



29 July 2011

Nyota Minerals Limited ("Nyota" or the "Company")

Tulu Kapi Resource and Feasibility Update

Highlights

- **New JORC-compliant Mineral Resource for Tulu Kapi of 15.96 million tonnes @ 2.84g/t gold containing 1,460,000 ounces of gold**
 - **resource estimated by independent consultant Wardell Armstrong International ("WAI");**
- **The diluted resource, taking account of potential mining selectivity, is 1.25 million ounces of gold ("Moz") at an average grade of 1.98g/t;**
- **The significant and positive changes in the resource warrant an updated mine plan;**
- **Drilling planned on areas within or marginal to the proposed pit profile where additional ounces are most likely to be achieved**
- **The Company had cash of A\$25.6 million at 30 June 2011 and is therefore well funded for the additional drilling and definitive feasibility studies at the Tulu Kapi project.**

Resource Estimate

Nyota Minerals (ASX/AIM: NYO), the gold exploration and development Company in East Africa, is pleased to announce a resource update for its Tulu Kapi Project in Ethiopia. The new resource is derived from a revised geological model that includes all the drill holes for which gold analyses had been received on or before the 3 June 2011. Drilling completed since 3 June, 2011 will form part of a subsequent resource estimate update.

Richard Chase, Chief Executive Officer commented, "I am pleased to announce an updated JORC resource at our Tulu Kapi Project in Ethiopia. We are particularly pleased with the increase in average grade of the main Tulu Kapi orebody to an In-Situ value of 2.84g/t Au and a diluted grade of marginally below 2g/t. This has an important bearing on Project economics and allows the Company to evaluate a number of mine development options.

Whilst the mine plan is being reviewed, we will continue to drill out Tulu Kapi with a view to adding additional ounces of gold for a further a resource update in Q1 2012."

New Model

The new model and subsequent resource estimate was undertaken by Wardell Armstrong International (“WAI”) in consultation with Martyn Churchouse, Nyota’s Technical Director, and Nyota’s team of geologists working at Tulu Kapi. The resource estimation was undertaken using Ordinary Kriging interpolation.

As the cut-off date for the last resource estimate was 28 January 2011 (announced on 3 March 2011) and there have been up to 5 drill rigs working at Tulu Kapi throughout the intervening period, significant additional information has been generated and included in this revised Resource Estimate.

In particular, the improved drillhole density has allowed for further refinement of the geological model and the delineation of multiple discrete lensoid shaped ore zones within the overall broad albitised lode system that makes up the Tulu Kapi deposit.

Tulu Kapi Resource Estimate - In-Situ Model (WAI, June 2011) (in accordance with the guidelines of the JORC Code (2004))					
Model		In-Situ			
Ore Type		Saprolite	Fresh	Total	
Cut Off Grade (g/t)		0.4	0.5	0.4 / 0.5	
Indicated	Tonnage (kt)	277	4,394	4,671	
	Au (g/t)	2.42	3.08	3.04	
	Metal	kg	670	13,531	14,200
		k.oz	22	435	457
Inferred	Tonnage (kt)	811	10,481	11,291	
	Au (g/t)	2.02	2.82	2.76	
	Metal	kg	1,636	29,548	31,184
		k.oz	53	950	1,003
NB –					
1. Geological interpretation based on a minimum mineralised zone thickness of 1m.					
2. Mineral Resources are not reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study.					
3. Mineral Resources are reported inclusive of any reserves.					
4. Grade represents estimated contained metal in the ground and has not been adjusted for metallurgical recovery.					

Table 1: Tulu Kapi Resource Estimate - In-Situ Model (WAI, June 2011)(in accordance with the guidelines of the JORC Code (2004))

The decision to refine the model based on delineation of these lenses rather than a broad based model with gold mineralisation contained within albite alteration envelopes has been justified by the significant increase in the overall grade.

Additional modelling of the Mineral Resource has been carried out to reflect potential mining selectivity. The In-Situ model diluted to a mining selectivity comprising blocks of size 5m x 5m x 3m (length, width, height) is shown below.

The 30% reduction in grade is due to dilution that results from imposing a geometric mine plan on the lensoid geometry of the mineralisation. The Company is working with its consultants to review various grade control and selective mining methods to be adopted in a mining scenario that would be expected to improve the recoverable grade further. The Company is also seeking to establish what further drilling and geological data is required to upgrade the majority of the resource to the Measured and Indicated Resource categories. This work will form part of the Definitive Feasibility Study that will commence in September.

Tulu Kapi Resource Estimate - 3m Bench Model (WAI, June 2011) (in accordance with the guidelines of the JORC Code (2004))					
Model		3m Bench Dilution			
Ore Type		Saprolite	Fresh	Total	
Cut Off Grade (g/t)		0.4	0.5	0.4 / 0.5	
Indicated	Tonnage (kt)	449	5,612	6,062	
	Au (g/t)	1.40	2.13	2.08	
	Metal	kg	627	11,959	12,586
		k.oz	20	384	405
Inferred	Tonnage (kt)	1,283	12,342	13,625	
	Au (g/t)	1.22	2.00	1.93	
	Metal	kg	1,562	24,720	26,283
		k.oz	50	795	845
NB – 1. Dilution has been applied to the in-situ resource to represent a mining selectivity of 5m x 5m x 3m. 2. Mineral Resources are not reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study. 3. Mineral Resources are reported inclusive of any reserves. 4. Grade represents estimated contained metal in the ground and has not been adjusted for metallurgical recovery.					

Table 2: Tulu Kapi Resource Estimate - 3m Bench Dilution Model (WAI, June 2011)(in accordance with the guidelines of the JORC Code (2004))

Comparable Resource

The new JORC resource is not directly comparable with the NI 43-101 compliant Mineral Resource Statement announced on 3 March 2011 as part of the Preliminary Economic Assessment (1.2Moz @ 1.15g/t) as the latter comprises the Mineral Resource that falls within a hypothetical open pit whose dimensions are limited by economic and technical criteria to maximise value.

Shareholders should therefore note that using the same parameters the component of the new resource that falls within the hypothetical open pit is 1.0Moz @ 1.76g/t gold. This comparable figure has not been optimised and is provided for guidance only.

The new grade is 66% higher than the previous comparable recoverable grade of 1.14g/t gold announced on 3 March 2011. Although the largest factor in this improvement is the new geological model, the cut-off grade (which is the economic cut-off defined by the economic parameters applied) is also marginally different at 0.34g/t gold for the whole ore body versus the previous model of 0.24g/t gold for saprolite and 0.37g/t gold for fresh rock.

The total recovered ounces of gold have declined from 1.2Moz to 1.0Moz. This is mainly attributed to the exclusion of 102,000 ounces of the higher grade feeder zone that were included in the Preliminary Economic Assessment as being mineable from underground and to the fact that the comparable number has not been optimised.

In the new situation, the Feeder Zone and Northern Extension are included in the overall In-Situ Resource estimate but are excluded from the “mineable” component by the economic parameters used to define the limits of the hypothetical open pit. No new underground mine plan has been drawn-up but considerations for the extraction of approximately 300,000 ounces of gold from the higher grade Feeder Zone and Northern Extensions are set out below in “Development Plan & Modelling”.

Development Plan & Modelling

The Directors believe that the notable increase in grade at Tula Kapi and the exclusion of the higher grade Feeder Zone and Northern Extension from the mineable open pit resource are sufficient to warrant a review of the current proposed mine development plan for Tulu Kapi.

The current Development Plan envisages the excavation of a decline from surface to access the high-grade Feeder Zone running at an average In-Situ grade of 5.63g/t Au. The Development Plan model is being re-run by WAI to look at a variety of development options that include the following:

- Open pit mining of the bulk of the resource with a short decline to access the Feeder Zone from the pit floor towards the end of mine life;
- Open pit mining of the bulk of the resource with a short decline from surface to access the high-grade Northern Extension mineralisation, to provide a high-grade supplement during the early years of open pit mining, as well as a short decline from the pit floor to access the Feeder Zone.

The various options are being considered firstly to test their capacity to effect a reduction in capital cost by limiting decline development requirements to access the Feeder Zone and secondly, to assess the scope for an extension of mine life resulting from a rescheduling of the mining of the Feeder Zone to permit blending of high-grade Feeder Zone ore with low-grade mineralisation below the 0.50g/t Au cut-off which would have been stockpiled in previous years.

In addition, the discovery of the Northern Extension mineralisation that sits outside of the current pit profile provides the option for a new but much shorter decline to a depth of only 170m only to provide high-grade feed to the plant during the first four to five years to supplement open pit gold production. The Northern Extension remains open to both the west and south and step-out and infill drilling is on-going to upgrade this resource and allow it to be brought into the mining and development plan.

Further Resource Potential

The new geological model has identified a number of areas within the current orebody and proximal to the main Tulu Kapi deposit where there is an obvious need for further drilling and where the possibility exists to add gold ounces.

These areas can broadly be split into 4 categories, namely, infill and step-out drilling within the current pit profile, expansion of underground potential based around the high-grade Feeder Zone mineralisation, targets immediately adjacent to the current pit but outside of the profile and finally, priority targets within a 500m radius of Tulu Kapi.

The bulk of this drilling is scheduled for completion during Q3 & Q4, 2011 and a further resource update is provisionally scheduled for January 2012.

Future resource estimates will be made in accordance with the internationally recognised JORC code, which is also a requirement of the Australian Stock Exchange.

Competent Persons

The Resource Statement is the responsibility of Principal Geologist Che Osmond BSc MSc MCSM CGeol FGS. Che Osmond is a full-time employee of Wardell Armstrong International, an independent Consultancy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Che Osmond consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

Glossary of Technical Terms

"albite alteration"	the chemical alteration of a rock, caused by hydrothermal fluids. Commonly occurs in Propylitic alteration that results in epidote–chlorite–albite alteration, often with hematite and magnetite facies.
"cut-off"	the lowest grade value that is included in a resource statement. It must comply with JORC requirement 19: "reasonable prospects for eventual economic extraction" the lowest grade, or quality, of mineralised material that qualifies as economically mineable and available in a given deposit. It may be defined on the basis of economic evaluation, or on physical or chemical attributes that define an acceptable product specification
"g/t"	grammes per tonne; equivalent to parts per million ('ppm')
"Inferred Resource"	that part of a Mineral Resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. It is inferred from geological evidence and assumed but not verified geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability

"Indicated Resource"	that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a reasonable level of confidence. It is based on exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are too widely or inappropriately spaced to confirm geological and/or grade continuity but are spaced closely enough for continuity to be assumed
"In-situ"	when used as a prefix to "mineral resource" serves to emphasise that the resource estimate is of the mineralisation as it occurs "in-situ" and, other than the use of a cut-off grade, does not include any other economic considerations or factors for dilution caused by mining.
"JORC"	the Australasian Joint Ore Reserves Committee Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves, 2004 (the "JORC Code" or "the Code"). The Code sets out minimum standards, recommendations and guidelines for Public Reporting in Australasia of Exploration Results, Mineral Resources and Ore Reserves
"Kriging"	an interpolation method for assigning values from samples to ore blocks that minimizes the estimation error
"Measured Resource"	A measured Mineral Resource is that part of a Mineral Resource for which tonnage, densities, shape, physical characteristics, grade and mineral content can be estimated with a high level of confidence. It is based on detailed and reliable exploration, sampling and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes. The locations are spaced closely enough to confirm geological and grade continuity
"Mineral Resource"	a concentration or occurrence of material of intrinsic economic interest in or on the Earth's crust in such form, quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge. Mineral Resources are sub-divided, in order of increasing geological confidence, into Inferred, Indicated and Measured categories when reporting under JORC
"NI 43-101"	a mineral resource classification scheme used for the public disclosure in Canada of information relating to mineral properties. The National Instrument 43-101 is broadly comparable to the Joint Ore Reserves Committee Code (JORC Code) which regulates the publication of mineral exploration reports on the Australian Stock Exchange (ASX).
"oz"	troy ounce (= 31.1035 grammes)
"saprolite"	a weathered rock. Saprolites form in the lower zones of soil profiles and represent deep weathering of the bedrock
"t"	tonne (= 1 million grammes)

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