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ASX Announcement

East Africa Resources updates exploration program at Tanzanian uranium assets

ASX: EAF

East Africa Resources ("EAF" or the "Company (ASX: EAF)") is pleased to provide shareholders with an update on the Company's major exploration program now underway at its two key Tanzanian uranium tenements, Madaba-Mkuju and Eastern Rift.

As reported to shareholders at last week's Annual General Meeting in Perth, EAF's exploration campaign commenced in August this year, with stage one exploration scheduled to be completed by 31 Jan 2011.

EAF Chairman Louis Coetzee said the Company was pleased to advise that the exploration program was ahead of schedule and on budget.

"The initial objectives of the exploration effort were to integrate and interpret all available historic data and establish field camps to support exploration work in remote areas. We will also be undertaking thorough geological mapping and prospecting, including airborne and ground radiometric surveys," Mr Coetzee said.

Results from drilling Madaba-Mkuju in 1981 will also be confirmed and at Eastern Rift the Company intends assessing whether the relatively shallow target area will allow East Africa Resources to access the resource at low cost and with minimal environmental impact.

On 26 November, East Africa Resources announced that it was undertaking a capital raising of up to \$3.4 million by a placement of securities with sophisticated and private investors. These investors will subscribe for fully paid ordinary shares in East Africa at \$0.20 per share. The placement will enable East Africa to progress exploration on the Company's projects in Tanzania (as outlined below) and will provide further working capital.

Stage 1 Phase 1 of the Exploration Program will run until the 31st of January 2011, and includes as deliverables:

- Integration and interpretation of all available historic data pertaining to both the Tanzanian projects;
- Preliminary field exploration to verify / confirm available data, conduct geological mapping and prospecting;
- Establish exploration infrastructure for subsequent exploration programs; and,
- Development and submission for approval, of a three year exploration program (Stage 2 Exploration) which will advance both projects to at least PFS status.



East Africa Resources view both of the Company's key uranium project areas in Tanzania as hosting excellent potential for bulk uranium deposits.



Madaba-Mkuju

Madaba-Mkuju covers 5,088km² under valid Prospecting Licenses and 23,500km² under application and has targeted sandstone roll-front style uranium mineralisation. The property, located in south-eastern Tanzania, just 225 kilometres southwest of Tanzania's commercial centre Dar es Salaam, is comprised of 7 Prospecting Licences and 29 applications.

Sandstone-type uranium mineralisation was discovered at the Madaba-Mkuju Property in 1978 from ground follow-up of airborne radiometric anomalies generated by German company, UEB. A total of 28 drill holes with available data were completed in 1981, with 15 of them penetrating the favourable sandstone horizon. Of these 15 holes, the average grade was 0.05% eU₃O₈ across thicknesses of 0.5 to 5.0 metres. The drilling tested an area of 30 km² by 10 km², averaging one successful hole per 20 km².

Mr Coetzee believes potential exists for much higher grades in roll fronts developed in reduced areas at Madaba-Mkuju: "The Madaba-Mkuju property has excellent geological potential for additional discoveries of sandstone-hosted uranium mineralisation. The adjacent Mkuju uranium occurrence, on Mantra Resources Limited's grounds, now has a resource of 16 million kg of U₃O₈ at an average grade of 409 ppm," he said.

Eastern Rift

"Eastern Rift" covers an area of 3,876km² under valid Prospecting Licenses and 5,209km² under application and has targeted calcrete-style uranium mineralisation. The property, located in northern Tanzania, 250 kilometres north of the capital Dodoma, comprises 8 Prospecting Licences. The anomalous uranium channel radiometrics and the geological environment favourable for calcrete-style uranium mineralization suggest sub-surface uranium concentrations east of Lake Manyara.

The earliest reported mineral exploration and development activity in the area was in 1956, when New Consolidated Goldfields Ltd. discovered phosphate mineralisation at Minjingu. Country-wide airborne radiometric surveys completed in the late 1970s and detailed surveys completed in 2008 have identified numerous radiometric anomalies, including multiple anomalies on ground now covered by Eastern Rift.

"Our portfolio covers an exciting uranium package targeting both roll-front and calcrete style uranium geological settings, and the size and shape of Minjingu has been likened to the anomaly at the 115 million pound Yeelirrie uranium deposit," Mr Coetzee said.

Louis Coetzee

Chairman

East Africa Resources Limited

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