

VANCOUVER, BC--(Marketwired - January 17, 2017) - [East Africa Metals Inc.](#) (TSX VENTURE: EAM) ("East Africa" or the "Company") East Africa announces that SinoTech (Hong Kong) Corporation Limited, an insider of the Company, has agreed to provide an unsecured loan to the Company in the amount of \$500,000 at an interest rate of 12% per annum. The loan and all accrued and unpaid interest (non-compounding) is payable upon the earlier of (a) 10 business days after the Company's closing of the \$5,200,000 financing with Shandong Tyan Home Co., Ltd. (see news release dated January 9, 2017); or (b) 90 days from the Company's receipt of the loan proceeds. East Africa understands that the Shandong Tyan Home Co., Ltd financing is in its final regulatory approval process.

"The continued support of SinoTech as we develop our Ethiopian assets is greatly appreciated," stated Andrew Lee Smith, company president and chief executive officer. "East Africa expects to continue to benefit from the contributions of our Beijing-based partner as we continue to advance the Harvest and Adyabo projects."

The proceeds will be used for short term working capital, engineering work at the Terakimti Oxide Gold Project and exploration work to further define the resource at the Adyabo Project.

The loan from an insider is considered a related party transaction pursuant to Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions*. The loan is exempt from the formal valuation requirement of such instrument and policy on the basis that the Company is not listed on a market specified under such instrument and policy, and the loan is exempt from the minority shareholder approval requirement of such instrument and policy on the basis that the loan is made on reasonable commercial terms which is not convertible into voting or equity securities of the Company.

The Company did not file a material change report 21 days prior to the closing of the loan as the Company considered it in the best interests of the Company to close the loan in order to use the funds prior to that time period.

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.

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; 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 timely closing of the Shandong Tyan Home Co., Ltd financing; the timely closing of the Handeni Property definitive agreement; the ability of the Company to repay the loan by the required date; 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.

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