East Africa Metals provided details of Q2 production from Magambazi mine, Tanzania

VANCOUVER, BC, Sept. 13, 2021 /CNW/ - **East Africa Metals Inc.** (TSXV: EAM) ("East Africa" or the "Company") is pleased to announce that it has received the first reconciliation calculation from the "Magambazi Transaction" in accordance with the terms of the Company's agreement with PMM Mining Company Limited ("PMM").

EAM's share from production of the tailings (see news release dated April 9, 2021) is 160 ounces for projected net revenues of approximately US$275,000.

The Magambazi Transaction:
The transaction includes:

1. During the lifetime of the mine respecting the Mining Assets, PMM will sell 30% of the Gold produced to EAM's subsidiary at the price of production cost plus 15% of production cost, pursuant to a Gold Purchase Agreement. Gold production costs means actual mining and milling costs as well as those associated with third party smelting, refining, transportation and royalties minus byproduct credits.
2. PMM undertakes to produce at least 10,000 ounces in the first year of commissioning of operations, at least 20,000 ounces in the second year, at least 30,000 ounces in the third year and at least 40,000 ounces per year thereafter.
3. In the event PMM does not meet the minimum production in a year, it will compensate EAM as follows: in the first year if minimum production is not met PMM will pay US$200,000; in the second year if the minimum production is not met PMM will pay US$400,000; in the third year if the minimum production is not met PMM will pay US$600,000; and in the fourth year and any other years if minimum production is not met PMM will pay US$700,000.

Magambazi Q2 Gold Production Report and Revenue

	April	May	June	Total Q2
Milled Tonnes (t)	1,444	3,314	4,964	9,721
Feed Grade (g/t)	2.74	2.82	3.04	2.92
Recovery (%)	37.50%	71.40%	78.90%	70.70%
Recovered Gold (g)	**1,481**	**6,674**	**11,900**	**20,055**
Throughput (tph)	12.2	9.9	9.4	9.9
Final Tails (g/t)	1.71	0.81	0.64	0.86
Operating Cost per Oz (Total Mining & Processing +15%)				$ 300.81
Physical Gold for East Africa Metals (g)	444	2,002	3,570	6,017
Physical Gold for East Africa Metals (Oz)	14	64	115	193
Revenue for Physical Gold	$ 24,045	$ 110,462	$ 198,830	
Less cost for mining & processing (USD/Oz)	$ 300.81	$ 300.81	$ 300.81	
Less cost (TMP+15%)	$ 4,297	$ 19,365	$ 34,528	
Eqv Monthly Revenue USD for East Africa Metals	$ 19,747.3	$ 91,097.3	$ 164,302.1	
Physical Gold for East Africa Metals (Oz)	11.73	53.09	94.85	159.67
Physical Gold for East Africa Metals (g)	364.90	1,651.20	2,950.04	4,966.14
Net Revenue	$ 19,747	$ 91,097	$ 164,302	$ 275,147

Magambazi Q2 Gold Production Report and Revenue (CNW Group/East Africa Metals Inc.)

Andrew Lee Smith, President & CEO of East Africa, commented; "The receipt by EAM of the Q2 production reconciliation from Magambazi marks a milestone for EAM and a new beginning for the Company's business in Tanzania and East Africa. With Magambazi transitioning from tailings production to hard rock mining operations and three mining projects in Ethiopia also permitted for mining operations, EAM's management believes the potential to grow cashflows in the future can create an opportunity for the Company to gain a competitive advantage and fund growth without dilution to shareholders."

The Q2 production accounts for 9,721 tonnes from an estimated 32,000 tonnes of stockpiled tailings.

As previously disclosed, the stockpiled tailings currently being processed at Magambazi have not been sampled by EAM. However, samples of the tailings assayed in November 2007 indicated unrecovered gold remained in the tailings left behind by artisanal miner's deposit (see press release April 9, 2021). The gold tailings at Magambazi amount to an estimated 32,000 tonnes at undetermined grade and metallurgical recoveries. These tailings are historic in nature and have never been established as a National Instrument 43-101 compliant resource.

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.

About East Africa Metals

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.

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 second half of 2021.

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 second half 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**

REFERENCES

Tetra Tech (April 30, 2018). *National Instrument 43-101 Technical Report and Preliminary Economic Assessment for the Mato Bula Deposit, Adyabo Property, Tigray National Regional State, Ethiopia*

Tetra Tech (April 30, 2018). *National Instrument 43-101 Technical Report and Preliminary Economic Assessment for the Da Tambuk Project, Adyabo Property, Tigray National Regional State, Ethiopia*

Tetra Tech (April 30, 2018). *National Instrument 43-101 Technical Report and Preliminary Economic Assessment for the Terakimti Oxide Deposit, Harvest Project, Tigray National Regional Site, Ethiopia*

Aurum Exploration Services (February 14, 2014). *NI43-101 Technical Report on a Mineral*

Resource Estimate at the Terakimti Prospect, Harvest Property (centred at 38º21'E, 14º19'N), Tigray National Region, Ethiopia
Aurum Exploration Services (February 14, 2014). *Mineral Resource Estimate and Update to a NI43-11 Technical Report for the Handeni Property centered at 37.97ºE,5.744ºS, Tanga Province, Handeni District, Tanzania*

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: statements regarding present and future plans and objectives of the Company, the ability of PMM to meet minimum annual production, the ability of PMM to make the payment if the minimum annual production is not met, the ability of PMM to carry out hard rock mining operations, the Company's expected cash flows from royalties, 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 Ethiopia 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; 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 force 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.

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