



ASX:EAF

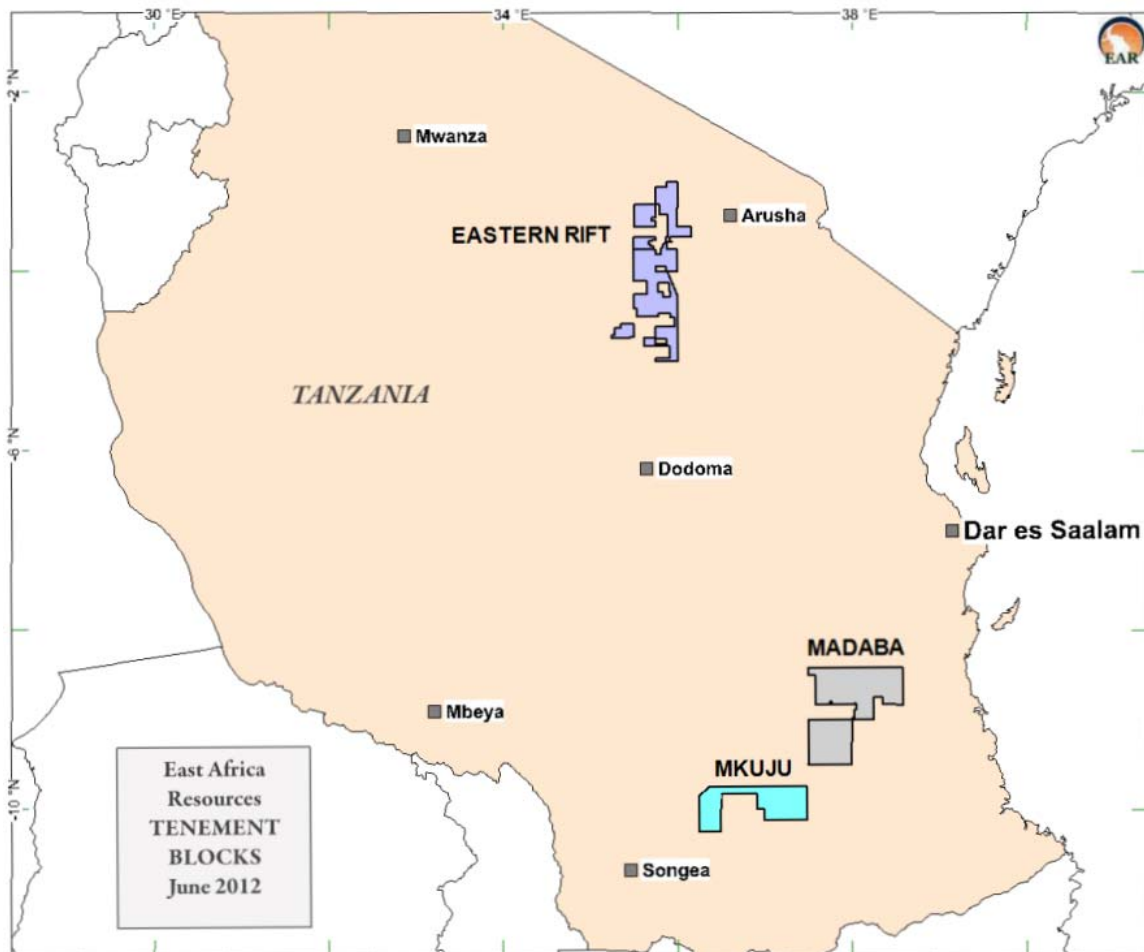
31 July 2012

JUNE 2012 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- Exploration License for second Mkuju JV tenement issued
- Work Continues on Mkuju Joint Venture
- Drill Programme designed for Eastern Rift Project

East Africa Resources Limited (ASX:EAF) has three projects within Tanzania. They are shown on the map below. Field work was undertaken at Eastern Rift and Mkuju areas in the June Quarter 2012.



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Mkuju Uranium Project

The Mkuju Uranium Project is made up of 15 tenements (granted, offered and applications) covering 4,340 square kilometres in Southern Tanzania. These tenements are shown in Figure 1 below.

The company is targeting sedimentary type uranium deposits that usually form as tabular and roll-front bodies hosted by coarse sandstones. The nearby Uranium One owned (formerly Mantra Resources Limited) Mjuku River deposit (32,750 t @ 439ppm U_3O_8) and the Paladin Energy Limited Kayelekera Mine (14,728 t @ 810ppm U_3O_8) in Malawi are examples of sandstone hosted tabular deposits hosted in similar geological settings within Karoo Sandstone basins.

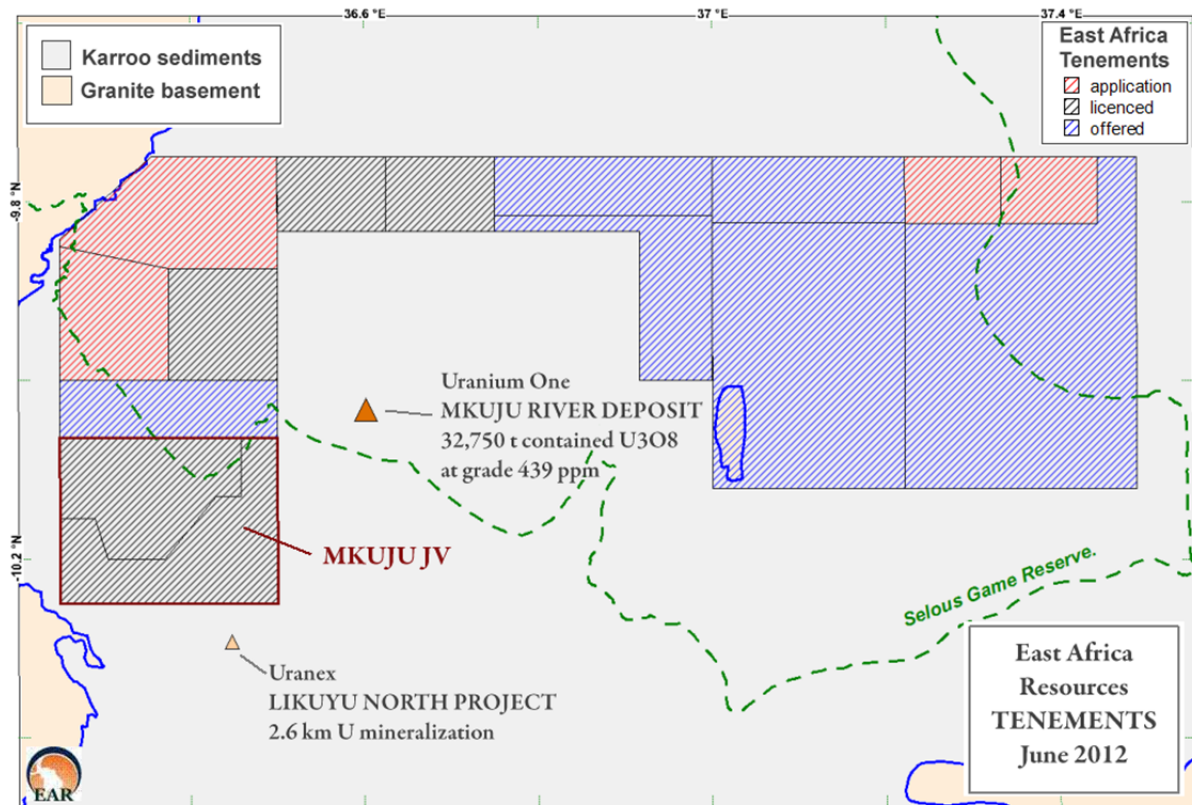


Figure 1 : Tenements in the Mkuju Uranium Project

Mkuju Joint Venture

The Mkuju Joint Venture is 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.

Under the terms of the agreement KORES has committed 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.

During the quarter the Exploration Licence for PL 7959/2012 (the second tenement in the JV) was granted to the company by the Ministry of Energy and Minerals.

Also, during the quarter, the company conducted ground survey work on anomalous ground survey targets identified by a previous airborne radiometric survey. Detailed field work is investigating 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 Quattro to Foolscap and to the south of Foolscap heading towards the border with Uranex and its Likuyu North project. Figure 2 below shows the results of scintillometer survey work:

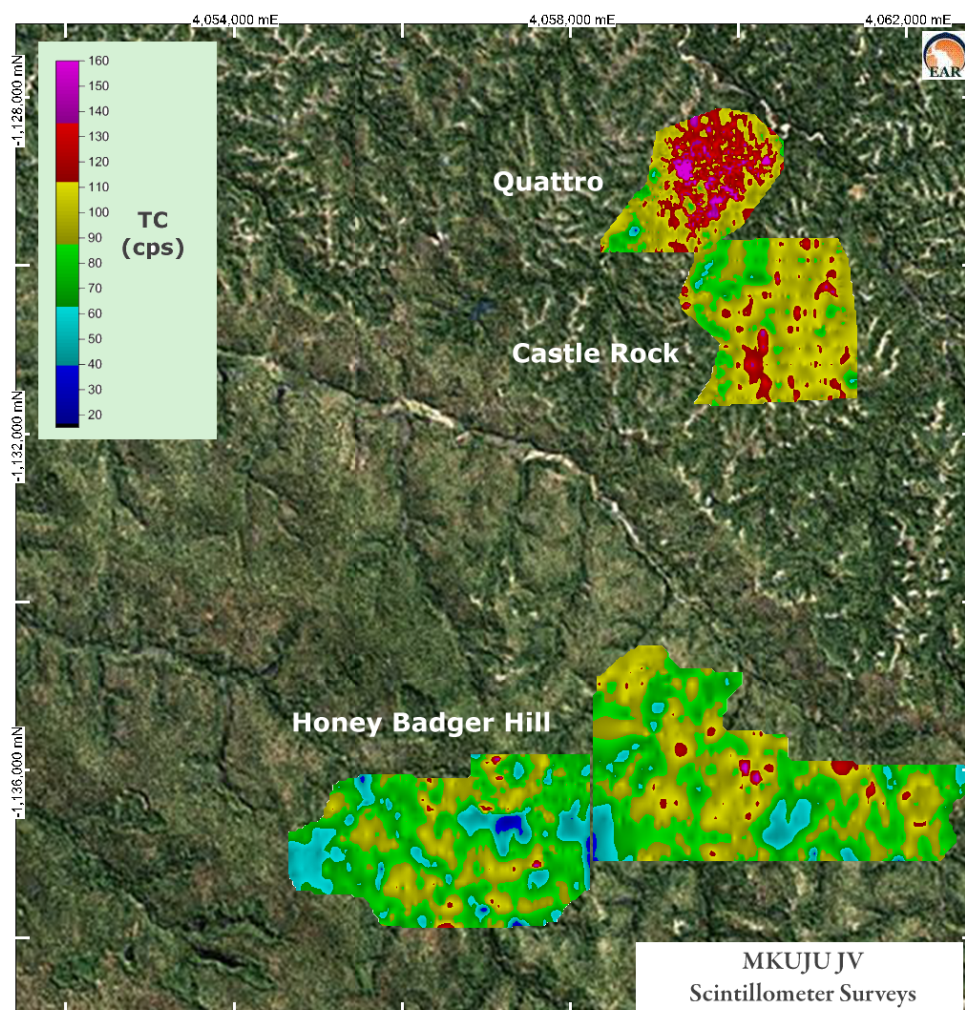


Figure 2 : Mkuju Scintillometer Surveys

At Quattro, the ground scintillometer work has identified a large leakage halo (approx. 1 x 1 km) around some 4 radioactive centers. The centers are between 40-120 m in size. Anomalous readings vary between 160-500 cps; leakage zones 110-160 cps while background is approximately 75-85 cps. At Castle Hill a leakage zone approximately 800 x 200 m was identified in the range 100-170 cps. At Honey Badger two possible leakage zones; each about 250-300 m long and 40-60 m wide were identified. Readings ranged between 100-200 cps. Further infill work to establish continuity is needed in these areas.

The company has also prepared the field operations camp and developed road access to the camp and exploration areas. The company is planning follow-up sampling, trenching, hand-auger drilling and mapping programs over identified anomalies. Other areas from the airborne survey will be surveyed with ground spectrometer work. These areas are outlined on Figure. 3.

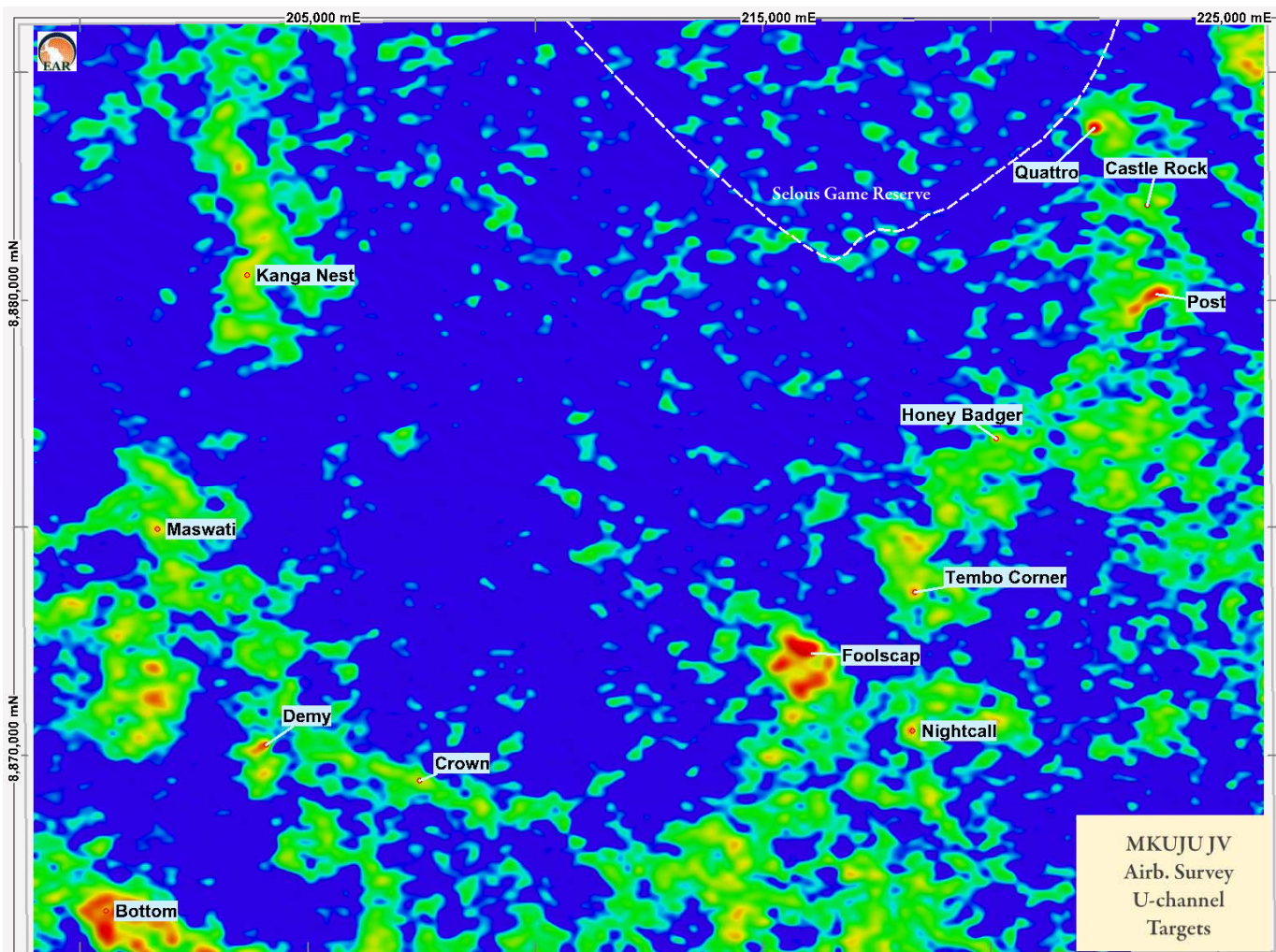


Figure 3: Mkuju River Airborne Survey - Targets

Eastern Rift Uranium Project

The Eastern Rift Project consists of 35 tenements covering 8,150 km² around Lake Manyara in the North of Tanzania. The target geology is the Manyara Basin, where playa lake sediments have filled a large rift structure. The exploration concept is based on a modified playa-lake calcrete model where uranium is accumulated along porous weakly cemented sand seams that are inter-bedded through the clay lake sediments. Figure 4 shows the tenement block, the presence of sedimentary basins and channels and airborne targets. Drilling of surface anomalies in 2011 showed evidence of widespread low grade uranium enrichment that suggests the target model is valid.

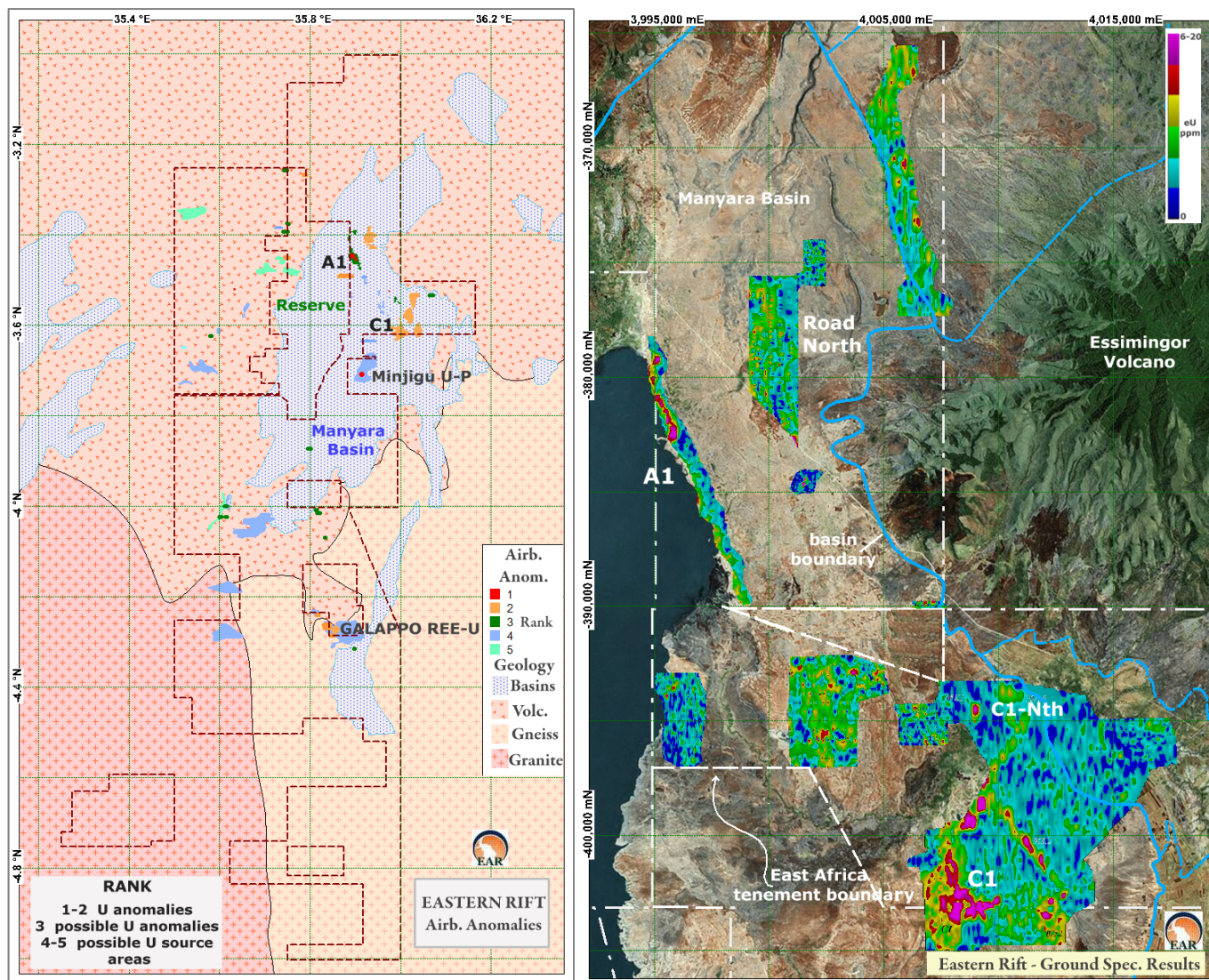


Figure 4 (left): Eastern Rift – Airborne Anomalies and Sedimentary Basins

Figure 5 (right): Eastern Rift – Ground Spectrometer Surveys

The uranium system around the Lake Manyara Basin is not well understood and exploration activities have focused on an understanding of the regional geology while also developing specific exploration targets. The 2012 field program began early in January 2012 and concluded in May 2012.

Detailed geological mapping and ground radiometric work focused around the C1 and A1 anomalies in the north. Figure 5 shows the results of the extensive ground spectrometer surveys.

New and extended anomalies were discovered at the A1 and C1 areas. The map below shows the location of the drill targets for the A1 anomaly.

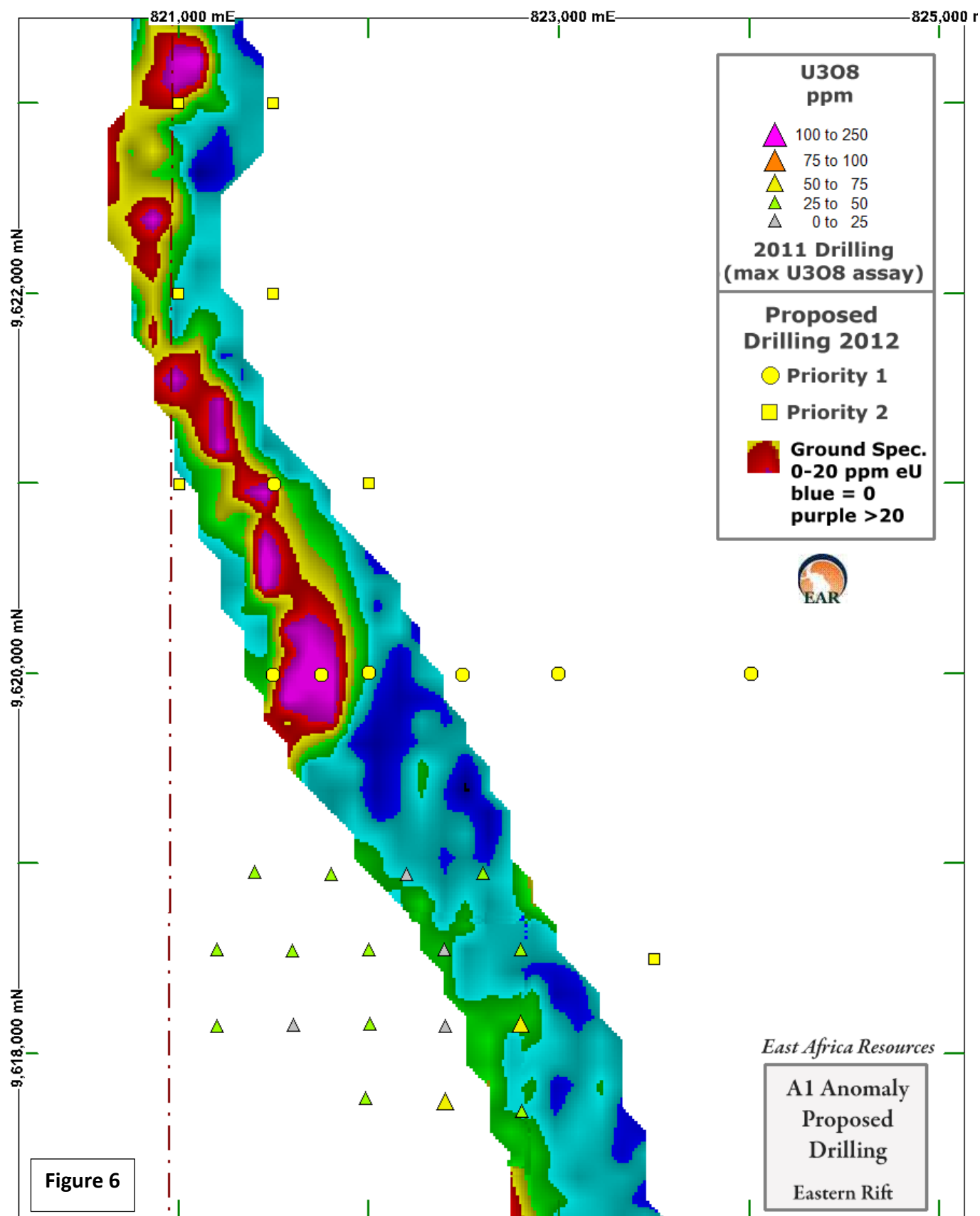


Figure 6: Eastern Rift – A1 Anomaly – Proposed Drilling

In particular, the C1 anomaly has been significantly extended which has significantly expanded the scope for economic uranium grades. However, exploration of these new areas cannot begin until tenement applications have been granted. The surface calcrete anomaly at A1 was not covered by the 2011 drilling and warrants further work.

Other small anomalies were identified at the Road North – South Area and the C1 – North Area. Further groundwork is required in these areas before drilling can occur.

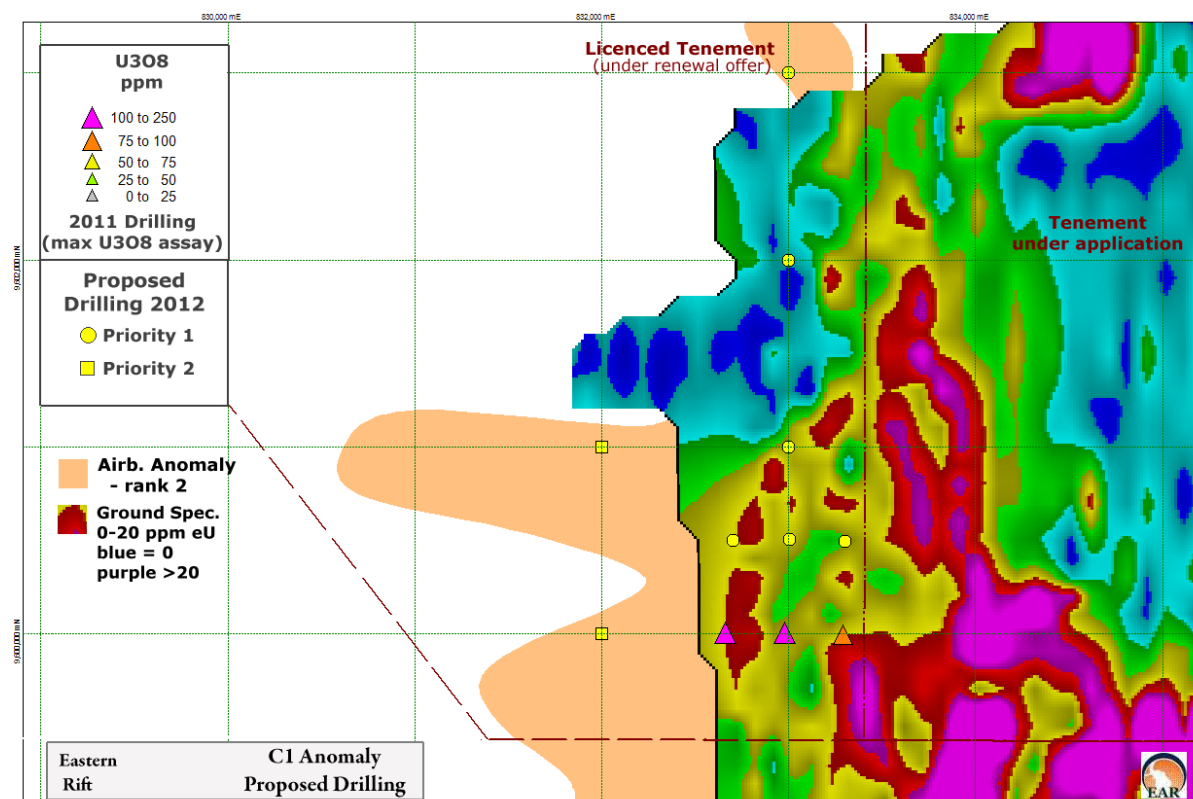


Figure 7: Eastern Rift – C1 Anomaly – Proposed Drilling

Madaba Uranium Project

The Madaba Project consists of 20 tenements covering 8,550 km² in the south of Tanzania.

No work was conducted on the Madaba Project in the June quarter. Figure 8 shows the tenement holdings and the location of the uranium anomalies based on historical exploration undertaken in the 1970-80's.

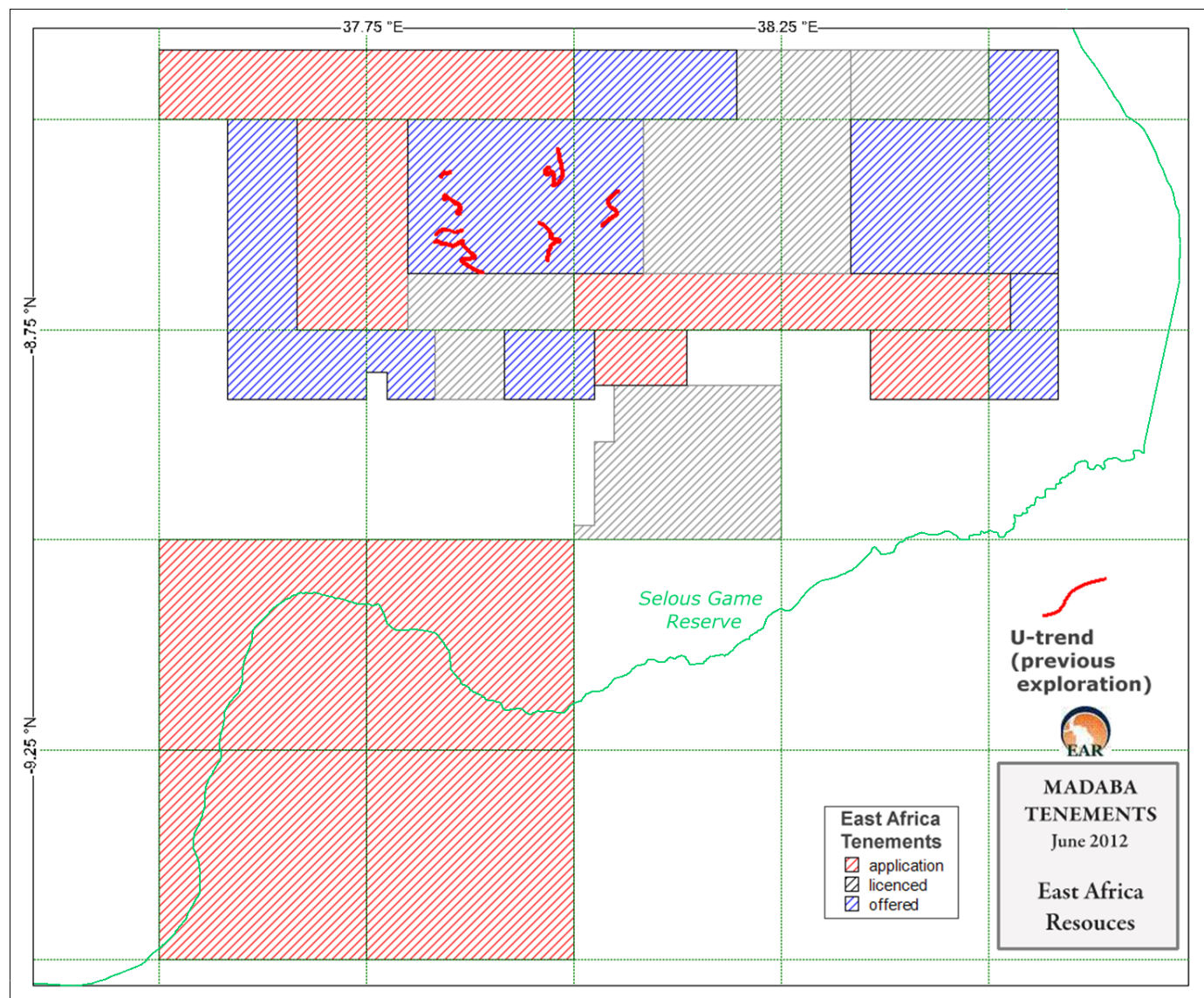


Figure 8: Madaba Tenement Block

Corporate

On 1 May 2012, East Africa announced a share purchase plan to potentially raise \$1.5m. Due to market conditions it was decided to cancel the plan and the Board is currently reviewing all options in regard to capital raising.

The Company is continuing to identify and review new projects which may offer value enhancing opportunities to Shareholders.

Resignation of Chairman

On 12 July the Company's chairman and acting CEO Louis Coetzee announced his resignation from all positions. Mr Lindsay Colless has stepped into the role of chairman. Mr Colless has wide resource industry experience and connections. The Board will look to find a suitable candidate for the position of CEO.

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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.