VANCOUVER, BC--(Marketwired - January 09, 2017) - East Africa Metals Inc. (TSX VENTURE: EAM) ("East Africa" or the "Company") is pleased to provide the following updates on the Company's activities:

Exploration and Drill Program
At the Harvest Project, additional diamond drilling has been conducted at the VTEM09, Mayshehagne and Lihamat prospects in the last quarter of 2016, with analyses anticipated in the first quarter of 2017. This drilling was primarily to follow up on previous drilling success:

- at VTEM09, 10.21m @ 3.97 g/t Au, 3.16% Cu, 87 g/t Ag, 3.82% Zn (see news release dated July 23, 2013),
- at Mayshehagne, 20.70m @ 1.03 g/t Au, 5.00% Cu,, 31 g/t Ag, 8.20% Zn (see news release dated August 8, 2012),
- at Lihamat, 4m @ 111.6 g/t Au (see news release dated September 14, 2015).

*Original holes and qualifying data released August 8, 2012, July 23, 2013, and September 14, 2015. Minor variance may occur due to QAQC interval adjustments.

Work in 2017 will focus primarily on continued resource delineation drilling at Mato Bula and Da Tambuk, and will include testing gold surface exploration targets not yet drill tested on the Adyabo Project. Staged geophysical I.P. surveying will be conducted along the Mato Bula Trend, aimed at identifying additional exploration drill targets at depth, in proximity to the currently identified resources.

Mine Permit Application
The mining permitting application for East Africa's 70% owned Terakimti Oxide Gold Project is advancing through the government approval process and making good progress. East Africa has been informed that the Ethiopian Ministry of Mines, Petroleum and Natural Gas (the "Ministry") has completed their review of the mine permit application and has provided comments to the Company. The Company has scheduled a meeting with the Ministry on January 17, 2017, to discuss the Company's responses in detail, and any other questions the Ministry may have regarding the Terakimti mining permitting application. The permitting application is specifically focused on the Terakimti Oxide Gold Project contained within the Harvest Project.

Terakimti Oxide Gold Project profile:

- Mineral resource: 1,125,000 tonnes grading 3.2 grams per tonne gold and 24.0 grams per tonne silver containing 107,000 ounces of gold and 812,000 ounces of silver;
- Simulated heap-leach recoveries: 75.3 per cent gold and 39.7 per cent silver;
- Mining method: conventional open pit;
- Processing: heap leaching to produce gold-silver dore.

Financing
East Africa is pleased to provide an update on its previously announced financing (see news release dated November 2, 2016).

East Africa has received confirmation from Shandong Tyan Home Co. Ltd. ("STH") that it has completed legal, financial and technical due diligence and that the subscription agreement to acquire 20 million units of East Africa has been executed. Further, the Company has received conditional approval from the TSX Venture Exchange for the private placement and the associated Personal Information Form. The Company is awaiting the funds to be transferred. Once funds have been received, the Company will issue securities and close the financing.

The financing terms include:

- STH is to acquire 20 million units of East Africa at a price of $0.26 per unit for gross proceeds of $5.2 million.
- Each unit comprises one common share and one-half share purchase warrant with an exercise price of $0.45.
- STH also agreed to provide or identify a partner or lender to provide a US$10-million debt financing to support the development of the Terakimti Oxide Gold Project, which is non-binding on STH.
- Closing of the private placement is conditional on receipt of TSX Venture Exchange final approval and subscription funds.

Use of proceeds
Once closing of the financing is complete, the Company will use the funds for continuing exploration and development of East Africa's Adyabo and Harvest Projects located in the Tigray region of the Federal Republic of Ethiopia ("Ethiopia") and general working capital.

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 196 square kilometres immediately west of the Harvest Project. The Company owns 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 93 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: 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 and nine months ended September 30, 2016 and East Africa's listing application dated July 8, 2013. 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; 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.

Contact

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