



East Africa Metals Closes Financing

VANCOUVER, British Columbia, Dec. 29, 2017 -- **East Africa Metals Inc.** (TSX-V:EAM) ("East Africa" or the "Company") announces the closing of a \$2M private placement with Luck Sky Resources Investment Limited ("LS"), under which the Company issued 7,700,000 units at a price of \$0.26 per unit, for gross proceeds of \$2,002,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of \$0.45 for a period of 24 months from the date of closing.

All of the securities issued in connection with this placement are subject to a hold period expiring on April 29, 2018. The proceeds will be used to continue exploration programs on the Company's projects in Ethiopia and general working capital.

The Company has agreed to pay finder's fees in connection with the subscription in an aggregate amount of \$100,100 in cash to Brookstone Capital Limited, an arm's length party. Brookstone has agreed to defer payment of the finder's fee until closing of the additional 44,400,000 units, described in the Company's news release dated December 14, 2017.

Pursuant to the binding subscription agreement between the Company and LS, LS has subscribed for an additional 44,400,000 units at a price of \$0.26 per unit, for gross proceeds of \$11,544,000. Each unit consists of one common share and one-half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of \$0.45 for a period of 24 months from the date of closing.

Closing of the remaining 44,400,000 units is subject to certain conditions, including but not limited to, disinterested shareholder approval of the creation of a new control person and approval of the TSX Venture Exchange. Upon completion of the private placement for the remaining 44,400,000 units, LS will own approximately 25.8% of the Company's outstanding shares (34.2% on a diluted basis).

The parties are working towards satisfying the conditions and closing the remaining units in a timely manner.

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

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

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" 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: early exploration; closing of the financing; ability of the LS to provide the debt or participate in the debt financing;; mineral exploration and development; metal and mineral prices; availability of capital; accuracy of East Africa's projections and estimates, including the initial mineral resource for the Adyabo, Harvest and Magambazi Projects; estimated timing of receipt of the Terakimti Oxide Gold mining licence and/or exploration licence extensions, interest and exchange rates; competition; stock price fluctuations; availability of drilling equipment and access; actual results of current 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; the speculative nature of strategic metal exploration and development including the risks of diminishing quantities of grades of reserves; 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 East Africa's management's discussion and analysis for the year end December 31, 2016, management's discussion and analysis for the three and nine months ended September 30, 2017 and East Africa's listing application dated July 8, 2013. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the timely closing of the financing; the timely closing of the Handeni Property definitive agreement; the ability of the Company to repay the loan by the required date; the price of gold, silver, copper and zinc; the demand for gold, silver, copper and zinc; 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 regarding environmental matters, the renewal or extension of exploration licences, and such other assumptions and factors as set out herein. 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.

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.