

For immediate release

17 February 2017

Nyota Minerals Limited
(“Nyota” or the “Company”)
Notice of Extraordinary Meeting

Nyota Minerals Limited (ASX/AIM: NYO) has today published a notice of Extraordinary General Meeting (**Meeting**) to be held at 5:30pm (Sydney time) on 21 March 2017 at the Offices of Norton Rose Fulbright, Level 18, Grosvenor Place, 225 George Street, Sydney NSW 2000, Australia (**Notice**).

As announced on 3 January 2017, the Company has entered into a conditional agreement to sell the Company’s 70% interest in KEC Exploration Pty Limited ACN 127 180 410 (**KEC**) (**KEC Shareholding**) to Christopher Reindler (**Purchaser**), a minority shareholder in and director of KEC (**KEC Agreement**).

Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders. In addition, AIM Rule 15 provides that where a disposal results in a fundamental change of business, it must be conditional on obtaining the consent of shareholders at a general meeting.

At this time, the KEC Shareholding is the Company’s only asset and accordingly is the Company’s main undertaking for the purposes of the Listing Rules and the AIM Rules. The Resolution seeks Shareholder approval under Listing Rule 11.2 and AIM Rule 15 for the Disposal on the terms and conditions set out in the KEC Agreement.

The Notice is available from the Company’s website at www.nyotaminerals.com and the Explanatory Statement has been reproduced below without material change or amendment.

Enquiries:

For further information please visit www.nyotaminerals.com or contact:

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EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolution to be proposed at the Meeting.

1. RESOLUTION – DISPOSAL OF MAIN UNDERTAKING

1.1 General

As announced on 3 January 2017, the Company has entered into a conditional agreement to sell the Company’s 70% interest in KEC Exploration Pty Limited ACN 127 180 410 (**KEC**) (**KEC Shareholding**) to Christopher Reindler (**Purchaser**), a minority shareholder in and director of KEC (**KEC Agreement**). The KEC Agreement is conditional on the Company obtaining the approval of Shareholders, being the purpose of the Resolution.

The Resolution seeks the approval of Shareholders for the disposal of the Company’s main undertaking on the terms set out in the KEC Agreement (**Disposal**). A summary of the material terms of the KEC Agreement is set out in Section 1.3 below.

1.2 Listing Rule 11.2 and AIM Rule 15

Listing Rule 11.2 provides that where a company proposes to make a significant change in the nature or scale of its activities which involves the disposal of its main undertaking, it must first obtain the approval of its shareholders. In addition, AIM Rule 15 provides that where a disposal results in a fundamental change of business, it must be conditional on obtaining the consent of shareholders at a general meeting.

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1.3 Background to the Disposal

KEC controls the various tenements in Italy that comprise the Ivrea Nickel Project. As previously announced, the Ivrea Nickel Project is still at a very early stage and will require substantial capital investment to continue the exploration program and to develop the tenements. The capital required is not currently available to the Company.

As previously disclosed it is the Board's intention to take the Company in a strategically different direction which has led to the Company announcing that it is looking to acquire the operator of a technology platform, BigDish Ventures Limited (**BigDish**), via a reverse takeover transaction. As part of this strategic shift away from minerals, the Board had resolved not to contribute further cash to the expansion of the original tenements and to seek a buyer of the Company's interest, failing which it would consider relinquishing its interest in the licenses.

Other than its interests in the Ivrea Nickel Project licences, KEC has not traded and all exploration and administrative expenditure has been incurred by the Company.

1.4 Summary of the KEC Agreement

The KEC Agreement, dated 29 December 2016, provides for initial cash consideration of €20,000 payable by the Purchaser to the Company immediately following approval of the Disposal by Shareholders where such approval is obtained after 1 March 2017. The Purchaser has agreed that the Company has no further obligation to pay or incur any costs in relation to the tenements other than the following payments: (1) a contribution of €12,500 towards the KEC tenement licence renewal fee on execution of the KEC Agreement; and (2) a further contribution of €7,500 towards the Galerno Licence renewal fee.

The Company will retain a 3% Net Smelter Return (**NSR**) payable to the Company on future sales from the Ivrea Nickel Project. The NSR is calculated as 3% of the net revenue from the Ivrea Nickel Project calculated as the gross value of metal and non-metal products less transportation and refining costs. Additionally the KEC Agreement provides that the Purchaser may buy back the Company's right to the NSR for \$200,000 in the first two years and \$400,000 in the third and fourth years following execution of the KEC Agreement.

The Disposal will not have any impact on the capital structure of the Company.

1.5 Financial impact of the Disposal

As at 30 June 2016 (the date of the Company's last audited financial statements), the carrying value of KEC amounted to \$Nil, and expenditure on the Ivrea Nickel Project amounted to \$287,500, in the Company's accounts.

As noted above, the Company will receive cash consideration of €20,000 for the Disposal but will be required to contribute €7,500 towards the Galerno Licence renewal fee in addition to the €12,500 towards the KEC tenement licence renewal fee that the Company has already paid on execution of the KEC Agreement. Consequently the Disposal will have a neutral effect on the Company's immediate financial position.

The Company will share in any upside from development and commercialisation of the Ivrea Nickel Project through the NSR. However, there is no guarantee that the Ivrea Nickel Project will be commercialised by its owners following the Disposal. The Company may also receive further proceeds should the Purchaser choose to buy back the Company's right to the NSR in the first four years following the date of the KEC Agreement. Any proceeds from the NSR or from the buy back of the Company's right to the NSR will be used to provide additional working capital for the Company. Given the highly contingent

and speculative nature of any payment being received by the Company through the NSR, or as a result of the Purchaser's buy back right, the Directors recommend that Shareholders do not place any significance on the Company receiving these payments in considering how to vote on the Resolution.

1.6 Advantages and disadvantages of the Disposal

The Board considers the following to be some of the advantages of the Disposal:

- i. on completion of the Disposal the Company will have no further obligation to pay for or incur any costs in relation to the tenements (other than as described above);
- ii. in the absence of any funding for KEC there are no available funds to support KEC under the Company's continuing ownership to continue trading any further;
- iii. the Board has been unable to secure any alternative offers for KEC;
- iv. the NSR provides the Company with the potential (but no guarantee) to receive further consideration should the Ivrea Nickel Project develop to production;
- v. the Board does not believe that there is any immediate prospect of a material improvement in market conditions in the junior early stage nickel exploration sector or investor sentiment; and
- vi. the Disposal enables the Company to make a clean break from the Ivrea Nickel Project and enables the Board to focus on new projects, including the proposed BigDish acquisition (see section 1.12 below for further details).

The Board considers the following to be some of the disadvantages of the Disposal:

- i. the Disposal will be the sale of the Company's last existing mineral exploration asset;
- ii. on completion of the Disposal the Company will have no assets other than its cash reserves and will have no assets capable of generating revenue, either now or in the future; and
- iii. while the Company is focussed on new projects, including the proposed BigDish acquisition, such projects are likely to be highly conditional and there is no guarantee that any alternative projects that are being pursued will successfully complete.

1.7 Timetable

The only condition to completion of the Disposal is the Company obtaining shareholder approval in accordance with the terms of the Resolution. If Shareholders approve the Disposal at the Meeting it is expected that the Disposal will be completed within two weeks following the passing of the Resolution.

1.8 No changes to the Board

There will be no change to the composition of the Board as a result of the Disposal.

1.9 Consequences of the Disposal and the current suspension

If Shareholders approve the Resolution the effect of the Disposal will be that, on completion of the Disposal, the Company will cease to own, control or conduct all, or substantially all, of its existing trading business, activities or assets and would therefore become an AIM Rule 15 cash shell (**Rule 15 Cash Shell**). Pursuant to the AIM Rules, a Rule 15 Cash Shell must make an acquisition or acquisitions which constitute a Reverse Takeover under AIM Rule 14 (including seeking re-admission as an Investing Company (as defined under the AIM Rules)) within six months, failing which AIM will suspend trading in the Rule 15 Cash Shell's ordinary shares pursuant to AIM Rule 40 (**Rule 15 Deadline**). If the Rule 15 Cash Shell fails to make an acquisition or acquisitions that constitute a reverse takeover under AIM Rule 14 (including seeking re-admission as an Investing Company (as defined under the AIM Rules)) within a further six months of the Rule 15 Deadline, the Rule 15 Cash Shell's ordinary shares will be cancelled from trading on AIM.

Similarly, under the Listing Rules if an entity is not able to make an announcement of its intention to acquire a new business within six months of completing the disposal of its main undertaking under Listing Rule 11.2, ASX will generally exercise its discretion under the Listing Rules to suspend quotation of the

ordinary securities of the entity at the end of that six month period. Suspension will continue until the entity makes an announcement acceptable to ASX about its future activities.

Shareholders should note however that the Company has already announced (on 15 November 2016) that pursuant to a letter of intent, the Company and BigDish are working towards an agreement whereby the Company would acquire 100% of BigDish subject, *inter alia*, to a number of material conditions. As the possible acquisition of BigDish would, should it proceed, be a Reverse Takeover under the AIM Rules and a back-door listing for the purposes of the ASX Listing Rules, trading in the Company's shares on ASX and AIM has already been suspended from 15 November 2016. Under AIM Rule 41, the London Stock Exchange will cancel the admission of a Company's shares from trading on AIM where these shares have been suspended from trading for six months (**Rule 41 Deadline**).

Accordingly, the Company must by 15 May 2017 (being the Rule 41 Deadline) satisfy the re-admission requirements of ASX and as applicable AIM (including re-compliance with Chapters 1 and 2 of the Listing Rules and the publication of an AIM Admission Document) or otherwise confirm that the acquisition is not proceeding, failing which the Shares will otherwise be cancelled from trading on AIM.

If the Company announces before the Rule 41 Deadline that it is not proceeding with the BigDish acquisition, subject to further consultation with ASX and AIM, the Shares may recommence trading on AIM and ASX. In such circumstances, the Company would then be subject to the Rule 15 Deadline which, for these purposes would be six months from the date of the Disposal.

1.10 Consequences of the Disposal not proceeding

If Shareholders do not approve the Disposal then the Company will remain liable for future costs and licence renewal fees with respect to the Ivrea Nickel Project. The Company considers that it has insufficient working capital to cover these future costs. While the Company is able to make a request to its current lender to drawdown the remaining balance of its £200,000 loan this in itself will not be sufficient to cover the future costs that will be incurred in connection with the Ivrea Nickel Project, as well as the ongoing costs of the Company. In this circumstance, the Company will need to undertake a further capital raising in order to meet its obligations. There is no guarantee that any further capital raising would be successful which would lead to the Company being in default of its obligations under the Ivrea Nickel Project licence arrangements and could potentially lead to the relinquishment of the licences for nil consideration and, subject to any valid alternative transactions, to the winding up of KEC as soon as possible.

1.11 Related party matters

As the Purchaser, Christopher Reindler, is a director of KEC he is a related party and the proposed Disposal is a related party transaction for the purposes of Rule 13 of the AIM Rules. As previously announced, the Directors, having consulted with the Company's nominated adviser, consider that the Disposal is fair and reasonable insofar as Shareholders are concerned. In reaching this conclusion the Directors have taken into account the factors outlined above in section 1.6 (Advantages and disadvantages of the Disposal).

1.12 Future intentions of the Company

As stated above, on 15 November 2016, the Company announced the potential acquisition of BigDish which would amount to a reverse takeover under the AIM Rules and a back-door listing under the Listing Rules. The potential acquisition is subject to a number of material conditions, including completion of due diligence by both parties, documentation, funding and compliance with all regulatory requirements, including the AIM Rules, Listing Rules and Shareholder approval.

The Company is in the process of working through the various regulatory hurdles and preparing the documentation necessary for Shareholders to consider, and if thought fit, approve, the acquisition of BigDish, but it is not guaranteed that the transaction will proceed.

If the Company completes the acquisition of BigDish by 15 May 2017 and the Shares are re-admitted to quotation on ASX and trading on AIM, the requirements of the AIM Rules and Listing Rules as outlined in section 1.9 should be satisfied. However, if the acquisition of BigDish does not complete by 15 May 2017, the quotation of the Shares on ASX will remain suspended. In addition, unless the Company otherwise confirms that the acquisition is not proceeding, trading in the Shares on AIM will also remain suspended and the Shares may be cancelled from trading in accordance with the AIM Rules and Listing Rules as outlined in section 1.9.

1.13 Board recommendation

The Board unanimously recommends that Shareholders vote in favour of the Resolution.

GLOSSARY

\$ means Australian dollars.

AIM means a market of that name operated by the London Stock Exchange.

AIM Rules means the listing rules for AIM.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

Board means the current board of directors of the Company.

Chair means the chair of the Meeting.

Company means Nyota Minerals Limited (ACN 060 938 552).

Corporations Act means the *Corporations Act 2001* (Cth).

CREST means the Certificateless Registry for Electronic Share Transfer which is the central securities depository for markets in the United Kingdom.

Depository Interest means a unit of beneficial ownership of a Share.

DI Holder means a registered holder of a Depository Interest .

Directors means the current directors of the Company.

Disposal means the sale of the Company's main undertaking on the terms set out in the KEC Agreement.

Explanatory Statement means the explanatory statement accompanying the Notice of Meeting.

Form of Instruction means the form of instruction accompanying this Notice of Meeting provided to holders of Depository Interests.

Galerno Licence means the exploration licence covering a portion of the Ivrea gabbroic complex.

GMT means Greenwich Mean Time as observed in London, England.

Ivrea Nickel Project means the nickel-copper mining project located in the Piemonte region of northwest Italy.

KEC means KEC Exploration Pty Limited (ACN 127 180 410).

KEC Agreement means the conditional agreement between the Company and the Purchaser for sale of the Main Asset.

Listing Rules means the Listing Rules of ASX.

Meeting means the extraordinary general meeting of the Company convened by the Notice of Meeting.

Notice of Meeting means this notice of meeting including the Explanatory Statement, Proxy Form and Form of Instruction.

NSR means Net Smelter Return.

Proxy Form means the proxy form accompanying the Notice of Meeting provided to holders of Shares.

Purchaser means Christopher Reindler.

Resolution means the resolution set out in the Notice of Meeting.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share and / or a Depositary Interest.

ENDS