

VANCOUVER, BC--(Marketwired - October 05, 2016) - East Africa Metals Inc. (TSX VENTURE: EAM) ("East Africa" or the "Company") wishes to announce the Company's development partner, Tanzanian Goldfields Limited ("Tanzanian Goldfields" or the "Developer"), has advised East Africa development activity has been initiated at the Magambazi Project located in the Handeni region of the United Republic of Tanzania ("Tanzania").

According to Tanzanian Goldfields, the mobilization of equipment required to initiate test-mining and bulk-sampling operations as an initial phase of the development plan, is in progress. Gravity recovery equipment is currently onsite with additional equipment being mobilized to site from Dar es Salaam. Agitated leach tanks and Carbon in Leach ("CIL") recovery equipment are scheduled for construction and installation over the next several months. Additionally, Magambazi Camp upgrades have commenced, with the production site preparation now in place.

Tanzanian Goldfields' management has concluded discussions with community and government representatives for the handover of the Magambazi site and dismantling of artisanal operations to clear the way for the current test mining and bulk sampling program and future development of a commercial mining operation. The development of the Magambazi Project has the support of the local communities and the regional government with the handover now scheduled for October 12, 2016.

Tanzanian Goldfields indicates that test mining of the primary gold resource material, tailings and alluvial gold targets will commence October 15, 2016 with initial results expected to be available starting in November. Previously completed preliminary metallurgical test work on the primary gold mineralization at the Magambazi Project has demonstrated significant (72.6%) gold recoveries from gravity methods alone (see Canaco news release dated May 19, 2010). The initial phase of test-mining and bulk-sampling has been planned to confirm these results in the field and allow a definitive approach for the initial ramp up of production to be developed.

The East Africa /Tanzania Goldfields transaction

As previously disclosed, (see news releases dated March 7, 2016, December 10, 2015 and June 15, 2015), the Company has completed the execution of the Definitive Agreement with the Developer to acquire and develop East Africa's projects located in the Handeni region of Tanzania.

Under the terms of the letter agreement (see news release dated June 15th, 2015), the Developer will; pay East Africa US\$2 million in cash for a 100% interest in the Handeni properties, camp, equipment and other assets; convey to East Africa a 1.6% Net Smelter Royalty, capped at US\$1.8 million, and convey to East Africa the right to acquire a gold stream equal to 30% of the life of mine gold production for a per ounce cost 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.

About East Africa

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 ("NSR") 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. Additionally, the Company owns the 91 square kilometre Handeni Property located in north-eastern Tanzania. Handeni includes the Magambazi Project, a gold deposit discovered in 2009. East Africa has entered into a definitive agreement with an arm's length private exploration and development company to advance the project.

More information on the Company can be viewed at the Company's website: www.eastafricametals.com. Jeff Heidema, P.Geo., a Qualified Person under the definitions of National Instrument 43-101, has reviewed and approved the contents of this news release.

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: receipt of the Terakimti Gold Oxide Resource mining permit; closing of project finance; 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 license 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 six months ended June 30, 2016; 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, 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 successful integration of [Tigray Resources Inc.](#)'s business with the Company; 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 including mining permits; 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 licenses, 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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