

Shareholder Update September 2023

Dear Shareholders,

Board Transition and Strategic Direction

I trust this message finds you well. As we navigate the dynamic landscape of our industry, I wish to update you of the significant developments that have taken place within our company over the past year as we again re-focus on discovery and creating value for you, our shareholders.

At the close of June, I was honoured to accept the board's request to transition from my role as a non-executive director to assume the position of Chief Executive Officer, succeeding Mr Theo Botoulas. This pivotal change reflects our company's refocus on discovering a tier 1 asset, necessitating a heightened focus on exploration. I extend my gratitude to Theo for his invaluable expertise and relentless dedication in steering the company through formidable challenges during a period marked by limited financial resources. I take this opportunity to express my heartfelt appreciation for his unwavering support and extend my best wishes for his continued success.

To realize our strategic aspirations, we recognize the need for robust financial backing. In this light, I am pleased to announce the appointment of Mr Daniel Fox-Davies as Chairman, succeeding Dave Paxton, who remains a valued member of our board. Many of you are familiar with Daniel's distinguished career. Over the past two decades, he has successfully raised over US\$2 billion for junior mining and oil and gas companies. Presently serving as Principal at Fox-Davies Capital Limited, an entity regulated by both the FCA and the Dubai Financial Services Authority, Daniel will play a pivotal role in spearheading our future financing initiatives.

Exploration Highlights

The Yacob Dewar Deposit is currently a gossan hosted gold and copper project, which is interpreted as the oxidized product of a volcanogenic massive sulphide ("VMS") similar to the Bisha mine to the north. As possible mineralised sulphides were believed to be present below the oxidation zone (gossan), we have focussed over the past year on the VMS potential at Yacob Dewar.

To ensure consistency, we embarked on an extensive review of historical drill core data, revising our core logging schema to apply uniformly across the deposit. Then between November, 2022 and January, 2023 we undertook a diamond drilling campaign to establish the down dip extension of the massive sulphides at Yacob Dewar. A total of ten diamond holes were drilled by Eritrean drilling company Colonnade, for a total of 2,043 meters and to an apparent depth of between 140-360m. Samples from these holes were sent to Intertek Genalysis Laboratories in Perth, Australia, for assay.

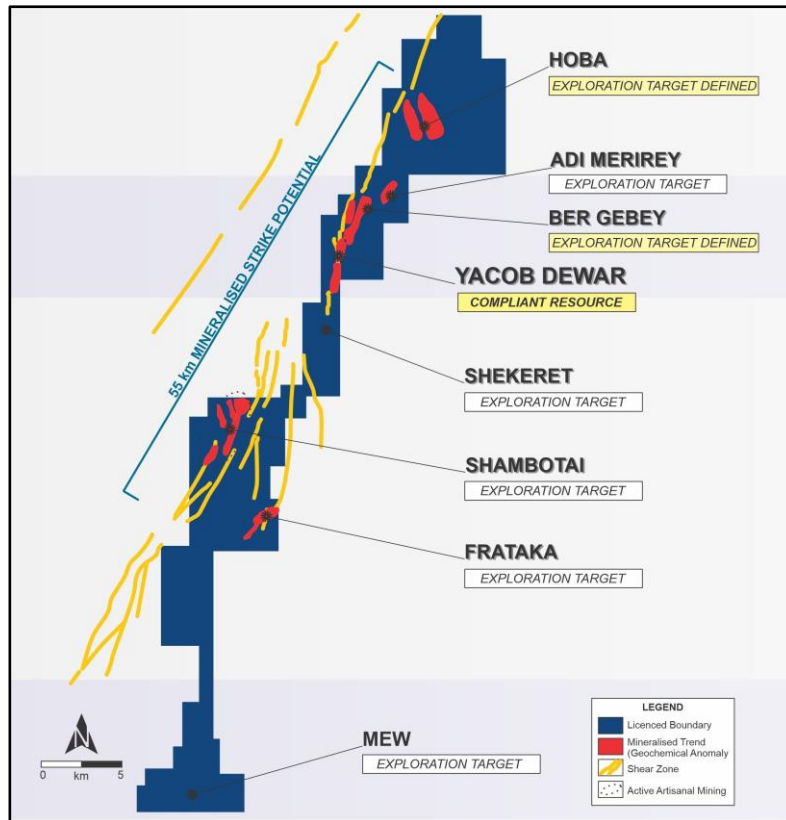


Figure 1: The 210Km² Haykota License Area contains is only 50km south of Bisha mine.



Figure 2: Drilling at Yacob Dewar in December, 2022.

Drill ID	From	To	Interval	Au g/t	Cu ppm	Cu %
YDD 063	13.45	35.75	22.95	No Significant	15 984	1.60
YDD 063	88.4	96.9	8.5	1.87	12 500	1.25
YDD 068	2.80	18.35	15.55	No Significant	20 356	2.04
YDD 068	29.5	32.5	3	No Significant	6 753	0.68
YDD 064	193	194.8	1.83	0.13	No Significant	
YDD 069A	37.2	38.25	1.05	0.41	No Significant	
YDD 065				No Significant	No Significant	
YDD 066	20.3	23	2.7	No Significant	5 709	0.57
YDD 066	146	146.7	0.7	0.19	No Significant	
YDD 067	55.5	56	0.5	0.09	No Significant	
YDD 070	9.00	39.60	30.6	No Significant	14 943	1.49
YDD 070	127.45	127.75	0.3	0.61		
YDD 071	29.00	34.75	5.75	No Significant	20 238	2.02
YDD 072	46.00	59.50	13.5	No Significant	5 204	0.52
YDD 072	101.50	102.50	1	0.16		

Drill ID	From	To	Interval	Ba ppm	Zn ppm	Zn%
YDD-070	126.45	128.8	2.3	5097		
YDD 072	100.2	102.5	2.3		12 874	1.29

Table 1: Highlights from this year's drill campaign.



Figure 3: Oxide copper at Yacob Dewar.

Massive Sulphides

The drill campaign did intersect massive sulphide with YDD068 representing an economic target. A similar intersection was drilled previously in YDRC048 at a depth of 60-70m and 200m to the north of YDD068. However, drilling between them failed to intersect further massive sulphides. Whilst we don't yet know how they were emplaced, their limited spatial extent, suggests they represent smaller venting events, channels or remobilised sulphides.

Oxide Copper

As can be seen from the results, we did intersect several (YDD063, YDD068, YDD066, YDD070, YDD071 and YDD072) economic concentrations of oxide copper, similar to those found in earlier drilling. These intersections are interpreted as remobilised Cu and define a shallow (<50m) deposit running most of the length of Yacob Dewar to the west of the gossan.

Resource

Presently, our Yacob Dewar asset comprises two distinct resources: one rich in oxide gold and the other in oxide copper, both ranging from surface to ~30 meters.

Mineral Resource for the Au Orebody at 0.7 g/t Au Cut-off as at 1 January 2021

Resource Classification	Au	Cu	Ag	Tonnes	Tonnes Less Geo Loss	Au Content	Cu Content	Ag Content
	g/t	%	g/t	Kt	kt	kt	koz	t
Indicated	2.78	0.2	25.56	990	891	79.6	1,798	732
Inferred	3.15	0.08	42	140	119	12.01	99	160

Copper domain @ 0.75 % Cu cut-off

Resource Classification	Au	Cu	Ag	Tonnes	Tonnes Less Geo Loss	Au Content	Cu Content	Ag Content
	g/t	%	g/t	Kt	Kt	K Oz	Tonnes	K Oz
Indicated	0.05	1.41	2.79	721	649	1.13	9 124	58
Inferred	0.12	1.44	5.55	559	475	1.83	6 850	85

Table 2: Current gold and copper resources.

Minxcon carried out the geological modelling on our behalf and came up with an exploration target for the gold resource of 45.2-90.5Kt containing an additional 4.1 to 8.2Koz for a total 91.6Koz-99.8Koz at 2.83g/t from surface.

For the copper Minxcon believe there is upside potential for shallow copper extending along strike west of the gold mineralisation.

Current Fieldwork

Back in May, before becoming CEO myself and most of the board walked over large areas of Haykota license area and identified extensive artisanal and quartz vein hosted gold along with associated artisanal working above and within the Shambotai area and far to the south at Mew, where we also found extensive oxidised copper.

So whilst we are planning our current drill campaign and despite the ongoing wet season, our field teams are actively engaged in comprehensive mapping, structural interpretation, and sampling activities at Shambotai. This initiative will culminate this month, paving the way for a corresponding program at the Mew License area.

To achieve our future objectives we have doubled our geology team and in early August we facilitated a training course with an outside consultant in geological and structural mapping, something which is clearly critical to our understanding of our own license areas. In total we invited 25 geologists to attend, which as well as our own team included geologists from the Ministry of Energy and Mines, Department of Earth Science, College of Mai Nefhim, Alpha exploration, Fanco Mining, Huwakan and Kerkebet Mining Share Co.

Regulatory and Licensing Advancements

During my recent visit to Eritrea in July, Daniel, Dr Seife, and I held discussions with the Acting Minister of Mines, who expressed satisfaction at our renewed activity in the region. This sentiment was echoed by the renewal of our license, retaining the existing land package. Our engagement with the ministry also highlighted operational challenges, prompting the minister's

commitment to support our application for a VSAT license, crucial for seamless communication and data transfer.



Figure 4: Chairman Daniel Fox-Davies and CEO Dr Mark Heyhoe meet with the Director General and Acting Minister of the Ministry of Energy and Mines, Mr Alem Kibreab and the Director of Mineral Resources Development, Mr Mebrahtu Ekubazghi.

Enhanced Marketing Strategy

In line with our renewed exploration outlook, we are intensifying our marketing efforts. Daniel Fox-Davies and Dr Seife Berhe had the pleasure of meeting several shareholders at last week's Africa Down Under Conference in Perth and we are scheduled to participate in several other industry events including the Future Minerals Forum in Riyadh, Saudi Arabia, and the 30th Mining Indaba in Cape Town.



Figure 5: Dr Seife at last week's Africa Down Under Conference in Perth.

Financial Landscape and Strategic Progress

Our private placement last year in the form of convertible loan notes raised £2.43 million (US\$2.9 million). These funds bolstered our financial footing, enabling us to settle outstanding obligations, refurbish or replace vital equipment and infrastructure and re-engage with our exploration activities in Eritrea.

At the end of June, these notes were converted at a rate of £0.03 per share, resulting in a total issued share capital of 240,830,568 shares, along with 10.85 million options and 87,078,383 warrants. This translates to a fully diluted share capital of 338,758,951.

Our current financial standing is ~US\$812,000, enough to meet all current obligations and continue our current field programme.

Road Ahead

As we plan our course for the coming year we are currently finalizing work plans and budgets.

At Yacob Dewar, there is clearly a Massive Sulphide present, but if it does continue, it is likely to be at depth and so before doing any more drilling it would be prudent to conduct an IP survey so we are not going in blind.

Significant potential also exists to commercialise the oxide gold and copper resources at Yacob Dewar. Recent discussions on metallurgy supports this view and whilst developing them ourselves may be a costly distraction we are exploring opportunities sell or farm out the current oxide resources. Our strategic discussions are already underway with prospective partners and we will update you as and when these develop.

Our focus is evolving beyond Yacob Dewar, considering the multitude of VMS and Orogenic targets within our license area and in the wider Arabian-Nubian shield. Geophysics will play a pivotal role in our upcoming undertakings, shedding light on structural complexities and potential VMS targets at depth. Furthermore, we are exploring AI-driven interpretations of our extensive historical dataset, hopefully fostering new insights and targets.

Beyond Haykota, we are applying for other licenses in Eritrea as well as exploring new opportunities within the wider Arabian-Nubian shield, further details as and when we can release them.

Thank you for your steadfast support, and we look forward to sharing further progress with you in the autumn.

Warm regards,

Dr Mark Heyhoe

Chief Executive Officer