



ASX Release:

11 October 2021

Changes to Board of Directors

- **Resignation of John Fitzgerald as Non-Executive Director**
- **Appointment of Paul Donaldson as Non-Executive Director**

Danakali Limited (ASX: DNK, **Danakali** or the **Company**) announces Mr John Fitzgerald has elected to resign from the Board as Independent Non-Executive Director and Mr Paul Donaldson has been reappointed as Non-Executive Director effective 11 October 2021. This Board restructure aligns the composition of the Board to requirements of the future project development works.

Mr Donaldson has keenly agreed to accept the role of Non-Executive Director. Mr Donaldson has a very deep knowledge of Colluli, having previously held positions in Danakali over almost an 8-year period from 2012 to 2020. He held roles of Chief Operating Officer, Chief Executive Officer, Managing Director and Non-Executive Director. Mr Donaldson's reappointment is timely given the stage of development Colluli is at, and he not only brings a wealth of knowledge of the Colluli project he brings a long history of significant mining experience in the areas of technical, operational, logistics and mine development. Mr Donaldson will assume the roles of Chairman of the Audit and Risk Committee and member of the Remuneration and Nomination Committee.

Mr Fitzgerald was appointed to the Danakali Board on 19 February 2015 as an Independent Director and made significant contributions to Danakali as a Board member and Chairman of the Audit and Risk Committee and a member of the Remuneration and Nomination Committee. During his tenure he has brought his astute commercial and financial acumen as well as his extensive mining industry experience to the Company. In particular, John's International and Investment Banking experience was instrumental when DNK secured its senior debt financing package from AFC and Afrexim Bank. Moreover, his sound judgement and extensive knowledge was leveraged to DNK's benefit throughout the many growth phases of Colluli in the PFS, BFS, FEED, strategic equity and the recent capital raising processes for Danakali.

Danakali Chairman, Seamus Cornelius said:

"I have worked very closely with John at Danakali since 2015 and it has been an absolute privilege to have shared the time at Danakali with him as a fellow Board representative of Danakali. His critical thinking, practical advice and objective approach have always been focused on positively adding value for all stakeholders. We have been very fortunate to have secured his services for almost 7 years. We wish John well in his other endeavours and without doubt we will miss his sharp intellect and constant dedication going forward. Clearly having Paul re-join the Board at this point in time is exciting, given his knowledge of the Project and all stakeholders involved, we are very fortunate to have him return for this exciting next phase."

Announcement authorised for release by the Board of Directors of Danakali.

The Colluli Potash Project (**Project, Colluli**) is 100% owned by Colluli Mining Share company (**CMSC**), a 50:50 Joint Venture between Danakali Limited (**DNK**) and Eritrean National Mining Corporation (**ENAMCO**)



Codes:

ASX: DNK, SO3-FRA, SO3-BER.

US Level 1 ADR's OTC-DNKLY,
CUSIP.23585T101

Highlights:

The world's largest JORC compliant solid salt, Sulphate of Potash (**SOP**) reserve, 1.1Bt

Aiming to be the world's first Zero Carbon SOP Producer

Development underway towards production

Financial facts:

Issued capital: 368.3m
Share price: A\$0.42
Market cap: A\$155m



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About Danakali

Danakali Limited (ASX: DNK), (**Danakali**, or the **Company**) is an ASX listed potash company focused on the development of the Colluli Sulphate of Potash Project (**Colluli** or the **Project**). The Project is 100% owned by the Colluli Mining Share Company (**CMSC**), a 50:50 joint venture between Danakali and the Eritrean National Mining Corporation (**ENAMCO**).

The Project is located in the Danakil Depression region of Eritrea, East Africa, and is ~75km from the Red Sea coast, making it one of the most accessible potash deposits globally. Mineralisation within the Colluli resource commences at just 16m, making it the world's shallowest known potash deposit. The resource is amenable to open cut mining, which allows higher overall resource recovery to be achieved, is generally safer than underground mining, and is highly advantageous for modular growth.

The Company has completed a Front-End Engineering Design (**FEED**) for the production of potassium sulphate, otherwise known as Sulphate of Potash or **SOP**. SOP is a chloride free, specialty fertiliser which carries a substantial price premium relative to the more common potash type; potassium chloride (or **MOP**). Economic resources for production of SOP are geologically scarce. The unique composition of the Colluli resource favours low energy input, high potassium yield conversion to SOP using commercially proven technology. One of the key advantages of the resource is that the salts are present in solid form (in contrast with production of SOP from brines) which reduces infrastructure costs and substantially reduces the time required to achieve full production capacity.

The resource is favourably positioned to supply the world's fastest growing markets. A binding take-or-pay offtake agreement has been confirmed with EuroChem Trading GmbH (**EuroChem**) for up to 100% (minimum 87%) of Colluli Module I SOP production.

Development Finance Institutions, Africa Finance Corporation (**AFC**) and African Export Import Bank (**Afreximbank**), have obtained formal credit approval to provide CMSC with US\$200M in senior debt finance. The credit documentation was executed in December 2019, allowing drawdown of CMSC senior debt on satisfaction of customary conditions precedent. This represents the majority of funding required for the development and construction of the Colluli.

Project execution has commenced and the Company's vision is to bring Colluli into production using the principles of risk management, resource utilisation and modularity, using the starting module (**Module I**) as a growth platform to develop the resource to its full potential.

Forward looking statements and disclaimer

The information in this document is published to inform you about Danakali and its activities. Danakali has endeavoured to ensure that the information enclosed is accurate at the time of release, and that it accurately reflects the Company's intentions. All statements in this document, other than statements of historical facts, that address future production, project development, reserve or resource potential, exploration drilling, exploitation activities, corporate transactions and events or developments that the Company expects to occur, are forward looking statements. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.

Factors that could cause actual results to differ materially from those in forward-looking statements include market prices of potash and, exploitation and exploration successes, capital and operating costs, changes in project parameters as plans continue to be evaluated, continued availability of capital and financing and general economic, market or business conditions, as well as those factors disclosed in the Company's filed documents.

There can be no assurance that the development of Colluli will proceed as planned. Accordingly, readers should not place undue reliance on forward looking information. Mineral Resources and Ore Reserves have been reported according to the JORC Code, 2012 Edition. To the extent permitted by law, the Company accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this document. Recipients should make their own enquiries in relation to any investment decisions.

Mineral Resource, Ore Reserve, production target, forecast financial information and financial assumptions made in this announcement are consistent with assumptions detailed in the Company's ASX announcements dated 25 February 2015, 23 September 2015, 15 August 2016, 1 February 2017, 29 January 2018, and 19 February 2018 which continue to apply and have not materially changed. The Company is not aware of any new information or data that materially affects assumptions made.

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