



11 June 2012

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

### **DFS and Exploration Update**

Nyota Minerals (ASX/AIM: NYO), the gold exploration and development Company in East Africa, is pleased to provide shareholders with an update on exploration activity across all Ethiopian assets and progress in respect of the Definitive Feasibility Study ("DFS") for the Tulu Kapi Project.

### **HIGHLIGHTS**

#### **Tulu Kapi Project, Ethiopia**

- 14,650m infill drilling programme initiated with Wardell Armstrong International ("WAI"), aimed at converting a further 260,000 ounces of Inferred Resources to Indicated status by the end of Q4 2012;
  - This should result in significant upside to the DFS and confirm a mine life of at least 10 years
- Geological modelling of UNDP Target, adjacent to the main resource, demonstrates good continuity and highlights opportunity for further extensions to mineralisation and scope for an increase in the resource estimation before year end;

#### **Proximal & Satellite Targets**

- A 2.5km<sup>2</sup> gold-in-soil geochemical anomaly with coincidental rock chip samples of up to 7.2g/t and historical hard-rock mining has been identified close to Tulu Kapi;
- Positive results from the budgeted Guji Saprolite drill programme;

#### **Regional Exploration**

- First assay returns for the Bendokoro Prospect include 2.15g/t over 7m, which includes a peak of 11.65g/t at 153m-154m depth, corresponding to the visible gold observed during logging; and
- Airborne geophysical and regional soil geochemical sampling has identified additional targets to be followed up with trenching during Q3, 2012.

Richard Chase, Chief Executive Officer, commented *"Exploration has rapidly regained momentum now that drill rigs and technical personnel have become available following completion of the engineering and hydrogeological programmes undertaken as part of the DFS. Target prioritisation in and around Tulu Kapi is being driven firstly by resource expansion and upgrade and secondly by the need to ensure mining infrastructure does not impede future access to resources."*

*The current exploration programme is progressing well and we look forward to providing a first Reserve calculation in the coming weeks, once all the elements of the DFS are complete. It remains the case that the submission to the Ministry of Mines to complement our application for a mining license will take place at the end of June."*

## **Short-term Exploration Overview**

The DFS required the allocation of the bulk of the Company's drilling capacity and technical personnel during the first five months of 2012. This work is more or less at a successful end in terms of engineering and hydrogeological drilling commitments and rig capacity are being redirected to resource delineation and exploration; starting with the Tulu Kapi infill drilling aimed at converting Inferred Resources to Indicated Resources.

Emphasis will also remain on the drilling out of new resources derived from the multiple targets already broadly defined within a 20km radius of Tulu Kapi (Proximal & Satellite) with a short-term emphasis on those targets within a 5km radius of Tulu Kapi likely to influence the project's economics and potentially the location of infrastructure associated with the Tulu Kapi mine.

Interpretation of the recently completed satellite imagery covering the Northern Blocks is expected to reinforce the targets previously generated through airborne geophysics, soil geochemical survey, rock chip sampling and reconnaissance mapping and thereby provide better definition of targets leading to more reliable prioritisation for subsequent detailed exploration post the wet season.

## **Tulu Kapi**

### *Resource Infill Drilling*

The JORC-Compliant Mineral Resource announced in March 2012 comprises 0.83Moz of Indicated Resource and 0.84Moz of Inferred Resource. This Resource will form the basis of the DFS to be submitted to the Government of Ethiopia at the end of June in support of the Company's Mining Licence application.

However, as Inferred Resources cannot be converted to Mineable Reserves under the JORC code, Nyota has commissioned Wardell Armstrong International ("WAI") to produce an infill drilling programme designed to upgrade to "Indicated" the most significant areas of Inferred Mineral Resources to a depth of 200m and located within a conceptual open pit outline. This should result in significant upside to the DFS and confirm a mine life of at least 10 years.

This programme comprises 130 vertical drillholes for a total of 14,650m and is aimed at converting an estimated 260,000 ounces of gold to an Indicated Resource status before November 2012; ahead of project financing. The first 21 holes were completed in May and assays are awaited.

The Company will make a further resource estimate update once the entire programme has been completed.

### *UNDP Target*

The UNDP target is located north of and adjacent to the main Tulu Kapi resource. Mineralisation is contained in a NE-SW trending corridor dipping at 25-30 degrees to the northwest and similar in morphology to the shallow Tulu Kapi lodes.

An updated geological model demonstrates good continuity and provides the evidence necessary to warrant further drilling to test the strike extensions to the deposit and at the same time to complete infill drilling to upgrade the resource from an Inferred to an Indicated status.

This drilling is scheduled to commence after the main Tulu Kapi infill drilling and will also determine whether the UNDP deposit is exploited as a separate pit development or be incorporated into the Tulu Kapi open pit.

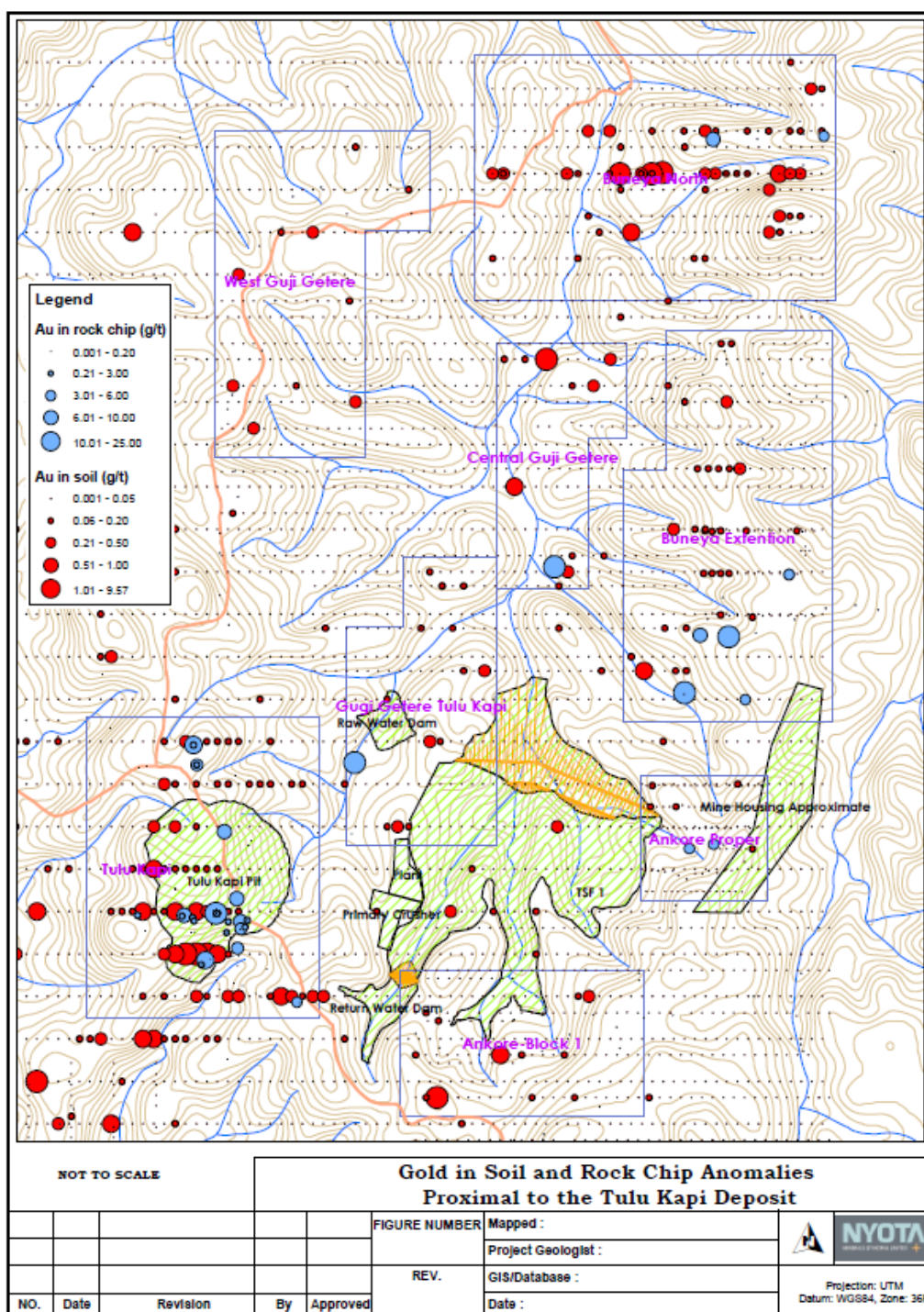
### **Proximal & Satellite Targets**

The tenor of targets within the immediate vicinity of Tulu Kapi and their significance as possible future ore sources has not fully been appreciated as there are a plethora of targets identified to date within a 20km radius of Tulu Kapi. Figure 1 shows both gold in soil and rock chip results for a much smaller 3km radius around the Tulu Kapi deposit. Seven targets are shown, several with anomalies comparable to that found historically over the main Tulu Kapi deposit.

The selection of targets for follow-up has been driven by the need to plan the final locations of key elements of infrastructure for the Tulu Kapi mine, including the processing plant, tailings storage facility and access roads. As a result, additional close-spaced gold in soil sampling has been completed and drilling undertaken where targets are located “under” preferred infrastructure sites (Gugi Getere Tulu Kapi; Ankore Block 1; Ankore Proper). One of these holes exhibits 10m of albitized syenite with pyrite and quartz veins that will be followed-up if the samples contain anomalous gold.

Thereafter the emphasis remains the completion of sufficient exploration and preliminary evaluation to demonstrate to shareholders that the Tulu Kapi, Bila Gulliso and Yubdo exploration licences have obvious potential to provide for an extension of mine life well beyond the 10 year initial programme planned for Tulu Kapi.

*Figure 1 – Gold in Soil and Rock Chip Anomalies Proximal to the Tulu Kapi Deposit*



### ***The Tulu Kapi Trend***

The Tulu Kapi trend comprises a chain of topographic highs formed by a series of granitoids (mainly sericitised syenite), many of which are anomalous in gold. In addition to the Tulu Kapi and UNDP resources, these targets include Kelley and Chalti.

### ***Kelley Syenite***

The recently discovered Kelley Syenite is, in many respects, a Tulu Kapi analogy. Albitite, containing abundant large pyrite cubes, is exposed within mafic-rich syenite. Numerous quartz veins, some sub-horizontal, dissect the albitite. A campaign of rock chip sampling and trenching is planned, with follow-up drilling if justified by results.

### Chalti Syenite

A geophysical survey and reappraisal of the available data, including drill core, was undertaken at the end of 2011 / start of 2012. This has been followed by detailed soil sampling over the weathered ground southeast of the main Chalti massif.

### ***The Ankore Trend***

The Ankore Trend is defined on the regional geophysical as a northwest trending series of magnetic highs and lows running parallel to the Tulu Kapi trend of granitoids.

### Buneya North and Extension

In-fill soil sampling has defined an anomaly of greater than 45ppb gold-in-soil covering an area of approximately 2.5km<sup>2</sup> (peaking at 9.3g/t gold in soil) underlain by diorite, granite and meta-sediment, subject to shear-type deformation and intense alteration.

Rock chip samples containing a peak of 7.2g/t gold plus anomalous zinc and copper were collected proximal to an inferred site of historical hard-rock mining over an area of 200 meters by 400 meters. Gold is associated with quartz veining and pyrite mineralization in sericitised and silicified sheared host rocks. Mechanical trenching and an initial drill programme are planned.

### ***The Guji-Komto Trend***

As reported in the quarterly report to 31 March 2012, the Guji gold-bearing saprolite is a small portion of a larger, 2.5km – 2.8km long linear geochemical anomaly, extending from Komto in the south to Guji in the north coincidental with a meta-sedimentary / meta-volcanic belt including mineralized ferruginous schists and limonitic quartz breccia. The gossan bodies are lenticular, typically 100m wide and several hundred meters long.

### Guji Saprolite

The budgeted Guji drill programme is complete, with 64 holes drilled for a total of 5,381m. Sample assays from nine of the 64 holes are pending. Drilling thus far covers only a 600m portion of the Guji gold-in-soil anomaly, with the anomaly open for 700m to the north, and 800m to the south. Further investigation and drilling is required to fully encompass the potential resource.

Peak gold intercepts have been encouraging and include figures provided in table 1.

*Table 1: Guji Saprolite Drill Programme – Peak Gold Intercepts*

<b>Borehole ID</b>	<b>Depth From (m)</b>	<b>Depth To (m)</b>	<b>Mineralised Width (m)</b>	<b>Grade (g/t Au)</b>
<b>GRC_005</b>	<b>22</b>	<b>23</b>	<b>1</b>	<b>2.87</b>
<b>GRC_006</b>	<b>22</b>	<b>25</b>	<b>3</b>	<b>0.52</b>
<b>GRC_006</b>	<b>28</b>	<b>30</b>	<b>2</b>	<b>0.78</b>
<b>GRC_008</b>	<b>11</b>	<b>12</b>	<b>1</b>	<b>6.21</b>
<b>GRC_010</b>	<b>0</b>	<b>12</b>	<b>12</b>	<b>0.50</b>
<b>GRC_012</b>	<b>4</b>	<b>27</b>	<b>23</b>	<b>0.75</b>
<b>GRC_014</b>	<b>4</b>	<b>9</b>	<b>5</b>	<b>0.57</b>
<b>GRC_024</b>	<b>32</b>	<b>43</b>	<b>11</b>	<b>1.28</b>
<b>GRC_026</b>	<b>33</b>	<b>41</b>	<b>8</b>	<b>1.27</b>
<b>GRC_028</b>	<b>36</b>	<b>39</b>	<b>3</b>	<b>0.94</b>
<b>GRC_031</b>	<b>29</b>	<b>39</b>	<b>10</b>	<b>2.26</b>
<b>GRC_032</b>	<b>46</b>	<b>55</b>	<b>9</b>	<b>1.86</b>

<b>GRC_038</b>	<b>24</b>	<b>33</b>	<b>9</b>	<b>1.00</b>
<b>GRC_049</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>1.27</b>
<b>GRC_049</b>	<b>13</b>	<b>34</b>	<b>21</b>	<b>0.91</b>
<b>GRC_052</b>	<b>10</b>	<b>15</b>	<b>5</b>	<b>1.76</b>
<b>GRC_052</b>	<b>21</b>	<b>25</b>	<b>4</b>	<b>0.63</b>
<b>GRC_052</b>	<b>30</b>	<b>43</b>	<b>13</b>	<b>0.62</b>

This initial drill programme was designed specifically to test the scope for the quick and low-cost development of additional easily accessible resources to feed into the future Tulu Kapi plant from mineralisation found in near-surface saprolitic mineralisation. The programme has concluded the following:

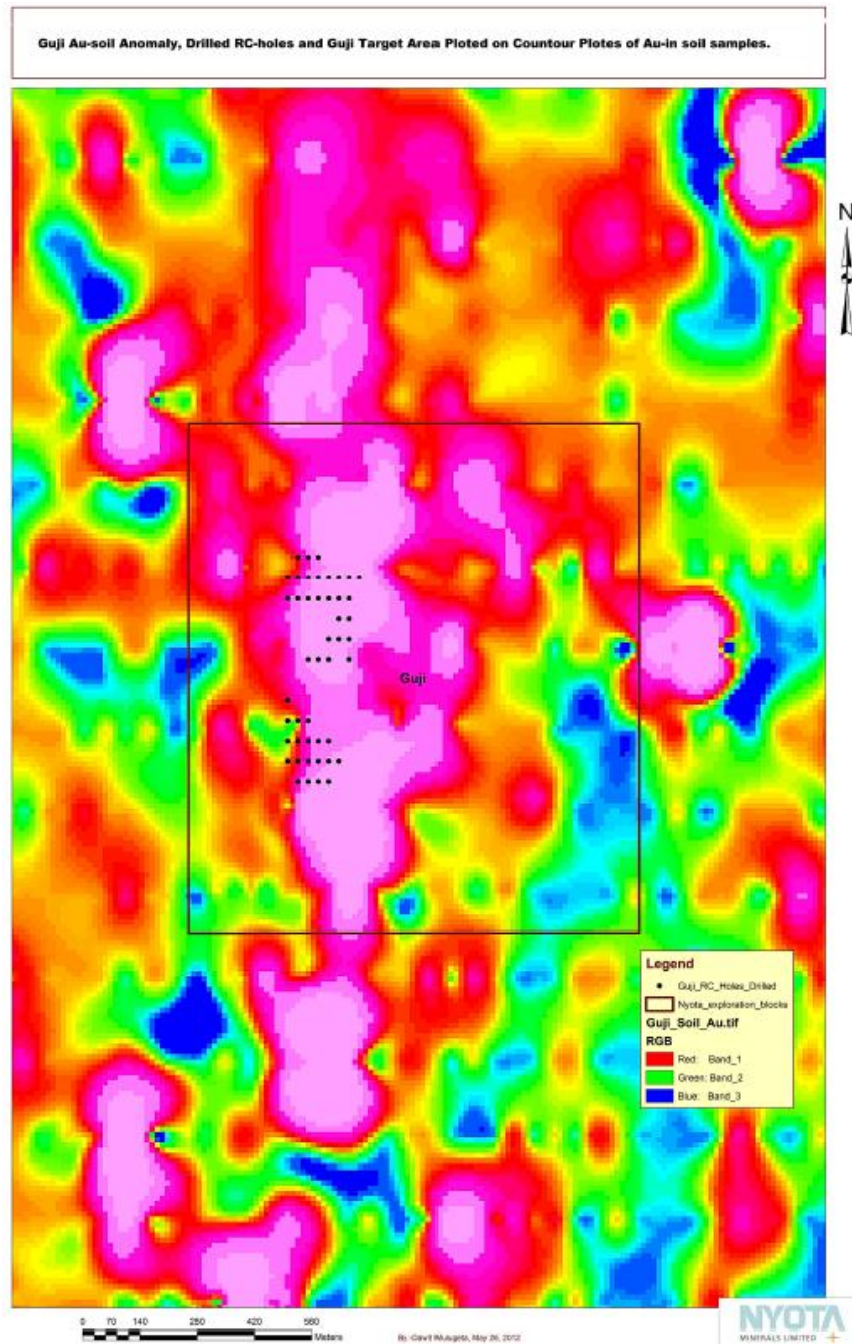
- economic intersections of mineralised saprolite exist;
- mineralisation is found where gold in soil geochemical anomalies are coincident with ground geophysical targets generated by the resistivity geophysical survey completed in late 2011; and
- anomalous gold in soil geochemistry occurs for a further approximate 800m south and 700m north of the current drill zone which is expected to return further mineralised gold intersections once drilled.

A second phase of shallow reverse circulation drilling is being planned, aimed specifically at the extensions to mineralisation defined by the geophysical and geochemical surveys. This programme would commence after the wet season this year.

The saprolite drilling has also provided valuable information for future exploration of the primary, hard rock mineralization that is the source of the gold.

*Figure 2 – Guji Au-soil Anomaly, Drilled RC-holes and Guji Target Area Plotted on Contour Plots of Au-in soil samples*





### Komto

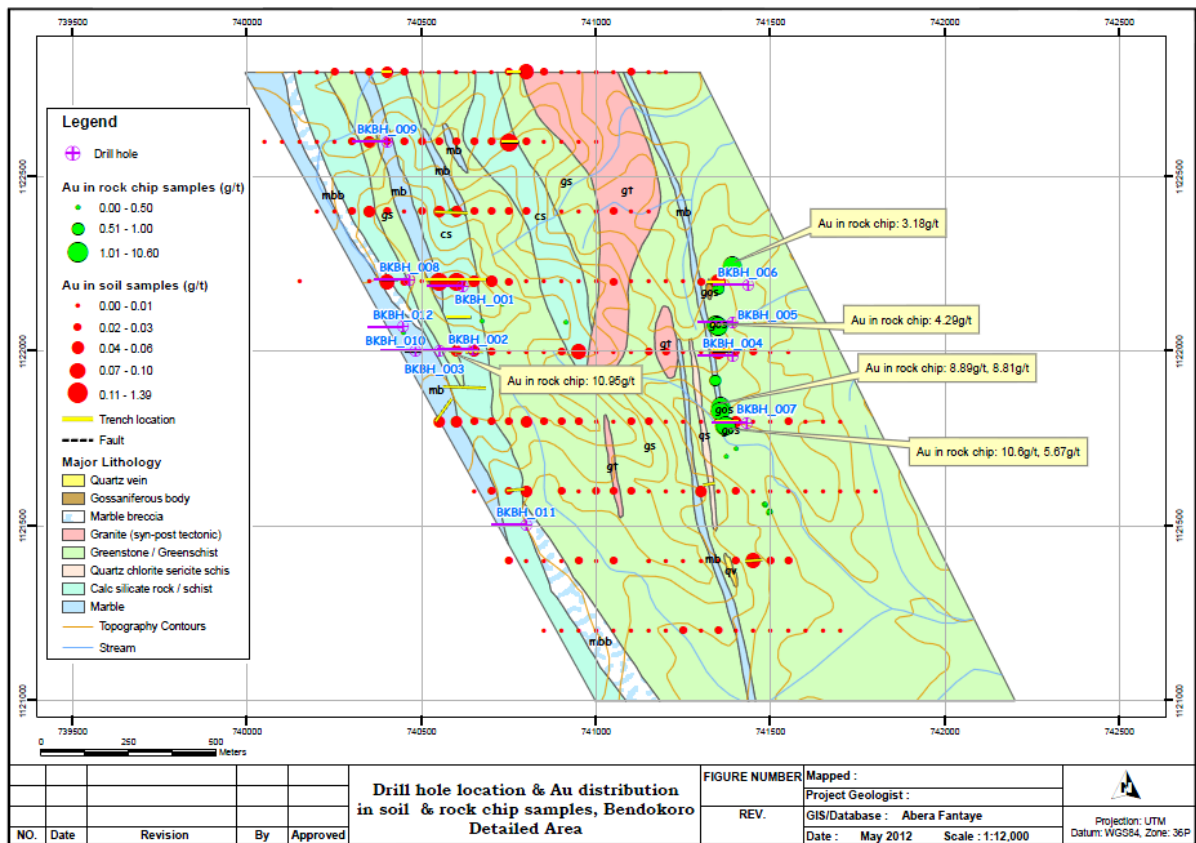
A road has been constructed to the Komto meta-sediment target, the southernmost extension of the prospective Guji – Komto Trend. Subject to trenching, reverse circulation drilling to confirm the depth extent of mineralization is planned and the drill pads prepared.

### **Regional Exploration (Northern Blocks)**

#### Bendokoro Prospect

A total of 12 holes (2,244m) were drilled at the Bendokoro prospect in the first phase of drilling; which is now complete. Assay results have been received for the first four holes (BKBH-001 to 004) and the results for the balance of eight holes are expected during June.

*Figure 3 – Drill hole location and Au distribution in soil & rock chip samples, Bendokoro*



It has previously been reported that visible gold was identified in one drill hole: BKBH-003. Assay returns showed 2.15g/t Au over 7m, including a peak of 11.65g/t Au at 153m-154m depth, corresponding to the visible gold observed during logging; the “spotty” nature of coarse visible gold and the small analytical sample size accounts for the apparent disparity between expected and actual grade.

Hole BKBH-003 was drilled into the western shear zone and intersected a porphyry dyke hosted by an alternating meta-diorite and marble sequence. The dyke is characterised by pervasive silicification and chalcopyrite mineralisation.

BKBH001, BKBH002 and BKBH004 targeted the halo of alteration adjacent to several NW-SE trending shear zones encountered within the target area and clearly defined by ground-based geophysical survey anomalies (magnetics, induced polarization /resistivity). Sampling identified low-grade gold mineralisation at surface corresponding to previous trench results (BKBH001 yielded 0.259g/t Au from 0-14m) but no other significant gold was detected in the drill holes.

Airborne geophysical data (magnetics and radiometrics) shows a complex but distinct NW-SE lineation continuing further north. A soil sampling grid has covered this northern extension, with some 308 samples collected.

Subject to the remaining drill-hole assays and geological interpretation, a program of trenching and sampling of the shear zones is envisaged.

### Competent Person

The technical exploration and mining information 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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