ASX: EAF

20 March 2014

Groundwork Program Completed at Datlaa Gold Project

- **Significant assays returned from the face sampling program up to 7.42g/t Au.**
- **42 faces sampled for a total of 216 samples covering a combined strike length of 2,660m.**
- **Another new zone of mineralisation has been discovered by artisanal miners ~850m South East of Datlaa Zone 2, locally called Hasama**

East Africa Resources Limited ("East Africa" or "the Company") (ASX: EAF) is pleased to announce the completion of a groundwork program at its Datlaa Gold Project located in Eastern Rift, Tanzania (refer ASX Announcement 28/01/2014 - 2014 Field Campaign Commences at Datlaa Gold Project) and (ASX Announcement 28/08/2013 - Gold Rush on Eastern Rift Project).

East Africa has completed further field reconnaissance, mapping and face geochemical sampling of the artisanal workings at the Datlaa Gold project to evaluate the potential of the project.

Datlaa Gold Project highlights include:

- Major artisanal workings located
- Gold mineralisation hosted in three structural zones
- Defined by large artisanal workings and geochemical in-situ quartz vein face sampling program
- Another new zone of mineralisation has been discovered by artisanal miners ~850m South East of Datlaa Zone 2, locally called Hasama
- 42 faces sampled for a total of 216 samples covering a combined strike length of 2660m
- Significant assays returned from the face sampling program up to 7.42g/t Au

The Company had planned trenching and costeaning over the prospect area, however, the extensive artisanal workings provided suitable exposures to allow in-situ face sampling of the quartz reefs. The face sampling program was undertaken to provide further assessment of the widespread surface mineralisation at Datlaa. In total, 46 faces were mapped and sampled for a total of 216

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samples. These samples were submitted to ALS Chemex in Mwanza for sample preparation and then forwarded to ALS Chemex Johannesburg for sample analysis.

Best assays recorded include 0.25m@4.42g/t, 0.50m@6.47g/t, 0.40m@1.56g/t, 0.46m@1.42g/t, 1.68m@2.03g/t, 0.84@4.0g/t, 0.34m@5.44g/t

In addition, up to three hundred artisanal miners have discovered a new mineralised zone locally called Hasama; this is approximately 850m south east of Zone 2 and will be the focus of a later face sampling program.

All significant intersections returned from the new face sample sites are summarised in Table 2.

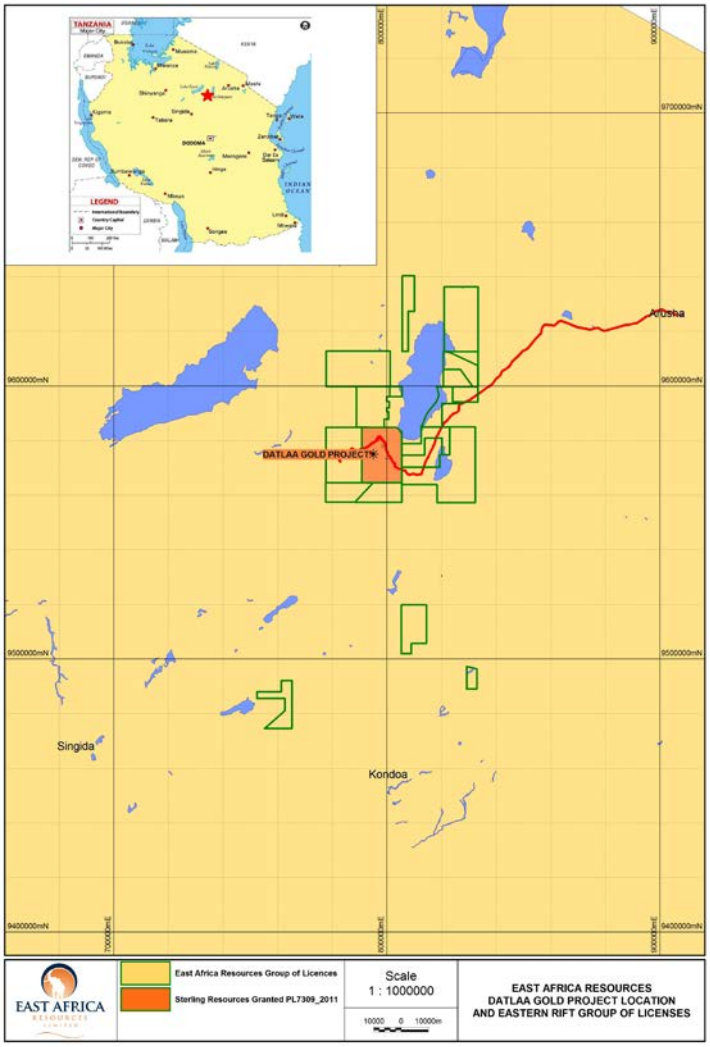

Figure 1: Datlaa Gold Project location

The recent mapping identified three main parallel sets of quartz veins in Zones 1 and 2. These veins are steep to sub vertical and have an apparent dip towards the south east between 85-75 degrees. The mapping confirmed the strike extent of the quartz veins to be associated with linear structural corridors and associated, second order north-south orientated jointing and faulting. Overall, the veins sets in Zone 1 are parallel to the regional foliation which ranges between 210-240 degrees.

In Zone 1, hanging-wall and footwall veins are exposed through pits and are continuous over 300m. The veins vary in thickness between 0.3m to 1.7m.

Zone 2 veins sets strike 010 degrees in the northern areas with a marked change approximately 130 degrees towards the southern area of Zone 2. The dip of these vein sets is sub-vertical. The main

quartz reef in Zone 2 varies in thickness of 0.5m to 3m. Artisanal miners have worked Zone 2 extensively.

The Geology and Structure of the Basement

Metamorphic rocks assigned to the Usagaran for the Mbulu Highlands crop out in small areas on the plains. A broad distinction may be drawn between the uniform, highly permeated, granitoid gneisses, which locally grade into mobilised synorogenic granite, and the banded gneisses, a much more varied group of less granitised rocks, including amphibolite's, quartzite's, politic and psammitic gneisses and metcalareous rocks.

In 1967 the Mineral Resource Division of the Tanzanian government mapped the area around Datlaa, describing it as follows:

> "banded gneisses are exposed and dominantly a series of quartzo-feldspathic metasedimentary rocks characterised by small scale compositional banding and by rapid changes in rock types across the strike. They are generally well foliated and have a granular texture. The Usagaran gneisses are folded into a series of fairly open symmetrical antiforms and synforms and are probably superimposed on earlier recumbent folding with similar axial direction. A later system of SE, trending cross-folds is important in the NW. The regional strike of the plains is NNE, and the minor fold axes and lineation's plunge gently SSW, parallel to the axes of the broadly synclinal structures of Derakuta and the Sangaiwe Hills. In the highlands, the strike is mainly NE, with the minor structures plunging NE, in the south and SW, in the north." (Brief Explanation of the Geology QDS #69, by Mineral Resource Division Dodoma (1967).

The epithermal gold bearing quartz veins are parallel to the gneiss and regional foliation. Primary gold mineralisation is associated with these inferred epithermal quartz veins, with enrichment along the preferred structural zones. Shallow, high grade gold mineralisation is evident marginal to preferred structures.

The epithermal quartz veins at Hasama were not sampled and mapping of quartz veins was interpreted from satellite imagery and could be the focus of a later face sampling program.

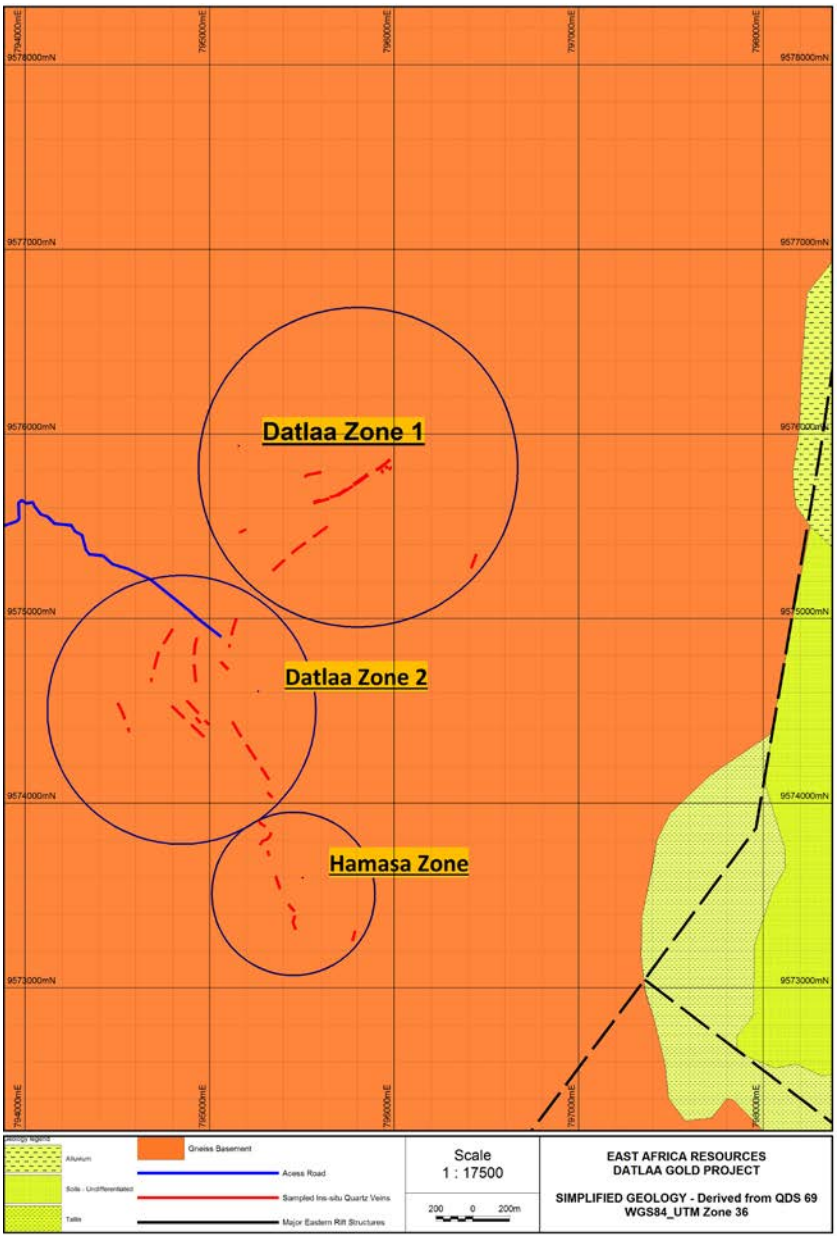

Figure 2 Simplified Geology with Quartz veins

Datlaa Zone 1

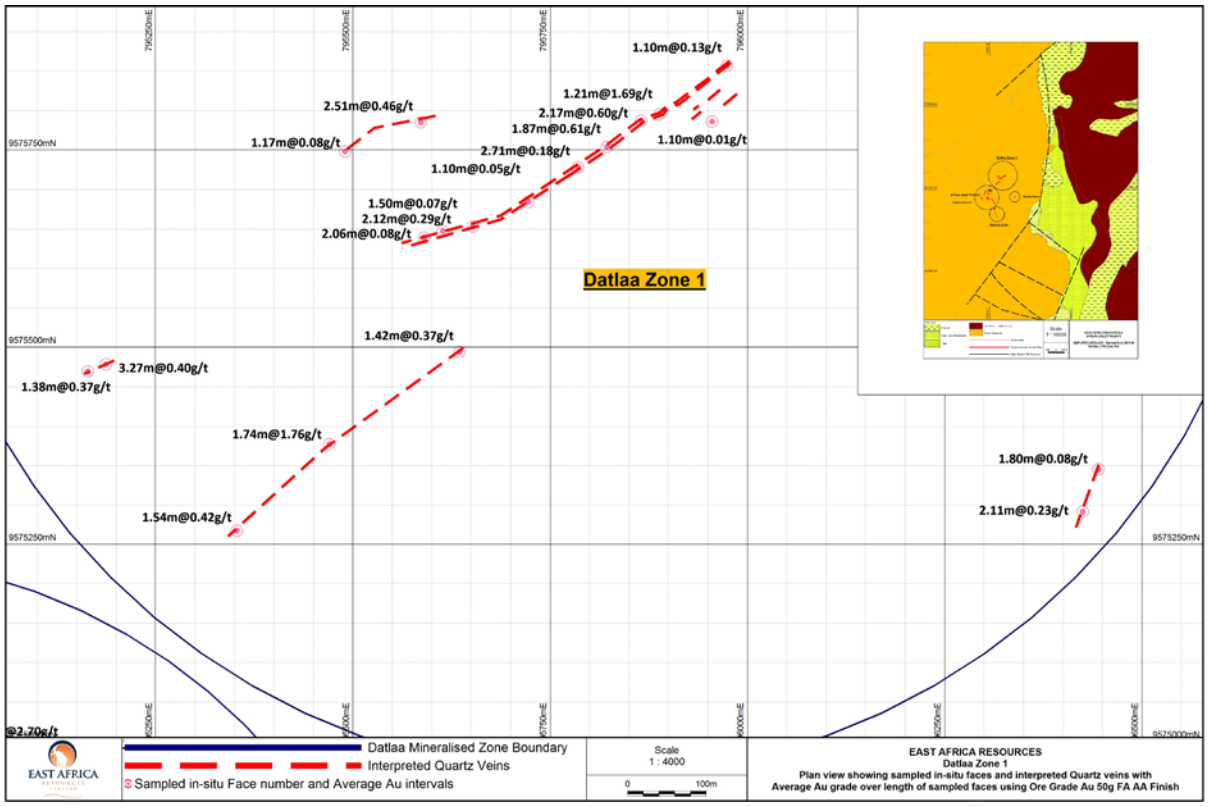

Figure 3: Datlaa Gold Project Zone 1 showing strike extent of quartz veins with sampled intervals and average gold grades.

Datlaa Zone 2

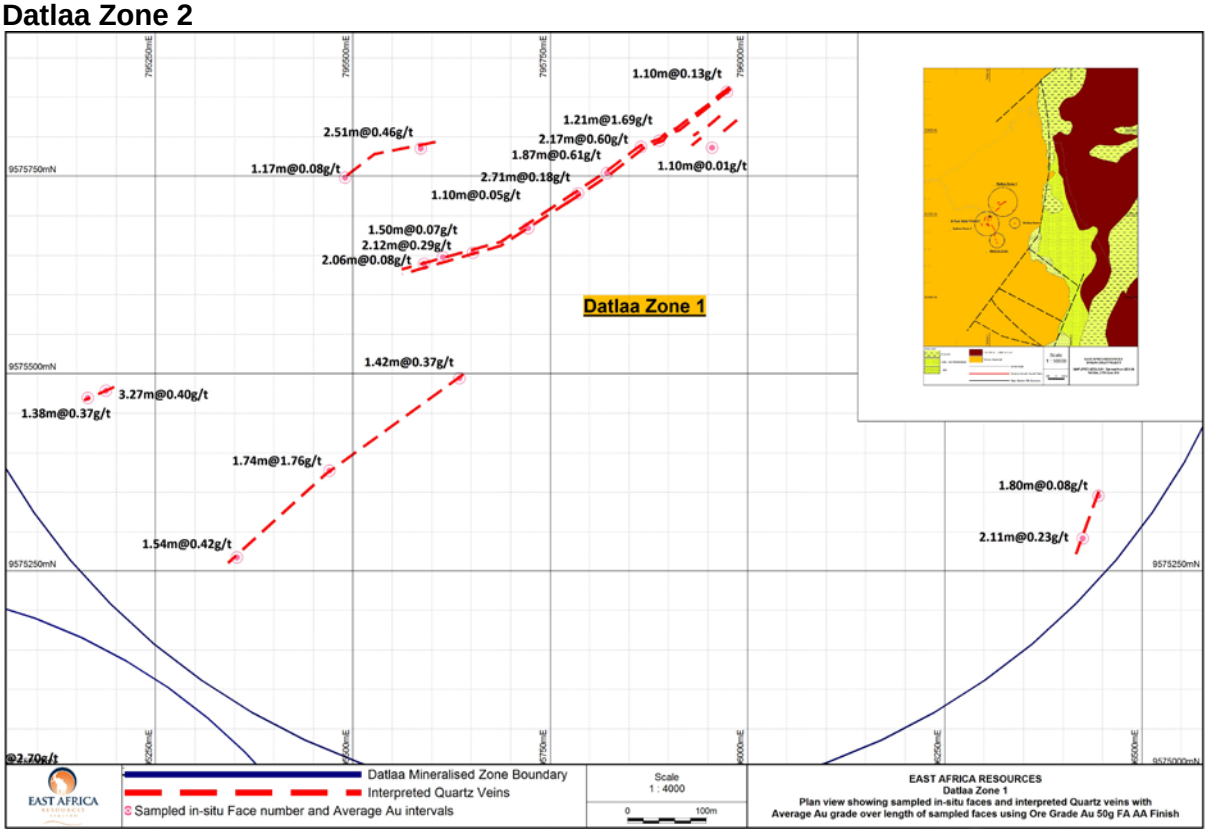

Figure 4: Datlaa Zone 2 showing interpreted quartz veins with sampled intervals and average gold grades.

Hasama

No sampling was conducted over the new Hasama area located approximately 850m south east of Zone 2 directly along strike. This new artisanal mining area is interpreted to be 620m in strike length, which is based on extensive workings and pits. Hasama Zone could be face sampled or trenched at a later time. The new zones of gold mineralisation being discovered and worked by artisanal miners at Hasama are similar to the quartz-reefs, typical of the high grade gold mineralisation in the Datlaa Zone 2, and as such present new exploration targets for satellite gold mineralisation.

Discussion

A total of 216 face samples targeting in-situ quartz veins within gneiss country rock were collected and submitted for assay. Geological units between hanging wall and footwall veins were also sampled. Results returned have demonstrated anomalous gold grades within the narrow quartz veins up to 1.7m thick and combined for a total strike length of over 2660m. Best assays returned include 0.25m@4.42g/t, 0.50m@6.47g/t, 0.40m@1.56g/t, 0.46m@1.42g/t, 1.68m@2.03g/t, 0.84@4.0g/t, 0.34m@5.44g/t.

Table 2: Significant Face Sampling assays results from Datlaa (Intercepts >1g/t Au)

Project	Sample ID	Au-AA26_ppm	Face number	Sample from (m)	Sample to (m)	Sample Length (m)
Datlaa	A2006	4.42	2	0.16	0.41	0.25
Datlaa	A2009	2.83	2	1.11	1.21	0.10
Datlaa	A2011	2.32	3	0.15	0.45	0.30
Datlaa	A2012	1.11	3	0.45	0.72	0.27
Datlaa	A2020	1.36	4	0.86	1.46	0.60
Datlaa	A2024	1.00	5	0.50	0.70	0.20
Datlaa	A2056	1.83	10	1.32	1.95	0.63
Datlaa	A2062	6.47	12	0.00	0.50	0.50
Datlaa	A2063	1.56	12	0.50	0.90	0.40
Datlaa	A2068	1.64	13	0.92	1.02	0.10
Datlaa	A2069	1.46	13	1.02	1.22	0.20
Datlaa	A2070	1.18	13	1.22	1.38	0.16
Datlaa	A2084	1.17	15	2.35	2.75	0.40
Datlaa	A2088	1.36	16	0.67	1.02	0.35
Datlaa	A2089	1.16	16	1.02	1.19	0.17
Datlaa	A2114	1.09	22	0.67	0.92	0.25
Datlaa	A2125	1.61	25	0.50	1.00	0.50
Datlaa	A2126	1.63	25	1.00	1.18	0.18
Datlaa	A2127	3.94	25	1.18	1.88	0.70
Datlaa	A2131	2.8	26	0.50	1.00	0.50
Datlaa	A2132	5.2	26	1.00	1.34	0.34
Datlaa	A2149	1.29	31	0.47	0.92	0.45
Datlaa	A2151	1.45	32	0.00	0.10	0.10
Datlaa	A2155	7.42	32	0.83	0.93	0.10
Datlaa	A2156	3.46	32	0.93	1.17	0.24
Datlaa	A2161	1.63	33	0.66	0.84	0.18
Datlaa	A2171	1.69	34	2.86	3.00	0.14
Datlaa	A2192	1.85	38	1.10	1.47	0.37
Datlaa	A2201	1.16	41	0.40	1.11	0.71

Competent person's statement

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.

JORC CODE, 2012 EDITION – TABLE 1 REPORT

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The exposed rocks were sampled using Insitu-face channel sampling techniques, including quartz veins and host lithology collected from the outcrop Artisanal workings and pits. • Approximately 5 kilogram samples collected from chest height over channel intervals ranging between 0.1 – 1.0 metre lengths. • Face sampling lines have been laid out horizontally and perpendicular to quartz vein contacts. Samples have been collected as chip samples using rock hammers at predominantly 0.20m-0.50 metre intervals. Sample breaks match geological contacts. • Samples routinely analysed for gold using the 50 gram Fire Assay Digest technique with an AAS finish.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• Not applicable – drilling results not reported
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• Not applicable – drilling results not reported

Criteria	JORC Code explanation	Commentary
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All face samples are geologically logged. Geological logging contains all the required detail for defining geological and ore boundaries and is appropriate for exploration results. • Logging of the face samples records geological unit and lithology.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	• Not applicable – drilling results not reported • Face sample preparation is done by crushing the whole sample, splitting by riffle splitter to a subsample size of 150g and then pulverizing the whole subsample. • Whilst no historical information is available it is believed that the sample size would be sufficient to detect a shear hosted gold deposit. For EAF, the sample sizes are considered to be appropriate for the type, style, thickness and consistency of mineralisation located at this project. The sample size is also appropriate for the sampling methodology employed and the gold grade ranges returned.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• The primary assay method used is designed to measure total gold in the sample. The laboratory procedures are appropriate for the testing of gold at this project given its mineralisation style. The technique involves using a 20-50g sample charge with a lead flux which is decomposed in a furnace with the prill being totally digested by 2 acids (HCl and HNO3) before measurement of the gold content by an AA machine. This method is considered appropriate for assessing narrow, free milling , nuggetty gold vein style deposits that exist in the area. • Quartz Flushes were used after every sample • Certified Reference Materials, blanks and duplicates were not inserted in the sample batches being reported. • ALS Chemex Laboratory QAQC is routinely done • QAQC samples are monitored on a batch-by-batch basis

Criteria	JORC Code explanation	Commentary
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• Mr James Sullivan has inspected the rock chips where possible in the field to verify the correlation of mineralised zones between assay results and lithology/alteration/mineralisation. • Not applicable – drilling results not reported • Field note books and ticket books were used to record primary data in the field. Primary data was then entered digitally and is stored and archived to EAF's server in Excel format and imported to an industry standard SQL database by the database geologist using data entry procedures and database import tools. Data is visually checked and validated prior to import and additional validation is carried out upon entry to the database. • No adjustments or calibrations were made to any assay data used in this report.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• Handheld GPS were used to locate artisanal workings and other sample locations. Handheld GPS's have an accuracy of approximately +/-10m. • Grid Co-ordinate system used is WGS84_UTMZone 36S • Sampled points were corrected using satellite imagery to match locations, including pits and roads derived from the satellite image. Original Handheld GPS co-ords are maintained in the database. • Corrections have been used and errors up to 10m have been recorded from Handheld GPS co-ords. • This is considered appropriate at this early stage of exploration.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The in-situ quartz vein face sample results being reported have used variable spacings, and ranges from 10 to 75 metres in strike length, which is considered sufficient to define geological and grade continuity for inferred resource and control purposes. This is supported with mapped and continuous quartz veins from artisanal pits and outcrops. • Compositing has not been applied to reporting of exploration results.

Criteria	JORC Code explanation	Commentary
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Face samples are collected wherever possible perpendicular to the in-situ quartz vein sample direction. Structural logging of orientated quartz veining and surface mapping supports the sampling direction and sampling method to produce a representative sample.
Sample security	• *The measures taken to ensure sample security.*	• Face samples were collected in the presence of EAF geologists. All samples were delivered by Mr. James Sullivan in person to ALS Chemex in Mwanza, Tanzania.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• No audits or reviews were undertaken due to the early stage of exploration.

SECTION 2 REPORTING OF EXPLORATION RESULTS

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• The results reported in this Announcement pertain to granted Prospecting Licence 7309_2011 held by Sterling Resources Ltd, a wholly owned subsidiary of East Africa Resources Limited. • At this time the tenements are believed to be in good standing. There are no known impediments to obtaining a license to operate, other than those set out by statutory requirements which have not yet been applied for.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• No historical exploration has been done other than the current artisanal mining activities.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Datlaa– The gold mineralisation occurs as a series of steeply dipping/vertical quartz reefs up to 1 metre wide within gneiss. Interpreted north-east/south-west striking structures, defined by the regional foliation appear to cross cut and influence the epithermal gold mineralisation. Mapping of the pit walls highlights a strong relationship between quartz veining and gold mineralisation.

Criteria	JORC Code explanation	Commentary
		The Datlaa Gold Project is located within the active East African Rift System.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• Not applicable – drilling results not reported
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• All gold values over 1g/t are reported (Table 2). • No upper or lower cuts have been used. • A weighted average grade is calculated as the sum of the products of sample length and grade for each sample in the relevant interval, divided by the total length of the interval. • All results reported are gold only. No metal equivalent reporting is used or applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• Results are considered to be close to true width.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• Location plans and sample sites for each resource area are contained within this announcement in Table 2.
Balanced	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and*	• All significant results are reported in Table 2. Samples with gold grades of less than 1g/t are

Criteria	JORC Code explanation	Commentary
reporting	*high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	reported as “NSR” (no significant result).
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No geotechnical work has been undertaken, to date.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	Further work could include: • A Phase 2 face sampling extension program and a Phase 1 Drill program designed to test down dip extensions and lateral extensions. • A phase 1 Hasama face sampling program