



30 January 2015

Nyota Minerals Limited
(‘Nyota’ or ‘the Company’)
QUARTERLY REPORT

Nyota Minerals Limited (ASX/AIM: NYO) provides its Quarterly Report for the three months ended 31 December 2014. The Company owns 100% of the Northern Block exploration licences, namely Brantham and Towchester, in Western Ethiopia (‘Northern Blocks’).

HIGHLIGHTS

- Fieldwork re-commenced promptly in early January 2015 following the renewal of the Northern Blocks in early December 2014
- The Company has commenced a strategic review of opportunities and investment in Ethiopia following a Government decision against issuing it a mining licence for mechanised alluvial mining along the Abay River
- Management is actively evaluating new opportunities both within Ethiopia and beyond
- Cash of A\$0.71m at the period end

Richard Chase, Chief Executive Officer, said “During the quarter we focussed on Nyota’s future, both inside and outside of Ethiopia. However, with the mining licence application for the alluvial deposits along the Abay River rejected a few days ago, our strategy has had to change, particularly given that the Company is not to be self-sustaining in terms of cash flow in the short term based on its current assets. Therefore the new opportunities being evaluated become all the more important and, although we have stabilised our costs at a very low level, we plan to act rapidly to define our future.”

NORTHERN BLOCKS

100% owned by Nyota

The Brantham and Towchester exploration licence renewals were received in early December (see Summary of Tenements, below).

These exploration licences are unaffected by the Ethiopian government’s decision on alluvial mining (see Alluvial Mining Licence Application, below) and shareholders are reminded that the application was to convert a small portion of the Towchester exploration licence to a large scale mining licence,

leaving the remainder as a valid exploration licence for hard rock gold mineralisation. At the time of their renewal, both the Brantham and Towchester exploration licences were reduced in size by the Ministry of Mines through the imposition of an exclusion zone encompassing the whole area to be flooded by the Grand Ethiopian Renaissance Dam. Therefore, what has been renewed can be considered to be outside of the affected area.

The field camp was re-opened in late December 2014 and the requisite rents paid to the Regional authority. Field visits were conducted in November and December 2014 which covered both the exploration tenements and included a review of the planned work programme.

Fieldwork recommenced in January 2015 after the Ethiopian Christmas holiday and is initially focusing on the possible extension to the Bendokoro mineralisation to the north and south west. However drill testing of the Boka West gold anomaly (as previously reported in the Operational Update; 24 September 2014) remains an objective subject to the strategic review and funding (see below).

Nyota has two full-time Ethiopia geologists plus a contract senior geologist and the Ethiopian General Manager working on the projects.

ALLUVIAL MINING LICENCE APPLICATION

As reported in the quarterly report for the period ending 30 September 2014, Nyota was advised by the Minister for the Ministry of Mines of the Government of the Federal Democratic Republic of Ethiopia (“the Ministry of Mines”) that the alluvial licence application had his full support and that in order to proceed the area under application be reduced. This Nyota did and during the quarter under review several visits were made to the application area and plans were set for project implementation. This included engaging a local development partner and supplier of earth moving equipment, starting discussions with potential sources of finance, a visit by a prospective project manager and working with plant equipment suppliers in South Africa.

After the period end, Nyota has been informed by the Ministry of Mines that it has decided against issuing any mining licences for alluvial mining along those parts of the Abay River and its tributaries that will be flooded by the Grand Ethiopian Renaissance Dam.

The Group’s mining licence application has therefore been rejected by the Ministry of Mines. Investors are directed to the full announcement of 27 January 2015.

Having considered its position and in the light of the rationale it has been given, the Board has decided that an appeal, which is allowed for under the relevant legislation, would be a non-productive use of resources given the negligible chance of success.

STRATEGIC REVIEW

The rejection of the alluvial mining licence application has precipitated a strategic review of the Group's activities.

The rationale for the decision by the government of Ethiopia is that the success of the new dam and its intended transformation of the Ethiopian economy is so much in the national interest that the risk of any negative impacts arising from any mining activities outweigh the potential economic gains from gold royalties and taxes during the period that those activities might take place before flooding.

Whilst this is a unique situation and the Directors understand the rationale, the Company has been subject to inconsistent communication from the Ministry of Mines and the Directors are generally frustrated by the Ministry's its handling of the mining licence application process. In particular, despite affirmations of support and of intent to issue a licence, most clearly in September 2014 when the company agreed to reduce the area under application and to the term of the licence being "five years or when flooding occurs, whichever is the sooner", it appears that a thorough evaluation of the proposal and canvassing of other government ministries and agencies was not done until after that time.

The Minister for the Ministry of Mines has made clear that the decision is in no way a reflection of the application or the applicant and Nyota has been invited to identify alternative areas that have the potential for alluvial mining and to submit applications for these instead; which the Minister has stated would be looked upon favourably so long as there was little or no requirement for residents to be resettled.

While the Directors will consider this invitation seriously, the Board will make future decisions in the light of the Minister's comments on resettlement, the competitiveness of the investment climate and the timing and manner in which applications are generally being dealt with.

In the meantime a number of alternative opportunities are being considered, with site visits and due diligence conducted as appropriate. The Board anticipates that further announcements will be made in due course.

It is, however, not possible to now expect the Company to become self-sustaining in terms of cash flow in the short term based on its existing assets.

CORPORATE AND FINANCE

Finance

At the end of the quarter Nyota had cash of A\$0.71m. Cash outlays during the quarter included some transaction costs related to the September 2014 sale of the Group's remaining 25% interest in Tulu Kapi and the costs associated with the capital distribution of Kefi Minerals shares to shareholders at the end of the last quarter.

Administration costs are significantly lower than in previous years and exploration will be managed according to the available resources.

Change of NOMAD

The Company appointed Beaumont Cornish Limited as its Nominated Advisor ("NOMAD") in early December. This appointment is a requirement of the AIM Rules for Companies and ensures compliance with the AIM listing requirements.

Summary of Tenements (ASX Listing Rule 5.3.3)

As at 31 December 2014, the Group held the following interests in exploration tenements:

Tenement	Status	Location	Ownership as at 31 December 2014	Ownership Change in Quarter
EL-1722-1789 (Towchester, Northern Blocks)	Exploration	Ethiopia	100%	-
EL-1879-1969 (Brantham, Northern Blocks)	Exploration	Ethiopia	100%	-

The Brantham and Towchester licences were renewed for 12 months in early December with an effective date of 30 July 2014 (refer to announcement 11 December 2014).

The licences are now in their 5th year and the current Brantham license area is 717 km² (reduced from 1,346 km² in the 4th year) and the current Towchester licence area is 48 km² (reduced from 1,002 km² in the 4th year).

For further information please visit www.nyotaminerals.com or contact:

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Neither the contents of the Company's website nor the contents of any websites accessible from hyperlinks in the Company's website (or any other website) is incorporated into or forms part of, this announcement.

ENDS

Competent Person

The technical exploration information contained in this announcement has been reviewed and approved by Mr R. Chase, Chief Executive Officer of Nyota Minerals Limited. Mr Chase has sufficient experience which is relevant to the activities and results that he is reviewing to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results and as a qualified person under the AIM Note for Mining, Oil and Gas Companies. Mr. Chase is an employee of Nyota Minerals Limited and is a Member of the Institute of Materials, Minerals and Mining and a Fellow of the Geological Society of London. Mr Chase consents to the inclusion in this announcement of such information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

NYOTA MINERALS LIMITED

ABN

98 060 938 552

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(319)	(508)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	1	2
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
Net Operating Cash Flows	(546)	(1,114)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	(66)	1,239
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(66)	1,239
1.13 Total operating and investing cash flows (carried forward)	(612)	125

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(612)	125
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other – capital raising costs		
	Net financing cash flows		
	Net increase (decrease) in cash held	(612)	125
1.20	Cash at beginning of quarter/year to date	1,327	512
1.21	Exchange rate adjustments to item 1.20	(5)	73
1.22	Cash at end of quarter	710	710

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	155
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Overdue unpaid salaries and fees due to directors were paid in the current quarter

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	Nil	Nil
3.2	Credit standby arrangements	Nil	Nil

+ See chapter 19 for defined terms.

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	100
4.2	Development	
4.3	Production	
4.4	Administration	100
Total		200

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	86	162
5.2 Deposits at call	624	1,165
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	710	1,327

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases				
7.3 +Ordinary securities	882,149,127	882,149,127	N/a	N/a
7.4 Changes during quarter (a) Increases through issues (b) Decreases				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter				
7.7 Options <i>(description and conversion factor)</i>	1,000,000 1,700,000 1,800,000	- - -	<i>Exercise price</i> \$0.35 GBP0.175 GBP0.20	<i>Expiry date</i> 31/12/2015 30/06/2015 30/06/2015
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired/cancelled during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~does not~~* (*delete one*) give a true and fair view of the matters disclosed.

Company Secretary Sign here:



Date: 30 January 2015
Print name: Michael Langoulant

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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