

**FORM 51-102F3**  
**Material Change Report**

**Item 1 Name and Address of Company**

East Africa Metals Inc. (the “**Company**” or “**East Africa**” or “**EAM**”)  
Suite 1100 – 595 Howe Street  
Vancouver, BC V6C 2T5

**Item 2 Date of Material Change**

August 23, 2019

**Item 3 News Release**

A news release with respect to the material change referred to in this report was disseminated on August 23, 2019 via the facilities of Globe Newswire and subsequently filed on the Company’s SEDAR profile.

**Item 4 Summary of Material Change**

On August 23, 2019, the Company announced that the Company has closed the transaction under which Tibet Huayu Mining Co., Ltd. has purchased a 70% interest in the Company’s Adyabo Project.

**Item 5 Full Description of Material Change**

On August 23, 2019, the Company announced that the Company has closed the transaction under which Tibet Huayu Mining Co., Ltd. (“Tibet Huayu” or “THM”) has purchased a 70% interest in the Company’s Adyabo Project pursuant to the Share Purchase Agreement signed June 28, 2019, as amended August 9, 2019. The parties are working to complete the formal registration of the transfer of 70% of East Africa’s equity interest in its Ethiopian subsidiary pursuant to Ethiopian laws and regulations (the “Share Transfer Registration”). Of the US\$1,200,000 payable by THM under the Share Purchase Agreement, the Company has received US\$600,000, and the remaining US\$600,000 will be placed in trust and released to the Company upon the earlier of 10 business days after the Share Transfer Registration and October 31, 2019.

With the transaction closed, THM has the right to initiate the design, construction and related works at the Adyabo Project in accordance with the Joint Venture Contract entered into by the parties. THM will finance 100% of the capital costs and operate the mine development program and mining operations. Estimated capital costs for construction for Mato Bula is US\$54 million and for Da Tambuk is US\$34 million (see East Africa News Release dated April 30, 2018). EAM will retain the exploration rights to all prospective mineralization on its concession areas outside of the current resource.

Under the amended Share Purchase Agreement, if THM does not pay the deferred consideration of US\$600,000 to the escrow account by September 23, 2019, or if THM fails to release the US\$600,000 to the Company as described above, THM shall pay a penalty of US\$100,000 to the Company. The Company may terminate

the Share Purchase Agreement if the payment of the deferred consideration is delayed by more than 20 business days, and upon such termination the Company will be entitled to keep all payments it has received to the date of termination. In addition, the Company may terminate the Share Purchase Agreement if THM has breached any of its obligations under the Share Purchase Agreement or the Joint Venture Contract, and upon such termination THM shall pay a penalty of US\$2M to the Company.

THM may terminate the Share Purchase Agreement within 24 months after the closing date if the Company or its subsidiaries has breached any of their obligations under the Share Purchase Agreement or the Joint Venture Contract, and upon such termination the Company shall pay a penalty of U\$3M, refund all of the consideration received, and refund construction costs incurred by THM. THM may also terminate the Share Purchase Agreement if the verifiable resource of the Da Tambuk mine is 30% lower than that described in the project report for Da Tambuk or the verifiable resource of the Mato Bula mine is substantially lower than that described in the project report for Mato Bula, and upon such termination the Company shall refund all of the consideration received and refund construction costs incurred by THM.

If either party fails to perform to effect the Share Transfer Registration and causes the Share Purchase Agreement to become unenforceable, that party shall pay a penalty of US\$2M to the other party.

Upon any termination of the Share Purchase Agreement, if the Share Transfer Registration has been completed at the time of termination, then the parties shall reverse the Share Transfer Registration.

The Company and THM have also terminated the binding Letter of Intent signed by the parties in February 2019 (see press release dated February 8, 2019), and accordingly the parties no longer have any obligations to one another respecting the Company's Harvest Project.

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

**Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

No significant facts have been omitted from this report.

**Item 8 Executive Officer**

Name of Executive Officer: Andrew Lee Smith, CEO

Telephone Number: 604-488-0822

**Item 9 Date of Report**

August 26, 2019.

### **Cautionary Statement Regarding Forward-Looking Information**

*This Material Change Report 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 for the Tanzanian projects; 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 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 three months ended March 31, 2019 and for the year ended December 31, 2018, and East Africa's listing application dated July 8, 2013. 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. 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.*