

NYOTA MINERALS LIMITED

ACN 060 938 552

NOTICE OF GENERAL MEETING

and

EXPLANATORY MEMORANDUM

Date of Meeting: 2 June 2010

Time of Meeting: 10.00am

Place of Meeting: Celtic Club
48 Ord Street
West Perth
Western Australia

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

NYOTA MINERALS LIMITED
ACN 060 938 552

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Nyota Minerals Limited ACN 060 938 552 (**Company**) will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 10.00am on 2 June 2010.

The Explanatory Memorandum which accompanies and forms part of this Notice of General Meeting describes the various matters to be considered and contains a glossary of defined terms for terms that are not defined in full in this Notice of General Meeting.

AGENDA

1. Resolution 1 - Approve an issue of Shares to International Finance Corporation

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

"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, the shareholders of the Company hereby approve the issue of up to 36 million fully paid ordinary shares in the Company to International Finance Corporation, on the terms and conditions contained in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by International Finance Corporation and any of its associates. However, the Company need not disregard a vote if it is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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2. Resolution 2 - Approve an issue of Options to International Finance Corporation

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

"That for the purposes of Listing Rule 7.1 and for all other purposes, the shareholders of the Company hereby approve the issue to International Finance Corporation of up to 27 million options to acquire fully paid ordinary shares in the Company on the terms and conditions contained in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by International Finance Corporation and any of its associates. However, the Company need not disregard a vote if it is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
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3. Resolution 3 - Approve an issue of Shares to Towchester Investment Company Limited

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

"That for the purposes of Listing Rule 7.1 and for all other purposes, the shareholders of the Company hereby approve the issue of 8 million fully paid ordinary shares in the Company to Towchester Investment Company Limited, on the terms and conditions contained in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by Towchester Investment Company Limited and any of its associates. However, the Company need not disregard a vote if it is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

4. Resolution 4 - Approve an issue of Shares to Brantham Investments Limited

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

"That for the purposes of Listing Rule 7.1 and for all other purposes, the shareholders of the Company hereby approve the issue of 12 million fully paid ordinary shares in the Company to Brantham Investments Limited, on the terms and conditions contained in the Explanatory Memorandum."

The Company will disregard any votes cast on this resolution by Brantham Investments Limited and any of its associates. However, the Company need not disregard a vote if it is cast as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

BY ORDER OF THE BOARD



Michael Langoulant
Company Secretary
DATED: 30 April 2010

NYOTA MINERALS LIMITED
ACN 060 938 552

EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be considered at a general meeting of Shareholders to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 10.00am on 2 June 2010.

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

Full details of the business to be considered at this General Meeting are set out below.

1. Resolutions 1 & 2 - Approve an Issue of Shares and Options to IFC

1.1 Background

Resolutions 1 and 2 seek shareholder approval, for the purposes of ASX Listing Rule 7.1, for a proposed issue of Shares and Options to International Finance Corporation (**IFC**), a member of the World Bank Group.

On 14 April 2010 Nyota announced that it had signed a letter agreement with IFC (**Letter Agreement**) pursuant to which IFC intends to make an initial subscription for:

- (a) Shares representing a 10% interest in the Company (**IFC Shares**); and
- (b) 3 Options for every 4 IFC Shares issued (**IFC Options**).

The Letter Agreement is subject to IFC board approval, all necessary Nyota Shareholder approvals, and approval from the Australian Foreign Investment Review Board. Nyota and IFC intend to enter into a legally binding subscription agreement for the purposes of finalising the terms and conditions contemplated in the Letter Agreement (**Equity and Option Subscription Agreement**).

Under the Letter Agreement the issue price for the IFC Shares has been set by reference to the volume weighted average price for Shares traded on AIM in the 5 trading days immediately prior to 12 April 2010, the date on which the Letter Agreement was signed, less a 5% discount (**IFC Entry Price**). The IFC Entry Price is £0.116 per share.

The exercise price of the IFC Options has been set at 150% of the IFC Entry Price (**IFC Option Exercise Price**) being £0.174 per IFC Option.

The IFC Options are exercisable at any time within a 4 year period from the date of grant (**IFC Option Expiry Date**). However, Nyota has the right to bring forward the IFC Option Expiry Date if the closing price of Shares traded on AIM is 50% greater than the IFC Option Exercise Price for twenty (20) consecutive trading days (**Acceleration Event**). Upon an Acceleration Event, the Company will be entitled to accelerate the IFC Option Expiry Date, by giving written notice to IFC, to a date that is no less than 20 business days after the date on which that notice is given by the Company.

1.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 broadly provides, subject to certain exceptions, that a company may not issue or agree to issue securities which represent more than 15% of the nominal value of the company's issued capital at the beginning of any 12 month period without obtaining shareholder approval.

Accordingly, if Shareholders of the Company approve the issue of the IFC Shares and IFC Options under Resolutions 1 and 2 respectively, the IFC Shares and the Shares issued upon the exercise of the IFC Options will not be counted towards the 15% limit in respect of issues of equity securities in the following 12 month period. However, if Resolutions 1 and 2 are not passed, the Company will be restricted in the number of Shares it may issue, in accordance with ASX Listing Rule 7.1, and accordingly, completion under the Equity and Option Subscription Agreement may not occur.

1.3 Disclosure requirements

In accordance with the disclosure requirements of ASX Listing Rule 7.3, the following information is provided to Shareholders to enable them to consider the issue of the IFC Shares and IFC Options as proposed by Resolutions 1 and 2, respectively:

- (a) The maximum number of IFC Shares to be issued is 36,000,000 while the maximum number of IFC Options to be issued is 27,000,000.
- (b) The issue price of the IFC Shares under Resolution 1 will be £0.116 per IFC Share.
- (c) The IFC Options will be granted free of charge. The exercise price of the IFC Options is 150% of the IFC Entry Price, being £0.174 per IFC Option.
- (d) The IFC Shares and the IFC Options will be issued to IFC no later than 3 months after the date of the General Meeting (or such later date permitted by any waiver or modification of the ASX Listing Rules that may be granted by ASX) and it is intended that allotment will occur on the same date.
- (e) The IFC Shares will rank equally with all existing Shares.
- (f) Shares issued upon exercise of the IFC Options will rank equally with all existing Shares.
- (g) The terms and conditions of the IFC Options are detailed in Appendix A to this Explanatory Memorandum.
- (h) The funds raised from the issue of the IFC Shares will be used to advance the exploration and development of the Tulu Kapi gold project in Ethiopia and for general working capital purposes.
- (i) The Board presently intends to issue the IFC Shares and IFC Options pursuant to Resolutions 1 and 2, respectively, as one allotment. However, the Board reserves the right to issue the IFC Shares and/or IFC Options progressively.

1.4 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 1 and 2.

2. Resolutions 3 and 4 – Approve the issue of Shares to acquire Ethiopian mining tenements

2.1 Background

Resolutions 3 and 4 seek Shareholder approval, for the purposes of ASX Listing Rule 7.1, for the issue of Shares to Towchester Investment Company Limited (**Towchester**) and Brantham Investments Limited (**Brantham**), respectively (together, the **Vendors**).

Each Vendor owns a 100% interest in a package of prospective mining tenements in Ethiopia near the existing Tulu Kapi gold project (collectively, the **Tenements**). On 12 April 2010 Nyota announced that it had signed a letter agreement with each Vendor to secure an exclusive option (each a **Tenement Option**) to acquire an 80% interest in the Tenements. The Tenements comprise approximately 4,500 sq km, in aggregate, of highly prospective ground north of the Tulu Kapi gold project. The Tenements exhibit the same major geological structure thought to control mineralisation at Tulu Kapi and bear evidence of extensive historical workings.

Each Tenement Option has a 60 day exercise period during which Nyota may elect to exercise the Tenement Option, subject to completion of its due diligence enquiries, including undertaking a field visit to the Tenement areas. The Tenement Options are independent of one another and hence the Company may elect to exercise one, both, or neither of the Tenement Options.

If Nyota exercises both of the Tenement Options, it must:

- issue a total of 20,000,000 Shares to the Vendors (comprising 8,000,000 Shares to Towchester and 12,000,000 Shares to Brantham);
- pay a total of £60,000 cash (£30,000 to each Vendor) by way of reimbursement for historical expenditure;
- be responsible for funding exploration on the Tenements until the completion of a bankable feasibility study (following which funding will be pro rata to Towchester's or Brantham's (as the case may be) and Nyota's respective percentage interests in the Tenements);
- enter into a formal purchase and sale agreement with each the Vendors in respect of the relevant Tenements; and
- enter into a joint venture agreement with each the Vendors in respect of the relevant Tenements.

2.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 broadly provides, subject to certain exceptions, that a company may not issue or agree to issue securities which represent more than 15% of the nominal value of the company's issued capital at the beginning of any 12 month period without obtaining shareholder approval.

Accordingly, if Shareholders of the Company approve the issue of the Shares under Resolutions 3 and 4 respectively, the Shares will not be counted towards the 15% limit in respect of issues of equity securities in the following 12 month period. However, if Resolutions 3 and 4 are not passed, the Company will be restricted in the number of Shares it may issue, in accordance with ASX Listing Rule 7.1. Shareholder approval is being sought in advance of completing the due diligence in relation to the Tenement Options to ensure that it retains flexibility to issue Shares in the future in accordance with ASX Listing Rule 7.1. In

this way the Company can effectively reinstate the maximum limit under the ASX Listing Rules on the number of securities that the Company may issue in any 12 month period without obtaining further shareholder approval.

2.3 Disclosure requirements

In accordance with the disclosure requirements of ASX Listing Rule 7.3, the following information is provided to Shareholders to enable them to consider the possible issue of Shares as proposed in Resolutions 3 and 4:

- (a) The maximum number of Shares to be issued under Resolution 3 is 8,000,000 Shares while the maximum number of Shares to be issued under Resolution 4 is 12,000,000 Shares
- (b) The Shares are to be issued in consideration for the acquisition of the Tenements.
- (c) The Shares to be issued under Resolution 3 are to be issued to Towchester Investment Company Limited.
- (d) The Shares to be issued under Resolution 4 are to be issued to Brantham Investments Limited.
- (e) The Shares will be issued no later than 3 months after the date of the General Meeting (or such later date permitted by any waiver or modification of the ASX Listing Rules that may be granted by ASX) and it is intended that allotment will occur on the same date.
- (f) The deemed issue price of each Share issued under Resolutions 3 and 4, respectively, is £0.10.
- (g) The Shares will rank equally with all existing Shares.
- (h) The Board presently intends to issue the Shares pursuant to Resolutions 3 and 4, respectively, as one allotment. However, the Board reserves the right to issue the Shares progressively.

2.4 Directors' recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 3 and 4.

3. Glossary of Terms

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

\$ and **AUD** means Australian dollars.

£ means Great Britain pounds

AIM means the AIM Market of the LSE.

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

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the official listing rules of ASX.

Board means the board of Directors.

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

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

Directors means the directors of the Company.

Explanatory Memorandum means this explanatory memorandum.

General Meeting or **Meeting** means the general meeting of Shareholders to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 10.00 am on 2 June 2010 or any adjournment thereof.

LSE means London Stock Exchange Plc.

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

Option means an option to subscribe for 1 Share.

Resolution means a resolution in the Notice of General Meeting.

Section means a section of this Explanatory Memorandum.

Shareholder means a registered holder of Shares.

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

APPENDIX A — Terms and Conditions of Options to be Granted to International Finance Corporation

- **Issue Price** - Options granted will be granted free of charge.
- **Exercise Price** - The exercise price of the Options will be 150% of the issue price of the Shares issued to IFC in accordance with the Letter Agreement dated 12 April 2010 between the Company and IFC.
- **Expiry Date** - The expiry date of the Options will be four (4) years from the date of grant.
- **Exercise** - Each Option may be exercised at any time on or before the Expiry Date by forwarding to the Company at its principal office the exercise notice, duly completed together with payment of the Exercise Price per Option exercised.
- **No Quotation** – No application will be made for the Options to be quoted on either ASX or AIM.
- **Restriction on Transfer** - Options may not be transferred without the prior written approval of the Board.
- **Adjustment of Options** - If, prior to the expiry of the Options, there is a reorganisation of the issued share capital of the Company (including a consolidation, subdivision or reduction of capital or return of capital to shareholders), the number of Shares subject to the Options and/or the Exercise Price will be adjusted in the manner required by the ASX Listing Rules.
- **Bonus issue and rights issues** – IFC is required to exercise an Option in order to participate in a bonus or entitlement issue made by the Company. IFC will be provided with written notice of the terms of the issue to shareholders and afforded that period as determined by the ASX Listing Rules to exercise its Options if it wishes to participate in the bonus or entitlement issue.
- **Shares issued on Exercise of Options** - Shares which are issued as a result of the exercise of Options will rank equally in all respects with all Shares on issue and the Company will apply for quotation of those Shares on ASX and AIM.
- **Rights on exercise of Options** - Dividends will not accrue on the Shares in respect of which Options were exercised until the Shares are issued to IFC. IFC may not exercise any votes attaching to the Shares in respect of which Options were exercised until the Shares are issued to IFC.
- **Accelerated Expiry Date** – Should the closing price of Shares traded on AIM be 50% greater than the Exercise Price for twenty (20) consecutive trading days (**Acceleration Event**) then the Company will be entitled to accelerate the Expiry Date. Each such new period of 20 consecutive trading days shall be a new Acceleration Event. To exercise this right, the Company must, within five business days of the Acceleration Event, elect to accelerate the Expiry Date by giving written notice to IFC, in which case the Expiry Date is accelerated to a date nominated by the Company that is no less than twenty (20) business days after the date on which that notice is given by the Company.

PROXY AND VOTING ENTITLEMENT INSTRUCTIONS

PROXY INSTRUCTIONS

Shareholders are entitled to appoint up to two individuals or bodies corporate to act as proxies to attend and vote on their behalf. Where more than one proxy is appointed each proxy may be appointed to represent a specific proportion of the Shareholder's voting rights. If the appointment does not specify the proportion or number of votes each proxy may exercise, each proxy may exercise half of the votes. If a body corporate is appointed as proxy, the body corporate may appoint an individual as a representative to exercise its power at the General Meeting.

The proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority) must be deposited at the Company's office, Suite 2, 5 Ord Street, West Perth WA 6005 or sent by facsimile transmission to +61 8 9324 2977, not less than 48 hours before the time for holding the General Meeting, or adjourned meeting as the case may be, at which the individual or body corporate named in the proxy form proposes to vote.

The proxy form must be signed by the Shareholder or his/her attorney duly authorised in writing or, if the Shareholder is a corporation, in a manner permitted by the Corporations Act.

The proxy may, but need not, be a Shareholder of the Company.

In the case of shares jointly held by two or more persons, all joint holders must sign the proxy form.

A proxy form is attached to this Notice.

VOTING ENTITLEMENT

For the purposes of determining voting entitlements at the General Meeting, shares will be taken to be held by the persons who are registered as holding the shares at 5.00 pm WST on 28 May 2010. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

NYOTA MINERALS LIMITED
ACN 060 938 552

PROXY FORM

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

I/We _____

of _____

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

_____ shares in the Company

hereby appoint _____

of _____

or failing him/her/it _____

of _____

or failing him/her/it the Chairman as my/our proxy to vote for me/us and on my/our behalf at the general meeting of the Company to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia at 10.00am on 2 June 2010 and at any adjournment thereof in respect of _____ of my/our shares or, failing any number being specified, **ALL** of my/our shares in the Company.

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

If you wish to indicate how your proxy is to vote, please tick the appropriate places below. If no indication is given on a resolution, the proxy may abstain or vote at his/her/its discretion.

In relation to undirected proxies, the Chairman intends to vote in favour of all of the Resolutions.

If you do not wish to direct your proxy how to vote, please place a mark in the box.

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

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

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

