



29 October 2010

Manager, Company Announcements
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

ASX: EAF

QUARTERLY ACTIVITIES REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2010

During the quarter, East Africa Resources Ltd, ("EAF or the "Company") (ASX: EAF), formerly Austral Africa Resources Limited, executed documents to advance the completion of the divestment of all interests in the Democratic Republic of the Congo ("DRC") and commenced a major exploration program of the Company's flagship uranium assets in Tanzania. The Company also completed a successful Share Purchase Plan (SPP), raising a total of \$955,250, providing funds for the exploration in Tanzania.

Operations

Completion of Divestment of operating assets in the Democratic Republic of Congo (DRC)

In August 2010, **the Company** announced that it had signed a binding Terms Sheet for a Management Buy-Out (MBO) of all its shareholdings in the DRC subsidiaries, Macro Mining sprl, Nova Mining sprl and Phoenix Resources sprl.

The MBO is with Mr Gaetan David Kakudji ("Kakudji"), a Congolese National and Director of both Macro Mining sprl and Nova Mining sprl. A definitive agreement between the parties was executed in early October 2010 and with closure expected as soon as is practicable, completing the Company's total divestment from the DRC.

Tanzania exploration program commences

During the quarter the EAF exploration team commenced its initial work on a 36 month, Three Staged Exploration program on the Tanzanian uranium exploration portfolio and the following was achieved:

- Acquisition of the greater part of available historic data with the remainder to be obtained during October 2010;



- Completion of the integration and interpretation of all available historic data, with results being integrated into geological models for the respective project areas (*completed in October*);
- Planning and equipment acquisition for the establishment of the exploration field camps. Camp establishment will occur during Q4/2010;
- Planning and preparatory work for the geological mapping and prospecting was completed, planning for airborne and ground radiometric surveys will be completed in Q4 2010. Mobilization for geological mapping and prospecting will proceed during Q4/2010, aimed at confirming the geological models referred to above;
- Confirmation of drill results from 1981 at Madaba-Mkuju from which drill targets were developed, with drilling planned for Q4 2010 on the Mkuju project- subject to weather conditions;
- At Eastern Rift, target areas have been identified for hand pitting using local labor and air core drilling. This work is planned for Q4/2010, weather permitting;

Corporate

Capital raising - Completion of SPP

The Company's Share Purchase Plan announced on 2 August 2010 closed on 10 September 2010 raising a total of \$955,250. The Board of East Africa Resources were pleased with the ongoing support of existing shareholders, and the funds received will assist the Company to progress the exploration of its flagship uranium assets in Tanzania.

Yours faithfully,
For and on behalf of
EAST AFRICA RESOURCES LIMITED

EA Myers
Company Secretary

Enquiries
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Figure 1: Madaba-Mkuju Project Location Map

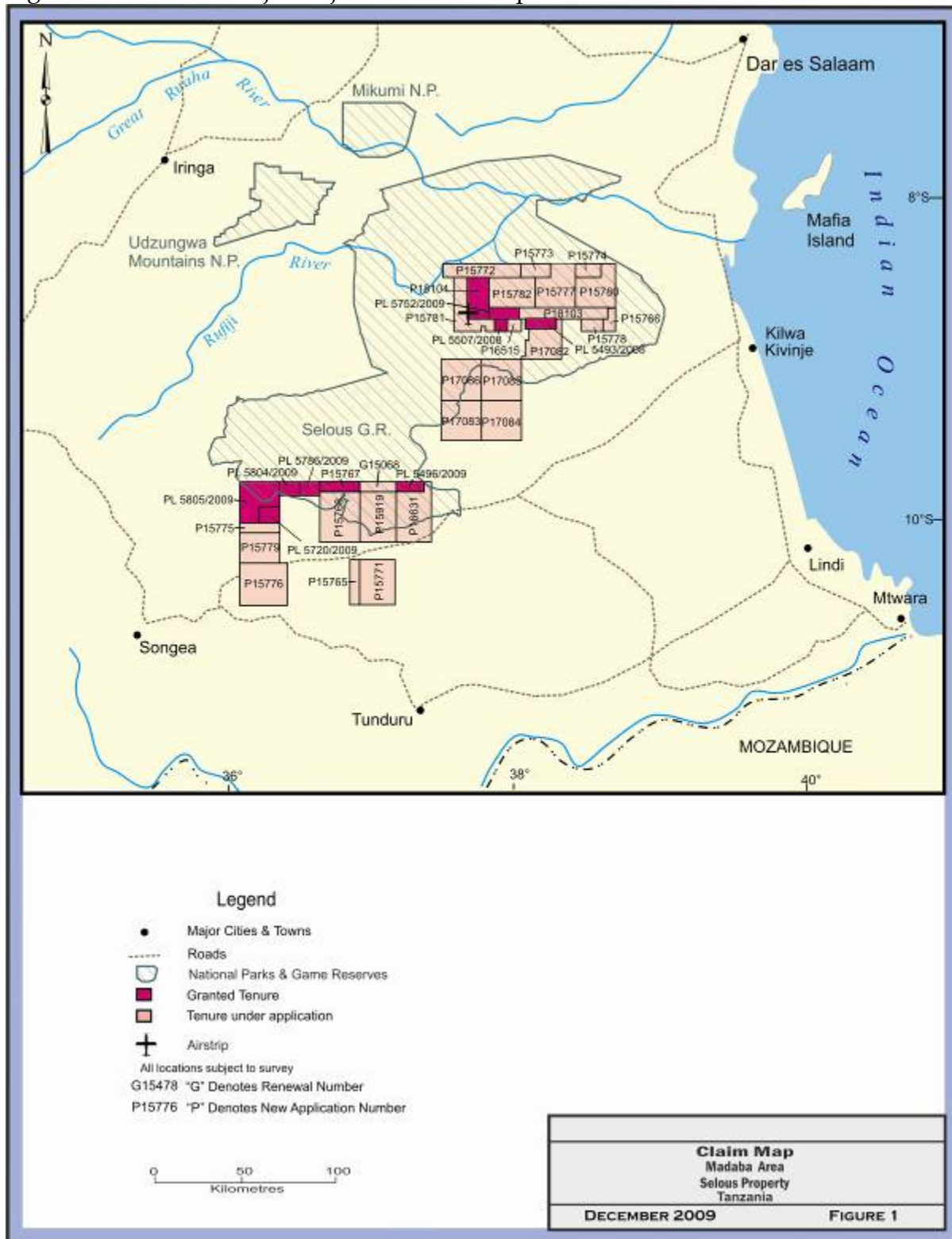


Figure 2: Eastern Rift Project Location Map

