID travel restrictions and the regional conflict that resulted in the suspension of all commercial enterprise in the Tigray region. The Company declared Force Majeure rights on all mining and exploration extension licenses in response to both COVID travel restrictions (March 2020) and the regional conflict (November 2020). Exploration and development programs on the Ethiopian projects will commence once the government-imposed travel restrictions are lifted and conditions deemed safe to deploy equipment and personnel into the field. The Company's Tanzanian operations were not significantly impacted by COVID. To date, it is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effect on the Company's business or ability to raise funds. In the preparation of these financial statements, the Company has incorporated the potential impact of COVID-19 into its estimates and assumptions that affect the carrying amounts of its assets and liabilities and the reported amount of its results using the best available information as December 31, 2022. Actual results could differ from those estimates.