



30 September 2011

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

Final Results for the Year Ended 30 June 2011

Nyota Minerals (ASX/AIM: NYO), the gold exploration and development Company in East Africa, is pleased to report its Final Results for the Year Ended 30 June 2011.

HIGHLIGHTS

Operational:

- New JORC Mineral Resource of 15.96 million tonnes @ 2.84g/t gold, containing 1,459,000 ounces of gold, at flagship Tulu Kapi project;
- SRK Preliminary Economic Assessment completed March 2011;
- Application submitted for a Large Scale Mining Licence for the Tulu Kapi gold project;
- Infill drilling and the drilling of the extensions of the existing Tulu Kapi resource have substantially improved the understanding of the geology and gold mineralisation;
- Over 20 Proximal and Satellite Targets identified, with initial drilling and soil sampling allowing the selection of key targets for development;
- Finalised acquisition of the Northern Blocks in December 2010, with circa 3,200 Km² of exploration permits and have already prioritised two drill ready targets;

Corporate:

- Appointment of Richard Chase as CEO, in May 2011;

Financial:

- Exploration spend of A\$12.8m during the year (2010: A\$14.4m);
- Cash of A\$25.6m as at 30 June 2011 (2010: A\$11.86m).

Post-period End

- Tulu Kapi infill drilling and feeder zone drilling update announced 23 August 2011, with a future resource estimate update provisionally scheduled for Q1 2012;
- Consultants (SENET Limited, Golder Associates, and Wardell Armstrong International) appointed for the DFS. Studies started in September 2011 with planned completion by in Q3 2012;

Melissa Sturgess, Nyota’s Chairman, commented, “We have a high volume of activity in the coming quarters to progress Tulu Kapi and our additional prospects. 2012 will see the definitive feasibility study completed for Tulu Kapi and resources progressed and established across targets proximal and those further afield. I look forward to updating you all on moving Tulu Kapi into production.”

For further information please contact:

Melissa Sturgess (Chairman)
Richard Chase (CEO)
Nyota Minerals Limited
+44 (0) 20 7400 5740
info@nyotaminerals.com

NOMAD
Anthony Rowland / Jen Boorer
Ambrian Partners Limited
+44 (0)20 7634 4858

BROKER
Guy Wilkes
Ocean Equities Limited
(+44) (0) 20 7786 4370

BROKER
Rory Scott
Mirabaud Securities LLP
(+44) (0)20 7878 3360

FINANCIAL PR
Paul Youens / Jos Simson
Tavistock Communications
(+44) (0)20 7920 3150

Or visit: <http://www.nyotaminerals.com>



**NYOTA MINERALS
LIMITED**

A.B.N. 98 060 938 552

**ANNUAL REPORT
30 JUNE 2011**

NYOTA MINERALS LIMITED

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COMPANY PARTICULARS

Board of directors

Melissa Sturgess
David Pettman
Richard Chase
Martyn Churchouse
Evan Kirby
Michael Langoulant

Company secretary

Mark Burchnall
Richard Jarvis

Auditor

PricewaterhouseCoopers

Solicitors

Clayton Utz (Australia)
Allen & Overy (Australia)
Memery Chrystal (UK)

Registered office

Suite 2, 5 Ord Street
WEST PERTH WA 6005
Telephone: +61 8 9324 2955
Facsimile: +61 8 9324 2977
Web: www.nyotaminerals.com

London office

Suite 5, Sicilian House
Sicilian Avenue
LONDON WC1A 2QH
Telephone: +44 20 7400 5742
Facsimile: +44 20 7831 8323

Addis Ababa office

1st Floor Daminarof Building
Bole Sub-City Kebele 12/13 H.No New
Addis Ababa Ethiopia
Telephone: +251 11647 9976
Facsimile: +251 11647 9975

Share registrar

Computershare Investor Services Pty Ltd
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000
Telephone: +61 8 9323 2000
Facsimile: +61 8 9323 2033

Stock exchange listings

Nyota Minerals Limited is listed on the Australian Stock Exchange (Shares: NYO) and on the AIM Market of the London Stock Exchange (Shares: NYO).

NYOTA MINERALS LIMITED

CHAIRMAN'S STATEMENT

The past twelve months has seen considerable operational and corporate progress for Nyota, at a time where the appreciation for gold is at a high with investors and treasuries alike. Our established presence in Ethiopia looks to benefit shareholders as the already high level of industry interest in the region continues to build.

During the period, our technical team has worked alongside international experts SRK and Wardell Armstrong in gaining a much deeper understanding of our assets, to assist in creating a clear path for the development of our Ethiopian gold tenements. We have developed a three tier strategic focus: first, Tulu Kapi itself; then the numerous proximal & satellite targets surrounding the main resource, and finally the Northern Blocks. Together these provide clear long-term upside for Nyota.

The Tulu Kapi resource was updated in July, to a JORC Compliant Mineral Resource of 1.46 million ounces of gold at an average grade of 2.84 grams per tonne. Work continues apace on both the continued expansion and conversion of the resource to a reserve as well as mine design, planning and scheduling for Tulu Kapi.

Open-pit mining combined with underground access to the high-grade feeder zone (discovered during this period and containing gold grades of up to 26 grams per tonne) will make for a robust project. We have been operating four diamond drilling rigs and a reverse circulation rig to complete infill drilling. Objectives have been to improve the JORC classification of the resource for the forthcoming definitive feasibility work, and also to drill extension areas in order to further build the overall resource.

On the current resource numbers alone, Tulu Kapi has a provisional life of mine of 10 years generating 100,000 to 115,000 ounces of gold per annum and is economic at gold prices far below today's. We look forward to receiving the definitive feasibility study before the end of the first half of 2012.

In addition to the main resource, preliminary exploration has shown that there are a number of other potential deposits situated proximal (within a 5 km radius) to Tulu Kapi. These could be developed at relatively low cost with ore being processed through the main plant. This would improve the overall project resource as well as the longevity and the economics of our mining activities.

Over 20 proximal targets have been identified based upon various combinations of airborne magnetic and EM surveys, ground geophysics, close-spaced soil sampling, trenching, geological mapping and drilling. Target prioritisation is ongoing and the objective remains to drill targets during the next 12 months to define resources, within this timeframe, that can serve as future feed to the centralised Tulu Kapi processing plant.

The existence of multiple targets is consistent with the Company's view that the Tulu Kapi region represents a new mineral district. Depending on future evaluation results, there could be scope for additional large-scale mining operations and an expansion of the centralised Tulu Kapi processing plant, leading to a significant extension to the overall life of mine.

The third tier of the Development Strategy is focused on longer term growth potential offered by the highly prospective Northern Block licences which cover an area of approximately 3,150sq km. These licences place the Company on a strong footing as possibly the largest holder of prospective gold licences in Ethiopia.

The Northern Blocks are located approximately 100km north of Tulu Kapi and therefore any project to be developed must be treated as a stand alone operation. Exploration drilling has been scheduled for the December 2011 quarter following delineation of numerous exciting targets during the past 12 months. We aim to establish an initial Inferred Resource on one of the Northern Block targets during 2012.

The appointment of Richard Chase - previously Managing Director of Ambrian Partners - as Chief Executive Officer has brought additional experience to the Company in finance, mining and management. He has quickly made his mark on both the day to day running of the Company and at a high strategic level. His fellow Directors are delighted to have him on board.

Nyota is in the privileged position of being well funded for the current work programme, with a cash balance of over A\$25 million as at the end of the reporting period. Scope for operational expenditure is well defined and we retain the bulk of the proceeds of the fundraising conducted at the end of 2010, which was well supported by UK, Australian, and international shareholders; including International Finance Corporation, JP Morgan Chase and other key institutions.

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CHAIRMAN'S STATEMENT

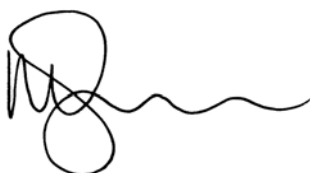
The International Finance Corporation's involvement with the Company has had a positive influence on the Tulu Kapi project, particularly with respect to environmental and social considerations. Nyota's approach to the wider aspects of undertaking a modern resources project has seen a range of measures implemented at Tulu Kapi to ensure that the project meets internationally recognised standards in health, safety, environment and community engagement.

During the period, we implemented detailed health and safety policies and procedures for the project and finalised an in-depth environmental and social impact assessment. We continue to work with the local community on a number of community initiatives while the Nyota constructed Worke Gudju Secondary School has started its second academic year.

We believe that Nyota Minerals is extremely well placed in Ethiopia; from a geological perspective and in terms of our strong relationships with national and regional Government and the local communities.

Nyota has a high volume of exploration and study activity planned for the coming quarters. We look forward to keeping the market informed of the progress of Tulu Kapi as well as numerous and exciting additional prospects. Next year should see the definitive feasibility study completed for Tulu Kapi with an updated an expanded JORC Compliant Resource. Additionally we expect preliminary JORC compliant resources on targets proximal to Tulu Kapi and further afield.

I look forward to updating you on moving Tulu Kapi into production and the ongoing development of our exciting regional portfolio.

A handwritten signature in black ink, appearing to read 'Melissa Sturgess', with a long, wavy horizontal line extending to the right.

Melissa Sturgess
Perth, 29 September 2011

NYOTA MINERALS LIMITED

OPERATIONS AND FINANCIAL REVIEW

Summary

Having established a significant strategic and operational presence and first-mover advantage in Ethiopia, the 12 months to 30 June 2011 (“**Reporting Period**”) saw Nyota focussing heavily on the development of its Ethiopian gold projects; most notably its flagship Tulu Kapi project, located approximately 375 km west of the capital, Addis Ababa.

The Tulu Kapi deposit, combined with surrounding Nyota license areas Yubdo, Billa Gulliso and Ankore and a further portfolio of regional exploration tenements located some 100km to the north, constitutes a landholding package of in excess of 3,400 sq km representing what the Company is confident is a new gold province and an extension of the Arabian-Nubian Shield. The Arabian-Nubian Shield hosts numerous production or development-stage gold deposits including Centamin’s 14.5 million ounces Sukari project in Egypt and Nevsun’s 1.85 million ounces Bisha project in Eritrea (see Figure 1).

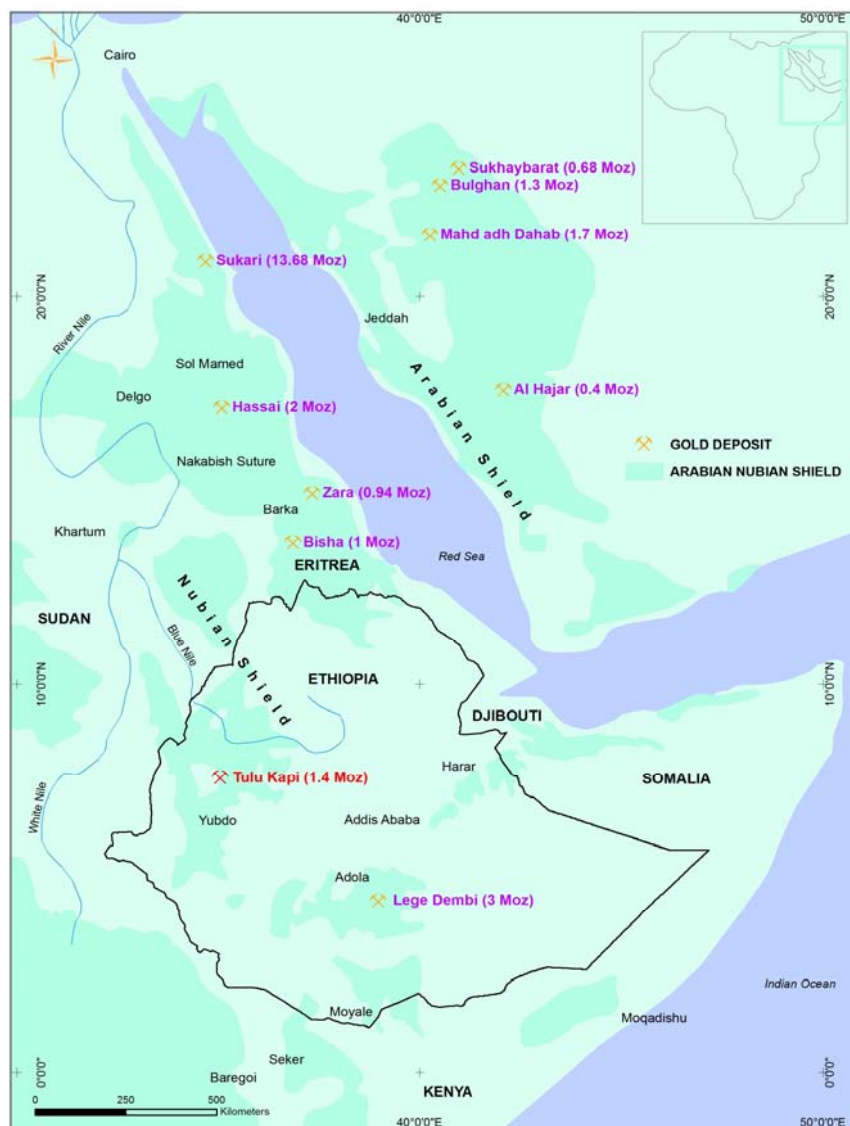


Figure 1 – Arabian-Nubian shield including break-out of Nyota landholding package

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OPERATIONS AND FINANCIAL REVIEW

Nyota has developed a threefold strategy for the development of its Ethiopian operations:

- continued exploration and concurrent development of Tulu Kapi, which currently has a JORC - Compliant gold resource of 1.46 million ounces (refer to the below table for details);
- exploration of the numerous targets proximal to Tulu Kapi, which are intended to provide future feed to a centralised Tulu Kapi gold plant; and
- exploration of gold targets within Nyota's highly prospective 3,150 sq km northern tenement portfolio, for potential future standalone projects.

Throughout the Reporting Period, Nyota's focus has been to increase its detailed understanding of the Tulu Kapi orebody and the surrounding geology, with a view to progress the project into a producing gold mine. Achievements within the period include increases both to the overall size and grade of the Tulu Kapi resource and the generation of sufficient data to enable indicative, "optimised" open pit and financial modelling (to pre-feasibility standard) to be conducted in relation to the project. Current project economics show positive returns for a combined open pit and underground mining operation to feed a 2 Mtpa (million tons per annum) processing plant.

Exploration fieldwork done within the Reporting Period included substantial and ongoing diamond and reverse circulation drilling, detailed structural mapping, and geotechnical evaluation. Additionally, a comprehensive (44,700 line kilometre) airborne geophysical survey was conducted over Nyota's entire tenement portfolio in December 2010 by UTS Aeroquest.

A significant amount of pre-feasibility evaluation work was also conducted during the Reporting Period, including a Preliminary Economic Assessment on the viability of the Tulu Kapi project delivered by SRK Consulting in early 2011, as well as substantial environmental, financial, geological and geotechnical work. On the basis of this work, Nyota applied for a Large-Scale Mining License at Tulu Kapi. This application, the first of its kind in Ethiopia under new mining legislation introduced in August 2010, was lodged on 13 May 2011 and is currently being processed through the appropriate government departments. Upon the granting of a Large-Scale Mining License, Nyota will become the first public company to proceed to the mining phase with a gold project in Ethiopia. In the meantime, development of the Tulu Kapi project and the Company's other project areas is ongoing.

A more detailed operational report in relation to Nyota's projects follows.

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Tulu Kapi Gold project – (100%)

Resource information

The Tulu Kapi resource was updated in July 2011, utilising all drilling results obtained up to the third of June 2011. The gold resource currently comprises a JORC-Compliant Mineral Resource of 1.46 million ounces of gold at a grade of 2.84 g/t as per the below table:

Tulu Kapi Resource Estimate - In-Situ Model (WAI, June 2011) (in accordance with the guidelines of the JORC Code (2004))				
Model		In-Situ		
Ore Type		Saprolite	Fresh	Total
Cut Off Grade (g/t)		0.4	0.5	0.4 / 0.5
Indicated	Tonnage (kt)	277	4,394	4,671
	Au (g/t)	2.42	3.08	3.04
	Metal	kg	670	13,531
	k.oz	22	435	457
Inferred	Tonnage (kt)	811	10,481	11,291
	Au (g/t)	2.02	2.82	2.76
	Metal	kg	1,636	29,548
	k.oz	53	950	1,003
NB – 1. Geological interpretation based on a minimum mineralised zone thickness of 1m. 2. Mineral Resources are not reserves until they have demonstrated economic viability based on a feasibility study or pre-feasibility study. 3. Mineral Resources are reported inclusive of any reserves. 4. Grade represents estimated contained metal in the ground and has not been adjusted for metallurgical recovery.				

The resource update underpinning these figures was conducted by Wardell Armstrong International and was announced on 29 July 2011. A Large-Scale Mining License has been applied for over the 8.44 sq km area previously comprising the Tulu Kapi-Ankore exploration license and, pending its grant, Nyota retains its rights over that underlying tenement.

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Key information in relation to the Tulu Kapi deposit is as follows:

- the project appears robust at a gold price of US\$1,600 per ounce;
- metallurgical test work conducted by Nyota during the Reporting Period shows that the ore is free milling (i.e. the gold is recoverable by simple processes such as grinding and CIL or CIP cyanidation) and indicates the potential for gold recoveries of 95% or better;
- Wardell Armstrong has developed an initial conceptual design for an open pit operation that indicates a mineable resource, diluted in respect of a mine plan envisaging 3m benches, of 1.25 Moz at 1.98 g/t. This conceptual pit outline excludes the resource contained in the Feeder Zone and Northern Extension as discussed below;
- the current resource remains open along strike to the north and south west, with the new high grade Feeder Zone discovery also open at depth;
- studies undertaken during the Reporting Period in relation to the project indicate the viability of a combined open pit and underground mine at Tulu Kapi.

Figure 2 below shows the conceptual design and limitations of the proposed mining operation at Tulu Kapi.

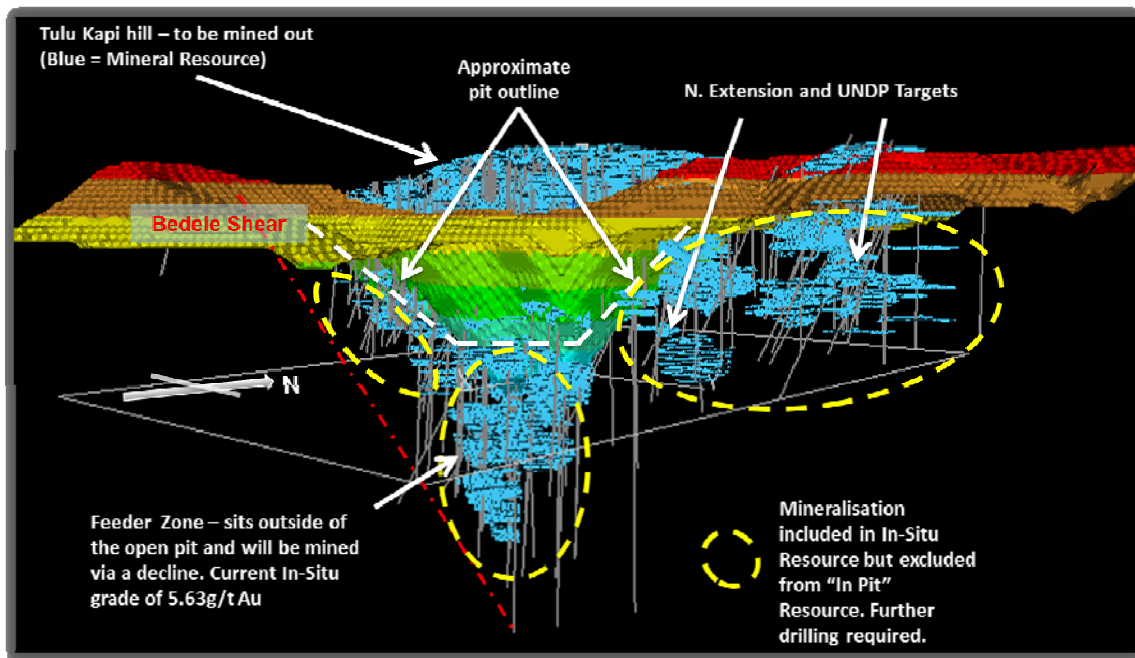


Figure 2 – Tulu Kapi mineral resource block model

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Technical update

A substantial amount of drilling was conducted at Tulu Kapi throughout the Reporting Period, with a total of 113 diamond drill (“DD”) and 152 reverse circulation (“RC”) holes now having been drilled at the deposit as at the date of this Annual Report, for a combined total meterage of in excess of 58,500m of drilling. Up to four DD rigs and one RC rig, each operated by Geosearch International, have continued with infill and extension drilling in relation to the main Tulu Kapi deposit. An additional DD rig supplied by the Geological Survey of Ethiopia was also utilised during the Reporting Period for additional preliminary scout drilling work on targets located nearby to the main orebody.

A significant proportion of this year’s drilling at Tulu Kapi was undertaken to support the pre-feasibility work completed by SRK, Wardell Armstrong International and others during the Reporting Period, with the aim being to increase both the size of the resource and confidence in the geological model. In addition, however, resource extension and deep drilling undertaken has resulted in the following significant developments:

Tulu Kapi main orebody

- Drilling to the west of the Tulu Kapi main orebody resulted in the discovery of a new mineralised structure (Lode 0) sitting above and to the west of previously known mineralisation.
- Further drilling of the Lode 3 structure included intersections of 5m at 5.59g/t in TKBH-042, 25.42m at 1.98g/t and 7.00m at 3.94g/t (TKBH-055) and 28.95m at 1.79g/t and 4.25m at 5.81g/t (TKBH-074).
- Infill drilling aimed at upgrading the main Tulu Kapi resource returned peak grades of 26.02g/t Au over 2.85m, 15.63g/t Au over 3.0m, 13.81g/t Au over 15.67m and 13.66g/t Au over 8.35m. Importantly, the presence of mineralisation through infill drilling improves continuity of the individual mineralised lode structures and has improved the level of confidence in the robustness of the deposit.

High-Grade “Feeder Zone”

- In December 2010, drilling intersected high-grade feeder zone style mineralisation, characterised by abundant visible gold and associated high gold grades, below the extent of previously-discovered mineralisation. Initial intersections in December 2010 included 25.76m at 23.05g/t, 15.7m at 37.04 g/t and 4.65m at 89.70g/t gold. A number of additional holes have since been drilled into this feeder zone with additional gold intersections including 23.30g/t over 1.20m, 14.50g/t over 8.00m, 7.30g/t over 14.40m and 5.42g/t over 26.55m.
- This new mineralisation type is characterised by pressure dissolution stylonite and fracture veins with biotite and magnetite alteration, plus sulphides consisting of pyrrhotite, pyrite and abundant visible gold. This style of mineralisation has improved Nyota’s understanding of the ore genesis process and is a clear indication that this could be one of the original conduits controlling gold bearing fluids for the deposit. Notably, the combination of mineralogy and geophysical signature specific to this style of mineralisation has also been observed elsewhere within the Tulu Kapi area, implying the possible presence of other high-grade feeder zones with the current gold resource largely reflecting distal mineralisation.

Resource extension drilling

- Extension drilling conducted during the Reporting Period yielded a number of positive results, with mineralisation being intersected in late 2010 some 80m from previous drilling to the north-west of the Tulu Kapi deposit. Grades included 44m at 2.09g/t and 18m at 3.94g/t (TKRC-111) and 8m at 1.20g/t and 8m at 1.9g/t gold.
- In the first half of 2011 the Company drill tested the target to the north of Tulu Kapi previously discovered by the United Nations Development Program and consequently called the “UNDP” target, as well as the northern and south-eastern extensions of the deposit, with excellent results including:

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- UNDP target: further evidence of mineralisation on the periphery of this target was uncovered, with peak grades including 5.75g/t Au over 1.0m, 2.69g/t Au over 7.0m and 0.47g/t Au over 20.0m;
- Northern extension: high grades and substantial widths of mineralisation were encountered, with peak grades including 22.50g/t Au over 2.0m, 21.81g/t Au over 5.45m and 3.50g/t Au over 10.8m; and
- South-eastern extension: notable shallow high-grade intersections were observed, with peak grades including 4.71g/t Au over 4.0m, 4.32g/t Au over 18.0m, 4.14g/t Au over 6.0m and 2.02g/t Au over 27.0m.

Preliminary Economic Assessment and further pre-feasibility work

During the Reporting Period, SRK Consulting was engaged to deliver a Preliminary Economic Assessment (“**PEA**”) level feasibility study in relation to the Tulu Kapi project. The primary purpose of the PEA was to give an independent assessment of the future potential viability of mining at Tulu Kapi to give the Board the confidence to proceed with feasibility studies and also to provide the data required to make an application for a Large-Scale Mining License. The PEA, headline figures from which were announced on 3 March 2011, involved the following key tasks:

- review and revision of the gold resource estimates using current gold prices and a range of cut-offs;
- production of a study taking into consideration geology, resource and exploration potential, mining, processing, engineering, infrastructure, capital and operating costs and scheduling;
- pre-tax and post-tax economic modelling and analysis, including royalties;
- all related considerations concerning the construction and operation of a gold mine at Tulu Kapi; and
- a separate environment, social and community report covering all relevant aspects of the project.

The PEA supported the indicative viability of a combined open pit and underground mine at Tulu Kapi and contemplated a provisional capital cost of US\$200 million for the mining and processing operation and a life of mine in excess of nine years. Operating cost estimates were generated by SRK based on the consultant’s internal database and comparison with similar-sized gold projects in Africa

Subsequent to the delivery of the PEA, further pre-feasibility work has been undertaken by Wardell Armstrong International (“**WAI**”) and Nyota to refine and update the conclusions derived from the PEA. Production optimisation and estimated mining and processing costs continue to be developed. This work has taken into account additional drill results and other technical information together with an increased understanding of the geological structure of the orebody. In this regard, a detailed feasibility document for the purposes of the Ethiopian mining legislation was submitted to the Ethiopian government as part of the May 2011 application for a Large-Scale Mining License.

Health, safety, environment and community (“**HSEC**”)

During the Reporting Period, Nyota undertook a significant amount of work in the areas of health, safety, environment and community in relation to its Tulu Kapi project. As well as meeting key International Finance Corporation (“**IFC**”) deliverables (a requirement of IFC’s investment in the Company and designed to ensure that the project meets internationally recognised standards in the relevant areas), Nyota commissioned and finalised a comprehensive Environmental and Social Impact Assessment (“**ESIA**”) in relation to the project, put in place a detailed Occupational Health and Safety Program, and implemented a number of community projects, most notably the construction of the Worke Gudji Secondary School located in the vicinity of Tulu Kapi.

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The ESIA was prepared by local Ethiopian consultant JEMA International Consulting Plc, working in conjunction with SRK to deliver the overall report. Including baseline field work, socioeconomic studies and long term monitoring programs such as water and air quality, the ESIA was a key document in the application for the Tulu Kapi Large-Scale Mining License and will underpin and inform the further definitive feasibility work at Tulu Kapi as it develops towards a mine.

The Occupational Health and Safety Program created by Nyota for Tulu Kapi was prepared in conjunction with 1984 Enterprises Inc. and will serve as a template for any future regional discovery projects with which Nyota may become involved.

Construction of the Worke Gudju Secondary School (see Figure 3) was finalised in September 2010 and the school was formally opened by Her Excellency, Madame Sinkinesh Ejigu, the Federal Ethiopian Minister of Mines, at an official ceremony on 7 December 2010. The school, which comprises four school blocks with 12 classrooms (including desks and blackboards) and toilet facilities, has given over 450 students registered in grade 9 the opportunity to pursue a secondary school education. Previously, there was no such education facility within 14 km of Tulu Kapi, rendering education difficult or impossible for local families. Nyota is currently building a science laboratory and library to complement its initial investment and hopes that the facility will eventually provide qualified employees for the Tulu Kapi mining operation.

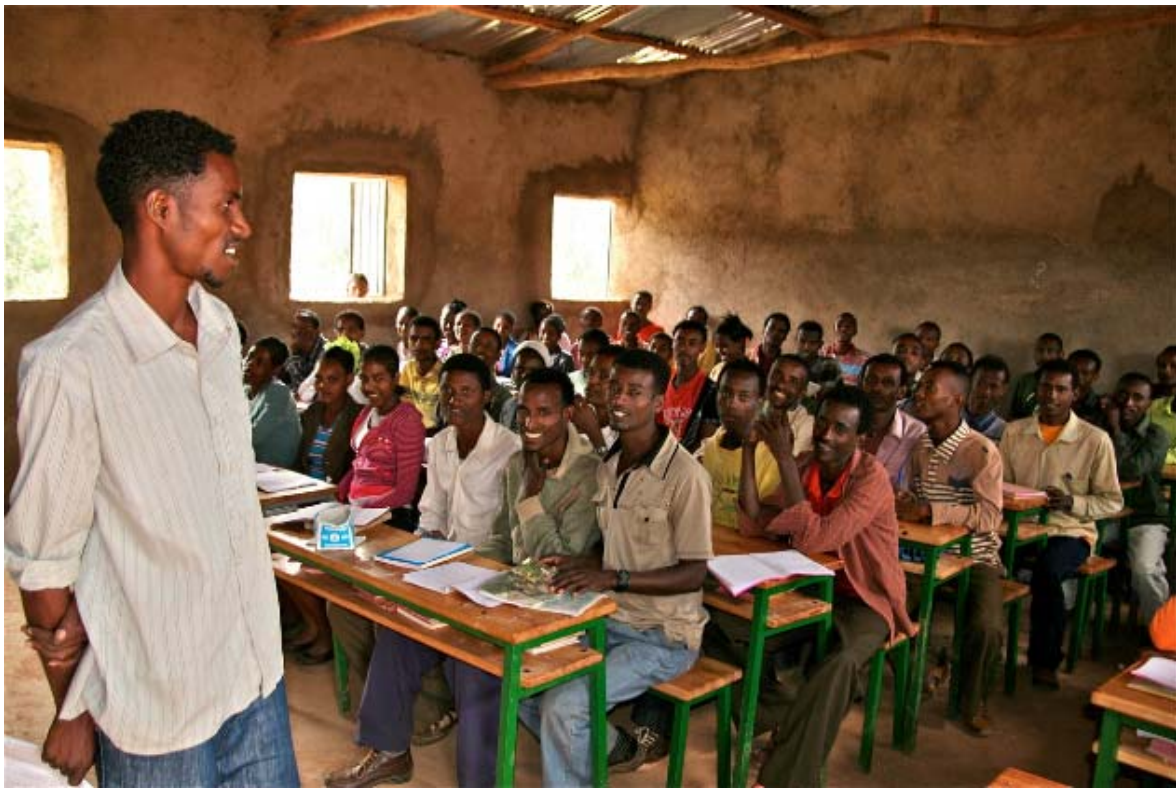


Figure 3 – Worke Gudju secondary school

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Other proximal and regional gold targets – (100%)

In addition to the Tulu Kapi license, Nyota is the holder of three exploration licenses which surround or otherwise lie in the vicinity of Tulu Kapi. The Yubdo, Billa Gulliso and Ankore Exploration Licenses, having a total collective area of 272.56 sq km, are host to more than 20 prospective targets identified through the comprehensive UTS-Aeroquest airborne geophysical survey completed during the Reporting Period and through other ground-based activities undertaken by the Company (such as trenching and close-spaced soil geochemistry, stream sediment sampling and drilling).

The Yubdo and Billa Gulliso licenses in particular are home to four clearly defined individual gold trends, each of which incorporate a number of targets of merit and reflect the promising combination of receptive host rocks (syenite, diorite, granodiorites and marble) and both regional and local structures providing the potential focus for mineralising fluids. The four trends, which host prospects at different stages of development and together make up a gold district, are as follows:

- **Gulliso Trend** – hosts a number of gold shows (the most significant of which is the Chago target) with significant gold in soil geochemical results, which appear to relate to regional scale shear systems with high concentrations of quartz-carbonate-tourmaline-pyrite veins and possible volcanic massive sulphide style mineralisation;
- **Guji Trend** – includes the Guji prospect, located 3km from Tulu Kapi, where exploration has returned drill intersections of 2.77g/t Au over 17.4m and a trench intersection of 9.6g/t Au over 68m. Ground geophysics completed in 2010 indicated that the Guji prospect remains open along strike, warranting further exploration. Evidence of supergene enrichment provides a target for shallow vertical RC drilling;
- **Tulu Kapi Trend** (including the Tulu Kapi deposit) – includes the Chalti and UNDP targets. The Chalti target is a 1.2km syenite body with similar airborne geophysical and soil geochemical signatures to the Tulu Kapi syenite and is located immediately south of Tulu Kapi. The aeromagnetic survey defined a very strong discrete magnetic low – diagnostically similar to Tulu Kapi-style mineralisation – over the Chalti target and, in addition to anecdotal evidence of local farmers recovering coarse gold from rainfall gullies, geological reconnaissance has recorded the presence of both albitisation and quartz veins at surface. A summary of recent drilling in relation to UNDP is set out above in this Annual Report. Additional aeromagnetic targets beyond the UNDP target have also been identified which possess similar characteristics to Chalti, Tulu Kapi and UNDP; and
- **Ankore Trend** – includes two major areas of interest; first, on the northern end of the trend at the site of the old Ankore gold mine which was mined on a small scale by the Italians in the 1930s (but never subject to detailed exploration) and secondly, between Tulu Kapi and the old Ankore mine site, where a number of gold in soil anomalies returning peak grades of 1,000ppb have been identified. These are thought to be coincident with the presumed trace of the Bedele shear zone which defines both the southern limit of the Tulu Kapi deposit and the eastern limit of the Western Ethiopian Gold Belt that incorporates the above trends.

During the Reporting Period, Nyota commenced a detailed programme of close-spaced multi-element soil geochemistry across the Yubdo and Billa Gulliso Exploration Licenses. Whereas at the beginning of 2011 the area covered by those licenses and the Tulu Kapi license had wide-spaced discontinuous gold in soil geochemical soil coverage only, in the subsequent months Nyota implemented activities to provide blanket multi-element soil coverage over the Tulu Kapi and part of the Yubdo license. The bulk of the soil traverses were designed to coincide with known structure and airborne magnetic anomalies generated by the airborne survey. Approximately 85% of this programme was completed prior to the commencement of the wet season, with the balance intending to be completed during the December 2011 quarter. Analysis and interpretation is ongoing.

Commencing in early December 2010, the Company also undertook some structural drilling on the Yubdo and Billa Gulliso Exploration Licenses. This programme, consisting of 10 DD holes, was concentrated in the north eastern portion of the Gulliso Trend and the south eastern portion of the Yubdo license and focussed on confirming the suite of rock types to be found in these areas which is markedly different from that found at Tulu Kapi.

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Drilling was undertaken during the Reporting Period at both Chalti and Guji. Two holes were completed at Chalti for which preliminary assay results had only been received for one hole as at the date of this Annual Report. A third was abandoned due to adverse ground conditions and the fourth has been temporarily capped so that drilling may recommence in the fourth quarter of 2011 at the completion of the wet season when ground conditions improve.

The first hole clearly showed the presence of pervasive alteration and low-grade mineralisation throughout the drill depth which, in the opinion of Nyota's geologists, is indicative of the presence of a gold-bearing system in the vicinity. Sample analyses show anomalous gold mineralisation over approximately 30 per cent of the total hole depth with a peak grade of 0.7g/t Au over 1.0m. The aerial extent of the Chalti anomaly is almost twice that of Tulu Kapi and it is unrealistic to expect every hole to intersect economic mineralisation. Indeed, the first 7 holes originally drilled by Nyota's forebears over peak gold-in-soil grades at Tulu Kapi failed to intersect any mineralisation whatsoever. This first hole at Chalti can therefore be described as "extremely encouraging".

On the Guji Prospect future drilling planned requires the use of the RC rig to drill a grid of vertical short holes at 20m intervals and 20m to 30m depth to test for supergene mineralisation suspected to exist based on peak trench assays of up to 9.60g/t Au over 68.5m. The Company's original plans to drill targets at Soyoma, Kobera and Dina as part of the initial campaign have been reprioritised based on the more recent delineation of similar targets located closer to Tulu Kapi (and hence more strongly aligned with the Company's strategy of locating additional sources of mineralisation to provide future feed to a centralised Tulu Kapi gold plant). Nonetheless, Soyoma, which has returned previous trench results of up to 14.2m at 8.2g/t gold over a 200m strike length (supported by high chargeable and high resistive IP anomalies, which continue to the west-southwest on the other side of a north-northeast cross-cutting structure which also contains several historical gold workings) and Dina, which has returned trench results of up to 8.75m at 1.23g/t and test borehole results of up to 7.1m at 9.4g/t (and is supported by anomalous gold in soil, trench and IP Resistivity and Chargeability anomalies), remain important in the context of the proximal regional programme and will be drilled in the future.

Regional Ethiopian gold exploration – (100%)

Nyota's northern package of exploration tenements comprises two Exploration Licenses having a combined area of approximately 3,150 sq km. These licenses, which comprise the Mendi, Gombe, Dura and Bambasi claim blocks ("**Northern Blocks**"), are considered by Nyota to be highly prospective, with a number of encouraging gold mineralisation showings already delineated during preliminary reconnaissance. The area covered by the Northern Blocks is characterised by a suite of prospective host rocks, the required regional scale geological structures needed to control mineralisation and the presence of both active artisanal gold mining and known mineral deposits. In this regard, Midroc Gold Mine plc, the owner-operator of the Lege Dembi gold mine in Ethiopia (the country's only producing gold mine), has made a discovery of approximately 580 Koz of gold in a skarn-type deposit immediately to the north of the Gombe license area.

During the Reporting Period, the Northern Blocks were subject to a detailed airborne geophysical survey undertaken by UTS-Aeroquest, which generated a significant number of highly prospective targets. An exploration team was deployed to the Northern Blocks during the 2011 field season to undertake preliminary exploration activities to follow up identified targets and anomalies. Approximately 12% of the total area of the Northern Blocks was covered by a follow-up substantial reconnaissance fieldwork programme in the April-July field season, with excellent progress being made in the Gombe license area. Field season exploration included grab, stream sediment, heavy mineral concentrate, rock and soil sampling, geological mapping and trenching that was focussed on three of the highest priority targets. The Company currently intends to drill two of these, the Boka-Sirba and Tsole Mole targets, during the next field season. Details of those targets are as follows:

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- **Boka-Sirba** –this target is viewed as highly prospective and includes up to 15km of skarn mineralisation assemblages with abundant gossan development throughout (see Figure 4). Three separate areas of outcrop have been identified and sampled; the peak grade from rock chip sampling is 10g/t gold.
- **Tsole Mole** – comprises a quartz vein target over at least a 2km strike length of continuous quartz veins with sulphide mineralisation and pervasive rock wall alteration, and a 5.5km long gossan-rich breccia zone reminiscent of VMS style mineralisation (gossan representing the intensely oxidised upper part of a metallic vein or veins exposed at surface and being a very clear indicator of the presence of mineralisation).

In addition to the above two targets, an eluvial/alluvial gold target has been broadly defined which extends over more than 17km of strike length. As at the date of this Annual Report, a high-level scoping study is under preparation in relation to this target, to establish the requirements for evaluation of this resource type prior to commitment to a programme of evaluation.

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Muremera Nickel Project – (100%)

The Muremera Nickel Project in Burundi is located a short distance from Xstrata's Kabanga Nickel Project (situated on the Tanzanian side of the Burundi/Tanzania border), thought to be the single largest undeveloped nickel sulphide deposit in the world. The Muremera exploration licence was renewed for a period of 2 years in August 2009, however no substantive work was done on this project during the Reporting Period due to Nyota's focus on its Ethiopian gold operations. The Company is presently considering available options in relation to a possible divestment of its interest in the Muremera project.

Corporate

November 2010 fundraising

In November 2010, Nyota completed a fundraising of £21.58 million by placing 131,250,000 shares at £0.16 each with clients of Ocean Equities Limited in the UK and 3,692,307 shares at A0.26 each with clients of Bell Potter Securities in Australia. Participants in the fundraising included a number of top-tier British, Swiss and African institutions, as well as Nyota's largest shareholders IFC and JP Morgan Chase.

The Company has since pursued an aggressive exploration and development program at its flagship Tulu Kapi project and on its regional portfolio of tenements and has completed a substantial amount of pre-feasibility work across all disciplines pertinent to the development of a mine at Tulu Kapi. Notwithstanding this, as at 30 June 2011 there was A25.6 million in cash remaining on the Company's balance sheet.

Acquisition of remaining 20% interest in regional exploration tenements

Following its initial acquisition in June 2010 of an 80% interest in the 3,150 sq km portfolio of regional exploration tenements located approximately 100km to the north of Tulu Kapi, during the Reporting Period Nyota moved to acquire the remaining 20% interest in those tenements (issuing a total of 2,325,685 shares as purchase consideration). A number of extremely promising targets have already been delineated by Nyota on these highly prospective tenements and drilling on two of them is planned.

Appointment of Rockbury Capital

In February 2011, Nyota appointed specialist advisers Rockbury Capital to provide ongoing advice in relation to key strategic and developmental decisions concerning the Tulu Kapi project and the Company's Ethiopian projects generally (including the lodgement of the Large-Scale Mining License application at Tulu Kapi and the selection of definitive feasibility contractors for that project). The principal focus of Rockbury's retainer is to advise on progressing the Tulu Kapi development plans with the aim of securing debt and equity financing for the construction and commissioning of gold mining and processing operations in relation to the project.

IFC exercises all Nyota options to become largest shareholder

In February 2011, IFC exercised all of its 22,311,995 Nyota options which had been granted to it as part of IFC's initial 10% equity investment in Nyota in June 2010. The exercise of these options at £0.174 raised £3.86 million in general working capital. As a result of the option exercise, IFC became the Company's single largest shareholder, holding 13.64% of its issued capital. During the Reporting Period Nyota implemented a wide range of HSEC initiatives to become fully compliant with the IFC's strict Performance Standards. This will ensure that the Tulu Kapi project satisfies international best practice in these areas as project development continues.

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Appointment of Mr Richard Chase as Chief Executive Officer

On 16 May 2011, Mr Richard Chase was appointed to the role of Chief Executive Officer of the Company, bringing with him both substantial African geological/mining experience and eleven years subsequently spent in investment banking in the City of London (where he was most recently Managing Director of Ambrian Partners Limited, the investment banking subsidiary of Ambrian Capital plc). The Directors consider that he possesses the ideal skill-set to manage the Company through the next important phase in its development.

Appointment of DFS Consultants

Since year end the Company has appointed its key consultants to undertake a Definitive Feasibility Study (“DFS”) for the Tulu Kapi project. SENET (Pty) Limited has been appointed as Lead Engineer, Golder Associates have been appointed to undertake the Environmental & Social Impact Assessment and to design the tailings storage facility, and Wardell Armstrong International has been appointed to manage resource estimation and mine design/planning. The Company believes it has secured the services of world class consultants that have ideal experience suited to mine development in Ethiopia.

The technical exploration and mining information contained in this Report has been reviewed and approved by Mr RN Chapman. Mr Chapman 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 Guidance Note for Mining, Oil and Gas Companies. Mr Chapman is an employee of Mineral Exploration Management Limited, an independent geological consultancy established in 2005 and is a member of the Australasian Institute of Mining and metallurgy (Aus.I.M.M). Mr Chapman consents to the inclusion in this Report of such information in the form and context in which it appears.

The information in this Report that relates to the consultant responsible for the latest resource estimation is based on work completed independently by Principal Geologist Mr Che Osmond, who is a full-time employee of Wardell Armstrong International, an independent consultancy, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the type of activity 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 the June 2009 Edition of the AIM Note for Mining, Oil and Gas Companies. Mr. Osmond consents to the inclusion of that information in public documents in the form and context in which it appears in this Report and confirms that such information is accurate and not false or misleading.

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

Your directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of Nyota Minerals Limited (referred to hereafter as the "Company") and the entities it controlled at the end of, or during, the year ended 30 June 2011.

Directors

The following persons were directors of the Company during the whole of the financial year and up to the date of this report:

M Sturgess, M Churchouse, D Pettman, M Langoulant and E Kirby.

Mr R Chase was appointed to the Board on 3 June 2011 and remains a director at the date of this report. Mr T Tucker was a director from 6 August 2010 until his resignation on 3 March 2011.

Principal activities

The principal continuing activities of the Group during the course of the financial year were mineral exploration and evaluation.

Dividends

No amounts were paid by way of dividend since the end of the previous financial year (2010: Nil). The directors do not recommend the payment of a dividend.

Review of operations

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the operations and financial review section of this annual report.

Significant changes in the state of affairs

Significant changes in the state of affairs of the Group during the financial year were:

- In November 2010 the Company issued 134,942,307 ordinary shares by way of a placement to professional investor clients of Ocean Equities Plc and Bell Potters at an issue price of GBP0.16/AUD0.26 each to raise \$34,741,000 in additional working capital.
- In December 2010 the Company exercised options to acquire an additional 20% of exploration tenements in Ethiopia in exchange for the issue of 2,325,685 ordinary shares at a deemed issue price of GBP0.215.
- In February 2011 the IFC exercised 22,311,995 options at GBP0.174 to raise \$6,147,000 in working capital.

There were no other significant changes in the state of affairs of the Group that occurred in the financial year not otherwise disclosed in this report.

Matters subsequent to the end of the financial year

There has not been any other circumstance that has arisen after the balance sheet date that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Likely developments and expected results

Comments on expected results of certain aspects of the operations of the Group are included in the operations and financial review section of this report. Further information on likely developments in the operations of the Group and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

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DIRECTORS' REPORT

Environmental regulation

The Group's operations are subject to significant environmental regulations under legislation in relation to mining, exploration and evaluation activities. The Group's operations are also subject to environmental management programme statements outlining environmental and rehabilitation principles to be adhered to in work programmes. There have been no significant known breaches of these regulations and principles.

Information on directors

M J Sturgess BSc, MBA. *Executive Chairman.* Aged 45

Experience and expertise

Appointed in April 2001, Ms Sturgess' early career was with British Airways and lawyers Mallesons Stephen Jacques. She has worked in the corporate development and promotion of a range of public companies, including Aquarius Platinum Limited where she was primarily responsible for attracting institutional shareholders.

Other current directorships

Chairman of Luiji Gold Ltd

Former directorships in last 3 years

Carlton Resources Plc and Churchill Mining Plc

Special responsibilities

Chairman and member of audit and remuneration committees.

Interests in shares and options

9,429,855 ordinary shares; 3,500,000 options

D Pettman *Vice-Chairman* Aged 65

Experience and expertise

Appointed in March 2010, Mr Pettman became a partner of UK stockbrokers William de Broe in 1976 and worked on the institutional desk for over 20 years. After 1996 he specialised in the resources sector and has been involved in the UK listing of a number of successful resource companies.

Other current directorships

Nil

Former directorships in last 3 years

Nil

Special responsibilities

Chairman of audit and remuneration committees

Interests in shares and options

670,000 ordinary shares and 3,500,000 options

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DIRECTORS' REPORT

R Chase BSc (Hons), Geology MSc – Exploration Geology, Chief Executive Officer. Aged 40

Experience and expertise

Appointed in June 2011, Mr Chase is a mining sector specialist with over 20 years' experience; 8 in exploration and mine production in Africa followed by 11 years experience in small market cap mining research and corporate finance with various firms in the City of London and is a Member of Institute of Materials, Minerals and Mining and a Fellow of The Geological Society.

Other current directorships

Nil

Former directorships in last 3 years

Nil

Special responsibilities

Chief executive officer

Interests in shares and options

3,500,000 options

M Churchouse BSc, Geology, MSc – Mining & Geology, MBA Technical director. Aged 51

Experience and expertise

Appointed in October 2009, Mr Churchouse is a geologist with an extensive background in exploration and mining in both Africa and Eastern Europe. He has significant experience in exploration, resource estimation, mine development, production and corporate management.

Other current directorships

Non-executive director of Carlton Resources Plc

Former directorships in last 3 years

Nil

Special responsibilities

Technical director

Interests in shares and options

4,000,000 options

E Kirby BSc (Hons) Metallurgy, PhD Metallurgy, MAusIMM, MSthAfrIMM. Non-executive director.
Aged 60

Experience and expertise

Appointed in November 2002, Dr Kirby has worked for major companies such as Impala Platinum, Rand Mines, Rustenburg Platinum Mines, Minproc Engineers and Bechtel before starting his own consulting business in 2002. He has broad experience with the development of a wide range of mining and minerals processing projects particularly in Africa and Australia.

Other current directorships

Non-executive director of Bezant Resources Plc and Luiiri Gold Limited

Former directorships in last 3 years

China Goldmines Plc and Great Australian Resources Limited

Special responsibilities

None

Interests in shares and options

3,325,729 ordinary shares and 1,500,000 options

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

M J Langoulant B Com, CA. *Finance director.* Aged 54

Experience and expertise

Appointed in April 2005, Mr Langoulant is a Chartered Accountant with over 20 years' experience in public company corporate administration and fundraising. After 10 years with large international accounting firms he has acted as CFO, company secretary and non-executive director with a number of publicly listed companies. In 1994 he started his own consultancy firm providing corporate and secretarial services.

Other current directorships

Chairman of White Cliff Nickel Limited and Finance director of Luiiri Gold Limited

Former directorships in last 3 years

None

Special responsibilities

Finance director, member of audit and remuneration committees. Company secretary until July 2010

Interests in shares and options

3,486,129 ordinary shares and 1,500,000 options

Company secretary

Until July 2010 the company secretary was M Langoulant. In July 2010 Messrs R Jarvis and M Burchnall were appointed co-company secretaries.

R Jarvis is a Fellow member of the Institute of Chartered Certified Accountants (UK), with over 14 years financial and accounting experience gained both in public practice and industry. Mr Jarvis is currently employed as Chief Financial Officer/co-company secretary of Nyota.

M Burchnall previously worked for over eight years as a lawyer with a number of prominent Australian legal firms in corporate, energy and resources areas before joining Nyota in the role of Manager, Strategic Development in 2006. He continues in that role in addition to his appointment as joint company secretary.

Meetings of directors

During the financial year there were eleven formal directors' meetings. All other matters that required formal board resolutions were dealt with via circulating written rotary resolutions. In addition the directors met on an informal basis at regular intervals during the year to discuss the Company's affairs. During the financial year both a remuneration and audit sub-committee of the Board of directors was in place. The number of meetings of the company's Board of directors and its sub-committees held during the reporting period and attended by each director was:

	<i>Directors' meetings held whilst in office</i>	<i>Directors' meetings attended</i>	<i>Remuneration Committee meetings held</i>	<i>Remuneration Committee meetings attended</i>	<i>Audit Committee meetings held</i>	<i>Audit Committee meetings attended</i>
M Sturgess*	11	11	2	2	3	3
D Pettman*	11	11	2	2	3	2
M Churchouse	11	11	-	-	-	-
M Langoulant*	11	11	2	2	3	3
E Kirby	11	11	-	-	-	-
T Tucker	4	4	-	-	-	-
R Chase	-	-	-	-	-	-

* Audit and remuneration Committee member.

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

Remuneration report

The remuneration report is set out under the following main headings:

- A Principles used to determine the nature and amount of remuneration
- B Details of remuneration
- C Service agreements
- D Share-based compensation

The information in this remuneration report has been audited as required by section 308 (3C) of the *Corporations Act 2001*.

A Principles used to determine the nature and amount of remuneration

The objective of the Group's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aims to align executive reward with the creation of value for shareholders. The key criteria for good reward governance practices adopted by the Board are:

- competitiveness and reasonableness; acceptability to shareholders; performance incentives; and
- transparency and capital management

The framework provides a mix of fixed fee, consultancy agreement based remuneration and share based incentives.

The remuneration policy for determining the nature and amount of emoluments of board members and senior executives of the Group is determined by the full Board in accordance with a written Remuneration Committee Charter. During the year the Remuneration Committee consulted with external remuneration consultants to ensure the Group has a structured executive framework that is market competitive and complementary to the reward strategy of the Group.

The Board's aim is to also ensure the remuneration packages properly reflect directors' and executives' duties and responsibilities. The Committee assesses the appropriateness of the nature and amount of emoluments of such officer on a periodic basis by reference to relevant employment market conditions with the overall objective of ensuring maximum stakeholder benefit from the retention and motivation of a high quality Board and executive team.

At this stage of the company's development the remuneration policy is that no element of any director/executive package should be directly related to the company's financial performance. Indeed there are no elements of any director or executive remuneration that is dependent upon the satisfaction of any specific condition. The overall remuneration policy framework however is structured in an endeavour to advance/create shareholder wealth. This policy has been consistent over the past several financial years.

Non-executive directors

Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board and are intended to be in line with the market.

Executive directors

All executive directors are either employees or perform some executive or consultancy services. However, each executive director receives a separate fixed fee for their services as directors, as the Board considers it important to distinguish between the executive/consulting and non-executive roles held by those individuals.

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DIRECTORS' REPORT

Remuneration report (continued)

A Principles used to determine the nature and amount of remuneration (continued)

Retirement allowances for directors

Apart from superannuation payments paid on salaries and base director fees there are no retirement allowances for directors.

Executive pay

The executive pay and reward framework has three components:

- base pay and benefits such as superannuation;
- short term incentives; and
- long-term incentives through participation in Employee Share/Option Plans.

Base pay

All executive directors who are not employees currently receive a fixed monthly retainer as agreed with the Company. All salaries and monthly retainers are reviewed on at least an annual basis.

Benefits

Apart from statutory superannuation paid on salaries and Australian base director fees there are no additional benefits paid to directors and executives.

Short term incentives

Following consultation with external consultants the Group introduced the possibility of payment of bonus payments if short term incentives/targets were met. The Remuneration Committee has the responsibility for determining short term incentive targets, whether these short term targets have been met and whether a bonus should be paid. There are no fixed entitlements to receive any short term incentive payment.

Long-term incentives

Information on the existing employee share and option plans is set out in note 26.

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors and the key management personnel (as defined in AASB 124 *Related Party Disclosures*) of the Group are set out in the following tables. There are no elements of remuneration that are directly related to the Group's performance.

The key management personnel of the Group are the directors of Nyota Minerals Limited and those executives that report directly to the Chief Executive Officer being:

- M Burchnall – Manager, Strategic Development/Joint company secretary
- R Jarvis – Group Chief Financial Officer/Joint company secretary

The named directors and executives of the Group also comprise the five highest paid executives of the Company and the Group.

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DIRECTORS' REPORT

Remuneration report (continued)

Remuneration of key management personnel and other executives of the Group

2011

Name	Short-term benefits		Post-employment Super-annuation	Termination Benefits	Share and option based payments	Total	% of total consisting of shares and options
	Salary and fees	Cash bonus					
	\$	\$	\$	\$	\$	\$	
<i>Executive directors</i>							
M Sturgess	477,339	118,523	-	-	369,720	965,582	38
M Churchouse	273,350	38,505	-	-	207,277	519,132	40
M Langoulant	182,312	-	5,608	-	163,114	351,034	46
R Chase**	41,739	-	-	-	10,161	51,900	20
T Tucker*	255,725	-	-	467,670	-	723,395	-
<i>Non-executive directors</i>							
D Pettman	125,853	-	-	-	186,892	312,745	60
E Kirby	280,312	16,000	5,608	-	163,114	465,034	35
<i>Other key management personnel</i>							
M Burchnall	223,980	11,574	-	-	109,241	344,795	32
R Jarvis	219,817	-	-	-	109,241	329,058	33
Total	2,080,427	184,602	11,216	467,670	1,318,760	4,062,675	

* no longer a director and includes remuneration paid prior to his appointment as a director

** Includes remuneration prior to his appointment as a director.

2010

Name	Short-term benefits		Post-employment Super-annuation	Termination Benefits	Share and option based payments	Total	% of total consisting of shares and options
	Salary and fees	Cash bonus					
	\$	\$	\$	\$	\$	\$	
<i>Executive directors</i>							
M Sturgess	377,825	-	1,575	-	106,947	486,347	21
M Churchouse**	273,058	-	-	-	27,226	300,284	9
M Langoulant	125,911	-	4,971	-	54,009	184,891	29
<i>Non-executive directors</i>							
D Pettman	37,607	-	-	-	27,226	64,833	42
E Kirby	132,252	-	4,971	-	54,009	191,232	28
T McConnachie	101,062	-	-	-	30,627	131,689	23
<i>Other key management personnel</i>							
T Tucker	41,780	-	-	-	240,000	281,780	85
M Burchnall	182,122	-	16,391	-	57,950	256,463	22
R Jarvis	102,083	-	-	-	57,950	160,033	36
Total	1,373,700	-	27,908	-	655,944	2,057,552	

** Includes remuneration prior to his appointment as a director.

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

Remuneration report (*continued*)

C Service agreements

As at 30 June 2011 the Executive Chairman and CEO both had formal service agreements as follows:

Executive Chairman – M Sturgess

- Term of Agreement - 4 year term from 1 January 2010
- Remuneration – Base annual fee of GBP230,000 plus participation in any bonus plan or share/option plans as determined by the Board
- Termination - Payment of a termination benefit on termination by the Company, other than for gross misconduct, equal to 36 months consultancy fee.

CEO – R Chase

- Term of Agreement - Renewable each anniversary from 3 June 2012
- Remuneration – Annual fee of GBP200,000 plus participation in any bonus plan or share/option plans as determined by the Board
- Termination - Payment of a termination benefit on termination by the Company, other than for gross misconduct, equal to 12 months consultancy fee.

The directors and other key management personnel are retained on monthly retainers which are reviewed at least annually and can be terminated upon three months' notice.

D Share-based compensation

Employee share and option plans

Shares and options have been granted under the employee incentive share plans and the employee incentive option plans, which have been approved by shareholders.

The Board considers length of service, seniority, responsibilities, potential contribution and any other relevant matters in determining eligibility of participants.

A participant who is invited to subscribe for shares under the share plan may also be invited to apply for a loan up to the amount payable in respect of the shares accepted by the participant. These loans are to be made on the following terms:

- Interest free;
- Applied directly against the issue price of the shares to be acquired under the plan;
- For a term to be determined by the Board;
- Repayable to the extent of the lesser of the issue price of the relevant shares issued, less any cash dividends applied against the outstanding principal; and the last market sale price of the shares on the date of repayment of the loan;
- The loan must be repaid in full prior to expiry of the loan;
- The Company will have a lien over the shares in respect of which a loan is outstanding;
- Shares issued under the plan are not transferable while a loan amount in respect of those shares remains payable; and
- Shares issued under the share plan will not be quoted on a publicly traded stock market while a loan amount in respect of those shares remains payable.

The Board has sole responsibility to determine the number of options and terms and conditions of options granted to any participant under the option plan.

The options issued under the option plan will be granted free of charge. The exercise price for the options is to be not less than the weighted average share price for the last five trading days immediately preceding the options being offered to the participant.

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

Remuneration report (*continued*)

The expiry date of the options will be determined by the Board and will also lapse within one month of the participant ceasing to be a director, employee or consultant of the company or a controlled entity (subject to certain exceptions). The Board at its discretion may apply certain vesting conditions upon any options issued under the option plan.

The options are not transferable without prior written approval from the Board. The options will not be quoted on a publicly traded stock market; however application will be made for ASX/AIM quotation of the shares issued upon the exercise of the options.

The aim of the employee incentive share and option plans is to provide long term incentives to directors and executives to create and enhance shareholder wealth and to provide a mechanism to assist the company in its endeavours to retain key executives and employees.

For the purposes of this remuneration report and the annual report shares issued under the share plan with an interest free loan that has not been repaid are considered options.

The plan rules contain a restriction on removing the 'at risk' aspect of the instruments granted to executives. Plan participants may not enter into any transaction designed to remove the 'at risk' aspect of an instrument before it vests.

The terms and conditions of each grant of options affecting remuneration in the current or future reporting periods are as follows:

Grant date	Expiry date	Exercise price of options	Fair value at grant date	% vested
3 September 2009	30 September 2012	\$0.11	\$0.064	30
21 December 2009	31 December 2012	\$0.13	\$0.082	30
23 February 2010	31 December 2012	\$0.15	\$0.110	30
22 March 2010	30 June 2013	\$0.17	\$0.104	30
15 July 2010	30 June 2013	\$0.31	\$0.156	-
6 August 2010	30 June 2013	\$0.31	\$0.156	-
30 November 2010	31 December 2015	\$0.35	\$0.102	-
30 November 2010	31 December 2015	\$0.42	\$0.124	-
30 November 2010	31 December 2015	\$0.50	\$0.140	-
4 February 2011	31 January 2016	GBP0.23	\$0.096	-
3 June 2011	30 June 2015	GBP0.175	\$0.054	-
3 June 2011	30 June 2015	GBP0.20	\$0.089	-

Options granted under the plans carry no dividend or voting rights.

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

Remuneration report *(continued)*

The terms and conditions of each grant of employee shares affecting remuneration in the current or future reporting periods are as follows:

Grant date	Attaching loan expiry date	Issue price of shares	Fair value at grant date	% vested
3 September 2009	3 September 2013	\$0.11	\$0.066	50
23 February 2010	23 February 2014	\$0.15	\$0.105	50

Details of employee plan share and options provided as remuneration to each director of the Company and each of the key management personnel of the Group are set out below. When exercisable, each option is convertible into one ordinary share of Nyota Minerals Limited.

Further information on the employee share and option plans are set out in note 26 to the financial statements.

	Number of Options granted during the year	Value at grant date \$	Number of options lapsed during the year	Value at lapse date \$
<i>Directors of Nyota Minerals Limited</i>				
M J Sturgess	3,500,000	427,000	-	-
D Pettman	1,500,000	183,000	-	-
M Churchouse	2,000,000	244,000	-	-
E Kirby	1,500,000	183,000	-	-
M J Langoulant	1,500,000	183,000	-	-
R Chase	3,500,000	252,000	-	-
T Tucker	4,500,000	583,000	4,500,000	583,000
<i>Other key management personnel</i>				
M Burchnall	900,000	109,800	-	-
R Jarvis	900,000	109,800	-	-

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

Remuneration report (continued)

The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from grant date to vesting date, and the amount is included in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the equity to be paid or exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

Shares provided on exercise of remuneration options

During the year there have been no shares issued upon the exercise of employee options by the current directors or current other key management of the Group.

Details of remuneration – share based compensation benefits

For each grant of shares/options in the tables above, the percentage of each grant that vested in the financial year, or were forfeited because the person did not meet the performance criteria is set out below. Set percentages of the shares/options vest at each anniversary of the grant provided vesting conditions are met. No options/shares will vest if the conditions are not satisfied hence the minimum value of the share/option yet to vest is nil. The maximum value of the share/option yet to vest has been determined as the amount of grant date fair value that has yet to be expensed.

Name	Year of grant 30 June	Vested %	Forfeited %	Vesting years 30 June	Maximum value of grant yet to vest \$
M Sturgess	2010	50	-	2012	60,561
	2011	-	-	2012-2014	284,304
D Pettman	2010	50	-	2012	74,991
	2011	-	-	2012-2014	121,845
M Churchouse	2010	50	-	2012	74,991
	2011	-	-	2012-2014	162,460
E Kirby	2010	50	-	2012	26,556
	2011	-	-	2012-2014	121,845
M Langoulant	2010	50	-	2012	26,556
	2011	-	-	2012-2014	121,845
T Tucker	2011	-	100	-	-
R Chase	2011	-	-	2012-2014	241,839
M Burchnall	2010	50	-	2012	20,640
	2011	-	-	2012-2014	73,107
R Jarvis	2010	50	-	2012	20,640
	2011	-	-	2012-2014	73,107

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Date options granted	Expiry date	Issue price of shares	Number under option
3 September 2010	30 September 2012	\$0.11	5,300,000
21 December 2010	31 December 2012	\$0.13	1,280,000
23 February 2010	31 December 2012	\$0.15	7,000,000
22 March 2010	30 June 2013	\$0.17	250,000
15 July 2010	30 June 2013	\$0.31	1,500,000
6 August 2010	30 June 2013	\$0.31	500,000
30 November 2010	31 December 2015	\$0.35	4,833,334
30 November 2010	31 December 2015	\$0.42	4,833,334
30 November 2010	31 December 2015	\$0.50	4,833,332
4 February 2011	31 January 2016	GBP0.23	4,000,000
3 June 2011	30 June 2015	GBP0.175	1,700,000
3 June 2011	30 June 2015	GBP0.20	1,800,000

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

Loans to directors and executives

Information on loans to directors and executives, including amounts, interest rates and repayment terms are set out in note 19 to the financial statements.

Shares issued on the exercise of options

The following ordinary shares have been issued during the year upon the exercise of options.

Date options granted	Issue price of shares	Number of shares issued
3 September 2009	\$0.11	375,000
14 June 2010	GBP0.174	22,311,995

Insurance of officers

During the year the Company has paid premiums in respect of a contract insuring all directors and officers of the Company and its controlled entities against liabilities incurred as directors or officers to the extent permitted by the *Corporations Act 2001*. Due to confidentiality clauses in the contract the amount of the premium has not been disclosed.

Proceedings on behalf of Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.

Non-audit services

There were no non-audit services provided by the auditors of the parent entity (PricewaterhouseCoopers), its related practices and non-related audit firms.

The Audit Committee has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The auditor's independence was not compromised.

NYOTA MINERALS LIMITED

DIRECTORS' REPORT

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 31.


Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the directors' report. Amounts in the directors' report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of the directors.

A handwritten signature in black ink, consisting of a large, stylized initial 'M' followed by a series of loops and a long, wavy horizontal line extending to the right.

M. J Sturgess
Executive Chairman
Perth Dated: 29 September 2011



Auditor's Independence Declaration

As lead auditor for the audit of Nyota Minerals Limited for the year ended 30 June 2011, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Nyota Minerals Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'P. Dreyer', written over a faint circular watermark or background.

Pierre Dreyer
Partner
PricewaterhouseCoopers

Perth
29 September 2011

NYOTA MINERALS LIMITED

CORPORATE GOVERNANCE STATEMENT

Approach to Corporate Governance

Nyota Minerals Limited (**Company**) has adopted systems of control and accountability as the basis for its administration of corporate governance. Some of these policies and procedures are summarised in this statement. Commensurate with the spirit of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 2nd edition (**Principles & Recommendations**), the Company has followed each recommendation where the Board has considered the recommendation to be an appropriate benchmark for its corporate governance practices. Where the Company's corporate governance practices follow a recommendation, the Board has made appropriate statements reporting on the adoption of the recommendation. In compliance with the "if not, why not" regime, where, after due consideration, the Company's corporate governance practices depart from a recommendation, the Board has offered full disclosure and an explanation for the adoption of its own practice.

Further information about the Company's corporate governance practices may be found on the Company's website at www.nyotaminerals.com, under the section marked "Corporate Information - Corporate Governance".

The Company reports below on how it has followed (or otherwise departed from) each of the Principles & Recommendations during the 2010/2011 financial year (**Reporting Period**). The Principles & Recommendations were amended in 2010, and these amendments apply to the Company's first financial year commencing on or after 1 January 2011. Accordingly, disclosure against the Principles & Recommendations as amended in 2010 will be made in relation to the Company's financial year ending 30 June 2012. The report below is made against the Principles & Recommendations prior to their amendment in 2010.

Board

Roles and responsibilities of the Board and Senior Executives (Recommendations: 1.1, 1.3)

The Company has established the functions reserved to the Board, and those delegated to senior executives and has set out these functions in its Board Charter.

The Board is collectively responsible for promoting the success of the Company through its key functions of overseeing the management of the Company, providing overall corporate governance of the Company, monitoring the financial performance of the Company, engaging appropriate management commensurate with the Company's structure and objectives, involvement in the development of corporate strategy and performance objectives, and reviewing, ratifying and monitoring systems of risk management and internal control, codes of conduct and legal compliance.

Senior executives are responsible for supporting the Chief Executive Officer and assisting the Chief Executive Officer in implementing the running of the general operations and financial business of the Company, in accordance with the delegated authority of the Board. Senior executives are responsible for reporting all matters which fall within the Company's materiality thresholds at first instance to the Chief Executive Officer or, if the matter concerns the Chief Executive Officer, directly to the Chair or the lead independent director, as appropriate.

The Company's Board Charter is available on the Company's website.

Skills, experience, expertise and period of office of each Director (Recommendation: 2.6)

A profile of each Director setting out their skills, experience, expertise and period of office is set out in the Directors' Report.

NYOTA MINERALS LIMITED

CORPORATE GOVERNANCE STATEMENT

Director independence

(Recommendations: 2.1, 2.2, 2.3, 2.6)

The Board does not have a majority of directors who are independent. During the Reporting Period the Company began an evaluation of the Board to review the strength and skill base of the directors, and where if possible it could be enhanced. The Board has also undertaken internal discussions in an open forum to discuss its composition. The Board believes its current composition is appropriate for the Company's operations. However, the Board is currently looking to appoint an independent non-executive director with mining engineering and African experience.

The independent directors of the Company are David Pettman and Evan Kirby. These directors are independent as they are non-executive directors who are not members of management and who are free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment.

The Board considers the independence of directors having regard to the relationships listed in Box 2.1 of the Principles & Recommendations and the Company's materiality thresholds. The Board has agreed on, and set out in the Company's Board Charter, the following guidelines for assessing the materiality of matters:

- Balance sheet items are material if they have a value of more than 10% of pro-forma net assets.
- Profit and loss items are material if they will have an impact on the current year operating result of 10% or more.
- Items are also material if they impact on the reputation of the Company, involve a breach of legislation, are outside the ordinary course of business, could affect the Company's rights to its assets, if accumulated would trigger the quantitative tests, involve a contingent liability that would have a probable effect of 10% or more on balance sheet or profit and loss items, or will have an effect on operations which is likely to result in an increase or decrease in net income or dividend distribution of more than 10%.
- Contracts will be considered material if they are outside the ordinary course of business, contain exceptionally onerous provisions in the opinion of the Board, impact on income or distribution in excess of the quantitative tests, there is a likelihood that either party will default and the default may trigger any of the quantitative or qualitative tests, are essential to the activities of the Company and cannot be replaced, or cannot be replaced without an increase in cost which triggers any of the quantitative tests, contain or trigger change of control provisions, are between or for the benefit of related parties, or otherwise trigger the quantitative tests.

The non-independent directors of the Company are Melissa Sturgess, Richard Chase (appointed a director on 3 June 2011), Martyn Churchouse, Mike Langoulant and Terry Tucker (on the Board between 6 August 2010 and 3 March 2011).

The non-independent Chair of the Board is Melissa Sturgess. Whilst the Company recognises the benefit of having an independent director as Chair, the Board is of the view that Melissa Sturgess is the most appropriate person for the position of Chair. David Pettman has been appointed as lead independent director by the Board to assume the role of Chair in situations where Ms Sturgess is unable to act as Chair.

The current Chief Executive Officer is Richard Chase who is not Chair of the Board. During the Reporting Period the role of Chief Executive Officer was exercised by various directors. Melissa Sturgess performed the role of Executive Chair during the Reporting Period and Terry Tucker was Chief Executive Officer between 6 August 2010 and 3 March 2011. Richard Chase is currently the Chief Executive Officer and has been since his appointment to that role on 16 May 2011.

NYOTA MINERALS LIMITED

CORPORATE GOVERNANCE STATEMENT

Independent professional advice (Recommendation: 2.6)

To assist directors with independent judgement, it is the Board's policy that if a director considers it necessary to obtain independent professional advice to properly discharge the responsibility of their office as a director then, provided the director first obtains approval from the Chair for incurring such expense, the Company will pay the reasonable expenses associated with obtaining such advice.

Selection and reappointment of Directors (Recommendation: 2.6)

In determining candidates for the Board, the Nomination Committee (or equivalent) follows a prescribed process whereby it evaluates the mix of skills, experience and expertise of the existing Board. In particular, the Nomination Committee (or equivalent) is to identify the particular skills that will best increase the Board's effectiveness. Consideration is also given to the balance of independent directors. Potential candidates are identified and, if relevant, the Nomination Committee (or equivalent) recommends an appropriate candidate for appointment to the Board. Any appointment made by the Board is subject to ratification by shareholders at the next general meeting.

The Board recognises the impact of Board tenure on succession planning and that Board renewal is critical to performance. Each director other than the Managing Director, must not hold office (without re-election) past the third annual general meeting of the Company following the director's appointment or three years following that director's last election or appointment (whichever is the longer). However, a director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without re-election) past the next annual general meeting of the Company. At each annual general meeting a minimum of one director or one third of the total number of directors must resign. A director who retires at an annual general meeting is eligible for re-election at that meeting and the re-appointment of directors is not automatic.

The Company's Policy and Procedure for the Selection and reappointment of Directors is available on the Company's website.

Board committees

Nomination Committee (Recommendations: 2.4, 2.6)

The Board has not established a separate Nomination Committee. The Board believes that there would be no efficiencies gained by establishing a separate Nomination Committee and believes that at the Company's current stage of development, nomination decisions are best made in an open forum by the full Board. Accordingly, the Board performs the role of the Nomination Committee. Items that are usually required to be discussed by a Nomination Committee are marked as separate agenda items at Board meetings when required. When the Board convenes as the Nomination Committee it carries out those functions which are delegated to it in the Company's Nomination Committee Charter. The Board deals with any conflicts of interest that may occur when convening in the capacity of the Nomination Committee by ensuring that the director with conflicting interests is not party to the relevant discussions.

The full Board did not officially convene as a Nomination Committee during the Reporting Period however nomination-related discussions occurred from time to time during the year as required, and at least on a quarterly basis at Board meetings.

The Board has adopted a Nomination Committee Charter which describes the role, composition, functions and responsibilities of the Nomination Committee. A copy of the Nomination Committee Charter is available on the Company's website.

NYOTA MINERALS LIMITED

CORPORATE GOVERNANCE STATEMENT

Audit Committee

(Recommendations: 4.1, 4.2, 4.3, 4.4)

The Board has established an Audit Committee comprised of David Pettman (Chair - independent non-executive director), Melissa Sturgess (executive director) and Michael Langoulant (not independent non-executive director).

The Audit Committee is not structured in compliance with Recommendation 4.2 as it contains an executive director (Melissa Sturgess) and does not consist of a majority of independent directors. The Company considers that the members of the Audit Committee are the most appropriate, given their experience and qualifications, for the Company's current needs. The Board has adopted an Audit Committee Charter, which describes the Audit Committee's role, composition, functions and responsibilities and which the Audit Committee applies when convening. The Audit Committee Charter makes provision for the Audit Committee to meet with the external auditor, as required.

The Audit Committee held three meetings during the Reporting Period. Details of the directors' attendance at Audit Committee meetings are set out in the Directors' Report.

Details of each of the director's qualifications are set out in the Directors' Report. All committee members consider themselves to be financially literate and have industry knowledge. Further Mike Langoulant's qualifications and experience as a Chartered Accountant enable him to meet the test of financial expertise.

The Company has established procedures for the selection, appointment and rotation of its external auditor. The Board is responsible for the initial appointment of the external auditor and the appointment of a new external auditor when any vacancy arises, as recommended by the Audit Committee. Candidates for the position of external auditor must demonstrate complete independence from the Company through the engagement period. The Board may otherwise select an external auditor based on criteria relevant to the Company's business and circumstances. The performance of the external auditor is reviewed on an annual basis by the Audit Committee and any recommendations are made to the Board.

The Company's Audit Committee Charter and the Company's Procedure for Selection, Appointment and Rotation of External Auditor are available on the Company's website.

Remuneration Committee

(Recommendations: 8.1, 8.2, 8.3)

The Board has established a Remuneration Committee comprised of David Pettman (Chair), Melissa Sturgess and Michael Langoulant.

The Remuneration Committee held two meetings during the Reporting Period. Details of attendance at Remuneration Committee meetings are set out in the Directors' Report.

To assist the Remuneration Committee to fulfil its function as the Remuneration Committee, the Board has adopted a Remuneration Committee Charter which describes the role, composition, functions and responsibilities of the Remuneration Committee.

Details of remuneration, including the Company's policy on remuneration, are contained in the "Remuneration Report" which forms of part of the Directors' Report. The Company's policy is to remunerate non-executive directors at market rates (for comparable companies) for time, commitment and responsibilities. Fees for non-executive directors are not linked to the performance of the Company. Given the Company's stage of development and the financial restrictions placed on it, the Company may consider it appropriate to issue unlisted options to non-executive directors, subject to obtaining the relevant approvals.

NYOTA MINERALS LIMITED

CORPORATE GOVERNANCE STATEMENT

The grant of options is designed to attract and retain suitability qualified non-executive directors. This policy is subject to annual review. All of the directors' option holdings are fully disclosed. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at general meeting.

The executive pay and reward framework has two components: base pay and benefits such as superannuation, and long term incentives through participation in the Company's employee share option plans. Executives are offered a competitive level of base pay at market rates (for comparable companies) and are reviewed annually to ensure market competitiveness. Executives are prohibited from entering into transaction or arrangements which limit the economic risk of participating in unvested entitlements.

There are no termination or retirement benefits for non-executive directors (other than for superannuation).

The Company's Remuneration Committee Charter includes a statement of the Company's policy on prohibiting transactions in associated products which limit the risk of participating in unvested entitlements under any equity based remuneration schemes.

The Company's Remuneration Committee Charter is available on the Company's website.

Performance evaluation

Senior executives

(Recommendations: 1.2, 1.3)

The Chair and CEO, in consultation with other Board members, are responsible for evaluating the performance of senior executives. The performance evaluation of senior executives is undertaken by the Chair on an informal basis at least once a year.

During the Reporting Period an evaluation of senior executives took place in accordance with the process disclosed above. No performance evaluation of the Company's current Chief Executive Officer took place given he was appointed on 16 May 2011.

Board, its committees and individual directors

(Recommendations: 2.5, 2.6)

The Chair is responsible for evaluating the performance of the Board and, when deemed appropriate, Board committees and individual directors. The Nomination Committee is responsible for evaluating the Chief Executive Officer. Evaluations of the Board and its committees are undertaken by way of round-table discussions and individual directors by one on one interviews.

During the Reporting Period an evaluation of the Board, its committees, and individual directors took place in accordance with the process disclosed above.

Ethical and responsible decision making

Code of Conduct

(Recommendations: 3.1, 3.3)

The Company has established a Code of Conduct as to the practices necessary to maintain confidence in the Company's integrity, the practices necessary to take into account its legal obligations and the reasonable expectations of its stakeholders, and the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.

A summary of the Company's Code of Conduct is available on the Company website.

NYOTA MINERALS LIMITED

CORPORATE GOVERNANCE STATEMENT

Policy for Trading in Company Securities (Recommendations: 3.2, 3.3)

The Company has established a Policy for Trading in Company Securities by restricted persons which means directors, officers, persons discharging managerial responsibilities and employees with access to inside information. The Policy also extends to connected persons, including family members and controlled entities.

A copy of the Company's Policy for Trading in Company Securities is available on the Company's website.

Continuous Disclosure (Recommendations: 5.1, 5.2)

Company has established written policies and procedures designed to ensure compliance with both AIM and ASX Listing Rule disclosure requirements and accountability at a senior executive level for that compliance.

Summaries of the Company's Policy on AIM/ASX Listing Rule Compliance and of its Compliance Procedures are available on the Company's website.

Shareholder Communication (Recommendations: 6.1, 6.2)

The Company has designed a communications policy for promoting effective communication with shareholders and encouraging shareholder participation at general meetings.

A copy of the Company's Shareholder Communication Policy is available on the Company's website.

Risk Management (Recommendations: 7.1, 7.2, 7.3, 7.4)

The Board has adopted a Risk Management Policy, which sets out the Company's risk profile. Under the policy, the Board is responsible for approving the Company's policies on risk oversight and management and satisfying itself that management has developed and implemented a sound system of risk management and internal control.

Under the policy, the Board delegates day-to-day management of risk to the Chief Executive Officer, who is responsible for identifying, assessing, monitoring and managing risks. The Chief Executive Officer is also responsible for updating the Company's material business risks to reflect any material changes, with the approval of the Board. In fulfilling the duties of risk management, the Chief Executive Officer may have unrestricted access to Company employees, contractors and records and may obtain independent expert advice on any matter they believe appropriate, with the prior approval of the Board.

The Board has established a separate Audit Committee to monitor and review the integrity of financial reporting and the Company's internal financial control systems and risk management systems. The Audit Committee reports any issues regarding the management of material business risks that it considers should be brought to the Board's attention.

NYOTA MINERALS LIMITED

CORPORATE GOVERNANCE STATEMENT

In addition, the following risk management measures have been adopted by the Board to manage the Company's material business risks:

- the Board has established authority limits for management, which, if proposed to be exceeded, require prior Board approval;
- the Board has adopted a compliance procedure for the purpose of ensuring compliance with the Company's continuous disclosure obligations; and
- the Board has adopted a corporate governance manual which contains other policies to assist the Company to establish and maintain its governance practices.

The Board has formalised and documented its management of material business risks facing the Company. During the Reporting Period, the issue of risk was considered by the Board on a half-yearly basis. Further, management has substantially completed the drafting of risk procedures relating to operational risks, including health and safety control measures. The Company expects to have these procedures and measures completed and implemented during this Reporting Period, however, many are already in place. The risk management system includes a risk register which management uses to identify the Company's material business risks and risk management strategies for these risks. In addition, the process of management of material business risks is allocated to members of senior management. The risk register is reviewed quarterly and updated, as required.

The key categories of risk of the Company, as reported on by management, include:

- cash management;
- financial reporting;
- ASX/AIM reporting compliance;
- project ownership retention;
- employee health and safety;
- retention of key employees;
- executive medivac/travel and insurance;
- environmental compliance;
- government/community relations/liaison;
- foreign exchange risk; and
- sovereign risk.

The Board has required management to design, implement and maintain risk management and internal control systems to manage the Company's material business risks. The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received a report from management as to the effectiveness of the Company's management of its material business risks for the Reporting Period.

The Chief Executive Officer and the Chief Financial Officer have provided a declaration to the Board in accordance with section 295A of the Corporations Act and have assured the Board that such declaration is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risk.

A summary of the Company's Risk Management Policy is available on the Company's website.

NYOTA MINERALS LIMITED

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These financial statements are the consolidated financial statements of the consolidated entity (referred to hereafter as the "Group") consisting of Nyota Minerals Limited (referred to hereafter as the "Company" or "parent entity") and its subsidiaries. The financial statements are presented in Australian currency.

Nyota Minerals Limited is a company limited by shares incorporated and domiciled in Australia. Its registered office and principal place of business is Suite 2, 5 Ord Street, West Perth, Western Australia.

A description of the nature of the consolidated entity's operations and its principal activities is included in the review of operations and activities on pages 5 to 17 which are not part of these financial statements.

The financial report was authorised for issue by the directors on 28 September 2011. The directors have the power to amend and reissue the financial report.

Through the use of the internet, we have ensured that our corporate reporting is timely, complete, and available globally at minimum cost to the Company. All press releases, financial reports and other information are available on our website: www.nyotaminerals.com

NYOTA MINERALS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Consolidated 2011 \$000	2010 \$000
Revenue from continuing operations			
Other revenue	5	<u>230</u>	2,085
Other expenses from continuing operations			
Administration	6	(9,627)	(3,083)
Foreign exchange losses		(2,560)	(1,641)
Impairment of assets	6	(341)	(7,554)
Share based compensation expense		<u>(2,260)</u>	(822)
Loss before income tax		(14,558)	(11,015)
Income tax benefit	7	<u>140</u>	-
Loss for the year from continuing operations		(14,418)	(11,015)
Loss from discontinued operations	28	<u>-</u>	(6,967)
Loss for year	29	(14,418)	(17,982)
Other comprehensive loss			
Exchange differences on translation of foreign operations	18	(4,451)	(1,010)
Changes in fair value of available for sale financial assets, net of tax	18	<u>72</u>	15
Total other comprehensive loss		(4,379)	(995)
Total comprehensive loss for the year		(18,797)	(18,977)
Total comprehensive loss attributable to members of Nyota Minerals Limited		(18,797)	(18,977)
		Cents	Cents
Loss per share from continuing operations attributable to ordinary equity holders of Nyota Minerals Limited			
Basic loss per share	25	(3.6)	(4.5)
Diluted loss per share	25	(3.6)	(4.5)

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

NYOTA MINERALS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2011

	Notes	Consolidated	
		2011	2010
		\$000	\$000
ASSETS			
Current assets			
Cash and cash equivalents	8	25,633	11,862
Trade and other receivables	9	1,522	796
Total current assets		27,155	12,658
Non-current assets			
Available-for-sale assets	11	241	152
Property, plant and equipment	12	750	400
Exploration and evaluation expenditure	13	26,993	14,469
Total non-current assets		27,984	15,021
Total assets		55,139	27,679
LIABILITIES			
Current liabilities			
Trade and other payables	15	5,185	1,309
Total current liabilities		5,185	1,309
Total liabilities		5,185	1,309
Net assets		49,954	26,370
EQUITY			
Contributed equity	17	163,595	123,474
Reserves	18	(313)	1,806
Accumulated losses	29	(113,328)	(98,910)
Total equity		49,954	26,370

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

NYOTA MINERALS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	Consolidated			Total equity \$000
		Contributed equity \$000	Accumulated losses \$000	Reserves \$000	
Balance 1 July 2009		104,835	(80,928)	2,219	26,126
Loss for year		-	(17,982)	-	(17,982)
Other comprehensive loss for year		-	-	(995)	(995)
Total comprehensive loss for the year		-	(17,982)	(995)	(18,977)
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, after tax and transaction costs	17	18,639	-	-	18,639
Share based compensation	26	-	-	582	582
		18,639	-	582	19,221
Balance at 30 June 2010		123,474	(98,910)	1,806	26,370
Loss for year		-	(14,418)	-	(14,418)
Other comprehensive loss for year		-	-	(4,379)	(4,379)
Total comprehensive loss for the year		-	(14,418)	(4,379)	(18,797)
Transactions with equity holders in their capacity as equity holders:					
Contributions of equity, after tax and transaction costs	17	40,121	-	-	40,121
Share based compensation	26	-	-	2,260	2,260
		40,121	-	2,260	42,381
Balance at 30 June 2011		163,595	(113,328)	(313)	49,954

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

NYOTA MINERALS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2011

	Notes	Consolidated 2011 \$000	2010 \$000
Cash flow from operating activities			
Receipts from customers (inclusive of goods and services tax)		99	92
Payments to suppliers and employees (inclusive of goods and services tax)		(7,423)	(3,802)
Interest received		230	128
Research and development tax credit received		140	-
		<hr/>	<hr/>
Net cash flow used in operating activities	24	(6,954)	(3,582)
Cash flow from investing activities			
Payments for exploration, evaluation and development of mining properties		(14,527)	(7,362)
Proceeds from sale of mining property		-	1,957
Payments for plant and equipment		(498)	(118)
Loans to other parties		(798)	(226)
Cash acquired on acquisition of controlled entity		-	112
Payment for equities		(17)	(60)
		<hr/>	<hr/>
Net cash flow used in investing activities		(15,840)	(5,697)
Cash flow from financing activities			
Proceeds from issue of shares		40,971	10,062
Payments for equity issue costs		(1,837)	(300)
		<hr/>	<hr/>
Net cash flow from financing activities		39,134	9,762
Net increase in cash and cash equivalents			
Cash at the beginning of the financial year		11,862	13,020
Effects of exchange rate changes on cash and cash equivalents		(2,567)	(1,641)
		<hr/>	<hr/>
Cash and cash equivalents held at the end of the financial year	8	25,633	11,862
Non-cash financing and investing activities	24		

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Nyota Minerals Limited and its subsidiaries.

(a) Basis of preparation of financial report

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

Compliance with IFRS

The consolidated financial statements of the Nyota Minerals Limited group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets.

Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

(b) Principles of consolidation

Subsidiaries

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nyota Minerals Limited ("Company" or "parent entity") as at 30 June 2011 and the results of all subsidiaries for the year then ended. Nyota Minerals Limited and its subsidiaries together are referred to in this financial report as the Group or the consolidated entity.

Subsidiaries are all those entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(b) Principles of consolidation

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests in the results and equity of subsidiaries are shown separately in the statement of comprehensive income, statement of changes in equity and balance sheet respectively.

Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in reserves is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where the investment will be recovered principally through a sale transaction rather than through continuing use it will be accounted for as a non-current asset held for sale and measured at fair value at reporting dates. Any impairment of the investment will be recognised in profit and loss.

(c) Segment reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer.

The Group considers that it operates in distinct segments being different countries around the world.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is Nyota Minerals Limited's functional and presentation currency.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(d) Foreign currency translation

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each profit and loss and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other currency instruments designated as hedges of such investments, are taken to other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in profit and loss as part of the gain or loss on sale, where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns and trade allowances. Revenue is recognised for the major business activities when the following specific recognition criteria are met:

Sales

Risks and rewards of the goods have passed to the buyer, which occurs on delivery.

Interest income

Interest income is recognised on a time proportionate basis using the effective interest rate method.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

The Australian tax consolidation regime does not apply to the company because there are no Australian incorporated subsidiaries.

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations, including business combinations involving entities or businesses under common control, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(h) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit and loss on a straight-line basis over the period of the lease.

(i) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(j) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

(k) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment. Trade receivables are due for settlement no more than 30 days from the date of recognition.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. The amount of the provision is recognised in profit and loss.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(l) Investments and other financial assets

Classification

The Group classifies its investments in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

(i) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of selling the receivable. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in receivables in the balance sheet.

(ii) *Available-for-sale financial assets*

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

Recognition and derecognition

Purchases and sales of investments are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Available-for-sale financial assets are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in in other comprehensive income. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the profit and loss as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

Impairment

The Group assesses at each balance date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in profit and loss. Impairment losses recognised as profit or loss on equity instruments classified as available-for-sale are not reversed through the profit or loss.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(m) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment of the investment will be recognised in profit and loss. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single coordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the profit and loss.

(n) Property, plant and equipment

Property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit and loss during the financial period in which they are incurred.

Depreciation is calculated using the straight line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Machinery	5-12 years
- Furniture, fittings and equipment	3-8 years
- Motor vehicles	3-5 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1(i)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit and loss.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(o) Exploration and evaluation expenditure

Exploration and evaluation costs include expenditure incurred in connection with the exploration for and the evaluation of economically recoverable mineral resources. These costs include costs of acquisition, exploration and appraisal costs and technical overheads directly associated with those projects.

The Company's policy with respect to exploration and evaluation expenditure is to use the "area of interest" method. Under this method, exploration and evaluation costs are carried forward on the following basis:

- (i) Each area of interest is considered separately when deciding whether and to what extent to carry forward or write off exploration and evaluation costs;
- (ii) Exploration and evaluation costs related to an area of interest may be carried forward provided that rights to tenure of the area of interest are current and provided further that one of the following conditions are met:
 - such costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
 - exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.
- (iii) The carrying values of exploration and evaluation costs are reviewed by directors where results of exploration and/or evaluation of an area of interest are sufficiently advanced to permit a reasonable estimate of the costs expected to be recouped through successful development and exploitation of the area of interest or by its sale. Expenditure in excess of this estimate is written off to the profit and loss account in the year in which the review occurs;
- (iv) When development of an area of interest is complete and production commences, all exploration, evaluation and development costs carried forward as an asset (including the cost of extractive rights acquired) are transferred to mining properties. Development costs related to an area of interest are carried forward as an asset to the extent that they are expected to be recovered either through sale or successful exploitation; and
- (v) The carrying values of exploration, evaluation and development expenditure are transferred to mining properties and are carried forward and amortised over the expected useful life of each project.

(p) Mining properties

Mine properties represent the acquisition costs and/or accumulation of exploration, evaluation and development costs in respect of areas of interest in which mining has commenced.

When further development expenditure is incurred in respect of a mine property after the commencement of production, such expenditure is carried forward as part of the mine property only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

Amortisation is provided on a unit-of-production basis so as to write off the cost in proportion to the depletion of the proved and probable mineral resources.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(r) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit and loss over the period of the borrowings using the effective interest method.

The fair value of the liability portion of a convertible bond is determined using a market interest rate for an equivalent non-convertible bond. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or maturity of the bonds. The remainder of the proceeds is allocated to the conversion option. This is recognised and included in shareholders' equity, net of income tax effects.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

(s) Provisions

Provisions are recognised when the consolidated entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events, it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Rehabilitation and restoration costs

Where the Group has obligations for site restoration related to its mining properties, the Group establishes restoration provisions for future mine closure costs when a legal or constructive obligation exists based on the present value of the future cash flows required to satisfy the obligations. Provisions expected to be utilised in the coming 12 months on areas with lives of less than one year are accounted for in profit and loss. Provisions not expected to be utilised in the coming 12 months are added to the capital cost of the related mining assets in mine properties and amortised over the resource life. The provision is accreted to its future value over the resource life through a charge to borrowing costs.

Changes in the estimated cost of rehabilitation are applied on a prospective basis with an adjustment to capital cost.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(t) Employee benefits

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) *Share-based payments*

Share-based compensation benefits are provided to employees via the Nyota Minerals Limited Share and Option Plan. Information on these schemes is set out in note 26.

The fair value of shares and options granted under the Nyota Minerals Limited Employee Share and Option Plans is recognised as an employee benefit expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the shares and/or options.

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the issue/exercise price, the term of the option, the impact of dilution, the non-tradeable nature of the share/option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The fair value of the shares and/or options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions regarding the employee loan recoverability and about the number of options that are expected to vest. At each balance sheet date, the entity revises its estimate of the number of options that are expected to become exercisable. The employee benefit expense recognised each period takes into account the most recent estimate. The impact of the revision to original estimates, if any, is recognised in profit and loss with a corresponding adjustment to equity.

The value of shares issued to employees financed by way of a non-recourse loan under the employee share scheme is recognised with a corresponding increase in equity when the company receives funds from either the employees repaying the loan or upon the loan termination. All shares issued under the plan with non-recourse loans are considered, for accounting purposes, to be options.

(u) Contributed equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a business are included in the cost of the acquisition as part of the purchase consideration.

(v) Earnings per share

(i) *Basic earnings per share*

Basic earnings per share is calculated by dividing the profit or loss attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the year.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

(ii) *Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

(w) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flow.

(x) **Rounding of amounts**

The Company is of a kind referred to in Class order 98/0100, issued by the Australian Securities and Investments Commission, relating to the "rounding off" of amounts in the financial statements. Amounts in the financial statements have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

(y) **Parent entity financial information**

The financial information for the parent entity, Nyota Minerals Ltd, disclosed in note 27 has been prepared on the same basis as the consolidated financial statements, except as set out below:

(i) *Investments in subsidiaries and associates*

Investments in subsidiaries and associates are accounted for at cost in the parent entity accounts. Dividends received from associates are recognised in the parent entity's profit and loss, rather than being deducted from the carrying value of the investment.

(ii) *Financial guarantees*

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of investment.

(z) **New Accounting Standards and Interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective 1 July 2013) On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Nyota is listed on the ASX and is therefore not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. As a consequence, the two standards will have no impact on the financial statements of the entity.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

1 Summary of significant accounting policies (continued)

AASB 9 Financial Instruments and AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 (effective from 1 January 2013)

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess its full impact, however, initial indications are that it may affect the group's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss.

Revised *AASB 124 Related Party Disclosures* and *AASB 2009-12 Amendments to Australian Accounting Standards* (effective from 1 January 2011)

In December 2009 the AASB issued a revised *AASB 124 Related Party Disclosures*. It is effective for accounting periods beginning on or after 1 January 2011 and must be applied retrospectively. The amendment clarifies and simplifies the definition of a related party. The Group will apply the amended standard from 1 July 2011. When the amendments are applied, the Group will need to disclose any transactions between its subsidiaries and its associates. However there will be no impact on any amount recognised in the financial statements.

AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. It is not expected that these standards will have an impact on the financial statements of the entity, however some disclosures to the notes to the financial statements may change.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group does not use fair value measurements extensively. It is therefore unlikely that the new rules will have a significant impact on any of the amounts recognised in the financial statements. However, application of the new standard will impact the type of information disclosed in the notes to the financial statements. The Group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income (effective 1 July 2012)

In September 2011, the AASB made an amendment to AASB 101 Presentation of Financial Statements which requires entities to separate items presented in other comprehensive income into two groups, based on whether they may be recycled to profit or loss in the future. This will not affect the measurement of any of the items recognised in the balance sheet or the profit or loss in the current period. The Group intends to adopt the new standard from 1 July 2012.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements (effective 1 July 2013)

In July 2011 the AASB decided to remove the individual key management personnel (KMP) disclosure requirements from AASB 124 Related Party Disclosures, to achieve consistency with the international equivalent standard and remove a duplication of the requirements with the Corporations Act 2001. While this will reduce the disclosures that are currently required in the notes to the financial statements, it will not affect any of the amounts recognised in the financial statements. The amendments apply from 1 July 2013 and cannot be adopted early. The Corporations Act requirements in relation to remuneration reports will remain unchanged for now, but these requirements are currently subject to review and may also be revised in the near future.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

2 Financial risk management

The Group's activities expose it predominantly to credit risk, interest rate risk and foreign exchange risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by the Board of Directors. The Board provides principles for overall risk management, and is in the process of formalising and documenting these policies covering specific areas, such as mitigating foreign exchange, interest rate and credit risks. No derivative financial instruments have been used in the management of risk.

The Group holds the following financial instruments:

	Consolidated	
	2011	2010
	\$'000	\$000
Financial assets		
Cash and cash equivalents	25,633	11,862
Trade and other receivables	1374	452
Available-for-sale financial assets	241	152
	27,248	12,466
Financial liabilities		
Trade and other payables	5,185	1,309
	5,185	1,309

Credit risk exposures

The credit risk arises principally from cash and cash equivalents and deposits with banks and financial institutions.

The Group minimises credit risk in relation to cash and cash equivalent assets by only utilising the services of the Australian "Big 4" banks for Australian held cash assets and for international cash holdings recognised international financial institutions are used.

The Group does not have a significant credit risk in relation to trade receivables.

Market risk

(a) Foreign exchange risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The Group operates internationally and is exposed to foreign exchange risk arising from currency exposures to British pounds, the US dollar and the Ethiopian birr.

Sensitivity

Based on the financial instruments held at 30 June 2011, had the Australian dollar weakened/strengthened by 10% against the GBP with all other variables held constant, the Group and parent entity's post-tax loss for the year would have been \$2,508,000 lower/higher (2010 profit: \$550,000 lower/\$605,000 higher), mainly as a result of foreign exchange gains/losses on translation of GBP denominated cash equivalents. The Group equity would have been \$2,508,000 higher/lower (2010: \$550,000 higher/\$605,000 lower) had the Australian dollar weakened/strengthened by 10% against the GBP. The Group's exposure to other foreign exchange movements is not material.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

2 Financial risk management (continued)

Market risk

(b) Price risk

As at 30 June 2011 the Group's exposure to equity securities price risk was not material. The exposure arises from various investments held by the Group.

The Group is not currently exposed to commodity price risk.

Sensitivity

Based on the financial instruments held at 30 June 2011, if the market value of the non-current held for sale assets was plus/minus 10% higher at 30 June 2011 then all other variables held constant, the Group's total comprehensive loss for the year would have been \$24,000 (2010 loss: \$15,000) higher/lower. Equity for the Group would have been \$24,000 (2010: \$15,000) higher/lower.

(c) Interest rate risk

The Group is exposed to fluctuations in interest rates. Interest rate risk is managed by maintaining a mix of floating rate deposits. As at 30 June 2011 the Group had no interest bearing borrowings.

The Group holds no interest rate derivative financial instruments.

Sensitivity

At 30 June 2011, if interest rates had changed by +/- 50 basis points and all other variables were held constant, the Group's after tax loss and net equity would have been \$32,000 (2010: \$33,000) lower/higher as a result of higher/lower interest income on cash and cash equivalents.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. Surplus funds are only invested in "AAA" rated financial institutions

As at the reporting date the Group has no access to undrawn credit facilities.

Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments traded in active markets (such as available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of non-current financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group for similar financial instruments.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Income taxes*

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. Significant judgment is required in determining the worldwide provision for income taxes. There are transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

(ii) *Exploration and evaluation expenditure*

The Group's main activity is exploration and evaluation for minerals. The nature of exploration activities are such that it requires interpretation of complex and difficult geological models in order to make an assessment of the size, shape, depth and quality of resources and their anticipated recoveries. The economic, geological and technical factors used to estimate mining viability may change from period to period. In addition exploration activities by their nature are inherently uncertain. Changes in all these factors can impact exploration and evaluation asset carrying values, provisions for rehabilitation and the recognition of deferred tax assets.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

4 Segment information

(a) Description of segments

Segment information is presented on the same basis as that used for internal reporting purposes. Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer.

The Group considers that it operates in distinct segments being different countries around the world.

	Corporate		Ethiopia		Africa - other		Philippines		Inter-segment eliminations/unallocated		Consolidated	
	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000	2011 \$000	2010 \$000
Revenue												
Total segment revenue	230	128	-	-	-	-	-	1,957	-	-	230	2,085
Unallocated revenue											-	-
Total revenue											230	128
Result												
Segment result	(9,538)	(4,947)	(2,109)	(1,081)	(351)	(13,911)	-	1,957	(2,560)*	-	(14,558)	(17,982)
Unallocated revenue net of unallocated expenses											-	-
Loss before tax											(14,558)	(17,982)
Income tax benefit											140	-
Loss after tax											(14,418)	(17,982)
Assets												
Segment assets	26,914	12,206	28,090	15,328	135	145	-	-	-	-	55,139	27,679

* FOREX expense

NYOTA MINERALS LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2011**

4 Segment information (continued)

	Corporate		Ethiopia		Africa - other		Philippines		Inter-segment eliminations/unallocated		Consolidated	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Liabilities												
Segment liabilities	767	273	4,418	1,036	-	-	-	-	-	-	5,185	1,309
Acquisition of property plant and equipment and other non-current segment assets	5	2	493	116	-	41	-	-	-	-	498	159
Other non-cash expenses	2,260	822	-	-	-	-	-	-	-	-	2,260	822
Depreciation and amortisation expense	7	7	141	53	-	13	-	-	-	-	148	73
Impairment of assets												
- other financial assets	-	678	-	409	-	-	-	-	-	-	-	1,087
- other assets	-	-	-	141	341	6,,326	-	-	-	-	341	6,467

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

5 Revenue

	Consolidated	
	2011	2010
	\$000	\$000
Other revenue from continuing operations		
Interest received	230	128
Other revenue - write back of asset on sale*	-	1,957
	<u>230</u>	<u>2,085</u>

* In February 2010 the Company sold its 8% interest in the Philippines Daguma coal project for cash proceeds of \$1,957,000. This asset had previously been impaired to zero thus giving rise to a write back to profit and loss of \$1,957,000 in the 2010 financial year.

6 Expenses

	Consolidated	
	2011	2010
	\$000	\$000
Loss before income tax expense includes the following specific expenses:		
Impairment of financial assets		
Impairment of non-current asset held for sale (i)	-	(678)
Impairment of receivables (ii)	-	(409)
Total impairment of financial assets	<u>-</u>	<u>(1,087)</u>
Impairment of other assets		
Impairment of plant and equipment (iii)	-	(141)
Impairment of exploration and mining properties (iv)	(341)	(6,326)
Total impairment of other assets	<u>(341)</u>	<u>(6,467)</u>
	<u>(341)</u>	<u>(7,554)</u>

Impairments

- i) The Company's investment in Carlton Resources Plc was written down to zero.
- ii) Sundry loans written down to zero.
- iii) Plant at the Yubdo platinum operation written off to zero.
- iv) The Company's investment in the Burundi exploration project was written down to zero.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

6 Expenses (continued)

	Consolidated	
	2011	2010
	\$000	\$000
Administration includes the following:		
Auditor fees	(209)	(163)
Consulting expenses	(4,676)	(511)
Depreciation	(148)	(73)
Directors fees	(348)	(283)
Employee benefits expense	(929)	(424)
Legal fees	(82)	(211)
Other expenses	(2,842)	(1,213)
Rental expenses related to operating leases	(393)	(205)
	(9,627)	(3,083)

7 Income tax

	Consolidated	
	2011	2010
	\$000	\$000
Income statement		
<i>Current income tax</i>		
Current income tax (benefit)	(140)	-
<i>Deferred income tax</i>		
Decrease in deferred tax liability - continuing operations	-	-
Income tax (benefit) reported in statement of comprehensive income	(140)	-
Unrecognised deferred tax balances		
Unused tax losses for which no deferred tax asset has been recognised	52,213	79,927
Potential tax benefit of net unrecognised deferred tax assets @ 30%	15,664	23,978
Represented by		
Unrecognised deferred tax assets – Revenue losses	4,535	3,985
Unrecognised deferred tax assets - Capital losses	9,425	9,425
Unrecognised deferred tax assets – Temporary differences	1,704	10,567
Net unrecognised deferred tax assets	15,664	23,977

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

7 Income tax (continued)

	Consolidated	
	2011	2010
	\$000	\$000
Reconciliation to income tax expense to prima facie tax benefit		
Loss from continuing operations before income tax	(14,558)	(11,015)
Loss from discontinued operations before income tax	-	(6,967)
	(4,325)	(5,395)
Income tax benefit @ 30% (2010 – 30%)	(4,325)	(5,395)
Difference in overseas tax rates	538	(5)
Tax effect on amounts which are not deductible/(assessable)		
Share-based payments	678	247
Foreign expenditure	1,254	696
Sundry items	(140)	169
	(1,995)	(4,288)
Benefit of tax losses and temporary differences not brought to account	1,995	4,288
Tax credit for research and development expenditure incurred	140	-
	140	-
Income tax benefit	140	-

The Australian tax consolidation regime does not apply to the group.

8 Current assets - Cash and cash equivalents

	Consolidated	
	2011	2010
	\$000	\$000
Cash at bank and on hand	555	259
Deposits at call	25,078	11,603
	25,633	11,862
	25,633	11,862

Interest earned from cash accounts and deposits ranged from 0% to 4.75% per annum (2010: 0% - 4.5%).

Risk exposure

The Group's exposure to interest rate risk is discussed in Note 2. The maximum exposure to credit risk at the reporting date is the carrying amount of cash and cash equivalents noted above.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

9 Current assets – Trade and other receivables

	Consolidated	
	2011	2010
	\$000	\$000
GST/VAT refund	72	96
Prepayments	148	344
Rent security bond	78	123
Employee loans (note 19)	85	136
Loan to others	798	-
Other receivables	341	97
	1,522	796

10 Current assets – Non-current asset held for sale

	Consolidated	
	2011	2010
	\$000	\$000
Opening balance	-	678
Impairment charged to profit and loss	-	(678)
	-	-

An impairment charge was raised in the 30 June 2010 year to reflect the fair value less estimated cost of sale of the asset.

11 Non-current assets - Available-for-sale financial assets

	Consolidated	
	2011	2010
	\$000	\$000
Opening balance	152	77
Additions	17	60
Revaluation charged to equity	72	15
	241	152

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

12 Non-current assets - Property, plant and equipment

Consolidated

	Plant & equipment \$000	Motor vehicles \$000	Total \$000
At 30 June 2009			
Cost	289	39	328
Accumulated depreciation	(269)	(26)	(295)
Net book amount	20	13	33
Year ended 30 June 2010			
Opening net book amount	20	13	33
Additions	419	162	581
Depreciation charge	(60)	(13)	(73)
Disposal	(114)	(27)	(141)
Closing net book	265	135	400
At 30 June 2010			
Cost	396	205	601
Accumulated depreciation	(131)	(70)	(201)
Net book amount	265	135	400
Year ended 30 June 2011			
Opening net book amount	265	135	400
Additions	464	34	498
Depreciation charge	(117)	(31)	(148)
Closing net book	612	138	750
At 30 June 2011			
Cost	860	239	1,099
Accumulated depreciation	(248)	(101)	(349)
Net book amount	612	138	750

During the 30 June 2010 year the Company completed a takeover of 100% of the issued capital of Minerva, Resources Plc for a total consideration of \$3,237,725. As part of this acquisition \$422,519 was allocated to the plant and equipment. The remaining amount of consideration was allocated to other assets and liabilities assumed as part of the acquisition. This acquisition was considered to be an asset acquisition rather than a business combination.

The acquisition was not deemed to be a business combination under AASB 3 Business Combinations as the assets and liabilities acquired were not considered to represent a business.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

13 Non-current assets – Exploration and evaluation expenditure

	Consolidated Total \$000
At 30 June 2009	
Cost	23,944
Accumulated impairment	<u>(11,255)</u>
Net book amount	<u>12,689</u>
Year ended 30 June 2010	
Opening net book amount	12,689
Additions	14,432
Write back of impairment	1,957
Disposal	(8,283)
Impairment charge – Burundi	<u>(6,326)</u>
	<u>14,469</u>
Year ended 30 June 2011	
Opening balance	14,469
Additions	12,865
Impairment charge – Burundi	(341)
	<u>26,993</u>

Ultimate recoupment of costs carried forward for exploration and evaluation is dependent upon:

- continuance of the Group's rights to tenure of the areas of interest;
- results of future exploration; and
- recoupment of costs through successful development and commercial exploitation, or alternatively by sale of the respective areas.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

14 Deferred tax asset

The balance comprises temporary differences attributable to:

	Consolidated	
	2011	2010
	\$000	\$000
<i>Amounts recognised in profit and loss:</i>		
Accruals	28	19
Unrealised foreign exchange loss	180	175
	208	194
Set-off against deferred tax liabilities (note 16)	(208)	(194)
	-	-
Deferred tax assets available within 12 months	-	-
Deferred tax assets available after 12 months	208	194
	208	194

15 Current liabilities – Trade and other payables

	Consolidated	
	2011	2010
		\$000
Trade payables	2,628	1,198
Other payables and accruals	2,557	111
	5,185	1,309

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

16 Deferred tax liabilities

The balance comprises temporary differences attributable to:

	Consolidated	
	2011	2010
	\$000	\$000
<i>Amounts recognised in profit and loss:</i>		
Unrealised foreign gains/(losses) on cash assets	<u>208</u>	194
	208	194
Set-off against deferred tax assets (note 14)	<u>(208)</u>	(194)
	<u>-</u>	-
Deferred tax liabilities to be settled within 12 months	-	-
Deferred tax liabilities to be settled after 12 months	<u>208</u>	194
	<u>208</u>	<u>194</u>

17 Contributed equity

(a) Share capital

	2011	2010	2011	2010
	Shares	Shares	\$000	\$000
Ordinary shares				
Ordinary shares fully paid	464,473,263	304,143,276	163,595	123,474
Employee share plan shares	<u>13,475,000</u>	13,850,000	-	-
Total contributed equity	<u>477,948,263</u>	317,993,276	<u>163,595</u>	123,474

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

17 Contributed equity (continued)

(b) Movements in ordinary share capital:

Date	Details	Number of shares	Issue price	\$000
1/7/2009	Opening balance	189,892,224		104,835
1/7/2009 – 23/10/2009**	Acquisition of Minerva Resources Plc	30,858,867	\$0.10 - \$0.14	3,238
18/12/2009	Placement	32,142,858	\$0.13	3,934
14/5/2010	Employee share sign-on bonus	1,000,000	\$0.24	240
14/6/2010	Placement	29,749,327	GBP0.116	5,972
16/6/2010	Acquisition of exploration tenements	20,000,000	GBP0.16*	5,400
30/6/2010	Options exercised	500,000	\$0.31	155
	Less: issue transactions costs	-		(300)
		<u>304,143,276</u>		<u>123,474</u>
30 June 2010	Balance			<u>123,474</u>

Date	Details	Number of shares	Issue price	\$000
1/7/2010	Opening balance	304,143,276		123,474
8/11/10	Placement	134,392,307	\$0.26	34,741
16/11/2010	Options exercised	375,000	\$0.11	41
29/11-13/12/2010	Employee share plan equity paid up	375,000	\$0.11	41
23/12/2010	Acquisition of exploration tenements	2,325,685	\$0.425*	988
11/2/2011	Options exercised	22,311,995	GBP0.174	6,147
	Less: issue transactions costs	-		(1,837)
		<u>464,473,263</u>		<u>163,595</u>
30 June 2011	Balance			<u>163,595</u>

* Under Accounting Standards the deemed issue price for accounting purposes is the price on the day the shares are issued as opposed to the issue price that was agreed at the time of entering into the acquisition contracts.

** During the year ended 30 June 2010 the Group acquired 100% of Minerva Resources Plc via a 1 for 5 scrip issue. The Nyota shares issued to complete this takeover were issued during the period from July to October at deemed issue prices that ranged between \$0.10 and \$0.14.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

17 Contributed equity (continued)

(c) Movement in Employee Share Plan shares issued with limited recourse employee loans:

Date	Details	Number of shares
	Opening balance	850,000
3/9/2010	Employee share plan issue	5,000,000
24/2/2010	Employee share plan issue	8,000,000
30 June 2010	Balance	<u>13,850,000</u>
29/11/2010	Employee share plan loan repaid – shares transferred to ordinary share capital	(200,000)
29/11/2010	Employee share plan loan repaid – shares transferred to ordinary share capital	(175,000)
30 June 2011	Balance	<u>13,475,000</u>

As at 30 June 2011 the weighted average issue price of issued employee share plans shares on issue is \$0.185. Refer to note 26 for details of the employee share plan.

(d) Share options

	Number of options	
	2011	2010
Options exercisable at GBP0.24 on or before 31 January 2016	4,000,000	-
Options exercisable at GBP0.174 on or before 13 June 2014	-	22,311,995
Employee option plan options (refer note 26)		
- exercisable at \$0.11 on or before 30 September 2012	5,425,000	5,800,000
- exercisable at \$0.13 on or before 31 December 2012	1,280,000	1,280,000
- exercisable at \$0.15 on or before 31 December 2012	7,000,000	7,000,000
- exercisable at \$0.17 on or before 30 June 2013	250,000	250,000
- exercisable at \$0.31 on or before 30 June 2013	2,000,000	-
- exercisable at \$0.35 on or before 31 December 2015	4,833,334	-
- exercisable at \$0.35 on or before 31 December 2015	4,833,334	-
- exercisable at \$0.35 on or before 31 December 2015	4,833,332	-
- exercisable at \$0.15 on or before 30 June 2015	1,700,000	-
- exercisable at \$0.15 on or before 30 June 2015	1,800,000	-
	<u>37,955,000</u>	<u>36,641,995</u>

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

17 Contributed equity (continued)

(e) Movements in share options

	Number of options	
	2011	2010
To acquire ordinary fully paid shares at GBP0.174 on or before 13 June 2014:		
Beginning of the financial year	22,311,995	-
(Exercised) / issued during year	(22,311,995)	22,311,995
Balance at end of financial year	-	22,311,995
To acquire ordinary fully paid shares at GBP0.24 on or before 31 January 2016:		
Beginning of the financial year	-	-
Issued during year	4,000,000	-
Balance at end of financial year	4,000,000	-

Refer to note 26 for movements in the employee option plan including details of options issued, exercised, and lapsed during the year and options outstanding at the end of the financial year.

(f) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(g) Employee share scheme

Information relating to the employee share scheme, including details of shares issued under the scheme, is set out in note 26.

(h) Capital risk management

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets. The Group has no debt.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

18 Reserves

Movements in reserves during the year were:

	Consolidated	
	2011	2010
	\$000	\$000
<i>Available-for-sale investments revaluation reserve</i>		
Opening balance	(115)	(130)
Revaluation	72	15
Closing balance	(43)	(115)
<i>Share-based payments reserve</i>		
Opening balance	2,622	2,040
Expense for the year	2,260	582
Closing balance	4,882	2,622
<i>Foreign currency translation reserve</i>		
Opening balance	(920)	90
Currency translation differences	(4,451)	(1,010)
Closing balance	(5,371)	(920)
<i>Convertible note premium reserve</i>		
Opening and closing balance	219	219
	(313)	1,806

Nature and purpose of reserves

(i) Available-for-sale investments revaluation reserve

Changes in the fair value and exchange differences arising on translation of investments, such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve. Amounts are recognised in profit and loss when the associated assets are sold or impaired.

(ii) Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of employee share plan shares issued with an attaching limited recourse employee loan; and employee option plan options issued but not exercised.

(iii) Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled entities are taken to the foreign currency translation reserve. The reserve is recognised in profit and loss when the net investment is disposed of.

(iv) Convertible note premium reserve

This reserve arose from an historic issue of convertible notes by the Company and relates to the value of the conversion rights that attached to the convertible notes issued, net of tax.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

19 Key management personnel disclosures

Refer to pages 22 - 28 for details of directors and key management personnel.

(a) Key management personnel compensation

	Consolidated	
	2011	2010
	\$	\$
Short-term employee benefits	2,265,029	1,373,700
Post-employment benefits	11,216	27,908
Termination payment	467,670	-
Share-based payments	1,318,760	655,944
	4,062,675	2,057,552

(b) Equity instruments disclosure relating to key management personnel

(i) Shares and options provided as remuneration and shares issued on exercise of such options

Details of shares and options provided as remuneration, and of shares issued on the exercise of such options, together with the terms and conditions of the shares and options, can be found in section D of the remuneration report.

(ii) Option holdings

The numbers of options in the Company held during the current financial year by each director of Nyota Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2011	Balance at	Granted as		Balance at	Vested and	
Name	start of the	compensation	Exercised	end of the	exercisable	Unvested
	year			year		
Directors						
M Sturgess	-	3,500,000	-	3,500,000	-	3,500,000
D Pettman	2,000,000	1,500,000	-	3,500,000	1,000,000	2,500,000
R Chase	-	3,500,000	-	3,500,000	-	3,500,000
M Churchouse	2,000,000	2,000,000	-	4,000,000	1,000,000	3,000,000
E Kirby	-	1,500,000	-	1,500,000	-	1,500,000
M Langoulant	-	1,500,000	-	1,500,000	-	1,500,000
Other key management personnel						
M Burchnall	450,000	900,000	-	1,350,000	225,000	1,125,000
R Jarvis	450,000	900,000	-	1,350,000	225,000	1,125,000
2010						
Name						
Directors						
D Pettman	-	2,000,000	-	2,000,000	-	2,000,000
M Churchouse	-	2,000,000	-	2,000,000	-	2,000,000
T McConnachie	-	1,750,000	-	1,750,000	1,750,000	-
Other key management personnel						
M Burchnall	-	450,000	-	450,000	-	450,000
R Jarvis	-	450,000	-	450,000	-	450,000

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

19 Key management personnel disclosures (continued)

(iii) Shareholdings

The numbers of shares in the Company held during the financial year by each director of Nyota Minerals Limited and other key management personnel of the Group, including their personally related parties, are set out below.

2011	Balance at the	Granted as		Balance at the end
Name	start of the year	compensation	Other changes	of the year
Directors				
M Sturgess	7,819,855	-	1,610,000	9,429,855
D Pettman	320,000	-	350,000	670,000
R Chase	-	-	-	-
M Churchouse	-	-	-	-
E Kirby	3,325,729	-	-	3,325,729
M Langoulant	3,486,129	-	-	3,486,129
Other key management personnel of the Group				
M Burchnall	1,750,000	-	-	1,750,000
R Jarvis	1,750,000	-	-	1,750,000
2010	Balance at the	Granted as		Balance at the end
Name	start of the year	compensation	Other changes	of the year
Directors				
M Sturgess	2,069,855	4,750,000	1,000,000	7,819,855
D Pettman	220,000	-	100,000	320,000
M Langoulant	1,016,129	2,250,000	220,000	3,486,129
E Kirby	1,016,129	2,250,000	59,600	3,325,729
M Churchouse	-	-	-	-
T McConnachie	-	-	-	-
Other key management personnel of the Group				
T Tucker	-	1,000,000	-	1,000,000
M Burchnall	250,000	1,500,000	-	1,750,000
R Jarvis	250,000	1,500,000	-	1,750,000

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

19 Key management personnel disclosures (continued)

(c) Loans to key management personnel

Details of loans made to directors of Nyota Minerals limited and other key personnel, including their personally related parties are set out below:

Name	Balance at the start of the year \$	Movement during the year \$	Balance at the end of the year \$	Interest paid or payable during the year \$
E Kirby*	68,000	(68,000)	-	-
M Langoulant*	68,000	-	68,000**	4,080
M Burchnell***	-	15,997	15,997	-
	<u>136,000</u>	<u>(42,003)</u>	<u>83,997</u>	<u>4,080</u>

* The above loans were secured against Nyota shares and were advanced for a 2 year term attracting a 6% pa interest rate.

** Repaid in full since year end.

*** Sundry interest free advance repayable at call

20 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related firms:

	Consolidated	
	2011	2010
	\$	\$
a) PricewaterhouseCoopers - Australia		
Audit and review of financial statements	143,264	101,000
b) Non PricewaterhouseCoopers audit firms		
Audit and review of financial statements	66,080	62,485
	<u>209,344</u>	<u>163,485</u>

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

21 Contingencies/Commitments

(a) Contingent liabilities

The Group had no known contingent liabilities as at 30 June 2011 (2010: Nil).

(b) Contingent assets

Although the Group no longer has any legal interest in a Swaziland gold project it has retained a beneficial right to 50% of any sale proceeds should this project be on-sold to a third party. The Group is unable to place a potential value on this contingent asset. Apart from the above the Group does not have any known contingent assets as at 30 June 2011 (2010: Nil).

(c) Commitments

	Consolidated	
	2011	2010
	\$000	\$000
Exploration program commitments payable		
Within one year	3,879	4,240
Later than one year but not later than 5 years	2,865	5,466
	<hr/>	<hr/>
	6,744	9,706
	<hr/>	<hr/>

22 Related party transactions

(a) Parent entity

The ultimate parent entity in the wholly-owned group and the ultimate Australian parent entity is Nyota Minerals Limited.

(b) Key management personnel

Disclosures relating to key management personnel are set out in note 19.

23 Events occurring after the balance sheet date

No other matters or circumstances have arisen since 30 June 2011 that have significantly affected, or may significantly affect:

- (a) the Group's operations in future financial years;
- (b) the results of those operations in future financial years; or
- (c) the Group's state of affairs in future financial years.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

24 Reconciliation of loss after income tax to net cash outflow from operating activities

	Consolidated 2011 \$000	2010 \$000
Loss after tax	(14,418)	(17,982)
Depreciation and amortisation	148	73
Gain on sale of exploration interest	-	(1,957)
Foreign exchange (gain)/loss	2,569	1,641
Share based compensation	2,260	822
Loss on disposal of discontinued operations	-	6,967
Impairment of assets	341	7,554
(Increase)/decrease in prepayments	319	(386)
(Increase)/decrease in receivables	(247)	58
(Decrease)/increase in payables	2,074	(372)
	(6,954)	(3,582)
Net cash flow used in operating activities	(6,954)	(3,582)

Non-cash financing activities

During the 2011 year the Company issued:

- 2,325,685 ordinary shares at \$0.425 as consideration for the acquisition of additional Ethiopian exploration tenements.

During the 2010 year the Company issued:

- 30,858,867 ordinary shares at a deemed issue price of between \$0.10 and \$0.14 as consideration for the acquisition of Minerva Resources Plc.
- 20,000,000 ordinary shares at GBP0.16 as consideration for the acquisition of additional Ethiopian exploration tenements.

25 Loss per share

	Consolidated 2011 Cents	2010 Cents
a) Basic loss per share		
For continuing operations	(3.6)	(4.5)
For discontinued operations	-	(3.1)
	(3.6)	(7.6)
Total basic loss per share	(3.6)	(7.6)

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

25 Loss per share (continued)

	Consolidated 2011 Cents	2010 Cents
b) Diluted loss per share		
For continuing operations	(3.6)	(4.5)
For discontinued operations	-	(3.1)
	(3.6)	(7.6)
Total diluted loss per share	(3.6)	(7.6)

c) Reconciliation of loss used in calculating loss per share

The following reflects the operating loss and share data used in the calculations of basic and diluted loss per share:

	2011 \$000	2010 \$000
Loss for year used in calculating basic and diluted loss per share	(14,418)	(17,982)

d) Weighted average of shares used as the denominator

	Number	Number
Weighted average number of ordinary shares used in calculating basic loss per share	401,238,965	237,884,476
Effect of dilutive securities:		
Employee share plan shares	13,475,000	13,850,000
Options	2,910,484	8,408,305
Adjusted weighted average number of ordinary shares used in calculating diluted loss per share	417,624,449	260,142,781

Information concerning the classification of securities:

Certain granted options have not been included in the determination of diluted loss per share as they are not dilutive. Details relating to all options are set out in the Directors' Report and note 17.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

26 Share-based payments

(a) Employee Option Plan

Employee incentive option plans have been approved at shareholder general meetings. The Employee Option Plan is designed to provide long term incentives for senior managers and above (including executive directors) to deliver long term shareholder returns. Under the plan, participants are granted options which only vest if certain performance standards are met. Participation in the plan is at the board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits.

Options are granted under the plan for no consideration. Options granted under the plan carry no dividend or voting rights.

Set out below are summaries of options granted both under the plan and otherwise as compensation:

Grant date	Expiry date	Exercise price	Opening balance	Exercised during the year	Granted during the year	Lapsed during the year	Closing balance	Vested and exercisable at year end
3/9/2009	30/9/2012	\$0.11	5,800,000	375,000	-	-	5,425,000	1,933,333
21/12/2009	31/12/2012	\$0.13	1,280,000	-	-	-	1,280,000	426,666
23/2/2010	31/12/2012	\$0.15	7,000,000	-	-	-	7,000,000	2,333,333
22/3/2010	30/6/2013	\$0.17	250,000	-	-	-	250,000	83,333
15/7/2010	30/6/2013	\$0.31	-	-	2,750,000	1,250,000	1,500,000	-
6/8/2010	30/6/2013	\$0.31	-	-	500,000	-	500,000	-
30/11/2010	31/12/2015	\$0.35	-	-	6,000,001	1,166,167	4,833,334	-
30/11/2010	31/12/2015	\$0.42	-	-	6,000,001	1,166,167	4,833,334	-
30/11/2010	31/12/2015	\$0.50	-	-	5,999,998	1,166,666	4,833,332	-
4/2/2011	31/1/2016	GBP0.23	-	-	4,000,000	-	4,000,000	-
3/6/2011	30/6/2015	GBP0.175	-	-	1,700,000	-	1,700,000	-
3/6/2011	30/6/2015	GBP0.20	-	-	1,800,000	-	1,800,000	-

The average weighted exercise price of the above options is \$0.296.

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

26 Share-based payments (continued)

The following table lists the inputs to the Black Scholes model used for options issued in the 2011 year:

	15/7/10	6/8/10	30/11/10	4/2/11	3/6/11
Dividend yield %	-	-	-	-	-
Expected volatility %	100%	100%	70%	75%	70-80%
Risk-free interest rate %	4.50%	4.60%	4.65%-5.00%	5.00%	4.90%
Life of option	18 months	18 months	12-36 months	12 months	15-30 months
Exercise price	\$0.31	\$0.31	\$0.35-\$0.50	\$0.368	\$0.268-\$0.306
Grant date share price	\$0.32	\$0.32	\$0.35	\$0.34	\$0.215
Fair value	\$0.156	\$0.156	\$0.102-\$0.140	\$0.096	\$0.054-\$0.089

(b) Employee Share Plan

Employee incentive share plans have been approved at shareholder general meetings, the latest being 3 September 2010. No employee share plan shares were issued in the year ended 30 June 2011.

For details of the shares issued to directors and key management personnel refer to note 19. During the year ended 30 June 2010 the Company issued 750,000 employee shares on 3 September 2009 to other employees that were not either directors or key management personnel.

(c) Expenses arising from share based payments

	Consolidated	
	2011	2010
	\$000	\$000
Shares and options issued under employee share and option plans	1,950	582
Employee share sign-on bonus	-	240
Option issued to non-employee classified consultant group	310	-
	2,260	822

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

27 Parent Entity Disclosures

The individual financial statements for the parent entity show the following aggregate amounts:

Balance sheet

	2011	2010
	\$000	\$000
Assets		
Current assets	25,186	12,041
Non-current assets	25,416	15,370
Total assets	50,602	27,411
Liabilities		
Current liabilities	649	273
Total liabilities	649	273
Equity		
Issued capital	163,595	123,474
Retained earnings	(118,699)	(99,062)
Reserves		
Asset revaluation reserve	(43)	(115)
Convertible note premium reserve	219	219
Share-based payments	4,882	2,622
Total equity	49,954	27,138

Financial performance

Loss for the year	(19,637)	(18,350)
Other comprehensive income	72	15
Total comprehensive loss	(19,565)	(18,335)

- a) Guarantees entered into by the parent entity
The parent entity has not provided financial guarantees for any of its subsidiaries (2010: nil).
- b) Contingent liabilities of the parent
The parent entity did not have any contingent liabilities as at 30 June 2011 (2010: nil).
- c) Contractual commitments
The parent entity did not have any contractual commitments as at 30 June 2011 (2010: nil).

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

28 Discontinued operations

(a) Description

On 24 May 2010 the Company announced its intention to divest its interest in the Swaziland gold project for a nominal \$1 sale consideration. This has relieved the Company from any further funding or management commitments in relation to this project. It has however retained a beneficial entitlement to 50% of any sale proceeds should the project be on-sold by its previous joint venture party.

Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the years ended 30 June 2011 and 30 June 2010.

	2011	2010
	\$000	\$000
Revenue	-	-
Expenses	-	(6,967)
Loss before income tax	-	(6,967)
Income tax benefit	-	-
Loss after income tax of discontinued operations	-	(6,967)
Loss on sale of the division before income tax	-	(6,967)
Income tax expense	-	-
Loss on sale of the division after income tax	-	(6,967)
Loss from discontinued operations	-	(6,967)
Net cash outflow from operating activities	-	-
Net cash outflow from investing activities	-	(54)
Net decrease in cash utilised by discontinued operations	-	(54)

NYOTA MINERALS LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 30 JUNE 2011

28 Discontinued operation (continued)

(c) Carrying amounts of assets and liabilities

The carrying amounts of assets and liabilities at 30 June 2011 and as at the date of sale being 24 May 2010 were:

	2011	2010
	\$000	\$000
Exploration and evaluation expenditure	-	7,287
Total assets	-	7,287
Borrowings	-	320
Total liabilities	-	320
Net assets	-	6,967

(d) Details of the sale of the discontinued operations

The sale details presented are for the years ended 30 June 2011 and 30 June 2010.

	2011	2010
	\$000	\$000
Consideration received:	-	-
Carrying amount of net assets sold	-	(6,967)
Loss on sale before income tax	-	(6,967)
Income tax expense	-	-
Loss on sale after income tax	-	(6,967)

29 Accumulated losses

Movements in accumulated losses were as follows:

	Consolidated	
	2011	2010
	\$000	\$000
Balance at beginning of year	(98,910)	(80,928)
Net (loss) attributable to members of Nyota Minerals Limited	(14,418)	(17,982)
Balance at end of financial year	(113,328)	(98,910)

NYOTA MINERALS LIMITED

DIRECTORS' DECLARATION 30 JUNE 2011

In the directors' opinion:

- (a) the financial statements and notes set out on pages 39 to 83 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the financial year ended on that date; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the directors.



M. J Sturgess
Executive Chairman
Perth Date: 29 September 2011



Independent auditor's audit report to the members of Nyota Minerals Limited

Report on the Financial Report

We have audited the accompanying financial report of Nyota Minerals Limited (the company), which comprises the balance sheet as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration for the Nyota Minerals Limited group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard *AASB 101 Presentation of Financial Statements*, that the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

Our procedures include reading the other information in the Annual Report to determine whether it contains any material inconsistencies with the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Independent auditor's audit report to the members of Nyota Minerals Limited (continued)

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

Auditor's opinion

In our opinion:

- (a) the financial report of Nyota Minerals Limited is in accordance with the *Corporations Act 2001*, including;
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2011 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

Report on the Remuneration Report

We have audited the remuneration report included in pages 22 to 28 of the directors' report for the year ended 30 June 2011. The directors of the company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion

In our opinion, the remuneration report of Nyota Minerals Limited for the year ended 30 June 2011, complies with section 300A of the *Corporations Act 2001*.

A handwritten signature in cursive script that reads 'PricewaterhouseCoopers'.

PricewaterhouseCoopers

A handwritten signature in cursive script, likely belonging to Pierre Dreyer.

Pierre Dreyer
Partner

Perth
29 September 2011

NYOTA MINERALS LIMITED

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 31 August 2011.

A. Distribution of equity securities

Analysis of numbers of equity security holders by size of holding:

	<i>Class of equity security Shares</i>
1 - 1,000	123
1,001 - 5,000	214
5,001 - 10,000	184
10,001 - 100,000	356
100,001 and over	220
	1,097

There were 234 holders of a less than a marketable parcel of ordinary shares.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted ordinary shares as at 31 August 2011 were:

<i>Name</i>	<i>Listed ordinary shares</i>	
	<i>Number held</i>	<i>Percentage of issued shares</i>
International Finance Corporation	65,186,322	13.64
Chase Nominees Limited	42,014,071	8.79
Nomura Nominees Limited <PRIN>	20,265,721	4.24
Fitel Nominees Limited <C058142>	19,000,000	3.97
Anson Registrars Limited <Altus>	16,950,000	3.55
Pershing Nominees Limited <ksclt>	12,767,897	2.67
State Street Nominees <OMO2>	12,306,522	2.57
Pershing Nominees Limited <Perny>	10,109,800	2.12
Newhaven Nominees Pty Ltd	10,076,381	2.11
Jim Nominees Limited <jarvis>	8,715,048	1.82
L R Nominees Limited <Nominee>	8,394,499	1.76
Brewin Nominees (Channel Islands) Limited	8,080,000	1.69
Barclayshare Nominee Limited	8,079,991	1.69
TD Waterhouse Nominees (Europe) Limited	7,051,148	1.48
HSBC Custody Nominees (Australia)	6,886,926	1.44
The Bank of New York (Nominees) Ltd <BIL>	6,484,087	1.36
Credit Agricole Cheuvreux International	6,462,009	1.35
State Street Nominees <OMO3>	6,393,547	1.34
The Bank of New York (Nominees) Ltd	6,120,454	1.28
The Bank of New York (Nominees) Ltd >	6,000,000	1.26
	287,344,423	60.10

NYOTA MINERALS LIMITED

SHAREHOLDER INFORMATION

C. Substantial holders

Substantial holders in the Company are set out below:

<i>Ordinary shares</i>	<i>Number held</i>	<i>Percentage</i>
International Finance Corporation	65,186,322	13.64
Chase Nominees Limited	42,014,071	8.79

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

E. Restricted securities

There are no restricted securities on issue.

F. Tenement Schedule

Country where tenement is located	% held	Tenement details
Ethiopia	100	EL 127-128/97; EL 058-084/96 EL 032-054/99; EL 372/2010 EL 1879-1969/2002; EL 1722-1789/2002