



ASX:EAF

31 December 2013

DECEMBER 2013 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

Mkuju South Joint Venture - Drill program completed at Quarto and Post

Madaba Uranium Project - Environmental Impact Assessment commences

Octavo Uranium Project - Environmental Impact Assessment commences

Datlaa Gold Project – Mapping and groundwork program commences

Executive Summary

During this quarter, East Africa Resources Limited (ASX:EAF) (“the Company”) completed a drilling program at the Mkuju South JV after permission was received from government authorities.

Work on the Environmental Impact Assessments for Madaba and Octavo has commenced.

In addition, a mapping and groundwork program has commenced at the Datlaa Gold Project.

Madaba Uranium Project

The Madaba project was initially discovered in the period 1979-1982 by German company Uranerzbergbau GmbH (UEB).

The best down-hole intercepts from the UEB drilling were 4m @1082 ppm; 7m @ 693 ppm & 11.7m @ 400 ppm U3O8. Thirty holes from a total of 84 holes were mineralized at better than 1m at 165 ppm U3O8. The drilling included; diamond core drilling (10 holes), rotary mud (13) and rotary percussion (61). Currently, there has not been sufficient drilling to define a resource.

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Madaba Airborne Survey Data & Historical drilling over the Madaba anomaly

Figure 1 shows the historical drilling results from UEB superimposed on the airborne survey data which shows subsurface mineralization at Madaba and Anomaly 3. Shallow mineralization was located at 253/1b. Numerous anomalies remain to be tested.

Approximately 25% of the holes failed to hit target depth and were abandoned. In particular at Lukuliro 4 of 7 holes were abandoned due to difficult drilling conditions.

The airborne survey data was collected between 1976 and 1979 by Geosurvey International Ltd on 1km spaced flight lines.

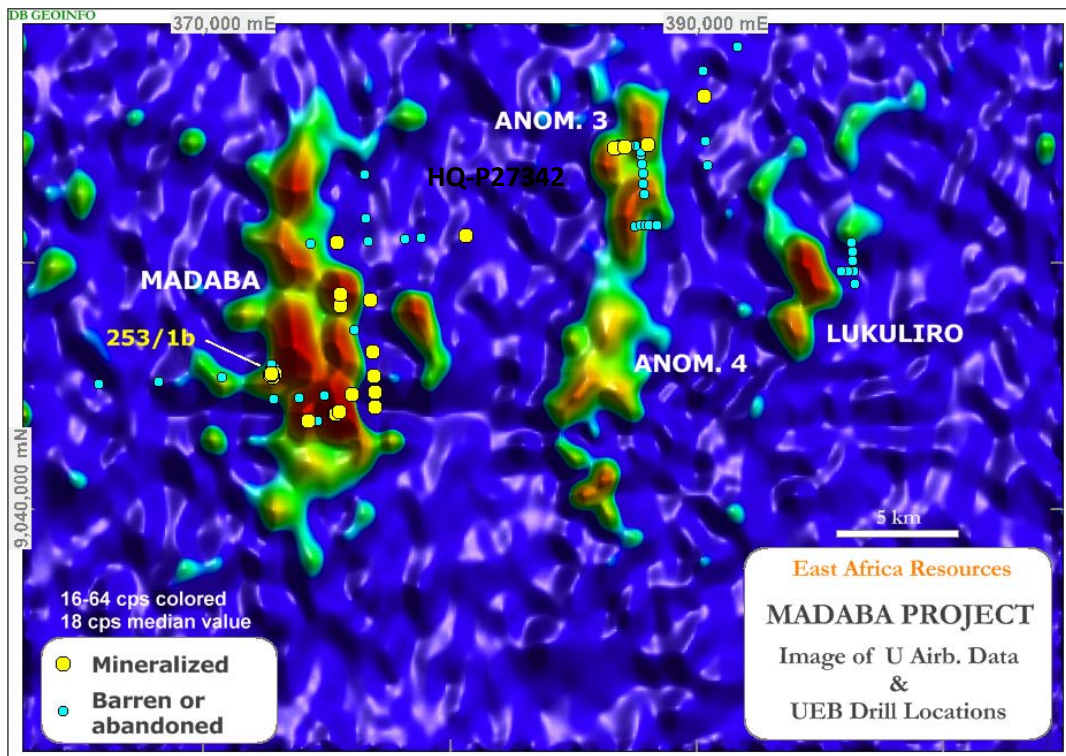


Figure 1: Madaba Project - UEB Drilling & Airborne Anomalies

The uranium mineralization is located within a 60-70 m thick, eastly shallow dipping ($<5^{\circ}$) stratigraphic zone at the inter-fingered contact between lower oxidized coloured sandstone beds and the upper reduced Hanging Wall Sandstone beds.

UEB drilled widely spaced traverses to establish the project stratigraphy and little drilling was undertaken to locate near surface uranium resources. Note that since 1970-80's uranium grade cut-offs have been reduced from 700-800 ppm U_3O_8 to 150-250 ppm U_3O_8 due to improvements in open pit mining techniques. The details of the drilling and a summary of the uranium mineralization encountered are provided in the Madaba announcement released on the 26th September 2013.

Discussion

It is the opinion of Dr Joe Drake-Brockman that given the number of surface showings and the lack of detailed drilling at Madaba, significant potential exists to identify sufficient near surface uranium resources which when combined may represent an economic proposition. In addition

there is the potential for deeper insitu-leaching targets where the redox fronts can be followed to depth.

Environmental Approvals

Madaba project is located within the Selous Game Reserve and therefore permission from the Ministry of Natural Resources and Tourism (MNRT) is required to explore in the area. The Company has been advised by the MNRT that access to the Selous Game Reserve will be granted on a case by case basis and that the Company should complete an Environmental Impact Assessment to support its application for access.

East Africa Resources environmental consultant ENATA Ltd has commenced work on the Environmental Impact Assessments (EIA) for Madaba.

Octavo

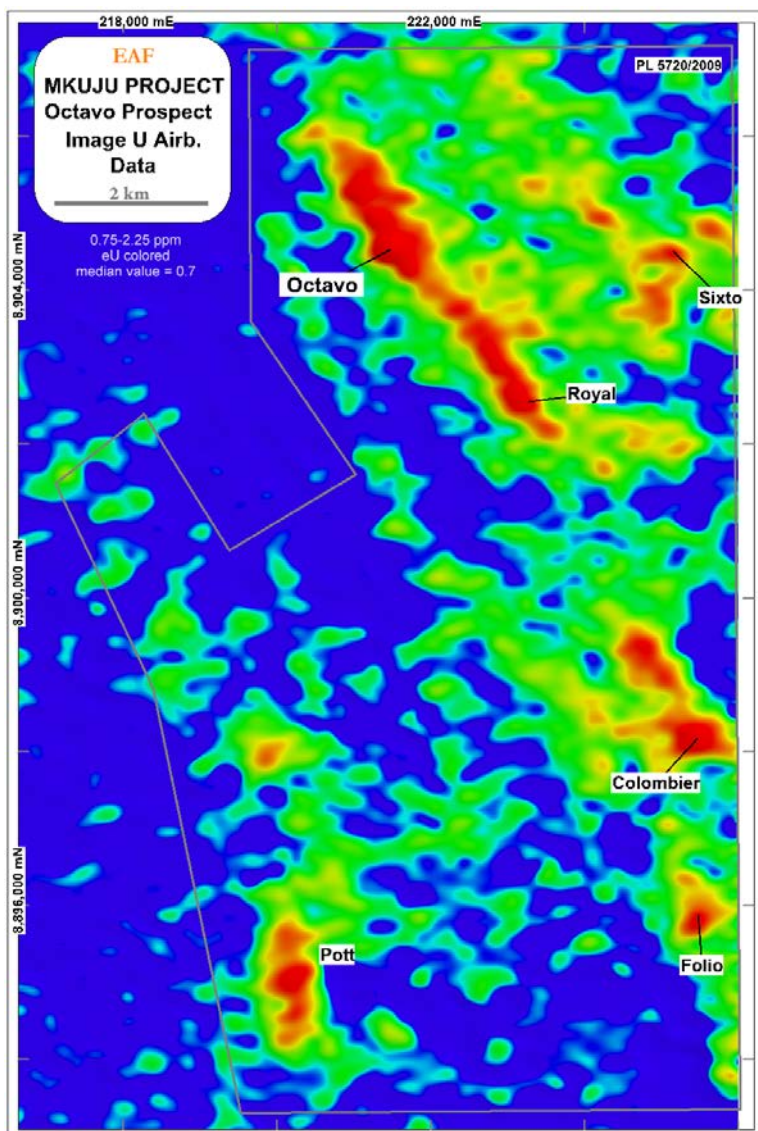


Figure 2: Octavo - Airborne Anomalies PL 5720 / 2009

The Octavo anomaly is located within the north-western arm of the regional Mkuju River anomaly.

Figure 2 gives the details of the uranium channel radiometric response which shows the highly prospective Octavo-Royal zone and numerous other uranium targets.

Work has commenced on the Environmental Impact Assessment for Octavo to obtain permission to conduct exploration work and a drilling program within the Selous Game Reserve.

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. Under the terms of the agreement KORES has committed to a staged investment of US\$3.5 million to secure a 50% interest in the Mkuju South uranium project. The JV investment will comprise two major exploration programs at Mkuju South. To date, KORES have contributed US\$2m for 28% of the project. These funds have been used for the Phase 1 Exploration programme.

Drilling commenced at the Mkuju South JV project in June with Part 1 and was completed in December with Part 2. In between, there was a three month delay while access to the Quarto and Post targets was negotiated. Both targets are within the Selous World Heritage Area and at a late stage the Tanzanian Ministry for Natural Resources and Tourism requested the submission of an Environmental Impact Assessment (EIA). Hence the drilling was suspended and the re-commencement delayed while the EIA was carried out.

Part 1 included 38 holes and 3415 metres of air core and rotary mud drilling at Foolscap, Crown, Demy and DW anomalies (see Figure 3). No significant uranium mineralisation was identified during this programme. The results of Part 1 of the drilling programme were announced to the ASX on 27th August 2013.

Part 2 added 24 holes and another 2182 m of air core at the Quarto and Post anomalies, for a total of 62 holes and 5596 m. These holes were logged using a down-hole gamma probe. The results of this program are currently being reviewed by the competent person and will be reported shortly.

The drilling was aimed at testing roll-front uranium mineralisation associated with airborne radiometric anomalies in sandstones of the Karroo Luwegu Basin in southern Tanzania. All anomalies tested were identified as a result of the airborne survey undertaken by East Africa in 2011 and field work carried out in 2011 and 2012.

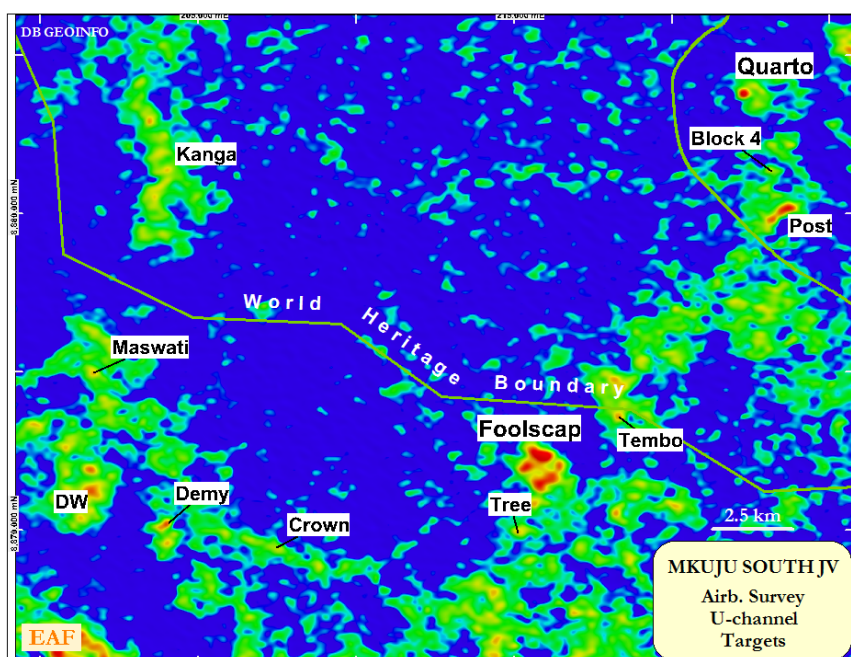


Figure 3: Mkuju South JV - Airborne Anomalies

Eastern Rift - Datlaa Gold Project

During the previous quarter, East Africa Resources reported that a significant artisanal mining operation had been identified on granted tenement PL 7309/2011, which is part of the wholly owned Eastern Rift Project in northern Tanzania.

East Africa Resources' exploration personnel visited the Datlaa site and conducted preliminary mapping and collected 19 grab samples within the artisanal workings.

Significant assay results were returned including;

DGBS010 @ 14.7 g/t

DGBS015 @ 36.1 g/t

DGBS016 @ 18.8g/t

Full details were released to the ASX in an announcement on 28th August 2013. No previous exploration is known within the tenement.

A programme of field exploration at the prospective Datlaa Gold Project located in the Eastern Rift, Tanzania will begin in January 2014. To date, reconnaissance exploration programs, including rock chip sampling and geological mapping has been completed.

Community Relations Program

A detailed community relations program took place in September 2013. The objective of the community relations was to meet and discuss access to explore with all stakeholders, which included local community representatives, local government representatives and senior artisanal miners' representatives. Positive feedback from all stakeholders confirmed the Company was welcome to begin exploration programs in the areas of artisanal working and beyond and the Company will continue to work closely with all stakeholders.

Exploration Campaign

East Africa has planned an exploration program consisting of:

- Trench/costean sampling to delineate zones of quartz veining and alteration to target drill holes
- Geochemical sampling of extensions to the gold mineralised trends and add definition to anomalous areas where sampling is on a wide reconnaissance spacing.
- Detailed geological mapping and reconnaissance to target the structural controls and extensions of defined gold mineralised zones and advance prospects for future drill testing.

After the initial mapping and sampling program, first pass drilling is planned to follow up previous high-grade gold rock chip results, as well as testing the extensive artisanal workings. This program is expected to commence in the next quarter.

Detailed satellite imagery over the Project area was purchased and will assist in mapping the artisanal mining areas and planning of future exploration programs.

Tanzanian Interests

East Africa Resources Limited has five projects within Tanzania (refer Figure 4). These are the Eastern Rift project in the north and the Madaba, Hemedi, Mkuju and Mkuju South JV in the south of Tanzania.

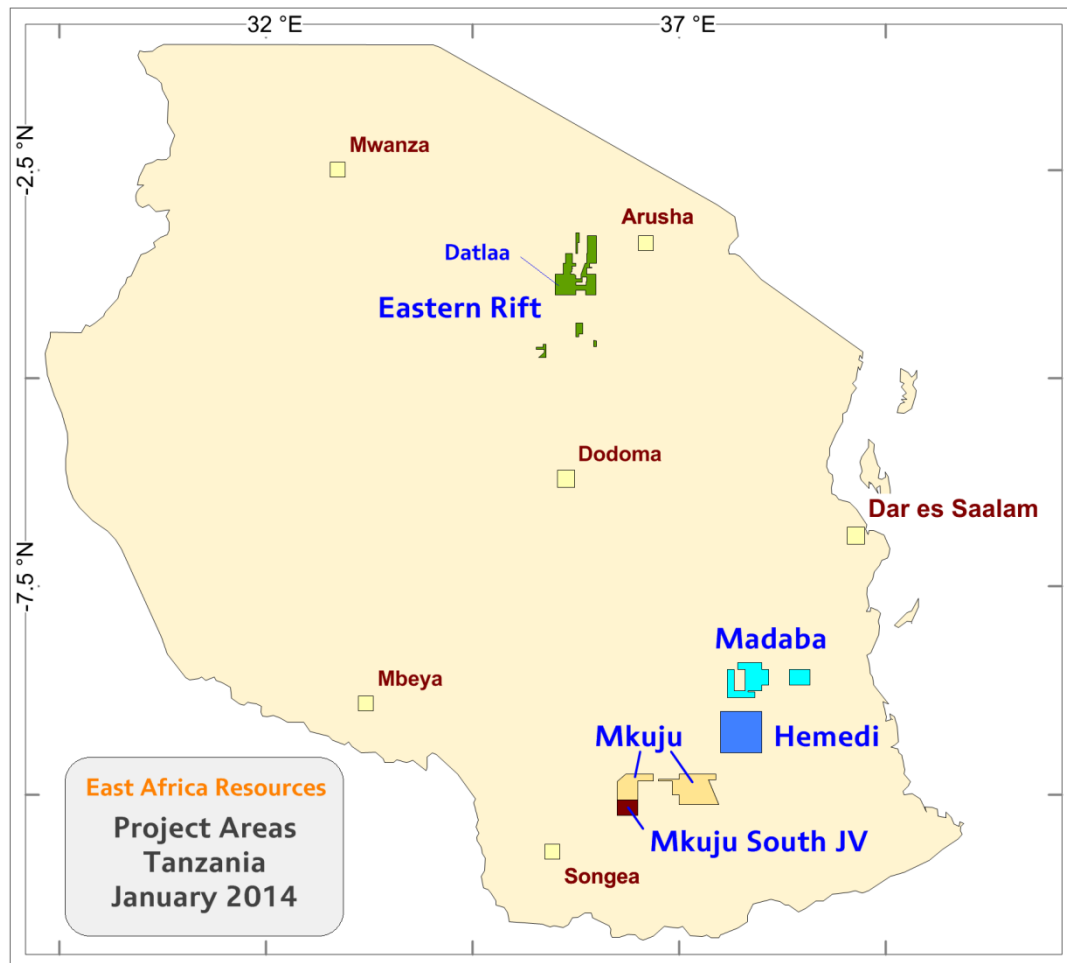


Figure 4 - Project Location Map

Corporate

During the quarter, East Africa Resources Ltd announced a 3 for 1 Rights issue to raise approximately \$758,025 for working capital and exploration in Tanzania.

EAST AFRICA RESOURCES LIMITED

Katina M Law

Executive Director/Chief Executive Officer

Mineral Tenements Schedule

East Africa Resources holds interests in the following Tenements as at 31 December 2013:

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 5786/2009	Luguruka – Songea	100%	100%
PL 5804/2009	Luguruka – Songea	100%	100%
PL 6362/2010	Madaba – Liwale	100%	0%
PL 7062/2012	Madaba – Liwale	100%	100%
PL 7659/2012	Madaba – Liwale	100%	100%
PL 9336/2013	Madaba – Liwale	100%	100%
PL 9342/2013	Madaba – Liwale	100%	0%
PL 9406/2013	Madaba – Liwale	0%	100%
PL 9407/2013	Madaba – Liwale	0%	100%
Eastern Rift, Tanzania (100% ownership)			
PL 5466/2008	Mto Wa Mbu – Monduli	100%	0%
PL 5494/2008	Oldonyo - Ngorongoro	100%	0%
PL 5648/2009	Kikilo – Kondoa	100%	100%
PL 5651/2009	Magugu – Mbulu	100%	100%
PL 5654/2009	Mto Wa Mbu – Monduli	100%	100%
PL 5655/2009	Mbulu – Mbulu	100%	100%
PL 5904/2009	Masange – Kondoa	100%	100%
PL 6974/2011	Babati – Babati	100%	100%
PL 7058/2012	Mbulu – Mbulu	100%	0%
PL 7078/2011	Ngorongoro – Ngorongoro	100%	100%
PL 7125/2011	Babati – Kondoa	100%	0%
PL 7309/2011	Mbulu – Mbulu	100%	100%
PL 8237/2012	Masange – Kondoa	100%	100%
Mkuju South, Tanzania (72% ownership)			
PL 7657/2012	Mgombasi – Songea	72%	72%
PL 7959/2012	Ligombe River – Songea	72%	72%

Enquiries

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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.

Competent Person - Gold

The information in this report that relates to Gold Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr. James Sullivan, who is a Member of the Australian Institute of Geoscientists. Mr. Sullivan is a full-time employee of East Africa Resources Limited. Mr. Sullivan has sufficient experience which is relevant to the style of mineralisation and 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 Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Sullivan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.