



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

Nyota Minerals Limited (ASX/AIM: NYO), the gold exploration and development company in East Africa, is pleased to provide its Quarterly Report for the three months ended 31 March 2013.

Overview

- **Results of the Feeder Zone drilling at the Tulu Kapi Gold Project ('Tulu Kapi') underpin the potential to significantly enhance the economic and operational fundamentals demonstrated in the Feasibility Study ('FS')**
- **Initial in-house Inferred Resource estimate of 1.1Mt at 5.4 g/t for 188,000 oz gold delineated in the high grade Feeder Zone located beneath the FS open pit**
- **Confirmation from the Ministry of Mines in Ethiopia that the FS, including the Environmental and Social Impact Assessment ('ESIA') complies with all regulations ahead of issuance of a Mining Licence**
- **Placing for £4 million announced with support received from new and existing shareholders including Centamin plc ('Centamin') and Resource Capital Fund V L.P. ('RCF')**
- **Cost-cutting initiatives implemented and on-going**

Nyota Chief Executive Officer Richard Chase said, "Having demonstrated the fundamentals of developing our first project with the Tulu Kapi project area, the receipt of high grade results from the Feeder Zone highlights the strong potential to significantly enhance the economic returns of the project.

"Having just raised £4 million, with support from our long-term shareholders Centamin and RCF, we are able to continue those studies to develop further the FS and study a number of key areas of sensitivity within this. We are also implementing initiatives aimed at cutting corporate overheads and reducing operational expenditure. Whilst the terms of a Mining Licence are agreed, Directors will continue to meet with officials in Ethiopia on a monthly basis to drive progress."

Results from the High Grade Feeder Zone

The FS announced in December, which importantly is only based on the initial open pit component of the wider Tulu Kapi Gold Project, confirmed that annual gold production of 105,000 ounces per annum at an average grade of 1.82 g/t was achievable, equating to total gold production of 924,000oz over the proposed life of mine.

The Feeder Zone sits entirely outside of the designed open pit and is one of several targets in the locale of the proposed Tulu Kapi open pit which the Board believe can be developed

to significantly enhance the economic and operational fundamentals demonstrated in the FS.

The Company was pleased to provide in the period under review the final results of its 7,866 metre (18 holes) Feeder Zone drilling programme which commenced in September 2012.

These results, which enabled the delineation of an initial in-house Inferred Resource estimate of 1.1 million tonnes at an average grade of 5.4g/t containing 188,000 ounces of gold, demonstrate the potential for a significant high grade resource that would be developed via an underground mine. Delivered intersections included 15.04g/t Au over 9.45m, 10.55g/t Au over 13.96m, 5.34g/t Au over 12.25m and 5.24g/t Au over 26m. Importantly, the Feeder Zone is open down-plunge in a north-northeast direction and appears to crop-out in the proposed open pit in the "Southwest Extension".

As a result of the improved understanding of the Feeder Zone mineralisation a revised geological model has been constructed and a work programme designed to test it. This programme has two key low-cost components that are underway using existing personnel:

- to examine existing drilling that would be expected to have intercepted the up-plunge extension of the feeder zone and in particular where it appears to crop-out at surface in the Southwest Extension; and
- to undertake a desk-top study to examine the possible costs, limitations and opportunities of an underground mine to exploit the mineralisation.

On completion of this programme the results will be used to support a scoping study of the Feeder Zone. Subject to positive results from these studies, and the availability of funding, an additional drill programme to test a minimum of 300m of strike length in the NNE (down plunge) direction would also be considered to increase the size of the available resource.

Mining Licence

The Company continues to progress negotiations with the Ethiopian Ministry of Mines ('the Ministry') regarding the fiscal and legal aspects of developing the open pit gold mine at Tulu Kapi as envisaged in the FS.

With this in mind, the Company was pleased to announce that the Ministry has confirmed in writing that the FS, including the Environmental and Social Impact Assessment ('ESIA'), complies with all regulations and satisfies the requirements for the issuance of a large scale Mining Licence. Negotiations on the fiscal terms have been constructive and the Board believe that there is a mutual understanding between the Company and the Ethiopian Government over an equitable sharing of the benefits that will arise from the development of Tulu Kapi.

Nyota will continue to push for the timely completion of these negotiations and we look forward to providing further updates in the coming months.

Successful Raising of £4 million placing

In February 2013, we announced a Placing to raise £4 million with new institutional investors and existing shareholders including Centamin and RCF. 200,000,000 shares were issued in two tranches at an issue price of \$0.03 (£0.02) each.

Following the General Meeting on 4 April and completion of the Placing, Centamin has a 19.4% shareholding after subscribing for a further 81,000,000 new shares, and RCF has a 13.0% shareholding after subscribing for a further 50,000,000 new shares.

The Placing was conducted in tandem with a Share Purchase Plan ('SPP') which enabled eligible shareholders of the Company to subscribe for new Ordinary Shares at the same price as the Placing, up to a maximum investment of A\$15,000 per shareholder. This raised an additional \$374,100 before expenses.

The Company intends to direct the funds towards:

- completing a review of the FS for Tulu Kapi, in particular the mining scenario, costs and implementation plan;
- completing a scoping study of the Feeder Zone, which was not included in the FS;
- continuing its negotiations with the Ethiopian Government for the issue of a Mining Licence for Tulu Kapi; and
- for general working capital.

Financial Results

Nyota had cash of A\$1.5 million as at 31 March 2013. This figure excludes the receipt of funds from the second tranche of the Placing and the SPP, with a further A\$3.4m received following shareholder approval at the General Meeting held on 4 April 2013.

A comprehensive cost reduction exercise announced at the time of the Placing is well underway and has so far resulted in:

- the retirement of two Board directors;
- the termination of two senior ex-pat staff based in Ethiopia – the COO and the project processing manager;
- the standing-down of all rigs in Ethiopia and termination of the drilling contract;
- the termination of all non-essential studies and contracts; and
- the consolidation of finance and administration functions to London.

Although the loss of expertise from a project is to be avoided as far as possible, the Directors are confident that the core knowledge generated through the FS is retained.

As a result of the above changes, significant annualised savings have been made, but one-off termination costs and other liabilities have also crystallised and are spread across March and April.

The Board continues to believe that, based on the information available to it today, that cash is sufficient until the end of September 2013.

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

Richard Chase	Nyota Minerals Ltd Chief Executive Officer	+44 (0) 20 7400 5740 info@nyotaminerals.com
Anthony Rowland	Nyota Minerals Ltd Business Development	+44 (0) 20 7400 5740 info@nyotaminerals.com
Richard Morrison	Nominated Adviser RFC Ambrian Limited	+44 (0) 20 3440 6800
Jen Boorer	Nominated Adviser RFC Ambrian Limited	+44 (0) 20 3440 6800
Susie Geliher	Financial PR St Brides Media & Finance Ltd	+44 (0) 20 7236 1177
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
Rory Scott	Joint Broker Mirabaud Securities LLP	+44 (0)20 7878 3360

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 MARCH 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(3,005) (1,100)	(14,844) (3,281)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	2	17
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		525
Net Operating Cash Flows	(4,103)	(17,583)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets		(19)
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		(19)
1.13 Total operating and investing cash flows (carried forward)	(4,103)	(17,602)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,103)	(17,602)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2,821	4,804
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	(75)	(99)
	Net financing cash flows	2,746	4,705
	Net increase (decrease) in cash held	(1,357)	(12,897)
1.20	Cash at beginning of quarter/year to date	2,966	14,475
1.21	Exchange rate adjustments to item 1.20	(158)	(127)
1.22	Cash at end of quarter	1,451	1,451

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	258
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Pursuant to the General Meeting of shareholders held on 4 April 2013, the second tranche of the Placing announced in February was approved, as was the SPP, and \$3.4m was received in April 2013, which is not reflected above.

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	1,824
4.2	Development	
4.3	Production	
4.4	Administration	1,007
Total		2,831

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	491	803
5.2 Deposits at call	960	2,163
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	1,451	2,966

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	755,800,913	755,800,913	N/a
7.4	Changes during quarter (a) Increases through issues (b) Decreases	95,000,000	95,000,000	GBP0.02
7.5	+Convertible debt securities <i>(description)</i>			
7.6	Changes during quarter			
7.7	Options <i>(description and conversion factor)</i>		<i>Exercise price</i>	<i>Expiry date</i>
		250,000	-	\$0.17
		1,250,000	-	\$0.31
		3,933,334	-	\$0.35
		4,000,000	-	GBP0.23
		1,700,000	-	GBP0.175
		1,800,000	-	GBP0.20
		2,500,000	-	-
		1,200,000	-	GBP0.08
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.



Sign here: Date: 26 April 2013
Finance Director

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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