

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

Quarterly Report to 30 June 2011

HIGHLIGHTS

Tulu Kapi Project, Ethiopia

- Application submitted for a Large Scale Mining Licence for the Tulu Kapi gold project;
- Drilling of hydrogeology monitoring boreholes commenced in June;
- Work commenced on selecting the consultants for a Definitive Feasibility Study to start in September 2011;
- Infill drilling and the drilling of the extensions of the existing Tulu Kapi resource have substantially improved the understanding of the geology and gold mineralisation;
- As a result, post reporting, period a new resource of 15.96 million tonnes @ 2.84g/t gold, containing 1,459,000 ounces of gold has been reported.

Proximal and Satellite Targets

- Blanket soil sample coverage of the Tulu Kapi and part of the Yubdo Licences;
- Chalti: drilling confirms presence of bedrock gold mineralisation;
- Guji: limited drilling possible – work will recommence in Q4 2011.

Regional Ethiopian Gold Exploration

- Northern Block Exploration: New target discoveries;
 - Two drill-ready prospects for drilling during Q4 2011 / Q1 2012.

Corporate

- Appointment of Mr Richard Chase as CEO commencing 16 May 2011
- Cash on Balance Sheet at end of Quarter A\$25.6m;
 - current minimum exploration programme and definitive feasibility study of the Tulu Kapi project are fully funded

Nyota Minerals (ASX/AIM: NYO), the gold exploration and development Company in East Africa, is pleased to announce its Quarterly Report for the period ended 30 June 2011.

TULU KAPI PROJECT

Lodgement of Tulu Kapi Gold Project Mining Licence Application

On 13 May 2011 an Application for a Large-Scale Mining Licence was lodged with the Ethiopian Government in relation to the Company's flagship Tulu Kapi gold project in Western Ethiopia. The application included technical, social, environmental, legal and fiscal components drawn together by Nyota and its consultants, including the outcomes of the Preliminary Economic Assessment announced on 3 March 2011.

Nyota has received initial comments from the Ministry of Mines and is working on a number of technical requests from the Ministry. In addition, the new resource estimate announced on 29 July 2011 has led to the proposed mine plan and financial model requiring revision. Thereafter fiscal and legal negotiations will be entered into.

The Company's application is believed to be the first application for a Large-Scale Mining Licence under the new Mining Act, which was promulgated in August 2010, and Tulu Kapi will be the first new gold mine to be developed by way of private foreign investment in recent times. While beneficial to the region as a whole, this inevitably introduces challenges for all parties concerned. Notwithstanding this, the application is being processed and assessed in a timely fashion and discussions at this stage are very positive.

New Resource

On 29 July 2011 Nyota announced a new JORC-compliant In-Situ resource estimate for the Tulu Kapi project containing 1,460,000 ounces of gold (as set out in the table below). The new resource estimate, undertaken by Wardell Armstrong, was derived from a revised geological model that includes all the drill holes for which gold analyses had been received on or before the 3 June 2011.

Shareholders are requested to refer to the full announcement for a detailed explanation of the resource and its comparability with previously published resource statements.

Table 1: Tulu Kapi Resource Estimate - In-Situ Model (WAI, July 2011)(in accordance with the guidelines of the JORC Code (2004))

Tulu Kapi Resource Estimate - In-Situ Model (WAI, June 2011) (in accordance with the guidelines of the JORC Code (2004))					
Model		In-Situ			
Ore Type		Saprolite	Fresh	Total	
Cut Off Grade (g/t)		0.4	0.5	0.4 / 0.5	
Indicated	Tonnage (kt)	277	4,394	4,671	
	Au (g/t)	2.42	3.08	3.04	
	Metal	kg	670	13,531	14,200
		k.oz	22	435	457
Inferred	Tonnage (kt)	811	10,481	11,291	
	Au (g/t)	2.02	2.82	2.76	
	Metal	kg	1,636	29,548	31,184
		k.oz	53	950	1,003
<p>NB –</p> <ol style="list-style-type: none"> 1. Geological interpretation based on a minimum mineralised zone thickness of 1m. 2. Mineral Resources are not reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study. 3. Mineral Resources are reported inclusive of any reserves. 4. Grade represents estimated contained metal in the ground and has not been adjusted for metallurgical recovery. 					

Competent Persons

The Resource Statement is the responsibility of Principal Geologist Che Osmond BSc MSc MCSM CGeol FGS. Che Osmond 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 June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Che Osmond consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

Tulu Kapi Drilling Update

Drilling throughout the quarter has added considerably to our understanding of the deposit geology and mineralisation, leading to the higher resource grade.

16,985m of drilling, comprising 22 diamond drillholes (9,744m) and 34 reverse circulation holes (7,241m), was scheduled for completion by June 2011 to complete the current programme of step-out and infill drilling. This was successfully achieved.

Additional reverse circulation drilling of paired hydrogeological holes to monitor water levels around the proposed locations of key mining infrastructure, such as the tailings dam, commenced in June and is nearing completion at the date of this report.

On 11 May Nyota announced an update on the drill programme at Tulu Kapi, which comprised drilling of both the South Eastern and Northern extensions and infill drilling.

South Eastern Extension

The South Eastern Extension mineralisation occupies a position within the current pit profile previously assumed to contain only waste.

Drilling during the quarter intersected high-grade gold mineralisation located close to surface and in the vicinity of the main shear zone. Highlights are shown in Table 2.

The results support the view of Nyota's exploration team that there is a strong relationship between proximity to the shear zone and high-grade mineralisation. This may also explain why the orientation of the mineralised structures in this part of the deposit varies from the norm.

Table 2: Peak intersections for the SE Extension during the quarter

Borehole*	Final Depth (m)	Intersection From (m)	Intersection To (m)	Interval (m)	Grade (g/t Au)
TKBH-082	195.40	71.7	80.0	8.30	2.33
		101.7	1.8.2	6.50	2.23
TKBH-085	191.05	42.9	58.3	15.4	3.09
TKBH-089	156.30	36.7	41.6	4.90	10.32
TKRC-134	154.0	116.0	137.0	21.0	0.91
TKRC-135	250.0	165.0	173.0	8.00	3.63
TKRC-136	208.0	39.0	54.0	15.0	4.92
TKRC-141	141.0	28.0	66.0	38.0	5.29

Northern Extension

Drilling has defined the broad limits of the Northern Extension which is located beyond the current Tulu Kapi open pit profile, on the NW edge of the deposit. Further similar targets remain to be tested and mine planning and design work will be required to determine the best way of extracting this ore.

Similar to the South Eastern Extension, mineralised structures in the Northern Extension demonstrate a different orientation to the main Tulu Kapi ore body which is also thought to result from the action of faulting around the margins of the deposit tearing or dragging blocks of original mineralisation during remobilisation of faults.

Table 3: Peak intersections for the NE Extension during the quarter

Borehole	Final Depth (m)	Intersection From (m)	Intersection To (m)	Interval (m)	Grade (g/t Au)
TKBH-081	351.40	123.0	132.48	9.48	1.66
		139.0	142.83	3.83	1.42
TKBH-092	281.36	74.0	77.75	3.75	5.63
		111.0	115.9	4.90	1.42
TKRC-114	200.0	49.0	52.0	3.00	10.22
TKRC-115	200.0	174.0	180.0	6.00	2.54
TKRC-123	200.0	138.0	144.0	6.00	1.12
		169.0	175.0	6.00	3.03
TKRC-131	200.0	172.0	182.0	10.0	2.93

Tulu Kapi Infill Drill Results

Drilling has continued within the current drill grid at Tulu Kapi aimed at converting Inferred ounces to an Indicated status. Results have been positive. Grades achieved have generally exceeded expectation, principally where low-grade intercepts had previously been projected between wide-spaced boreholes, which have now been in-filled with higher gold grade mineralisation.

It remains to be seen what impact these new high-grade intercepts will have on the overall resource but the presence of higher grades will in all likelihood be expected to have a positive influence on the global grade.

Importantly, evidence of the presence of mineralisation through infill drilling confirms continuity of the individual mineralised lode structures and improves confidence on the robustness of the deposit.

Table 3: Peak assay intersections for Tulu Kapi infill drilling during the quarter

Borehole	Final Depth (m)	Intersection from (m)	Intersection To (m)	Interval (m)	Grade (g/t Au)
TKBH-090	452.30	163.9	170.0	6.10	6.18
		250.78	259.2	8.42	3.58
		315.92	323.21	7.29	1.27
TKBH-091	451.30	226.64	238.50	11.86	2.41
TKBH-096	528.10	200.3	216.45	16.15	2.70
TKRC-113	200.0	175.0	178.0	3.00	21.49
TKRC-118	200.0	30.0	37.0	7.00	2.69

Future work programme

The new geological model has identified a number of areas within the current orebody and proximal to the main Tulu Kapi deposit where there is an obvious need for further drilling and where the possibility exists to add gold ounces. These areas can broadly be split into four categories, namely, infill and step-out drilling within the current pit profile, expansion of underground potential based around the high-grade Feeder Zone mineralisation, targets immediately adjacent to the current pit but outside of the profile and finally, priority targets within a 500 metres radius of Tulu Kapi.

The bulk of this drilling is scheduled for completion during Q3 & Q4, 2011 and a further resource update is provisionally scheduled for January 2012.

Future resource estimates will be made in accordance with the internationally recognised JORC code, which is also a requirement of the Australian Stock Exchange.

GENERAL EXPLORATION COMMENT

Nyota's mining licence application concerns only the Tulu Kapi licence that contains the Tulu Kapi deposit. However, this licence and the Bila Gulliso and Yubdo Licences host a substantial number of potential and known gold targets all of which require follow-up.

Evaluation of these gold targets requires an awareness of the potential economic viability of them in the light of the proposed mine at Tulu Kapi. The easiest way to do this is to start by considering distance from the presumed future processing plant site. Hence targets have been grouped according to whether they are within the Tulu Kapi block, proximal to it (2.5km radius) or a satellite (up to 25km radius). Thereafter, as more data is generated we will expand the criteria for prioritisation to include projected tonnage, grade, open pit or underground, total ounces and ease of access.

Nyota's Northern Block exploration licences (Bambeshi, Mendi, Gombe and Dura; collectively also referred to as "Brantham and Towchester") are located approximately 100 kilometres north of Tulu Kapi and are therefore a standalone prospect. Exploration activities are managed independently of those at Tulu Kapi, although many logistics facilities are shared and the majority of samples are prepared in Nyota's laboratory at Tulu Kapi.

In order to cope with the greater demand for sample preparation, a second laboratory has been purchased by Nyota from ALS Chemex. This laboratory, housed in a 40ft container, will be shipped to Ethiopia shortly and should be operational by Q4. Sample analysis will continue to be done by ALS Chemex in Johannesburg, South Africa.

PROXIMAL AND SATELLITE TARGETS (YUBDO AND BILA GULLISO LICENCES)

A substantial number of Proximal and Satellite targets exist in the Tulu Kapi region. Not all of these will be converted to resources and at present there is a variable combination of drilling, trenching, soil geochemistry and geophysics over all of the proposed targets.

At the beginning of 2011 the area covered by the Tulu Kapi, Bila Gulliso and Yubdo exploration Licences had wide-spaced discontinuous gold in soil geochemical soil coverage only. During the past 3 months a programme has been implemented to provide blanket soil coverage over the Tulu Kapi and part of the Yubdo Licences. The bulk of the soil traverses were designed to coincide with known structure and airborne magnetic anomalies generated by the airborne survey.

Approximately 85% of the programme was completed prior to the onset of the wet season; the balance will be completed during Q4, 2011. Sample analyses have started to be returned and the plan is to have all the data plotted and interpreted during the current wet season (calendar year Q3) and subsequent targets prioritised before the recommencement of exploration in Q4.

Drilling was undertaken during the quarter at both Chalti and Guji. Two holes were completed at Chalti for which preliminary assay results have only been received for one hole. A third was abandoned due to adverse ground conditions and the fourth has been temporarily capped so that drilling may recommence after the rainy season when weather conditions improve, most probably in late September.

The first hole clearly shows the presence of pervasive alteration and low-grade mineralisation throughout the drill depth which in the opinion of Nyota's geologists is indicative of the presence of a gold-bearing system in the vicinity. Sample analyses show anomalous gold mineralisation over approximately 30 percent of the total hole depth but the peak grade is 0.7g/t gold over a one metre interval. The aerial extent of the Chalti anomaly is almost twice that of Tulu Kapi and it is unrealistic to expect every hole to intersect economic mineralisation; the first 7 holes originally drilled by Minerva over peak gold-in-soil grades at Tulu Kapi failed to intersect any mineralisation. This first hole can therefore be described as "encouraging".

On the Guji Prospect only limited drilling has been completed as the available rig was relocated to the Tulu Kapi resource drill programme. The drilling planned for Guji requires the use of the reverse circulation rig to drill a grid of vertical short holes at 20m intervals and 30m depth to test for supergene mineralisation proven to exist based on peak trench assays of up to 9.60g/t Au over 68.5m. During the peak of the wet season it is not possible to move the reverse circulation rig without recourse to expensive and time consuming road improvements and this programme will therefore be initiated in Q4 2011. The small number of holes drilled to date have been sampled and submitted for assay. Results are pending.

Similarly, plans to drill targets at Soyoma, Kobera and Dina remain in the budget but have been reprioritised based on the more recent delineation of similar targets located closer to Tulu Kapi.

REGIONAL ETHIOPIAN GOLD EXPLORATION

Northern Block Exploration: New Target Discoveries

On 18 May 2011, Nyota announced multiple new target areas delineated from airborne geophysics (flown by Nyota in Q4 2010) and confirmed through a substantial reconnaissance fieldwork programme.

The Northern Block Exploration licenses encompass approximately 3,200 square kilometres of virgin exploration ground of which approximately 12% has been the subject of detailed field work during the first field season (April to July, 2011).

Excellent progress has been made with evaluating those targets located in the Gombe license area with the first pass studies comprising grab, rock and soil sampling, geological mapping and trenching. Of the three priority targets that have been defined, Nyota intends to drill the Boka Serba and Tsole Mole targets during Q4 2011 / Q1 2012.

Boka - Sirba Target is viewed as highly prospective by Nyota and was the initial motivation for acquiring the Northern Licences, largely because of the presence of marble country rocks and a close association with intrusive bodies providing the key drivers for the formation of skarn style mineralisation.

It includes up to 15km of skarn mineralisation with classic skarn mineralogical assemblages and abundant gossan development throughout. Three separate areas of outcrop have been identified and sampled; the peak grade from rock chip sampling is 10g/t gold.

Tsoli Moli Target comprises the Quartz Vein target, a 2km strike length of continuous quartz veins with sulphide mineralisation and pervasive wall rock alteration, and the Mole-Fadumi target, comprising a 5.5km long gossan-rich breccia zone reminiscent of VMS style mineralisation; gossan represents the intensely oxidised upper part of a metallic vein or veins exposed at surface and is a very clear indicator of the presence of mineralisation.

In addition to the Boka Serba Skarn and Tsole Mole quartz veins, the exploration team has broadly defined an alluvial gold target extending over more than 17km of strike length.

MUREMERA NICKEL PROJECT

Limited activity was undertaken during the Quarter given the Company's focus on its Ethiopian operations.

CORPORATE

Chief Executive Officer Changes

Mr Richard Chase assumed the role of CEO on 16 May 2011. Richard brings a wealth of experience to Nyota having trained and practiced as a geologist before moving to the City of London where he most recently held the position of Managing Director of Ambrian Partners Limited, the investment banking subsidiary of Ambrian Capital plc.

Appointment of Tavistock Communications

During the quarter, Nyota appointed Tavistock Communications to act as its advisor on public and investor relations. Tavistock is a leading financial and corporate communications consultancy that we believe will help us to better articulate messages and communicate more effectively with our shareholders, potential shareholders and other stakeholders. This is particularly important as Nyota prepares to progress Tulu Kapi from exploration to development.

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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 June 2011

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 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	(5,432)	(20,720)
1.3 Dividends received		
1.4 Interest and other items of a similar nature received	63	230
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other – tax refund	140	140
Net Operating Cash Flows	(5,997)	(23,500)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	(17) (21)	(17) (240)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets		(798)
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)		
Net investing cash flows	(38)	(1,055)
1.13 Total operating and investing cash flows (carried forward)	(6,035)	(24,555)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(6,035)	(24,555)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.		41,959
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		114
1.18	Dividends paid		
1.19	Other – capital raising costs		(1,686)
	Net financing cash flows		40,387
	Net increase (decrease) in cash held	(6,035)	15,832
1.20	Cash at beginning of quarter/year to date	32,016	11,862
1.21	Exchange rate adjustments to item 1.20	(832)	(2,545)
1.22	Cash at end of quarter	25,149	25,149

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	366
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	3,000
4.2	Development	
4.3	Production	
4.4	Administration	750
Total		3,750

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	104	1,677
5.2 Deposits at call	25,145	30,339
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	25,149	32,016

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	477,949,263	477,949,263	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 (a) Increases through issues (b) Decreases				
7.7 Options <i>(description and conversion factor)</i>			<i>Exercise price</i>	<i>Expiry date</i>
	5,425,000	-	\$0.11	30/9/2012
	1,280,000	-	\$0.13	31/12/2012
	7,000,000	-	\$0.15	31/12/2012
	250,000	-	\$0.17	30/06/2013
	2,000,000	-	\$0.31	30/06/2013
	6,000,000	-	\$0.35	31/12/2015
	6,000,000	-	\$0.42	31/12/2015
	6,000,000	-	\$0.50	31/12/2015
	4,000,000	-	GBP0.23	31/1/2016
	1,700,000	-	GBP0.175	30/06/15
	1,800,000	-	GBP0.20	30/06/15
7.8 Issued during quarter	1,700,000	-	GBP0.175	30/06/15
	1,800,000	-	GBP0.20	30/06/15
7.9 Exercised during quarter				
7.10 Expired 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 give a true and fair view of the matters disclosed.



Sign here: Date: 29 July 2011
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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