East Africa Metals Awarded Mining Licenses for Mato Bula and Da Tambuk Projects, Ethiopia

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VANCOUVER, May 21, 2019 - East Africa Metals Inc. (TSX-V: EAM) (“East Africa” or the “Company”) is pleased to announce the receipt of government approval of mining licenses for the Mato Bula Gold Copper and Da Tambuk Gold Deposits (the “Adyabo Project”) at the Company’s 100% owned Adyabo Project located in the Tigray National Regional State of the Federal Democratic Republic of Ethiopia (“Ethiopia”).

With the acquisition of the Mato Bula and Da Tambuk mining licenses, East Africa’s assets now include four, fully permitted gold and base metal mining projects in Africa with total indicated and inferred resources of 2.8 million gold and gold-equivalent ounces and exploration upside (see news releases May 15, 2012, April 30, 2018).

The mining license agreements for Mato Bula and Da Tambuk have been formally approved by the Ministry of Mines Petroleum and Natural Gas (the “MoMPNG”), the Prime Minister’s Office and the Council of Ministers. The Company will now focus on closing its previously announced Project Financing (refer to the Company’s news release dated February 8, 2019) and proceed with the development of the Ethiopian Projects.

Andrew Lee Smith, East Africa’s C.E.O. stated, “The awarding of the Mato Bula and Da Tambuk mining licenses marks an important milestone for East Africa, the Government of Ethiopia and the MoMPNG. East Africa’s management will now focus on negotiations with development partners to advance all of the Company’s assets in Ethiopia and Tanzania and engage further exploration programs to continue the growth the Company’s Mineral Resources Ltd. and shareholder value.”

PROJECT HIGHLIGHTS – Preliminary Economic Assessments (See East Africa news release: April 30, 2018)

Mato Bula Gold Copper Project:

- 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:

- 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.

Andrew Lee Smith, P.Geo and CEO 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.

On behalf of the Board of Directors:
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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 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; 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 force 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 Ltd. 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 year ended December 31, 2018, and East Africa’s listing application dated July 8, 2013. Mineral Resources Ltd. which are not Mineral Reserves do not have demonstrated economic viability. The estimate of Mineral Resources Ltd. 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 Ltd. as the estimation is uncertain in nature and there has been insufficient exploration to define any inferred Mineral Resources Ltd. as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading inferred Mineral Resources Ltd. 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.*

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