

NYOTA MINERALS LIMITED

ACN 060 938 552

NOTICE OF ANNUAL GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Date of Meeting: Friday, 16 November 2012

Time of Meeting: 11.30am (WST)

Place of Meeting: Suite 2, 5 Ord Street, West Perth, Western
Australia

This Notice of Annual General Meeting and Explanatory Memorandum should be read in their entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

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IMPORTANT INFORMATION

TIME AND PLACE OF MEETING

Notice is hereby given of the Annual General Meeting of the Shareholders to which this Notice relates will be held at 11.30am (WST) on Friday, 16 November 2012 at Suite 2, 5 Ord Street, West Perth, Western Australia, 6005.

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING ELIGIBILITY

The Directors have determined pursuant to Regulation 7.11.37 of the *Corporations Regulations 2001 (Cth)* that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 7:00pm EST on Wednesday, 14 November 2012.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

New sections 250BB and 250BC of the Corporations Act came into effect on 1 August 2011 and apply to voting by proxy on or after that date. Shareholders and their proxies should be aware of these changes to the Corporations Act, as they will apply to this Annual General Meeting. Broadly, the changes mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Further details on these changes are set out below.

Proxy vote if appointment specifies way to vote

Section 250BB(1) of the Corporations Act provides that an appointment of a proxy may specify the way the proxy is to vote on a particular resolution and, **if it does**:

- the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way (i.e. as directed); and
- if the proxy has 2 or more appointments that specify different ways to vote on the resolution – the proxy must not vote on a show of hands; and
- if the proxy is the chair of the meeting at which the resolution is voted on – the proxy must vote on a poll, and must vote that way (i.e. as directed); and
- if the proxy is not the chair – the proxy need not vote on the poll, but if the proxy does so, the proxy must vote that way (i.e. as directed).

Transfer of non-chair proxy to chair in certain circumstances

Section 250BC of the Corporations Act provides that, if:

- an appointment of a proxy specifies the way the proxy is to vote on a particular resolution at a meeting of the Company's Shareholders; and
- the appointed proxy is not the chair of the meeting; and
- at the meeting, a poll is duly demanded on the resolution; and
- either of the following applies:
 - the proxy is not recorded as attending the meeting;
 - the proxy does not vote on the resolution,

the chair of the meeting is taken, before voting on the resolution closes, to have been appointed as the proxy for the purposes of voting on the resolution at the meeting.

BUSINESS OF THE MEETING

AGENDA

Financial Statements and Reports

To receive and consider the Annual Financial Report of the Company for the financial year ended 30 June 2012 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Report.

1. ***Adoption of Remuneration Report***

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purposes of section 250R(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Remuneration Report for the Company and its controlled entities for the period ended 30 June 2012 be adopted."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution if:

- (c) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
- (d) the vote is not cast on behalf of a person described in sub-paragraphs (a) or (b) above.

If the Chairman of the Meeting is appointed, or taken to be appointed by a Shareholder, as proxy, that Shareholder can direct the Chairman of the Meeting to vote for or against, or to abstain from voting on, Resolution 1 by marking the appropriate box opposite Resolution 1 on the Proxy Form. If the Chairman of the Meeting is a proxy and the relevant Shareholder does not mark any of the boxes opposite Resolution 1, the relevant Shareholder will be directing the Chairman to vote in favour of Resolution 1.

2. ***Re-election of Mr Norman Ling as a Director***

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Norman Ling, who was appointed as a director of the Company to fill a casual vacancy on 21 June 2012 retires in accordance with Article 6.3 of the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."

3. Re-election of Mr Neil MacLachlan as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr Neil MacLachlan, who was appointed as a director of the Company to fill a casual vacancy on 21 March 2012 retires in accordance with Article 6.3 of the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."

4. Re-election of Mr David Pettman as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Mr David Pettman, who retires by rotation in accordance with Article 6.3 of the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."

5. Re-election of Dr Evan Kirby as a Director

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That Dr Evan Kirby, who retires by rotation in accordance with Article 6.3 of the Company's constitution and being eligible, offers himself for re-election, be re-elected as a Director."

6. Ratification of Prior Issue – Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the allotment and issue of 21,727,650 Shares in the Company on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by International Finance Corporation (or its nominee) or any of its associates.

7. Approval of 10% Placement Facility

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

"That, pursuant to and in accordance with ASX Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and on the terms and conditions in the Explanatory Memorandum."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed.

However, the Company will not disregard a vote if:

- it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. ***Adoption of Proposed Constitution***

To consider, and if thought fit, to pass with or without amendment, the following resolution as a **special resolution**:

"That, in accordance with section 136(2) of the Corporations Act 2001 (Cth), the existing constitution of the Company be repealed in its entirety and the replacement constitution, in the form tabled at this meeting and signed by the Chairman of the meeting by way of identification, be approved and adopted as the constitution of the Company."

BY ORDER OF THE BOARD

Michael Langoulant
Company Secretary
DATED: 10 October 2012

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 11.30am (WST) on Friday 16 November 2012 at Suite 2, 5 Ord Street, West Perth, Western Australia.

This purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

The Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting. For the assistance of Shareholders, a glossary of defined terms is included at the end of the Explanatory Memorandum.

Annual financial statements and reports

The Corporations Act requires that the Annual Report (which includes the Annual Financial Report, Directors' Report and Auditors' Report) be laid before the Annual General Meeting.

There is no requirement for the Shareholders to approve the Annual Report. However, Shareholders will be given an opportunity to ask questions and make comments about the Annual Report or the Company generally but there will be no formal resolution submitted to the Meeting in respect of it.

PricewaterhouseCoopers as the auditor responsible for preparing the Auditor's Report for the year ended 30 June 2012 (or his representative), will attend the Meeting. The Chairman will also allow a reasonable opportunity for Shareholders to ask the auditor questions about:

- (a) the conduct of the audit;
- (b) the preparation and content of the Auditor's Report;
- (c) the accounting policies adopted by the Company in relation to the preparation of financial statements; and
- (d) the independence of the auditor in relation to the conduct of the audit.

To assist the Board and the auditor of the Company in responding to questions please submit any questions you may have by mail to **Suite 2, 5 Ord Street, West Perth WA 6005**, or by fax to **+61 8 9324 2977** so that it is received by no later than 5.00pm (WST) on Monday 12 November 2012.

In accordance with section 250PA of the Corporations Act, at the Meeting, the Company will distribute a list setting out the questions directed to the auditor received in writing by Shareholders, being questions which the auditor considers relevant to the content of the Auditor's Report or the conduct of the audit of the Annual Financial Report. The Chairman will allow reasonable opportunity to respond to the questions set out on this list.

1. Resolution 1 - Adoption of Remuneration Report

The Remuneration Report of the Company for the financial year ended 30 June 2012 is set out on pages 31 to 39 of the Company's 2012 Annual Report. It sets out a range of matters relating to the remuneration of the Company's Key Management Personnel (which includes Directors, executives and senior managers of the Company).

Pursuant to section 250R(2) of the Corporations Act, a resolution that the remuneration report be adopted must be put to vote at the Company's Annual General Meeting. The vote on this Resolution is advisory only and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Meeting.

In accordance with the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive Annual General Meetings, Shareholders will be required to vote at the second of those Annual General Meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's Directors (other than the Managing Director) must stand for re-election.

The Company encourages all eligible Shareholders to cast their votes on Resolution 1.

Board recommendation: The Board unanimously recommends that Shareholders vote in favour of Resolution 1.

Voting Exclusion statement:

The Company will disregard any votes cast on Resolution 1 by or on behalf of:

- a member of the Key Management Personnel (as disclosed in the Remuneration Report); or
- a closely related party (such as close family members and any controlled companies), unless the vote is cast by a person as proxy for a person entitled to vote in accordance with the directions on the proxy form,

unless the vote is cast by a person as a proxy for a person entitled to vote in accordance with the direction on the Voting Form.

If you appoint the Chairman of the Meeting as your proxy, and you do not provide a voting direction in respect of Resolution 1 on the proxy form, you will be deemed to have directed the Chairman of the meeting to vote in favour of this resolution.

Accordingly, if you appoint the Chairman of the Meeting as your proxy, and you wish to abstain or vote against Resolution 1 you should direct the Chairman to abstain or vote against Resolution 1 by marking either "Against" or "Abstain" for this item of business on the proxy form.

2. Resolutions 2 and 3 – Re-election of Directors

Mr Norman Ling was appointed as a Director to fill a casual vacancy on the Board on 21 June 2012 and Mr Neil MacLachlan was appointed as a Director to fill a casual vacancy on the Board on 21 March 2012. Pursuant to Article 6.3 (i) of the Company's Constitution, any Director so appointed holds office only until the next following general meeting and is then eligible for re-election. Being eligible, Mr Ling and Mr MacLachlan offer themselves for re-election by Shareholders in accordance with the Company's Constitution.

Mr MacLachlan (Chairman) - Biography

Mr Neil MacLachlan has extensive experience in both the City and the mining industry and was appointed in March 2012 to help further the development of Nyota. With three decades of investment banking experience gained in Europe, South East Asia and Australia, he has held senior positions, including with HSBC Investment Banking at Wardley Australia and James Capel & Co Ltd. Additionally, Neil was the Executive Vice President, Asia, for Barrick Gold Corporation and a director of Golden Prospect Plc. Most recently, he was a director of Extract Resources Ltd and Kalahari Minerals Plc ("Kalahari"), where he was part of the team that successfully negotiated and concluded the sale of Kalahari to Taurus Minerals, an indirect subsidiary of China Guandong Nuclear Power Corporation, in February 2012.

Mr Ling (Non-Executive Director) - Biography

Norman Ling has held a series of appointments at the UK Foreign and Commonwealth Office in a career spanning more than 30 years. Following this, Mr Ling was posted as British Ambassador to Ethiopia, Djibouti and the African Union during the period 2008 to 2011, when he retired from government service.

Further information regarding Mr Ling and Mr MacLachlan is set out in the Directors Report of the Annual Report.

To be successfully elected as a Director, a candidate must receive more votes cast "for" than "against".

Board recommendation: The Board (other than the relevant Director in relation to his own re-election) recommends the re-election of Mr Neil MacLachlan and Mr Norman Ling.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the re-election of Mr Neil MacLachlan and Mr Norman Ling.

3. Resolutions 4, and 5 – Re-election of Directors

Article 6.3(c) of the Constitution requires that if the Company has 3 or more Directors one third of the Directors (rounded down to the nearest whole number) must retire from office at each annual general meeting at the Company's annual general meeting in every year, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Company currently has 7 Directors and accordingly at least 2 must retire and offer themselves for re-election by Shareholders in accordance with the Company's Constitution.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 6.3 of the Company's Constitution is eligible for re-election.

All Directors standing for re-election will retire in accordance with the provisions of the Company's Constitution and, being eligible, offer themselves for re-election.

Mr Pettman (Deputy Chairman) – Biography

Mr Pettman was appointed to the Board in March 2010. Mr Pettman became a partner of UK stockbroker Williams de Broe in 1976 and worked on the institutional sales desk for 20 years. In 1996, he began to specialise in the mining sector and was responsible for advising on the successful flotation of Aquarius Platinum Limited, the Company, Sylvania Resources Limited and Churchill Mining Plc.

Dr Kirby (Non-Executive Director) – Biography

Dr Kirby was appointed to the Board in November 2002. A metallurgist with over 30 years' experience, he worked in South Africa for 17 years primarily for Impala Platinum, Rand Mines and Rustenburg Platinum Mines before moving to Australia in 1992. In Australia, Dr Kirby worked for Minproc Engineers and Bechtel before starting his own consulting business a decade later. With his broad experience, he has been involved in the development of a wide range of mining and minerals processing projects in Africa and Australia, as well as other parts of the world.

Further information regarding Mr Pettman and Dr Kirby is set out in the Directors Report of the Annual Report.

Board recommendation: The Board (other than the relevant Director in relation to his own re-election) recommends the re-election of Mr Pettman and Dr Kirby.

The Chairman of the Meeting intends to vote all undirected proxies in favour of the re-election of Mr Pettman and Dr Kirby.]

4. Resolution 6 – Ratification of Issue of Shares to International Finance Corporation

4.1 Background

On 21 June 2012, the Company signed a letter agreement with International Finance Corporation pursuant to which International Finance Corporation agreed to subscribe for 21,727,650 new Shares in the Company at a price of GBP 0.06 pence per Share. Following receipt of subscription monies of GBP 1.3 million from International Finance Corporation, the Company issued and allotted such Shares to International Finance Corporation on 12 July 2012.

4.2 ASX Listing Rules

ASX Listing Rule 7.1 requires that a listed company obtain shareholder approval prior to the issue of securities representing more than 15% of the issued capital of that company in any 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. This rule provides that where a company in general meeting ratifies the previous issue of securities made without approval under ASX Listing Rule 7.1, those securities shall be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

Shareholder ratification for the issue of these Shares is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company's capacity to issue up to 15% of its issued capital, if required, in the next 12 months without Shareholder approval.

Outlined below is the information required to be provided to Shareholders in accordance with ASX Listing Rule 7.5 for the purposes of obtaining shareholder approval pursuant to ASX Listing Rule 7.4 for the Shares issued to International Finance Corporation:

- (a) the total number of Shares issued was 21,727,656 Shares;
- (b) the Shares were issued at a price of GBP 0.06 pence per Share;
- (c) the allottee of the Shares was International Finance Corporation;
- (d) the Shares rank pari passu with the existing Shares on issue; and
- (e) funds raised by the issue of Shares will be applied to continue the development of the Tulu Kapi project and to progress exploration on the Company's other Ethiopian exploration properties.

Board recommendation: The Board unanimously recommends that Shareholders vote in favour of Resolution 6.

The Chairman of the Meeting intends to vote all undirected proxies in favour of Resolution 6.

5. Resolution 7 – Approval of 10% placement capacity

5.1 Background

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1 as described above in relation to Resolution 6.

An eligible entity for the purposes of ASX Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity.

The Company is now seeking Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to Section 5.2(c) below).

The Company may use the 10% Placement Facility to advance development of the Tulu Kapi project, to progress its suite of Ethiopian exploration assets, acquire new resource assets or investments and/or for general working capital.

The Directors of the Company believe that Resolution 7 is in the best interests of the Company and unanimously recommend that Shareholders vote in favour of this Resolution.

5.2 Description of ASX Listing Rule 7.1A

(a) Shareholder approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing quoted class of Equity Securities of the Company.

(c) Formula for calculating 10% Placement Facility

ASX Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of Shares on issue 12 months before the date of issue or agreement:

- a. plus the number of Shares issued in the 12 months under an exception in ASX Listing Rule 7.2;
- b. plus the number of partly paid Shares (that became fully paid in the 12 months);
- c. plus the number of Shares issued in the 12 months with approval of Shareholders under ASX Listing Rules 7.1 and 7.4. This does not include an issue of Shares under the entity's 15% placement capacity without shareholder approval;
- d. less the number of Shares cancelled in the 12 months.
- e. Note that A is has the same meaning in ASX Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of Shareholders under ASX Listing Rule 7.1 or 7.4.

(d) **ASX Listing Rules 7.1 and 7.1A**

The ability of an entity to issue Equity Securities under ASX Listing Rule 7.1A is in addition to the entity's 15% placement capacity under ASX Listing Rule 7.1.

At the date of this Notice (and assuming resolution 6 is passed at the Meeting), the Company has a capacity to issue:

- (i) subject to Shareholder approval for Resolution 6 being obtained, 95,420,000 Equity Securities under ASX Listing Rule 7.1; and
- (ii) subject to Shareholder approval for Resolution 6 being obtained, 66,080,000 Equity Securities under ASX Listing Rule 7.1A.

The actual number of Equity Securities that the Company will have capacity to issue under ASX Listing Rule 7.1A will be calculated at the date of issue of the Equity Securities in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (refer to paragraph 5.2(c) above).

(e) **Minimum Issue Price**

The issue price of Equity Securities issued under ASX Listing Rule 7.1A must be not less than 75% of the volume weighted average price (**VWAP**) of Equity Securities in the same class calculated over the 15 Trading Days immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (e)(i) above, the date on which the Equity Securities are issued.

(f) **10% Placement Period**

Shareholder approval of the 10% Placement Facility under ASX Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires on the earlier to occur of:

- (i) the date that is 12 months after the date of the annual general meeting at which the approval is obtained; or
- (ii) the date of the approval by Shareholders of a transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking), or such longer period if allowed by ASX (**10% Placement Period**).

5.3 ASX Listing Rule 7.1A

The effect of Resolution 7 will be to allow the Directors to issue the Equity Securities under ASX Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under ASX Listing Rule 7.1. Resolution 7 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

5.4 Specific information required by ASX Listing Rule 7.3A

Pursuant to and in accordance with ASX Listing Rule 7.3A, information is provided in relation to the approval of the 10% Placement Facility as follows:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 7 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table. There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities are issued as part of consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The below table shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in ASX Listing Rule 7.1A(2) as at the date of this Notice and assuming Resolution 6 of this meeting is approved.

The table also shows:

- (iii) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under ASX Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (iv) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in ASX Listing Rule 7.1A.2		Dilution		
		\$0.04 50% decrease in Issue Price	\$0.08 Issue Price	\$0.16 100% increase in Issue Price
Current Variable 'A' 660,800,913 Shares	10% voting dilution	66,080,000 Shares	66,080,000 Shares	66,080,000 Shares
	Funds raised	\$2,643,000	\$5,286,000	\$10,573,000
50% increase in current Variable 'A' 991,201,369 Shares	10% voting dilution	99,120,000 Shares	99,120,000 Shares	99,120,000 Shares
	Funds raised	\$3,965,000	\$7,930,000	\$15,859,000
100% increase in current Variable 'A' 1,321,601,826 Shares	10% voting dilution	132,160,000 Shares	132,160,000 Shares	132,160,000 Shares
	Funds raised	\$5,286,000	\$10,573,000	\$21,146,000

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
 - (ii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
 - (iii) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
 - (iv) The table shows only the effect of issues of Equity Securities under ASX Listing Rule 7.1A, not under the 15% placement capacity under ASX Listing Rule 7.1.
 - (v) The issue of Equity Securities under the 10% Placement Facility consists only of Shares.
 - (vi) The issue price is \$0.08, being the closing price of the Shares on ASX on 10 October 2012.
- (c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 7 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under ASX Listing Rule 11.1.2 (a significant change to the nature or scale of activities or ASX Listing Rule 11.2 (disposal of main undertaking)).

- (d) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of the new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by ASX Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to use the funds raised towards an acquisition of new assets or investments (including expense associated with such acquisition), continued exploration and feasibility study expenditure on the Company's current assets and/or general working capital.

The Company will comply with the disclosure obligations under ASX Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility. The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

- (e) The Company has not previously obtained Shareholder approval under ASX Listing Rule 7.1A.
- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

6. Resolution 8 - Adoption of Proposed Constitution

The Company may modify or repeal its Constitution or a provision of its Constitution by special resolution of Shareholders.

Shareholders are asked to adopt the Proposed Constitution (with effect from the date the Resolution 8 is passed) which is appropriate for a company listed on ASX and on the AIM market of the LSE.

There have been significant changes to the Corporations Act, the ASX Listing Rules and market practice since the time the Company's existing Constitution was adopted. Therefore, the Directors consider that it is preferable to replace the Company's Constitution in its entirety rather than put before Shareholders the significant number of amendments required.

The Proposed Constitution:

- (a) accords with the requirements of the Corporations Act and the ASX Listing Rules; and
- (b) contains provisions that would be appropriate for a Company admitted to trading on AIM.

This table identifies the key proposed amendments to the Company's existing Constitution. You should read this summary carefully because you are being asked to vote on these changes.

Existing Constitution	Proposed Amendments
Dividend Payments	
Clause 10 of the Constitution currently restricts the Company's ability to pay out dividends by enforcing the now superseded 'profits test' which restricts the Company to paying dividends out of the Company's profits only.	<p>Rule 16 of the Proposed Constitution reflects amendments to the Corporations Act and replaces the former profits test with a more flexible test under which the Company may pay a dividend if:</p> <ul style="list-style-type: none"> • the Company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend; • the payment of the dividend is fair and reasonable to the Company's Shareholders as a whole; and • the payment of the dividend does not materially prejudice the Company's ability to pay its creditors. <p>Further provisions have been inserted to provide the Company with the flexibility to permit dividends to be paid electronically and to expressly state when a dividend will be considered to be unclaimed and to clarify the treatment of unclaimed dividends.</p>

Retirement of Directors	
Clauses 6.3(c) and (d) of the Constitution require that the greater of one-third or one of the Directors must retire at each Annual General Meeting. This can operate inconsistently with the requirements of the ASX Listing Rules which simply require directors to retire every 3 years.	<p>Rule 4.7 of the Proposed Constitution adopts the ASX requirements as follows:</p> <ul style="list-style-type: none"> • each casual director will be eligible to stand for election by Shareholders at the AGM; • each Director required to retire under the 3 year rule must retire but is eligible to stand for re-election; and • where no Director is required to retire under the above rules, the 'longest serving director' rule will apply but is eligible to stand for re-election.
Electronic/Direct voting	
Clause 5 of the Constitution deals with proceedings of members but is silent on electronic/direct voting.	To take into account technological developments now and in the future and consistent with the Corporations Act and the Principles of the ASX Corporate Governance Council, rule 10.6 permits the Board to adopt procedures that allow direct or electronic voting, (that is, the ability for Shareholders to cast their votes directly without attending the meeting and without appointing a proxy or attorney).
Electronic lodgement of proxies and attorneys	
The Constitution does not provide for the electronic lodgement of proxies or electronic appointment of attorneys.	Rules 11.3 and 11.8 of the Proposed Constitution allow proxies and appointment of attorneys to be lodged in any way that complies with the Corporations Act (which includes electronic lodgement).
Preference share rights	
The Constitution does not provide the Company with the flexibility to issue preference shares in the future without prior shareholder approval.	The Proposed Constitution provides the Board with power to issue preference shares on the terms set out in Schedule 1 without further shareholder approval.
Sale of small holdings	
The Constitution does not provide the Company with the flexibility to sell small holdings or unmarketable parcels of Shares.	Schedule 5 of the Proposed Constitution provides a procedure whereby the Board may sell small holdings of Shares on behalf of the Shareholder.
Substantial shareholder provisions	

<p>The existing Constitution does not address the requirement imposed by the Company under the AIM Rules to notify the Company in relation to substantial shareholdings.</p>	<p>The Proposed Constitution will require Shareholders to notify the Company if (either directly or indirectly or through a direct or indirect holding of a Qualifying Financial Instrument) their shareholding in the Company increases over 3% or, in the event that it is already above 3%, it exceeds or falls by 1% up to 5% (at which point the Shareholder would be required to lodge a substantial shareholder notice under the Corporations Act).</p> <p>Where a Shareholder fails to comply with the notification obligations set out in the substantial holder provisions, the Shareholder will be liable for any loss or damage suffered by the Company. These requirements are intended to protect the Company against liability arising out of an intended breach of its notification obligations under the AIM Rules for Companies published by the LSE.</p>
<p>Proportional takeover provisions</p>	
<p>The existing Constitution does not contain proportional takeover provisions.</p>	<p>Rule 13.11 and Schedule 6 of the Proposed Constitution contains proportional takeover provisions that will have effect for three years from the date the Constitution is adopted.</p> <p>By adopting these proportional takeover protections, the registration of a transfer of Shares acquired under a proportional takeover offer for the Company will be prohibited unless and until this transfer is approved by the Shareholders in the manner set out in Schedule 6 of the Proposed Constitution. The proportional takeover approval provisions do not apply to a full takeover bid for Shares in the Company (Takeover Approval).</p> <p>If a Takeover Approval is obtained and a proportional takeover offer is subsequently made for Shares in the Company, the Directors will be required to seek additional shareholder approval by way of an ordinary resolution to register transfers under the subsequent proportional takeover bid. The Shareholder approval can be obtained either at a general meeting of Shareholders or by postal ballot, as determined by the Directors.</p>

	<p>Rule 13.11 and Schedule 6 of the Proposed Constitution will expire three years after the date of their adoption unless renewed again within that three year period.</p> <p>Advantages of the proportional takeover protections provisions may include:</p> <ul style="list-style-type: none"> • ensuring that Shareholders have an opportunity to review a proportional bid proposal and vote on the proportional takeover bid at a general meeting; • ensuring a potential bidder structures its offer in a way which is attractive to a majority of Shareholders, including appropriate pricing; and • increasing transparency by making the view of the majority of Shareholders known at the Takeover Approval meeting (which may help individual Shareholders decide how to respond to the offer). <p>Disadvantages of proportional takeover protection provisions may:</p> <ul style="list-style-type: none"> • include discouraging proportional takeover bids; and • be considered to constitute an unwarranted additional restriction of the ability of Shareholders to freely deal with their Shares.
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Other provisions

There are various other changes made by the Proposed Constitution. The above explanatory notes are a summary of the significant differences between the Constitution and Proposed Constitution and are not an exhaustive list. Shareholders are invited to contact the Company if they have any queries or concerns. For this purpose, Shareholders may obtain a copy of both the existing Constitution and the Proposed Constitution by contacting the Company at either its Perth office on +618 9324 2955 or its London office On +44 207 400 5740. Shareholders may collect a copy from either of the Company's offices, or request a copy to be sent to the Shareholder at no cost.

Alternatively, copies are available for inspection during normal business hours prior to the Annual General Meeting at the Company's registered office at Suite 2, 5 Ord Street, West Perth, Western Australia or at its London office at Suite 5, Sicilian House, 7 Sicilian Avenue, London, WC1A 2QH. A copy of the Proposed Constitution will be available for review by Shareholders at the Annual General Meeting.

GLOSSARY OF TERMS

The following terms and abbreviations used in this Notice of Meeting, Explanatory Memorandum and Proxy Form have the following meanings:

\$ means Australian dollars.

10% Placement Facility has the meaning given in paragraph 5.1 to the Explanatory Memorandum.

10% Placement Period has the meaning given in paragraph 5.2(f) to the Explanatory Memorandum.

AIM means the AIM Market of the LSE.

AIM Rules means the rules applicable to companies listed on the AIM or the LSE (as applicable).

Annual Financial Report means the Company's financial report contained in the Annual Report.

Annual General Meeting or **Meeting** means the annual general meeting of Shareholders to be held at Suite 2, 5 Ord Street, West Perth, Western Australia at 11.30am (WST) on Friday, 16 November 2012, or any adjournment thereof.

Annual Report means the Company's annual report for the year ending 30 June 2012.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules or **Listing Rules** means the listing rules of ASX and any other rules of ASX that are applicable while the company is admitted to the official list of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver given by ASX;

Auditor's Report means the independent auditor's report contained in the Annual Report.

Board means the board of Directors.

Chair or Chairman means the person appointed to chair the Meeting convened by this Notice.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;

- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the Company;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company and **Nyota** means Nyota Minerals Limited ACN 060 938 552.

Constitution means the Company's existing constitution.

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

Directors means the directors of the Company, from time to time.

Directors' Report means the director's report contained in the Annual Report.

EST means Eastern Standard Time in Sydney, New South Wales, Australia

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Memorandum means this explanatory memorandum.

Key Management Personnel means those persons named in the Annual Report as key management personnel of the Company in accordance with the Corporations Act.

LSE means London Stock Exchange Plc.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means the notice of the Meeting which accompanies the Explanatory Memorandum.

Proposed Constitution means the constitution of the Company to be adopted in place of the existing constitution of the Company pursuant to Resolution 8.

Proxy Form means the proxy form attached to the Notice.

Qualifying Financial Instrument means transferable securities and options, futures, swaps, forward rate agreements and any other derivative contracts provided that they result in an entitlement to acquire, on the holder's own initiative alone, under a formal agreement, shares to which voting rights are attached, already issued by the Company.

Remuneration Report means the remuneration report contained in the Annual Report.

Resolution means a resolution in the Notice of Meeting.

Section means a section of this Explanatory Memorandum.

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

Shareholders means registered holders of Shares.

Trading Days means a day determined by ASX to be a trading day in accordance with the ASX Listing Rules.

VWAP has the meaning given in paragraph 5.2(e) to the Explanatory Memorandum.

WST means Western Standard Time in Perth, Western Australia.

NYOTA MINERALS LIMITED
ACN 060 938 552

INSTRUCTIONS FOR COMPLETING “APPOINTMENT OF PROXY” FORM

1. **(Appointing a Proxy):** A Shareholder entitled to attend and cast a vote at a general meeting is entitled to appoint a proxy to attend and vote on their behalf at the meeting. If you wish to appoint the Chairman of the Meeting as your proxy, write 'chairman' in the space provided. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, you should instead write the full name of that individual or body corporate in the space provided. If you leave this section blank or your nominated proxy does not attend the meeting, the Chairman of the Meeting will be your proxy.
2. **(Appointing a Second Proxy):** If the Shareholder is entitled to cast 2 or more votes as the meeting, the Shareholder may appoint a second proxy to attend and vote on their behalf at the meeting. However, where both proxies attend the meeting, voting may only be exercised on a poll. The appointment of a second proxy must be done on a separate copy of the Proxy Form. A Shareholder who appoints 2 proxies may specify the proportion or number of votes each proxy is appointed to exercise. If a Shareholder appoints 2 proxies and the appointments do not specify the proportion or number of Shareholder's votes each proxy is appointed to exercise, each proxy may exercise one-half of the votes. Any fraction of votes resulting from the application of these principles will be disregarded. A duly appointed proxy need not be a Shareholder of the Company.
3. **(Director to Vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
4. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the Shareholder must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the Shareholder must sign.
 - **(Power of Attorney):** To sign under Power of Attorney, you must have already lodged the Power of Attorney with the Registry. If you have done so, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director how is also the sole company secretary, that person must sign. Where the company (pursuant to the Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign.
5. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Annual General Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for

that Shareholder is suspended while the Shareholder is present at the Annual General Meeting.

6. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- post to Nyota Minerals Limited, PO Box 368, West Perth WA 6872, marked for the attention of the Company Secretary; or
- facsimile +618 9324 2977, marked for the attention of the Company Secretary; or
- email to the Company at info@nyotaminerals.com,

so that it is received not less than 48 hours prior to the commencement of the Annual General Meeting. **Proxy Forms received later than this time will be invalid.**

PROXY FORM

APPOINTMENT OF PROXY
NYOTA MINERALS LIMITED
ACN 060 938 552

ANNUAL GENERAL MEETING

Nyota Minerals Limited, Suite 2, 5 Ord Street, West Perth WA 6005, Facsimile +61 8 9324 2977

I/We _____

of _____

being a shareholder/(s) of Nyota Minerals Limited (**Company**) and entitled to

_____ shares in the Company (**Shares**)

hereby appoint _____

of _____

or failing him/her the Chairman as my/our proxy to vote for me/us and on my/our behalf at the annual general meeting of the Company to be held at Suite 2, 5 Ord Street, West Perth, Western Australia at 11.30am (WST) on Friday, 16 November 2012 and at any adjournment thereof in respect of _____ of my/our Shares or, failing any number being specified, **ALL** of my/our Shares.

If two proxies are appointed, the proportion of voting rights this proxy is authorised to exercise is []%. (An additional proxy form will be supplied by the Company on request.)

If no indication is given as to how you want your proxy to vote on a Resolution, the proxy may abstain or vote at his or her discretion.

If the Chairman is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote as your proxy in respect of a Resolution, please place a mark in the box:

☐

By marking this box, you acknowledge that the Chairman may exercise your proxy even if he has an interest in the outcome of the Resolutions and votes cast by him other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and have not directed your proxy how to vote, the Chairman will not cast your votes on the Resolution and your votes will not be counted in calculating the required majority if a poll is called on the Resolution.

I/we direct my/our proxy to vote as indicated overleaf:

