



ASX:EAF

21 October 2013

Mkuju Project – Octavo Prospect

- **Strong radiometric uranium anomaly on trend from Mkuju River Uranium Deposit**
- **Environmental Impact Assessment work is continuing**

East Africa Resources Limited (“East Africa” or “Company”) (ASX: EAF) reports that work on the Environmental Impact Assessment for PL 5720/2009 within the Selous World Heritage area covering the Octavo uranium anomaly at Mkuju (see Figure 1 for location) is continuing. Katina Law (CEO of East Africa) said “The Octavo anomaly is a priority target in the Mkuju Project and appears to be an extension of the airborne anomaly surrounding the Mkuju River Deposit owned by Uranium One. The airborne survey undertaken by East Africa in 2011 in the Mkuju area has revealed numerous uranium targets including Octavo”.

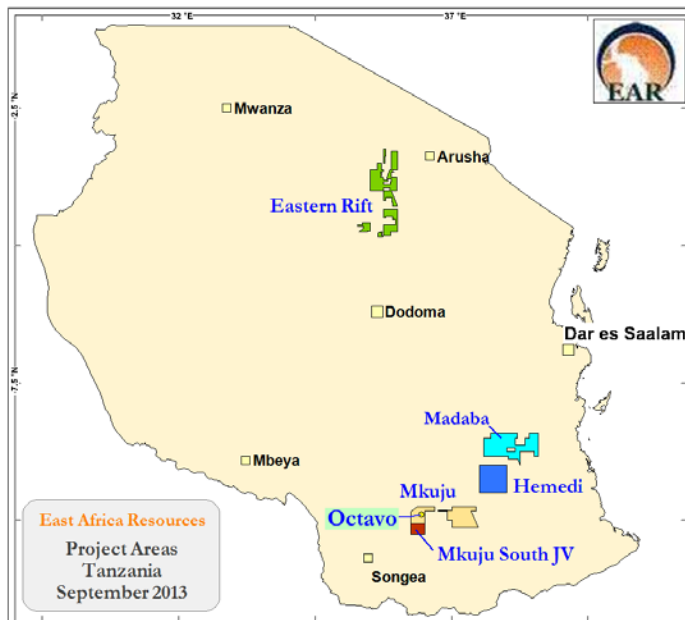


Figure 1: East Africa Project Areas

Overview Octavo

The Octavo anomaly is located at the north-western arm of the regional Mkuju River anomaly as illustrated by the following Figure 2. The NW trend of Mkuju River clearly crosses into the Mkuju Project north of Quarto and appears likely to continue via a jog on to Octavo and possibly extends further past Princess. If this is verified by ground work it will represent a target approximately 40 km in length. As shown by the yellow dots there are numerous strong uranium peaks in the uranium trend. PL 5720/2009 has been selected as the focus for the exploration effort as the Octavo anomaly shows the best absolute uranium values.

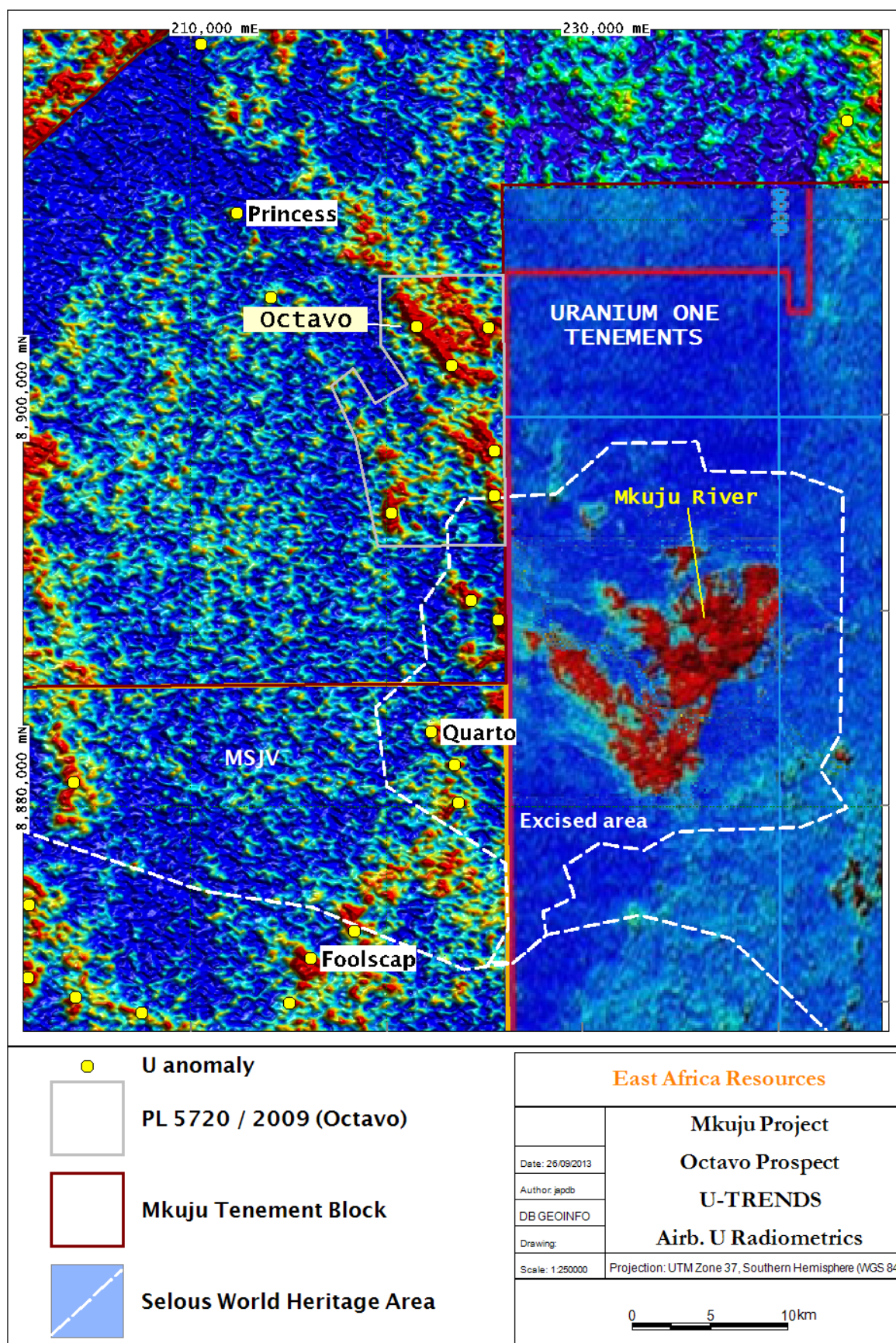


Figure 2: Mkuju River Area --- U-Trends

Note the Uranium One data was part of a map published by Mantra Resources (previous owner of Mkuju River) on their web site in 2008. The colour scales for the two datasets, though similar do not necessarily represent the same absolute uranium values. In particular the peak vales at the centre of Mkuju River are known to be areater than at Octavo.

Octavo Prospect

Figure 3 below gives the details of the uranium channel radiometric response:

- 1.5 km long main anomaly with strong U peaks on two lines at Octavo
- 2 km long extension to SE – Royal with a further strong peak
- both occur along a ridge of Karroo sandstone - exposed along a rivers edge
- 2 satellite targets on trend – Colombier and Folio
- subsidiary sub-parallel trend to SW (Pott)
- irregularly shaped Sixto anomaly to the NE

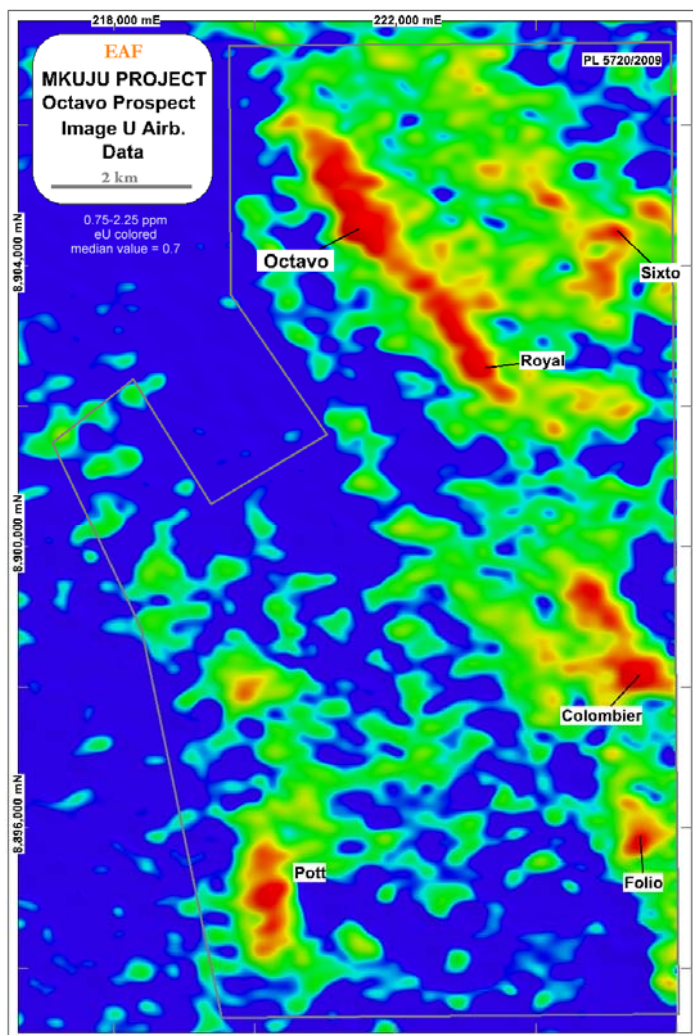


Figure 3: PL 570 / 2009 --- Radiometric Uranium Image

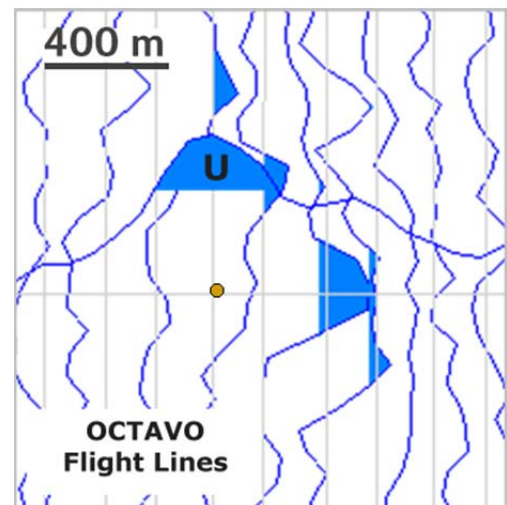


Figure 4: Octavo --- U-peaks

The strong response at Octavo, as illustrated in Figure 4, suggests the presence of surface mineralization. There are similar though not of the same magnitude peaks at Royal and Colombier. The responses at Folio, Pott and Sixto are more subdued.

Figure 5 below shows the contoured high uranium values over a satellite image. This shows that Octavo, Royal and Sixto occupy successively three steps in the ridge as it rises to the east away from the river. Colombier is stacked from the river level up the ridge to approximately level with Royal while Folio is distinctly lower at river level.

Pott occupies high ground on a level with Sixto.

This is all suggestive of 3-4 levels of anomalies which enhance the possibility of finding economic mineralization.

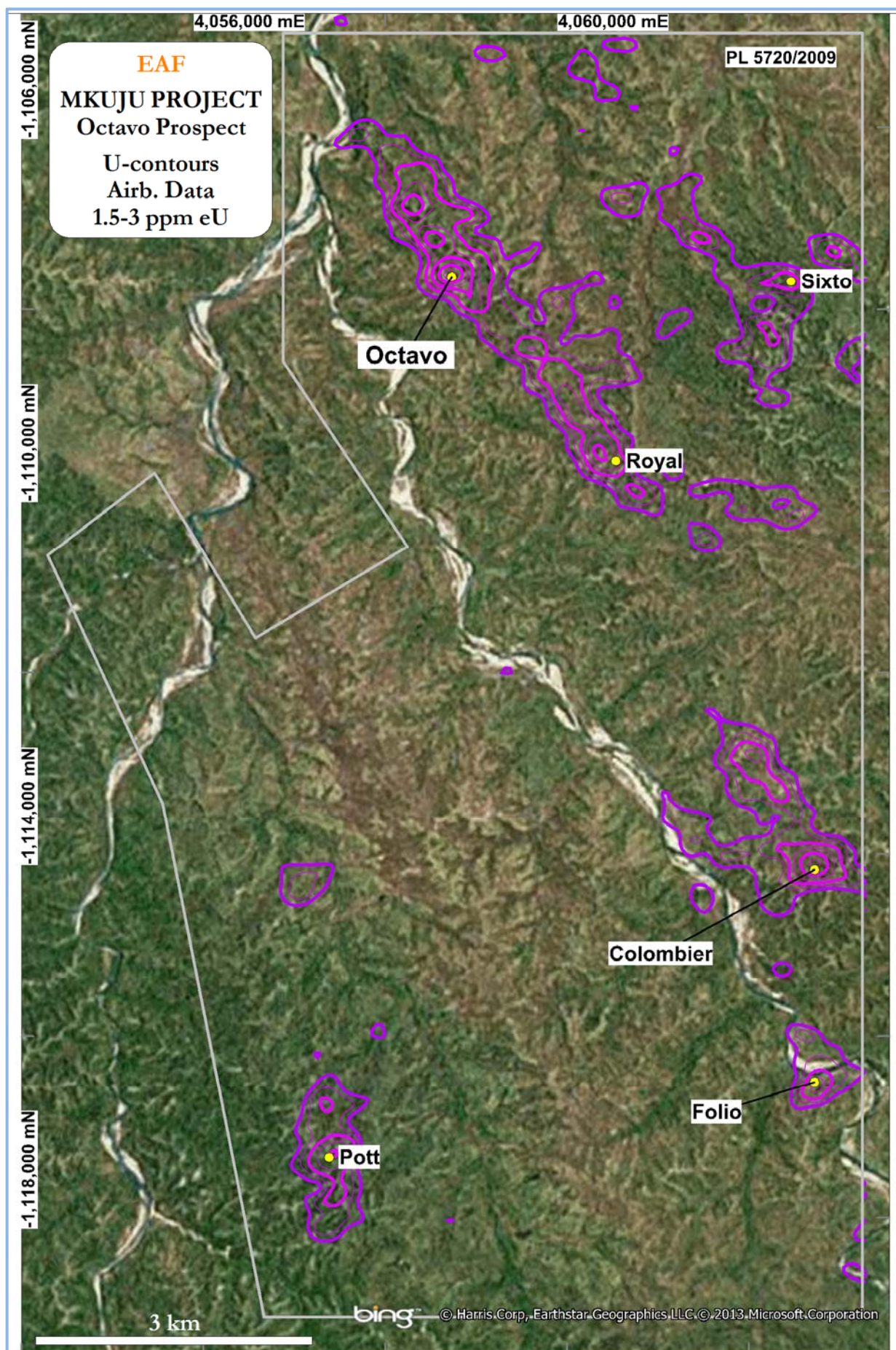


Figure 5: Octavo --- U-contours on Satellite Image

Environmental Approvals

Tenement PL 5720/2009 is located within the Selous Game Reserve and inside the Selous World Heritage area therefore permission from the Ministry of Natural Resources and Tourism is required to explore in the area. The Company has been advised by the Ministry of Natural Resources and Tourism (MNRT) that access to the Selous Game Reserve will be granted on a case by case basis and that the Company should complete an Environmental Impact Assessment to support its application for access.

East Africa commissioned ENATA Ltd to prepare an Environmental Impact Assessment (EIA) for the tenement. ENATA Ltd is the consulting arm of the Environmental Association of Tanzania, a Non-Government organisation.

Next Steps

An exploration plan will be developed over the coming months to enable exploration to commence in 2014. The main thrust of the initial program will be to:

- Establish access
- Locate and sample centres of mineralization
- Confirm basic geology with mapping and trenching
- Plan drilling and test the best targets in 2014

Table 1: Compilation of Tabulated Explanatory Information

	JORC TABLE 1 COMPILATION
CRITERIA	EXPLANATION
Section 1	
Sampling	EAF has not carried out any sampling.
Drilling	EAF has not carried any drilling.
Section 2	
Project Details	This prospect is wholly controlled by East Africa Resources.
Environment	The project occurs within the Selous World Heritage area. The area is environmentally sensitive. See text for a discussion.
Tenure	Tenement PL 5720/2009 expires 01/05/2015.
Other parties	This area has not been explored previously.
Geology	The deposit type is sandstone hosted uranium roll front mineralization. The project is located with the sandstone sequences of the Jurassic Karroo Luwegu Basin.
Reporting	To date the only work carried out by East Africa is a detailed fixed wing multi-spectral radiometric and magnetometer survey. This survey was flown in 2011. The results were first presented to the public in August 2011.
Other exploration	Airborne survey spectral (U-channel) data is presented in Figures 2, 3, 4 & 5. This data was collected at 80 m station spacing and 200 m line spacing at a survey height of 80 m. Twin packs of 16 l crystals were used. The pad calibration to convert values to eU values were performed at Kaduna Airport, Nigeria. The airborne survey data was located using modern kinematic real-time GPS acquisition of locational data.

Further work	This project is at a very early stage and initial work will concentrate on checking the airborne uranium anomalies.
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Enquiries

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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". His educational qualifications include; an Associateship in Applied Geology from WAIT (now Curtin University), a Diploma and PhD in Geology from University of Cologne (Germany) and a Graduate Diploma in Computer Studies (Murdoch University). He joined the AusIMM in 1972 as a student and has been a full Member since 2004 and a Fellow since 2013. He has worked in uranium exploration for 26 years. 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.

About East Africa Resources Ltd

East Africa Resources Limited (EAF) has direct and joint venture interests in a portfolio of uranium exploration tenements in East Africa (see Figure 1). The Company controls licences and applications in Tanzania that cover a total area of approximately 15,500km² and include sandstone-hosted roll-front type uranium targets within the highly-prospective Karoo-age sediments of southern Tanzania (Mkuju, Mkuju South JV Project, Madaba Project and Hemedi Project) and palaeochannel- associated, calcrete-hosted uranium targets within the Eastern Rift of Tanzania (32 tenements containing 4327km²).

The Company has established an in-country exploration team in Tanzania and is implementing an aggressive exploration program, with a strong emphasis on the application of modern exploration technologies and targeted drilling, to evaluate the potential of its uranium exploration projects.

The Mkuju South Joint Venture contains two tenements (totaling 566km²) which are the subject of a joint venture with Korean Resources Corporation (KORES). A fully-funded 10,000m drilling program is being undertaken at the project.

The Company recently announced the discovery of a gold project at Eastern Rift. The project, known locally as Datlaa, is currently experiencing a gold rush with many artisanal miners present on the site.

Significant assay results were returned from samples taken from within the artisanal workings including DGBS010 @ 14.7g/t, DGBS015 @ 36.1g/t and DGBS016 @ 18.8g/t¹.

The Madaba Project consists of 25 tenements covering 4393 km² in the south-east of Tanzania. These tenements are highly prospective for U-in-sandstone mineralization. Work carried out between 1979-1982 by Uranerzbergbau GmbH identified six anomalous uranium zones. An Environmental Impact Assessment is now underway to enable access to the Selous Game Reserve.

The Mkuju project is made up of 18 tenements (granted and applications) covering 3211km² in southern Tanzania and targets U-in-sandstone mineralization. The results of an airborne survey flown in 2011 include the 40km-long Octavo anomalous uranium zone which is along strike from Uranium One's Mkuju River deposit of 32,750t contained U₃O₈ @ 439ppm. These tenements are located within the Selous Game Reserve and World Heritage Area and exploration access is presently under negotiation.

The Hemedi Project covers an area of 3051km² in 12 tenements which is largely outside the Selous Game Reserve and World Heritage Area and therefore available for exploration. The Company is currently considering options for exploring this project.

¹ See ASX Announcement "Gold Rush on Eastern Rift Project" 28/8/2013