



24 October 2013

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

UPDATE ON HEADS OF TERMS

Nyota Minerals Limited (ASX/AIM), the gold exploration and development company in East Africa, provides an update further to the announcement made on 17 October 2013, regarding the heads of terms (“Heads”) that have been entered into with a potential new development partner (“Partner”) for the sale of a majority stake in Nyota Minerals (Ethiopia) Limited (“Sale”), the Company's subsidiary which holds the Tulu Kapi Gold Project in Ethiopia (“Tulu Kapi”) and proximal exploration licences in Ethiopia (the “Subsidiary”).

Readers should note that there is no guarantee either of the Sale being completed or as to the structure or timing of the Sale and hence that significant elements of the Sale (detailed below) may be subject to change. The Sale remains subject to a number of conditions precedent, including completion of due diligence by the Partner on the Company and its assets, which may not be satisfied. Whilst the Company’s shares are suspended on ASX, they continue to trade on AIM, as such, investors should not rely upon the following information in making an investment decision.

Counterparty to the Heads

The Partner, who has not been named at this stage for reasons of commercial confidence and to mitigate the risk of the Sale not proceeding by reason of them being named at this early stage, is a junior exploration and development company listed on a regulated stock market. The Partner will manage the work programme for the Tulu Kapi Gold Project; as submitted to the Ethiopian Ministry of Mines last week.

Structure of the Sale

The Heads envisages the Company selling 75% of the Subsidiary to the Partner, who will assume board and management control of that entity. The Company will maintain a 25% shareholding in the Subsidiary and will be required to contribute to the funding of the Subsidiary's exploration activities (in proportion to its pro rata shareholding), save that it will not start contributing to such funding until the Partner releases an updated Mineral Resource statement in respect to the Tuli Kapi Gold Project (which is expected to be issued within six months of the Sale completing).

Consideration for the Sale

Under the Heads, the Subsidiary has been valued at £6 million. Consideration for the 75% shareholding is expected to comprise £1 million in cash and the balance of £3.5 million in shares in the Partner at an agreed price. This valuation for the Subsidiary is a significant, but not the only, factor in the non-cash impairment charge envisaged in the announcement made on 30 September 2013.

Conditions for the Sale

The conditions precedent to the Sale include:

- Usual financial, accounting, taxation, legal and commercial due diligence investigations by the Partner into the Subsidiary;
- A fundraising by the Partner;
- Confirmation from the Ethiopian Ministry of Mines that the new work programme is acceptable and that the Tulu Kapi exploration licence is in good standing;
- Agreement with the Ethiopian Revenue and Customs Authority on amounts owing for VAT on foreign services in to Ethiopia, and
- Any necessary shareholder approvals being received.

Further announcements will be made in due course.

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