

East Africa Metals Inc. Announces MOU for the Development of the Magambazi/Handeni Mining Project in Tanzania

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Vancouver, August 15, 2025 - [East Africa Metals Inc.](#) (TSXV: EAM) ("EAM" or the "Company"), is pleased to announce that the Company has entered into a binding Memorandum of Understanding ("MOU") with Ubora Minerals Company Limited ("Ubora") to acquire and develop the Company's Magambazi and Handeni mining project in Tanzania. Ubora is a subsidiary company of Anchises Capital Precious Metal Fund LLC ("Anchises"), which holds 50,200,000 common shares of the Company, representing approximately 18.66% of the Company's issued and outstanding shares. Accordingly, Ubora is a "Non-Arm's Length Party" of the Company, as defined under the policies of the TSX Venture Exchange.

Terms of the MOU include:

- Cash payment of US\$1.0 million upon signing of a definitive agreement that replaces the MOU (a "Definitive Agreement"), in lieu of US\$1.7 million owed to EAM by PMM Mining Company Limited ("PMM").
- 4% Net Smelter Returns royalty, subject to annual minimum royalty, advanced royalties, and cumulative 10-year guarantee payment terms.
- Buyout of PMM's interest in the Magambazi/Handeni project.
- Project development within 48 months after obtaining all necessary approvals and acquiring control of the project, as required by applicable regulatory authorities.
- A minimum annual production rate of 40,000 ounces of gold within 48 months of commercial production.

In October 2020, the Company signed a Share Purchase Agreement and Gold Purchase Agreement with PMM, a Tanzanian private company, to develop the Magambazi mining project. In December 2022 due to PMM's lack of performance, non-compliance with the terms and conditions of the Mining License Agreement respecting the project and a litany of breaches to PMM's agreements with the Company, the Tanzanian Ministry of Minerals suspended PMM's operations at the project site and the renewal of the mining licenses. Since that time EAM's management has been engaged with the Tanzanian government and PMM to resolve issues inhibiting the development of commercial mining operations at Magambazi.

In August 2024, the Tanzanian Government intervened again to mediate a resolution to PMM's non-compliance. The Minister of Minerals imposed a process under which EAM and PMM were instructed to engage in discussions and develop an MOU to mutually agree on appointing a third-party developer to advance the Magambazi Project.

The MOU and the transaction represented thereunder is subject to a number of conditions, including approval by the Tanzanian Mining Commission and other relevant government authorities, the entering of a Definitive Agreement, and approval of the TSX Venture Exchange.

As noted above, Ubora is an affiliate of Anchises, and accordingly the transaction contemplated in the MOU is a "related party transaction" as defined under Multilateral Instrument 61-101 ("MI 61-101"). The transaction is exempt from the formal valuation requirement under MI 61-101 because no securities of the Company are listed on any of the markets specified in Section 5.5(b) of MI 61-101 and is exempt from the minority shareholder approval requirement under MI 61-101 because the aggregate fair market value of the transaction does not exceed 25% of the Company's market capitalization.

About East Africa Metals Inc.

The Company's principal assets include a 30% Net Profits Interest in the Mato Bula and Da Tambuk mines (collectively "Adyabo 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.

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

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

For further information please contact:

Nick Watters, Business Development
Telephone +1 (604) 488-0822
Email investors@eastafricametals.com
Website www.eastafricametals.com

Cautionary Statement Regarding Forward-Looking Information

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