EAST AFRICA RESOURCES LIMITED

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The Manager Announcements
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KORES FUNDS EXPLORATION PROGRAM FOR MKUJU SOUTH URANIUM PROJECT

East Africa Resources Limited (ASX: EAF) is pleased to advise that the Board of Mkuju Resources Ltd, which hosts the Company's joint venture with Korea Resources Corporation ("KORES"), has approved its first 12 month exploration work program and budget. The plan covers early stage exploration activities at the Mkuju South uranium project in Tanzania.

The exploration program is intended to develop the knowledge and understanding of the potential mineral deposits on the project in order to produce a series of independent technical reports and declare a resource statement at the project. The exploration program has now commenced.

The overall follow-up program will include:

- Detailed field work to investigate low order surface anomalies that may represent uranium leakage and is aimed at surveying breakaway faces where the sand cover is thinner and where sandstone outcrops can be expected. The programme covers 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 and commenced in December 2011 already. (see Fig. 2.)
- A drill campaign as well as analysis and interpretation of drill samples, upon successful completion of the field work program.

The exploration work will be led and controlled by a contracted Project Geologist, under the guidance of an Exploration Manager, and professionally supervised by a contracted Competent Person. Subject to the results of the current follow-up ground survey, it is expected that the drill program will commence during Q3 of 2012. Results from the 12 month work program will be reported on a quarterly basis.

The 12 month program is the first part of an agreement EAF entered into at the end of 2011 with KORES. Under this agreement, KORES is to invest directly into the exploration programs at prospecting licence application HQ-P15779 located at Mkuju South (see Fig. 1).

East Africa Resources' Chairman and CEO, Louis Coetzee, said that the agreement with KORES had ensured EAF's current exploration program was fully funded, and that the Company expects to benefit from KORES' technical experience as well as their investment.

The terms of the agreement will see KORES commit to a staged investment of US$3.5 million to secure a 50% interest in the Mkuju South uranium project, with the staged investment aligned with two major exploration programs at Mkuju South.

An initial amount of A$2 million (for a 28% shareholding in the project) will be paid by KORES for the purpose of satisfying the work obligations and expenditure requirements during the initial exploration program to be undertaken over this initial 12 month period.

Following the initial exploration program, a further US$1.5 million (for an additional 22% of the project) will be paid by KORES to fund the work obligations and expenditure requirements associated with a second exploration program during the following 12 months.

Louis Coetzee

Chairman

East Africa Resources Limited

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.

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About East Africa Resources' Mkuju South Project

The Company's Mkuju Project area (See Fig 1) is located in the Southern region of Tanzania immediately adjacent to, on its eastern boundary, Mantra Resources Limited's, Nyota Project, and also sits above Uranex Limited's Likuyu North Project on its southern boundary.

The Company undertook a 15,000 line/km radiometric/magnetic airborne survey of the Mkuju Project area in 2011. The survey confirmed directors' understanding and interpretation of the local area geology and in particular, the location of previously identified anomalies as well as the direction and flow of uranium channel deposits.

A number of priority targets have already been identified and including a significant uranium target, around 200m x 150m, immediately adjacent to the border with Mantra Resource's Nyota Project, in addition to several other uranium targets in the immediate vicinity which indicate a possible strike of up to 8km running parallel to the border with Mantra Resources; and a target at the southern end of the Company's Mkuju Project area reasonably close to and sitting above Uranex Limited's Likuyu North Project.

FIG 1: EAST AFRICA RESOURCES: SOUTHERN TANZANIA EXPLORATION PORTFOLIO