

Shareholder Update December, 2023

Dear Shareholders,

As we conclude another remarkable year, I am delighted to provide you with an update on our recent activities and share our plans for the upcoming quarter. This year has been a journey marked by both substantial growth and noteworthy achievements, though it has not been without its challenges. Our ability to resiliently adapt in the face of ever-changing market conditions is a testament not only to the strength of our assets but also to the unwavering dedication and exceptional talent of our team.

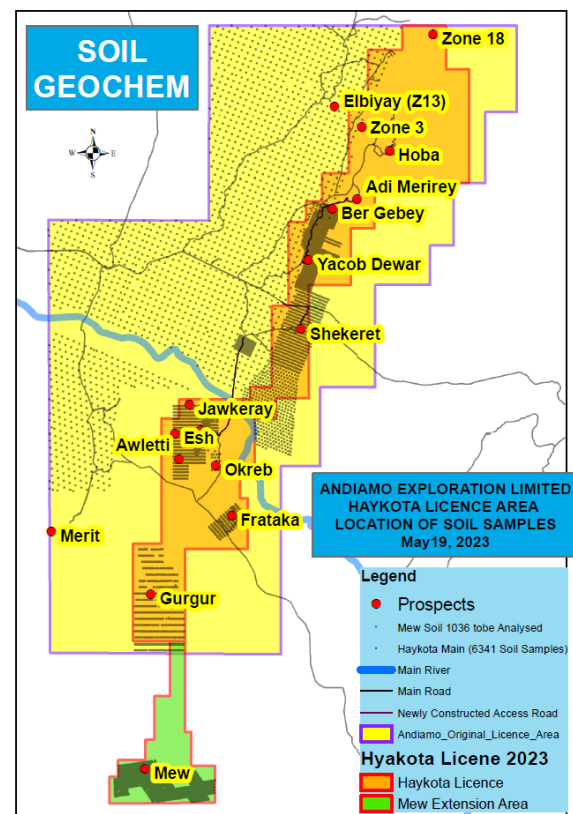
I would like to express my heartfelt thanks for your ongoing support and for placing your trust in our vision. Your commitment is integral to our continued success.

Exploration Activities

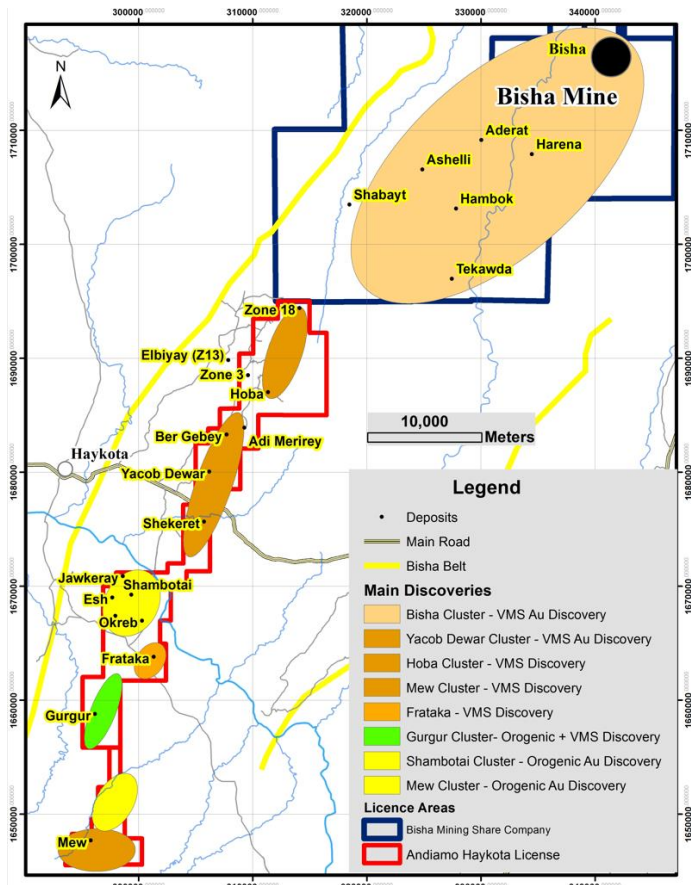
Analysis of Historic Geochemical Data

We have accumulated a significant amount of geological information over the years, particularly in the form of geochemical soil samples. Often, these were collected primarily to fulfil the minimum exploration activities required to retain our license, and they were not always fully interpreted, nor were they considered as part of an integrated dataset across the entire license area.

In response, we engaged with RSC in New Zealand, led by Dr. Mike Gazely, who has previously conducted extensive work for Alpha Exploration in Eritrea, and Dr. Marc Fassbender, a renowned expert in VMS (Volcanogenic Massive Sulphide) systems. Our objective was to collate, process, and interpret all topographic and geochemical data, incorporating historical drilling and geophysics data to identify high-priority targets, including those that might have been previously overlooked.



We have been very pleased with the results of this study. It has not only identified extensions to known mineralization, particularly at Shambotai and Yacob Dewar, but has also pinpointed potential areas of overlooked mineralization at Frataka and Gurgur, based on historical drilling data. The study has also highlighted a few gaps in our database, particularly regarding stream sediment sampling at Hoba and Awletti. We plan to address these gaps during Q1 2024, which will include re-sampling all our samples for silica. This will help us account for compositional effects that may have resulted from samples being taken by different teams and at different times.



Mapping and Sampling at Shambotai – Quartz Vein Hosted Orogenic Gold

Shambotai is recognised for its extensive artisanal gold mining, primarily from alluvial deposits along various streams and creeks in the area. The gold is thought to originate from quartz veins in the hills above the artisanal sites. We previously conducted a limited 5-hole scout drilling program targeting one of these anomalies, which successfully intersected gold mineralization. However, the challenging topography resulted in the drill holes being incorrectly positioned to optimally intersect the mineralization at depth. In the past, we considered developing a mobile plant to process the material, but this idea remained at the conceptual stage.

Following our field visits in May and July, we discovered multiple primary quartz veins in the hills and within the artisanal workings. In the recent quarter, two teams of geologists conducted follow-up mapping and exploration, which included collecting grab samples.

Geologically, the area is characterised by a central belt of metavolcanic rocks, bordered to the east and west by metasedimentary rocks. There are four distinct sets of quartz veins, two of which contain gold. Gold is also associated with alteration zones near the contact between the original volcanic rocks and later volcanic intrusions. We have recently received assay results from the lab, revealing significant gold grades of 5.8 g/t, 3.1 g/t, and 1.27 g/t across widths ranging from 2 to 10 metres.

In addition to mapping, our reanalysis of historical data suggests the presence of further mineralization south at Awletti and north of Shambotai. These areas will be a focus of our investigations in the upcoming field season.

Mapping and Sampling at Mew – VMS and Quartz Vein Hosted Orogenic Gold

During our site visit in May, we observed several key geological features in the area. Notably, we identified multiple artisanal pits, signs of oxide copper, and, further to the north, extensive quartz veining. This quartz veining, similar to that observed at Shambotai, appears to be associated with a later granite intrusion.

We recently completed a three-week follow-up mapping and exploration program in this area. The program successfully identified numerous quartz veins that are associated with the later granite intrusion, as well as Volcanogenic Massive Sulphide (VMS) style mineralization to the south. As part of this work, we collected soil and rock samples. These samples have now been sent to Intertek for detailed analysis.

Yacob Dewar Gold Oxides – Production Concept and Potential Partners

In our earlier preliminary discussions with Kappes Cassidy back in August, they initially proposed a plant with a capacity of 1,500 tonnes per day (tpd), estimating a cost of US\$30-40 million. This proposal was based on the assumption that we would add additional resources. However, following further discussions with Kappes Cassidy and a detailed review of the current gold resource at Yacob Dewar, we have shifted our focus.

We have now developed a conceptual internal model centred on a smaller, more manageable plant with a capacity of 500 tpd, which translates to approximately 130,000 tonnes per annum (Ktpa). This would give the plant an estimated operational life of around 6.5 years. The capital expenditure for this scaled-down version is projected to be about 50% of the original 1,500 tpd plant, amounting to US\$15-20 million.



Our model assumes an 80% recovery rate and a gold price of US\$1,800 per ounce. Taking into account an after-tax scenario and a 10% government free carry, the valuation of this project stands at:

Capex	US\$15M	US\$20M
NPV (12%)	US\$14M	US\$10.3M
IRR	68%	41%

Our drilling earlier this year delineated an additional exploration target of 45.2-90.5Kt / 4.1-8.2Koz, which is ready to convert into resource (total 99.8Koz), which would take the mine life to 8 years and further improve the economics.

Capex	US\$15M	US\$20M
NPV (12%)	US\$15M	US\$11.1M
IRR	68%	41%

Our current concept for near term oxide gold production is based on using Yacob Dewar project as a central processing hub which is later fed with ore from the other targets in the license area potentially increasing the current resource and potential mine life.

- We have identified seven other gossans in the area which are geologically similar, but smaller than Yacob Dewar, but include the oxide gold rich silica barite rocks at surface and so would be relatively simple to drill out. These are at Ber Gebey, Hoba, Shekeret, Okreb, Frataka, Gurgur and Mew and are at differing stages of development with Ber Gebey being the most advanced and Mew not yet having any drilling.
- Based on drilling to date at Ber Gebey we are expecting a conceptual resource of another 10-15Koz Au.
- Conceptually each additional gossan could be of similar size, subject to drilling thereby increase the project life of the oxide gold or increasing throughput.
- We believe there are other similar gossans both inside our license area and just outside that could be targeted for additional resources.

On this basis, the project would be clearly economic and even more so at the current gold price of US\$2,041/oz. However, as we mentioned in our last update developing them ourselves may be a costly distraction from the bigger targets and we are exploring opportunities sell or farm out the current oxide resources. We have engaged with several groups who were interested in developing the gold at Yacob Dewar and currently have two groups actively looking at the project. As these discussions progress, we will keep you updated.



MPhil/ PhD Student

Mussie Tesfai, a senior geologist with prior experience working with us, is currently pursuing his MPhil/PhD at the University of Bloemfontein in South Africa. His connection with our team dates back to when he was seconded from the Ministry. While we are not sponsoring his current academic endeavours, Mussie has expressed a keen interest in focusing his thesis on our Haykota license area. We are actively collaborating with him to identify a thesis topic that would not only contribute significantly to his academic goals but also provide substantial value to our company. This partnership aims to enhance our exploration strategies and better target our efforts in the Haykota area.

Next Steps

As previously noted, our recent re-evaluation of historical geochemical data has identified certain gaps in our information. To address these, we plan to undertake comprehensive mapping, stream sediment and soil sampling over the next few months. Additionally, we will re-analyse all our soil samples for silica, a process that is both quick and cost-effective.

Drilling is a critical component for advancing our project, particularly at Yacob Dewar. We have drilling activities planned in the southern part of the central zone at Yacob Dewar to target the deeper massive sulphides. At Shambotai, we have identified at least two crucial drilling sites: one targeting the largest alteration zone and the other focusing on the originally drilled mineralized quartz vein at depth. However, we intend to conduct more structural interpretation before proceeding. Our collaboration with RSC has also helped highlight new drill targets at Frataka.

Realising these plans will require additional funding. In pursuit of this, we are exploring joint ventures (JVs) for the Yacob Dewar oxides and seeking potential partners within the Arabian Nubian Shield. Additionally, we are considering an equity raise towards the end of Q1/Q2, which may include taking the company public. We are currently in discussions with brokers to understand the requirements and costs associated with this step.

Upcoming Events

Future Minerals Forum (Riyadh)– 10th-11th January, 2024

Dr. Mark Heyhoe, Dr. Seife Berhe and Daniel Fox-Davies will be representing our company at the Future Minerals Forum (FMF) in Riyadh. The primary objective of their attendance is to establish in-country relationships and partnerships as we explore opportunities to expand into Saudi Arabia. We have already initiated contact with officials from the Ministry of Investment and the Ministry of Industry and Mineral Resources.



We are excited to announce that we will be hosting a small booth (MH02), in the Mineral Exploration Zone of the forum. We warmly invite all attendees to visit us there. It would be a great opportunity for us to connect, discuss our ventures, and explore potential collaborations. If you are attending the FMF, please do stop by.

<https://FMF24Floorplan.expofp.com?andiamo-exploration>

Mining Indaba (Cape Town) - 5-8th February, 2024

We are pleased to announce that we have secured a spot at the Explorers Showcase during this year's Mining Indaba in Cape Town. Dr. Mark Heyhoe and Dr. Seife Berhe will be in attendance. If you are interested in a more in-depth update about our projects and initiatives, they would be delighted to meet with you. Please feel free to reach out to us to schedule a meeting during the event.

In closing, we extend our sincere appreciation for your steadfast support and patience throughout this year. It has been a period marked by steady progress and diligent navigation through a dynamic and ever-changing environment. As we turn our gaze to the future, our focus remains steadfast on sustainable growth and the continuous creation of value.

The trust you place in us as shareholders is the cornerstone of our journey. We are dedicated to advancing forward, steadfast in our commitment to generate value for all our stakeholders. We wish you a peaceful conclusion to the year and eagerly anticipate the opportunities and challenges that the next year will bring.

Warm regards,

Dr Mark Heyhoe
Chief Executive Officer



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