



Andiamo Exploration Limited

(Incorporated in England and Wales)

(Registration number 06515287)

Abbreviation: AXL

("Andiamo", "AXL" or "the Company")

Company website: www.andiamoexploration.com

UPDATE TO SHAREHOLDERS: MARCH 2021

Since our last update to Shareholders in January 2021, the Company is pleased to announce the following progress:

- NI43-101 compliant Competent Person's Report on the assets of the Company in Eritrea is complete and the initial results are summarized in a presentation available on the Company website.
- The immediate metallurgical testwork for the diverse ores present on the Yacob Dewar orebody is complete and a way forward has been established for further testwork.
- Management continues progress towards a public listing during 2021.
- Application has been made for a second exploration licence in a highly prospective area in Eritrea.
- Accounts to December 2020 are being finalized.

Please refer to the Company website www.andiamoexploration.com for additional information, annual accounts and the new presentation.

ACTIVITIES

Management continues to advance its revised business strategy of becoming a mid-tier explorer and producer of gold and copper with its focus on the Arabian-Nubian Shield and North-East Africa.

Our short-term strategy remains the exploration of assets already in the Company portfolio, to prove and acquire additional resources within the Haykota Licence, and to pursue new opportunities in Eritrea and on the Arabian-Nubian Shield. Our medium-term objective is to create a mining focal

point, monetize assets to fund growth, evaluate Yacob Dewar as a cash generator by implementing a mine development process or on-selling the asset and proving up additional resources in proximity to the Yacob Dewar deposit.

We have achieved our objectives as set in 2020, in spite of the challenges posed by the Covid pandemic.

The exploration data accumulated since 2014 has been systematically sorted and evaluated, and an NI 43-101 compliant document produced by Minxcon. (See the synopsis presentation on the Andiamo website). This will serve as the basis for our exploration strategy.

The report identified 12 drill-ready targets on 15 km of strike in the Haykota Central, Northern and Southern Zones, with the potential of immediate resource uplift. 8 drill ready targets have been identified as a priority, with a 9th targeted for soil sampling.

The laboratory testwork conducted through Consulmet Limited using the samples sent from the United Kingdom has been completed. The samples were sorted for testing by metallurgists from Consulmet and geologists from Minxcon, with significant inputs from management.

Consulmet have produced a comprehensive report on Assay and Metallurgical test-work. The conclusions reached in the report are:

“In line with the results obtained it is possible to beneficiate the Au attaining recoveries of 90% and 80% via enhanced conventional cyanidation for the low and high grade ores respectively. It was also concluded that the low-grade ore and high-grade ore have significantly different mineral textures, significant cyanicides are present in the high-grade ore, and that as a consequence of the metallurgical processing incompatibility of the two ores, additional mineralogy work be conducted on the low and high grade composites independently to gather more information on the different ores. It is also recommended that flotation test work be conducted separately on the high-grade composite”.

The conclusion is that more test-work must be done on the Yacob Dewar ores before an optimal processing solution can be developed. This work will be run as a parallel process to the planned exploration programmes in the immediate future. Representative samples will be sourced on-site from several positions in the metallurgically diverse orebodies. Both the process engineers and management are confident that an optimal minerals processing solution will be found.

A new licence application has been submitted, for a highly prospective area with known gold and copper mineralization. Systematic rock sampling by a previous operator yielded gold values up to 195g/t and preliminary work by Andiamo suggests a porphyry copper-gold system. This area was not included in the Qualified Person's NI 43-101 report as the licence is yet to be granted to Andiamo.

With a Qualified Person's report, a revised work programme and a promising new licence, Andiamo now plans a listing on an international exchange. To this end preliminary consultations have been pursued with experienced Securities Attorneys and initial groundwork has been done.

Andiamo's immediate objectives are:

- Complete the 2020 Annual Accounts and audit the last 3 years' accounts.
- Resume work on the ground in Eritrea and complete the new licence.
- Prepare for a systematic and focused exploration programme on the drill ready targets in the Yacob Dewar, Shambotai and Hoba mineralized areas.
- Raise US\$ 3 000 000 pre-IPO to drill 9 immediate drill ready targets over 15 km of strike in proximity to Yacob Dewar.
- Test drill-ready optimized targets to potentially add to Yacob Dewar focal point.
- Commence geological and geochemical mapping on all 9 target areas.
- Simultaneous soil geochemical surveys over 4 earlier-stage target areas.
- Acquire additional projects in Eritrea and elsewhere on the Arabian- Nubian Shield.
- Prepare to list the Company on a Public Exchange.

FINANCIAL

Andiamo's management accounts for the year ending December 2020 are complete and the statutory accounts are being prepared.

The principal shareholders of the Company are EmeraldEx BV, part of Luxembourg-based African Mineral Exploration and Development (AMED) Funds (www.amedfunds.com), which holds 43% and remains the largest shareholder, and Zedra Trust Company, trustee for a private fund, with 15.9%.

BUSINESS ENVIRONMENT

The activities of the Company continue to be negatively affected by the ongoing Covid-19 lockdowns and travel restrictions, with unrestricted travel between the United Kingdom, South Africa and Eritrea being negatively affected.

The positive impact of improved relations between Eritrea and Ethiopia and the lifting of international sanctions against Eritrea remains intact, despite the outbreak of internal conflict in northern Ethiopia during the second half of 2020.

OUTLOOK

Whilst we expect operating conditions in the coming year to remain extremely challenging as a consequence of the COVID-19 pandemic, the management of Andiamo are confident that we will be able to deliver the renewal strategy initiated in February 2020 for the benefit of all stakeholders in the Company as a consequence of the improved sentiment in precious and base metals as well as the improved sentiment towards junior mining and exploration.

Additional information on Andiamo can be found on the Company website www.andiamoexploration.com

Theo Botoulas

Director and Chief Executive Officer

ANDIAMO EXPLORATION LIMITED

18 NEW CANAL

SALISBURY

ENGLAND

SP1 2AQ

info@andiamoexploration.com

MEDIA AND INVESTOR RELATIONS

ASHLEY TURK

ashley@andiamoexploration.com

+230 5908 6436

+230 288 6221