

East Africa advances discussions to develop Harvest Project, Ethiopia

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VANCOUVER, Nov. 25, 2020 - [East Africa Metals Inc.](#) (TSX-V: EAM - "East Africa" or the "Company") is pleased to announce Company management is advancing discussions with potential mining partners for the development and operation of the Harvest Copper-Gold VMS Project in Ethiopia.

The Company currently owns 70% of Harvest Mining PLC ("Harvest") through its wholly-owned subsidiary, Tigray Ethiopia Holdings Inc. ("TEHI"). Harvest holds the Terakimti Mining License (the "Harvest Property" or "Harvest Project") including the Terakimti Oxide deposit and the Terakimti Sulphide resources in Ethiopia. The Company is in discussions with an arm's length party (the "Purchaser") for the acquisition of up to 55% interest in the Harvest Project.

Negotiations for the Harvest Project (including the Terakimti Oxide and Terakimti Sulphide deposits) are active and ongoing and are using previously disclosed terms as a framework for discussions (see press release February 11, 2019) that, in exchange for 55% interest of Harvest, EAM will receive:

- A cash payment of US\$500K;
- A commitment from the Purchaser to finance, develop and operate the Terakimti Oxide and Terakimti Sulphide projects.

On completion of the proposed transaction:

- EAM intends to dispose of the rights (interest) to 55% post-tax profits/Government distributions of Harvest.
- EAM will hold the rights (interest) to 15% post tax profits/Government distributions of Harvest.
- Closing conditions will include:
 - Required approvals including and not limited to Board, Regulatory, and Government approvals
 - Execution of a definitive agreement; and
 - EAM having received the cash payment of US\$500K.

EAM will retain the mineral rights, and all exploration obligations for the prospective targets not incorporated in the Terakimti Mining License ("EAM Harvest Resources"). EAM shall give the Purchaser a right of first refusal of reasonable duration to acquire the EAM Harvest Resources subject to the terms of the Harvest Joint Venture. Consideration for the acquisition of future EAM Harvest Resources by the Purchaser will be based on:

- i) cash payment and
- ii) allocated % of post-tax profits of the new mineral resources.

The key technical and base case pre-tax and post-tax metrics for the Terakimti Oxide mine are presented below (see news release April 30, 2018):

PARAMETERS

		Units	
Mine Plan		Tonnes	1,086,000
Grade	Gold	g/t	3.1
	Copper	%	N/A
	Silver	g/t	22.9
Metal Recoveries	Gold	%	65.0 %
	Copper	%	N/A
	Silver	%	30.0 %
Recovered Metals	Gold	Ozs	71,000
	Copper	Lbs (x000)	N/A
	Silver	Ozs	229,000
	Au Eq	Ozs	74,000
Capital Cost		US\$(x000)	\$ 17,180
Sustaining Capital		US\$(x000)	\$ 1,720
Operating Cost	Site - C1	US\$/tonne	\$ 34.10
Gold Price		US\$/oz	\$ 1,325
Copper Price		US\$/lb	N/A
Silver Price		US\$/oz	\$ 17.00
Cash Flow (Pre-Tax)		US\$(x000)	\$ 29,360
NPV @8% (Pre-Tax)		US\$(x000)	\$ 19,470
IRR (Pre-Tax)		%	37.4 %
Cash Flow (After-Tax) LOM		US\$ (x000)	\$ 20,890
NPV @8% (After-Tax)		US\$ (x000)	\$ 13,180
IRR (After-Tax)		%	30.1 %
Payback		Years	2.4
C1 Op Cost		US\$/oz Au	\$ 465
AISC		US\$/oz Au	\$ 649

About East Africa Metals

The Company's principal assets include both the 70% owned Harvest polymetallic VMS exploration Project and the 100% owned Magambazi Mine in the Tanga region of Tanzania. In addition, the Company owns 30% Net Profits Interest in the Adyabo and Da Tambuk mines in the Tigray region of Ethiopia. The Mato Bula and Da Tambuk mines are four-kilometres apart and will be developed simultaneously. The development of the mining operations is scheduled to begin during the fourth quarter of 2020.

East Africa retains exploration rights on areas of the properties outside the Mato Bula, Da Tambuk and Terakimti mining licenses in all Ethiopian projects and anticipates the commencement of exploration drilling to test priority targets during the first quarter of calendar 2021.

EAM has invested USD\$66.8M in African exploration since 2005 and identified a total of 2.8 million ounces of gold and gold-equivalent resources representing an average discovery cost per ounce of US\$24.

The current Global Project Resources discovered by EAM include:

Project Resources (Au + Au ^{eqv} Metal ounces)		
Project	Category	Au + Au ^{eqv} ounces
Adyabo Project	Indicated	446,000
	Inferred	551,000
Harvest Project	Indicated	469,000
	Inferred	426,000
Handeni Project	Indicated	721,000
	Inferred	292,000
*See East Africa Metals Project Resource Table attached for additional detail		

Andrew Lee Smith, P.Geo., C.E.O., a Qualified Person under the definitions of National Instrument 43-101, has reviewed and approved the technical contents of this news release.

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", "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: the negotiation of a definitive agreement reflecting the anticipated structure and timing outlined herein; delays with respect to required payments and regulatory approvals; results of the due diligence review; the ability of Tibet Huayu to develop and operate the Ethiopia Adyabo Project within the required laws and agreements 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 extensions for the Company's

Ethiopian Properties and Projects; risks associated with mineral exploration and development; metal and mineral prices; the demand for precious and base metals; 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; the ability to carry on exploration and development activities; actual results of exploration activities; availability of drilling equipment and access; the ability to obtain qualified personnel, equipment and services in a timely and cost-efficient manner; the regulatory framework including and not limited to license approvals, social and environmental matters; the ability to operate in a safe, efficient and effective manner 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 filings with securities regulators. Mineral Resources, which are not Mineral Reserves, do not have demonstrated economic viability. The estimate of mineral resources 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 as the estimation is uncertain in nature and there has been insufficient exploration to define any inferred mineral resources as an indicated or measured mineral resource and it is uncertain if further exploration will result in upgrading inferred mineral resources 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. 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.

SOURCE [East Africa Metals Inc.](#)

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