



7 September 2012

**ASX: EAF**

**East Africa to raise \$1.178m from the placement of 9,700,000 shares and an underwritten 1 for 2 non renounceable entitlement issue of approximately 37,415,223 shares both at an issue price of \$0.025 per share.**

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**East Africa Resources Limited (ASX:EAF)** is pleased to announce that it has entered into arrangements with KSLcorp Pty Ltd to place 9,700,000 shares at \$0.025 per share and for it to also underwrite a 1 for 2 entitlement issue to all eligible shareholders on the record date which is to be 17 September 2012, of approximately 37,415,223 shares at an issue price of \$0.025 per share.

The combined share issues will raise approximately \$1,177.881 before costs and will be applied to funding East Africa's exploration activities and working capital.

**Placement**

The placement is to be made to clients of KSLcorp Pty Ltd ("KSL") and will raise \$242,500 before costs. The 9,700,000 placement shares will be issued on 7 September and will be eligible to participate in the Entitlement Issue. KSL will receive brokerage of 2% of the placement funds.

**Non-renounceable 1 for 2 Entitlement issue to eligible shareholders registered on the record date, 5.00pm Perth WST, 17 September 2011.**

The Entitlement Issue will offer each Eligible Shareholder the right to subscribe for one (1) new share ("New Share") in the capital of the Company for every two (2) shares held by that shareholder on the Record Date, at an issue price of 2.5 cents per New Share to raise up to \$935,381 before expenses of the Entitlement Issue.

The Entitlement Issue will be fully underwritten by KSLcorp Pty Ltd and will result in the Company issuing approximately 37,415,223 New Shares. KSL will be paid an underwriting fee equal to 5% of the dollar amount underwritten plus applicable GST.

The directors of the Company intend to apply for their entitlements to the issue and have agreed to sub underwrite up to \$90,000 of the Entitlement Issue.

The Entitlement Issue will open on 21 September and close on 2 October.

The timetable for the share issue program follows below.

**PETER MUNACHEN**  
**Director**  
**East Africa Resources Limited**

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**ENTITLEMENT ISSUE INDICATIVE TIMETABLE**

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|
| Announcement of Entitlement Issue and Application for Quotation of New Shares (Appendix 3B) and notice to option holders. Letter to Shareholders advising of Entitlement Issue | Friday, 7 September 2012   |
| Ex-Date: Shares Quoted ex-Entitlement                                                                                                                                          | Tuesday, 11 September 2012 |
| Record Date                                                                                                                                                                    | Monday, 17 September 2012  |
| Issue Cleansing Notice in accordance with Section 708AA of Corporations Act                                                                                                    | Monday, 17 September 2012  |
| Despatch offer of Entitlement Issue to Eligible Shareholders                                                                                                                   | Friday, 21 September 2012  |
| Closing Date                                                                                                                                                                   | Tuesday, 2 October 2012    |
| Securities quoted on a deferred settlement basis                                                                                                                               | Wednesday, 3 October 2012  |
| Notification of under subscriptions                                                                                                                                            | Friday, 5 October 2012     |
| Despatch date and deferred settlement ends                                                                                                                                     | Wednesday, 10 October 2012 |