

East Africa Metals Concludes Agreement for Development Financing

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VANCOUVER, Aug. 14, 2019 - [East Africa Metals Inc.](#) (TSX-V: EAM - "East Africa" or the "Company") The Company is pleased to announce that, effective August 9, 2019, Tibet Huayu Mining Co. Limited ("Tibet Huayu" or "THM") and East Africa have agreed and concluded certain documentation for the previously announced Adyabo transaction (see East Africa News Release dated July 2, 2019). With the signing of an amendment to the Share Purchase Agreement executed in June 2019, 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 now proceeding towards formally closing the transaction. The Company has received conditional acceptance of the transaction from the TSX Venture Exchange and anticipates receiving final approval from the Exchange in due course. Under the transaction, THM, through its wholly owned subsidiary, Silk Road Resources Investments Co., Limited, will conduct the development and operation of the Adyabo Project's Mato Bula and Da Tambuk deposits located in the Tigray region of the Federal Republic of Ethiopia.

Highlights:

- The parties agree that all of the conditions to be satisfied or waived have been satisfied or waived.
- The parties shall work jointly to advance and complete the registration of the transfer of 70% of East Africa's equity interest in its Ethiopian subsidiary pursuant to the Ethiopian laws and regulations, upon which THM will have purchased a 70% interest in the Adyabo Project.
- Upon the payment of the closing consideration Tibet Huayu will have the right to initiate the design, construction and related works at the projects.
- THM will finance 100% of the capital costs, and operate the mine development program and mining operations.
- Estimated capital costs for construction of US\$54 million for Mato Bula and US\$34 million for Da Tambuk (see East Africa News Release dated April 30, 2018).
- EAM will retain the exploration rights to all prospective mineralization on its concession areas outside of the current resource.

Tibet Huayu Project Development Financing

The terms of the executed Share Purchase Agreement and Joint Venture Contract confirm Tibet Huayu's obligation to fund 100% of the capital expenditures required to develop the Mato Bula and Da Tambuk deposits, operate the mine development program and mining operations, and make a cash payment to EAM of US\$1.2M, US\$600,000 will be wired to EAM prior to August 23, 2019 and US\$600,000 will be placed in trust to be released to EAM prior to September 23, 2019. EAM will benefit from a 30% profits interest in the project.

ADYABO PROJECT PRELIMINARY ECONOMIC ASSESSMENT SUMMARY (April 30, 2018)

PARAMETER	Units	Mato Bula Mato Bula North	Da Tambuk
Mineral Resources*			
Indicated	Tonnes	2,440,000	775,000
Inferred	Tonnes	5,825,000	110,000
Indicated	Oz Au/Au ^{eqv}	330,000	116,000
Inferred	Oz Au/Au ^{eqv}	420,000	15,000
Current Mine Plan (LOM)	Tonnes	3,335,000	650,000
	Oz Au/Au ^{eqv}	300,000	96,000
	Years	6.8	3.3
Capital Cost	US\$ (‘000s)	54,200	34,030
Sustaining Capital	US\$ (‘000s)	5,600	8,030

Post Tax Cash Flow (LOM)	US\$ (‘000s)	97,700	20,615
Post Tax NPV @ 8%	US\$ (‘000s)	56,660	13,020
Post Tax IRR	%	28.4%	28.6%
C1 Op Cost	US\$/oz Au	412	420
AISC	US\$/oz Au	620	642
Payback	Years	3.0	1.9
Processing Rate	t/day	1,400	550
Post Tax Cash Flow	US\$ (‘000s)	\$ 29,310	\$ 6,185

(See East Africa News Release April 30,2018) Preliminary Economic assessments are preliminary in nature and include inferred resources considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves. Further, mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty the preliminary economic assessment will be realized

**See East Africa Metals Project Resource Table attached for additional detail*

The transaction states that East Africa will retain the mineral rights, and all exploration obligations for the prospective targets on its concessions but not incorporated in the Adyabo mining licenses (“EAM Mineral Resources”). East Africa shall grant Tibet Huayu a right of first refusal of reasonable duration to acquire future EAM’s Mineral Resources based on mutually agreeable terms similar to those defined by the current transaction.

Andrew Lee Smith, the Company’s CEO stated, “With the Project Financing approaching completion, the Mato Bula and Da Tambuk projects proceeding with the development stage is a historic milestone for the Company.”

About East Africa Metals

East Africa’s assets include four fully permitted, development-ready gold and base metal projects in Africa. Over the past seven years East Africa has been able to advance the Company’s exploration assets through the discovery phase, resource definition and permitting through to development phase at a pace that is seldom seen in emerging resource sectors. The performance of the exploration programs designed and implemented by East Africa are notable, not only due to short time-frame it has taken to achieve the milestone of this past week, but also by the extremely low discovery costs.

The Company’s mineral resources:

EAM Project Resources (Au + Au ^{eqv} Metal ounces)		
Project	Category	Au + Au ^{eqv} 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*

More information on the Company can be viewed at the Company’s website: www.eastafricametals.com.

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﻿Cautionary Statement Regarding Forward-Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. 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", "indicate", "confident" 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 Ethiopia Projects and Properties within the required laws and agreements; the outcome of the arbitration case with the developer for the Tanzanian projects; if the arbitration case is successful that the Company can occupy the site and advance the Tanzanian projects; 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 East Africa to identify any other corporate opportunities for the Company; the possibility that the Company may not be able to generate sufficient cash to service its planned operations and may be forced to take other options; the risk the Company may not be able to continue as a going concern; the possibility the Company will require additional financing to develop the Ethiopian Projects into a mining operation; the risks associated with obtaining necessary licenses or permits including and not limited to Ethiopian Government approval of EAM Mineral Resources extensions 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 Projects; 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, East Africa's financial statements and management's discussion and analysis for the three months ended March 31, 2019 and for the year ended December 31, 2018, and East Africa's listing application dated July 8, 2013. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. 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. The contained gold, copper and silver figures shown are in situ. No assurance can be given that the estimated quantities will be produced. 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.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

See East Africa Metals Project Resource Table attached for additional detail -

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