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NEWS RELEASE

EAST AFRICA METALS ENTERS INTO A FINANCING ARRANGEMENT WITH TIGRAY RESOURCES

Vancouver, BC, December 4, 2013 – East Africa Metals Inc. (TSXV: EAM) (“EAM” or “East Africa Metals” or the “Company”) announces that it has entered into a \$2.0 million loan agreement (the “Loan”) with Tigray Resources Inc. (“Tigray” or the “Borrower”). The Loan has been fully advanced to the Borrower and will be used to continue funding the exploration of Tigray’s Adyabo project (the “Adyabo Project”) and Tigray’s Harvest project (the “Harvest Project” and, together with the Adyabo Project, the “Projects”) and for general corporate purposes. The Loan is due and payable in full on June 3, 2014 (the “Maturity Date”), subject to a six-month extension period (the “Extension”) at the sole discretion of East Africa Metals. The Loan is secured by a charge on the shares of Tigray Resources Holdings Inc., a wholly-owned subsidiary of Tigray which holds the controlling interest in Tigray’s Ethiopian subsidiaries and the Projects, bears interest at a rate of 12% per annum, calculated and compounded quarterly, and is payable in full on the Maturity Date. Tigray may, at its option, prepay all or part of the Loan at any time on the condition it has provided East Africa Metals not less than 10 business days’ notice.

In connection with the Loan, Tigray issued an aggregate of 8,000,000 warrants (the “Warrants”) to East Africa Metals, with each Warrant entitling the holder to purchase one common share of Tigray at a price of \$0.15 at any time prior to the Maturity Date, including the potential Extension. The Warrants represent approximately 9.50% of the outstanding common shares of Tigray, assuming full exercise of the Warrants (based on a total of 72,229,665 common shares of Tigray issued and outstanding prior to such exercise). Following this acquisition, East Africa Metals holds 8,000,000 common shares of Tigray and 12,000,000 common share purchase warrants, representing approximately 23.74% of the outstanding common shares of Tigray (based on a total of 72,229,665 common shares of Tigray issued and outstanding prior to such exercise), assuming exercise in full of all of the common share purchase warrants held by East Africa Metals. The number of Warrants will be reduced or cancelled on a pro rata basis if the Loan is reduced or paid out prior to the Maturity Date and any such reduction or cancellation will occur within 30 days after the reduction or paying out of the Loan.

East Africa Metals has agreed with the TSX Venture Exchange and Tigray to not exercise such number of Warrants that would result in East Africa Metals becoming a Control Person of Tigray (as such term is defined in the policies of the TSX Venture Exchange) without prior shareholder approval.

As a result of the fact that a control person of East Africa Metals is also a control person of Tigray, the borrowing pursuant to the Loan is considered a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The borrowing transaction is exempt from the requirements to obtain a formal valuation, pursuant to Section 5.5(e) of MI 61-101, and minority shareholder approval, pursuant to Section 5.7(c) of MI 61-101, as the borrowing transaction is supported by an arm’s length control person.

East Africa Metals did not file a material change report more than 21 days before the closing of the Loan as the Company wished to close the Loan on an expedited basis following regulatory approval for sound business reasons and in a timeframe consistent with usual market practices for transactions of this nature.

The Loan was considered and approved by the board of directors of the Company (the “Board”). The Board determined that the borrowing transaction is reasonable and in the best interests of the Company. The Board further determined that the Company satisfies the requirements of, and ought to rely on, certain exemptions available under MI 61-101 with respect to exemptions from minority shareholder approval and valuation requirements.

About East Africa Metals

The Company's principal asset is the Handeni Property located in north-eastern Tanzania and covers an area of approximately 97 square kilometres. The Handeni Property includes the Magambazi Project, a gold deposit discovered in 2009. East Africa Metals' shares trade on the TSX Venture Exchange under the symbol EAM.

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

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This press 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 Metals 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 Metals to be materially different from those expressed or implied by such forward-looking information, including but not limited to: the ability of Tigray to repay the Loan; mineral exploration and development; metal and mineral prices; availability of capital; accuracy of East Africa Metals' projections and estimates; 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; 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 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 Metals' listing application dated July 8, 2013. Forward-looking statements are based on assumptions management believes to be reasonable, including but not limited to the ability of Tigray to repay the Loan; the price of gold; the demand for gold; 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, and such other assumptions and factors as set out herein. Although East Africa Metals 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. 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.