

East Africa Metals Inc. Announces Annual General and Special Meeting and Closes Private Placement

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Special Meeting to Seek Shareholder Approval for the Financing and Development of the Terakimti, Mato Bula and Da Tambuk Deposits, Ethiopia

VANCOUVER, April 12, 2019 - [East Africa Metals Inc.](#) (TSX-V: EAM) (the "Company" or "East Africa" or "EAM") is pleased to announce that it has scheduled an Annual General and Special Meeting to be held on May 31, 2019, to seek shareholder approval for the sale of approximately 70% interest in the Company's Ethiopian assets (See Press Release dated February 8, 2019) to Tibet Huayu Mining Co. Ltd ("Tibet Huayu"). The Company also announces the closing of the non-brokered private placement.

The Company is seeking shareholder approval for the proposed transaction with Tibet Huayu (See press release dated February 11, 2019). The proposed transaction contemplates the transfer of 70% equity interest in its Ethiopian subsidiary companies to Tibet Huayu and the parties entering into Joint Venture Contracts for the purpose of development and operation of EAM's Ethiopian Mining Assets. EAM owns 70% of the Harvest Mining PLC ("Harvest") and 100% of the [Tigray Resources Inc.](#) PLC ("TRI"). Harvest holds the Terakimti oxide gold mining license. EAM's subsidiary, TRI hosts the Mato Bula and Da Tambuk deposits ("Adyabo Property") which are in the final process of mine permitting (See press release dated: January 23, 2019).

The transaction includes terms that in exchange for 55% interest of Harvest and 70% interest in TRI, Tibet Huayu will:

- Provide a cash payment of US\$1.7M to EAM;
- Finance, develop and operate the Terakimti, Da Tambuk and Mato Bula projects.

On completion of the proposed transaction:

- Tibet Huayu will hold the rights (interest) to 55% post tax profits/Government distributions of Harvest and hold the rights (interest) to 70% of the post tax profits/Government distributions of TRI.
- EAM will hold the rights (interest) to 15% post tax profits/Government distributions of Harvest and hold the rights (interest) to 30% of the post tax profits/Government distributions of TRI.
- Closing conditions include:
 - Required approvals including and not limited to Board, Regulatory, and Government approvals;
 - Execution of the definitive agreement; and
 - EAM has received the cash payment of US\$1.7M.

The combined capital costs for the three Ethiopia projects for which Mining Licenses have been granted or grants are pending are US\$120M based on 43-101 compliant Preliminary Economic Assessment (See Press Release dated April 30, 2018).

EAM will retain the mineral rights, and all exploration obligations for the prospective targets not incorporated in the three mining licenses ("EAM Mineral Resources"). EAM shall give Tibet Huayu a right of first refusal of reasonable duration to acquire EAM's Mineral Resources.

Private Placement

The Company also announces that it has closed the previously disclosed private placement (See Press Release: February 11, February 28 and March 27, 2019) for an aggregate gross proceeds of \$2,511,360,

pending TSX-V approval. This amount includes the first tranche closing of \$2.3M. In connection with the closing, the Company issued a total of 15,696,000 Units for gross proceeds of \$2.51M.

Each unit consists of one common share and one common share purchase warrant of the Company. Each warrant entitles the holder to purchase one common share at an exercise price of C\$0.30 per share for a period of 24 months following the date of closing. All of the securities issued in connection with this Private Placement are subject to a hold period which expire four months and one day from closing.

Proceeds from the Private Placement will be used to conduct a diamond drilling campaign targeted to increase the existing global resource base of Ethiopian assets, by testing extensions to existing resources and high priority exploration targets, as well as general working capital.

Five insiders of the Company participated in the private placement and subscribed for an aggregate of 562,500 units representing an aggregate amount of \$90,000. Participation of insiders in the private placement constitutes a related party transaction pursuant to Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions*. The private placement is exempt from the formal valuation and minority shareholder approval requirements of such instrument and policy as neither the fair market value of securities being issued to insiders nor the consideration being paid by insiders exceed 25% of the Company's market capitalization. The Company did not file a material change report 21 days prior to the closing of the private placement as details of the participation of insiders of the Company were not confirmed until closing of the private placement.

The securities offered have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") or any U.S. state securities laws, and may not be offered or sold in the United States or to, or for the account or benefit of, United States persons absent registration or any applicable exemption from the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws. This news release shall not constitute an offer to sell or the solicitation of an offer to buy securities in the United States, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

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

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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 statements relating to the expected use of proceeds from the Private Placement, and risks factors set out in East Africa's management's discussion and analysis for the year end December 31, 2017 and for the nine months ended September 30, 2018, and East Africa's listing application dated July 8, 2013. Forward-looking statements are based on assumptions management believes to be reasonable. 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.

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