East Africa Metals Receives Approval of Mining Agreements for the development and operation of the Mato Bula and Da Tambuk Projects

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VANCOUVER, Jan. 23, 2019 - East Africa Metals Inc. (TSX-V: EAM) (“East Africa” or the “Company”) is pleased to announce the Ministry of Mines and Petroleum (the “Ministry of Mines”) has approved the Mining Agreements for East Africa’s 100% owned Mato Bula and Da Tambuk gold projects located in the Tigray National Regional State of the Federal Democratic Republic of Ethiopia (“Ethiopia”). The final step in the Mining Licence process is the formal ratification of the Mining Agreements by the Ethiopian Council of Ministers.

Andrew Lee Smith, East Africa’s C.E.O. stated, “The Ministry of Mines approval of the Mato Bula and Da Tambuk Mining Agreements advances two additional mining projects to the development stage. This is another important milestone achieved by East Africa in the emerging mining sector of Ethiopia.”

With the completion of the two Mining Agreements, East Africa now has three advanced development gold projects in close proximity to each other and existing transportation and power infrastructure. The Company will continue to engage in discussions with interested parties on project financing and advancing engineering of the Mato Bula and Da Tambuk projects.

PROJECT HIGHLIGHTS (See press release: September 4, 2018)

Mato Bula Gold Copper Project (see news release dated April 30, 2018):

- Post-tax NPV of US$56.6M for base case using US$1,325 /oz Au, US$3.00/lb copper and US$17.00/oz silver, at an 8% discount rate.
- Payback of pre-production capital in 3 years from start of production.
- C1 cash operating cost of US$412/oz Au including all on-site costs and AISC cost of US$620/oz Au calculated with all on-site and off-site costs, TCRC charges, sustaining costs and net of by-product credits.
- Average annual metal production of 34,750 ozs. gold, 1.67 million pounds copper and 4,780 ozs. silver.
- Pre-production capital cost of US$54.2M million including contingency of 38% on direct costs and 26% on total of direct and indirect costs.
- Open pit mining utilizing drill blast, trucks and shovels, waste stripping ratio of 9/1.
- Processing rate of 1,400 t/day using conventional crush/grind comminution, gravity concentration and flotation to produce a copper-gold concentrate. In addition, a gold bearing pyrite concentrate will be produced and treated off-site by Carbon in Leach (“CIL”) technology.
- Life-of-mine metal recoveries of 86.4% for gold, 87.4% for copper, and 50% for silver.
- Concentrate grades average 132 g/t gold, 25.5% copper and 28 g/t silver.
- Minimum 8-year mine life based on proposed open pit depth of 190 metres.
- Significant potential exists to extend mine life as drilling has identified mineralization along strike and to 370 metres down dip.

Da Tambuk Gold Project (see news release dated April 30, 2018):

- Post-tax NPV of US$13.0 M and IRR of 28.6% for base case using US$1,325 /oz Au and US$17.00 /oz silver, at 8% discount rate.
- Payback of pre-production capital in 1.9 years from start of production.
- C1 cash operating cost of US$420/oz Au including all on-site costs and AISC cost of US$642/oz Au calculated with all on-site and off-site costs, TCRC charges, sustaining costs and net of by-product credits.
- Average metal production of 24,000 ozs. gold per year and 6,000 ozs. silver per year.

- Pre-production capital cost of US$34.1 M including contingency of 36% on direct costs and 26% total of direct and indirect costs.
- Underground trackless mining utilizing ramp access, cut and fill and open stope mining.
- Processing rate of 550 tonnes per day using crush/grind comminution, gravity concentration and CIL technology.
- Average life-of-mine metal recoveries of 93% for gold and 50% for silver.
- Minimum 4-year mine life based on mining plan depth to 200 metres below surface.
- Excellent potential to extend mine life as drilling has intersected significant mineralization to 260 metres down dip.

Sean Waller, M.Sc., P.Eng., FCIM, Director of the Company, a Qualified Person under the definitions of National Instrument 43-101, has reviewed and approved the contents of this news release.

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” or variations of such words or similar words or expressions. Forward-looking information is based on reasonable assumptions that have been made by East Africa 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 East Africa to be materially different from those expressed or implied by such forward-looking information, including but not limited to: timing of receipt of mining permit; timing of mining development; projected heap leach recoveries ; early exploration; the closing of the agreement with the exploration and development company to advance the Magambazi Project or identify any other corporate opportunities for the Company; mineral exploration and development; metal and mineral prices; availability of capital; accuracy of East Africa's projections and estimates, including the initial mineral resource for the Adyabo, Harvest and Magambazi Properties; interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current exploration activities; government regulation; political or economic developments; 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 diminishing quantities of grades of reserves; 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 in East Africa’s management’s discussion and analysis for the three months and nine months ended September 30, 2018 and for the year ended December 31, 2017, and East Africa’s listing application dated July 8, 2013 Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. 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 timely closing of the financing; the timely closing of the Handeni Property definitive agreement; the price of gold, silver, copper and zinc; the demand for gold, silver, copper and zinc; 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; the renewal or extension of exploration Licences; the regulatory framework regarding environmental matters, and such other assumptions and factors as set out herein. Although East Africa has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ *materially from those anticipated in such information. The Company does not update or revise forward looking information even if new information becomes available unless legislation requires the Company do so. Accordingly, readers should not place undue reliance on forward-looking information contained herein, except in accordance with applicable securities laws. 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.*