



31 January 2013

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

Nyota Minerals Limited (ASX/AIM: NYO), the AIM and ASX listed East African gold exploration and development company, is pleased to announce its Quarterly Report for the three months ended 31 December 2012.

**OVERVIEW:**

**Tulu Kapi Gold Project**

- Publication of Definitive Feasibility Study ('DFS') which confirmed the technical and economic feasibility of a 105,000 troy ounce per annum open pit operation
- Maiden JORC-compliant Probable Ore Reserve for proposed open pit of 16.9 Mt grading 1.82g/t for 986,000 ounces of contained gold
  - Calculated using October 2012 Mineral Resource estimate (at a cut-off grade of 0.3g/t gold):
    - 14.59 million tonnes @ 2.36g/t gold containing 1,108,000 ounces of gold in the Indicated category; and
    - 10.31 million tonnes @ 2.30g/t gold containing 764,000 ounces of gold in the Inferred category
- DFS based only on the open pitable component of the main Tulu Kapi ore body and doesn't include the higher grade "feeder zone" mineralisation, which is still open at depth, or the multiple proximal targets
- Feeder Zone drilling below the proposed open pit mine, completed in the period and announced in January, intercepted high grades (up to 15.04 g/t Au over 9.45m) and provided an initial in-house Inferred resource of 1.1 million tonnes at an average grade of 5.4 g/t for 188,000 ounces of gold
- Demonstrates the considerable resource potential beyond the current drilled ounces and would extend the life of mine and significantly enhance the economics reported in the recent DFS

- Strong progress made towards a mining licence with confirmation received from the Ethiopian Ministry of Mines that the DFS, including the Environmental and Social Impact Assessment, complies with all regulations and satisfies the requirements for the issuance of a large scale Mining Licence for the Company's 100% owned Tulu Kapi Gold Project in Western Ethiopia

## **Corporate**

- Cash on Balance Sheet at end of quarter: A\$3.0m. Adjusting for creditors, available cash was approximately A\$1.0m at 31 December 2012
- The Company continues to explore all options to secure short term financing including convertible loan notes and equity financings. Alongside this discussions are underway with a number of potential longer term funding partners, the terms of which are likely to require shareholder approval
- As announced on 21 January 2013, an internal review of group operations is underway and a number of material cost-cutting opportunities have already been identified

Nyota Chief Executive Officer Richard Chase said, "This has been a pivotal quarter for Nyota during which we demonstrated the positive economic and technical fundamentals of developing our first project within the Tulu Kapi project area.

"Our activities in Q1 2013 will focus on the mining licence application, and in particular cementing the fiscal terms, optimising the economics of the initial open pit and an initial assessment of the underground opportunity.

"The Company has achieved significant milestones in the last six months. With our confidence in the issue of a mining licence now confirmed by the Ministry, we are able to review the shape and size of our business to ensure that the cost structure is appropriate for our needs."

## **CORPORATE**

Nyota had cash of A\$3.0 million at 31 December 2012.

As anticipated, the completion of the DFS crystallised higher than usual technical expenses and this plus the focus on drilling the Feeder Zone resulted in cash outflow of A\$7.9 million in the quarter; a marked increase on the prior quarter that itself is suppressed by the impact of the rainy season on the work programme.

After adjustment for creditors, the net balance of approximately A\$1.0 million as at 1 January 2013 will not be sufficient to fund existing operations to 31 March 2013.

The Company is exploring all options to secure short term financing including convertible loan notes and equity financings and continues to engage in discussions with a number of potential longer term funding partners, the terms of which are likely to require shareholder approval. The Board are confident of concluding a successful transaction in the near future that will allow existing operations to continue. A further announcement will be made in due course.

In the interim, as announced on 21 January 2013, all drilling has been suspended and assertive steps taken to reduce spending. The Directors have not been paid salaries or fees accruing in January.

With the DFS now complete and confirmation received from the Ministry of Mines that the Company has satisfied the requirements for the issuance of a large scale mining licence for Tulu Kapi, the Board has also determined to undertake a review of the shape and size of the business required to continue moving Tulu Kapi forward and its obligations in respect of its other exploration licences and to ensure that the cost structure is appropriate for the Company's needs and protects shareholder value.

#### **DEFINITIVE FEASIBILITY STUDY**

The DFS was prepared for the Company's Tulu Kapi project located in Western Ethiopia, in the Western Wellega Zone of the Oromia Region. The Tulu Kapi Exploration Licence area is about 9km south of the village of Keley, which is on the main road approximately 360km due west of the capital, Addis Ababa.

The DFS was undertaken by SENET (Pty) Ltd. ('SENET'), Golder Associates ('Golder') and Wardell Armstrong International ('WAI'). Rockbury Capital is retained by Nyota as project financial advisors and undertook the financial modelling of the DFS outputs.

DFS report confirms a technically feasible and economically robust project with gross revenues of US\$1.4 billion and net undiscounted pre-tax, post-royalty cash flow of US\$421 million based on a gold price of US\$1,500/oz.

#### ***Key Findings of DFS***

- Average annual gold production of 105koz steady state at an average grade of 1.82g/t with gold production of 924 koz over the proposed project life;

- Life of mine ("LOM") operating cash cost will average US\$600/oz, assuming owner-operated mining fleet (excluding silver credits, government royalty, gold marketing and transport);
- Initial capital cost estimate of US\$221 million (excluding contingency but including working capital and construction contracts);
- DFS is based on the open pittable component of the main Tulu Kapi ore body; significant additional resource potential exists in adjacent areas;
- The fiscal terms of the proposed mine development are subject to the Mining Licence agreement that is in the final stages of negotiation with the Government of Ethiopia;
- The DFS shows a base case pre-tax Net Present Value ("NPV") of \$253 million (using a real discount rate of 5%) and an Internal Rate of Return ("IRR") of 24% based on the prevailing legislated fiscal regime and a gold price of US\$1,500/oz; and
- Capital structure and associated investment returns will depend on the outcome of the Mining Licence negotiations.

Following receipt of the DFS, Nyota has established a work programme and corporate development strategy to advance the Tulu Kapi Gold Project towards production.

### ***Next Steps***

- The receipt of a mining licence will stabilise the obvious concerns about the legal and fiscal framework and will initiate project financing that, subject to obtaining the necessary operating permits, would trigger a two year mine development plan that could result in first gold production in 2015;
- There is strong interest to debt finance the Project from various internationally recognised banks and financial institutions. Indicative financing terms have been received from a number of these, providing the Company with significant options on debt financing;
- Scope to increase the Ore Reserve through the:
  - 170 koz Au in the Inferred Mineral Resource category, which although contained in the mine plan is classified as waste for the purposes of the DFS;
  - Conversion of the Inferred Mineral Resource at the adjacent "UNDP" target;
  - Delineation of the Feeder Zone: recent results (3 December 2012) confirmed the potential for this to provide a significant high-grade component to future mine production via an underground development; and

- Delineation of multiple targets identified within 20km of Tulu Kapi, which are highly prospective to yield additional gold.

For further details on the DFS, please click on the following link to view the full announcement: <http://www.nyotaminerals.com/content/uploads/2012/12/NYO-DFS-and-Reserve-06.12.121.pdf>.

### **Tulu Kapi Mining Licence**

Significant progress was made towards securing a Mining Licence during the period and in January 2013 the Company announced that the Ethiopian Ministry of Mines ('the Ministry') had completed its review of the DFS for the development of the first mining operation at Tulu Kapi. Following the review of the DFS, which included the Environmental and Social Impact Assessment ('ESIA'), the Ministry confirmed in writing that it complies with all regulations and satisfies the requirements for the issuance of a large scale Mining Licence.

Nyota and the Ministry remain in negotiations regarding the fiscal and legal aspects of developing the open pit gold mine at Tulu Kapi as envisaged in the DFS and both parties believe that they are close to finalising the terms for the issuance of a Mining Licence. With this in mind, the Ministry has extended the Company's exploration licence.

### **Feeder Zone Drilling & Resource Estimation**

Having announced initial results from the 7,866 metre (18 holes) Feeder Zone drill programme at the Tulu Kapi Gold Project in December 2012, post period end the Company was pleased to announce full results from the drill programme. High grade intercepts of up to 15.04 g/t over 9.45m led to the delineation of an initial in-house Inferred resource of 1.1Mt at an average gold grade of 5.4 g/t containing 188,000 ounces of gold. These results underpin the Company's belief that the ore body has further significant resource potential beyond the current drilled ounces.

Peak results for Feeder Zone intercepts include the following:

<b>Borehole No</b>	<b>Depth From (m)</b>	<b>Depth To (m)</b>	<b>Width (m)</b>	<b>Grade (g/t Au)</b>
TKBH-281	406.00	410.50	4.50	13.6
TKBH-155	407.53	419.00	11.47	8.30
TKBH-285	375.70	388.00	12.30	6.48
	402.60	406.40	3.80	6.06
TKBH-182	381.00	390.00	9.00	5.90
TKBH-283	395.00	421.00	26.00	5.24
Inc	408.00	422.00	14.00	8.35

TKBH-155	353.00	355.15	2.15	3.21
	395.00	398.00	3.00	5.30
TKBH-182	367.00	371.00	4.00	4.06
TKBH-283	368.00	378.00	10.00	1.60
	388.82	393.00	4.18	2.57

Where possible, the Company drilled the top 200 metres of each hole (i.e. above the Feeder Zone) using a Reverse circulation (“RC”) rig and completed each hole with a diamond drill tail. The Company has allocated two drill rigs to the programme.

All samples were prepared at the Company’s sample preparation facility based at Tulu Kapi and managed by ALS Global before dispatch to an ALS laboratory in Perth, Australia for analysis.

A further drill programme has been designed to test a minimum of 300m of strike length in the NNE (down plunge) direction.

The next step is to undertake a Prefeasibility Study to assess the viability of underground mining of the high-grade Feeder Zone. Work undertaken for the Tulu Kapi Definitive Feasibility Study of the open pit mine would feed directly into the study and enable a more rapid assessment of its potential viability.

**For enquiries please contact:**

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### **Competent Persons**

The technical exploration and mining information and the Mineral Resource estimation in respect of the Feeder Zone contained in this announcement has been reviewed and approved by Mr D Hage Pr.Sci.Nat, Chief Geologist for Nyota Minerals Limited. Mr Hage has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a qualified person under the AIM Note for Mining, Oil and Gas Companies. Mr. Hage is an employee of Nyota Minerals Limited and is a Member of the South African Council for Natural Scientific Professions (SACNASP). Mr Hage consents to the inclusion in this announcement of such information in the form and context in which it appears.

The information in this announcement that relates to Mineral Resources is the responsibility of Mark L Owen, BSc, MSc, CGeol, EurGeol, FGS, Technical Director for Geology and Resources. Mr Owen is a full-time employee of Wardell Armstrong International, an independent Consultancy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a "Competent Person" as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and the AIM Note for Mining and Oil & Gas Companies. Mr Owen consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

The information in this announcement that relates to Ore Reserves is the responsibility of Peter Watkinson, BSc, CEng, MIMMM, FIQ, MMES, AIEMA, Associate Director for Mining. Mr Watkinson is a part-time employee of Wardell Armstrong International, an independent Consultancy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a "Competent Person" as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" and the AIM Note for Mining and Oil & Gas Companies. Mr Watkinson consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

**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")

31 DECEMBER 2012

### Consolidated statement of cash flows

	Current quarter \$A'ooo	Year to date (6 months) \$A'ooo
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(6,776)	(11,838)
1.3 Dividends received	(1,081)	(2,182)
1.4 Interest and other items of a similar nature received	4	15
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		525
<b>Net Operating Cash Flows</b>	<b>(7,853)</b>	<b>(13,480)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(9)	(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)		
<b>Net investing cash flows</b>	<b>(9)</b>	<b>(19)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(7,862)</b>	<b>(13,499)</b>

+ See chapter 19 for defined terms.

**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(7,862)	(13,499)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.		1,983
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		(24)
	<b>Net financing cash flows</b>	-	1,959
	<b>Net increase (decrease) in cash held</b>	(7,862)	(11,540)
1.20	Cash at beginning of quarter/year to date	10,875	14,475
1.21	Exchange rate adjustments to item 1.20	(47)	31
1.22	<b>Cash at end of quarter</b>	2,966	2,966

**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'ooo	
1.23	Aggregate amount of payments to the parties included in item 1.2	414
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'ooo	Amount used \$A'ooo
3.1	Loan facilities	Nil
3.2	Credit standby arrangements	Nil

+ See chapter 19 for defined terms.

### Estimated cash outflows for next quarter

		\$A'000
4.1	Exploration and evaluation	3,249
4.2	Development	
4.3	Production	
4.4	Administration	1,277
<b>Total</b>		<b>4,526*</b>

\* The above estimated cash outflows for the next quarter are based on the assumption that the Company's efforts in securing additional working capital (which are well advanced) will be successful and be completed during the coming quarter and should be read in conjunction with the commentary in the above December 2012 Activities statement.

### 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	803	1,620
5.2 Deposits at call	2,163	9,255
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>2,966</b>	<b>10,875</b>

### 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 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases				
7.3 <b>+Ordinary securities</b>	660,800,913	660,800,913	N/a	N/a
7.4 Changes during quarter (a) Increases through issues (b) Decreases				
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter				
7.7 <b>Options</b> <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	250,000	-	\$0.17	30/06/2013
	1,250,000	-	\$0.31	30/06/2013
	3,933,334	-	\$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	1,280,000 7,000,000	- -	\$0.13 \$0.15	31/12/2012 31/12/2012
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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:



Finance Director

Date: 31 January 2013

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.