



29 October 2014

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

QUARTERLY REPORT

Nyota Minerals Limited (ASX/AIM: NYO) (‘Nyota’ or the ‘Company’) provides its Quarterly Report for the three months ended 30 September 2014.

Nyota is the 100% owner of the Northern Block exploration licences in Western Ethiopia (‘Northern Blocks’). It has applied for a mining licence for an alluvial gold opportunity within the Northern Blocks (the ‘Mining Licence Application’) and is evaluating new opportunities in Ethiopia and elsewhere.

HIGHLIGHTS

- Field work suspended in July due to the rainy season; annual renewal applications and work summaries submitted for the Northern Block exploration licences.
- Solid progress made in advancing the Mining Licence Application to exploit the Abay River (or Blue Nile) gravel terraces through the development of a mechanised mining and processing operation.
- Nyota’s remaining 25% interest in the Tulu Kapi project sold to KEFI Minerals Limited (‘KEFI’), bringing £750,000 (A\$1.3m) in cash and 50 million ordinary KEFI shares in to the Company.
- Shareholders received a pro-rata entitlement to 144.8 million shares in KEFI distributed by way of a A\$3.6m reduction in the capital of Nyota.

Richard Chase, Chief Executive Officer, said “The third quarter of the calendar year is always relatively quiet as fieldwork cannot be continued in Western Ethiopia for three or four months from late June / early July as a result of the heavy rains. A significant site visit was able to go ahead in October to familiarise a contractor and existing and potential new project management with the proposed alluvial operations.

“Elsewhere, however, the Company has been busy: completing the Tulu Kapi sale transaction; making the requisite renewal applications and completing annual reports for the Northern Blocks; reviewing new opportunities; and of course, completing the annual

report and accounts. I look forward to updating shareholders on these matters in due course.”

NORTHERN BLOCKS

100% owned by Nyota

The results of the fieldwork have now been received and analysed. Shareholders are referred to the operational update of 30 September for details.

The main conclusions are:

- i) Results from the Boka West and Bendokoro targets in the Brantham Licence continue to be encouraging and a short drill programme has been proposed for both targets in the licence renewal for 2014/15. These programmes will aim to test the continuity at relatively shallow depths (a maximum of 75m vertical from surface) of gold mineralisation intercepted in surface trenches.
- ii) Results from Boka Sirba, where the geology has been difficult to interpret, have been disappointing and it has proved impossible to replicate good gold grades from rock chip sampling of the Boka skarn in 2010/11.
- iii) Gold mineralisation has been identified at both the Bar and Cloen targets in the Towchester licence. However, the continuity, width and grade of the mineralisation together with the demand for annual work commitments and licence renewals led Nyota to relinquish the whole Dura block when it applied for the renewal of the Towchester Licence.

Shareholders are reminded that the level of the Abay River and tributaries when flooded by the Grand Ethiopian Renaissance Dam (over 150km downstream of the proposed mining area) will not affect the Boka West and Benodokoro targets. It will, however, have a significant impact on lower-lying projects such as Boka Sirba.

Field work was suspended in early July due to the annual rainy season. At the date of this report it had not been possible to restart fieldwork due to the conditions on the ground.

ALLUVIAL MINING LICENCE APPLICATION

Further submissions and discussions have been had with the Ethiopian Ministry of Mines regarding the potential to establish a mechanised gold mining project working the old gravel terraces and other alluvial deposits of the Abay River that transect the Northern Block licences.

The main objective of Nyota’s proposal is the rapid development of a cost-effective operation for the maximum recovery of gold from the catchment area that will be flooded as a result of the Grand Ethiopian Renaissance Dam before dry mining of the gravels becomes impossible. A revised application, with a smaller mining licence area of approximately 48km², was submitted in the first week of October.

A team from the Company, including a potential project manager, and the likely earth moving equipment hire company from Addis Ababa visited the site in early October to

review the proposed mine development and to address the key issues of access and accommodation. Should the mining licence be issued, it is expected that this will help to refine the budget and timeline for phase one activities, comprising bulk sampling and trial mining.

CORPORATE AND FINANCE

Tulu Kapi Sale Transaction and Capital Reduction

On 3 September 2014 shareholders gave their approval for Nyota:

- i) to dispose of its remaining 25% interest in the Tulu Kapi project, held via a 25% shareholding in KEFI Minerals (Ethiopia), to KEFI Minerals Limited for £750,000 in cash and 50 million new shares in KEFI; and
- ii) to subsequently complete the in-specie distribution of 144,823,917 KEFI shares to Nyota shareholders on a pro-rata basis ('Capital Reduction').

The Capital Reduction was completed on 24 September and resulted in a corresponding reduction in Nyota's capital of AUS\$3,635,080 based on the market value of the KEFI shares on the completion date (being GBP £0.0140 or 1.40 pence per share and an exchange rate of AUS\$1.792 to GBP £1.00). Shareholders at the register date received 1 KEFI share for every 6 Nyota shares held, with fractional entitlements being rounded-down to the nearest whole number.

Having completed the sale of 100% of KEFI Minerals (Ethiopia) to KEFI Minerals Limited, Nyota no longer has any interest in or future funding obligation for KEFI Minerals (Ethiopia) Limited ('KME') or its 100% owned Tulu Kapi gold project in Ethiopia. Nyota has however provided warranties to KEFI on the financial and commercial affairs of KME normal for this type of transaction and indemnifications against specific claims. Further details can be found in the annual report and accounts, available on the Company's website: www.nyotaminerals.com.

Finance

Nyota received A\$1.3m as proceeds from the sale of 25% of Tulu Kapi which sees the Company well placed at quarter end holding cash of A\$1.33m. This cash position combined with the Company's significantly reduced overhead costs is expected to allow it to pursue its Ethiopian alluvial gold opportunity as well as having funds to assess new project opportunities.

Summary of Tenements (ASX Listing Rule 5.3.3)

As at 30 September 2014, the Group held the following interests in exploration tenements:

| Tenement | Status | Location | Ownership as at 30 September 2014 | Ownership Change in Quarter |
|---|---------------|-----------------|--|------------------------------------|
| EL-1722-1789 (Towchester, Northern Blocks) | Exploration | Ethiopia | 100% | - |
| EL-1879-1969 (Brantham, Northern Blocks) | Exploration | Ethiopia | 100% | - |

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

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

Nyota has submitted the application for the renewal of the Brantham and Towchester licences, whose one year terms ended in July. The renewals are pending at the date of this report and shareholders should note that the previous renewals (for the period from July 2013) were not formally issued until April and February 2014 (respectively).

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

| | | |
|------------------------------------|--|---|
| Richard Chase | Nyota Minerals Limited Chief Executive Officer | +61 (0) 8 9324 2955 info@nyotaminerals.com |
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| Susie Geliher/ Elisabeth Cowell | Financial PR St Brides Media & Finance Ltd | +44 (0) 20 7236 1177 |
| Guy Wilkes | Joint Broker Pareto Securities | +44 (0) 20 7786 4370 |

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.

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")

30 September 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (3 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 | (189) | (189) |
| 1.3 Dividends received | | |
| 1.4 Interest and other items of a similar nature received | 1 | 1 |
| 1.5 Interest and other costs of finance paid | | |
| 1.6 Income taxes paid | | |
| 1.7 Other | | |
| Net Operating Cash Flows | (568) | (568) |
| 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 | 1,305 | 1,305 |
| 1.10 Loans to other entities | | |
| 1.11 Loans repaid by other entities | | |
| 1.12 Other (provide details if material) | | |
| Net investing cash flows | 1,305 | 1,305 |
| 1.13 Total operating and investing cash flows (carried forward) | 737 | 737 |

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

| | | | |
|------|--|-------|-------|
| 1.13 | Total operating and investing cash flows (brought forward) | 737 | 737 |
| | 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 | 737 | 737 |
| 1.20 | Cash at beginning of quarter/year to date | 512 | 512 |
| 1.21 | Exchange rate adjustments to item 1.20 | 78 | 78 |
| 1.22 | Cash at end of quarter | 1,327 | 1,327 |

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 | 78 |
| 1.24 | Aggregate amount of loans to the parties included in item 1.10 | |

1.25 Explanation necessary for an understanding of the transactions

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

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

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 | 150 |
| 4.2 | Development | |
| 4.3 | Production | |
| 4.4 | Administration | 150 |
| Total | | 300 |

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 | 162 | 302 |
| 5.2 Deposits at call | 1,165 | 210 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 1,327 | 512 |

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; EL 058-084/96 EL 032-045/99; EL 372/2010 | 25% | 0% |
| 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 | 600,000 | - | \$0.35 | 31/12/2015 |
| 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 ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.



Sign here: Date: 29 October 2014
Company Secretary

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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+ See chapter 19 for defined terms.