

# East Africa Metals Provides Corporate Update

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VANCOUVER, May 27, 2019 - [East Africa Metals Inc.](#) (TSX-V: EAM) ("East Africa" or the "Company"). In advance of the upcoming Annual General Meeting (to be held at Suite 1100 &ndash; 595 Howe Street, Vancouver, British Columbia, on May 31, 2019 at 10:00 a.m. Pacific Time), the Company is pleased to provide the following update to shareholders.

## Highlights:

- The Mato Bula and Da Tambuk Mining Licenses formally granted to East Africa; and
- Negotiations with Tibet Huayu Mining Co. Ltd. ("Tibet Huayu") regarding the sale of up to 70% interest on the granting of licenses (see News Release dated May, 21, 2019) and the Tibet Huayu Project Financing (see News Release dated February 11, 2019).

## Ethiopian Licences

Following the announcement of the approval of the Mining Licences (see News Release dated May 21, 2019), Andrew Lee Smith, the Company's CEO, attended a signing ceremony on Thursday, May 23, 2019 in Addis Ababa, at which the licences were formally granted to EAM by the Minister of Mines. The ceremony marks the final step in the process of the licence grants.

Andrew Lee Smith, the Company's CEO stated, "With the formal approval of the Mato Bula and Da Tambuk mining licenses, East Africa's assets now include four, fully permitted gold and base metal mining projects in Africa. Over the past seven years East Africa has been able to advance our projects from discovery through to advanced development phase at a pace that is seldom seen in emerging resource sectors. The performance of the exploration programs designed and implemented by East Africa are notable, not only due to short time-frame it has taken to achieve the milestone of this past week, but also by the extremely low discovery cost of US\$11/ounce. This metric speaks not only to the tremendous mineral endowment of Ethiopia, but also to skill and experience East Africa's technical staff has applied to the highly prospective geological environment of the Tigray region. As we look back to the achievements of the last seven years in Ethiopia, we are confident of continued success going forward."

## Tibet Huayu Sale and Project Development Financing

Following meetings in Beijing, May 14-16, the Company and Tibet Huayu are now in the process of completing the draft Sale Purchase Agreements and Joint Venture Contracts and finalizing the terms of the proposed transaction described in the binding letter of intent (see News Release dated February 9, 2019). These documents will define the transaction that will see the East Africa transfer to Tibet Huayu Mining, up to 70% of the Company's equity interest in its Ethiopian subsidiary companies; Tigray Resources Inc. ("TRI" &ndash; 100% owner of East Africa's Adyabo Project) and Tigray Ethiopia Holdings Inc. ("TEHI" &ndash; 70% owner of East Africa's Harvest Project).

The terms proposed in the binding letter of intent include Tibet Huayu's obligation to:

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

The transaction also contemplates East Africa will retain the mineral rights, and all exploration obligations for the prospective targets not incorporated in the three mining licenses ("EAM [Mineral Resources Ltd.](#) "). East Africa shall give Tibet Huayu a right of first refusal of reasonable duration to acquire future EAM's [Mineral Resources Ltd.](#) based on mutually agreeable terms similar to those defined by the current transaction.

More information on the Company can be viewed at the Company's website:  
[www.eastafricametals.com](http://www.eastafricametals.com).

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

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#### *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", "indicate", "confident", or variations of such words or similar words or expressions. Forward-looking information is based on reasonable assumptions that have been made by the Company 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 the Company to be materially different from those expressed or implied by such forward-looking information, including but not limited to: closing of the Tibet Huayu Transaction; obtaining all required approvals for the Tibet Huayu Transaction; the ability of Tibet Huayu to develop and operate the Ethiopia Projects and Properties within the required laws and agreements; the outcome of the arbitration case with the Developer; if the arbitration case is successful that the Company can occupy the site and advance the Tanzanian projects; if the arbitration is successful the Tanzanian Definitive Agreement payments are not refundable; recoverability of the Ethiopian and Tanzanian VAT receivable; early exploration; the ability of East Africa to identify any other corporate opportunities for the Company; the possibility that the Company may not be able to generate sufficient cash to service its planned operations and may be forced to take other options; the risk the Company may not be able to continue as a going concern; the possibility the Company will require additional financing to develop the Ethiopian Projects into a mining operation; the risks associated with obtaining necessary licenses or permits including and not limited to Ethiopian Government approval of EAM [Mineral Resources Ltd.](#) extensions for the Company's Ethiopian Properties and Projects; risks associated with mineral exploration and development; metal and mineral prices; availability of capital; accuracy of the Company's projections and estimates, including the initial and any updates to the mineral resource for the Adyabo, Harvest and Handeni Projects; realization of mineral resource estimates; interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of 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 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 the Company's listing application, East Africa's financial statements and management's discussion and analysis for the year ended December 31, 2018, and East Africa's listing application dated July 8, 2013. [Mineral Resources Ltd.](#) which are not Mineral Reserves do not have demonstrated economic viability. The estimate of [Mineral Resources Ltd.](#) may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred [Mineral Resources Ltd.](#) as the estimation is uncertain in nature and there has been insufficient exploration to define any inferred [Mineral Resources Ltd.](#) as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading inferred [Mineral Resources Ltd.](#) to an indicated or measured mineral resource category. 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 price of precious and base metals; the demand for precious and base metals; 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 including and not limited to license approvals, social and environmental matters, and such other assumptions and factors as set out herein. Although the Company 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 to 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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