



ASX:EAF

JUNE 2014 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Datlaa Gold Project – Mapping Program Completed**
- **Madaba Uranium Project – Historical Data Digitised**

Executive Summary

During this quarter, East Africa Resources Limited (ASX:EAF) (“the Company”) carried out a mapping program at the Datlaa Gold Project and historical data relating to the Madaba Project was digitised highlighting a large number of uranium targets for detailed exploration.

Eastern Rift - Datlaa Gold Project

The Company completed a detailed geological mapping program at its Datlaa Gold Project located in Eastern Rift, Tanzania.

The Company conducted detailed geological mapping and inspection of the Datlaa Prospect located in the north east of Tanzania, within PL7309/2011, which is part of the Eastern Rift Project area. A limited channel sampling program of 30 samples was conducted and the samples were submitted for routine fire assay analyses. In addition, three grab samples were analysed for multi-element determinations.

The objective of the geological mapping and sampling was to better understand the scope and controls of mineralisation and alteration zones from previously reported sampling programs and to identify quartz reefs/vein stockworks between the main zones of mineralisation already mapped and sampled. All mineralised zones except Hassama were mapped and sampled.

Summary

The mapping while delineating numerous mineralised veins did not generate any substantial targets for follow-up drilling. Due to the narrow nature of the mineralisation and the lack of continuity of gold mineralisation between veins, no further exploration activity is planned for the Datlaa Gold Project at this time. There is scope for further sampling and trenching in the Hassama zone.

Mineralisation of the Datlaa Prospect Area

Host Rocks

The host rocks of the recognised gold mineralisation at the Project are generally coarse to very coarse grained quartz-feldspathic gneiss; or occasionally sheared pelitic gneiss.

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Bedrock Mineralisation

The recognised gold mineralisation is narrow, recrystallised quartz-gold-pyrite reef mineralisation. The mineralisation occurs within localised shears along rheology contacts between deformed coarse grained feldspathic gneiss and more massive equivalents or pelitic gneiss. The dominating quartz veins that form the reefs have been recrystallised and locally fractured. Vein styles are either single veins (<0.5m) or rarely sheeted multiple narrow veins (over a total width of less than 2m). At the Project area three mineralised vein sets are recognised.

- NW orientated, moderate to steep easterly dipping shears (Zone 2, Hassama)
- NS to NE orientated, generally steep dipping to east between 50° and 80° (Zones 1 and 2)
- NS orientated, moderate (45°) west dipping shears (Zones 3 and 4)

Five zones of mineralisation have been recognised (Figure 1).

Geological Model of the Datlaa Prospect Area Mineralisation

The gold mineralisation and localised silica-pyrite alteration are mesothermal, orogenic vein systems associated with localised shearing.

The main controls on the mineralisation appear to be a series of NW cross faults and where these intersect either the hinge zone of folded sequences (Zone 2) or as splays that dilate along pre-existing intense NNE to NE regional gneissic fabric. The timing of the mineralisation is post peak-metamorphism. Veins though have been deformed by subsequent later movement (possibly Tertiary).

The channel sampling program did not identify significant new gold anomalism at surface or between previously reported face sampling/rock chip sample points. The best result was 2.35g/t Au while the other 29 samples were all less than 0.9g/t Au with an average of 0.14g/t Au. Three grab samples were sent for multi-element analysis and the most interesting result was 183ppm tungsten in one sample.

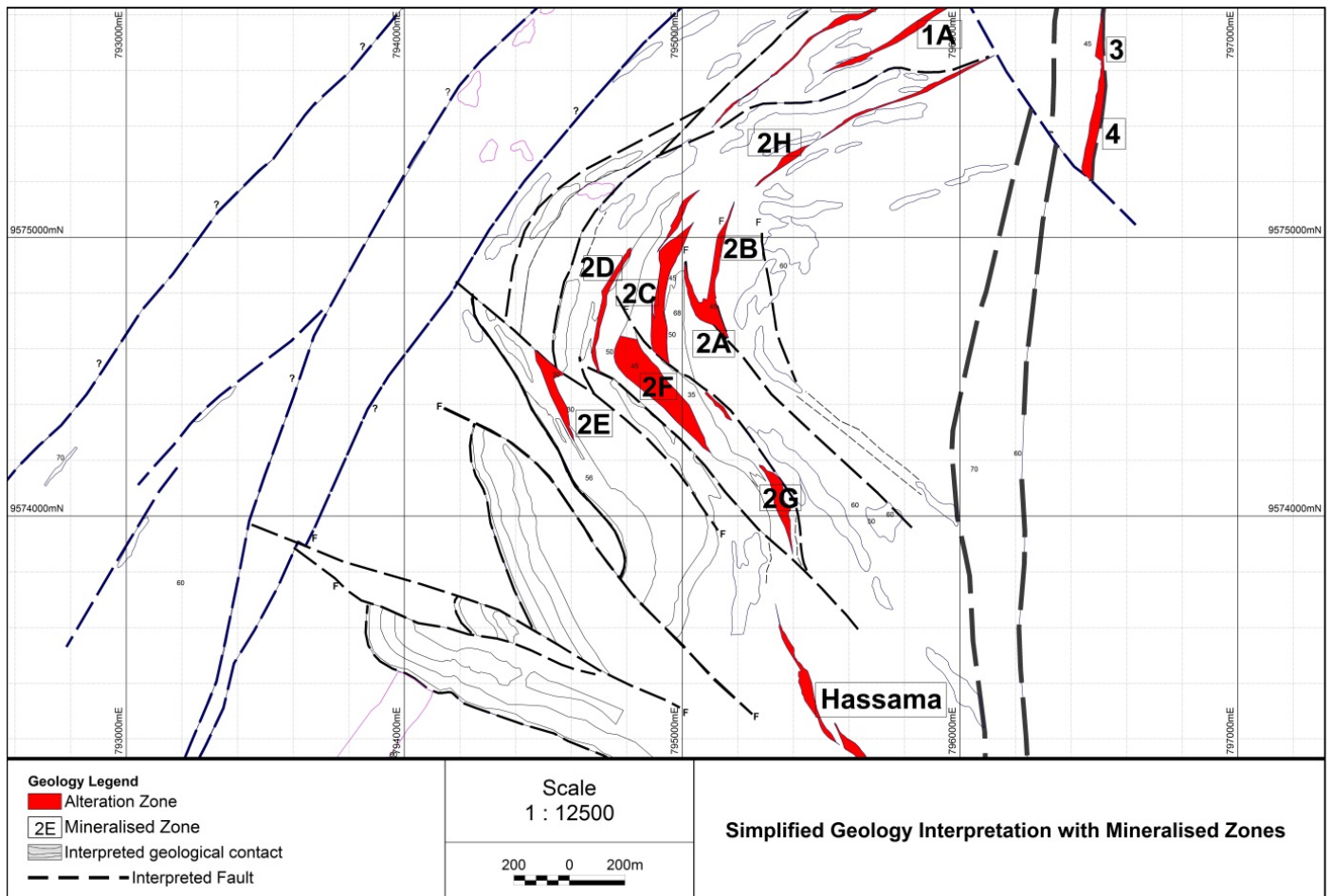


Figure 1: Datlaa Gold Project - recognised mineralised zones

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. The newly digitised historic data highlighted a large number of uranium targets 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. East Africa's consultant geologist Dr Joseph Drake-Brockman was employed by UEB during this period on the Madaba prospect. Dr Drake-Brockman provides East Africa Resources with strong uranium exploration expertise plus specialised knowledge of the historical exploration undertaken at Madaba.

Historical Drilling at Madaba

Recent access to additional information has 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 2.

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 2 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.

New Prospects

The three new prospect areas of shallow mineralisation, Nane, Sita & Tatu, (Figure 2) coupled with the previously announced Nyuki prospect (previously 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.

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

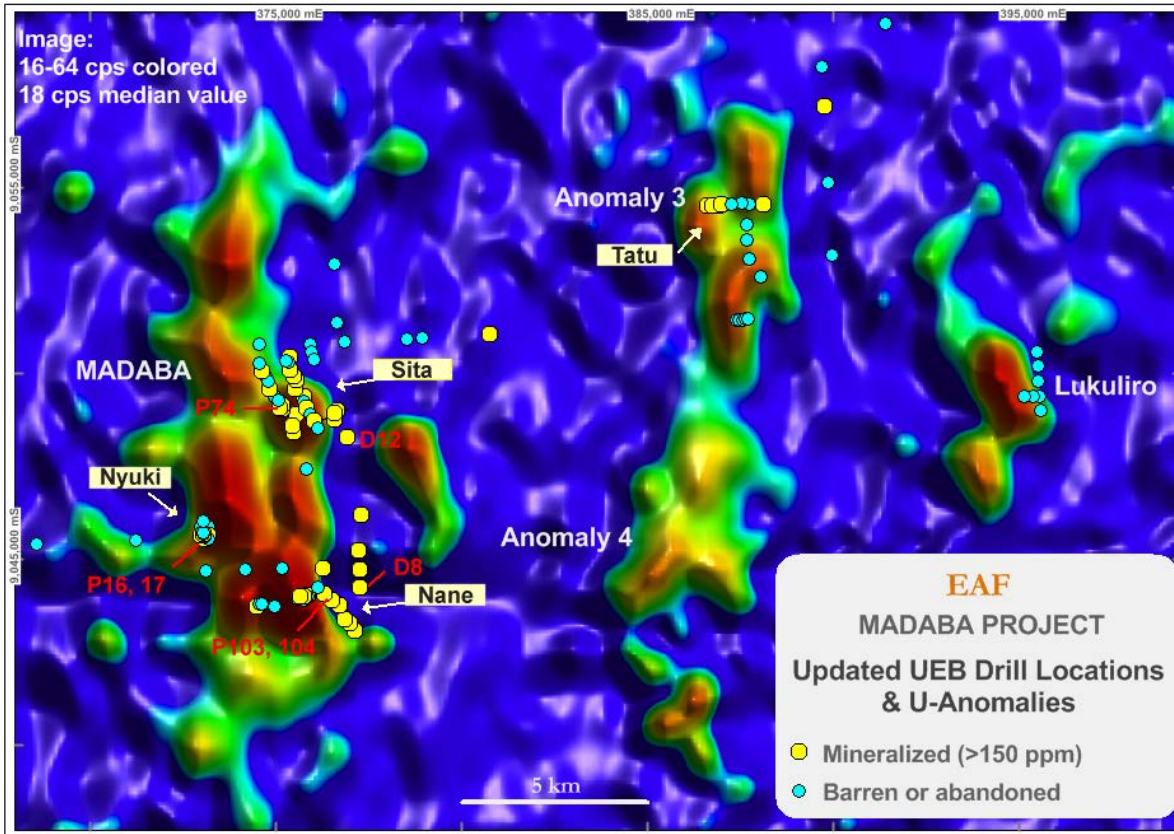


Figure 2: Target areas and historical drill data at Madaba.

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

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 has recently been advised by the Ministry of Natural Resources and Tourism (MNRT) that as a result of the most recent meeting of the World Heritage Commission (WHC) held in Doha the operations of all oil and gas and mineral exploration companies operating within the Selous Game Reserve will be restricted pending the completion of a Strategic Environmental Assessment (SEA) by the Tanzanian Government for WHC. The Company is currently seeking further details from the MNRT.

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 committed to a staged investment of US\$3.5 million to secure a 50% interest in the Mkuju South uranium project. The JV investment would 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.

Kores has recently advised that it has decided not to proceed with Phase 2 of the project. EAF is currently negotiating with Kores regarding the termination of the Joint Venture. The permit areas will revert to 100% ownership by the Company once the Joint Venture has been terminated.

Corporate

The Company has undertaken a cost rationalisation program in order to conserve cash. The Company is also reviewing new projects and opportunities.

Tanzanian Interests

East Africa Resources Limited has five projects within Tanzania (refer Figure 3). These are the Eastern Rift project in the north and the Madaba, Hemedi, Mkuju and Mkuju South JV in the south of Tanzania.

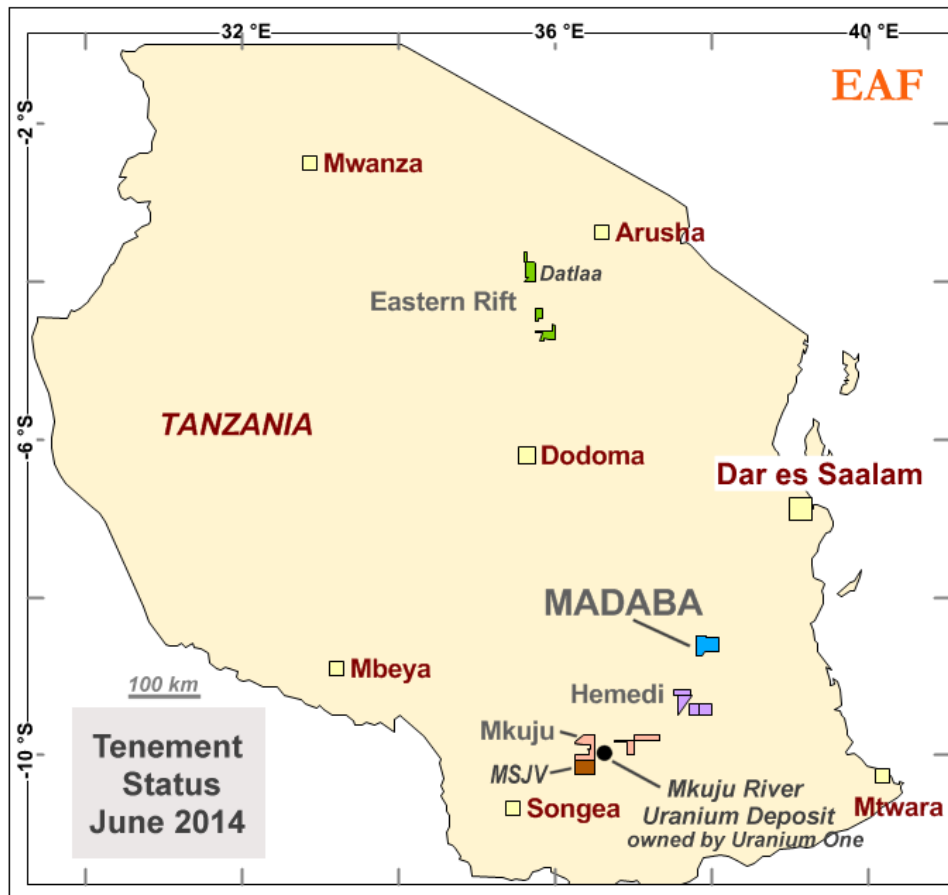


Figure 3 - Project Location Map

EAST AFRICA RESOURCES LIMITED

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Mineral Tenements Schedule

East Africa Resources holds interests in the following Tenements as at 30 June 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 5786/2009	Luguruka – Songea	100%	0%
PL 5804/2009	Luguruka – Songea	100%	0%
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 – Kondoia	100%	100%
PL 7309/2011	Mbulu – Mbulu	100%	100%
PL 8237/2012	Masange – Kondoia	100%	100%
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.

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.