



East Africa Resources Limited

ABN 36 060 774 227

Notice of Annual Meeting Explanatory Statement Proxy Form

For an Annual General Meeting of Shareholders of the Company to be held in Training Room 2 within the Conference Centre at the QV1 Building, 250 St Georges Terrace, Perth, Western Australia on Thursday, 27 November 2014 at 10.00am (WST).

East Africa Resources Limited

Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Shareholders will be held at the QV1 Building, 250 St Georges Terrace, Perth, Western Australia on Thursday, 27 November 2014 at 10.00am (WST).

An Explanatory Memorandum containing information in relation to each of the following matters to be considered at the meeting accompanies and forms part of this Notice.

Ordinary Business

Annual Financial Statements

To receive and consider the Annual Financial Statements, the Directors' Report and Auditor's Report of the Company and its controlled entities for the year ended 30 June 2014.

Resolution 1 – Remuneration Report

To consider, and if thought fit, to pass the following Resolution in accordance with section 250R(2) of the Corporations Act:

"That the Remuneration Report for the year ended 30 June 2014 be adopted."

Voting Prohibition: The Company will disregard any votes cast on Resolution 1 by:

- 1 Key Management Personnel, details of whose remuneration are included in the Remuneration Report; and
- 2 a Closely Related Party of such a member.

However, a person described above may vote on this Resolution 1 if:

- a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution; and
- b) the vote is not cast on behalf of a person described in paragraph 1 or 2 above.

Note: This Resolution is advisory only and does not bind the Directors of the Company.

Resolution 2 – Re-election of Mr Robert Kirtlan

To consider, and if thought fit, to pass as an **ordinary resolution** the following:

"That Mr Robert Kirtlan, having been appointed as a Director of the Company since the last Annual General Meeting, and being eligible, is re-elected as a Director."

Resolution 3 – Re-election of Mr Michael Griffiths

To consider, and if thought fit, to pass as an **ordinary resolution** the following:

"That Mr Michael Griffiths, having been appointed as a Director of the Company since the last Annual General Meeting, and being eligible, is re-elected as a Director."

Special Business

Resolution 4 – Convert Unpaid Director’s Fees to Shares – Mr Robert Kirtlan

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue 2,291,667 shares to Mr Robert Kirtlan (or his nominee) in order to convert \$22,916.67 of unpaid Director’s fees up to 30 September 2014 to shares at \$0.01 per share.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 4 by:

- 1 a person (and any associates of such a person) who may participate in the proposed issue; and
- 2 a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if it is:

- a) cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 5 – Convert Unpaid Director’s Fees to Shares – Mr Peter Munachen

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue 2,500,000 shares to Mr Peter Munachen (or his nominee) in order to convert \$25,000 of unpaid Director’s fees up to 30 September 2014 to shares at \$0.01 per share.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 5 by:

- 1 a person (and any associates of such a person) who may participate in the proposed issue; and
- 2 a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if it is:

- a) cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 6 – Convert Unpaid Director’s Fees to Shares – Mr Henry David Kennedy

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue 2,500,000 shares to Mr Henry David Kennedy (or his nominee) in order to convert \$25,000 of unpaid Director’s fees up to 30 September 2014 to shares at \$0.01 per share.”

Voting Exclusion: The Company will disregard any votes cast on Resolution 6 by:

- 1 a person (and any associates of such a person) who may participate in the proposed issue; and
- 2 a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if it is:

- a) cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 7 – Convert Unpaid Director's Fees to Shares – Mr Michael Griffiths

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue 2,291,667 shares to Mr Michael Griffiths (or his nominee) in order to convert \$22,916.67 of unpaid Director's fees up to 30 September 2014 to shares at \$0.01 per share."

Voting Exclusion: The Company will disregard any votes cast on Resolution 7 by:

- 1 a person (and any associates of such a person) who may participate in the proposed issue; and
- 2 a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if it is:

- a) cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 8 – Convert Unpaid Director's Fees to Shares – Mr Gerard Zytkow

To consider, and if thought fit, to pass, with or without amendment, the following Resolution as an **ordinary resolution**:

"That, for the purposes of Listing Rule 10.11 and for all other purposes, approval be given for the Company to issue 416,666 shares to Mr Gerard Zytkow (or his nominee) in order to convert \$4,166.66 of unpaid Director's fees up to 30 September 2014 to shares at \$0.01 per share."

Voting Exclusion: The Company will disregard any votes cast on Resolution 8 by:

- 1 a person (and any associates of such a person) who may participate in the proposed issue; and
- 2 a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if it is:

- a) cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 9 - Approval of 10% Placement Capacity in addition to existing placement capacity

To consider, and if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

"That for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totalling up to 10% of the Shares on issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement."

Voting Prohibition: The Company will disregard any votes cast on Resolution 9 by:

- 1 a person (and any associates of such a person) who may participate in the proposed issue ; and
- 2 a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if it is:

- a) cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- b) cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Note: At the date of this Notice, the proposed allottees of the securities are not as yet known or identified. For a person's vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue, Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

Notes

These notes form part of the Notice of Meeting. The Notice of Meeting should be read in conjunction with the accompanying Explanatory Statement.

Defined words and phrases used in this Notice of Meeting are defined in the Glossary.

Voting Entitlements

In accordance with regulation 7.11.37 of the *Corporations Regulations 2001* (Cth), the Company determines that Shares held as at 5.00pm (WST) on 24 November 2014 will be taken, for the purposes of the annual general meeting, to be held by the persons who held them at that time. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.

Majorities required

Resolutions 1, 2, 3, 4, 5, 6, 7 and 8 will be passed if at least 50% of the votes on that Resolution (either in person, proxy, attorney or by corporate representative) are in favour of that Resolution.

Resolution 9 will be passed if at least 75% of the votes on that Resolution (either in person, proxy, attorney or by corporate representative) are in favour of that Resolution.

Important information concerning proxy votes on Resolutions 1, 4, 5, 6, 7 and 8

The Corporations Act places certain restrictions on the ability of Key Management Personnel and their Closely Related Parties to vote on the advisory Resolution to adopt the Remuneration Report and Resolutions connected directly or indirectly with the remuneration of the Company's Key Management Personnel. Key Management Personnel of the Company are Directors and all other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year ended 30 June 2014. "Closely Related Party" is defined in the Corporations Act and includes certain family members, dependants and companies controlled by Key Management Personnel.

For these reasons, Shareholders who intend to vote by proxy should carefully consider the identity of their proxy and are encouraged to direct their proxy as to how to vote on all Resolutions. In particular, Shareholders who intend to appoint the Chairman as their proxy (including an appointment by default) are encouraged to direct the Chairman as to how to vote on all Resolutions.

If the Chairman is appointed, or taken to be appointed, as your proxy, you can direct the Chairman to vote for, against or abstain from voting on Resolutions 1, 4, 5, 6, 7 and 8 by marking the appropriate box opposite the respective Resolutions on the proxy form. You should direct the Chairman how to vote on these Resolutions.

However, if the Chairman of the Meeting is your proxy and you do not direct the Chairman how to vote in respect of Resolution 1, 4, 5, 6, 7 and/or 8 on the proxy form, you will be deemed to have directed and expressly authorised the Chairman to vote your proxy in favour of Resolutions 1, 4, 5, 6, 7 and/or 8. This express authorisation acknowledges that the Chairman may vote your proxy even if:

- Resolution 1, 4, 5, 6, 7 or 8 is connected directly or indirectly with the remuneration of a member of the Key Management Personnel of the Company; and
- the Chairman has an interest in the outcome of Resolution 1, 4, 5, 6, 7 or 8 and that votes cast by the Chairman for this Resolution, other than as authorised proxy holder, will be disregarded because of that interest.

Proxies

A proxy form is attached to the end of the Explanatory Statement.

In accordance with section 249L of the Corporations Act, members are advised that:

- each member has a right to appoint a proxy;
- the proxy need not be a member of the Company;

- a member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If no proportion or number is specified, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise half of the votes.

In accordance with section 250BA of the Corporations Act, the Company specifies the following information for the purposes of receipt of proxy appointments:

By mail and by hand PO Box 8260, Perth BC WA 6849 or **By Facsimile:** + 61 8 9227 3211
during office hours: 288 Stirling Street, Perth, WA 6000

Each member entitled to vote at the annual general meeting has the right to appoint a proxy to attend and vote at the meeting on his or her behalf. The member may specify the way in which the proxy is to vote on each Resolution or may allow the proxy to vote at his or her discretion. The instrument appointing the proxy must be received by the Company at the address specified above at least 48 hours before the time notified for the meeting (proxy forms can be lodged by facsimile). If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

Bodies corporate

A body corporate may appoint an individual as its representative to exercise any of the powers the body may exercise at meetings of a company's shareholders. The appointment may be a standing one. Unless the appointment states otherwise, the representative may exercise all of the powers that the appointing body could exercise at a meeting or in voting on a Resolution.

Dated at Perth this 24th day of October 2014

By Order of the Board

Eva Witheridge
Company Secretary

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Explanatory Statement to Shareholders to Accompany Notice of Annual General Meeting

This Explanatory Statement has been prepared for the information of Shareholders in East Africa Resources Limited in connection with the resolutions to be put to Shareholders at the annual general meeting of the Company to be held at the QV1 Building, 250 St Georges Terrace, Perth, Western Australia, on Thursday 27 November 2014 at 10.00am (WST).

Defined words and phrases used in this Explanatory Statement are defined in the Glossary.

Financial Statements and Reports

The Corporations Act and the Constitution require the following reports in respect of the year ended 30 June 2014 to be laid before the meeting:

- the Financial Report (which includes the Financial Statements and Directors' Declaration); and
- the Directors' Report and the Auditor's Report.

In accordance with the Corporations Act, Shareholders as a whole will be given a reasonable opportunity at the annual general meeting to ask questions.

Neither the Corporations Act nor the Constitution requires shareholder approval of these reports.

Resolution 1 - Adoption of Remuneration Report

Section 250R(2) of the Corporations Act requires the Company to propose a resolution that the Remuneration Report be adopted. Section 250R(3) provides that the vote on this Resolution is advisory only and does not bind the Company or the Directors. The Remuneration Report sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the executive directors, specified executives and non-executive directors of the Company. In accordance with the Corporations Act, Shareholders as a whole will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report. A copy of the Remuneration Report can be found in the Company's 2014 Annual Report.

As a cash conserving measure, the Non-executive directors resolved to waive half their fees on an on-going basis. In addition, the Non-executive directors have not received payment for their Directors' fees (ie the portion not waived). The Company is seeking Shareholder approval to issue shares to Directors in lieu of payment of their unpaid Directors' fees. Please refer to Resolutions 4, 5, 6, 7 and 8.

Resolution 2 – Re-election of Mr Robert Kirtlan as a Director

Pursuant to clause 13.4 of the Company's Constitution, Mr Kirtlan, retires and, being eligible, offers himself for re-election as a Director.

Mr Kirtlan was appointed as a Non-executive Director on 20 November 2013.

Mr Kirtlan has over 20 years of company management experience and has spent 7 years in global mining investment banking in Perth, Sydney and New York working for major global investment banks with a specialist role in the mining and natural resources sector. He has a background in finance and management.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of this Resolution.

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Resolution 3 – Re-election of Mr Michael Griffiths as a Director

Pursuant to clause 13.4 of the Company's Constitution, Mr Griffiths, retires and, being eligible, offers himself for re-election as a Director.

Mr Griffiths was appointed as a Non-executive Director on 20 November 2013.

Mr Griffiths has over 30 years of experience in exploration and development in the minerals and energy sector in Australia and Africa. Mr Griffiths sits on the board of a number of ASX and TSX-V companies. In the role of Chief Executive Officer of Sub-Sahara Resources N.L. between 1998 and 2009, Mr Griffiths and his team were responsible for the discovery of significant gold deposits in both Tanzania and Eritrea. In Australia, his exploration experience includes the discovery of significant gold resources in the Tanami Desert region of the Northern Territory.

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. The Chairman of the meeting intends to vote undirected proxies in favour of this Resolution.

Resolution 4, 5, 6, 7 and 8 – Convert Unpaid Directors' Fees to Shares

Background

Shareholders will be asked at the meeting to approve the issue of shares to Non-executive directors in lieu of payment of unpaid Directors' fees as follows:

Non- executive Director	Unpaid Directors' Fees \$	Share Price \$	Number of Shares to be Issued
Robert Kirtlan	22,916.67	0.01	2,291,667
Peter Munachen	25,000.00	0.01	2,500,000
Henry Kennedy	25,000.00	0.01	2,500,000
Michael Griffiths	22,916.67	0.01	2,291,667
Gerard Zytow (resigned 22 November 2013)	4,166.66	0.01	416,666
TOTAL	100,000.00		10,000,000

The Non-executive directors resolved to waive half their fees on an on-going basis. In addition, the Non-executive directors have not received payment for their Directors' fees (ie the portion not waived).

As a cash conserving measure the Company is seeking Shareholder approval to issue shares to Directors in lieu of payment of their unpaid Directors' fees. The unpaid Non-executive Directors' fees relate to the twelve month period from 1 October 2013 to 30 September 2014. The unpaid Directors' fees are based on \$25,000 per annum per Non-executive director, which is half of the usual \$50,000 per annum per Non-Executive director.

At the date of this Notice of Meeting the current share price is less than the share price which will be used to convert the Non-executive directors' unpaid fees to ordinary shares.

Listing Rule 10.11

Listing Rule 10.11 requires shareholder approval by ordinary resolution to any issue by a listed company of securities to a related party. Accordingly, Listing Rule 10.11 requires Shareholders to approve the issue of the shares to Non-executive directors.

Corporations Act requirements

Chapter 2E of the Corporations Act also requires Shareholder approval where a public company seeks to give a "financial benefit" to a "related party" (unless an exception applies). A Director is considered to be a related party within the meaning of the Corporations Act. The shares to be granted to the Non-executive directors will constitute a financial benefit for the purposes of Chapter 2E of the Corporations Act.

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One of the exceptions to the requirement to obtain shareholder approval in accordance with Chapter 2E applies where the financial benefit constitutes part of the related party's "reasonable remuneration". The Board is not able to make a recommendation due to the members of the Board's interest in the resolution.

Current holdings

As at the date of this Notice of Meeting, the Non-executive directors have the following holdings:

Director	Ordinary Shares	Options over Ordinary Shares
Mr R Kirtlan	3,960,000	-
Mr P Munachen	8,799,956	-
Mr H Kennedy	65,432,611	-
Mr M Griffiths	1,179,111	-
Mr G Zytow (resigned 22 November 2013)	894,195	-

Effect on issued capital

Resolution 4, 5, 6, 7 and 8 would have the effect of giving power to the Directors to issue a total of 10,000,000 ordinary shares.

The Company currently has 303,210,758 shares on issue.

If the shares are issued the effect would be to dilute the shareholding of existing Shareholders by 3%.

Effect on remuneration

The Non-executive directors' fees are currently \$25,000 per annum (including superannuation). The issue of the shares will not impact the level of remuneration of each Non-executive director. However, it will conserve the Company's cash reserves.

Share pricing

The following table gives details of the highest, lowest and latest price of the Company's Shares trading on ASX over the past 12 months ending on 30 September 2014:

Security	Highest Price(\$)	Date of highest price	Lowest Price (\$)	Date of lowest price	Latest Price on 30 September 2014 (\$)
Shares	\$0.015	7 Jan 2014	\$0.004	25 Jun 2014	\$0.006

Other than as disclosed in this Explanatory Statement, the Directors do not consider that from an economic and commercial point of view, there are any costs or detriments including opportunity costs or taxation consequences for the Company or benefits foregone by the Company in issuing the shares pursuant to Resolution 4, 5, 6, 7 and 8.

Neither the Directors nor the Company are aware of other information that would be reasonably required by Shareholders to make a decision in relation to the financial benefits contemplated by the proposed Resolutions.

Additional information

The following information in relation to the shares to be issued pursuant to Resolution 4, 5, 6, 7 and 8 is provided to Shareholders for the purposes of Listing Rule 10.13:

- the shares will be issued to each Non-executive director (or his nominee);
- the maximum number of shares to be issued is 10,000,000 ordinary shares;

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- the shares will be allotted and issued on a date which will be no later than 1 month after the date of the Meeting;
- the shares will be issued for no consideration; and
- no funds will be raised by the issue of the shares.

Directors' recommendation

The Directors decline to make a recommendation about Resolution 4, 5, 6, 7 and 8 as they have a personal interest in the outcome of the Resolutions.

Resolution 9 - Approval of 10% Placement Capacity

General

ASX Listing Rule 7.1 requires Shareholder approval for an issue of securities in the Company if that issue will, when aggregated with all other issues during the previous 12 months, exceed 15% of the number of securities on issue at the commencement of that 12 month period.

In accordance with new Listing Rule 7.1A, eligible entities may now seek Shareholder approval at their annual general meeting to issue a further 10% of their issued share capital in addition to the 15% placement capacity set out in ASX Listing Rule 7.1 (**10% Share Issue Capacity**).

An eligible entity for the purpose of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. At the date of this Notice, the Company is an eligible entity.

Any issue of securities under ASX Listing Rule 7.1A:

- must be in the same class as an existing quoted class of the Company's equity securities;
- may be issued at a maximum of 25% discount to the current market price; and
- must be calculated in accordance with the formula prescribed by ASX Listing Rule 7.1A.2.

Resolution 9 seeks Shareholder approval for the Company to have the ability to issue securities under the 10% Share Issue Capacity. The approval of Resolution 9 will provide the Company with even greater flexibility to issue securities under the 10% Share Issue Capacity in addition to the 15% placement capacity set out in ASX Listing Rule 7.1 without a further requirement to obtain prior Shareholder approval.

Technical information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the following information is provided for the purpose of obtaining shareholder approval for Resolution 9:

Minimum price

The minimum price at which securities may be issued under the 10% Share Issue Capacity is 75% of the volume weighted average price of securities in the same class calculated over the fifteen ASX trading days on which trades in that class were recorded immediately before:

- the date on which the price of the securities to be issued is agreed; or
- if they are not issued within five ASX trading days of the date above, the date on which the securities are issued.

Potential risk of economic and voting dilution

If this Resolution is approved by Shareholders and securities are issued under the 10% Share Issue Capacity, the interests of Shareholders who do not receive any securities under the issue would be diluted.

Shareholders should note that in such circumstances:

- the voting power of Shareholders who do not receive securities under the 10% Share Issue Capacity as a proportion of the voting power of all shareholders will be diluted. The extent of that dilution will depend on the number of shares issued.

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- the value of the interests of Shareholders who do not receive securities under the 10% Share Issue Capacity may be diluted if shares are issued at a price which represents a discount to their value before the issue is made. However, there are a range of other factors which may impact the value of the Company and its shares including, for instance, the impact of any capital raising of the Company and purpose for which the funds are used. The extent of any dilution in the value of the Company will primarily be impacted by the price at which the securities are issued and the number of securities issued.

As required by the ASX Listing Rules, the following table shows a hypothetical example of the potential dilution of Shareholders of the Company where the full 10% Share Issue Capacity is utilised, on the basis of three different assumed issue prices and three different assumed numbers of equity securities on issue.

		Dilution when compared with the current issued share capital	Hypothetical issue price of shares issued under the 10% Share Issue Capacity		
			\$0.003 per share	\$0.006 per share	\$0.009 per share
Issued share capital	Current issued share capital 303,210,758	10% dilution	30,321,076 Shares	30,321,076 Shares	30,321,076 Shares
		Funds raised	\$90,963	\$181,926	\$272,890
	50% increase in issued share capital 454,816,137	10% dilution	45,481,614 Shares	45,481,614 Shares	45,481,614 Shares
		Funds raised	\$136,445	\$272,890	\$409,335
	100% increase in issued share capital 606,421,516	10% dilution	60,642,152 Shares	60,642,152 Shares	60,642,152 Shares
		Funds raised	\$181,926	\$363,853	\$545,779

Note: the table above has been prepared on the following assumptions:

- The Issue Price is \$0.006 based on the closing price of shares on 30 September 2014.
- The current issued share capital has been calculated in accordance with the formula in ASX Listing Rule 7.1A(2).
- The Company issues the maximum number of securities available under the 10% Share Issue Capacity.
- No options are exercised prior to the date of issue of any shares under the 10% Share Issue Capacity.
- The table shows the effect of issues of the Company's equity securities under the 10% Share Issue Capacity, not under the Company's 15% placement capacity.
- The table does not show an example of dilution that may be caused to any particular Shareholder due to any placements under the 10% Share Issue Capacity.

Timing of potential issues

If Shareholder approval of Resolution 9 is obtained, securities may be issued under the 10% Share Issue Capacity during the period commencing on the date of the Meeting and ending on the first to occur of the following:

- 12 months after the date of this Meeting; and
- the date of shareholder approval for any transaction under ASX Listing Rules 11.1.2 (significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking).

Purpose of potential issue

Shares may be issued under the 10% Share Issue Capacity for the following purposes:

- non-cash consideration for the acquisition of new resource assets and other investments. If this occurs, the Company will provide a valuation of the non-cash consideration in accordance with ASX Listing Rule 7.1A.3; or
- cash consideration. If this occurs, the Company intends to use the funds raised for ongoing exploration and feasibility work on its uranium exploration assets (including Madaba in southern Tanzania and Eastern Rift in northern Tanzania), the acquisition of new projects or investments and to supplement working capital.

The Company will comply with its disclosure obligations under ASX Listing Rules 7.1A.4 and 3.10.5A upon any issue of shares under the 10% Share Issue Capacity.

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Allocation policy under the 10% Share Issue Capacity

The Company's allocation policy will depend on the prevailing market conditions at the time of any proposed issue under the 10% Share Issue Capacity.

The identity of allottees of securities under the 10% Share Issue Capacity will be determined on a case-by-case basis having regard to factors which may include:

- the methods of raising funds which are available to the Company, including the time and market exposure associated with the various methods of raising capital applicable at the time of the raising;
- the effect of any such issue on the control of the Company;
- the financial situation of the Company; and
- advice from corporate, financial and broking advisers.

The Company notes that:

- any funds raised from the issue of shares under the 10% Share Issue Capacity are likely to be applied towards the funding of the ongoing exploration and feasibility work on its uranium exploration assets (including Madaba in southern Tanzania and Eastern Rift in northern Tanzania), the acquisition of new projects and to supplement working capital;
- it is not possible to determine whether any existing Shareholders, or class of Shareholders, would be invited to apply for any shares to be issued under the 10% Share Issue Capacity, or to determine the category of any new investors that may be invited to participate in such a fundraising;
- prior to undertaking any fundraising, the Board will have regard to whether it is in the Company's best interests to structure such a fundraising as an entitlement issue to all of the Company's existing Shareholders at that time; and
- the reasons for undertaking any particular issue under the 10% Share Issue Capacity would be announced at the time the Company sought to issue shares under that 10% Share Issue Capacity.

As at the date of this Notice, the allottees under the 10% Share Issue Capacity have not been determined. They may, however, include substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Issue of Securities in the past 12 months

As shareholder approval was obtained for an additional 10% placement capacity at last year's AGM, according to ASX Listing Rule 7.3A.6, the Company must disclose issues of equity securities which have been made in the 12 months preceding the date of this meeting.

Date of issue:	17 December 2013	12 February 2014	2 April 2014
Number issued:	2,916,600	40,757,161	35,045,957
Class/Type of equity security:	Ordinary shares	Ordinary shares	Ordinary shares
Summary of terms:	Ordinary shares issued in lieu of Directors' fees (As approved at the last AGM.)		
Name of person who received securities or basis on which those persons was determined:	Non-executive Directors	Rights Issue	Placement of shortfall from Rights Issue
Price:	\$0.02 per share	\$0.01 per share	\$0.01 per share
Total cash consideration received:	Nil	\$407,572	\$350,460
Amount of cash consideration spent:	N/a	\$380,000	Nil
Use of cash consideration:	N/a	\$194,218 on exploration licenses and geological consulting in Tanzania,	N/a

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		\$137,334 on salaries in Tanzania and \$48,448 on company administration.	
Intended use for remaining cash	N/a	To fund the company's exploration activities in Tanzania	To fund the company's exploration activities in Tanzania

Voting Exclusion statement

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholders or class of security holders in relation to the proposed 10% Share Issue Capacity. Accordingly, no existing Shareholder will be excluded from voting under the Voting Exclusion Statement in the Notice.

Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 9.

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Glossary of Defined Terms

The following terms and abbreviations used in this Explanatory Statement and Notice of Meeting have the following meanings:

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

Board means the board of Directors.

Business Day means a day on which trading takes place on the stock market of the ASX.

Closely Related Party of a member of the Key Management Personnel means:

- a spouse or child of the member; or
- a child of the member's spouse; or
- a dependent of the member or the member's spouse; or
- anyone else who is one of the member's family and may be expected to influence the member or be influenced by the member in the member's dealings with the Company; or
- a company the member controls; or

a person prescribed by the *Corporations Regulations 2001* (Cth).

Company or **East Africa** means East Africa Resources Limited (ABN 36 060 774 227).

Constitution means the Company's Constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company.

Dollar or **\$** means Australian dollars unless otherwise indicated.

Explanatory Statement means the explanatory statement accompanying the Notice.

Key Management Personnel has the same meaning as in the accounting standards. Broadly speaking this includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any Directors.

Listing Rules means the official Listing Rules of the ASX.

Notice or **Notice of Meeting** means this notice of general meeting including the Explanatory Statement and the Proxy Form.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Settlement Operating Rules means the operating rules of ASX Settlement Pty Limited and, to the extent they are applicable, the operating rules of the ASX and the operating rules of ASX Clear Pty Ltd.

Share means an ordinary fully paid share in the Company.

Shareholder means the holder of one or more Shares.

WST means Western Australian Standard Time.

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PROXY FORM

I/weof.....
being a member of East Africa Resources Limited ABN 36 060 774 227 (**Company**) hereby appoint

☐

the Chairman
of the Meeting
(mark with an
'X')

OR

If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy at the **Annual General Meeting of Shareholders of East Africa Resources Limited ABN 36 060 774 227 to be held at the QV1 Building, 250 St Georges Tce, Perth, Western Australia on Thursday, 27 November 2014 at 10.00am (WST)** and at any adjournment or postponement of that meeting, to act on my/our behalf and to vote in accordance with the following directions or if no directions have been given, as the proxy sees fit.

Chairman authorised to exercise proxies on remuneration related resolutions (Resolutions 1, 4, 5, 6, 7 and 8): Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman of the Meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolutions 1, 4, 5, 6, 7 and 8 (except where I/we have indicated a different voting intention below) and acknowledge that the Chairman of the Meeting may exercise my/our proxy even though Resolutions 1, 4, 5, 6, 7 and 8 are connected directly or indirectly with the remuneration of a member of key management personnel.

Important for Resolutions 1, 2, 3, 4, 5, 6, 7, 8 and 9 – If the Chairman of the Meeting is your proxy or is appointed as your proxy by default: If you wish to give the Chairman specific voting directions on Resolutions 1, 2, 3, 4, 5, 6, 7, 8 and/or 9, you should mark the appropriate boxes opposite Resolutions 1, 2, 3, 4, 5, 6, 7, 8 and/or 9, (directing your proxy to vote 'for', 'against' or to 'abstain' from voting). If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you do not mark the boxes above, you are expressly authorising the Chairman of the Meeting to vote in favour of Resolutions 1, 2, 3, 4, 5, 6, 7, 8 and 9, as appropriate (see above).

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

		For	Against	Abstain
Resolution 1	Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Director – R Kirtlan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Director – M Griffiths	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Convert Unpaid Directors' fees to shares – R Kirtlan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Convert Unpaid Directors' fees to shares – P Munachen	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6	Convert Unpaid Directors' fees to shares – H Kennedy	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7	Convert Unpaid Directors' fees to shares – M Griffiths	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8	Convert Unpaid Directors' fees to shares – G Zytchow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9	Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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If the member is a company, it must be signed in accordance with its Constitution and section 127 of the Corporations Law.

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact

Name _____

Contact

Daytime

Telephone _____

Date ____/____/____

Instructions for appointment of proxy

1. A member entitled to attend and vote at the Annual General Meeting convened by the above Notice of Annual General Meeting is entitled to appoint not more than 2 proxies to vote on the member's behalf.
2. Where 2 proxies are appointed and the appointment does not specify the proportion or number of the member's votes each proxy may exercise half of the member's voting rights.
3. A proxy need not be a member.
4. Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at 288 Stirling Street, Perth WA or PO Box 8260, Perth BC, WA 6849 or on fax number (08) 9227 3211 no later than 48 hours before the time fixed for holding the meeting.
5. Appointment of a proxy by a member being a natural person must be under the hand of the member or of an attorney appointed in writing by the member.
6. Appointment of a proxy by a member being a body corporate must be under the common seal of the body corporate or under the hand of an attorney appointed in writing by the body corporate.
7. If signing under a power of attorney, the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.
8. The proxy appointment may be a standing appointment for all general meetings until it is revoked.

As permitted by the Corporations Act, the Company has determined that all securities of the Company registered as at 5.00pm WST on 24 November 2014 will be taken for purposes of the meeting, to be held by the persons who are the registered holders. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the meeting.