

East Africa Metals and Zijin Mining agree to Harvest Project acquisition

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VANCOUVER, July 23, 2021 - [East Africa Metals Inc.](#) (TSXV: EAM) - "East Africa" or the "Company") is pleased to announce that it has reached agreement with Zijin Mining Group Company Ltd. ("Zijin") on a letter of intent to acquire a majority ownership interest in the Harvest Project ("Harvest Transaction") currently held by EAM's wholly owned subsidiary, Tigray Ethiopia Holding ("TEHI"). TEHI holds a 70% interest in Harvest Mining PLC with Ezana Mining Development PLC (Ezana) owning 30%. Harvest Mining PLC owns 100% of the Harvest Project, which is located in the Tigray National Regional State of the Federal Democratic Republic of Ethiopia ("Ethiopia").

Harvest Letter of Intent

The terms of the non-binding LOI stipulate Zijin will enter into a Definitive Agreement whereby Zijin will acquire 55% ownership interest in the Harvest Project by making a cash payment of US\$900,000, developing and operating the Terakimti Oxide Mine and fulfilling all of TEHI's obligations related to the development and operation of the Harvest Project. Ezana is responsible for contributing to the development and operating costs.

On completion of the proposed transaction:

- Zijin will hold the rights (interest) to 55% post tax profits/Government distributions of Harvest Mining PLC; and
- EAM will hold the rights (interest) to 15% post tax profits/Government distributions of Harvest Mining PLC.

Closing conditions include:

- Receipt of required approvals, including and not limited to Board, Regulatory and Government;
- Execution of the Definitive Agreement; and,
- EAM receiving the cash payment of US\$900,000.

Once the Harvest acquisition is complete, EAM will provide Zijin with a "Right of First Offer" for any current or future Exploration assets EAM makes available for acquisition, subject to existing rights granted by EAM. Negotiations respecting consideration for the acquisition of future Harvest exploration assets will be based on terms similar to those agreed to for the acquisition of current resources: i) cash payment; ii) funding of 100% of the capital costs; and iii) allocated % of post-tax profits of the mineral resources. Zijin and EAM will use best efforts to finalize all conditions precedent and finalize the Definitive Agreement.

About Zijin Mining Group Company, Ltd.

Formed in 1993, Zijin is based in Fujian, China and is a leading global mining company specializing in gold, copper, zinc and other mineral resource exploration and development. It manages an extensive portfolio, primarily consisting of gold, copper, zinc and other metals through investments in China and overseas across eleven countries. Listed on the Shanghai Stock Exchange and the Hong Kong Stock Exchange, Zijin has a market capitalization of approximately US\$35 billion.

About East Africa Metals

The Company's principal assets include 30% Net Profits Interest in the Mato Bula and Da Tambuk mines (collectively "Mato Bula Property") and a 70% project interest in the Harvest polymetallic VMS Exploration Project in the Tigray Region of Ethiopia. In addition, the Company has a 30% Net Streaming Interest in the Magambazi Mine in the Tanga Region of Tanzania.

The Mato Bula and Da Tambuk mines are four kilometres apart and will be developed simultaneously. The development and mining operations is scheduled to begin during the second half of 2021.

East Africa retains exploration rights on areas of the properties outside the Mato Bula, Da Tambuk and Terakimti mining areas.

all Ethiopian projects and anticipates the commencement of exploration drilling to test priority targets during the second quarter of 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, Ethiopia (EAM 30% Net Profit Interest)	Indicated	446,000
	Inferred	551,000
Harvest Project, Ethiopia (EAM = 70% Project Interest)	Indicated	469,000
	Inferred	426,000
Handeni Project, Tanzania (EAM = 30% Streaming Royalty Interest)	Indicated	721,000
	Inferred	292,000

Andrew Lee Smith, P.Geol., 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.Geol., 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", "plan", "expect", "intend", "estimate", "forecast", "project", "budget", "schedule", "may", "will", "could", "might", "should", "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 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 with Zijin reflecting the anticipated structure and timing outlined herein; 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 Ethiopian Adyabo Project within the required laws and agreements; the ability of PMM to develop and operate the Tanzanian Magambazi Project within the required laws and agreements; recoverability of the Ethiopian and Tanzanian VAT receivable; early exploration results; 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 that the Company may not be able to continue as a going concern; the possibility that the Company will require additional financing to develop the Adyabo and Harvest Projects into a mining operation; the risks associated with obtaining necessary licenses or permits including and not limited to the Ethiopian Government approval of EAM Mineral Resources extensions for the Company's Ethiopian Properties and Projects associated with mineral exploration and development; metal and mineral prices; the demand for precious and base metals; the availability of capital; accuracy of the Company's Projections and estimates, including the initial and any updates to the Projections; realization of mineral resource estimates; interest and exchange rates; stock price fluctuations; the ability to carry on exploration and development activities; actual results of exploration and development activities.

activities; availability of drilling equipment and access; the ability to obtain qualified personnel, equipment and services 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 development activities; environmental risks; insurance risks; capital expenditures; operating or technical difficulties in construction; 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 the 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, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred mineral resources is the estimation is uncertain in nature and there has been insufficient exploration to define any inferred mineral resources as 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 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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