



21<sup>st</sup> January 2013

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

**Further High-grade Gold Mineralisation Intercepts, initial In-house Inferred Resource and Trading Update**

Nyota Minerals (ASX/AIM: NYO), the East African focussed gold exploration and development company, reports the final results of the Feeder Zone drilling programme commenced in September 2012 at its 100% owned flagship Tulu Kapi Gold Project in Ethiopia (‘Tulu Kapi’ or ‘the Project’) and provides a trading update.

**Feeder Zone Highlights**

- The Feeder Zone is situated beneath the planned open pit at Tulu Kapi and was not included in the Definitive Feasibility study (“DFS”) and the associated project economics announced in December 2012;
- Successful Feeder Zone drill programme demonstrates the potential for a significant high grade resource that would be developed via an underground mine;
- New high grade intersections in the Feeder Zone include: 15.04g/t Au over 9.45m, 10.55g/t Au over 13.96m, 5.34g/t Au over 12.25m and 5.24g/t Au over 26m;
- Initial in-house Inferred Resource estimate of 1.1 million tonnes at an average grade of 5.4g/t containing 188,000 ounces of gold;
- The Feeder Zone is open down-plunge in a north-northeast direction and crops-out in the proposed open pit in the “Southwest Extension”;
- Evaluation of the Feeder Zone will benefit from the feasibility studies undertaken during 2012, including metallurgical test work, geotechnical and hydrogeological studies and detailed operating cost estimates;
- Technical and financial studies by independent consultants are expected to commence shortly:
  - Conceptual studies will provisionally consider an underground mine delivering between 150,000 tonnes and 350,000 tonnes of the 2 million tonnes of ore to be treated annually as envisaged in the Definitive Feasibility Study
  - At 5 g/t this would lift annual gold production by between approximately 15,000oz and 45,000oz per annum.
- Drill holes targeting the Feeder Zone intercepted additional mineralisation within the main ore body, providing strong potential for further Resource ounces – peak drill intercepts include 55.12g/t Au over 1.25m, 20.70g/t Au over 3.10m, 19.45g/t Au over 2.0m, 9.50g/t Au over 5.55m, 5.78g/t Au over 5.0m and 4.26g/t Au over 8.92m.

## **Financial Position Highlights**

- Cash at bank (before adjusting for creditors) at 31 December 2012 was A\$3.0 million;
- Expenditure on the Feeder Zone drilling and delays to the issuance of a Large Scale Mining Licence mean that the Company faces a shortfall in working capital for the quarter ahead based on its prior budget;
- Significant cost cutting measures are being introduced immediately;
- Board is confident of securing interim financing.

Richard Chase, Nyota's Chief Executive Officer commented, "Our Feeder Zone drill programme has successfully demonstrated, in a matter of four months, the potential to add significant high grade ounces to the Tulu Kapi resource inventory and to enhance the DFS economics that were based solely on the initial open pit operation.

"Importantly, the geological model used to assist with the planning of drill holes continues to deliver positive results and based on this same model, we have an estimated minimum 300 metres of strike length to target with future drilling, which we predict will demonstrate the potential to expand the Feeder Zone resource to a size that will have a materially positive impact on the economics of the Project.

"With this in mind, it is disappointing to be having to make significant cuts in our prior budget, but we face a shortfall in working capital for the quarter ahead unless we do so. Discussions are at an advanced stage with a number of potential funding parties and we expect to be able to make a further announcement very shortly."

## **Trading Update**

During the quarter to 31 December 2012 the Company's cash utilisation was broadly in line with its estimate included in the Appendix 5B to the Quarterly Report for the three months ended 30 September 2012. However, since the quarter end the Company has received invoices in relation to DFS and exploration activities in 2012 which mean that, based on current budgets, the Company would report a working capital shortfall for the quarter to 31 March 2013 when it is in a position to release its next Quarterly Report and Appendix 5B, by the end of January 2013.

The Board has been, and continues to be, in discussion with various parties, including major shareholders, to secure interim funding to enable Nyota to complete its negotiation of the fiscal and legal terms for the issue of the Mining Licence; an update on which was published on 17 January following confirmation from the Ministry of Mines that the DFS documentation complies with all requisite regulations and supports the issue of a mining licence. The discussions currently underway cover both equity and debt instruments and the Board is confident of securing interim funding through one of these initiatives in the very near term.

In parallel with the fundraise activities, all drilling operations have been suspended and the Board is undertaking a review of the shape and size of the business required to continue the development of Tulu Kapi and to meet obligations in respect of Nyota's other exploration licences and to ensure that the cost structure is appropriate for the Company's needs.

The quarterly report is due on or before 31 January 2013 but in light of the financial position of the Company the Board will make a further update on the funding activities as soon as possible.

## Feeder Zone Drill Programme

The programme comprised 18 holes for a total of 7,866.9 metres (Table 1).

Where possible the top 200 metres of each hole (i.e. above the Feeder Zone) was drilled using a Reverse Circulation drill rig (pre-collars identified as 'TKRC') and the depth extension of each hole was completed with a diamond drill tail (identified as 'TKBH'). The Company allocated two drill rigs to the programme.

*Table 1: Drill data for Feeder Zone Programme*

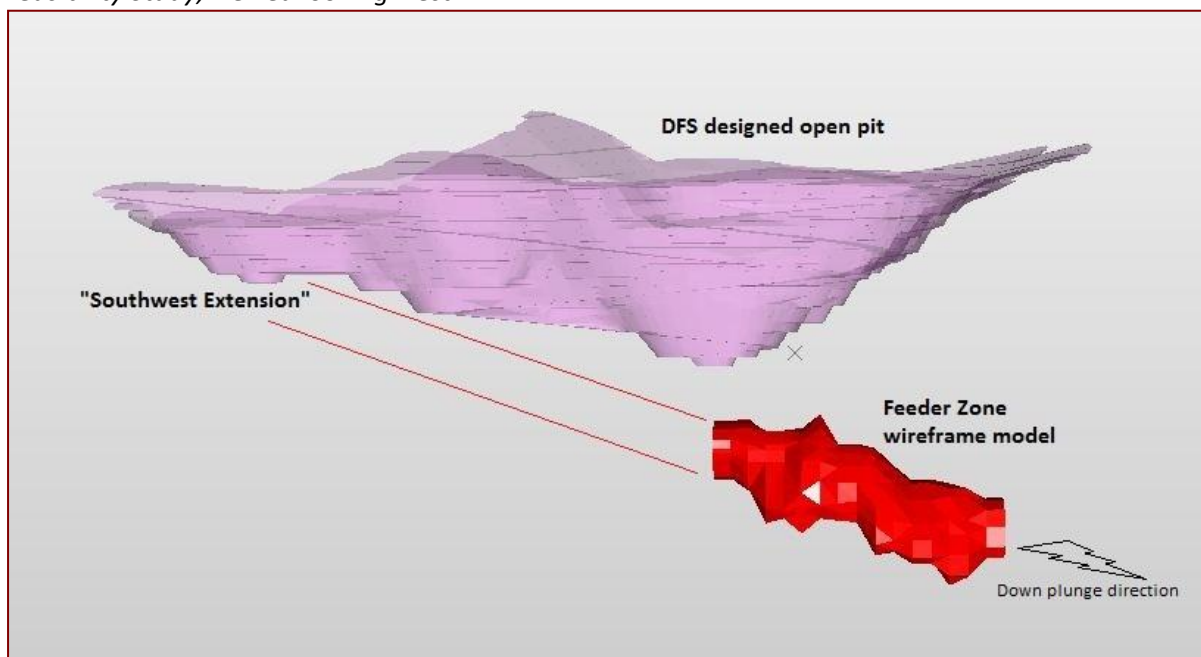
Diamond Tail	Pre-Collar	Total length (m)	Azimuth (Direction in degrees)	Dip (Degrees)	Date Reported
TKBH_280	TKRC_315	410.7	314	81	03-Dec-12
TKBH_281	TKRC_316	444.3	298	85	03-Dec-12
TKBH_282	TKRC_317	536.3	293	82	21-Jan -13
TKBH_283	TKRC_319	451.7	319	87	03-Dec-12
TKBH_284	TKRC_318	442.2	320	76	21-Jan-13
TKBH_285	TKRC_321	465.0	290	88	03-Dec-12
TKBH_286	TKRC_320	444.2	305	76	03-Dec-12
TKBH_287	TKRC_322	440.6	320	75	21-Jan-13
TKBH_288	TKRC_323	467.7	346	72	21-Jan-13
TKBH_289	TKRC_324	500.1	94	84	21-Jan-13
TKBH_290	TKRC_325	467.2	354	90	21-Jan-13
TKBH_291	TKRC_326	443.2	176	90	21-Jan-13
TKBH_292	TKRC_327	432.2	320	88	21-Jan-13
TKBH_293	TKRC_328	477.0	345	85	21-Jan-13
TKBH_293A	TKRC_328A	225.0	345	85	21-Jan-13
TKBH_294	TKRC_329	396.5	130	83	21-Jan-13
TKBH_295	TKRC_330	429.2	360	89	21-Jan-13
TKBH_296	TKRC_331	393.8	360	90	21-Jan-13

All samples generated have been prepared at the Company's sample preparation facility based at Tulu Kapi and managed by ALS Global before dispatch to an ALS laboratory for analysis.

Drilling was completed on the 16 December and all intercepts of the Feeder Zone have been sampled and the results returned. Results for some samples taken from higher-up in the drill holes are outstanding at this time; many of these samples will assist further with the understanding of the main Tulu Kapi deposit.

The Feeder Zone sits beneath the main body of gold mineralisation, which was the subject of the DFS. As opposed to the shallow westerly dip of the main orebody, the feeder zone appears to be a tube-like body that plunges shallowly (20 degrees) to the north-northeast ('NNE'). This is interpreted to be due to the intersection of structural planes and geological contacts. (Figure 1)

Figure 1 - Wireframe model of the Feeder Zone in relation to the open pit proposed in the Definitive Feasibility Study; viewed looking west.



Feeder Zone mineralisation is characterised by network textured sulphide veinlets surrounding a core of more massive sulphides within the same albitised syenite host rock as the main body. In addition to exceptionally high gold grades, the Feeder Zone is also characterised by elevated base metal contents and anomalous Ba, Cd, Se and Mo.

The extent of the Feeder Zone is not known down plunge (i.e. to the NNE), however similar mineralisation appears at the southwestern end of the proposed open pit (the previously identified 'Southwest Extension') and is interpreted to be the up-plunge surface expression of the Feeder Zone. Mineralisation intersected by drill holes located between the Feeder Zone wireframe model and the Southwest extension will be reviewed for evidence of the Feeder Zone.

The depth extent of mineralisation is limited by the intrusive contact between the host syenite with footwall diorite.

Nyota's geology department maintains a geological and wireframe model using Datamine software to assist with targeting and assessment of the deep drill holes. To date the Feeder Zone wireframe extends for 350 metres down plunge and ranges from 80 to 85 metres wide and 80 to 120 metres thick.

A further drill programme has been designed to test a minimum 300m of strike length in the NNE (down plunge) direction.

### Latest Drill Results

The latest Feeder Zone assay intercepts continue to deliver both high grades and significant mineralised widths that combined show good continuity of mineralisation both down dip and along strike. Significant new drill intercepts include the following:

*Table 2: Significant New Feeder Zone Drill Intersections for Tulu Kapi Feeder Zone Programme*

<b>Borehole No</b>	<b>Depth From (m)</b>	<b>Depth To (m)</b>	<b>Mineralised Width (m)</b>	<b>Grade (g/t Au)</b>
TKBH- 287	351.80	364.05	12.25	5.34
	393.00	397.00	4.00	9.82
TKBH-288	377.00	379.00	2.00	11.68
TKBH-291	356.00	369.96	13.96	10.55
	373.00	378.00	5.00	7.60
	382.45	386.00	3.55	6.25
TKBH-292	375.00	384.00	9.00	5.82
TKBH-293	384.00	394.00	10.00	4.33
	435.55	445.00	9.45	15.04
TKBH-295	368.00	369.00	1.00	12.35
	388.00	390.00	2.00	3.97
	399.00	402.90	3.90	3.60
TKBH-296	342.00	344.00	2.00	19.45

Figure 2 shows a plan of the Tulu Kapi site with drill hole collars for those holes that targeted the Feeder Zone and Figure 3 illustrates the collar locations and peak assays for the new holes reported in the announcement.

Figure 2 – Plan illustration of drill holes targeting the Feeder Zone

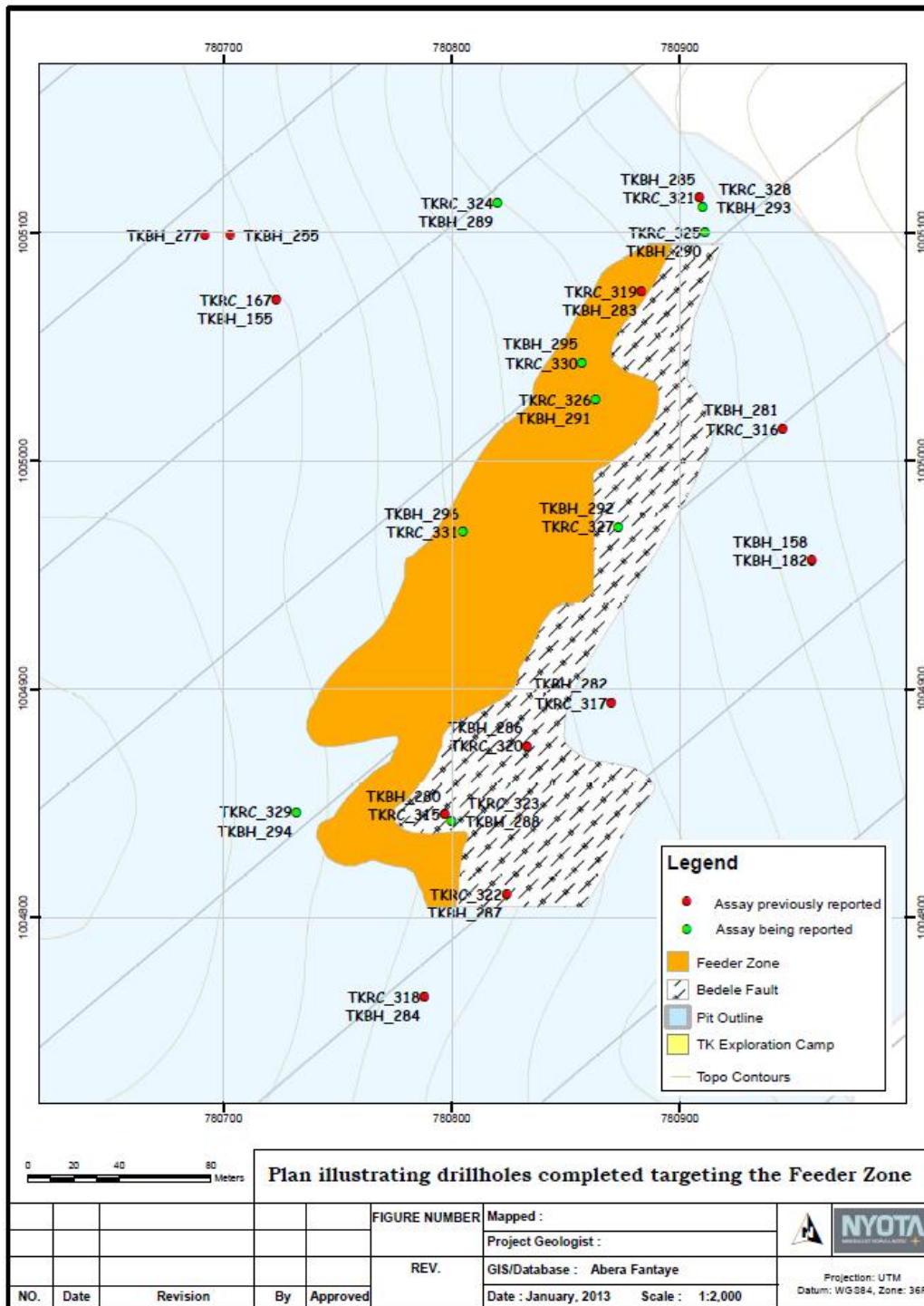
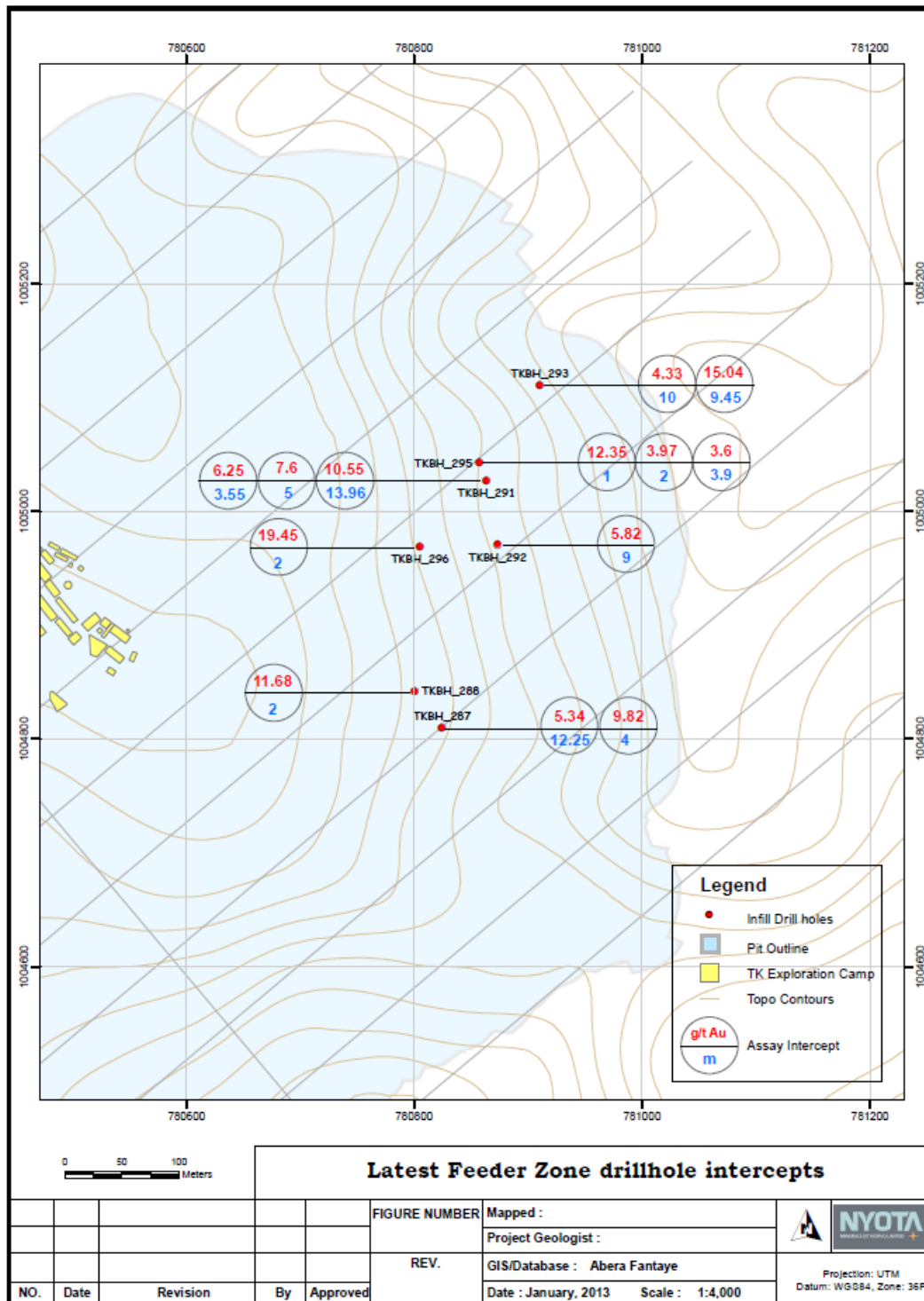


Figure 3: Plan illustrating location of drill hole collars and peak assays for holes reported in the announcement



### Feeder Zone Resource Estimation

Nyota's geology department undertakes block modelling and resource estimation of the Feeder Zone as a routine part of its exploration process using Datamine software.

As of the date of this announcement the in-house resource comprises 1.1 million tonnes at a grade of 5.4 g/t Au containing 188,000 ounces of gold. This comfortably exceeds the target set at the start of the programme of 150,000 ounces.

*Table 3: Feeder Zone Mineral Resource Estimate (Nyota, January, 2013)  
(Prepared in accordance with the guidelines of the JORC Code (2004))*

Model			In-Situ	
Ore Type		Saprolite	Fresh	Total
Cut Off Grade (g/t)		N/A	1.0	1.0
Inferred	Tonnage (kt)	N/A	1,087	1,087
	Au (g/t)	N/A	5.38	5.38
	Contained Metal			
		Kg	N/A	5839
		Koz	N/A	188
			188	188

Note:

1. Mineral Resources are not reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study
2. Mineral Resources are reported inclusive of any reserves.
3. Grade represents estimated contained metal in the ground and has not been adjusted for metallurgical recovery.
4. Nyota is operator and holds an interest 100% in the Tulu Kapi asset.

The model has been reviewed internally and the Competent Person (as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves) is of the opinion that the Feeder Zone resource demonstrates reasonable prospects for eventual economic extraction based on the findings also of the Definitive Feasibility Study for the Tulu Kapi project and in conjunction with the open pit mine considered by that study. Sufficient continuity can be demonstrated to warrant classification of the resource in the Inferred category.

The parameters used in the estimation are shown in Table 4 below.

*Table 4: Resource Estimation Input Parameters*

Input Parameter	Description
Grade interpolation method	Inverse Power Distance method
Grade Composite	Down the hole at 1.0 metre intervals
Cut-off Grade	No top <u>or</u> bottom cut is applied before compositing.  A lower cut-off grade of 1.0 g/t is applied for the resource calculation after grade interpolation; blocks of less than 1.0 g/t are not included in the 188k ounce resource.
Block size	5m x 5m x 2.5m (X,Y,Z)
Search ellipse dimensions	Horizontal ellipse. 20m x 20m x 3m
Density	2.7g/cm <sup>3</sup>



The Feeder Zone drill hole database comprises 21 drill holes intercepts in a wireframe measuring 350 metres down plunge, 80 to 85 metres wide and 80 to 120 metres thick.

The decision to introduce no top-cut to assays was taken on the basis that the Feeder Zone is characterised by exceptional “bonanza” grade mineralisation and insufficient data is currently available for statistical analysis of the bi-modal population.

### **Prefeasibility Study and Independent Resource Estimation**

Nyota intends to hand over all technical data and the in-house model to external consultants for an independent resource estimate to commence at the end of January, 2013. Thereafter, the Company expects to commission a Prefeasibility Study investigating the potential for an underground mining operation to complement open pit production envisaged in the recently completed Tulu Kapi Feasibility Study.

With the new interpretation of the feeder zone cropping-out in the open pit at the Southwest Extension, access for an underground mine is made considerably easier.

Provisionally the PFS will consider an underground mine delivering between 150,000 tonnes and 350,000 tonnes per annum out of the 2 million tonnes of ore to be treated annually as envisaged in the Definitive Feasibility Study. At 5 g/t this would lift annual gold production by between approximately 15,000oz and 45,000oz per annum.

Evaluation of the underground potential will benefit from the feasibility studies undertaken during 2012, including metallurgical test work, geotechnical and hydrogeological studies and detailed operating cost estimates.

### **Additional Drill Results for the main Tulu Kapi deposit**

All drill holes are routinely logged for geological information and sampled. Additional significant drill intersections in respect of the main Tulu Kapi deposit have therefore been received from the Feeder Zone drill programme.

Tulu Kapi hill rises to approximately 1,765m above mean sea level, with its base at approximately 1,650m. The planned open pit at Tulu Kapi will encompass the hill and extend approximately 200m further down, having its floor at approximately 1,450m above mean sea level.

The drill programme being reported targeted the Feeder Zone at around 1,400m to 1,235m above sea level.

The intersections reported in Table 5 are in the main deposit, above the Feeder Zone, but typically either in the lower half of the proposed open pit or beneath it

Table 5: Significant New Drill Intersections Made Outside of the Feeder Zone Whilst Drilling the Feeder Zone

Borehole No	Depth From (m)	Depth To (m)	Mineralised Width (m)	Grade (g/t Au)
TKBH-291	242.90	246.00	3.10	20.70
	341.00	346.55	5.55	9.50
TKBH-292	337.00	342.00	5.00	5.78
TKBH-294	114.00	122.92	8.92	4.26
	178.12	182.85	4.73	2.46
	199.75	201.00	1.25	55.12
	215.00	218.20	3.20	6.30
TKBH-295	323.50	324.70	1.20	22.14
TKBH-296	196.40	199.18	2.78	6.50
	212.32	213.00	0.68	10.98
	268.64	271.00	2.36	5.48
	282.00	286.00	4.00	5.16
	330.00	334.00	4.00	5.94

#### Information on assay data and drilling

##### *Sampling techniques and data*

Criteria	Explanation
<i>Sampling technique</i>	Sample collection was predetermined by the detailed geological logging of the oriented core. Mineralised zones were measured and treated as separate samples for assay such that a 30 centimetre run of mineralisation would be sampled as a single sample and likewise a run of 4 metres of mineralisation would be split into 4 one metre samples. The intent was to ensure as far as possible that samples collected for assay were representative.
<i>Drilling technique</i>	Where possible Reverse Circulation drilling was used for the top 200 metres of each drillhole with a switch over to diamond drilling for the balance of each drillhole. The drill rig was manned constantly by a suitably qualified geologist and assisted by samplers employed by the Company. Core was oriented using Reflex Act II control.
<i>Drill sample recovery</i>	The Company's drilling contractor operated to best practice and ensured that RC chip and core recovery were maximised. Every metre of core was recorded at the drill site and placed in suitably robust core boxes with depth markers placed in each core box. RC samples were weighed to check on the volumetric consistency of recovered sample and a representative small sample of RC chips was taken from each metre recovered, washed, logged and stored in RC chip trays at the drill site.
<i>Logging</i>	Logging was completed by geological staff and geo-technicians at the Company's core yard. To date Nyota Geotechnical staff has collected over 5 million data points during logging. Independent assessment of the quality and veracity of geotechnical data has noted the excellent quality of the data.
<i>Sample preparation</i>	Oriented core is cut in half using a specialist diamond core saw after initial geotechnical logging has taken place but before detailed geological logging or sampling. Samples selected for assay are further split into quarter core and placed in plastic sample bags with a dedicated sample

	number stapled to the sample bag and a duplicate placed inside the sealed bag. Samples are crushed and split and pulverised to generate a 200g representative sample for dispatch to ALS Perth for assay. The sample preparation facility is independently managed by a laboratory manager provided by ALS Johannesburg.
<i>Quality of assay data</i>	Sampling protocols and sample preparation procedures employed in the laboratory located at Tulu Kapi and operated by ALS Chemex have also been reviewed and found to be of an appropriate standard.
<i>Verification of sampling and assaying</i>	The Company inserts standards, blanks and duplicates in all its sample batches dispatched for assay and implements strict QA/QC procedures to monitor the assays attributable to these standards, blanks and duplicates.  In addition at regular intervals during the various stages of feasibility a suite of split samples normally equivalent to >10% of the total number of samples collected is collected and dispatched for assay to an independent laboratory other than that which has been used for day to day assay work,
<i>Location of data points</i>	Drillhole collars are surveyed using Ashtech Promaik 11 DGPS. Collar coordinates are cross referenced against a LIDAR survey that covers the entire project area and provides contour maps accurate to a few centimetres. Downhole surveys are conducted every 50 metres downhole using Reflex EZ-TRAC single shot tool.
<i>Data spacing and distribution</i>	The data spacing and distribution is considered sufficient to the degree of geological and grade continuity required to report an Inferred Resource.
<i>Orientation of data in relation to geological structure</i>	Drillholes have been sited such that drilling has tested the area of the eastern limit of the Tulu Kapi deposit at depth, below the base of the planned open pit and along the contact between the gold-bearing Tulu Kapi syenite and the Bedele Fault or sheared diorite footwall contact
<i>Sample security</i>	Samples remain the responsibility of ALS from the point of receipt at the sample preparation laboratory to the delivery of pulps at the Company's Addis Head Office. Air freight is arranged through DHL with the courier company taking responsibility for the samples until their handover at ALS Johannesburg laboratories at which point the samples again become the sole responsibility of the laboratory.
<i>Audit and review</i>	RC and DDH drilling follow standard protocols that have been validated and refined by a number of independent consultants who have visited the Tulu Kapi site and monitored drilling operations.

## **Estimation of grade and mineralised widths when reporting exploration results**

When reporting exploration results a cut-off of 1.00g/t Au for fresh rock is used. Any intercept of less than the respective cut-off was generally excluded from any grade and mineralised width estimate except where an individual sample of 1.0m or less occurred between samples returning grades higher than cut-off; in which case single samples of 1.0m or less that were below the cut-off would be included in a mineralised intersection.

## **Competent Person**

The technical exploration and mining information and the Mineral Resource estimation contained in this announcement has been reviewed and approved by Mr D Hage Pr.Sci.Nat, Chief Geologist for Nyota Minerals Limited. Mr Hage has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity to which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves and as a qualified person under the AIM Note for Mining, Oil and Gas Companies. Mr. Hage is an employee of Nyota Minerals Limited and is a Member of the South African Council for Natural Scientific Professions (SACNASP). Mr Hage consents to the inclusion in this announcement of such information in the form and context in which it appears.

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