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ASX Release:

28 December 2022

UPDATE ON COLLULI DEBT FACILITY WITH AFREXIMBANK AND AFRICA FINANCE CORPORATION

Danakali Limited (ASX: DNK) (**Danakali** or the **Company**) refers to its announcement dated 23 December 2019 regarding the US\$200 million senior debt facility with African Export Import Bank (**Afreximbank**) and Africa Finance Corporation (**AFC**) in relation to the development and construction of the Colluli Sulphate of Potash Project in East Africa (**Facility**) whereby Colluli Mining Share Company (**CMSC**) was the borrower and DNK was the guarantor.

As announced by the Company on 3 October 2022 and 1 December 2022, the Company has entered into a term sheet for the sale of its interest in CMSC to Sichuan Road and Bridge Group Co., Ltd. One of the conditions precedent to completion of the sale is termination of the Facility.

CMSC has confirmed that it no longer requires the Facility to be made available to it. The Company confirms there are no outstanding liabilities owed by CMSC to AFC or Afreximbank.

The Facility was terminated by CMSC with effect from 21 December 2022.

This announcement has been authorised for release by the Board of Danakali Limited.

For more information, please contact:

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Forward looking statements and disclaimer

The information in this document is published to inform you about DNK and its activities. DNK 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 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 events may differ materially from those in forward-looking statements.

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. The Company and each of its affiliates accordingly disclaims, to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this announcement.

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

Financial facts:

Issued capital: 368.3m
Share price: A\$0.37
Market cap: A\$136.3m