

Nyota Minerals Ltd

Tulu Kapi Trenching Results

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News

Nyota Minerals Ltd ("Nyota") has released details of a series of exploration trenches that form part of an ongoing programme to explore the surrounding area of the Company's wholly owned Tulu Kapi deposit in western Ethiopia.

The results concern 5 trenches that have been placed to the east and north of the known mineralization that makes up the 690koz inferred resource.

Trenches 1 and 2, situated on top of the known resource and 150m to the east respectively, both confirmed the up-dip extensions of Zones 1 and 2 (see our earlier note "Nyota Minerals Ltd: Highly Prospective Gold in Ethiopia with Clear Upside – Initiation of Coverage" of 30th November 2009 for further detail and explanation of the morphology of Tulu Kapi's orebodies) and in the case of trench 2, extended the known boundary of mineralisation. Trench 1 returned 8.5m of 1.91g/t Au, and trench 2 returned 1m of 1.30g/t Au.

Trench 3, situated ~150m NNW of trench 2 has intersected what the Company believes to be a third unit of mineralised material that occurs (stratigraphically) below Zone 2. This is the first concrete confirmation of such a unit of mineralisation existing, although previous deeper holes had hinted as such.

Trenches 4 and 5 have shown the presence of what the Company believes to be a new orebody. The trenches are near to the UNDP borehole that found mineralisation in the 1970's. Both trenches were mineralised along their whole length and whilst they are contiguous with the main Tulu Kapi orebody, the strike and dip differ so that the Company believes that they indicate a distinct structure. 2 drillholes have been sunk into the new discovery and visible gold was seen in one. Assay results are pending.

Comment

The first 2 trenches of the 5 reported in today's announcement make good reading, with solid, 'as expected' results, but there are two headline grabbers today: the possibility of a third unit of mineralization situated below the currently defined zones; and also the possibility of an entirely new and distinct area of mineralisation immediately to the north of Tulu Kapi.

Trench 3 = possible Zone 3: We appreciate that when written down, the explanation of the morphology of the orebodies at Tulu Kapi is not easy to understand and so we urge investors to re-visit our Initiation of Coverage note from 30th November 2009 in particular page 15 that shows the 2 zones of mineralisation. Today's announcement states that trench 3 intersected multiple zones of alteration and mineralisation including 9m of 0.9g/t Au and that the trench would have intersected up 10m of more alteration and quartz veining if it had been able to extend through a drill road. Nyota tied these results to previous drilling that has intersected zones of mineralisation below zone 2 including 21.2g/t Au over 2.6m and has estimated that this new zone is ~60m below the bottom of zone 2. Putting the various pieces of information together, these trenching results seems to confirm Nyota's geologists' theories about another zone of mineralisation lower in the sequence and it seems that the Company is of the opinion that the thicknesses and therefore tonnages of this zone could be significant.

Trenches 4 & 5 = potential for new orebody: The mineralisation found in these trenches indicates an orebody that strikes roughly east-west and dips to the south. Whilst this is at odds with the Tulu Kapi orebodies, the mineralised rocks types, alteration and grades leads us to believe this area to the north of Tulu Kapi could be a separate orebody of similar ore type. This sort of discovery bodes well for a potential mine at Tulu Kapi as it could hold the potential for many more tonnes of ore that could be processed at a central processing site.

We also want to highlight that the current extent of known mineralisation at Tulu Kapi now represents an area of approximately 500m width by 1,000m length. This is a sizable area for a single deposit, and with possible depth extensions and many open areas up/down dip and long strike, we think that our initial short-term estimate of 1moz of gold may be dwarfed by the eventual resource that is defined at Tulu Kapi.

Upcoming Newsflow

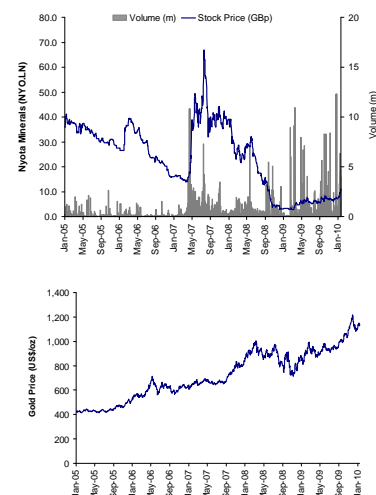
- Assay results from the 2 drillholes that have been sunk into the new discovery discussed today.
- Further drilling and assay results from the ongoing exploration campaign.
- An updated resource statement that we think should increase the resource at Tulu Kapi to in excess of a million ounces – expected within 1H'10.

OCEAN EQUITIES Ltd

GOLD : AFRICA

January 20th, 2010

Market Cap	£27m
Listing:Ticker	AIM/ASX:NYO
Share Price	£0.105
Shares o/s	259m
52 week High/Low	£0.10 / 0.03
Cash	£5m
'09 performance	+140% (1/1/09 to 31/12/09)



Highlighted Related Research:

30th Nov'09 Nyota Minerals Plc

"Highly Prospective Gold in Ethiopia with Clear Upside - Ocean Equities Research Initiation"

Analysts

Simon Gardner-Bond

+44 (0) 20 7786 4382
simon.gardner-bond@oceanequities.co.uk

Sam Spring, CFA, CA

+44 (0) 20 7786 4378
sam.spring@oceanequities.co.uk

Natasha Liddell

+44 (0) 20 7786 4386
natasha.liddell@oceanequities.co.uk

Directors

Guy Wilkes - CEO

+44 (0) 20 7786 4372
guy.wilkes@oceanequities.co.uk

Rupert Williams – Head of Sales

+44 (0) 20 7786 4373
rupert.williams@oceanequities.co.uk

Will Slack – Corporate Finance

+44 (0) 20 7786 4375
will.slack@oceanequities.co.uk

*Refer to the final page of this report for the full Ocean Team's contact details

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This report must be read with the disclaimer and disclosures on the final page that forms part of this report.

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OCEAN EQUITIES Ltd

INDEPENDENT PARTNERSHIP SPECIALISING
IN THE NATURAL RESOURCE SECTOR
3 Cophall Avenue
London EC2R 7BH
Tel: +44 (0)207 786 4370
Fax: +44 (0)207 786 4371
E-mail: info@oceanequities.co.uk
Website: www.oceanequities.co.uk
Bloomberg: OELR [GO]

Guy Wilkes

CEO
+44 (0) 20 7786 4372
guy.wilkes@oceanequities.co.uk

Simon Gardner-Bond

Mining Analyst
+44 (0) 20 7786 4382
simon.gardner-bond@oceanequities.co.uk

Justin Tooth

Senior Equity Sales Executive
+44 (0) 20 7786 4385
justin.tooth@oceanequities.co.uk

James McLucas

Executive, Sales
+44 (0)207 786 4384
james.mclucas@oceanequities.co.uk

Kelly Edwards

Manager, Trading and settlements
+44 (0) 20 7786 4374
kelly.edwards@oceanequities.co.uk

Rupert Williams

Director, Head of Sales
+44 (0) 20 7786 4373
rupert.williams@oceanequities.co.uk

Sam Spring, CFA, CA

Mining Analyst
+44 (0) 20 7786 4378
sam.spring@oceanequities.co.uk

Will Hodson

Senior Equity Sales Executive
+44 (0) 20 7786 4376
will.hodson@oceanequities.co.uk

Jeremy Woodgate

Executive, Sales
+44 (0) 20 7786 4381
je.remy.woodgate@oceanequities.co.uk

Katie Pollard

Sales Administrator
+44 (0) 20 7786 4370
katie.pollard@oceanequities.co.uk

Will Slack

Director, Corporate Finance
+44 (0) 20 7786 4375
will.slack@oceanequities.co.uk

Natasha Liddell

Mining Analyst
+44 (0) 20 7786 4386
natasha.liddell@oceanequities.co.uk

John van Eeghen

Executive, Sales
+44 (0) 20 7786 4383
john.vaneeghen@oceanequities.co.uk

Amanda van Dyke

Executive, Sales & Trading
+44 (0) 20 7786 4387
amanda.vandyke@oceanequities.co.uk

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