

QUARTERLY REPORT 31 December 2009

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

Highlights during the Quarter

Corporate

- GBP2.25 million raised to accelerate drilling at Nyota's flagship Tulu Kapi gold project in Ethiopia
- Appointment of Mr Martyn Churchouse as Technical Director to complement increased pace of development at Ethiopian operations

Tulu Kapi Gold Project in Ethiopia

- Independent technical review by Venmyn Rand to 43-101 standard confirms that Tulu Kapi is highly prospective, with good upside potential from additional mineralisation and high gold recoveries from testwork
- Identification of 2 new drill targets adjacent to the existing 690,000 ounce JORC Inferred resource
- Diamond drilling programme underway at Tulu Kapi
- Drilling programme accelerated by the addition of a second Reverse Circulation (RC) drill rig to support existing RC and diamond rigs at Tulu Kapi site
- Preparation completed for 4 diamond drill holes at Guji target

Muremera Nickel Project in Burundi

- Review of historical exploration data and associated 3D modelling of project geology
- Revision of work programme to include additional ground and downhole geophysics comprising electromagnetic surveys over the most prospective areas within the project licence

TULU KAPI PROJECT AND OTHER ETHIOPIAN GOLD TARGETS

Overview

As reported last Quarter, in September 2009 Nyota announced a JORC compliant Maiden Resource of 690,000 ounces of gold at a 0.50g/t Au cut-off at the Tulu Kapi gold project in Ethiopia. This work was completed by Hellman & Schofield, acting as an independent consultant and Competent Person. Subsequently, Nyota engaged recognised independent experts Venmyn Rand to undertake a technical review of the Tulu Kapi gold project and surrounding exploration licences, based on all historical and recent reports and exploration results, to produce a Technical Statement to internationally-recognised 43-101 standard. As announced on 6 October 2009, Venmyn's report demonstrated that Tulu Kapi represents a highly prospective gold project within Ethiopia, confirming both that existing drilling, logging and sampling work had been carried out to a high standard and also that numerous positive indications of mineralisation beyond the immediate Tulu Kapi area offered good potential to add to the project's mineral resources.

RC drilling – Tulu Kapi

Reverse Circulation (“**RC**”) Drilling commenced in mid-December 2009. An RC rig was used to commence step-out drilling to the east of the current Maiden Resource with holes planned at approximately 80m intervals along the extension of traverse lines 240N, 160N, 80N, Line 00, 80S, 160S and 240S. The first three RC holes completed during the Quarter were drilled along Line 160N and each hole was drilled to an average depth of 200m.

The purpose of drilling was to intersect the projected up-dip extension of mineralisation previously defined during the original diamond drill programme that defined the current Inferred Resource of 690,000oz Au.

As of the end of the Quarter, representative samples from each metre drilled had been dispatched to ALS Laboratories in Johannesburg for sample preparation and gold fire assay, with results expected during the first Quarter of 2010.

Trench excavation further east, beyond the previously assumed limits of mineralisation, intersected albitisation with quartz veins and sulphide mineralisation. The evidence of further mineralisation was considered sufficiently compelling to warrant the planning of further step-out drilling and an extension of the RC drill grid beyond the limits of the current programme.

Diamond drilling - Tulu Kapi

The diamond drill rig contracted from Geosearch International was used to drill two short diamond holes close to a former UNDP diamond borehole drilled in the 1970's with the purpose of evaluating potential for gold mineralisation over a 300m long exposure of syenite with quartz veins, sulphide mineralisation and intermittent albite alteration.

Hole TRBH035, a short hole, was collared close to the UNDP borehole with the purpose of intersecting the local geological units present and determining the true dip, strike and foliation of host rocks and quartz veins. Core logging established that the former UNDP hole had been drilled parallel to the strike of mineralisation and had failed to intersect the albite hosted mineralisation evident at surface. Hole TRBH036, a vertical hole, was underway during December 2009 over visible mineralisation and will be drilled to an estimated depth of approximately 160m. Initial logging of the core shows a band of albitisation with massive sulphides and quartz veining over a width of approximately 30m. Visible gold was present in the top of the hole. Representative samples will be collected from every metre drilled and submitted to ALS Laboratories for analysis. No analytical results had been received as at the end of the Quarter.

The evidence of more than 300m of outcropping syenite with quartz veins, albitisation and sulphide mineralisation supplemented by the vertical borehole which intersected approximately 30m of continuous albitisation provides strong evidence for a new area of mineralisation situated to the NE of the main Tulu Kapi body. Two trenches TKTR04 and TKTR05 have been excavated close to the UNDP site. Both trenches exposed albitisation, quartz veining and sulphide mineralisation at or close to surface over widths ranging from 1.0m to 26.0m. Whilst assays were not expected before the first Quarter of 2010, the cumulative evidence provided by drilling and trenching was sufficient to warrant the planning of future RC drilling over the target.

Diamond drilling - Guji Target

The Company completed the preparation of 4 drill pads over the Guji target located approximately 3km NE of Tulu Kapi. Drilling is expected to commence in the first quarter of 2010.

At Guji, a recent resistivity geophysical survey confirmed the presence of a steeply dipping unit with an average width of approximately 20m over a strike length of 1,200m. This anomaly is coincident with historical gold in soil geochemical data and the estimated unit width of approximately 20m ties in well with a diamond drill hole completed prior to Nyota's involvement in the project that returned a cumulative mineralised intersection of 3.0g/t Au over 17m. Diamond drilling planned will be wide spaced to confirm the presence of the mineralised unit.

Trenching - Tulu Kapi

The presence of albitisation with quartz veining and sulphide mineralisation at surface beyond the current limits of the 24 hole RC programme planned for the up-dip extension of mineralisation led the Company to undertake additional trenching to evaluate these exposures. As a result, two trenches were excavated, TKTR01 and TKTR02 with encouraging results being reported in January 2010. TKTR01 was sited 40m due east of drill hole TKBH029 and exposed albitisation over a width of approximately 9.0m. TKTR02 was sited approximately a further 150m east of TKTR01 to test for further mineralisation close to the presumed surface expression of the known NNE-SSW oriented shear zone. The trench exposed albitisation over a width of 1.0m. These two intersections validate the planned expansion of the RC grid beyond the initial 24 hole up-dip extension programme and planning is underway to determine the number of additional holes required to test for potential additional mineralisation.

Metallurgical testwork - Tulu Kapi

Approximately 300kg 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 and cyanidation bottle rolls. Results are expected during the first Quarter of 2010.

MUREMERA EXPLORATION PROGRAMME UPDATE

Activity during the Quarter focussed on a review of all available historical exploration data by an independent consultant specialising in nickel geology. As part of the review, new software has been purchased specifically to undertake 3D modelling of the geology based on geological mapping, diamond drill hole log data and geophysical information. In addition, the work programme for Muremera has been revised to include a new round of ground and downhole geophysics comprising electromagnetic surveys over the most prospective areas within the licence. A tender process is currently underway to select a geophysical contractor to undertake the work.

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

Following positive results of the work undertaken to date at Tulu Kapi and confirmation by external consultants Venmyn Rand of the highly prospective nature of the project, in October 2009 Nyota appointed Mr Martyn Churchouse as Technical Director to oversee expanded plans for the development of the asset, included an accelerated drilling campaign as described above. In addition, and in support of the fast-tracking of further exploration and development work at Tulu Kapi, the Company raised GBP2.25 million (before expenses) in December 2009 by way of a placement of 32,142,858 new ordinary shares at a placing price of 7 pence per share to institutional investors. As indicated above, an additional RC rig is presently on its way to the Tulu Kapi site to complement the existing RC and diamond drill rigs undertaking work there, as part of an increased drilling programme designed to increase the 690,000 ounce Au JORC Inferred resource towards 1,000,000 ounces, upgrading part of that resource to the Measured and Indicated category, and drilling of the Northern Extension target at Tulu Kapi described above.

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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")

31 DECEMBER 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 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	(1,127)	(2,465)
(b) development		-
(c) production		-
(d) administration	(460)	(1,471)
1.3 Dividends received		
1.4 Interest and items of a similar nature received	6	85
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Other FOREX		(39)
Net Operating Cash Flows	(1,581)	(3,804)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects		
(b)equity investments		
(c) other fixed assets	(38)	(218)
1.9 Proceeds from sale of: (a)prospects		
(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	(38)	(702)
1.13 Total operating and investing cash flows (carried forward)	(1,619)	(4,506)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(1,619)	(4,506)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	4,093	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	(210)	(210)
	Net financing cash flows	3,883	4,020
	Net increase (decrease) in cash held	2,264	(486)
1.20	Cash at beginning of quarter/year to date	9,155	13,019
1.21	Exchange rate adjustments to item 1.20	(141)	(1,255)
1.22	Cash at end of quarter	11,278	11,278

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	129
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	3,980	284
5.2 Deposits at call	7,298	8,839
5.3 Bank overdraft		
5.4 Other – rental bonds		32
Total: cash at end of quarter (item 1.22)	11,278	9,155

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	258,743,949	258,743,949	N/A	N/A
7.4 Changes during quarter	32,142,858	32,142,858	\$0.13	Fully paid
(a) Increases through issues	2,772,466	2,772,466	1 for 5 takeover of Minerva Resources Plc	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>	125,000	-	<i>Exercise price</i> \$0.52	<i>Expiry date</i> 30/6/2010
	500,000	-	\$0.31	30/6/2010
	5,800,000	-	\$0.11	30/9/2012
	1,280,000	-	\$0.13	31/12/2012
7.8 Issued during quarter	1,280,000	-	\$0.13	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: 29 January 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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