



31 October 2013

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

Nyota Minerals Limited (ASX/AIM: NYO), the gold exploration and development company in East Africa, provides its Quarterly Report for the three months ended 30 September 2013.

Strategic Review

Work in the quarter focussed on the strategic review that commenced in May of this year. The purpose of the review was to evaluate the options available to the Board including the possibility of a strategic partner assisting with the development of the Tulu Kapi Gold Project in Ethiopia ("Tulu Kapi").

The Company and its advisers received strong initial interest in the Nyota assets with a number of parties requesting access to the data room. The process quickly focussed on the optimisation work undertaken by Nyota and the potential to re-evaluate the development plan presented in the feasibility study.

A conclusion to the strategic review was announced on 17 October 2013, when Nyota confirmed that it had entered into two agreements with a new development partner ("Partner") for Tulu Kapi.

The two agreements are:

- 1) a heads of terms for the sale of a 75% interest in Nyota Minerals (Ethiopia) Limited, the subsidiary which holds Tulu Kapi and proximal exploration licences in Ethiopia (the "Sale"); and
- 2) a short term secured loan facility for up to £360,000, which the directors believe is sufficient to enable the Company and its subsidiaries to continue operating during the period required to complete the Sale.

Further details of the agreements, including the conditions precedent to completion, are available in the announcements of the 17 October and 24 October. Progress in meeting these conditions has been made and further information on key areas is included below.

Finance and Corporate

Nyota had cash of A\$0.9 million as at 30 September 2013.

As indicated in the attached Appendix 5B there is insufficient working capital for the current quarter without the secured loan facility from the Partner.

Corporate running costs were further reduced from 1 August 2013, with the 50% reduction in Director's fees and a 25% (average) cut in executive management salaries. In Ethiopia the camp infrastructure and the number of employees have been reduced during the period

and at 31 October 2013 the Tulu Kapi camp will be on care and maintenance and the retrenchment of expatriate employees completed.

Provided that the transaction with the new Partner is concluded, activity at the Tulu Kapi project can be quickly ramped-up and the costs will be funded by Nyota and the Partner pro-rata to their equity ownership of Nyota Minerals (Ethiopia); the wholly owned subsidiary of the Company that owns the Tulu Kapi and proximal exploration licences.

On 28 October 2013 Nyota Minerals (Ethiopia) 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 now commenced. Failure to reach a satisfactory outcome would jeopardise the Sale and therefore the on-going solvency of the subsidiary.

Mining Licence Application

In January 2013 the Company announced that the Ethiopian Ministry of Mines had completed its review of the feasibility study, including the environmental and social impact assessment, and had confirmed in writing that it complies with all regulations and satisfies the requirements for the issuance of a large scale mining licence. However, negotiations regarding the fiscal and legal aspects of the project were on-going.

Over the subsequent six months it became apparent that it was neither viable for Nyota to finance a mine at Tulu Kapi (as envisaged in the feasibility study) nor beneficial for a mining licence to be granted; despite the Mine Development Agreement being virtually complete. The principle reasons for this are the inadequate financial return to investors and the obligation on Nyota in respect of resettlement and project development.

In response to this and the concerns identified by the strategic review, Nyota presented its findings to the Ministry of Mines and received its consent to submit a new work programme to focus on establishing a new mine development plan, drawing upon the optimisation work carried out in the prior quarters, to generate higher financial returns. This plan will form the basis for an updated application for a large scale mining licence at some point in the future.

A new work programme was submitted jointly with the Partner after the period end and the evaluation and approval by the Ministry of Mines is pending as of the date of this report. That plan represents a “back to basics” approach to the re-evaluation of the technical data with a focus on higher grades and lower costs.

Technical Work

Due to the annual rainy season, the third calendar quarter is the least active for field work.

Tulu Kapi

Work at Tulu Kapi focussed on further data collection, re-logging of drill core and consolidation of the optimisation work completed in the prior period.

With insufficient funds available the Company has not been able to undertake the “next steps” outlined in the announcement of 4 June 2013.

Northern Blocks

No field work has been conducted during the period on the Northern Blocks. Reports for the initial three year exploration licence period were compiled and submitted along with the application for renewal of the licences. According to the Mining Proclamation, Licence renewal is annual after the initial period and the licence area must be reduced by 25% at each renewal.

Nyota owns 100% of each of the two “Northern Block” exploration licences. Neither licence is included in the transaction with the new Partner; meaning that Nyota will continue to own 100% and to fund the entirety of the work.

Analysis of the field work completed in the prior quarter included two new areas: the Bar and Cloen targets. These are the last of the target areas identified through remote sensing and the airborne geophysical survey to be evaluated and are located in the north-east of the licence areas and inaccessible from the exploration base camp.

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 significant mineralisation. Based on the favourable geological setting and geochemical analysis an area of approximately 8.6 km² has been delineated for detailed follow-up.

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

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 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 23km² area has been delineated for detailed follow-up.

Extraordinary Shareholder Meeting

On 19 September 2013, prior to the announcement of the Sale, the Company received a requisition notice from Centamin Holdings Limited, a subsidiary of Centamin Plc, requesting it to convene a general meeting of shareholders for the purpose of resolving to remove Richard Chase as a director. That meeting will be held on 15 November.

The Board has expressed its full support for Richard Chase and, as its only executive director, the Board considers his removal at this critical time as being against the interests of all shareholders.

Subsequent to the notice Centamin has notified the Australian Stock Exchange that it has sold 29,400,000 shares in the Company, reducing its holding from 19.4% to 16.1% of Nyota's issued share capital.

2013 Audited Financial Statements and Annual Report

Discussions on potential funding were not sufficiently advanced for the Board to publish the Company's 2013 audited financial statements, on a going concern basis, by 30 September 2013; the deadline prescribed in the Australian Corporations Act.

As a result the Company's shares were suspended from trading on ASX as from 1 October 2013.

The shares will remain suspended on the ASX until the financial statements and the report are published, which, provided that the transactions with the Partner become legally binding, the Directors expect to sign on a going concern basis shortly thereafter.

Accordingly, after the period end, the Company applied to the Australian Securities & Investments Commission ("ASIC") for an extension to the time to report to members and to hold its 2013 annual general meeting.

When published, the financial statements 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 cashflow.

Change of Nomad

The Company announced the appointment of a Daniel Stewart & Company PLC as its Nominated Adviser and Joint Broker in July 2013.

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

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Anthony Rowland	Nyota Minerals Ltd Business Development	+44 (0) 20 7400 5740 info@nyotaminerals.com
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 2004 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.

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.

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 2013

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	(854)	(854)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	3	3
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Other		
	Net Operating Cash Flows	(1,553)	(1,553)
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		
1.10	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)	(1,553)	(1,553)
1.13	Total operating and investing cash flows (brought forward)	(1,553)	(1,553)
	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	(1,553)	(1,553)
1.20	Cash at beginning of quarter/year to date	2,434	2,434
1.21	Exchange rate adjustments to item 1.20	37	37
1.22	Cash at end of quarter	918	918

**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	124
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

Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	533
4.2	Development	
4.3	Production	
4.4	Administration	753
Total		1,286

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	435	708
5.2	Deposits at call	483	1,726
5.3	Bank overdraft		
5.4	Other (provide details)		
Total: cash at end of quarter (item 1.22)		918	2,434

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			
	<i>(description)</i>			
7.2	Changes during quarter			
	(a) Increases through issues			
	(b) Decreases			
7.3	*Ordinary securities	866,924,127	866,924,127	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>Exercise price</i>	<i>Expiry date</i>
	<i>(description and conversion factor)</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	Debentures			
	<i>(totals only)</i>			
7.12	Unsecured notes			
	<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 October 2013

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.

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