ASX:EAF

DECEMBER 2014 QUARTERLY ACTIVITIES REPORT

During the quarter, East Africa Resources Limited (ASX:EAF) ("the Company") continued to work on access approvals for the Madaba Project in Tanzania as well as reviewing new projects.

Madaba Uranium Project

The Madaba Uranium Project is located in the south west of Tanzania. It is comprised of three tenements PL 9406/2013, PL 9407/2013 and PL9336/2013 which cover an area of 617 square kilometres.

Project History

Madaba was discovered in the period 1979-1982 by German company Uranerzbergbau GmbH (UEB) by follow up of several strong airborne anomalies. UEB's initial exploration work covered geological mapping, ground radiometrics, trenching, sampling and reconnaissance drilling.

Historical Drilling at Madaba

Historical UEB drilling comprised at least 126 holes including diamond core (10 holes), rotary mud (13) and rotary percussion (103). The best down-hole intercepts reported by UEB are;

- 3m @1082 ppm U_3O_8 (P16),
- 7m @ 693 ppm U_3O_8 (P17),
- 7m @ 510 ppm eU_3O_8 (D12)
- 11.7m @ 400 ppm eU_3O_8 (D8).
- 2m @ 1900 ppm U_3O_8 (P74),
- 7m @ 890 ppm U_3O_8 (P104)
- 15 m @ 420 ppm eU_3O_8 (P103).

Note; U_3O_8 refers to chemical assays and eU_3O_8 refers to equivalent assays derived from gamma logs. The locations of the holes are plotted on Figure 1.

Fifty six holes from a total of 126 holes were mineralised at better than 1m at 150 ppm U_3O_8. The UEB drilling is widely spaced and largely reconnaissance drilling and there has not been sufficient drilling to define a resource. Figure 1 shows the distribution of the mineralised holes on an image of the airborne data.

Mineralised Zones

From historical geological work four key mineralised zones have been identified. The prospects (Figure 1) Nane, Sita & Tatu, and Nyuki cover approximately 1.1 km^2 of mineralised ground at < 50 m depths. Each prospect has potential to increase the target size with additional drilling. Detailed infill drilling at a minimum of 80x40 m will be needed to achieve a resource.

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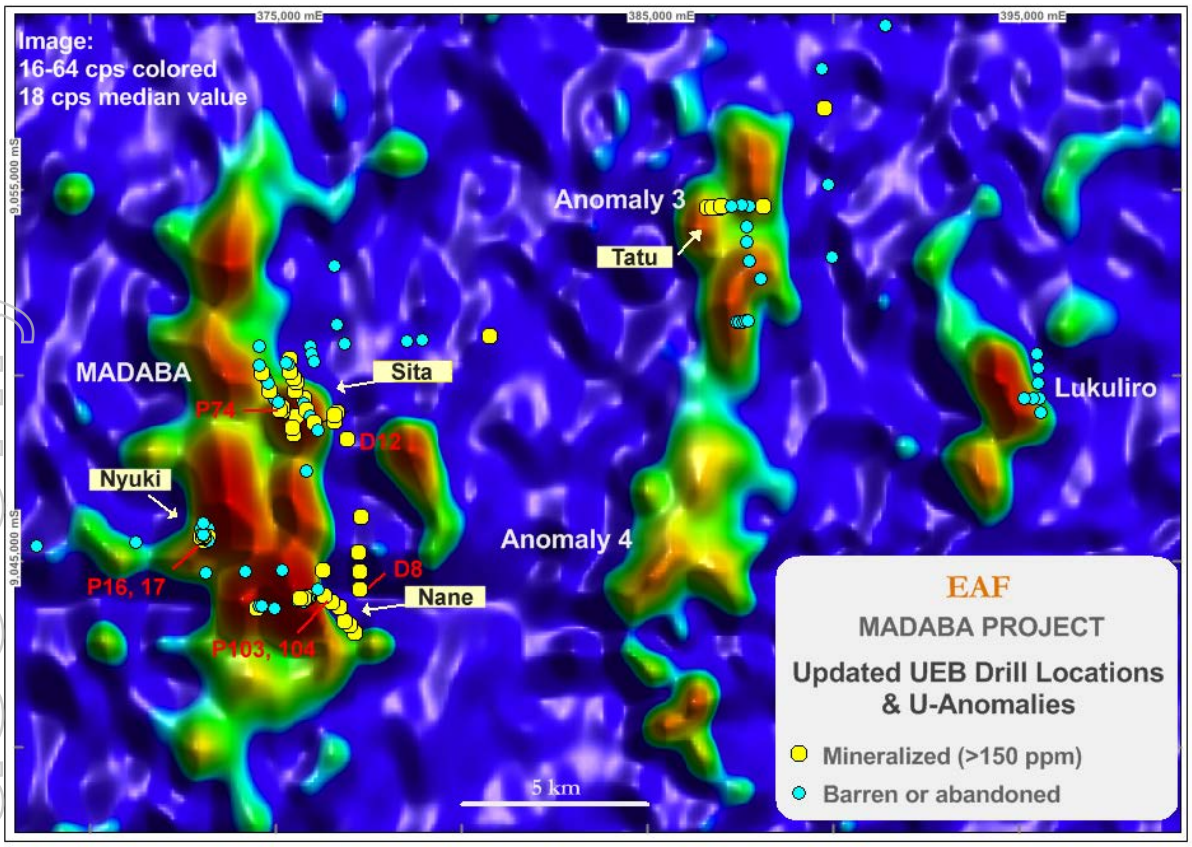

Figure 1: Target areas and historical drill data at Madaba.

Across the prospects are target areas of historical gridded ground work that include geological mapping, hot spot delineation and radiometric measurements. They provide evidence of significant drill targets at the sites of known mineralisation. Each of the targets is of significant size (averaging between 100-500 m in length) and of similar size and magnitude to those already drilled. Therefore there is reasonable expectation for near surface mineralisation to be intersected in shallow drilling.

The Company's concept at Madaba is to drill out the numerous surface occurrences of uranium thereby defining shallow, moderate grade uranium resources accessible via shallow open pits using modern low cost mining technology. There are at least thirty such targets (including those discussed above) and while not all will represent shallow sub-surface mineralisation the historical drilling has verified that at least some do and that reasonable grades and volumes of mineralisation can be expected. The UEB defined drill and detailed ground radiometric targets give EAF an excellent starting point and the ability to start infill drilling promptly upon gaining exploration access to the tenement areas.

However as a cautionary note the Company reiterates that the project is at an early stage and that the planned exploration may not locate economic deposits of uranium.

Environmental Approvals

The Madaba Project is located within the Selous Game Reserve which is a World Heritage Listed area. In Tanzania, permission from the Ministry of Natural Resources and Tourism (MNRT) is required to explore in the area. The Company continues to seek clarification from the Ministry of Natural Resources and Tourism (MNRT) regarding the current government position on access to the Selous Game Reserve for exploration of uranium.

Corporate

The Company continues to conserve cash and is reviewing new projects and opportunities.

Tanzanian Interests

East Africa Resources Limited has five projects within Tanzania (refer Figure 2). These are the Eastern Rift project in the north and the Madaba, Hemedi, Mkuju and Mkuju South JV in the south of Tanzania.

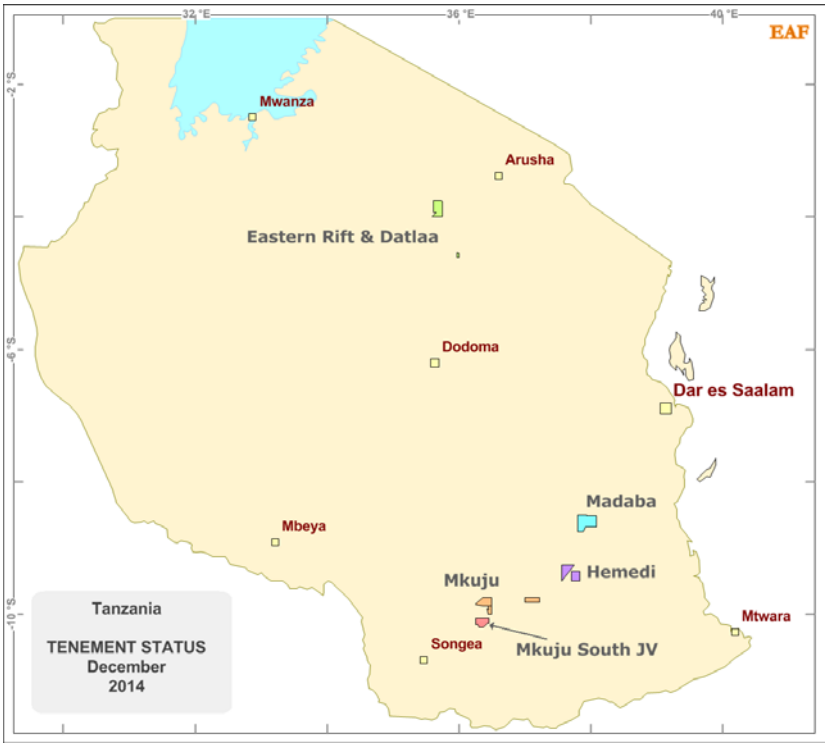

Figure 2 - Project Location Map

EAST AFRICA RESOURCES LIMITED

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Mineral Tenements Schedule

East Africa Resources holds interests in the following Tenements as at 31 December 2014:

Licence Number	Area/Location	Interest at the beginning of the Quarter	Interest at the end of the Quarter
Madaba – Mkuju, Tanzania (100% ownership)			
PL 5496/2008	Namatogoro – Nachingwea	100%	0%
PL 5720/2009	Ligombe River – Songea	100%	100%
PL 5752/2009	Lipiriri – Nachingwea	100%	100%
PL 9336/2013	Madaba – Liwale	100%	100%
PL 9406/2013	Madaba – Liwale	100%	100%
PL 9407/2013	Madaba – Liwale	100%	100%
Eastern Rift, Tanzania (100% ownership)			
PL 5655/2009	Mbulu – Mbulu	100%	100%
PL 5904/2009	Masange – Kondoa	100%	100%
PL 7309/2011	Mbulu – Mbulu	100%	100%
Mkuju South, Tanzania (72% ownership)			
PL 7657/2012	Mgombasi – Songea	72%	0%
PL 7959/2012	Ligombe River – Songea	72%	72%

Competent Person - Uranium

The information in this release, insofar as it relates to uranium 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 2012 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.