ASX: EAF
31 October 2011

QUARTERLY ACTIVITIES REPORT FOR THE QUARTER ENDED 30 SEPTEMBER 2011

KEY POINTS

- **Delineation of a 40km linear uranium front stretching from Mantra Resources Ltd's Nyota project, northeast into EAF's Mkuju project area**
- **Delineation of a 12km uranium trend possibly connecting with Uranex Ltd's Likuyu North project in the south of EAF's Mkuju project area**
- **Decision to undertake further drilling at the C1 anomaly at the Eastern Rift project area**

Mkuju Project

The Mkuju Project area which targets sandstone roll-front style uranium mineralisation is EAF's flagship project. The Mkuju Project area is located in the southern region of Tanzania immediately adjacent to Mantra's, Nyota project, on the Company's eastern boundary and also sits above Uranex Limited's Likuyu North project on its southern boundary.

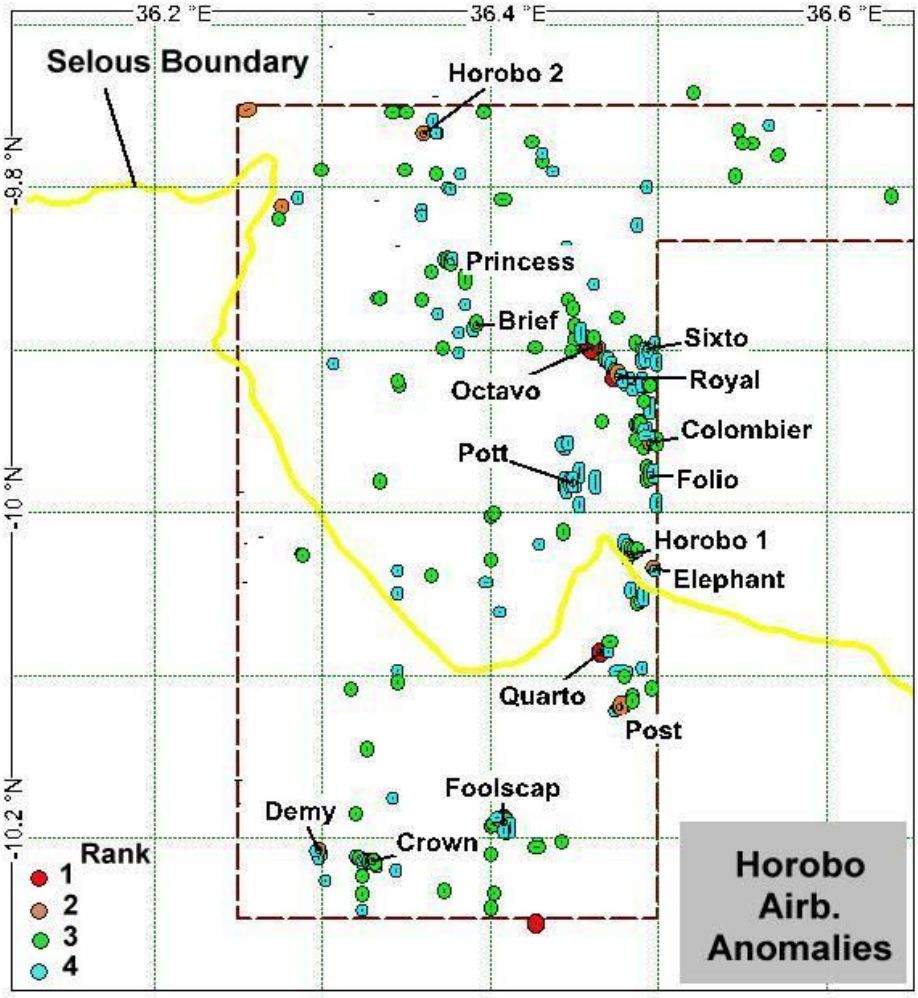
EAF undertook a radiometric/magnetic airborne survey flown over the Mkuju Project area in the June 2011 quarter which identified 29 uranium targets and some 347 flight line anomalies. Three areas of uranium mineralisation were identified in the northwest, southern and eastern areas of the total project area.

Of particular interest was the identification of an extensive linear uranium front extending northwest from Mantra's Nyota project which can be traced as a high background uranium front over a 40km strike and includes one high ranking uranium target, "Octavo". Because these anomalies lie within the Selous Game Reserve, no further exploration work can be conducted until the consent of the Government of Tanzania is granted and for which discussions have commenced with Government officials.

Exploration focus for the September 2011 quarter was therefore on the southern airborne anomalies of the Mkuju Project area which all fall outside of the Selous Game Reserve.

ABN 36 060 774 227
288 Stirling Street, Perth WA 6000 PO Box 8260, Perth Business Centre, WA 6849
Tel: +61 8 9227 3270Fax: +61 8 9227 3211
Email: info@eastafricaresources.com.au

In that regard, EAF completed interpretation of the southern airborne anomalies, and commenced followup ground exploration work to select drill targets. This included a field visit made by Dr Joseph Drake-Brockman, the company's independent technical expert, in October 2011.



Most exploration work to date has focussed on Foolscap due to its easy access. Some limited scintillometer and spectrometer traverses have been carried out to investigate the anomaly. This has delineated a weak, subtle trend at the base of weathered Karroo sandstones.

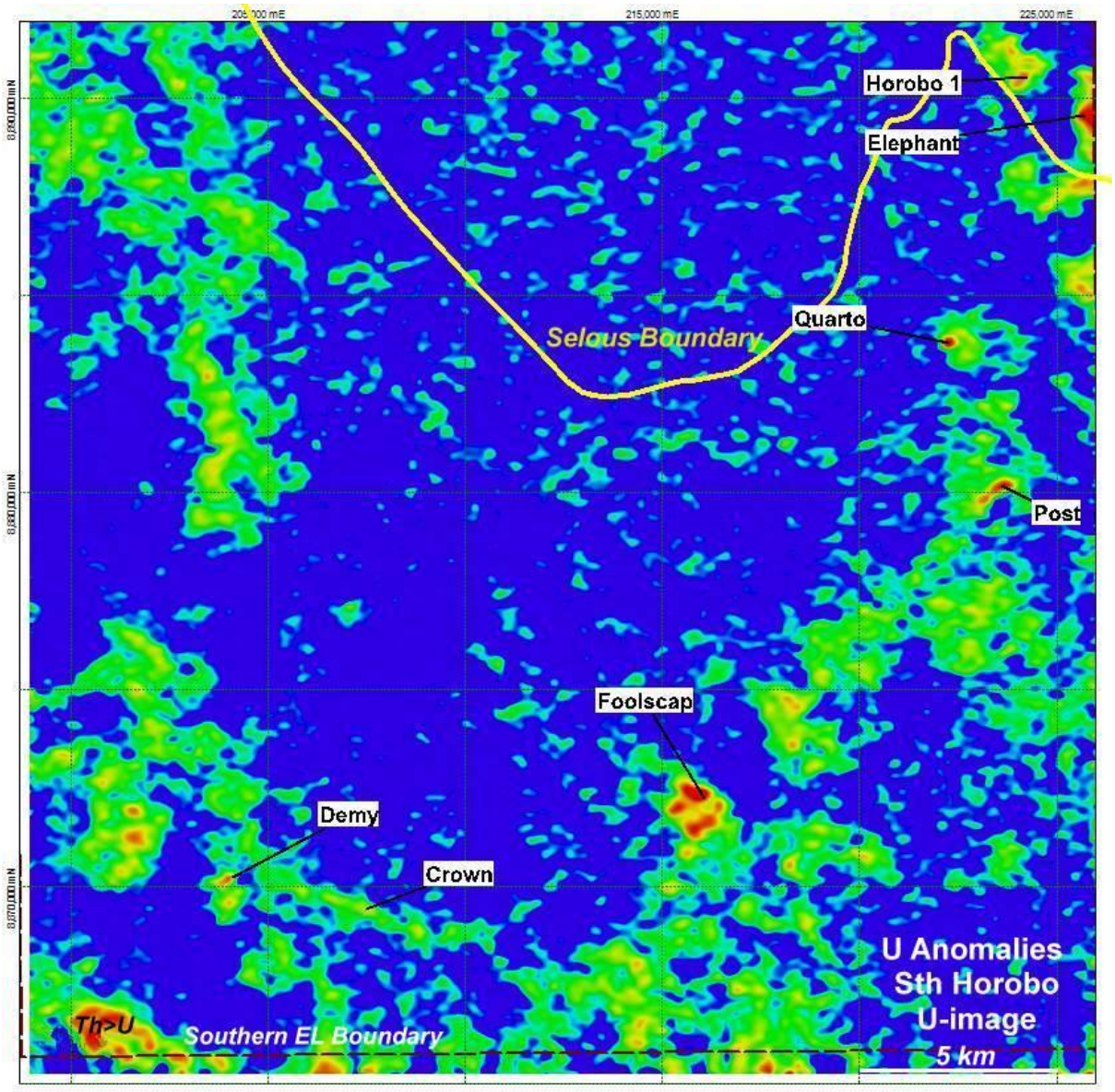
Foolscap, though quite a large airborne anomaly, has proven to be relatively weak on the ground. The overall uranium-halo probably extends eastwards and it may then link up with the Quarto-Post trend. It is currently best interpreted as a leakage anomaly possibly derived from buried and more substantial uranium mineralisation.

The uranium image below shows a 12km long arc of above background uranium responses running from Quarto, via Post down towards Foolscap. There is a gap (or termination) in the trend where a large creek wraps around the Foolscap anomaly.

Quarto and Post represent the strongest uranium responses within this trend. This sub-zone (Quarto-Post) is about 4 km long and occurs in the eroded face of the regional escarpment where there is some potential for surface uranium mineralisation to be exposed.

Crown shows a strong correlation with a Thorium response along a major drainage line and as such is not likely to be significant.

Demy though a weak uranium anomaly does not correlate with a Thorium response and as such is of interest to EAF. It may also represent uranium leakage out of the high plateau ground to the south.



It is clear from the satellite imagery that south west of the Quarto-Post line much of the area is covered by both lateritic weathering cap and washed re-worked alluvial sands. This material is very likely to blanket any radiometric responses hence weak subtle responses in the airborne results are certainly worthy of further investigation.

Therefore, a programme of detailed field work to investigate low order surface anomalies that may represent uranium leakage is being developed by EAF. Target areas will be breakaway faces where the sand cover is thinner and where sandstone outcrops can be expected. The programme will cover a large area following the trend from Quarto to Foolscap and to the south of Foolscap heading towards the border with Uranex and its Likuyu North project.

This type of activity has proven successful in the area in the past in locating substantial outcrops of surface mineralisation. For example; Mantra Resources recorded strong uranium assays (100-1,000's ppm U3O8) along the Mbarangandu trends where initial ground checks by previous licence holders failed to locate any significant anomalies.

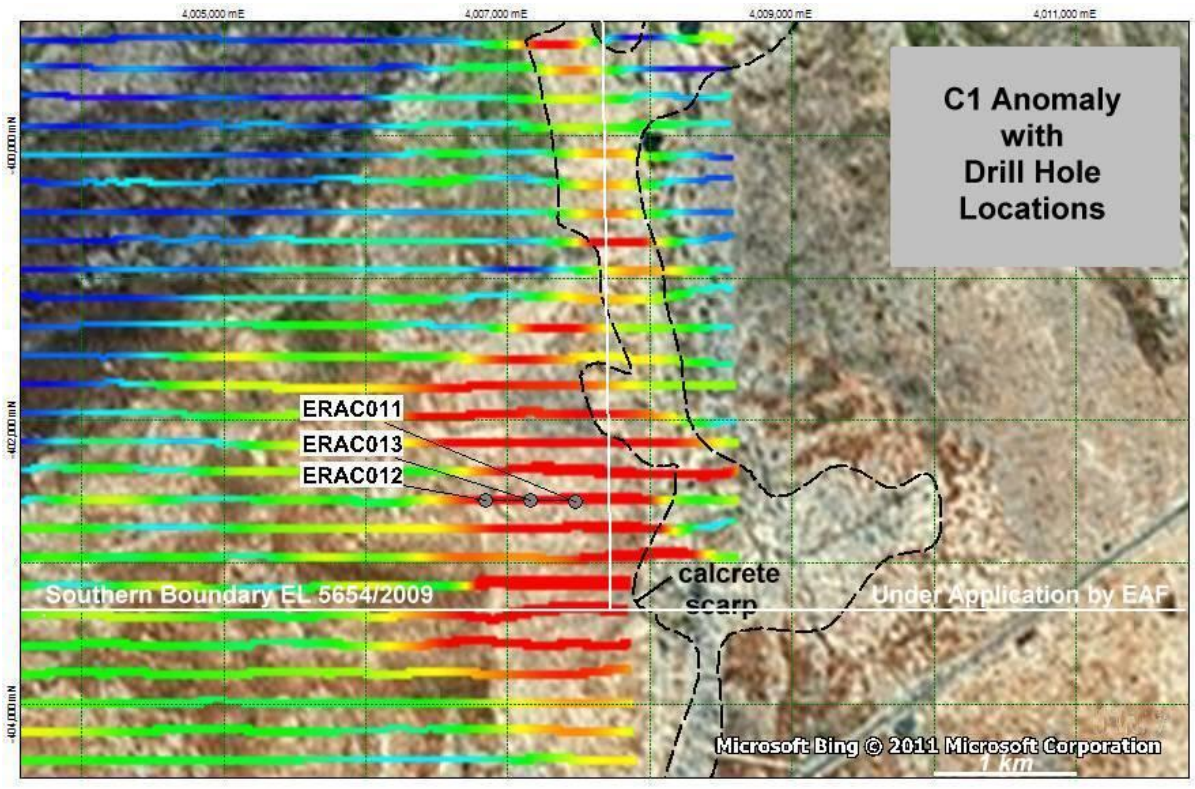
Until more substantial outcrops of surface uranium mineralisation are identified, little or no drilling is planned for the southern targets of the Mkuju project area.

Eastern Rift

In the September 2011 quarter, EAF continued ground exploration work on the C1 anomaly of its Eastern Rift project in Northern Tanzania as previously announced to the market. This also included a field visit by Dr Joseph Drake-Brockman.

The original airborne survey identified uranium anomalies which, although quite discrete in character, were found to represent weak subtle anomalies on the ground. They represent near surface, recent enrichments within surface muds and clays.

The drilling did, however, intersect uranium at depth which bears no direct correlation to the surface anomaly.



Three aircore drill holes were drilled by EAF earlier in the year on an east-west traverse line at 300m spacings. The three holes were drilled to approximately 80m depth. The map above shows the location of the drill holes, the airborne anomaly and the calcrete scarp.

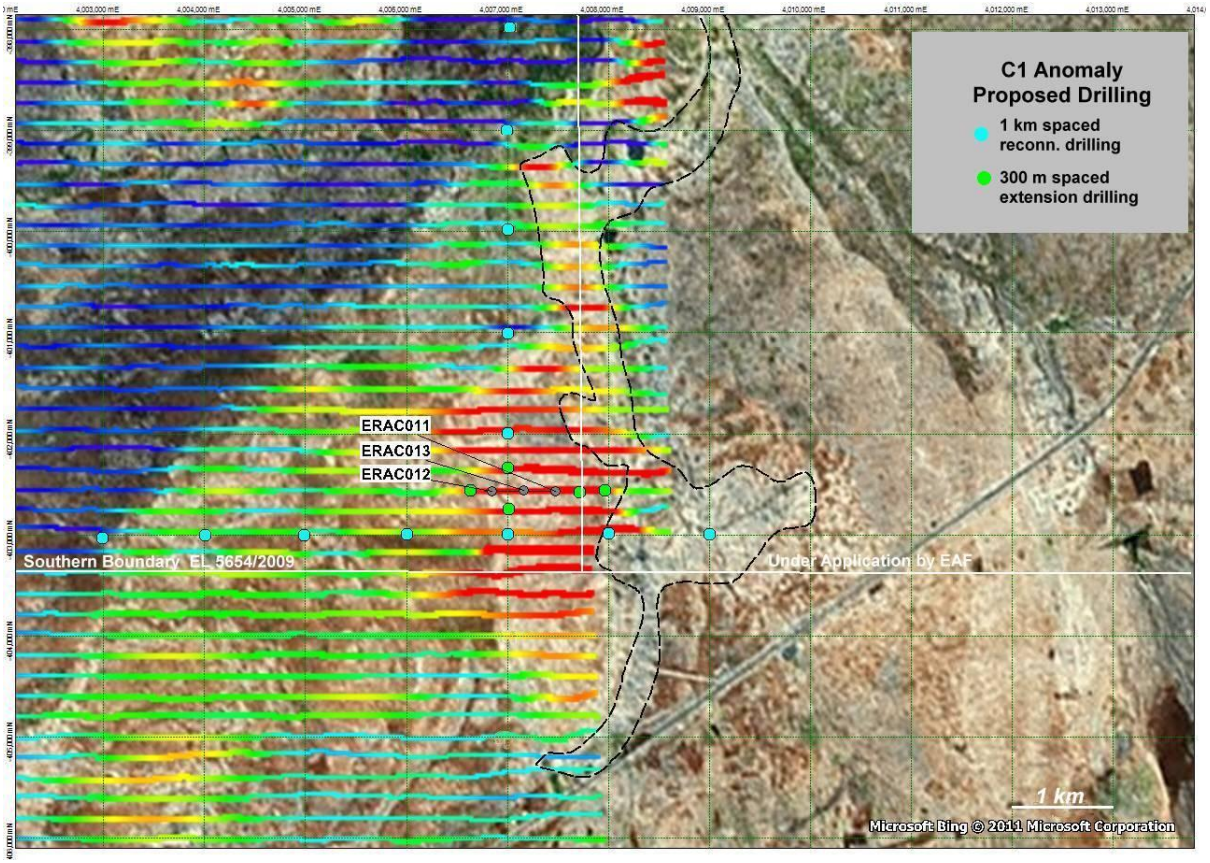
In each of the three holes a wide zone of low grade uranium mineralisation was intersected. The pattern of peaks in each hole was very similar suggesting that a coherent zone was intersected that

extends over a minimum of 600m. The width was remarkably consistent at 14m >50 ppm uranium in each hole.

The best assay returned was 157 ppm uranium. The top of the zone exhibits a slight regular westerly dip with the depth of intersection increasing from 47m to 53m to 60m from east to west along the traverse (horizontal distance 600m) equating to a 1.25 degree dip.

The surface anomaly is of recent origin. The sub-surface anomaly however represents a viable target based on the appreciable thickness (>10 m), the lateral continuity, obvious though modest uranium enrichment, and the large area of the potential target.

Additional drilling at C1 is therefore planned in the new-year 2012 following the wet season.



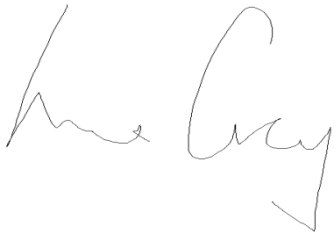
Wide spaced (1 km) reconnaissance holes are planned to investigate both the margins of the palaeo-lake (N-S line) and the basin interior to gain a better understanding of the basin sediments and variations in uranium mineralisation. In addition, a limited number of extension drill holes close to the original three drill holes are planned to test the local geometry of the zone and any grade improvements.

The proposed drilling is set out in the map below. A total of 15 holes for approximately 1,250m of drilling is currently planned.

EAF Chairman, Mr Louis Coetzee, commented that, "As we progress our exploration activities, we continue to build confidence in the prospectivity of our portfolio knowing we have only just scratched the surface, with many more uranium targets to be pursued. While the wet season in Tanzania will arrive soon, our focus of field work on our southern Mkuju anomalies will mean our exploration

activities will remain constant and largely uninterrupted throughout the current December 2011quarter."

Yours faithfully
For and on behalf of
EAST AFRICA RESOURCES LIMITED



Mr Mark Gray
Chief Executive Officer

Enquiries

The Company:
Mark Gray
Chief Executive Officer
East Africa Resources
Mobile: + 61 (0) 412 899 979
Email: m.gray@eastafricaresources.com.au

Media & Investor Relations:
Bill Kemmery
Managing Director
Fortbridge Consulting
Mobile: +61 (0) 400 122 449
Email: bill.kemmery@forthbridge.com

Competent Person

The information in this release, insofar as it relates to 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 2004 Edition of the "Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves". 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.
