



ASX:EAF

SEPTEMBER 2014 QUARTERLY ACTIVITIES REPORT

During the quarter, East Africa Resources Limited (ASX:EAF) ("the Company") continued to work on access approvals for the Madaba Project while adding historical data relating to the Madaba Project to the Company's electronic database.

Madaba Uranium Project

During the quarter the Company released an announcement regarding the addition of historical exploration data to its digital dataset on the Madaba Uranium Project in Tanzania and highlighting the large number of uranium targets available for detailed exploration.

Project History

Madaba was discovered in the period 1979-1982 by German company Uranerzbergbau GmbH (UEB) by follow up of several strong airborne anomalies. UEB's initial exploration work covered geological mapping, ground radiometrics, trenching, sampling and reconnaissance drilling.

Historical Drilling at Madaba

A review of the historical data revealed the location of an additional 42 rotary percussion holes at Madaba bringing the total drilling to; diamond core (10 holes), rotary mud (13) and rotary percussion (103). The best down-hole intercepts reported by UEB and previously listed were;

- 3m @ 1082 ppm U_3O_8 (P16),
- 7m @ 693 ppm U_3O_8 (P17),
- 7m @ 510 ppm eU_3O_8 (D12)
- 11.7m @ 400 ppm eU_3O_8 (D8).

The additional drill results added;

- 2m @ 1900 ppm U_3O_8 (P74),
- 7m @ 890 ppm U_3O_8 (P104)
- 15 m @ 420 ppm eU_3O_8 (P103).

Note; U_3O_8 refers to chemical assays and eU_3O_8 refers to equivalent assays derived from gamma logs. The locations of the holes are plotted on Figure 1.

Fifty six holes from a total of 126 holes were mineralised at better than 1m at 150 ppm U_3O_8 . The UEB drilling is widely spaced and largely reconnaissance drilling and there has not been sufficient drilling to define a resource. Figure 1 shows the distribution of the mineralised holes on an image of the airborne data. Note that the additional holes were located at the Sita (3 lines of drilling) and Nane (1 line) prospects. The data for Tatu has recently been digitised and is also presented.

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New Prospects

The three new prospect areas of shallow mineralisation, Nane, Sita & Tatu, (Figure 1) coupled with the previously announced Nyuki prospect (previously known as 253/1b)¹ cover approximately 1.1 km² of mineralised ground at < 50 m depths. Each prospect has potential to increase the target size with additional drilling. Detailed infill drilling at a minimum of 80x40 m will be needed to achieve a resource.

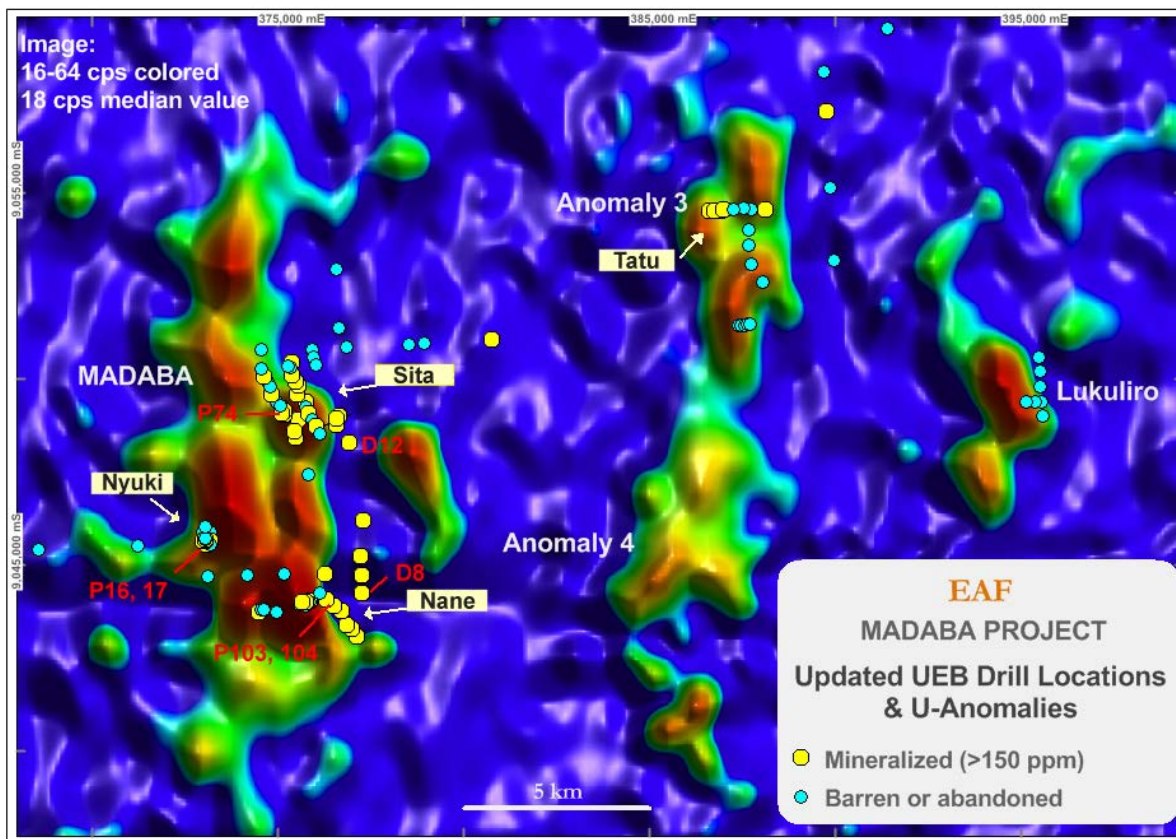


Figure 1: Target areas and historical drill data at Madaba.

UEB selected ten targets for detailed work which has recently been digitised. The targets are areas of gridded ground work that include geological mapping, hot spot delineation and radiometric measurements. They provide evidence of significant drill targets at the sites of known mineralisation. Each of the targets is of significant size (averaging between 100-500 m in length) and of similar size and magnitude to those already drilled. Therefore there is reasonable expectation for near surface mineralisation to be intersected in shallow drilling.

The Company's concept at Madaba is to drill out the numerous surface occurrences of uranium thereby defining shallow, moderate grade uranium resources accessible via shallow open pits using modern low cost mining technology. There are at least thirty such targets (including those discussed above) and while not all will represent shallow sub-surface mineralisation the historical drilling has verified that at least some do and that reasonable grades and volumes of mineralisation can be expected. The UEB defined drill and detailed ground radiometric targets give EAF an excellent starting point and the ability to start infill drilling promptly upon gaining exploration access to the tenement areas.

However as a cautionary note the Company reiterates that the project is at an early stage and that the planned exploration may not locate economic deposits of uranium.

Environmental Approvals

The Madaba Project is located within the Selous Game Reserve which is a World Heritage Listed area. In Tanzania, permission from the Ministry of Natural Resources and Tourism (MNRT) is required to explore in the area. The Company is in the process of completing an Environmental Impact Assessment (EIA) in order to comply with the legislated requirements of the MNRT. The Company continues to seek clarification from the Ministry of Natural

¹ ASX Announcement: Size and Scale of Madaba Project Revealed - 26th September 2013

Resources and Tourism (MNRT) regarding the current government position on access to the Selous Game Reserve for exploration of uranium.

Mkuju South JV

The Mkuju South Project is the subject of a Joint Venture between the Company and Korea Resources Corporation ("Kores"). It covers the Mkuju South project which comprises two tenements in the southern part of the Mkuju Uranium Project totaling 550 km². To date, Kores have contributed US\$2m for 28% of the project.

Kores has recently advised that it has decided not to proceed with Phase 2 of the project. The Joint Venture will be wound up in the near future with the tenements being relinquished.

Corporate

The Company continues to conserve cash and is reviewing new projects and opportunities.

Tanzanian Interests

East Africa Resources Limited has five projects within Tanzania (refer Figure 2). These are the Eastern Rift project in the north and the Madaba, Hemedi, Mkuju and Mkuju South JV in the south of Tanzania.

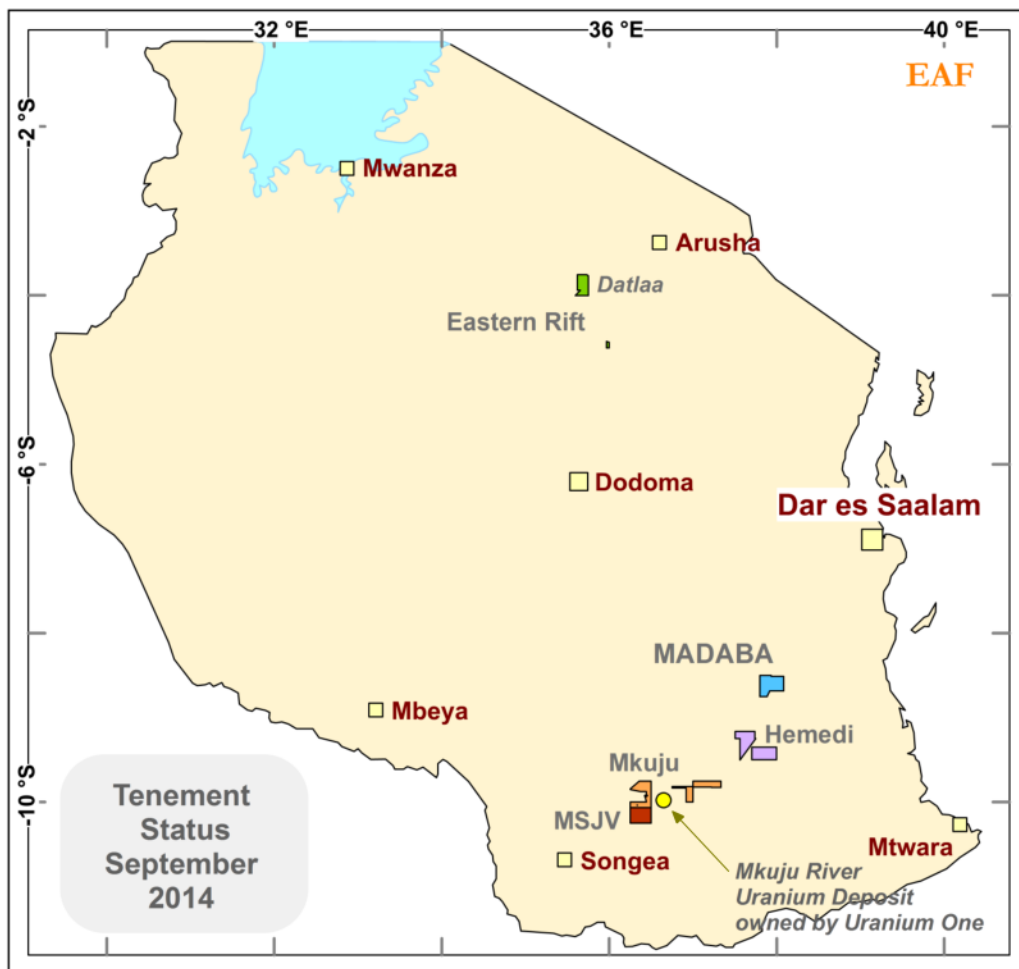


Figure 2 - Project Location Map

EAST AFRICA RESOURCES LIMITED

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Mineral Tenements Schedule

East Africa Resources holds interests in the following Tenements as at 30 September 2014:

Licence Number	Area/Location	Interest at the beginning of the Quarter	Interest at the end of the Quarter
Madaba – Mkuju, Tanzania (100% ownership)			
PL 5496/2008	Namatogoro – Nachingwea	100%	100%
PL 5720/2009	Ligombe River – Songea	100%	100%
PL 5752/2009	Lipiriri – Nachingwea	100%	100%
PL 9336/2013	Madaba – Liwale	100%	100%
PL 9406/2013	Madaba – Liwale	100%	100%
PL 9407/2013	Madaba – Liwale	100%	100%
Eastern Rift, Tanzania (100% ownership)			
PL 5655/2009	Mbulu – Mbulu	100%	100%
PL 5904/2009	Masange – Kondoa	100%	100%
PL 7309/2011	Mbulu – Mbulu	100%	100%
PL 8237/2012	Masange - Kondoa	100%	0%
Mkuju South, Tanzania (72% ownership)			
PL 7657/2012	Mgombasi – Songea	72%	72%
PL 7959/2012	Ligombe River – Songea	72%	72%

Competent Person - Uranium

The information in this release, insofar as it relates to uranium exploration results, is compiled under the supervision of Dr Joe Drake-Brockman. Dr Drake-Brockman is employed by Drake-Brockman Geoinfo Pty Limited. Dr Drake Brockman has sufficient experience which is relevant to the style of mineralisation and the type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". His educational qualifications include; an Associateship in Applied Geology from WAIT (now Curtin University), a Diploma and PhD in Geology from University of Cologne (Germany) and a Graduate Diploma in Computer Studies (Murdoch University). He joined the AusIMM in 1972 as a student and has been a full Member since 2004 and a Fellow since 2013. He has worked in uranium exploration for 26 years. Dr Drake- Brockman consents to the inclusion in the reports of the matters based on his assessment of the available information in the form and context in which it appears.