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NEWS RELEASE

East Africa Metals Says Lawsuit For Finder's Fee is Without Merit

Vancouver, BC, May 8, 2013 – East Africa Metals Inc. today announced that a lawsuit filed against it for a finder's fee is without merit and it plans a vigorous defense against it.

East Africa and Orca Gold Inc. were served today with a notice of civil claim related to a \$1.6 million private placement financing concluded in 2009 by Canaco Resources Inc. (now named Orca Gold Inc.). The notice was filed on behalf of businessman Harpreet "Harp" Sangha, who claims that he is owed a finder's fee with a value of \$16 million.

East Africa provides the following relevant facts:

- The \$1.6 million financing was placed with SinoTech (Hong Kong) Corporation Limited of China. A fee consisting of Canaco shares and warrants with a value of approximately \$55,000 was paid at the time to a Chinese-English party named Dr. Weiguo Lang.
- Dr. Lang earned the fee for introducing SinoTech to Andrew Lee Smith, then the President and CEO of Canaco and now the interim CEO of East Africa. Dr. Lang made the introduction some weeks after a 2008 tour of China by a group including Mr. Smith, for which Dr. Lang acted as interpreter.
- Mr. Sangha organized the 2008 tour, which was for a group of Tanzanian government officials. Mr. Sangha invited Mr. Smith on the tour in his role as a technical expert on mineral exploration in Tanzania. Mr. Sangha also arranged for Dr. Lang to serve as interpreter for the tour.
- Mr. Sangha is not known to SinoTech and had no direct or indirect involvement in the financing.

East Africa was recently "spun out" of Orca. As part of that transaction East Africa agreed to assume certain liabilities. Mr. Sangha's claim is such a liability and EAM will be indemnifying Orca Gold Inc. in respect of it.

East Africa and Orca intend to file in due course a statement of defense and believe that the Court will support their position that Mr. Sangha did not earn a fee. East Africa believes that, in the extremely unlikely event of a judgment in favour of Mr. Sangha, any award of compensation will be less than the \$55,000 value of the fee paid to Dr. Lang. East Africa and Orca also have setoffs and counterclaims against Mr. Sangha which will be specified in due course.

On behalf of the Board of Directors:

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About East Africa Metals

East Africa Metals is a Vancouver-based mineral exploration company focused on advanced exploration projects in Africa. Built on a foundation of experienced management, the Company is rapidly advancing the Handeni project in Tanzania and is well positioned to build shareholder value through discovery and resource development.

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 or statements that certain events "may" or "will" occur. Forward-looking information in this press release includes, but is not limited to, statements relating to the defense, and expected outcome, of the lawsuit. 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 to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks associated with how the Court will rule. 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 undertake any obligation to update forward-looking information if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable law. Accordingly, readers should not place undue reliance on forward-looking information contained herein, except in accordance with applicable securities laws.

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