

VANCOUVER, BC--(Marketwired - August 03, 2016) - [East Africa Metals Inc.](#) (TSX VENTURE: EAM) ("East Africa" or the "Company") is pleased to report that Tanzanian Goldfields Limited ("Tanzanian Goldfields"), the Company's partner in Tanzania and Developer of the Magambazi Project, has appointed Mr. Gareth Taylor as General Manager for Tanzanian Goldfields.

Mr. Taylor has extensive experience in deep level, intermediate, shallow underground and open cast mining in a number of African countries including Mali, Namibia, South Africa and Tanzania. For 28 years he was employed by AngloGold Ashanti where he was head of mining and planning for the company's East and West Africa regions and also Managing Director of the Geita Gold Mine in Tanzania. In 2006 Mr. Taylor joined Barrick Gold, where he was Executive General Manager for Barrick Gold Tanzania and Vice President for Barrick Gold Africa, responsible for all Barrick's operational interests in Africa. In 2010 he joined Shanta Gold Limited and held positions as COO and CEO whilst bringing the New Luika Gold Mine to production. Shanta was a company focused on small to medium sized orebodies with production in the 50,000-100,000 ounce per year range requiring relatively low capex with fast payback.

Andrew Lee Smith, Company President and CEO stated, "East Africa's Board and Management welcomes the appointment of Gareth Taylor to lead Tanzania Goldfield's technical and operating team in the development of the Magambazi Project. Mr. Taylor has a depth of experience in mine development and mining operations in Tanzania that makes him the ideal candidate to advance our mutual interest in the Magambazi project."

The Magambazi Project and Handeni Properties

Pursuant to an agreement between Tanzanian Goldfields and East Africa (see news release dated March 7, 2016), East Africa agreed to sell its Magambazi Project, Handeni properties and all properties in Tanzania (the "Tanzanian Assets") to Tanzanian Goldfields for US\$1 million and the right to purchase 30% of gold produced during the mining operations at any of the Assets, for a per ounce payment equal to the lesser of: (i) production cost plus 15% based on the Developer's historical and budgeted production costs, and (ii) the prevailing market price for gold.

The Magambazi Project is located in the emerging Handeni gold district in eastern Tanzania, 180 kilometres northwest of Dar es Salaam and 140 kilometres southwest of the port city of Tanga. The Project consists of two mining licenses (which cover 9.9 square kilometres) and two prospecting licenses, for an aggregate total of approximately 91 square kilometres. An initial mineral resource estimate for Magambazi was announced on May 15, 2012. Using a cut-off grade of 0.5 grams per tonne gold, Magambazi is estimated to contain an indicated mineral resource of 15.2 million tonnes grading 1.48 grams per tonne gold and containing 721,300 ounces, as well as an inferred mineral resource estimate of 6.7 million tonnes grading 1.36 grams per tonne gold and containing 292,400 ounces.

Other key terms of the agreement between East Africa and Tanzania Goldfields also include the following commitments from Tanzanian Goldfields:

- pay East Africa approximately US\$1 million in cash for the book value of the camp, equipment and other assets;
- convey to East Africa the right to receive a 1.6% Net Smelter Royalty on production, capped at US\$1.8M;
- issue treasury shares of Tanzanian Goldfields that are expected to represent 9.9% of the Tanzanian Goldfields' outstanding shares. Tanzanian Goldfields intends to list on the London Stock Exchange's AIM and expects to issue such shares to East Africa before the listing; and
- offer East Africa a seat on the Board of Directors of Tanzanian Goldfields and a seat on the Management Committee of the Magambazi project.
- East Africa is not required to contribute to capital or exploration expenditures with respect to the construction and development of any of the Assets. East Africa has received US\$450,000 at the date of this news release towards the purchase price and camp payments, with the balance due March 2017.

About East Africa

In addition to the Tanzanian Assets, the Company's principal assets and interests include both the 70%-owned Harvest polymetallic VMS exploration Project, which hosts the Terakimti Deposit and which covers approximately 86 square kilometres in the Tigray region of Ethiopia, 600 kilometres north northwest of the capital city of Addis Ababa, and the Adyabo Project, hosting the Mato Bula trend Adyabo Resource, covering 225 square kilometres immediately west of the Harvest Project. The Company owns 80% of the Adyabo Project, and upon execution of a net smelter return agreement the Company will own 100% of the Adyabo Project, subject to a 2% NSR. East Africa now has mineral resources defined at both projects in Ethiopia and plans to continue to test priority targets.

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

On behalf of the Board of Directors:
Andrew Lee Smith, P.Geo., CEO

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" 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: 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 Projects; estimated exploration licence extensions, 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 East Africa's management's discussion and analysis for the year end December 31, 2015, management's discussion and analysis for the three months ended March 31, 2016 and East Africa's listing application dated July 8, 2013 and [Tigray Resources Inc.](#) Management Information Circular dated March 28, 2014. Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability. The contained gold 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 successful integration of [Tigray Resources Inc.](#)'s business with the Company; the price of gold; the demand for gold; 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 regarding environmental matters, the renewal or extension of exploration licences, 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.

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