

QUARTERLY REPORT 30 JUNE 2010

NYOTA MINERALS LIMITED ('NYOTA' OR THE 'COMPANY') (ASX: NYO.ASX; AIM: NYO.L)

Highlights

Tulu Kapi Gold Project in Ethiopia

- Tulu Kapi Inferred JORC Resource increased from 690,000 ounces to 1,380,000 ounces of gold
- Discovery of a new high grade structure beneath announced Inferred Resource that intersected 8.7 metres of mineralisation averaging 8.9g/t of gold
- Positive drill results received for 22 additional RC holes
- Ground magnetic and induced polarisation surveys lead to discovery of new extensions to Tulu Kapi deposit and generation of new drill targets
- Fourth drill rig mobilised to site and drilling commences
- Subsequent to the quarter end independent consultants SRK were appointed to prepare Preliminary Economic Assessment ("PEA") feasibility study for Tulu Kapi project

Regional Ethiopian gold exploration

- Options exercised over highly prospective regional land package, giving Nyota an 80% interest in approximately 4,000 sq km of further ground

Corporate

- IFC invests GBP3.44 million in Nyota to take a 10% shareholding
- Key senior appointments made to bolster Nyota management team, including appointment of Mr Terry Tucker as Chief Operating Officer
- Subsequent to the end of the Quarter, Mirabaud Securities appointed as joint broker to the Company, joining Ocean Equities in that role (with Ambrian Partners to remain as Nominated Adviser)

TULU KAPI PROJECT

Increase in JORC Inferred Resource

During the Quarter, Nyota announced an increase in the total JORC compliant Inferred Resource at the Tulu Kapi gold project in Ethiopia from the initial September 2009 Maiden Resource of 690,000 ounces of gold (13.52 Mt at 1.58g/t Au at a 0.50g/t Au cut-off) to an updated resource of 1,380,000 ounces of gold (25.45 Mt at 1.68 g/t Au at a 0.5g/t cut-off). The doubling of the original Maiden Resource represented a 38% increase on the Company's previously-stated objective of a 1 Moz resource target and was essentially based on the intersection of two specific areas of mineralisation known as Lodes 1 and 2.

The upgraded resource statement followed the compilation and technical interpretation of 4,579 metres of reverse circulation (RC) drilling by independent consultants Venmyn Rand and was based on data from the Maiden Resource plus verifiable data collated from a further 25 RC holes. Drilling focussed on the NE extension of mineralisation contiguous with the Maiden Resource area, as well as an infill drilling programme between drill traverse lines to increase the level of confidence attributable to the diamond drilling previously undertaken. Assay results were generated by certified laboratories operated by ALS-Chemex and SGS Laboratory in South Africa, with drilling, sampling, chain of custody procedures and data collection and storage all subject to independent verification.

Drilling update

On 17 June 2010, Nyota announced that a new high grade structure (termed Lode 3) had been discovered beneath the current Inferred Resource that intersected 8.7 metres averaging 8.9 grams per tonne (g/t) of gold and that close-spaced ground magnetic and induced polarisation surveys conducted over the main Tulu Kapi deposit and surrounding area had revealed new extensions to the Tulu Kapi deposit (and generated additional drill targets). During the quarter positive drill results were received in relation to 22 further infill and expansion RC holes, indicating the presence of additional mineralisation.

The new Lode 3 structure was intersected by one of four deep diamond drill (DD) holes and found to be located approximately 30m below the base of known Lode 2 mineralisation. As announced by the Company, it is thought that Lode 3 might potentially fall within the limits of conceptual pit design for an open-pit mine at Tulu Kapi.

Towards the end of the Quarter, a second diamond drill rig arrived at the project site and has been mobilised, joining the existing diamond drill rig and two RC rigs previously in operation there. The new rig is being used on a multi-tasking basis to assist in relation to the twin complementary drill programs being conducted which, respectively, involve the completion of infill drilling over the current Inferred Resource and the drilling of a number of high priority targets forming extensions to the main Tulu Kapi orebody. As announced on 29 June 2010,

current drilling progress has been excellent, with cumulative metres drilled exceeding 250 metres per day.

Appointment of SRK to prepare Preliminary Economic Assessment (PEA) in relation to Tulu Kapi

Shortly after the end of the Quarter, the Company appointed SRK Consulting (“SRK”), an independent international consulting group with particular expertise in the field of mining and exploration, to prepare a Preliminary Economic Assessment (“PEA”) in relation to the Tulu Kapi project. The PEA, which will essentially be a more rigorous and detailed version of the desktop Scoping Study undertaken by Venmyn Rand in relation to the project late last year, will be based upon the latest resource estimation work completed in May 2010 and all additional information generated between 17 April 2010 and 17 July 2010. This additional information includes assay, geological and geotechnical data for an estimated additional 40 RC and DD holes, as well as information generated from the magnetic surveys mentioned above, geological interpretation and social, environmental and infrastructure information relevant to the future development of the project.

As announced, SRK’s work will cover the following key areas:

- review and revision of the gold resource estimates using current gold prices and a range of cut-offs;
- production of a PEA which takes into consideration geology, resource and exploration potential, mining, processing, engineering, infrastructure, capital and operating costs and scheduling;
- pre-tax and post-tax economic modelling and analysis, including royalties;
- all related considerations concerning the construction and operation of a gold mine at Tulu Kapi; and
- a separate environment, social and community report covering all relevant aspects of the project.

REGIONAL ETHIOPIAN GOLD EXPLORATION

During the Quarter, Nyota concluded arrangements with the owners of a package of regional Ethiopian exploration tenements comprising approximately 4,000 sq km of highly prospective ground, whereby it had the option to acquire an 80% interest in those tenements. Subsequently, following shareholder approval and detailed due diligence, the Company exercised those options. The tenements, situated to the north of the Tulu Kapi project, exhibit the same geological structure thought to control mineralisation at Tulu Kapi. Accordingly, the Company believes that they have the potential to generate additional discoveries which could bolster the main Tulu Kapi resource.

CORPORATE

IFC initial investment of GBP3.44million in Nyota

In June 2010 the share subscription arrangements with International Finance Corporation (“IFC”), a member of the World Bank group, were concluded whereby IFC invested GBP3.44 million in return for 29,749,327 new ordinary shares in the Company (giving it a 10% shareholding). The IFC arrangements also saw IFC receive options in Nyota which, if exercised, would result in the issue of a further 22,311,995 shares to IFC in return for an additional cash injection of GBP3.86 million.

The involvement of IFC is thought by the Company to be a significant positive step not only due to the wealth of social and environmental expertise and assistance that IFC can provide as the Tulu Kapi project develops, but also due to the availability of IFC as a source of potential debt funding for the project in relation to a future mine production scenario.

Appointment of key personnel

As a result of the increased pace of development of the Tulu Kapi project, during the Quarter (and in the weeks following its end) Nyota made a number of key senior appointments designed to bolster the Company’s operational expertise. Chief amongst these is the appointment of Mr Terry Tucker as Chief Operating Officer of the Company (see Nyota announcement dated 14 May 2010). In addition, the following key project operational roles have been filled:

- Manager, Exploration – Mr Kevin Piepgrass;
- Project Geologist – Felichismi Mwijage; and
- Manager, Environment and Community Affairs – Channa Pelpola

Further details of those appointments can be found in the Company’s announcement made on 15 July 2010.

Mirabaud appointed as joint broker

Finally, shortly after the end of the Quarter, Nyota appointed Mirabaud Securities LLP as joint broker to the Company, joining Ocean Equities Limited in that role. Ambrian Partners Limited remains the Company’s Nominated Adviser. The combination of Mirabaud and Ocean and Ambrian as brokers and adviser to the Company is believed to be ideal to Nyota’s needs as the Tulu Kapi project develops and sees the Company aligned with three of the UK’s top specialist mining finance and advisory houses.

MUREMERA NICKEL PROJECT

Processing and interpretation of down-hole electromagnetics continued during the Quarter. The results have now been fully interpreted and reconciled with their respective VTEM targets by Condor Consulting of USA. In general, survey productivity was better than hoped and most of the holes attempted were open for surveying. The DHEM surveys suggest that the use of VTEM surveying (as previously undertaken over the Muremera licence area) is of limited success in differentiating between moderate and very good conductors. Accordingly, future work programs will consider employing a program of ground electro-magnetic surveys to test prospective mafic-ultramafic bodies for massive to semi-massive sulphide mineralisation that might not have been detected by the VTEM survey.

During the Quarter, a newly-interpreted surface geological map was combined with structural measurements and geophysical inversion of the VTEM survey to generate a three-dimensional geological model of the northern part of the licence areas, to a depth of two kilometres. This model shows the main folded structures in three dimensions and confirms the continuity of the host stratigraphy between the Kabanga area in Tanzania and the Muremera area in Burundi.

Further desk studies of past exploration results will be undertaken in the coming quarter with no additional field work currently planned.

SWAZILAND

During the Quarter the Company transferred its legal interest in Swazi Gold Ventures (Pty) Ltd to joint venture partner Savinara Company SA in preparation for a potential sale of the overall Swazigold project. The Company retains a right to receive 50% of any proceeds from the sale of the Swazigold project.

Notes on Tulu Kapi Project

The Mineral Resource estimate for the Tulu Kapi Gold Project (“Project”) was updated in April 2010 and all resources have been categorised as JORC Compliant Inferred resources.

Totals for all major parameters have been rounded to two significant figures.

The Tulu Kapi deposit is situated within the Arabian-Nubian shield composed of Archaean gneiss and Proterozoic meta-sedimentary successions intruded by Pan African granites, mafics and ultramafics. Mineralisation is exclusively hosted by albitised syenite and quartz veins. The strike length and lateral extent of mineralisation remains to be confirmed as further drilling is taking place over known extensions to mineralisation where outcrop exists, over anomalous gold in soil geochemical targets and on ground magnetic and resistivity surveys.

The drilling database for the current 1.38m ounce resource is based on a total of 34 NQ size diamond drill holes and a further 23 reverse circulation (RC) drill holes based on a grid with approximate drill hole collar locations based on 40m x 80m centres.

Drilling has been undertaken in two programmes. The initial programme funded and managed by Minerva Resources Plc, the previous owner-operator of the Tulu Kapi Project, was exclusively a diamond drill programme and the second programme was an RC programme completed on behalf of Nyota by Geosearch International.

All core samples have been logged according to internationally accepted standards with core loss and other factors likely to impact on resource estimation duly recorded. RC sample weights were regularly measured for selective and representative 1m sample intervals and independent QA/QC assessment of both drilling practices and sample collection procedures has taken place. As a result, sampling procedures and sample recoveries are considered accurate.

RC and diamond drilling samples were analysed for gold by fire assay methods with AAS finish at ALS Chemex Laboratory in Johannesburg. Approved protocols were applied with regard to insertion of standards, blanks and duplicate assays for every suite of samples submitted per drill hole. Independent consultants have verified that sufficient QA/QC and data validation has been undertaken to verify the integrity of the assay data. All on-site coarse and pulp rejects have been logged and stored for future reference.

RC and diamond drill-hole collars have been variably surveyed by total station DGPS or hand held methods. As the Project develops, more detailed surveys will be completed.

All drill-holes have down hole surveys.

Geological modelling was based on a topographical wireframe provided by Nyota and two separate wireframe surfaces were subsequently generated by the company's independent consultant. Grade interpolations were carried out in three separate domains; namely, fresh albitised zones in drill core and two albite zones above and below the water table. The relationship between albitisation and gold mineralisation provides the basis upon which the model was generated.

Block modelling was based on 40m by 40m in plan view by 10m in the vertical plane. A second model was created for RC drill data beneath the water table to generate a 3D block model defining the different domains used in estimation. Investors should note that block size can affect the mineral resource quantity and quality and further testing will take place to optimise block size.

Resource estimation for the current Inferred Resource is based on an albite selectivity model to generate a total Inferred Resource of 1.38 million ounces of gold at a 0.50g/t Au cut-off. The selectivity model assumes that gold mineralisation is exclusively associated with albitised portions of the host syenite which based on available evidence is deemed accurate and representative. Investors should note that the model parameters may change over time as additional infill drill data is generated. The combination of new drill data and its subsequent interpretation will impact on block size and there may be scope to develop a range of block size options which will give a number of modelling scenarios ranging from a more refined selective mining scenario to a low-grade bulk mining scenario.

The estimate of mineral resources may be materially affected by metallurgical, environmental, permitting, legal, marketing or other relevant issues.

The technical information contained in this announcement has been reviewed and approved by Mr. RN Chapman. Mr. Chapman has sufficient experience which is relevant to the style of mineralization 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 Limited, an independent geological consultancy established in 2005 and is a member of the Australasian Institute of

The information in this announcement that relates to the consultant responsible for the latest resource estimation is based on work completed independently by Mr Neil McKenna, who is a full time employee of Venmyn Rand Pty Ltd, a South African based independent mineral consultant. Mr McKenna is a Member of the South African Institute of Mining and Metallurgy (MSAIMM), a Member of the Investment Analyst Society of South Africa (MIASSA), and also a Member of Geological Society of South Africa (MGSSA) and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the 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 is a "Qualified Person" as defined under the AIM Note for Mining, Oil and Gas Companies. Mr McKenna consents to the inclusion in this announcement of the matters based on his information in the form and context in which it appears.

For further information please visit: <http://www.nyotaminerals.com> or contact:

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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")

30 JUNE 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		86
1.2 Payments for (a) exploration and evaluation	(2,835)	(7,461)
(b) development	-	-
(c) production	-	-
(d) administration	(893)	(3,084)
1.3 Dividends received		
1.4 Interest and items of a similar nature received	6	124
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other FOREX		(39)
Bond	(247)	(247)
Net Operating Cash Flows	(3,969)	(10,621)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	(299)	(299)
(b)equity investments	(60)	(60)
(c) other fixed assets	(2)	(225)
1.9 Proceeds from sale of: (a)prospects		1,908
(b)equity investments	49	49
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other - Minerva takeover costs		(557)
Minerva cash acquired on takeover		73
Net investing cash flows	(312)	889
1.13 Total operating and investing cash flows (carried forward)	(4,281)	(9,732)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(4,281)	(9,732)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	6,127	10,357
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	(23)	(275)
	Net financing cash flows	6,104	10,082
	Net increase (decrease) in cash held	1,823	350
1.20	Cash at beginning of quarter/year to date	9,756	13,019
1.21	Exchange rate adjustments to item 1.20	245	(1,545)
1.22	Cash at end of quarter	11,824	11,824

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	386
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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+ See chapter 19 for defined terms.

- 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

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,750
4.2 Development	
4.3 Administration	750
Total	3,500

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	403	317
5.2 Deposits at call	11,421	9,439
5.3 Bank overdraft		
5.4 Other		
Total: cash at end of quarter (item 1.22)	11,824	9,756

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)	Amount paid up per security (see note 3)
7.1 Preference securities <i>(description)</i>	-	-		
7.2 Changes during quarter				
7.3 +Ordinary securities	317,993,276	317,993,276	N/A	N/A
7.4 Changes during quarter	20,000,000	20,000,000	GBP0.10	Fully paid
	29,749,327	29,749,327	GBP0.115	Fully paid
(a) Increases through issues	1,000,000	1,000,000	AUD0.24	Fully paid
	500,000	500,000	AUD0.31	Fully paid
(b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>		-		
7.6 Changes during quarter				
(a) Increases through issues				
(b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	5,800,000	-	<i>Exercise price</i> \$0.11	<i>Expiry date</i> 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
	22,311,995	-	GBP0.174	13/06/2014
7.8 Issued during quarter	22,311,995	-	GBP0.174	30/06/2014
7.9 Exercised during quarter	500,000	-	<i>Exercise price</i> \$0.31	<i>Expiry date</i> 30/6/2010
7.10 Expired (cancelled) during quarter	125,000	-	\$0.52	30/6/2010
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 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 July 2010
Company Secretary
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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