

QUARTERLY REPORT 31 March 2010

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

Highlights during the Quarter

Tulu Kapi Gold Project in Ethiopia

- Exploration results indicate that Tulu Kapi ore body is larger than first anticipated, with extensions of the ore body as well as new mineralised zones underlying previously discovered Zones 1 and 2 identified
- Preliminary Desktop Scoping Study by Venmyn Rand indicates Tulu Kapi's economic viability as a potential mine based on sustained gold prices above US\$950/oz and on the current Mineral Resource, with the current additional resource drilling likely to improve development attractiveness
- Very positive initial metallurgical testwork results received, showing recoveries in excess of 95%
- Drilling programme on track to yield JORC compliant resource upgrade during Q2 2010, with reverse circulation ("RC") drilling on 35 holes completed to date and assay results received from the first 18 RC holes

Muremera Nickel Project in Burundi

- Down-hole electromagnetic (DHEM) survey programme undertaken at Muremera
- Interpretation ongoing, with results to drive follow-up drilling programme

Corporate

- Conditional agreement signed for International Finance Corporation, a member of the World Bank Group, to take a 10% shareholding in Nyota
- Sale of the Company's 8% indirect interest in Philippines coal project for US\$1.7 million

- Appointment of Ocean Equities Limited as joint Broker to the Company, joining Ambrian Partners Limited in that role
- Appointment of Mr David Pettman as Deputy Chairman to bolster Nyota's corporate expertise

TULU KAPI PROJECT AND RELATED GOLD TARGETS (ETHIOPIA)

Exploration programme update

Trenching

In the early part of the Quarter the Company announced results from a trenching programme completed at its Tulu Kapi gold project ("**Project**") in December 2009. The programme, which was undertaken in five locations within the Project licence area, was designed to test extensions to the known mineralisation at surface and depth. Gold mineralisation was intersected over notable trench widths including 1.91g/t over 8.5m, 1.51g/t over 13m and 1.64g/t over 26m. Additional highly encouraging results of the trenching programme were:

- confirmation of extension of gold mineralisation east of the previously estimated limit of the Tulu Kapi deposit;
- the indication of a new zone of mineralisation beneath previously identified Zones 1 and 2; and
- the identification of a new mineralised target approximately 400m NE of the then northernmost limit of drilling.

The results of the trenching programme were used to extend the RC drilling conducted by the Company as part of the programme summarised below.

RC drilling

The Phase 1 and 2 RC drill programs commenced at the Project in mid-December 2009 and continued throughout the Quarter. The results of that drilling demonstrated:

- the gold bearing lodes extend NE beyond the known limits of the Project's Maiden Resource of 690,000 (JORC Inferred) ounces of gold ("**Maiden Resource**");
- the existence of mineralised structures stacked beneath previously identified lode Zones 1 and 2; and

- that gold grades are, consistent with the expectations of the Company's geologists, improving with depth.

Thirty-five RC holes have been drilled over the Up-Dip Extension of Tulu Kapi for a total of approximately 7,000m of drilling. As at the end of the Quarter, gold assays had been received for the first 18 holes, showing very encouraging results including more than 10 peak gold intersections in excess of 11g/t (8 of which intersections exceeded 14g/t) and headline recorded grades of 22.7g/t over 1m and 21.2g/t over 1m.

Assay results for the remaining 17 holes are expected shortly.

Preliminary Desktop Scoping Study

Following a technical review of the Project undertaken by independent South African mining and minerals advisor Venmyn Rand ("**Venmyn**") in late 2009, during the Quarter Nyota commissioned Venmyn to produce a Preliminary Desktop Scoping Study ("**Study**") in relation to the Project. The Study, essentially an initial snapshot about the viability of establishing a mining operation at Tulu Kapi based on information established to date and on other similar projects, was prepared as a "Preliminary Assessment" according to the internationally-recognised Canadian mineral resource classification scheme *National Instrument 43-101* and was delivered in February 2010. Its overall conclusions were that the Project demonstrates the potential to become a viable gold mine, even at this early stage and based on the Maiden Resource (which the Company hopes to increase significantly through its ongoing drilling campaign).

The Study considered three mining scenarios:

- the merits of establishing an opencast operation based on the Maiden Resource (Base Case Scenario or Scenario 1);
- the potential upside that could be realised should the current resource extension be successful (Scenario 2); and
- the possibility of an underground operation (Scenario 3),

concluding that the most likely scenario was an opencast operation, with the potential existing to excavate a single "Big Pit" to mine each of the Project deposits (as opposed to using separate, adjacent smaller pits). The study concluded that Tulu Kapi represents a highly prospective gold project within Ethiopia, with the potential both for a number of other prospective targets to add to the current mineral resource over time and that the additional resources drilling planned for completion in 2010 has the potential to further improve the project's size and attractiveness.

Further, at a regional level, Venmyn believes that the evidence to date suggests the existence of a much larger goldfield within the greater Tulu Kapi/Ankore licence area held by the Company.

The Study will form the basis of future Pre-Feasibility and Definitive Feasibility Studies for the Project.

Metallurgical testwork

As reported last Quarter, in December 2009 277kg of drill core was collected for metallurgical testwork from previously drilled diamond core used to determine the Maiden Resource at Tulu Kapi. Representative samples were collected for both Zone 1 and Zone 2 mineralisation. This core was dispatched to an independent laboratory in Perth, Australia for standard testwork including a range of comminution tests, cyanidation bottle rolls and froth flotation tests. The results of that testwork were extremely encouraging, with gold recoveries in excess of over 95% being achieved. The significance of the testwork results is twofold, as they are both substantially better than the estimated gold recovery figures used in the Study to underpin the viability of a potential mine at Tulu Kapi and also indicate that gold from the project can be separated relatively easily (which has a positive effect on both capital and operating costs for a potential mine processing plant).

Data yielded by the metallurgical tests will be used in a number of ways by Nyota as it moves forward with the development of Tulu Kapi towards a potential production scenario. The testwork results will be used to generate pre-feasibility level estimates of the capital and operating costs of gold recovery plants for Tulu Kapi. The comminution parameters will be used to specify crushing and grinding equipment and estimate parts wear consumption. Finally, the cyanidation and froth flotation results will be used to specify equipment requirements and estimate operating costs and gold recoveries.

MUREMERA NICKEL PROJECT (BURUNDI)

Following a recent revision of the Muremera work programme to include additional ground and downhole geophysics (comprising electromagnetic surveys over the most prospective areas within the licence), a contract was signed in February 2010 for a downhole electromagnetic (DHEM) survey program to be undertaken at the project. The survey subsequently took place within the Quarter and interpretation of the results of the work done remain ongoing. As reported last Quarter, subject to the outcome and interpretation of new geophysics data, the work programme anticipates further follow up drilling of priority targets within the next 18 months.

SWAZILAND

Project data compilation and review continued during the quarter. No field work was undertaken during this period.

CORPORATE

Subsequent to the end of the Quarter, the Company signed an agreement with International Finance Corporation (“**IFC**”), a member of the World Bank Group, for IFC (subject to certain approvals) to subscribe for up to 10% of the Company at an expected issue price of GBP0.116 (valuing the IFC investment at approximately GBP3.43M). IFC fosters sustainable economic growth in developing countries by supporting private sector development and providing advisory and risk mitigation services.

This is a significant strategic opportunity for Nyota as the short term support IFC can provide in Ethiopia is significant. In addition, IFC’s involvement as an advisor and significant shareholder places Nyota in a very strong position to secure debt financing should mine development at Tulu Kapi proceed.

During the Quarter, the Company successfully completed the sale of its 8% indirect interest in the Daguma/Bonanza coal project located on the island of Mindanao in the southern Philippines. As a result of such sale, Nyota received sales proceeds of US\$1.7M, which are intended to be applied towards further development of the Company’s flagship Tulu Kapi project in Ethiopia. The Company has no remaining interests in the Philippines.

Following the Company’s successful capital raising in December 2009 of GBP2.25 million (before expenses), during the Quarter Nyota appointed Ocean Equities Limited (“**Ocean**”) as joint Broker to the Company (joining Ambrian Partners Limited in that role). Ocean, a London-based firm focussed exclusively on the natural resource sector, was responsible for arranging that capital raising and will provide ongoing analytical and broking services to the Company.

Finally, in March 2010 the Directors of the Company welcomed David Pettman to the Board as a Non-Executive Director, fulfilling the role of Deputy Chairman and Chair of the Remuneration and Audit Committees. The appointment of Mr Pettman strengthens the Company’s fundraising expertise and is expected to be of particular benefit to Nyota in relation to the need to secure finance should Tulu Kapi go into production. At the same time as Mr Pettman’s appointment, the Company announced Mr Terry McConnachie’s retirement from his position of Non-Executive Director with Nyota.

For further information please contact:

Melissa Sturgess
Nyota Minerals Limited
(+44) (0)78 2555 1397 or melissa.sturgess@nyotaminerals.com

Richard Brown/ Richard Greenfield
Ambrian Partners Limited
(+44) (0)20 7634 4700

Guy Wilkes or Justin Tooth
Ocean Equities Limited
(+44) (0)20 7786 4370 / (+44) (0) 20 7786 4385

Press enquiries
Charlie Geller or Leesa Peters
Conduit PR
(+44) (0)20 7429 6604 / (+44) (0)75 2823 3383

Or visit: <http://www.nyotaminerals.com>

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 2010

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors		86
1.2 Payments for (a) exploration and evaluation	(2,161)	(4,626)
(b) development		-
(c) production		-
(d) administration	(720)	(2,191)
1.3 Dividends received		
1.4 Interest and items of a similar nature received	33	118
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other FOREX		(39)
Net Operating Cash Flows	(2,848)	(6,652)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments		
(c) other fixed assets	(5)	(223)
1.9 Proceeds from sale of: (a)prospects	1,908	1,908
(b)equity investments		
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	1,903	1,201
1.13 Total operating and investing cash flows (carried forward)	(945)	(5,451)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(945)	(5,451)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.		4,230
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	(42)	(252)
	Net financing cash flows	(42)	3,978
Net increase (decrease) in cash held			
		(987)	(1,473)
1.20	Cash at beginning of quarter/year to date	11,278	13,019
1.21	Exchange rate adjustments to item 1.20	(535)	(1,790)
1.22	Cash at end of quarter	9,576	9,756

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	192
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	1,000
4.2 Development	
4.3 Administration	500
Total	1,500

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	317	3,980
5.2 Deposits at call	9,439	7,298
5.3 Bank overdraft		
5.4 Other – rental bonds		
Total: cash at end of quarter (item 1.22)	9,756	11,278

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	266,743,949	266,743,949	N/A	N/A
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	8,000,000	8,000,000	\$0.15	Fully paid
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>	125,000 500,000 5,800,000 1,280,000 7,000,000	- - - - -	<i>Exercise price</i> \$0.52 \$0.31 \$0.11 \$0.13 \$0.15	<i>Expiry date</i> 30/6/2010 30/6/2010 30/9/2012 31/12/2012 31/12/2012
7.8 Issued during quarter	7,000,000	-	\$0.15	31/12/2012
7.9 Exercised during quarter			<i>Exercise price</i>	<i>Expiry date</i>
7.10 Expired (cancelled) during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations 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: 22 April 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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