



11 June 2014

**Nyota Minerals Limited
(‘Nyota’ or ‘the Company’)**

SALE OF REMAINING 25% INTEREST IN TULU KAPI

Nyota Minerals Limited (ASX/AIM: NYO), the gold exploration company in East Africa, announces that it has entered into a conditional agreement with KEFI Minerals plc ("KEFI") for the sale of Nyota's remaining 25% direct interest in the Tulu Kapi Gold Project in Ethiopia ("Tulu Kapi") for an aggregate consideration of £1.5 million comprising £750,000 in cash and 50 million new ordinary shares in KEFI (the "Sale").

Details of the Sale

Nyota's direct 25% interest in Tula Kapi is held through its 25% shareholding in KEFI Minerals (Ethiopia) Ltd ("KEFI Ethiopia"), which is the owner of 100% of Tulu Kapi and the proximal exploration licences. The Sale values KEFI Ethiopia at £6 million, the same value as in December 2013, when Nyota sold 75% of KEFI Ethiopia (then named Nyota Minerals (Ethiopia) Limited) for £4.5 million. The fair value of the 25% retained interest, as set out in the Company's most recent interim accounts, was \$2.0 million, or £1.25 million.

Completion of the Sale is conditional upon, inter alia, Nyota obtaining the approval of its shareholders for the Sale and to distribute, in specie, to Nyota shareholders its entire shareholding in KEFI (the "KEFI Distribution"). Following the KEFI Distribution, Nyota's shareholding in KEFI will be zero; hence the Sale will leave Nyota with no interest, either direct or indirect, in the Tulu Kapi project and the Proximal Licences. The Company's remaining exploration asset will be the 100% owned licences known as the Northern Blocks.

Rationale for the Sale

Nyota has previously announced that, with KEFI having completed a new mineral resource estimation in March, it was now required to contribute to the funding of KEFI Ethiopia pro-rata to its shareholding, or suffer dilution of its shareholding. A new budget was approved by KEFI Ethiopia in mid-April and the first cash call, with respect to the period from 12 March to 30 June 2014, was due on 2 May 2014. Nyota's 25% share of this cash call is £325,492; which it is currently unable to fund. Further dilution would follow if Nyota did not fund subsequent quarterly cash calls.

Financing options available to Nyota are insufficient to fund 25% of KEFI Ethiopia, the evaluation of the Northern Blocks and the Company's working capital requirements. Further, the funding offers that have been considered are highly dilutive to existing shareholders and / or potentially detrimental to the value of Nyota's shareholding in KEFI. Therefore, in light of the difficulties in raising finance in the current equity markets the Board believes a decision to sell the remaining 25% interest in Tula Kapi, so removing any requirement to fund the on-going costs of Tulu Kapi, is in the Company's best interests.

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Nyota shareholders will have the opportunity, should they so choose and subject to the KEFI Distribution being approved, to maintain an interest in Tula Kapi via their shareholding in KEFI, which will arise from the KEFI Distribution.

The Sale cash consideration will be used by Nyota to focus on the further evaluation of the Northern Block Licences, including the potential for near term cash flow from mechanised alluvial mining, and on other opportunities in Ethiopia and elsewhere that the Company has identified.

The proposed KEFI Distribution

Nyota currently holds 102,481,158 shares in KEFI. Receipt of the 50 million KEFI shares as part of the consideration for the Sale will increase Nyota's interest in KEFI to 152,481,158 shares (the "Distribution Shares"), representing approximately 14.6% of KEFI's expected issued share capital upon completion of the Sale; with an aggregate market value at 1.5p (being the price of the KEFI Placing (refer below)) of approximately £2.29 million.

On completion of the Sale, the Distribution Shares will be distributed pro rata to Nyota shareholders. The number of KEFI shares that individual Nyota shareholders would receive is approximately equal to the number of KEFI shares that Nyota owns multiplied by the percentage holding of a Nyota shareholder, subject to rounding down of fractions of a share entitlement. At the date of this announcement Nyota has 882,149,117 million shares on issue.

Shareholder Approval and Expected Timing of Completion

The proposed KEFI Distribution requires, in accordance with the Corporations Act of Australia and ASIC guidelines, the approval of Nyota's shareholders at a general meeting. In addition, the Sale constitutes a disposal under Rule 15 of the AIM Rules for Companies and hence also requires the approval of Nyota's shareholders.

A circular will shortly be sent to Nyota shareholders in accordance with AIM Rule 15, save that this circular will not contain the notice of meeting convening the required general meeting.

The notice of meeting, together with a short form prospectus (which is required to satisfy Australian regulatory requirements in respect of the KEFI Distribution), is expected to be sent to Nyota shareholders in 4-6 weeks; with completion of the Sale expected to occur towards the end of August 2014.

KEFI Placing

KEFI has today announced that it has conditionally raised £2 million (before expenses) through a placing of 133,333,333 new ordinary shares (the "Placing Shares") in the capital of KEFI, at 1.5 pence per share (the "Placing Price"). The KEFI Placing is not conditional on completion of the Sale.

KEFI states that the proceeds of the KEFI Placing, plus KEFI's existing cash resources will be sufficient to:

- fund the cash component of the Sale;

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- fund the revision of the Tulu Kapi Feasibility Study in accordance with KEFI's development plan; and
- assemble the project finance syndicate and terms, and to reactivate the application for the Mining Licence ("MLA") at Tulu Kapi towards the end of 2014.

Further details of the KEFI Placing are contained in the announcement released today by KEFI (www.kefi-minerals.com)

Further announcements will be made as and when appropriate.

****ENDS****

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