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Nyota Minerals Limited (“Nyota” or the “Company”)

TULU KAPI GOLD PROJECT TO PROGRESS TO PRE-FEASIBILITY STUDY

Preliminary Economic Assessment Study (“PEA”)

- **Preliminary Economic Assessment (“PEA”) completed to NI 43-101 standards by SRK Consulting UK Limited (“SRK”);**
- **Completion of the PEA enables Nyota to progress its application to convert Tulu Kapi exploration licence to mining licence;**
- **Economics show positive returns for a combined open pit and underground mine to feed a 2 million tonnes per annum (“mpta”) processing plant;**
- **Positive PEA outcome enabling immediate progression to the preparation of a Pre-Feasibility Study (“PFS”) for the Tulu Kapi Project;**
- **The PEA identified production, both from an open-pit operation and an underground decline:**
- **Life of Mine (“LoM”) is expected to be in excess of 9 years.**

Resource Upgrade

- **Significant increase in confidence in the Tulu Kapi orebody with an Independent Mineral Resource estimate of 707,000 ounces of gold (“oz Au”) upgraded from the Inferred category to the Indicated category and an additional 482,000oz Au of Inferred Mineral Resource.**

Nyota is pleased to announce that it has received a positive Preliminary Economic Assessment (“PEA”) from SRK Consulting (South Africa) (Pty) Ltd. (“SRK”) for the first phase of development of the Tulu Kapi Gold Project located in Western Ethiopia (“the Project”). An updated Resource Model has also been completed by SRK Consulting (UK) Limited.

Preliminary Economic Assessment (“PEA”)

The key conclusions of the PEA include:

- Positive economic outcome for production from a combination of the current open pit and recently discovered underground Mineral Resources;
- Technically and economically feasible based around optimisation of mining and processing based on a central processing plant with capacity of 2 mtpa;
- SRK assumes a Carbon in Leach (“CIL”) processing methodology and all the operating costs, capital costs and associated recoveries are based on this process flow route;
- Provisional capital cost of US\$199.8 m and operating costs of US\$14.50/t for open pit mining and processing and US\$35.83/t for underground mining and processing to be optimised during the PFS;
- Full economics will be announced on completion of all Ethiopian Government formalities relating to the mining licence application process
- PEA recommendations:
 - drilling of the high-grade Feeder Zone at depth to define additional ounces to add to the mineable gold resource in the short-term;
 - the Tulu Kapi plant has the potential to become a central processing plant to which feedstock from proximal gold targets can be delivered. These targets should be explored as a priority; and
 - the selection of an engineering company to assist with the immediate progression to PFS.

Open pit and underground mining

Early-stage resource definition focussed on the development of an open pit operation based around three shallow dipping lode structures. The recently discovered high-grade Feeder Zone has been shown to be viable as an underground mining operation and has been included in the current PEA and will be included in the future development strategy for the Project.

At present, the bulk of the underground resource in the PEA relates to mineralisation situated above the Feeder Zone. Modelling has demonstrated that the inclusion of high-grade underground feed during the early years of production enhances Project economics.

Initial studies suggest that Lodes 3 and 4, due to their grade, considerable width and continuity have the potential to be developed into underground resources accessed from the same decline. Ore body dimensions appear to favour a bulk mining method suitable for a wide orebody which offers further scope for the delivery of higher grade feed to the processing plant right from commissioning.

The Feeder Zone remains open at depth and is currently being targeted with three diamond drill rigs designed to add to the high-grade resource and complete conversion of drill and assay data to an Indicated Resource during the period of the PFS.

Operating parameters employed in the PEA were prepared by a variety of specialised independent consultants with overall supervision by SRK. The PEA was completed to NI 43 – 101 standards and the level of detail and analysis undertaken is higher than ordinarily expected from such a study, providing Nyota with increased confidence about the next stage of the Project's development.

PEA Recommendations

- **Proximal target resources**

More than 20 targets of merit have been delineated within a 5 km radius of Tulu Kapi. The Company is sufficiently confident of their prospectivity (based on combinations of soil geochemistry, ground and airborne geophysics, trenching and drilling) to commence a detailed exploration programme to convert the priority targets to resources to coincide with commissioning of a future plant at Tulu Kapi. The objective remains to regularly add to the Company's gold inventory and adjust future production planning to accommodate new resources.

The proximal targets to be followed up all sit within the Guji, Tulu Kapi and Ankori Trends. Work has been completed to prioritise these targets based on a set of criteria that includes the level of geological data available for each target, proximity to the Tulu Kapi site, the mineralisation style with an emphasis on both high-grade easily accessible potential feed and the capacity of the target to deliver additional ounces to the Tulu Kapi plant.

- **Feeder Zone drilling**

On-going diamond drilling is testing both the lateral and depth extent of the open-ended Feeder Zone, believed to be a plug-like sub-vertical body sitting beneath the existing shallow dipping mineralised lode structures forming the current resource. This high-grade structure has the scope to contribute significantly to gold production by providing low tonnage high-grade feed.

- **Selection of Engineer for PFS**

Nyota is in discussion with a number of well respected engineering companies with practical experience of preparing feasibility studies, construction and commissioning of gold plants in Africa with a view to an appointment in the near future.

Mineral Resource Estimate

The NI43 – 101 Compliant Mineral Resource Statement, effective 28 January 2011 was prepared for the Company by SRK.

(a) Open-Pit-Saprolite	Tonnes (kt)	Au (g/t)	Au (k oz)
Measured	-	-	-
Indicated	1,910	0.55	34
Sub-Total	1,910	0.55	34
Inferred	1,680	0.48	26

(b) Open-Pit-Fresh Rock	Tonnes (kt)	Au (g/t)	Au (k oz)
Measured	-	-	-
Indicated	18,180	1.14	666
Sub-Total	18,180	1.14	666
Inferred	9,040	1.24	361

(c) Underground Fresh Rock	Tonnes (kt)	Au (g/t)	Au (k oz)
Measured	-	-	-
Indicated	130	1.78	7
Sub-Total	130	1.78	7
Inferred	1,340	2.20	95

Note

(1) Mineral Resources which are not Mineral Reserves do not have demonstrated economic viability.

(2) The effective date of the Mineral Resource is 28 January 2011.

(3) The Mineral Resource Estimate for the Tulu Kapi deposit was constrained within structural and grade based wireframe solids and with the following parameters respective to each respective statement:

(a) Saprolite within an optimised open-pit shell, defined with appropriate technical and economic parameters, at a gold price of USD1207/oz Gold Price, at a calculated cut-off grade of 0.24 g/t Au.

(b) Fresh-rock within an optimised open-pit shell, defined with appropriate technical and economic parameters, at a gold price of USD1207/oz Gold Price, at a calculated cut-off grade of 0.37 g/t Au.

(b) Fresh-rock outside of the optimised open-pit shell with reasonable prospect for underground mining defined with appropriate technical and economic parameters, at a gold price of USD1207/oz Gold Price, at a calculated cut-off grade of 1.05 g/t Au.

The following has been copied from the Canadian Institute of Mining Standing Committee on Reserve Definitions to assist with an understanding of the importance of upgrading resources from inferred to indicated category:

An 'Inferred Mineral Resource' is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

An 'Indicated Mineral Resource' is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assume.

- The PEA drilling and SRK structural work has resulted in a more detailed and robust model of the Tulu Kapi ore body being developed than has previously existed. In-situ total grade and tonnage estimations have remained similar to those reported by Venmyn whilst the infill drilling has enabled a significant increase in Indicated resources being reported. SRK's view is that these improvements in the geological model are appropriate for conversion of gold ounces from an Inferred to an Indicated status and more specifically whilst the total contained ounces is lower by 225 koz this is mitigated by a significantly greater confidence in the estimate which has moved from 100% Inferred to 66% being in the Indicated category.

Melissa Sturgess, Executive Chairman, commented " In a short period of time the Company has been able to demonstrate the economic viability of the Tulu Kapi Project based on the initial ounces identified, whilst meeting the rigorous standards required by SRK. We will continue to target deep, proximal and regional gold targets whilst moving the Tulu Kapi Project to PFS.."

Notes on the Mineral Resource Estimate:

The effective date of the Tulu Kapi Mineral Resource Estimate is January 28, 2011. The Au g/t presented in the Mineral Resource Statement is not meant to imply recoverable product. Mineral Resources for the Tulu Kapi Project have been classified according to the "CIM Standards on Mineral Resources and Reserves: Definitions and Guidelines (December 2005) by Mark Campodonic (MAusIMM) an Independent Qualified Person as defined by National Instrument 43-101.

Mineral Resources were estimated in conformity with generally accepted CIM "Estimation and Mineral Resource and Mineral Reserve Best Practices Guidelines". SRK is not aware of any known environmental, permitting, legal, title, taxation, socio-economic, marketing or other relevant issues that could potentially affect the estimate of Mineral Resources. The Mineral Resource may be affected by further exploration drilling which may increase or decrease the estimate. The Mineral Resource may also be affected by subsequent assessments of mining, environmental, processing, permitting, taxation, socio-economic and other factors. There is insufficient information at this stage to assess the extent to which the Mineral Resource will be affected by these factors that are more fully assessed in a feasibility study.

Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. Mineral Reserves can only be estimated based on the results of an economic evaluation as part of a preliminary feasibility or feasibility study. No Mineral Reserves have been estimated by SRK as part of the current assignment. There is no certainty that all or any part of the Mineral Resource will be converted to a Mineral Reserve.

The quantity and grade of reported Inferred Mineral Resource in this estimate are uncertain in nature and there has been insufficient exploration to define these Inferred Mineral Resources as an Indicated or Measured Mineral Resource; and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured Mineral Resource category. It is also uncertain if further exploration will result in upgrading of the Indicated Mineral Resource into the Measured Mineral Resource category.

Qualified Persons

The NI43-101 PEA document is the responsibility of Daan Van Den Berg and the Mineral Resource estimate is the responsibility of Mark Campodonic.

Daan van den Berg has some 20 years experience in the management, technical disciplines, technical studies and mining of Mineral Reserves during this time he has worked on numerous Gold and Platinum deposits. Daan van den Berg is a full-time employee of SRK Consulting JHB Ltd, an independent Consultancy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Qualified Person in accordance with NI43-101 and a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Daan van den Berg consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

Mark Campodonic has some ten years experience in the exploration, definition and mining of Mineral Resources, and during this time has worked on numerous Gold deposits. Mark Campodonic is a full-time employee of SRK Consulting (UK) Ltd, an independent Consultancy and has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration, and to the type of activity which he is undertaking to qualify as a Qualified Person in accordance with NI43-101 and a Competent Person as defined in the June 2009 Edition of the AIM Note for Mining and Oil & Gas Companies. Mark Campodonic consents to the inclusion in the announcement of the matters based on their information in the form and context in which it appears and confirms that this information is accurate and not false or misleading.

A Mineral Resource Estimate has been produced and classified using the guidelines approved by the Canadian Institute of Mining (CIM) and set out in the National Instrument document 43-101 and the accompanying documents 43-101.F1 and 43-101.CP. SRK's Mark Campodonic managed the Mineral Resource Estimation. Mark Campodonic is a Qualified Person (QP) under the guidelines set out by the CIM.

Following a detailed structural review of the project, a geological and structural model has been created for the deposit, which has been used to guide and constrain the mineralisation model. The construction of a more detailed and robust structural model which has introduced a number of faults not previously considered in the geological model has significantly affected the model in comparison with historical interpretations, impacting both geological and grade continuity

Coded sample data within the model has been composited, and subsequent statistical and geostatistical assessments undertaken to assist in the selection of appropriate search and estimation parameters, which were also verified using quantitative Kriging Neighbourhood analysis.

The interpolated block model was validated through visual checks and a comparison of the mean input composite and output model grades. SRK is confident that the interpolated block grades are a reasonable reflection of the available sample data

The Mineral Resource Statement presented has an effective date of 28th January 2011 and is based upon the following exploration data:

- 76 Diamond holes totalling 14,590m
- 123 Reverse-Circulation Holes, totalling 24,400m
- 14 Diamond Tails to original RC holes, totalling 2,440m
- In order to report the Resource that has reasonable prospect for economic extraction, as required by International Reporting Codes, SRK has applied the following reporting criteria:

Optimised pit shell using a 30% increase in a "pseudo-ore reserve" Gold price (USD 1207/oz) and applying all of the technical, geotechnical and economic parameters as summarised below, and a cut-off grade of **0.37 g/t Au** for material to be processed at the plant (note that this is the marginal cut-off grade);

- Gold Price: USD 1207/oz
- Mining Recovery: 95% (open pit)
- Mining Dilution: 5%
- Mining cost: USD 2.20/t
- Processing Gold Recovery: 95%
- Processing Cost: USD 9.80/t
- General & Administrative: USD 2.50/t
- Selling Cost: USD 5/oz

The same optimised pit shell as above, but using a cut-off grade of greater than **0.24 g/t Au**, in order to report saprolite material within the pit suitable for processing, assuming the same parameters above for fresh rock, but with the following adjustments to reflect the different material type:

- Mining cost: USD 2.20/t
- Processing Gold Recovery: 90%
- Processing Cost: USD 5.00/t

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