



31 January 2014

**Nyota Minerals Limited  
(‘Nyota’ or ‘the Company’)**

**QUARTERLY REPORT  
BOARD CHANGES**

Nyota Minerals Limited (ASX/AIM: NYO), the gold exploration company in East Africa, provides its Quarterly Report for the three months ended 31 December 2013 and announces the retirement of Neil Maclachlan and Norman Ling from the Board.

**HIGHLIGHTS**

- Sale of 75% of Nyota Minerals (Ethiopia) Limited (“NMEL”), which owns the Tulu Kapi and proximal exploration projects
  - Receipt of £1,285,000 in cash and 107.1 million shares in KEFI Minerals plc (“KEFI”)
  - Nyota retains a 33% direct and indirect interest in NMEL
  - Nyota is not required to contribute to the funding of NMEL until such time as KEFI has completed a new mineral resource estimation (anticipated during the current quarter)
  - Nyota may elect not to fund its 25% direct equity shareholding in NMEL, but would be diluted accordingly
  - Nyota will need to raise additional funding if the Company wishes to maintain its pro-rata shareholding in NMEL
- Nyota to focus on exploration, starting with its 100% owned Northern Block exploration tenements in Ethiopia (“Northern Blocks”)
  - Post-period end, exploration activities have re-commenced
  - SRK Exploration Services Limited (“SRK”) appointed to conduct a competent person’s review and prepare a report
- Following the period end, significant further cuts to overheads have been actioned:
  - London office lease to be assigned to a new tenant and the management team to move to a much smaller, serviced office
  - The CEO has agreed a variation to contract including a 40% cut in salary
  - Neil Maclachlan and Norman Ling to stand down from the Board

Mike Langoulant, Chairman of the Company’s Remuneration & Nomination Committee, said “Scaling-down the size of the Board is essential and it was unanimously agreed that the minimum size of three is also the right size for the time being. We thank Norman and Neil for their contribution over the past two years and wish them well in the future.”

### **JOINT VENTURE PARTNER FOR TULU KAPI**

On 30 December 2013, Nyota completed the sale of 75% of the issued share capital of NMEEL (the 'Sale'), the Company's then subsidiary that owns 100% of the Tulu Kapi gold project in Ethiopia ('Tulu Kapi') and the proximal exploration licences.

The Group received £1.285 million in cash and 107,081,158 ordinary shares in the capital of KEFI as consideration for the Sale, and Nyota and KEFI are now joint venture partners in respect of Tulu Kapi and the proximal licence areas; with KEFI appointed as manager.

Tulu Kapi was placed on a care and maintenance programme during the quarter as the KEFI transaction was negotiated. However, with the receipt of approval from the Ethiopian Ministry of Mines for the renewal of the exploration licence for Tulu Kapi in November and based on the agreed initial work programme, it is anticipated that the project can be quickly ramped-up again. KEFI's fieldwork commenced after the period end, in mid-January.

Shareholders will be advised of developments as they are announced by the joint venture.

### **NORTHERN BLOCKS**

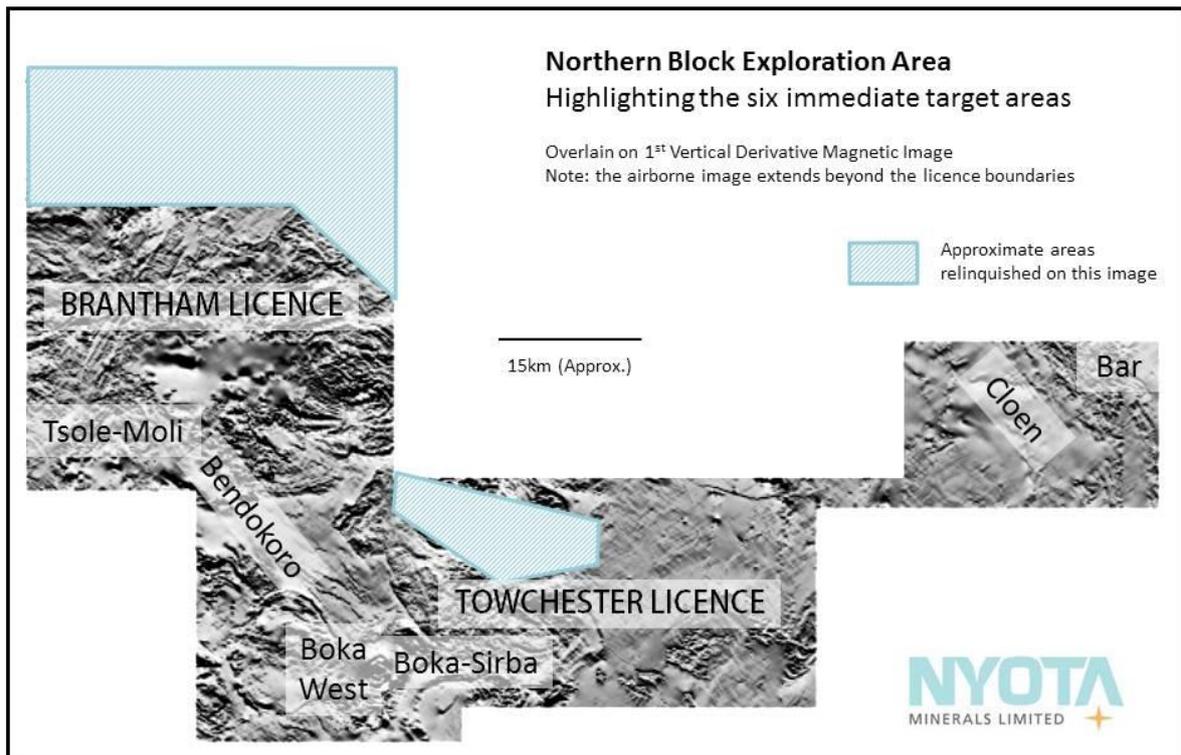
No field work was conducted during the quarter on the Northern Blocks. Nyota owns 100% of each of the two Northern Block exploration licences. Neither licence is included in the transaction with KEFI; meaning that Nyota will continue to own 100% and be required to fund the entirety of the work.

Reports for both the Brantham and the Towchester licences for the initial three year exploration licence period were compiled and submitted in the quarter in support of their first renewal.

A full field work programme has been developed for the current quarter, focused on the Boka West target, that is near drill-ready, and the Bar and Cloen targets. This programme is being conducted by Nyota's in-country geological team. In addition, SRK has been engaged to prepare a Competent Person's Report on the Northern Block targets and to review the fieldwork that will commence in February.

#### ***Boka West***

The Boka West target was identified primarily through a combination of artisanal alluvial workings, analysis of heavy mineral concentrate samples and rock chip sampling. It lies along the northwest-trending lineament that runs from Boka Sirba, through Bendokoro to Tsole-Mole (See Figure 1).



The gold-in-soil anomaly (defined by samples containing in excess of 0.02 g/t gold, with a peak of 0.39 g/t gold) extends for 2km in length and is up to 500m wide. It is coincidental with anomalies for copper, zinc and bismuth. Gold mineralisation is associated with meta-sedimentary rocks (including marble, quartzite and mixed quartz-sericite and quartz-chlorite schist) marginal to syn-to-post tectonic intrusives.

Seven trenches were previously excavated over the central part of the anomaly and four returned significant gold intersections with peaks of 7.40m at 1.49g/t Au; 7.10m at 2.56g/t; 5.00m at 1.03 g/t Au; and 1.00m at 10.85g/t.

Over the next ten weeks the plan is to conduct a gradient array IP geophysical survey and detailed geological mapping along with additional trenching in order to properly define the drill targets.

**Bar and Cloen**

Bar and Cloen targets are located in the Towchester license area. They were selected initially based on the previous reconnaissance work of the Geological Survey of Ethiopia that showed gold grains in heavy mineral concentrates samples coincidental with sulphide mineralisation. Supporting evidence came from the airborne geophysical survey completed by Nyota in 2010 and observation of the Midroc Gold deposit at Jilaye, approximately 9km east of the Bar target, in that company’s Metekel Exploration License.

Work on the Bar target area returned a high gold count in heavy mineral concentrate (6-12 grains), stream sediment samples (6-62 ppb Au) and rock chip samples (41-102 ppb Au). These anomalous samples are from the vicinity of a contact zone between carbonate and other meta-sedimentary rocks, and igneous intrusive rocks. An overlapping copper – lead –

arsenic stream sediment anomaly supports the potential for anomalous primary mineralisation. Based on the favourable geological setting and geochemical analysis an area of approximately 8.6 km<sup>2</sup> has been delineated for detailed follow-up.

The Cloen Target was found to be dominantly underlain by north-west striking package of meta-sedimentary rocks and acidic to intermediate schistose volcanic units.

A cluster of high gold grain counts in heavy mineral concentrate and stream sediment samples is seen in the western part of the target. Rock-chip samples picked from a schistose, acid volcanic unit returned values of 103ppb to 1060 ppb (1.06g/t) gold, with corresponding anomalism in copper (up to 0.45%), silver and zinc. The occurrence of an acid volcanic schist with disseminated sulphide, grading locally to massive sulphide, within multi-element anomalism and the presence of barite suggests a possible volcanogenic massive sulphide (VMS) setting. Based on these encouraging results, a 23km<sup>2</sup> area has been delineated for detailed follow-up.

### **REPORT AND ACCOUNTS**

The Company's shares were suspended on ASX throughout the quarter, due to the Company being unable to file its Annual Report for the year ended 30 June 2013 on a 'going concern' basis prior to completion of the KEFI transaction. Trading in the Company's depository interests on AIM was suspended on 30 December 2013 on the same grounds.

The publication of the report and accounts is pending the final determination of the accounting treatment of the Sale and its impact on the audited accounts. Publication is expected in the next week following which the suspensions on both markets are expected to be lifted.

As announced on 30 September 2013, the Company expects the 2013 Annual Report will include a significant non-cash impairment charge to the carrying value of Nyota's exploration assets in the range of A\$45m to A\$55m. The impairment charge will impact the Company's balance sheet and profit & loss account but will have no impact on cash flow.

### **CORPORATE AND FINANCE**

Following completion of the KEFI transaction, Nyota had cash of A\$2.0 million as at 31 December 2013. Corporate administration expenditure during the quarter of A\$786k was inflated by A\$170k of deal costs and other one-off corporate costs related to the EGM, legal advice and alternative transactions. Similarly, some one-off costs will be paid out in the current quarter, including Nyota's share of the initial payment of the NMEL VAT liability (see below) and some professional fees relating to the Sale that were contingent upon success.

The Company will need to raise funds in the first half of 2014 in order to fund the Company's share of the on-going costs at Tulu Kapi (via its shareholding in NMEL) and to carry out a focused exploration programme to advance the Company's Northern Block exploration properties.

Nyota is not required to contribute to the funding of NMEL until such time as KEFI has completed a new mineral resource estimation, which is anticipated during the current quarter. Thereafter it may elect not to fund its pro-rata share but will suffer dilution of its shareholding as a result.

Action was also taken to further significantly reduce corporate costs during the quarter and immediately after the period end. This includes:

- I. The London operations of Nyota are moving out of the legacy office in Holborn to a much smaller office. This will take place in February and new corporate details will be announced in due course;
- II. The management will be reduced as befits an exploration company;
- III. The Chief Executive Officer has accepted a variation to his contract of employment with effect from 1 January 2014 to reduce his salary by 40% and cut his notice period in half (he receives no other fees or benefits from the company); and
- IV. Two directors, Norman Ling and Neil Maclachlan, have agreed to stand down following the publication of the audited accounts.

The ASX Appendix 3Z, final director interest report, for each of Mr Norman Ling and Mr Neil Maclachlan will be announced at the date their retirement becomes effective.

On 28 October 2013 NMEL received an assessment from the Ethiopian Revenue and Customs Authority (“ERCA”) for the accrued reverse VAT liability relating to the provision of foreign services in Ethiopia; primarily for the drilling undertaken at Tulu Kapi between 2009 and 2013. An accrual was made in each of the last two years’ audited accounts of the subsidiary and the consolidated accounts of Nyota, but payment was deferred whilst the mining licence application was being considered. Negotiations with ERCA for payment have been positive and, in accordance with the relevant law, an initial payment of 25% of the assessed amount will be made on 31 January 2014, of which Nyota’s share is 25%; equivalent to A\$371,618.

### Summary of Tenements (ASX Listing Rule 5.3.3)

As at 31 December 2013, the Group held the following interests in exploration tenements:

Tenement	Status	Location	Ownership as at 31 Dec 2013	Ownership Change in Quarter
EL-1722-1789 (Towchester, Northern Blocks)	Exploration	Ethiopia	100%	-
EL-1879-1969 (Brantham, Northern Blocks)	Exploration	Ethiopia	100%	-
EL-127-128/97 (Tulu Kapi)	Exploration	Ethiopia	25%	(75%)
EL-372/2010 (Ankore)	Exploration	Ethiopia	25%	(75%)
EL-058-084/96 (Yubdo)	Exploration	Ethiopia	25%	(75%)
EL-032-045/99 (Billa Gulliso)	Exploration	Ethiopia	25%	(75%)

*Note: On the grant of a Large Scale Mining Licence, the Ethiopian Government is entitled to a 5% free carried interest in any project.*

On 30 December 2013, Nyota completed the sale of a 75% interest in its then subsidiary, Nyota Minerals (Ethiopia) Limited (“NMEL”), resulting in its direct interest in EL127-128/97, EL 058-084/96, EL032-045/99 and EL372/2010 falling from 100% to 25%, as set out above.

During the year applications were submitted by NMEL for two further tenements, which remain pending.

Two wholly owned subsidiaries, Brantham Investments Limited and Towchester Investment Company Ltd (“Brantham” and “Towchester”) respectively) have submitted renewals for their wholly owned licences. The renewals have been verbally communicated by the Ministry of Mines but written notification is still pending.

Ethiopian legislation requires that after the initial 3 year period, every license is renewed annually and that renewal is accompanied by a 25% reduction in the area of the license.

Rule 5.3

## 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 2013

#### 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	(508)	(1,362)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received		3
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	<b>Net Operating Cash Flows</b>	<b>(1,294)</b>	<b>(2,847)</b>
<b>Cash flows related to investing activities</b>			

1.8	Payment for purchases of:		
	(a) prospects		
	(b) equity investments		
	(c) other fixed assets		
1.9	Proceeds from sale of:		
	(a) prospects	2,387	2,387
	(b) equity investments		
	(c) other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other (provide details if material)		
	<b>Net investing cash flows</b>		
1.13	Total operating and investing cash flows (carried forward)	1,093	(460)

1.13	Total operating and investing cash flows (brought forward)	1,093	(460)
	<b>Cash flows related to financing activities</b>		
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		
	<b>Net financing cash flows</b>		
	<b>Net increase (decrease) in cash held</b>	1,093	(460)
1.20	Cash at beginning of quarter/year to date	918	2,434
1.21	Exchange rate adjustments to item 1.20	(6)	31
1.22	<b>Cash at end of quarter</b>	2,005	2,005

### 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	150
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

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### 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

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	732
4.2 Development	
4.3 Production	
4.4 Administration	552
<b>Total</b>	<b>1,284</b>

### 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	2,003	435
5.2 Deposits at call	2	483
5.3 Bank overdraft		
5.4 Other (provide details)		

<b>Total: cash at end of quarter</b> (item 1.22)	2,005	918
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## 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	EL-127-128/97 (Tulu Kapi) EL-372/2010 (Ankore) EL-058-084/96 (Yubdo) EL-032-045/99 (Billa Gulliso)	Exploration licences in the Federal Democratic Republic of Ethiopia, held by Nyota Minerals (Ethiopia) Limited, 75% of which was sold in the quarter.	100%	25%
6.2 Interests in mining tenements acquired or increased				

## 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 <b>Preference securities</b> (description)				
7.2 Changes during quarter (a) Increases through issues (b) Decreases				
7.3 <b>*Ordinary securities</b>	879,649,127	879,649,127	N/a	N/a
7.4 Changes during quarter (a) Increases through issues (b) Decreases				
7.5 <b>*Convertible debt securities</b> (description)				

7.6	Changes during quarter				
7.7	<b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
		1,600,000	-	\$0.35	31/12/2015
		4,000,000	-	GBP0.23	31/01/2016
		1,700,000	-	GBP0.175	30/06/2015
		1,800,000	-	GBP0.20	30/06/2015
		2,500,000	-	-	30/06/2015
		1,200,000	-	GBP0.08	20/06/2015
7.8	Issued during quarter				
7.9	Exercised during quarter				
7.10	Expired/cancelled during quarter				
7.11	<b>Debentures</b> <i>(totals only)</i>				
7.12	<b>Unsecured notes</b> <i>(totals only)</i>				

## 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.

Sign here: ..... Date: 31 January 2014

Chief Financial Officer

Print name: Paul Wilson

## 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.

For further information please visit [www.nyotaminerals.com](http://www.nyotaminerals.com) or contact:

Richard Chase	Nyota Minerals Limited Chief Executive Officer	+44 (0) 20 7400 5740 <a href="mailto:info@nyotaminerals.com">info@nyotaminerals.com</a>
Anthony Rowland	Nyota Minerals Limited Business Development	+44 (0) 20 7400 5740 <a href="mailto:info@nyotaminerals.com">info@nyotaminerals.com</a>
Antony Legge/ James Thomas	Nominated Adviser and Joint Broker Daniel Stewart & Company plc	+44 (0) 20 7776 6550

Susie Geliher/ Elisabeth Cowell	Financial PR St Brides Media & Finance Ltd	+44 (0) 20 7236 1177
Guy Wilkes	Joint Broker Ocean Equities Limited	+44 (0) 20 7786 4370

### **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.

The information relating to the Company's past exploration results and reported resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

### **Forward-Looking Statements**

This press release contains forward-looking statements in relation to the Company and its subsidiaries (the "Group"), including, but not limited to, the Group's proposed strategy, plans and objectives, future commercial production, sales and financial results, development, construction and production targets and timetables, mining costs and economic viability and profitability. Such statements are generally identifiable by the terminology used, such as "may", "will", "could", "should", "would", "anticipate", "believe", "intend", "expect", "plan", "estimate", "budget", "outlook" or other similar wording. By its very nature, such forward-looking information requires the Company to make assumptions that may not materialise or that may not be accurate. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond the control of the Group that could cause the actual performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Furthermore, the forward-looking information contained in the press release is made as of the date of the press release and accordingly, you should not rely on any forward-looking statements and the Group accepts no obligation to disseminate any updates or revisions to such forward-looking statements. The forward-looking information contained in this press release is expressly qualified by this cautionary statement.

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