NYOTA MINERALS LIMITED

A.C.N. 060 938 552

HALF-YEAR REPORT
31 DECEMBER 2014

CHIEF EXECUTIVE OFFICER'S STATEMENT

During the period, the Company completed the sale of its remaining interest in the Tulu Kapi gold project ("Tulu Kapi") to KEFI Minerals Limited ("KEFI"). On 3 September shareholders gave their approval to the disposal and to the subsequent in-specie distribution of 144,823,917 KEFI shares to Nyota shareholders on a pro-rata basis.

The Board also completed the implementation of cost cutting measures, including the closure of the London office and the retrenchment of the last UK employees. Further tidying-up of the corporate structure is on-going in order to reduce the number of subsidiaries and remove their administrative burden.

Nyota's exploration portfolio now consists of the 100% owned Northern Blocks in Ethiopia, for which licences were renewed in December 2014, and, as of February 2015, a 70% interest in the Ivrea Nickel-Copper project in Italy.

We had anticipated that the first few months of 2015 would see positive developments towards initial – albeit modest – gold production from the mining and processing of alluvial deposits within the Northern Blocks. However, at the end of January 2015 the Company was informed that the alluvial mining licence application had been unexpectedly rejected along with all other applications for mining activities along those parts of the Abay River and its tributaries that will be flooded by the Grand Ethiopian Renaissance Dam.

This disappointing decision by the Ethiopian government means that it is no longer possible to expect the Company to become self-sustaining in terms of cash flow in the short term based on existing assets.

Whilst exploration for hard rock gold mineralisation has continued on the Northern Block licences, a strategic review of the Company's activities and opportunities in Ethiopia is being undertaken.

The acquisition of a majority interest in the Ivrea nickel-copper project extends Nyota's recent exploration focus, both in commodity and geography, and illustrates the flexibility with which the Board is approaching the challenge of delivering shareholder value now and in the future. In addition the Company's efforts to raise sufficient fresh equity to properly fund on-going activities will remain a challenge given continued poor equity market conditions.

Richard Chase
16 March 2015

DIRECTORS' REPORT

The Directors present their report on the Group consisting of Nyota Minerals Limited ("Nyota" or the "Company") and the entities it controlled at the end of, or during the half-year ended 31 December 2014.

DIRECTORS

The names of the Directors of the Company in office during the whole of the half-year and until the date of this report are:

Richard Chase, Michael Langoulant and Evan Kirby.

REVIEW AND RESULTS OF OPERATIONS

NORTHERN BLOCKS

Exploration Licence Renewal

The Brantham and Towchester exploration licences (collectively "the Northern Blocks") were renewed in early December in respect of the twelve month period commencing from their respective expiry dates in July 2014. These licences are 100% owned by Nyota.

The imposition by the Ministry of Mines of an exclusion zone resulted in substantial further reductions in area over and above that which the Company proposed by way of relinquishment. The Towchester exploration licence area has therefore been reduced from 1,002 square kilometres to 48 square kilometres and the Brantham licence area from 1,346 square kilometres to 717 square kilometres.

The renewed Northern Block exploration licences keep intact the NW-SE lineament of anomalies within the Brantham area and preserve for Nyota the extension of that lineament in the Towchetser licence; which is particularly important as this is immediately adjacent to the Boka West target. However the remainder of the Towchester licence has either been relinquished or was not renewed by the Ministry of Mines.

Details of the exclusion zone, which comprises the area to be flooded or otherwise affected by the Grand Ethiopian Renaissance Dam that is being built downstream on the Abay River, or Blue Nile, have not been published and the Ministry of Mines gave no indication in December that it would affect their support for the mining licence application or for alluvial mining in general within it.

Exploration Activities

No material field work was conducted on the Northern Blocks during the six month period covered by this report. This was due initially to the annual rains and subsequently to the licence renewals not being issued until December.

The Northern Blocks exploration camp was re-opened and annual land rent fees paid to the Regional Government immediately following the licence renewals, enabling exploration to re-commence in January 2015. The initial focus has been on the possible extension to the Bendokoro mineralisation to the north and south west. However drill testing of the Boka West anomaly remains an objective subject to the strategic review and to funding.

Alluvial Mining Licence Application

Nyota submitted an application for a mining licence within the Towchester licence area in April 2014 having received a positive response from the Ministry of Mines to the concept.

Solid progress was made during the period in advancing the application and in developing the implementation plan for the exploitation of the Abay River gravel terraces through the development of mechanised mining and processing operation. Nyota's objective throughout had been the rapid development of a cost-effective operation for the maximum recovery of gold before the area is flooded by the Grand Ethiopian Renaissance Dam.

Although there were longer than expected delays, at a meeting with the Ministry of Mines in September revisions were agreed and formally submitted in the first week of October to meet the government's then stated requirements for the issue of a licence; including a tenure period of "5 years or until flooding prevents mining" and a reduced mining licence area of approximately 48km^2. A team from the Company, including a potential project manager and the likely earth moving contractor from Addis Ababa, subsequently conducted a site visit to review the proposed development and to address the key issues of access and accommodation.

After the period end, in January 2015, Nyota was informed by the Ministry of Mines that it had decided against issuing any mining licences for alluvial mining within the area to be flooded by the Grand Ethiopian Renaissance Dam. The rationale being that the success of the new dam and its intended transformation of the Ethiopian economy is so much in the Ethiopian national interest that the risk of any negative impacts arising from any mining activities outweigh the potential economic gains from gold royalties and taxes during the period that those activities might take place before flooding.

Nyota's mining licence application has therefore been rejected by the Ministry of Mines and the project has been dropped.

DISPOSAL OF REMAINING INTEREST IN TULU KAPI AND IN-SPECIE DISTRBUTION OF KEFI SHARES

On 3 September 2014 shareholders gave their approval for Nyota:

i) to dispose of its remaining 25% interest in the Tulu Kapi project, held via a 25% shareholding in KEFI Minerals (Ethiopia), to KEFI Minerals Limited ('KEFI') for £750,000 in cash and 50 million new ordinary KEFI shares; and
ii) to subsequently complete the in-specie distribution of 144,823,917 KEFI shares to Nyota shareholders on a pro-rata basis ('Capital Reduction').

The Capital Reduction was completed and announced on 24 September 2014 and resulted in a corresponding reduction in Nyota's capital of AUS$3,688,287 based on the market value of the KEFI shares on the completion date (being GBP £0.0140 or 1.40 pence per share and an exchange rate of AUS$1.792 to GBP £1.00). Shareholders at the register date received 1 KEFI share for every 6 Nyota shares held, with fractional entitlements being rounded-down to the nearest whole number.

Having completed the transaction, Nyota no longer has any interest in KME or its 100% owned Tulu Kapi gold project in Ethiopia. Nyota shareholders that received shares in KEFI should refer to its website and press releases for further updates.

CORPORATE AND FINANCE

Following completion of the sale of its remaining interest in Tulu Kapi, Nyota had cash of $708,655 as at 31 December 2014.

SUBSEQUENT EVENTS

Two events subsequent to 31 December 2014 have had a significant impact on the affairs of the Company:

1) The rejection of the Company's alluvial mining licence application – as described above.
2) The acquisition of 70% of KEC Exploration Pty Ltd.

There are no other matters or circumstances that have arisen since 31 December 2014 that may significantly affect operations, results or the state of affairs of the group in future financial years.

KEC EXPLORATION – THE IVREA NICKEL-COPPER PROJECT

Acquisition

As announced in January 2015, Nyota agreed to pay a consideration of 75 million new ordinary shares in Nyota and cash of A$100,000 (of which A$75,000 is for licence-related costs) to acquire 70% of the issued share capital of KEC.

Nyota will fund 100% of KEC's expenses and continue to do so until such time as either it decides not to continue with the Ivrea Project, or a JORC-Compliant Mineral Resource of 50,000 tonnes of contained nickel at an average grade of not less than 0.75% (or a metal equivalent) is defined anywhere within the Ivrea Project area (the "Project Hurdle Rate"). Nyota and KEC have therefore agreed an initial and non-binding exploration work program and budget for the next 12 months with a target spend of at least A$150,000. Should Nyota decide to spend less than this amount the vendors would be entitled to a payment of A$50,000 (equivalent to approximately £26,000), payable in cash or shares at Nyota's discretion.

In the event that the Project Hurdle Rate is met (and Nyota has not withdrawn from the Ivrea Project) a deferred consideration will become payable to the vendors comprising a further cash payment of A$250,000 and 150 million new Ordinary Shares (subject to shareholder approval at the time of issuance); in aggregate amounting to approximately A$367,000 (equivalent to approximately £188,000) based on the Closing Price ("Deferred Consideration"). Following payment of the deferred consideration KEC's shareholders will be required to contribute to KEC's funding pro-rata to their respective shareholding.

KEC was incorporated in 2007 and other than its interests in the Ivrea Project licence applications has not traded. The KEC board consists of Nyota's three current board members plus the project vendors Chris Reindler and Marcello de Angelis.

Mr. de Angelis is an Italian national, a geologist with over 40 years' experience in uranium, base and precious metal exploration and development and a former Executive Vice President of Agip Resources Ltd in which capacity he was responsible for the discovery and fast-track development of the Radio Hill nickel-copper deposit in Western Australia. He recently introduced Energia Minerals Ltd to the Gorno zinc project in northern Italy.

Mr. de Angelis will have a consultancy agreement with Nyota to provide exploration management services in Italy.

Mr. Reindler has been active in the exploration industry for over 40 years, primarily in Australia. He has been involved in several new concept projects and has completed joint ventures with a significant number of major exploration and mining companies.

Project Details

KEC has so far applied for four exploration permits. At the date of this report one licence has been issued and Nyota believes that the others will be issued in due course.

The licence applications cover a total of 117 km^2 at the northern end of the Ivrea Gabbroic Complex that is the host to known nickel mineralisation, with nine historic mines identified so far on the application area. The mines operated primarily between the mid-1800s and early 1900s, with some being brought back into operation between 1937 and 1949. A combination of factors means that limited systematic modern exploration has taken place since the mines closed.

The objectives for the Ivrea project for the six months to July are the assimilation of all available historic mine and exploration data and conducting an airborne elector-magnetic ('EM') geophysical survey to identify extensions to the sulphide mineralisation that can be examined in the old mine workings.

OUTLOOK

Nyota started the period with the expectation of being awarded a mining licence to enable it to commence initial mining activities on the Abay River alluvial deposits. The licence application was subsequently rejected and hence the immediate financial outlook has changed as it is not possible for the Company to become self-sustaining in terms of cash flow in the short term based on its existing assets. The Company is now an exploration company which owns two projects and will continue to seek new opportunities.

Exploration activities planned for the Northern Blocks have been going on since January, however the next significant milestone would be the proposed drilling of the Boka West target. Nyota is conducting a strategic review of activities and opportunities in Ethiopia and it will make future decisions in the light of the Minister's comments on resettlement, the competitiveness of the investment climate in Ethiopia (both in terms of mining jurisdictions and for junior exploration companies in general) and the timing and manner in which applications are being dealt with.

In the meantime, the acquisition of a 70% interest in the Ivrea nickel-copper project in Italy demonstrates the Board's open-minded approach to identifying and, where possible and thought beneficial, to transacting on new opportunities.

AUDITOR'S INDEPENDENCE DECLARATION

Section 307C of the Corporations Act 2001 requires our auditors to provide the Directors of the Company with an Independence Declaration in relation to the review of the half-year financial report. A copy of this Independence Declaration is set out on page 7.

Dated at Perth this 16th day of March 2015.

Signed in accordance with a resolution of the Directors.

R Chase
Chief Executive Officer

Competent Person

The technical exploration information contained in this announcement has been reviewed and approved by Mr R. Chase, Chief Executive Officer of Nyota Minerals Limited. Mr Chase has sufficient experience which is relevant to the activities and results that he is reviewing to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for the Reporting of Exploration Results and as a qualified person under the AIM Note for Mining, Oil and Gas Companies. Mr. Chase is an employee of Nyota Minerals Limited and is a Member of the Institute of Materials, Minerals and Mining and a Fellow of the Geological Society of London. Mr Chase consents to the inclusion in this announcement of such information in the form and context in which it appears.

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the consolidated financial report of Nyota Minerals Limited for the half-year ended 31 December 2014, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia	**W M Clark**
16 March 2015	**Partner**

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2014

	Notes	**Half-year Ended 31 Dec 2014 $**	Half-year Ended 31 Dec 2013 $ RESTATED
Revenue from continuing operations			
Other revenue		**4,246**	4,671
Other income – foreign exchange gains		**70,678**	30,444
Other expenses from continuing operations			
Administration		**(556,213)**	(923,672)
Exploration and evaluation expensed	3(a)	**(549,068)**	(156,949)
Impairment of exploration and evaluation assets	3(b)	**(750,000)**	-
Impairment of available-for-sale assets		**(345,303)**	-
Loss on sale of available-for-sale assets	2	**(361,131)**	-
Project generation costs		**(31,309)**	-
Share-based compensation expense		**-**	(53,151)
Loss before income tax		**(2,518,100)**	(1,098,657)
Income tax expense		**-**	-
Loss for half year from continuing operations		**(2,518,100)**	(1,098,657)
Discontinued operations			
Profit from discontinued operations	2	**-**	7,780,133
Profit/(loss) for the half-year after tax		**(2,518,100)**	6,681,476
Other comprehensive expense / income			
Items that may be reclassified to profit and loss:			
Changes in fair value of available-for-sale financial assets, net of tax		**26,167**	(170,459)
Exchange differences on translation of foreign operations		**181,405**	353,944
Items that will not be subsequently reclassified to profit and loss:			
Reclassification of fair value adjustments of available-for-sale financial assets to profit and loss		**345,303**	-
Other comprehensive income for the half-year		**552,875**	183,485
Total comprehensive income/(loss) for the half-year		**(1,965,225)**	6,864,961
Total comprehensive income/(loss) for the half year attributable to members of Nyota Minerals Limited			
Continuing operations		**(1,965,225)**	(915,172)
Discontinued operations	2	**-**	7,780,133
Loss per share from continuing operations			
Basic loss per share		**(0.003)**	(0.001)
Diluted loss per share		**(0.003)**	(0.001)
Profit per share from discontinued operations			
Basic profit per share		**-**	0.009
Diluted profit per share		**-**	0.009

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	**31 Dec 2014 $**	30 June 2014 $
ASSETS			
Current assets			
Cash and cash equivalents		**708,655**	511,717
Trade and other receivables		**69,548**	60,963
Available-for-sale assets	2	**103,986**	5,450,794
Total current assets		**882,189**	6,023,474
Non-current assets			
Available-for-sale assets		**37,043**	31,504
Property, plant and equipment		**25,515**	36,354
Exploration and evaluation expenditure	3	**250,000**	1,000,000
Total non-current assets		**312,558**	1,067,858
Total assets		**1,194,747**	7,091,332
LIABILITIES			
Current liabilities			
Trade and other payables		**461,364**	757,645
Total current liabilities		**461,364**	757,645
Total liabilities		**461,364**	757,645
Net assets		**733,382**	6,333,687
EQUITY			
Contributed equity	5	**182,063,800**	185,698,880
Reserves		**6,680,712**	6,127,837
Accumulated losses		**(188,011,130)**	(185,493,030)
Total equity		**733,382**	6,333,687

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR HALF-YEAR ENDED 31 DECEMBER 2014

	Note	Attributable to the owners of Nyota Minerals Limited			
		Contributed equity $	**Accumulated losses $**	**Reserves $**	**Total equity $**
Balance 1 July 2014		185,698,880	(185,493,030)	6,127,837	6,333,687
Loss for the half year		-	(2,518,100)	-	(2,518,100)
Other comprehensive income for the half year		-	-	552,875	552,875
Total comprehensive loss for the half year		-	(2,518,100)	552,875	(1,965,225)
Transactions with equity holders in their capacity as equity holders:					
Employee share plan shares paid up		53,207	-	-	53,207
Capital reduction	2	(3,688,287)	-	-	(3,688,287)
		(3,635,080)	-	-	(3,635,080)
Balance at 31 December 2014		**182,063,800**	**(188,011,130)**	**6,680,712**	**733,382**
Balance at 1 July 2013		185,698,880	(176,021,175)	2,760,848	12,438,553
Changes in accounting policy		-	(13,771,968)	3,616,703	(10,155,265)
Restated balance at 1 July 2013*		185,698,880	(189,793,143)	6,377,551	2,283,288
Loss reported in the 2013 half year report		-	(3,064,225)	-	(3,064,225)
Changes in accounting policy		-	9,745,701	-	9,745,701
Restated profit for the half year*		-	6,681,476	-	6,681,476
Other comprehensive income reported in the 2013 half year report		-	-	(196,709)	(196,709)
Changes in accounting policy		-	-	380,194	380,194
Restated other comprehensive income for the period*		-	-	183,485	183,485
Restated total comprehensive profit for the half year*		-	6,681,476	183,485	6,864,961
Transactions with equity holders in their capacity as equity holders:					
Share based compensation		-	-	53,151	53,151
		-	-	53,151	53,151
Balance at 31 December 2013*		185,698,880	(183,111,667)	6,614,187	9,201,400

*** Restated**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR HALF-YEAR ENDED 31 DECEMBER 2014

	Half-year Ended 31 Dec 2014 $	Half-year Ended 31 Dec 2013 $ RESTATED
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees (inclusive of goods and services tax)	**(1,148,109)**	(2,601,150)
Interest received	**4,246**	4,671
Net cash flow used in operating activities	**(1,143,863)**	(2,596,479)
CASH FLOW FROM INVESTING ACTIVITES		
Payments for plant and equipment	**(3,792)**	-
Project generation payments	**(31,309)**	-
Sale of subsidiary, net of cash disposed and selling costs	**-**	2,137,829
Sale of associates	**1,305,224**	-
Net cash flow from investing activities	**1,270,123**	2,137,829
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flow from financing activities	**-**	-
Net increase/(decrease) in cash and cash equivalents	**126,260**	(458,650)
Cash and cash equivalents at the beginning of the half year	**511,717**	2,434,159
Effect of exchange rate changes on cash and cash equivalents	**70,678**	30,444
Cash and cash equivalents at the end of the half year	**708,655**	2,005,953

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 DECEMBER 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 31 December 2014 are general purpose financial statements prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2014 and any public announcements made by Nyota Minerals Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period unless otherwise stated.

Voluntary change in accounting policies - Exploration and evaluation expenditure

This condensed consolidated interim financial report has been prepared on the basis of a retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure. The new accounting policy was adopted on 1 January 2014 and was applied retrospectively.

The previous accounting policy was to capitalise exploration and evaluation expenditure as an asset when rights to tenure of the area of interest are current and provided further that one of the following conditions are met:

- such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
- exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

The new exploration and evaluation expenditure accounting policy is to expense exploration and evaluation expenditure in the period which it is incurred. Acquisition costs in relation to mining properties are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through the sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated acquisition costs in respect of that area are written off in the financial period. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences.

The impact of the change in accounting policy on the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position and Consolidated Statement of cashflows is shown below:

Consolidated Statement of Comprehensive Income

	31 December 2013 Previous policy $	Accounting policy changes $	31 December 2013 Restated $
Continuing operations			
Exploration and evaluation costs expensed	-	(156,949)	(156,949)
Discontinued operations			
Profit/(Loss) from discontinued operations	(2,122,517)	9,902,650	7,780,133
Profit/(Loss) for the period	(3,064,225)	9,745,701	6,681,476
Other comprehensive income	(196,709)	380,194	183,485
Total comprehensive profit/(loss) attributable to members of Nyota Minerals Ltd	(3,260,934)	10,125,895	6,864,961
	Cents per share	Cents per share	Cents per share
Basic /loss per share	(0.002)	(0.001)	(0.001)

Consolidated Statement of Financial Position

	31 December 2013 Previous policy $	Accounting policy changes $	31 December 2013 Restated $
Assets			
Exploration and evaluation asset	2,033,389	(33,389)	2,000,000
Reserves	2,617,310	3,996,877	6,614,187
Accumulated losses	(179,085,398)	(4,026,269)	(183,111,667)

Consolidated Statement of Cashflows

Payments to suppliers & employees (inclusive of GST)	(1,891,064)	(710,086)	(2,601,150)
Net cash flows used in operating activities	(1,886,393)	(710,086)	(2,596,479)
Sale of subsidiary, net of cash disposed and selling costs	2,129,745	8,084	2,137,829
Payments for exploration & evaluation of mining properties	(702,001)	702,001	-
Net cash flows from investing activities	1,427,744	710,085	2,137,829

Going Concern

The Directors have prepared cash projections showing the need to raise additional funds to finance the Group's proposed minimum exploration work programme and working capital requirements for the next twelve months.

The Group's ability to continue as a going concern while meeting its preferred minimum exploration work programme is dependent upon the Group being successful in completing a capital raising and/or asset sale and/or joint venture agreement in the next 12 months. The Directors have mitigated this risk by reducing the Group's corporate overheads and exploration expenditure on the Group's projects where possible.

However there can be no guarantee that sufficient funds can be raised or that the funds raised will meet the Group's requirements. Failure to raise the required funds will result in the Group failing to meet its proposed exploration work programme and working capital requirements.

As a result of these matters, there is a material uncertainty that may cast significant doubt on whether the Group will continue as a going concern and, therefore, whether it will realise its assets and settle its liabilities and commitments in the normal course of business and at the amounts stated in the financial report. However, the directors believe that the Group will be successful in the above matters and, accordingly, have prepared the financial report on a going concern basis. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern.

Significant Judgements and Estimates

In preparing this half year financial report the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report for the year ended 30 June 2014.

2. Available-for-sale assets

During the half year there was a significant decrease in the carrying value of available-for-sale assets held by the Group from $5,450,794 to $103,896. The main reasons for this reduction relate to the disposal of the Group's remaining 25% interest in the Tulu Kapi project (The initial December 2013 sale of the group's 75% interest in the Tulu Kapi project is referred to as a 'Discontinued Operation' in this report.) and the subsequent in-specie distribution of KEFI shares as follows::

Sale of Associate
In September 2014 the Company completed the sale of its 25% interest in Kefi Minerals Ethiopia ('KME') to KEFI Minerals Limited ('KEFI') for £750,000 in cash and 50 million KEFI shares. As at 30 June 2014 the Group had carried a book value of $2,615,654 for its 25% interest in KME. The difference between the book value and sales proceeds of this asset has been included in the calculation of net loss on sale of available-for-sale assets in the Statement of Comprehensive Income.

Capital Distribution
In September 2014 the Company completed a capital reduction by way of an in-specie distribution of Kefi Minerals Ltd (Kefi) shares to shareholders. All Nyota shareholders received 1 Kefi share for every 6 Nyota shares held at the distribution record date; a total of 144,823,917 KEFI shares were distributed. This transaction resulted in a reduction in share capital of $3,688,287.

The amount of $3,688,287 represented the fair market value of the in-specie distribution. The adjustment in the carrying value of the Kefi shares to market value as at the date of distribution has been included as a loss on sale of available-for-sale assets in the Statement of Comprehensive Income.

Further details of the Discontinued Operation can be found in Note 30 to the Financial Report of the 2014 Annual Report for the period ended 30 June 2014; available at www.nyotaminerals.com.

3. Exploration and evaluation expenditure

	Six months to 31 Dec 2014 $	Twelve months to 30 June 2014 $
Opening balance	**1,000,000**	5,054,284
Disposals	**-**	(3,054,284)
Impairment charge – Ethiopia	**(750,000)**	(1,000,000)
Closing balance	**250,000**	1,000,000

(a) Change of accounting policy

In the year ended 30 June 2014 the Company adopted a new accounting policy in relation to accounting for exploration and evaluation expenditure. Refer note 1 for the effect of this change on exploration and evaluation assets. The comparatives in this financial report have been restated to comply with the new accounting policy.

(b) Impairment charge - Ethiopia

After considering recent exploration results, the opportunity to develop the tenements and the likely fair value that could be achieved upon a sale the Board has formed the view that the value of the Group's exploration assets should be further impaired as at 31 December 2014 and have reduced the carrying value to $250,000.

4 Segment information

The Group has adopted AASB 8 *Operating Segments* which requires operating segments to be identified on the basis of internal reports about components of the Group that are reviewed by the chief operating decision-maker in order to allocate resources to the segment and to assess its performance.

The Board reviews internal reports prepared as consolidated financial statements and strategic decisions of the Group are determined upon analysis of these internal reports. During the period the Group operated predominately in one business and geographical segment, being the resources sector in Ethiopia. Accordingly under the management approach outlined only one operating sector has been identified and no further disclosures are required in the notes to the consolidated financial statements.

5. Equity securities issued

(a) Movements in equity securities during the half-year period were:

Date	Details	Number of shares	$
Half Year 2014			
Fully paid ordinary shares			
1/7/2014	Opening balance	869,424,127	185,698,880
17/9/2014	Employee share plan shares paid up	12,725,000	53,207
17/9/2014	Capital reduction (refer note 2)	-	(3,688,287)
31/12/2014	Balance	882,149,127	182,063,800
Employee Share plan shares issued with non-recourse employee loans			
1/7/2014	Opening balance	12,725,000	-
17/9/2014	Employee share plan shares paid up	(12,275,000)	-
31/12/2014	Balance	-	-
31/12/2014	**Total ordinary shares on issue**	**882,149,127**	**182,063,800**

(b) Options on issue

	Number of options 31 Dec 2014	Number of options 30 June 2014
Employee options exercisable at $0.35 on or before 31 December 2015	**1,600,000**	1,600,000
Employee options exercisable at GBP0.175 on or before 30 June 2015	**1,700,000**	1,700,000
Employee options exercisable at GBP0.20 on or before 30 June 2015	**1,800,000**	1,800,000
	5,100,000	5,100,000

6. Contingencies / commitments

(a) Contingent liabilities

In October 2010 Nyota appointed Rockbury Services Inc. to provide advice and services in connection with the debt financing of the Tulu Kapi gold project. This engagement was terminated in May 2013 on the basis that both Rockbury and the Nyota Board decided that it was not going to be possible to finance the project in the current market. The Rockbury engagement included a contingent termination fee of 3% of the debt funding package agreed, subject to a minimum of US$ 3 million, in the event that financing for the Tulu Kapi gold project is committed in the 24 months following termination. Having taken advice from legal counsel, and based on the Company's current work programme, the Board do not believe that a fee will become payable under this contract.

On 30 December 2013 Nyota completed the Sale of 75% of Kefi Minerals Ethiopia Ltd (KME). As part of this Sale the Company provided warranties to Kefi on the financial and commercial affairs of KME normal for this type of transaction and a specific indemnification against claims that arise directly or indirectly as a result of any action by the Company or any of its subsidiaries before the date of completion in connection with (i) the liquidation of Yubdo Platinum and Gold Development Plc, and (ii) the drilling contracts that gave rise to the VAT liability. These warranties expire on 30 June 2015 (30 December 2019 for tax warranties), unless a prior claim is made by Kefi.

During the previous financial year the Group leased offices which were either assigned to a third party or were in the name of KME. Nyota remains a guarantor to the landlord of its previous London office. As at 31 December 2014 this guarantee totalled £157,000 ($300,000) reducing to nil by August 2016.

Apart from the above the Group does not have any known contingent liabilities as at 31 December 2014 (30 June 2014: Nil).

6. Subsequent events

There are no matters or circumstances that have arisen since 31 December 2014 that may significantly affect operations, results or state of affairs of the group in future financial years except:

- In January 2015 the Company was informed that its application for an alluvial mining licence within its northern block tenements in Ethiopia had been unexpectedly rejected. A strategic review of the Company's activities and opportunities in Ethiopia is being undertaken as a result of this Ethiopian government decision.
- On 19 February 2015 the Company issued 37.5 million shares as the first instalment issue to acquire a 70% interest in KEC Exploration Pty Ltd (KEC). KEC holds exploration tenements in Northern Italy that are considered prospective for nickel, gold and platinum group metals; and
- A further 37.5 million shares as the final instalment share issue to complete the acquisition of a 70% interest in KEC Exploration Pty Ltd (KEC) will be issued upon the grant of a second licence to KEC. This share issue is expected to occur within the next few weeks.

7. Fair value measurement

The available-for-sale assets are recognised at fair value and have been classified as level 1 financial assets being based on quoted prices in active markets. There were no transfers between levels during the half-year.

The Directors consider the carrying value of the financial assets and liabilities recognised in the consolidated financial statements approximate their fair values.

NYOTA MINERALS LIMITED

DIRECTORS' DECLARATION

In the directors' opinion:

a) the financial statements and notes set out on pages 8 to 17 are in accordance with the *Corporations Act 2001*, including:

   (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   (ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2014 and of its performance for the half year ended on that date; and

b) there are reasonable grounds to believe that Nyota Minerals Limited will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.

R Chase
Chief Executive Officer

Dated at Perth, this 16th day of March 2015.

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Nyota Minerals Limited

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Nyota Minerals Limited ("the company") which comprises the consolidated statement of financial position as at 31 December 2014, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory notes and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2014 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Nyota Minerals Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the half-year ended on that date; and

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1 in the half-year report, which indicates that the ability of the Group to continue as a going concern is principally dependent upon the successful completion of a capital raising and/or joint venture agreement. Should the Group be unsuccessful with these initiatives, there is a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the half-year financial report.

HLB Mann Judd
Chartered Accountants

W M Clark
Partner

Perth, Western Australia
16 March 2015

NYOTA MINERALS LIMITED
AND ITS CONTROLLED ENTITIES

CORPORATE DIRECTORY

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COMPANY SECRETARY	M Langoulant
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INDEPENDENT AUDITOR	HLB Mann Judd Level 4, 130 Stirling Street Perth WA 6000 Australia
LAWYERS TO THE COMPANY	Australia: Hardy Bowen Level 1, 28 Ord Street Perth WA 6005
SHARE REGISTRY	Australia: Computershare Investor Services Pty Ltd Reserve Bank Building Level 2 45 St George's Terrace Perth WA 6000 United Kingdom: Computershare Investor Services Pty Ltd The Pavillions Bridgewater Road Bristol BS13 8AE United Kingdom
ASX CODE	Shares: NYO
AIM CODE	Shares: NYO