



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: JULY 2021

Andiamo is pleased to report the following progress since our last update to Shareholders in March 2021:

- Andiamo has engaged Fox-Davies Capital (UK) (www.fox-davies.com) to assist in raising capital for the financing of our exploration and resource development plans at the Yacob Dewar Project, as well as further exploration work within the Haykota licence area.
- Management continues to progress towards a public listing during 2021.
- The Company has filed the returns and reports on work completed at Yacob Dewar, including geological desktop studies and metallurgical testwork, with the Ministry of Mines in Eritrea.
- Andiamo has applied for a second exploration licence in a highly prospective area in Eritrea, and we are expecting a response from the Government of Eritrea in due course.
- Andiamo has filed its report and accounts to December 2020 and has posted them on the Company website.
- The NI43-101 compliant Competent Persons Report on our assets in Eritrea has been completed and has been made available on the Company website.
- We have posted a presentation summarizing the NI43-101 results, our future strategy, and budgets for planned activities on the Company website.

Please see the Company website www.andiamoexploration.com for the annual accounts, latest presentation and additional information.

FINANCIAL

Andiamo's report and accounts for the year ending December 2020 are complete and have been filed with the regulator and published on the Company website.

The Company's principal shareholders are EmeraldEx BV, part of Luxembourg-based African Mineral Exploration and Development (AMED) Funds (www.amedfunds.com), which holds 43.4% and remains the largest shareholder, and Zedra Trust Company, trustee for a private fund, with 15.9%.

BUSINESS ENVIRONMENT

Our activities continue to be negatively affected by the Covid-19 lockdowns and travel restrictions, especially with the emergence of new Covid-19 variants.

The effects of vaccination programmes and reductions in infection rates in Europe and Africa are encouraging, and management is hopeful that operations on the ground may resume in the near future. Until more certainty as to freedom of movement is obtained, the assets of the Company will remain on care and maintenance.

The 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.

ACTIVITIES: NO CHANGE

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

To this end, Andiamo has mandated Fox-Davies Capital (UK) to represent the Company in a capital-raising exercise to support the Company's objectives, leading to a listing on an international exchange.

Our short term strategy remains the exploration of assets in the Company's portfolio, to prove up additional resources within the Haykota License area and to pursue new opportunities in Eritrea and on the wider Arabian-Nubian Shield.

Our medium term objective is to develop Yacob Dewar as a mining focal point and cash generator, monetizing our assets to fund growth.

Despite the challenges of the last 18 months, our objectives set in 2020 have been achieved.

The exploration data accumulated since 2010 has been systematically evaluated and an NI 43-101 compliant Competent Persons Report produced by Minxcon. A presentation summarising our technical activities can be found on the Andiamo website.

The technical work completed to produce the report has 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 new licence application area was not included in the NI 43-101 report as it has not yet been processed and granted by the Government of Eritrea.

Consulmet completed laboratory testwork on drill samples sent from storage in the United Kingdom, after sorting and selection by metallurgists from Consulmet, geologists from Minxcon and Andiamo's own management team.

Consulmet produced a comprehensive report on the Assay and Metallurgical test-work, concluding that;

“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”.

It is apparent 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 with planned exploration programmes. Samples representative of the principal geo-metallurgical units within the diverse orebody will be selected for further analysis. Both the process engineers retained by the Company as well as management are confident that an optimal minerals processing solution will be found.

Our immediate objectives are:

- Resume operations on the ground in Eritrea
- Pursue the new license application;
- Prepare for a systematic exploration programme focused on identified, drill ready targets in the Yacob Dewar, Shambotai and Hoba mineralized areas;
- Test drill-ready targets to add to the defined Yacob Dewar resources;
- Undertake geological mapping and rock chip sampling on all 9 target areas;
- Soil geochemical surveys over 4 earlier-stage target areas;
- Acquire additional projects in Eritrea and elsewhere on the Arabian-Nubian Shield;
- Raise US\$ 3 000 000 pre-IPO to drill 9 immediate drill ready targets over 15 km of strike in proximity to Yacob Dewar as well as for working capital;
- Prepare to list the Company on a Public Exchange.

OUTLOOK

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

Theo Botoulas

Director and Chief Executive Officer

Additional information can be found on the Company website

www.andiamoexploration.com

Andiamo Exploration Limited
 18 New Canal
 Salisbury
 SP1 2AQ
 United Kingdom

info@andiamoexploration.com

Media and Investor Relations

Ashley Turk

ashley@andiamoexploration.com

+230 5908 6436

+230 288 6221