

19 December 2022

ANDIAMO EXPLORATION LTD: INITIATION OF DRILLING OPERATIONS AT YACOB DEWAR AND GENERAL SHAREHOLDER UPDATE

Dear Shareholder,

Yacob Dewar

Andiamo Exploration Ltd (“Andiamo or the Company”) is pleased to announce that it has initiated drilling operations at the Yacob Dewar Project on the Haykota licence in Eritrea.

Management had engaged the Minxcon Group (www.minxcon.co.za) to develop a drilling programme at Yacob Dewar using all current data available in on order to confirm the orebody at depth and to determine potential extensions to the south of the current orebody. The Company has retained Colonnade Drilling, an Eritrean drilling contractor, to conduct the drilling operations.

To this end a site visit was completed by management and Minxcon, historical lithological logging data was simplified and incorporated into 3D space, potential structural anomalies identified and the current Yacob Dewar geological model reviewed. Two independent views on the structural geology were formulated, a reverse fault model and a model incorporating a shear zone to the west of the current orebody. The additional models of the structural geology and plots of the grade model were developed by Minxcon in order to develop the drilling programme.

As a consequence of the review, a total of 14 holes were sited amounting to 3 129 metres of diamond drilling planned, with the longest hole being 340 metres, with the objective of testing the depth extension of the orebody and confirming the structural geology.

In addition, exhalites mapped on surface will be sampled (rock chip and grab samples) and a further soil geochemical survey will be conducted over 6 section lines at 50 metre sample spacing in the centre of the current orebody. Based on the results obtained, trenching to the south of the orebody (five trenches T1 to T5) are planned to test the lateral extent of the orebody.

Management, Minxcon, and the contractors retained will execute the exploration programmes in a manner that the data quality is in accordance with the Canadian Reporting Code NI 43-101, and will use the results obtained to supplement the current NI 43-101 Competent Persons Report published on the Company website www.andiamoexploration.com

Shareholders will be updated as the results of the further exploration become available.

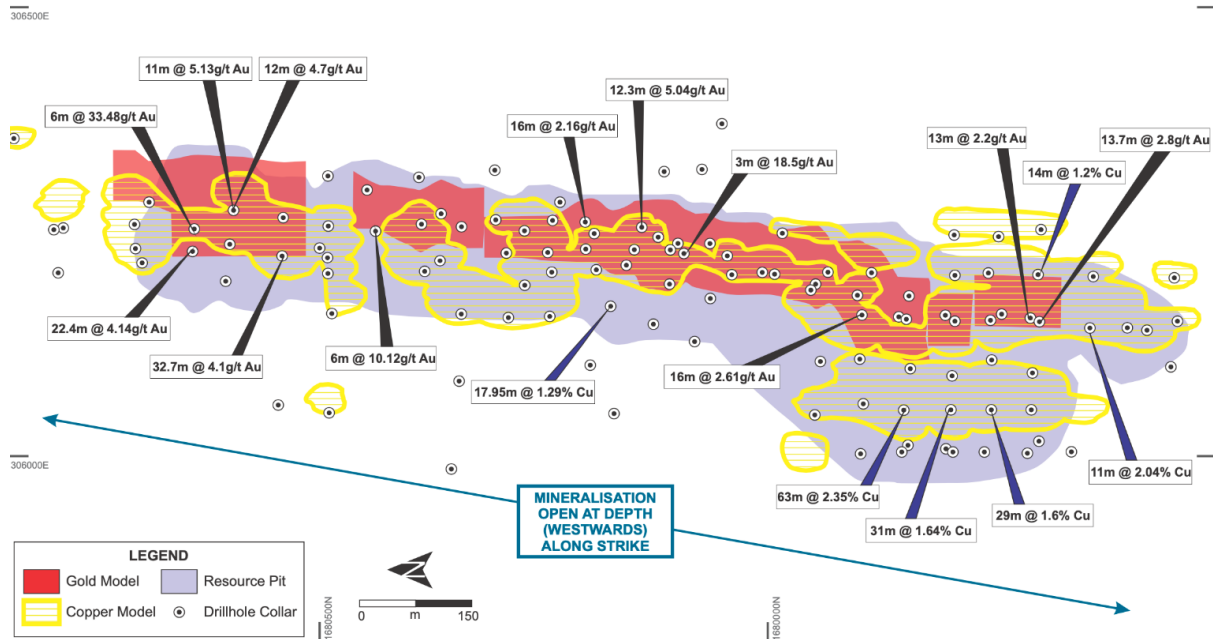


Figure 1: Plan of Yacob Dewar showing mineralised zones

Haykota Licence: future planned work

Based on the results of the drilling programme, the Company has planned further pilot scale testing of the Yacob Dewar ores and has in addition developed a programme for planned drilling programmes on 8 primary and 4 secondary drill targets in the Haykota Licence area, as well as made application for securing a new licence area in Eritrea.

Closing of Fox-Davies Capital Financing

The Company is pleased to announce that the successful pre-IPO capital raise has now closed. A total amount of GBP 2,429,182.66 has been raised by way of convertible loan notes issued with attached warrants. A total of 86,549,542 warrants have been issued, including warrants issued to the broker as per the capital raise mandate. The terms of the convertible loan notes and warrants are as follows:

- Convertible Loan Notes shall be converted to shares on the earlier of the date at which the Company's shares are admitted to a recognised stock exchange, or, 30 June 2023. The conversion price shall be the lesser of the Company's IPO placing price less 25%, or, GBP0.03/share.
- Warrants may be exercised and converted to shares at a price of GBP0.045/share at any time up until 18 months from such time that the Company's shares are admitted to a recognised stock exchange.

The Board and Management of the Company would like to thank shareholders for their support throughout 2022 and look forward to delivering value to shareholders in the coming year.

Regards,

Per: Andiamo Exploration Limited

Theo Botoulas

Director and Chief Executive Officer

On Site Photographs

