

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

**Quarterly Report to 31 March 2011**

**Highlights**

**Tulu Kapi Project, Ethiopia**

- **Positive Preliminary Economic Assessment (“PEA”) completed on Tulu Kapi project**
- **Significant increase in confidence of Tulu Kapi orebody with an updated resource estimate of 707,000 ounces of gold (“Oz Au”) in the Indicated category and a further 482,000 in the Inferred category**
- **Further high-grade intersections into the Tulu Kapi Feeder Zone (“FZ”)**
- **Continued drilling of N, SW and SE Extensions to increase the existing Tulu Kapi Resource**

**Regional Ethiopian gold exploration**

- **Multiple new high priority exploration targets identified across the company’s “Northern Blocks” (Bambasi, Mendi, Gombe and Dura) and regional exploration programme commenced**
- **Three new gold trends and extension of Guliso trend defined around Tulu Kapi and the “Southern Blocks” (Tulu Kapi, Yubdo, Billa-Guliso)**

**Corporate**

- **Cash on Balance Sheet at end of Quarter A\$32.0 million – current exploration programme remains fully funded**
- **GBP3.87 million in equity received in February following IFC exercising all their options to become Nyota’s biggest shareholder**
- **Appointment of strategic advisor, Rockbury Capital (“Rockbury”)**

## TULU KAPI PROJECT

### Preliminary Economic Assessment feasibility study

On 3<sup>rd</sup> March 2011 Nyota announced that it had received a positive Preliminary Economic Assessment, completed by SRK Consulting (South Africa) (Pty) Ltd (“SRK”) to NI 43-101 and the Australasian Code for the Reporting of exploration Results, Minerals Resources and Ore Reserves, The JORC Code, 2004 Edition (“JORC”) compliant standards. The completion of this study allows the Company to progress its application to convert the Tulu Kapi exploration licence to a mining licence. Key conclusions from the PEA include positive economics for production from a combination of open pit and underground mines, processing based on a central processing plant with capacity of 2 million tonnes per annum (“mtpa”), a life of mine expected to be in excess of 9 years and a provisional capital cost of US\$199.8m and operating costs of US\$14.50/t for open pit mining and processing and US\$35.83/t for underground mining and processing.

- PEA recommendations included:
  - Drilling of the high-grade Feeder Zone at depth to define additional ounces to the mineable gold resource in the short-term;
  - The Tulu Kapi plant to potentially become a central processing plant to which feedstock from proximal gold targets can be delivered. There are more than 20 proximal targets of merit, which all sit within the Guji, Tulu Kapi and Ankori Trends and being within a 5km radius, are easily accessible potential feed to deliver additional ounces to the Tulu Kapi plant.
  - The selection of an engineering company to assist with the immediate progression to PFS. During the quarter, Nyota has been in discussion with a number of well respected engineering companies with a view to appointing one on the near future.

The positive outcome of the PEA enables immediate progression to the preparation of a Pre-Feasibility Study (“PFS”) for the Tulu Kapi Project.

An updated resource model was also completed by SRK with an Independent Mineral Resource estimate of 707,000 ounces of gold (“oz Au”) upgraded from the Inferred category to the Indicated category and an additional 482,000oz Au in the Inferred category. Whilst the total contained ounces is lower than the previous resource reported by Venmyn in May, 2010, this is mitigated by the SRK estimate having moved the resource from 100% Inferred to 66% being in the Indicated category showing confidence has been significantly increased in the Tulu Kapi orebody. The Mineral Resource statement is considered compliant to both NI43-101/CIM Guidelines and JORC.

## Drilling update

Also on 3<sup>rd</sup> March, Nyota announced an update on the drill programme at Tulu Kapi, which comprises drilling at depth to intersect the Feeder Zone together with a number of holes designed to test continuity of mineralisation over the UNDP, N, SW and SE Extension Targets. 10,650m had been allocated to this programme, of which approximately 2,600 had been completed by the end of February, 2011. Assay results from subsequent drilling during the quarter remain outstanding.

### **Feeder Zone (“FZ”)**

The current emphasis remains on drilling the FZ, where the company has three diamond drills with the express purpose of expanding and upgrading the current resource. Potentially the FZ has the capacity to positively influence the overall grade of the Tulu Kapi deposit and provide high-grade feed during the early years of production.

As announced on 3<sup>rd</sup> March, TKBH-094 into the FZ returned encouraging grades, including 5m at 24.7g/t Au, 18.86m at 8.21g/t Au and 8.85m at 5.93g/t Au. Indications are that the FZ is currently 40m wider and 100m deeper than previously known. This increase in extent does not appear to have compromised the gold grades, which remain high in the holes analysed to date.

<b>Borehole</b>	<b>Total Depth</b>	<b>Intersection From (m)</b>	<b>Intersection To (m)</b>	<b>Interval (m)</b>	<b>Grade (g/t Au)</b>
TKBH – 094	598.30	419.45	428.30	8.85	5.93
		491.14	510.00	18.86	8.21
	Including	501.00	506.00	5.00	24.70
		522.5	535.00	12.5	1.41

Table 1: Peak intersections for diamond drill hole TKBH-094

### **Northern Extension**

The Northern Extension is a target located on the NW edge of the Tulu Kapi deposit where previous drill results have returned peak intersections that included TKRC-111 with 2.09g/t Au over 44.0m and TKRC-108 with 1.20g/t Au over 8.0m and 1.9g/t Au over 8.0m. During the quarter, a new hole was sited between these two holes and returned a peak intersection of 5.15g/t Au over 20.49m, broadly confirming that substantial widths intersected in the 2 adjacent RC holes but at a substantially higher gold grade.

Mineralisation in the Northern Extension is located outside of the current pit shell being used in the model applied in the PEA and will ultimately generate, subject to further drilling, additional resources.

## SW & SE Extension

Drilling has intersected albite alteration with quartz veins and sulphide mineralisation over variable widths at both sites. Samples are being processed and will be submitted for gold fire analysis. Subject to assay results, further drilling may be required to test for further extensions to these new mineralised targets.

## Other drill results

Intersections have been made in Lodes 3 and 4 by drill holes targeting the FZ. In addition, a number of other infill holes have been completed for which peak grades returned include 21.53g/t Au over 3.85m and 3.11g/t Au over 10.61m.

Table 2: Peak gold grades and intersections for diamond drill holes - Tulu Kapi Project

Borehole No	Depth From (m)	Depth To (m)	Intersection (m)	Grade (g/t Au)
TKBH-069	233.13	234.00	0.87	24.30
TKBH-076	224.39	235.00	10.61	3.11
TKBH-077	24.37	26.00	1.63	0.90
	62.00	63.20	1.20	0.70
	96.20	97.14	0.94	0.81
TKBH-078	327.00	329.00	2.00	1.50
TKBH-079	220.00	227.00	7.00	1.43
TKBH-080	2.00	7.60	5.60	0.44
TKBH-086*	83.40	83.80	0.40	1.05
	117.00	120.00	3.00	3.39
	138.20	158.69	20.49	5.15
	246.00	250.10	4.10	1.57
TKBH-087**	3.00	4.28	1.28	0.63
	15.34	16.60	1.26	0.94
	220.70	223.00	2.30	2.30
TKBH-089	1.00	2.00	1.00	0.72
TKBH-094 Including	209.85	227.14	17.29	0.91
	222.19	227.14	4.95	2.49
	234.14	236.00	1.86	1.46
	242.50	244.62	2.12	0.86
	250.79	254.85	4.06	0.65
	270.60	271.94	1.34	5.41
	331.60	335.45	3.85	21.53
	379.40	386.38	6.98	2.27
396.15	399.38	3.23	0.57	

	403.32	414.25	10.93	1.05
Including	403.32	406.00	2.68	3.76
	419.45	433.00	13.55	3.92
Including	419.45	428.30	8.85	5.93
Including	422.00	424.00	2.00	24.75
	469.00	469.96	0.96	1.34
	491.14	510.00	18.86	8.21
Including	501.00	506.00	5.00	24.70
	522.5	535	12.5	1.41

\*TKBH-086: N. Extension Target    \*\*UNDP Target

## REGIONAL ETHIOPIAN GOLD EXPLORATION

The 44,500 line km airborne geophysics survey over the Company's entire land holding was completed in late December 2010. During the current quarter this data was interpreted and compiled with both historical and recent exploration data, gold showings and old mines to identify multiple new high priority exploration targets across the Yubdo and Billa-Guliso licence areas in the south and the Bambasi, Gombe, Mendi and Dura blocks in the north. The raw data is currently being interpreted by IndiGeo Consultants Pvt Ltd, an independent geophysical consultant and a report is expected shortly.

Three new trends (Guji Trend, Tulu Kapi Trend and Ankori Trend) were also identified by the airborne survey that correspond with concentrations of historical and more recently generated gold prospects and targets. An extension to the known Guliso Trend, announced on 6 December, 2010 was also identified. There are many priority targets contained within these trends and Nyota has commenced a regional exploration programme to evaluate the identified targets as quickly as possible as potential future sources of mineralisation from satellite mining operations close to Tulu Kapi as well as stand-alone targets within the Northern Block.

## DEVELOPMENT AND EXPLORATION STRATEGY

The culmination of the Company's activities over the last 2 quarters has significantly increased the number of high priority gold targets to be systematically investigated. This has resulted in the Company's exploration strategy evolving into three prongs:

- The Tulu Kapi Deposit and proximal near-term targets; including the known NE and SW extensions and deep high-grade FZ. All these targets are currently being drilled
- Proximal or Advance targets; including all targets within a 25km radius of Tulu Kapi with the potential to deliver additional ore to the Tulu Kapi mine

- Regional targets; targets that would be stand alone mining operations owing to their distance from Tulu Kapi – sampling programmes on the most prominent of these targets is underway.

## **MUREMERA NICKEL PROJECT**

No work was done during the Quarter given the Company's focus on its Ethiopian operations.

## **CORPORATE**

### IFC - Options Exercised

In February, 2011 the International Finance Corporation (“IFC”) exercised all of its 22,311,995 Options (“Options”) that had been granted as part of the IFC’s original subscription in April 2010. The Options were exercised at GBP0.176 each which resulted in Nyota receiving GBP3.87 million in equity funding. These funds will be used to further development of the Company’s Ethiopian gold exploration activities.

The exercise of the Options resulted in the IFC becoming the largest shareholder in Nyota with a shareholding of 13.64%.

### Chief Executive Officer Changes

On 3<sup>rd</sup> March it was announced that Mr Terry Tucker had resigned from position of Chief Executive Officer for personal reasons.

Post reporting period, on the 20<sup>th</sup> April, the Company confirmed the appointment of Mr Richard Chase as CEO, effective 1<sup>st</sup> June 2011. Mr Chase is the current Managing Director of Ambrian Partners Limited.

In the interim period until 1 June 2011 when Mr Chase takes up his role, the Executive Chairman, Melissa Sturgess and Martyn Churchouse, Technical Director, have assumed the Company’s corporate and technical responsibilities.

### Appointment of Rockbury Capital

During the quarter, Nyota appointed Rockbury to act as specialist advisors to assist in advancing and financing the Tulu Kapi project while maximising the potential from the Company’s regional exploration opportunities. The principal focus of Rockbury’s retainer is to advise on progressing the development plans for the Tulu Kapi project with the aim of securing debt financing for the construction and commissioning of gold mining and processing operations at Tulu Kapi.

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**Notes on Resource Estimation**

**Mineral Resource Estimate**

The below NI43 – 101 and JORC Compliant Mineral Resource Statement for Tulu Kapi, effective 28 January 2011 was prepared for the Company by SRK. The SRK Qualified Person also considered a Competent Person as defined by JORC.

<b>Gross and Net Attributable</b>			
<b>(a) Open-Pit-Saprolite</b>	<b>Tonnes (kt)</b>	<b>Au (g/t)</b>	<b>Au (k oz)</b>
<b>Measured</b>	-	-	-
<b>Indicated</b>	1,910	0.55	34
<b>Sub-Total</b>	1,910	0.55	34
<b>Inferred</b>	1,680	0.48	26

<b>(b) Open-Pit-Fresh Rock</b>	<b>Tonnes (kt)</b>	<b>Au (g/t)</b>	<b>Au (k oz)</b>
<b>Measured</b>	-	-	-
<b>Indicated</b>	18,180	1.14	666

<b>Sub-Total</b>	18,180	1.14	666
<b>Inferred</b>	9,040	1.24	361
<b>(c) Underground Fresh Rock</b>			
	<b>Tonnes (kt)</b>	<b>Au (g/t)</b>	<b>Au (k oz)</b>
<b>Measured</b>	-	-	-
<b>Indicated</b>	130	1.78	7
<b>Sub-Total</b>	130	1.78	7
<b>Inferred</b>	1,340	2.20	95

*Note*

(1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

(2) The effective date of the Mineral Resource is 28 January 2011.

(3) The Mineral Resource Estimate for the Tulu Kapi deposit was constrained within structural and grade based wireframe solids and with the following parameters respective to each respective statement:

(a) Saprolite within an optimised open-pit shell, defined with appropriate technical and economic parameters, at a gold price of USD1207/oz Gold Price, at a calculated cut-off grade of 0.24 g/t Au.

(b) Fresh-rock within an optimised open-pit shell, defined with appropriate technical and economic parameters, at a gold price of USD1207/oz Gold Price, at a calculated cut-off grade of 0.37 g/t Au.

(b) Fresh-rock outside of the optimised open-pit shell with reasonable prospect for underground mining defined with appropriate technical and economic parameters, at a gold price of USD1207/oz Gold Price, at a calculated cut-off grade of 1.05 g/t Au.

The PEA drilling and SRK structural work has resulted in a more detailed and robust model of the Tulu Kapi ore body being developed than has previously existed. In-situ total grade and tonnage estimations have remained similar to those reported by Venmyn whilst the infill drilling has enabled a significant increase in Indicated resources being reported. SRK's view is that these improvements in the geological model are appropriate for conversion of gold ounces from an Inferred to an Indicated status and more specifically whilst the total contained ounces is lower by 225 koz this is mitigated by a significantly greater confidence in the estimate which has moved from 100% Inferred to 66% being in the Indicated category.

### **Competent Persons**

The Mineral Resource Statement presented in this announcement is the responsibility of and has been approved by Mark Campodonic, of SRK Consulting (UK) Ltd. Mark Campodonic has some ten years experience in the exploration, definition and mining of Mineral Resources, and during this time has worked on numerous gold deposits. Mark Campodonic is a full-time employee of SRK Consulting (UK) Ltd, 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 Qualified Person in accordance with NI43-101 and a Competent Person as defined by the JORC Code.. Mark Campodonic 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.

A Mineral Resource Estimate has been produced and classified using the guidelines approved by the Canadian Institute of Mining (CIM) and set out in the National Instrument document 43-101 and the accompanying documents 43-101.F1 and 43-101.CP. The classification is also fully compliant with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves, The JORC Code, 2004 Edition ("JORC").



SRK's Mark Campodonic managed the Mineral Resource Estimation. Mark Campodonic is a Qualified Person (QP) under the guidelines set out by the CIM, and a Competent Person as defined by JORC.

The non-resource technical exploration and mining information contained in this Announcement has been reviewed and approved by Mr RN Chapman, an independent consultant geologist. Mr Chapman 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 Chapman is an employee of Mineral Exploration Management Ltd, an independent geological company established in 2005 and is a member of the Australian Institute of Mining and Metallurgy (AusIMM). Mr Chapman 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 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

NYOTA MINERALS LIMITED

ACN or ARBN

98 060 938 552

Quarter ended ("current quarter")

31 MARCH 2011

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors		
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(5,941)	(15,288)
1.3 Dividends received		
1.4 Interest and items of a similar nature received	72	167
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other		
<b>Net Operating Cash Flows</b>	<b>(6,921)</b>	<b>(17,503)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects (b)equity investments (c) other fixed assets	(101)	(219)
1.9 Proceeds from sale of: (a)prospects (b)equity investments		
1.10 Loans to other entities	(798)	(798)
1.11 Loans repaid by other entities		
1.12 Other -		
<b>Net investing cash flows</b>	<b>(899)</b>	<b>(1,017)</b>
1.13 Total operating and investing cash flows (carried forward)	(7,820)	(18,520)

+ See chapter 19 for defined terms.

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

1.13	Total operating and investing cash flows (brought forward)	(7,820)	(18,520)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	7,155	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)
	<b>Net financing cash flows</b>	<b>7,155</b>	<b>40,387</b>
	<b>Net increase (decrease) in cash held</b>	<b>(665)</b>	<b>21,867</b>
1.20	Cash at beginning of quarter/year to date	32,042	11,862
1.21	Exchange rate adjustments to item 1.20	639	(1,713)
1.22	<b>Cash at end of quarter</b>	<b>32,016</b>	<b>32,016</b>

**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	840
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Includes termination payment to departed CEO

**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

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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	5,000
4.2	Development	
4.3	Production	
4.3	Administration	600
<b>Total</b>		<b>5,600</b>

**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	<b>1,677</b>	47
5.2	Deposits at call	<b>30,339</b>	31,995
5.3	Bank overdraft		
5.4	Other		
<b>Total: cash at end of quarter (item 1.22)</b>		<b>32,016</b>	32,042

**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			

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+ See chapter 19 for defined terms.

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

**Issued and quoted securities at end of current quarter**

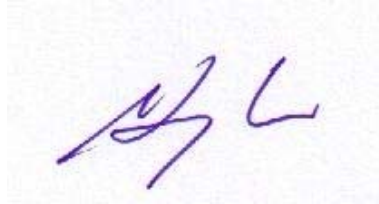
*Description includes rate of interest and any redemption or conversion rights together with prices and dates.*

	Total number	Number quoted	Issue price per security (see note 3)	Amount paid up per security (see note 3)
7.1 <b>Preference securities</b> <i>(description)</i>	-	-		
7.2 Changes during quarter				
7.3 <b>+Ordinary securities</b>	477,949,263	477,949,263	N/A	N/A
7.4 Changes during quarter				
(a) Increases: Vendor issue	2,325,685	2,325,685	GBP0.215	GBP0.215
Option exercise	22,311,995	22,311,995	GBP0.1736	GBP0.1736
(b) Decreases through				
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>
	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
7.8 Issued during quarter	4,000,000	-	GBP0.23	31/1/2016
7.9 Exercised during quarter	22,311,995	-	GBP0.1736	13/6/2014
7.10 Expired/cancelled during quarter	1,250,000	-	\$0.31	30/06/2013
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 Law or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here: ..... Date: 29 April 2011  
Finance director  
Print name: Michael Langoulant

## Notes

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- 1 This 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 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting 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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