

30 April 2014

Nyota Minerals Limited
('Nyota' or 'the Company')

QUARTERLY REPORT

Nyota Minerals Limited (ASX/AIM: NYO), the gold exploration company in East Africa, provides its Quarterly Report for the three months ended 31 March 2014.

HIGHLIGHTS

- Competent Person Report, prepared by SRK Exploration Services Limited, published for the Northern Block; covering exploration to date and a review of the field work programme currently underway.
- Field work re-commenced on the Northern Blocks (100% owned by Nyota).
- KEFI Minerals plc ('KEFI') announced an updated JORC-compliant Mineral Resource for Tulu Kapi, in which Nyota currently retains a 25% direct interest, comprising:
 - 21.2Mt @ 2.73g/t for 1.86Moz Au Indicated; and
 - 2.9Mt @ 2.03g/t for 0.19Moz Au Inferred.
- Significant cuts to corporate overheads have been actioned, notably:
 - London costs reduced through assigning the legacy office lease (and cutting related office costs) and moving to a small, serviced office; and
 - the retirement of two Directors and other salary and personnel cuts have significantly reduced remuneration costs.
- Post period end, the Board has decided to close the London office and relocate all corporate activities to Perth.

Richard Chase, Chief Executive Officer, said "We started the new year in a positive way, taking decisive decisions that we believe will re-position Nyota. However, the public equity capital markets remain unforgiving for junior mineral exploration companies and further rationalisation has therefore been undertaken whilst alternative financing options are being

advanced. Having reduced the Company's corporate cost base as low as we feel is possible, we are focused on creating value from our 100% owned exploration assets whilst exploring new opportunities. Further, KEFI are continuing to make significant and rapid progress with the Tulu Kapi project, which we expect will add value to it."

NORTHERN BLOCKS

100% owned by Nyota

A full field work programme was commenced by Nyota's in-country geological team in February, initially focused on the Boka West target, which is near drill-ready, and the Boka Sirba, Bar and Cloen targets.

In addition, Dr Evan Kirby (Technical Director) and management have initiated discussions with the Ethiopian Ministry of Mines regarding the recognised potential of the licenses to support a large-scale mechanised gold mining project working the old gravel terraces and other alluvial deposits of the Abay River, which will be flooded by the Grand Ethiopian Renaissance Dam (GERD). There is significant current artisanal mining of some of these alluvial gold deposits and the objective of the project would be to rapidly develop a cost-effective operation for the maximum recovery of gold from the area before it is flooded.

Competent Person's Report

SRK Exploration ('SRK ES'), an independent technical consultant, was retained by Nyota in January 2014 to prepare a report in accordance with the new Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves in the Joint Ore Reserves Committee ("JORC") JORC Code 2012 Edition. Their scope of work included a compilation and review of exploration work and exploration results relating to the licences, in order to assess their exploration potential.

SRK ES conducted a site visit to the projects between the 4th and 8th February, 2014. During the visit the Competent Person visited the Boka-West, Tsoli-Moli and Bendokoro targets, which constitute the areas of most detailed understanding. The Boka-Sirba and Arangama targets were also inspected as part of a wider exploration review.

The full CPR is available on the Company's website at www.nyotaminerals.com. A summary of the information and findings can be found in JORC Table 1 (Technical Appendix 1 to the CPR) and as a Summary Matrix of Exploration Potential (Technical Appendix 2 to the CPR).

Boka West

The Boka West target lies along the 40km northwest-trending lineament that runs from Boka Sirba, through Bendokoro to Tsole-Mole and was

identified primarily through a combination of artisanal alluvial workings, analysis of heavy mineral concentrate samples and rock chip sampling.

Gold mineralisation is associated with a package of meta sediments and acid volcanics and appears to be localised by brittle deformation within and at the margins of a calcareous sedimentary unit.

During the quarter work focused on advancing an understanding of the controls on gold mineralisation so as to enable a targeted drill programme to be undertaken. Field work comprised detailed geological mapping, trenching and rock chip and channel sampling and a geophysical (gradient array) survey.

Sulphide mineralisation has been noted in the trenches and the geophysical survey has identified an anomalous zone of high chargeability / low resistivity closely aligned with the location and orientation of the known gold anomaly that also extends under soil cover to the north. Both are encouraging indications, but analytical results are outstanding at the date of this report.

Boka Sirba

Boka Sirba comprises of skarn alteration which has previously provided anomalous gold samples but has proved challenging to interpret and therefore hard to justify significant further expenditure.

The focus during the quarter has therefore been to re-map the area of the previous soil sample grid, to re-sample outcrop and to chip / channel sample outcrop more continuously and over a wider area. The aim of this work is to establish if there is justification for Nyota to expend further effort on the target.

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.

Field work during the period focussed on increasing the size of known anomalies through mapping and rock chip sampling.

Analytical results are outstanding at the date of this report.

TULU KAPI

25% project level ownership; additional interest through shares held in KEFI Minerals plc

On 30 December 2013, Nyota completed the sale of 75% of the issued share capital of Nyota Minerals (Ethiopia) Limited (since renamed KEFI Minerals (Ethiopia) Limited; 'KME') (the 'Sale'), the Company's then subsidiary which owns 100% of the Tulu Kapi gold project in Ethiopia ('Tulu Kapi') and the proximal exploration licences.

On 12 March 2014, KEFI, the project manager and a 75% shareholder in KME, announced an updated total Mineral Resource for Tulu Kapi of 24.1Mt at 2.64g/t gold ('Au') for 2.05Moz Au, comprising:

- 21.2Mt at 2.73g/t for 1.86Moz Au in the Indicated category; and
- 2.9Mt at 2.03g/t for 0.19Moz Au in the Inferred category.

For further details, please refer to Nyota's ASX announcement dated 12 March 2014 titled "Kefi Minerals Announcement – Tulu Kapi Gold Project".

KEFI also published the Table 1 disclosure, comprising a checklist of assessment and reporting criteria necessary for the Public Reporting of Exploration Results and Mineral Resources in accordance with the JORC Code 2012 Edition. These are properly referenced in Nyota's announcement of 31 March 2014, titled "Tulu Kapi Resource Update".

In its quarterly operational update, KEFI provided the following milestones for the calendar year 2014:

2nd Quarter:

- TK field results, re trenching and drilling
- Initial Reserve Update after preliminary production plan revision
- Definitive feasibility study ('DFS') scope settled: DFS final contracts awarded under refined production plan

3rd Quarter:

- Resources & Reserves completion after KEFI trenching and drilling
- DFS progress reports
- Project Finance non-binding detailed terms sheets

4th Quarter:

- DFS signed-off and Mining Licence Application re-activated

CORPORATE AND FINANCE

Costs incurred during the quarter included Nyota's 25% share of the initial payment of KME's VAT liability (of which Nyota's share is A\$371,618) and some professional fees relating to the Sale that were contingent upon success. As at 31 March 2014 the Company had cash of A\$0.6m.

The Company is in funding discussions with a number of parties with the aim of raising sufficient cash to fund its share of the on-going costs at Tulu Kapi (via its shareholding in KME), a focused exploration programme to advance the Company's Northern Block exploration properties and the Company's corporate overheads.

In addition to seeking new funds the Company has available to it a significant asset in the form of the KEFI shares it acquired as part consideration for the Sale. These shares are, however, subject to sale restrictions in accordance with the sale and purchase agreement; including an orderly market agreement until 31 December 2014. The Company has, with the full co-operation and agreement of KEFI, agreed the sale 4.6 million shares to allow one of KEFI's institutional shareholders to increase its shareholding. This sale will provide gross proceeds of approximately A\$150,000 to Nyota. Nyota's shareholding in KEFI will therefore decrease from 107,081,158 shares, representing a 12.5% interest, to 102,481,158 representing 12.0%.

As previously reported, decisions were taken in the prior quarter to further significantly reduce corporate costs. Some of these decisions were actioned during the reporting period. These include:

- I. The London operations of Nyota moving out of the legacy office in Holborn to a much smaller office;
- II. The reduction of the management team as befits an exploration company;
- III. The Chief Executive Officer accepting a variation to his contract of employment to reduce his salary by 40% and his notice period (he receives no other fees or benefits from the company); and
- IV. Two directors, Norman Ling and Neil Maclachlan, standing down to reduce the Board to three directors; of which two must be Australian residents as prescribed by the Corporations Act 2001.

Since the end of the reporting period, the Directors have resolved to close the London office altogether and to retrench the London staff other than Richard Chase, who will remain as the Chief Executive Officer. All finance and corporate administration functions will be carried out in Perth and overseen by Mike Langoulant (the former Finance Director) who will remain as a Non-Executive Director and Company Secretary.

With KEFI having completed a new mineral resource estimation in March, Nyota is now required to contribute to the funding of Tulu Kapi or suffer dilution of its shareholding.

A new budget was approved by the joint venture in mid-April and the first cash call, with respect to the period from 12 March to 30 June, is due on 2 May. Nyota's 25% share of this cash call is £325,492, which it is currently unable to fund. Nyota is seeking an extension of the timeline within which it can make this project contribution and is in discussions with KEFI on this

matter. If such agreement cannot be reached, then Nyota's interest at project level would be reduced to approximately 20.4%.

If Nyota is unable to fund any of the subsequent quarterly cash calls, it will be diluted further.

The Company's shares were suspended on ASX and AIM from the start of the quarter, up until 5 February 2014, due to the Company being unable to file its Annual Report for the year ended 30 June 2013, prior to completion of the Sale. As a result of the Board's decision to delay the development of Tulu Kapi and taking into account the consideration achieved for the sale of the 75% interest in KME, an impairment charge of \$49.4 million was reflected against the carrying value of Tulu Kapi and Nyota's other exploration assets.

Summary of Tenements (ASX Listing Rule 5.3.3)

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

| Tenement | Status | Location | Ownership as at 31 Mar 2014 | 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% | - |
| EL-372/2010 (Ankore) | Exploration | Ethiopia | 25% | - |
| EL-058-084/96 (Yubdo) | Exploration | Ethiopia | 25% | - |
| EL-032-045/99 (Billa Gulliso) | Exploration | Ethiopia | 25% | - |

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

Two wholly owned subsidiaries, Brantham Investments Limited and Towchester Investment Company Ltd ("Brantham" and "Towchester" respectively) received their annual license renewals from the Ministry of Mines during the quarter however the next annual renewal application is already due again.

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

| | | |
|---|--|--|
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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

Quarter ended ("current quarter")

98 060 938 552

31 MARCH 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current quarter \$A'000 | Year to date (9 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 | (721) | (2,083) |
| 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 | | |
| Net Operating Cash Flows | (1,397) | (4,244) |

| | | | |
|---|---|---------|---------|
| 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: | | 2,387 |
| | (a) prospects | | |
| | (b) equity investments | | |
| | (c) other fixed assets | 7 | 7 |
| 1.10 | Loans to other entities | | |
| 1.11 | Loans repaid by other entities | | |
| 1.12 | Other (provide details if material) | | |
| | Net investing cash flows | | |
| 1.13 | Total operating and investing cash flows (carried forward) | (1,390) | (1,850) |

| | | | |
|------|--|---------|---------|
| 1.13 | Total operating and investing cash flows (brought forward) | (1,390) | (1,850) |
| | 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 | (1,390) | (1,850) |
| 1.20 | Cash at beginning of quarter/year to date | 2,005 | 2,434 |
| 1.21 | Exchange rate adjustments to item 1.20 | 5 | 26 |
| 1.22 | Cash at end of quarter | 610 | 610 |

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 |
|------|--|-----------------|
| 1.23 | Aggregate amount of payments to the parties included in item 1.2 | 126 |
| 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.

| | | | |
|-----|-----------------|-----------------------------|------------------------|
| 3.1 | Loan facilities | Amount available \$A'000 | Amount used \$A'000 |
| | | Nil | Nil |
| | | Nil | Nil |

3.2 Credit standby arrangements

Estimated cash outflows for next quarter

| | | \$A'000 |
|--------------|----------------------------|------------|
| 4.1 | Exploration and evaluation | 375 |
| 4.2 | Development | |
| 4.3 | Production | |
| 4.4 | Administration | 475 |
| Total | | 850 |

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 | 609 | 2,003 |
| 5.2 Deposits at call | | 2 |
| 5.3 Bank overdraft | | |
| 5.4 Other (provide details) | | |
| Total: cash at end of quarter (item 1.22) | 609 | 2,005 |

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 | | |

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 (description) | | | | |
| 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 | 2,500,000 | 2,500,000 | nil | nil |
| 7.5 +Convertible debt securities (description) | | | | |
| 7.6 Changes during quarter | | | | |
| 7.7 Options (description and conversion factor) | 1,600,000 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 | 2,500,000 | - | - | 30/06/2015 |
| 7.10 Expired/cancelled during quarter | 4,000,000 1,200,000 | - - | GBP0.23 GBP0.08 | 31/01/2016 20/06/2015 |
| 7.11 Debentures (totals only) | | | | |
| 7.12 Unsecured notes (totals only) | | | | |

+ See chapter 19 for defined terms.

NYOTA

MINING CORPORATION

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: 30 April 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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