



**DANAKALI**

## **DANAKALI LIMITED**

ABN 56 097 904 302

### **FINANCIAL REPORT FOR THE HALF YEAR ENDED 30 JUNE 2025**

*This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the year ended 31 December 2024 and any public announcements made by Danakali Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.*

# Corporate Information

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## Directors

Seamus Cornelius	(Executive Chairman)
Paul Donaldson	(Non-Executive Director)
Zhang Jing	(Non-Executive Director)
Chinekwu Duru	(Non-Executive Director)
Jon Coates	(Non-Executive Director)

## Joint Company Secretaries

Catherine Grant-Edwards  
Melissa Chapman

## Executive Management

Greg MacPherson (Chief Financial Officer)

## Registered Office & Principal Place of Business

Level 1, 2A/300 +61 (0)8 6266 8368  
Fitzgerald Street

## Auditors

Hall Chadwick  
283 Rokeby Road  
SUBIACO WA 6000

## Bank

Bendigo Bank  
80 Grenfell Street  
Adelaide SA 5000

## Share Register (Australia)

Computershare Investor Services Pty Limited  
Level 11, 172 St Georges Terrace  
PERTH WA 6000  
Telephone: 1300 850 505 (Inside Australia)  
Telephone: +61 (0)3 9415 4000 (Outside Australia)  
Facsimile: +61 (0)3 9473 2500  
[www.computershare.com](http://www.computershare.com)

## Website

[www.danakali.com.au](http://www.danakali.com.au)

## Stock Exchange Listing

Danakali Limited Shares are listed on the National Stock Exchange of Australia (NSX:DNK).

# NSX Appendix 3 Information

## 1. Details of the reporting period

Current Period: 1 January 2025 – 30 June 2025 ("HY2025")  
Previous Corresponding Period: 1 January 2024 – 30 June 2024 ("HY2024")

## 2. Results for announcement to the market

		HY2025 \$	HY2024 \$	Change %
2.1	Revenue from continuing operations	699,197	874,555	-20%
2.2	Loss from ordinary activities after income tax attributable to members	(740,127)	(752,006)	1.6%
2.3	Net loss attributable to members	(740,127)	(752,006)	1.6%
2.4	Dividend			
	No dividend declared during the period.			
2.7	Explanation of Results			
	The explanation of results is included in the Directors' Report.			

## 3. Net tangible assets per security

	HY2025 \$	HY2024 \$
	Cents	Cents
Net tangible assets per security	8.28	8.68
Number of shares	363,497,522	368,334,346

## 4. Details of entities over which control has been gained or lost during the period

No other entities were acquired or disposed during the period.

## 5. Dividend payment information

No dividend was paid during the period.

## 6. Dividend or distribution reinvestment information

No dividend/distribution reinvestment plan was made during the period.

## 7. Details of associates and joint venture entities

On 14 January 2025, Danakali signed a joint venture agreement with Saudi-Arabia partner Massadir Al-Zamrda (Emerald), which will govern the formation, management & operation of a Saudi limited liability company, in which Danakali will hold an 80% stake and Emerald 20%. The incorporated joint venture will only be incorporated subjected to the granting of an exploration license in Saudi-Arabia.

No other new investment in associates or joint ventures was made during the period.

## 8. Accounting standards

Australian Accounting Standards have been used in complying with the information contained in Appendix 3.

## 9. Audit qualification or review

The financial statements were subject to review by the auditors and the Auditor's Review Report is attached as part of Interim Financial Report.

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# Directors' Report

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Your directors submit their report together with the consolidated financial statements of the consolidated entity, being Danakali Limited (**Danakali** or the **Company**) and its controlled entities (the **Group**) for the half year ended 30 June 2025.

## DIRECTORS

The names of the directors who held office during the half year are:

- Seamus Cornelius (Executive Chairman)
- Paul Donaldson (Non-Executive Director)
- Zhang Jing (Non-Executive Director)
- Chinekwu Duru (Non-Executive Director) (Appointed 13 January 2025)
- Jon Coates (Non-Executive Director)

The Directors held their positions throughout the entire half year period and up to the date of this report unless stated otherwise.

## PRINCIPAL ACTIVITIES

The company is seeking new opportunities in line with its vision to become a leading minerals exploration and development company in Africa & Australia, driving sustainable growth, technological innovation, and responsible resource management. During the period, the company investigated various investment opportunities in both Africa & Australia and signed a joint venture agreement with Massadir Al-Zamrda, a company incorporated under the laws of Saudi Arabia, to explore prospective mineral projects there. The company also undertook a minimum holding buy-back for holders of unmarketable parcels of fully paid ordinary shares during the half year.

## REVIEW AND RESULTS OF OPERATIONS

The net loss after tax of the Group for the half-year ended 30 June 2025 amounted to \$740,127 (30 June 2024: loss \$752,006). The cash flow statement reflects a decrease of cash amounting to \$856,097 (30 June 2024: decrease \$153,823,603 including non-recurring expenses related to the disposal of the Colluli Project and distribution to shareholders). Total consolidated cash on hand at the end of the period was \$30,320,703 (31 December 2024: \$31,183,180).

## REVIEW OF OPERATIONS

### Share Buy-Back

On 9 April 2025, the company completed a minimum holding share buy-back for holders of unmarketable parcels (valued at less than \$500) of fully paid ordinary shares. The total number of Shares bought back by the Company was 4,836,824 Shares (from 1,520 holders). The consideration paid for each share bought back by the Company was \$0.045 per share, being the approximate volume weighted average price for the previous ten trading days in which trades in the Company's shares were recorded prior the Record Date. Post Buy-back, the Company has 363,497,522 fully paid ordinary shares on issue and 907 holders.

### Saudi Arabia Joint Venture Agreement

On 14 January 2025, Danakali signed a joint venture with Saudi partner Massadir Al-Zamrda (Emerald), which will govern the formation, management & operation of a Saudi limited liability company in which Danakali will hold an 80% stake and Emerald 20%. The JV targets mineral exploration opportunities in Saudi Arabia's Arabian Shield, with Emerald providing local support and Danakali funding and leading the technical work. This initiative aligns with Saudi Arabia's Vision 2030 strategy to grow its mining sector by supporting new geoscience data acquisition and encouraging inward mineral exploration investment.

### Corporate Development

Danakali continues with its corporate development activities to investigate suitable projects to grow the company in line with its vision of being a leading exploration and development company in Australia and Africa's critical resources sectors, driving sustainable growth, technological innovation, and responsible resource management.

# Directors' Report

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## CORPORATE

### Board and Management Changes

On 13 January 2025, Chinekwu Duru was appointed as a director of the company (*DNK Announcement 14 January 2025*).

There were no other changes to the Board or management during the period. In the future, the composition and size of the Board will be determined by the Company's operations and the skills and experience needed to protect and enhance shareholder value.

### Ordinary Shares

During the period, 4,836,824 fully paid ordinary shares were bought back by the Company as part of a minimum holding share buy-back for holders of unmarketable parcels.

No shares were issued during the period.

As at 30 June 2025, there was a total of 363,497,522 fully paid ordinary shares on issue.

### Options

During the period, 9,725,000 unlisted options were issued at an exercise price of \$0.084 each expiring 11 June 2028.

There were no unlisted options exercised or expired during the period.

As at 30 June 2025, there was a total of 19,725,000 unlisted options on issue at various exercise prices and expiry dates.

### Performance Rights

There were no performance rights vested and converted into shares during the period.

As at 30 June 2025, there was no performance rights outstanding.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Group.

## RISK MANAGEMENT

The Company has established a Risk Management Policy which outlines the Board's expectations in relation to risk management, responsibilities, risk management objectives, and the principles of its risk management framework.

The Board, through the Audit and Risk Committee, is responsible for overseeing the establishment and implementation of effective risk management and internal control systems to manage the Company's material business risks and for reviewing and monitoring the Company's application of those systems.

The Audit and Risk Committee continues to work closely with management to assess, monitor and review business risks and to carry out assessments of internal controls and processes for improvement opportunities. In support of this, the Committee receives reports from management on new and emerging risks and related controls and mitigation measures that management have implemented.

# Directors' Report

A summary of the material business risks of the Company is set out in the below table.

RISK AREA	RISK	MITIGATION/CONTROL
<b>Operational Risk</b>		
<b>Exploration</b>	Mineral exploration is a high-risk speculative undertaking. There can be no assurance that future exploration of any exploration licences that the Company may acquire an interest in will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.	The Company will conduct comprehensive geological surveys, including geophysical, geochemical, and drilling programs, leveraging advanced exploration technologies to enhance discovery success rates. Furthermore, it aims to maintain a diversified portfolio of exploration targets across multiple regions to mitigate risk and maximise potential opportunities.
<b>Tenure and Title</b>	The ability of the Company to carry out successful exploration and mining activities will depend on the ability to obtain and maintain tenure to mining titles. The maintenance or issue of any such titles must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with.  There is a risk that some or all of the pending applications or parts thereof will not be granted, or that they may be granted on terms which are substantially less favourable to the Company than would typically prevail.	The Company has assembled a skilled team, including legal experts, to oversee the application for and management of exploration licenses. Additionally, it maintains regular engagement with relevant ministries across various regions to ensure compliance and to uphold its good standing.
<b>Future Acquisitions</b>	As part of its growth strategy, the Company may make further acquisitions of licences or enter into strategic alliances with third parties. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of assets, such as short-term strain on working capital requirements and achieving project success.	The Company implements rigorous due diligence processes and engages specialists as needed when evaluating new business opportunities. A comprehensive financial analysis is conducted to assess potential impacts and ensure adequate provisions for working capital requirements.
<b>Financial Risks</b>		
<b>Future Funding Requirements</b>	The funds currently available on hand are considered sufficient to meet the short to mid-term objectives of the Company.  Additional funding may be required in the event exploration costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.	The Company has implemented appropriate capital, financial and treasury management processes and procedures to monitor and manage its future cash requirement.
<b>Liquidity</b>	Shareholders are able to sell their Shares on NSX. The timing and pricing of listed securities is determined by the live market of buyers and sellers. This type of risk is particularly relevant in the context of Shares that are not frequently traded or in situations	The Company has implemented procedures and processes to ensure that it complies with the NSX listing rules. The company periodically evaluates and reviews liquidity options for shareholders.

# Directors' Report

RISK AREA	RISK	MITIGATION/CONTROL
	where market conditions suddenly deteriorate.	
<b>Foreign Exchange Rates</b>	The Company intends to operate in multiple jurisdictions and this may result in the use of multiple currencies.	The company monitors its Foreign Exchange exposure and as required, will consider hedge instruments and Multi-Currency accounts.
<b>Industry Specific Risks</b>		
<b>Environmental</b>	The operations and activities of the Company are subject to the environmental laws and regulations of various jurisdictions. As with all mining operations and exploration projects, the Company's activities are expected to have an impact on the environment.	The Company intends to conduct its operations and activities to high standards of environmental performance, including compliance with all environmental laws and regulations. Nevertheless, such operations may give rise to potentially substantial costs for pollution abatement, environmental rehabilitation, damage control and losses that exceed estimates, and possible regulatory intervention, potentially adversely impacting the Company's operations, financial performance and financial position
<b>Health and Safety</b>	Health event that could impact the employee wellbeing or disrupt business continuity.	The Company has developed a business continuity plan in the event of a business interruption event and developed various controls to limit the impact of a Pandemic.
<b>General Risks</b>		
<b>Key Personnel</b>	The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The loss of key personnel, the inability to recruit necessary staff as needed or the increased cost to recruit or retain the necessary staff, may cause disruption and adversely impact the Company's operations, financial performance and financial position.	The Company has developed succession plans to reduce the exposure to the loss of any key personnel. In addition, incentive plans have been implemented.
<b>Economic</b>	General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.	The Company regularly reviews broad economic conditions and its financial risks. The Company has implemented robust cash flow projects to anticipate funding needs and evaluate how adverse economic conditions could impact the business and prepare response strategies.
<b>Changes to Laws, Regulations and Policy</b>	The Company may be affected by changes to laws, regulations and policy (in Australia and other countries in which the Company may operate) concerning mining and exploration, property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.	The Company regularly engages with external legal and financial advisors that update the company of changes to laws, regulations and policies which could impact the business.

# Directors' Report

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## EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 30 July 2025, 10,000,000 unlisted options expired, leading to a transfer of \$1.24 million from the Share Based Payments reserve to Accumulated Losses.

There are no events subsequent to 30 June 2025 and up to the date of this report that would materially affect the operations of the Group or its state of affairs which have not otherwise been disclosed in this financial report.

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out separately in this report.

This report is made in accordance with a resolution of directors.



Seamus Cornelius

**EXECUTIVE CHAIRMAN**

Perth, 5 September 2025

To the Board of Directors

## AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead audit Director for the review of the financial statements of Danakali Limited and the entities it controlled for the half year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- any applicable code of professional conduct in relation to the review.

Yours Faithfully,



**HALL CHADWICK WA AUDIT PTY LTD**



**MARK DELAURENTIS CA**  
**Director**

Dated 5<sup>th</sup> day of September 2025  
Perth, Western Australia

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

FOR THE HALF YEAR ENDED 30 JUNE 2025

		Half Year Ended	
		30 June 2025	30 June 2024
	Notes	\$	\$
<b>CONTINUING OPERATIONS</b>			
<b>REVENUE</b>			
Interest Income	4	699,197	874,555
Sundry Income		-	-
<b>EXPENSES</b>			
Foreign exchange loss		(6,380)	(10,975)
Depreciation expense		(29,751)	(8,495)
Administration expenses	5	(1,403,193)	(1,607,091)
<b>LOSS BEFORE INCOME TAX</b>		<b>(740,127)</b>	<b>(752,006)</b>
Income tax expense		-	-
<b>TOTAL COMPREHENSIVE (LOSS) / PROFIT FOR THE PERIOD</b>		<b>(740,127)</b>	<b>(752,006)</b>
<b>Earnings per share for loss attributable to the ordinary equity holders of the Company:</b>			
Basic (loss)/profit per share (cents per share)		(0.20)	(0.20)
Diluted (loss)/profit per share (cents per share)		(0.20)	(0.20)

The condensed consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the financial statements.

# Condensed Consolidated Statement of Financial Position

AS AT 30 JUNE 2025

		30 June 2025	31 December 2024
	Notes	\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		30,320,703	31,183,180
Trade and other receivables	7	204,212	144,973
Prepayments		170,923	118,284
<b>TOTAL CURRENT ASSETS</b>		<b>30,695,838</b>	<b>31,446,437</b>
<b>NON-CURRENT ASSETS</b>			
Plant and equipment	9	8,924	-
ROU Asset	10	117,965	146,277
<b>TOTAL NON-CURRENT ASSETS</b>		<b>126,889</b>	<b>146,277</b>
<b>TOTAL ASSETS</b>		<b>30,822,727</b>	<b>31,592,714</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	235,135	180,455
Lease Liability	11	55,713	62,403
Provisions		269,880	236,199
<b>TOTAL CURRENT LIABILITIES</b>		<b>560,728</b>	<b>479,057</b>
<b>NON-CURRENT LIABILITIES</b>			
Lease Liability	11	71,128	88,269
Provisions		75,881	69,739
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>147,009</b>	<b>158,008</b>
<b>TOTAL LIABILITIES</b>		<b>707,737</b>	<b>637,065</b>
<b>NET ASSETS</b>		<b>30,114,990</b>	<b>30,955,649</b>
<b>EQUITY</b>			
Issued capital	12	31,069,064	31,286,723
Reserves	13	1,362,086	1,244,959
Accumulated losses	14	(2,316,160)	(1,576,033)
<b>TOTAL EQUITY</b>		<b>30,114,990</b>	<b>30,955,649</b>

The condensed consolidated statement of financial position is to be read in conjunction with the notes to the financial statements.

# Condensed Consolidated Statement of Changes in Equity

FOR THE HALF YEAR ENDED 30 JUNE 2025

			Reserves	
		Issued Capital	Share Based Payments	Accumulated Profit / (Losses)
	Notes	\$	\$	\$
<b>BALANCE AT 1 JANUARY 2025</b>		<b>31,286,723</b>	<b>1,244,959</b>	<b>(1,576,033)</b>
Loss for the period		-	-	(740,127)
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>(740,127)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Share Buy-Back	12	(217,659)	-	-
Options issued	13	-	117,127	-
<b>BALANCE AT 30 JUNE 2025</b>		<b>31,069,064</b>	<b>1,362,086</b>	<b>(2,316,160)</b>
<b>BALANCE AT 1 JANUARY 2024</b>		<b>135,716,735</b>	<b>1,244,959</b>	<b>57,851,063</b>
Loss for the period		-	-	(752,006)
<b>Total comprehensive income/(loss) for the period</b>		<b>-</b>	<b>-</b>	<b>(752,006)</b>
<i>Transactions with owners in their capacity as owners:</i>				
Capital returned		(100,466,734)	-	-
Dividend distribution		-	-	(54,233,691)
<b>BALANCE AT 30 JUNE 2024</b>		<b>35,250,001</b>	<b>1,244,959</b>	<b>2,865,366</b>

The condensed consolidated statement of changes in equity is to be read in conjunction with the notes to the financial statements.

# Condensed Consolidated Statement of Cash Flows

FOR THE HALF YEAR ENDED 30 JUNE 2025

	Half Year Ended	
	30 June 2025	30 June 2024
Notes	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit for the year	(740,127)	(752,006)
Adjusted for:		
Finance income	(699,196)	(874,555)
Foreign exchange losses	6,380	10,975
Gains on disposal of discontinued operations	-	-
Depreciation of property, plant and equipment	29,751	8,495
Increase/(decrease) in provisions	39,821	21,588
<b>Operating cashflows before movement in working capital</b>	<b>(1,363,371)</b>	<b>(1,585,503)</b>
Decrease/(increase) in trade and other receivables	53,123	168,464
(Decrease) in trade and other payables	171,808	(320,513)
<b>NET CASH OUTFLOW FROM OPERATING ACTIVITIES</b>	<b>(1,138,440)</b>	<b>(1,737,552)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for plant & equipment	(10,363)	-
Interest received	534,196	2,614,374
<b>NET CASH OUTFLOW FROM INVESTING ACTIVITIES</b>	<b>523,833</b>	<b>2,614,374</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Share Buy-back	(217,659)	-
Payment for lease liability	(23,831)	-
Capital returned	-	(100,466,734)
Dividend paid	-	(54,233,691)
<b>NET CASH INFLOW FROM FINANCING ACTIVITIES</b>	<b>(241,490)</b>	<b>(154,700,425)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(856,097)</b>	<b>(153,823,603)</b>
Cash and cash equivalents at the beginning of the financial period	31,183,180	193,109,430
Realised foreign exchange (loss)/gain on cash	(6,380)	(10,975)
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>30,320,703</b>	<b>39,274,852</b>

The condensed consolidated statement of cash flows is to be read in conjunction with the notes to the financial statements.

# Notes to the Condensed Consolidated Financial Statements

## 1. REPORTING ENTITY

Danakali Limited (**Danakali** or the **Company**) is a company limited by shares, incorporated and domiciled in Australia, and whose shares are publicly traded on the National Securities Exchange of Australia (**NSX**). The consolidated half year financial report of the consolidated group as at, and for the six months ended 30 June 2025 comprises the Company and its subsidiaries (together referred to as the **Group**).

The financial report of Danakali for the half year ended 30 June 2025 was authorised for issue by the Directors on 5 September 2025.

The nature of the operations and principal activities of the consolidated entity are described in the Directors' Report.

## 2. BASIS OF PREPARATION

### (a) Basis of preparation

This condensed general purpose financial report for the half year ended 30 June 2025 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. It is recommended that the half year financial report be read in conjunction with the annual financial report for the financial year ended 31 December 2024 and considered together with any public announcements made by the Company during the half year ended 30 June 2025 in accordance with the continuous disclosure obligations of the ASX Listing Rules.

The half year financial report has been prepared on a historical cost basis and is presented in Australian dollars.

### (b) New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the new standards and interpretations effective as of 1 January 2025. Adoption of these standards and interpretations did not have any effect on the statements of financial position or performance of the Group. The Group has not elected to early adopt any new standards or amendments.

The following standards and interpretations apply for the first time for entities with a year beginning on 1 January 2025:

Reference	Title	Summary
AASB 2023-5	Amendments to AASs – Lack of Exchangeability	AASB2023.5 clarifies how entities should determine the exchange rate to use when a currency cannot be freely exchanged into another currency — a situation known as lack of exchangeability. It amends AASB 121 (The Effects of Changes in Foreign Exchange Rates) to provide practical guidance on identifying when exchangeability is lacking and how to estimate an appropriate exchange rate in such cases.
AASB 2014-10	Amendments to AASs – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	AASB 2014-10 addresses a long-standing issue about how to account for profits and losses when an investor sells or contributes assets to its associate or joint venture. It clarifies that a full gain or loss should be recognised if the assets transferred meet the definition of a "business" under AASB 3 (Business Combinations). If the assets do not constitute a business, only a partial gain or loss is recognised. The amendments apply to AASB 10 (Consolidated Financial Statements) and AASB 128 (Investments in Associates and Joint Ventures).

### (c) Going concern

The financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

At the date of this report, the directors are satisfied there are reasonable grounds to believe that the Group will be able to continue its planned activities and the Group will be able to meet its obligations as and when they fall due.

At balance date, the Group had cash and cash equivalents of \$30,320,703 (31 December 2024: \$31,183,180) and a net working capital surplus of \$30,135,110 (31 December 2024: \$30,967,381). The existing cash reserves are sufficient to cover the working capital requirements of the Group for the next 12 months.

# Notes to the Condensed Consolidated Financial Statements

## 3. SEGMENT INFORMATION

All of the Group's activities are interrelated and discrete financial information is reported to the Board (Chief Operating Decision Maker) as a single segment.

Accordingly, all significant operating decisions were based upon analysis of the Group as one segment. The financial results from this segment are equivalent to the financial statements of the Group as a whole as at 30 June 2025.

## 4. INTEREST REVENUE

	30 June 2025 \$	30 June 2024 \$
Interest from bank operating account	2,427	17,975
Accrued interest from Term Deposit	696,770 <sup>a</sup>	856,580 <sup>a</sup>
	<u>699,197</u>	<u>874,555</u>

<sup>a</sup> Funds surplus to the operations of the Group were invested in term deposits for 3-6 months.

## 5. EXPENSES

	30 June 2025 \$	30 June 2024 \$
Employee benefits	549,306	434,392
Director fees	268,863	259,102
Low value asset leases	-	63,813
Compliance, regulatory and other administration expenses	585,024	849,784
	<u>1,403,193</u>	<u>1,607,091</u>

## 6. SHARE BASED PAYMENTS

### (a) Option movement summary

Movements in the number of unlisted options (being those the subject of share-based payments) on issue during the period is as follows:

Unlisted Option	Opening balance 1 Jan 2025	Issued	Exercised	Lapsed / Expired	Closing balance 30 Jun 2025
Exercise price \$0.356 expiry date 30/07/2025	10,000,000 <sup>a</sup>	-	-	-	10,000,000 <sup>a</sup>
Exercise price \$0.084 expiry date 11/06/2028	-	9,725,000 <sup>a</sup>	-	-	9,725,000 <sup>a</sup>
	<u>10,000,000</u>	<u>9,725,000</u>	<u>-</u>	<u>-</u>	<u>19,725,000</u>

<sup>a</sup> Vested options.

### (b) Performance Rights

There were no performance rights on issue during the period.

## 7. TRADE AND OTHER RECEIVABLES

	30 June 2025 \$	31 December 2024 \$
<b>Current</b>		
Net GST receivable	27,274	38,518
Accrued interest	165,000	100,220
Other receivables	11,938	6,235
	<u>204,212</u>	<u>144,973</u>

## 8. TRADE AND OTHER PAYABLES

	30 June 2025 \$	31 December 2024 \$
Trade payables	194,938	4,380
Employee benefits payable	-	124,594
Accrued expenses	10,000	25,000
Other payables	30,197	26,481
	<u>235,135</u>	<u>180,455</u>

# Notes to the Condensed Consolidated Financial Statements

## 9. PLANT AND EQUIPMENT

	30 June 2025 \$	31 December 2024 \$
<b>Plant and equipment</b>		
Gross carrying value – at cost	46,834	36,471
Accumulated depreciation	(37,910)	(36,471)
Net book amount	8,924	-
<b>Plant and equipment</b>		
Opening net book amount at beginning of the year	-	9,526
Additions	10,363	-
Disposals/Retirement	-	-
Depreciation charge	(1,439)	(9,526)
Closing net book amount at end of the year	8,924	-

## 10. ROU (RIGHT OF USE) ASSETS

	30 June 2025 \$	31 December 2024 \$
<b>Land and Building</b>		
Gross carrying value – at cost	169,870	-
Additions	-	169,870
Accumulated depreciation	(51,905)	(23,593)
Net book amount	117,965	146,277
<b>Land and Building</b>		
Opening net book amount at beginning of the year	146,277	-
Additions	-	169,870
Depreciation charge	(28,312)	(23,593)
Closing amount	117,965	146,277

The lease agreement for the office premises is for a duration of 3 years ending 31 July 2027.

## 11. LEASE LIABILITY

	30 June 2025 \$	31 December 2024 \$
Opening carrying amount at beginning of the year	150,672	-
Additional liability during the year	-	169,870
Interest accrued	5,218	5,009
Repayments	(29,049)	(24,207)
Closing carrying amount at end of the year	126,841	150,672
Non-current liability (2-5 years)	71,128	88,269
Current liability (0- 1 year)	55,713	62,403
Total lease liability	126,841	150,672

Payments for the office lease, discounted at the RBA small business lending rate 7.41%, over 2.5 years.

# Notes to the Condensed Consolidated Financial Statements

## 12. ISSUED CAPITAL

	Half Year to 30 June 2025		Financial Year to 31 December 2024	
	Number of shares	\$	Number of shares	\$
<b>(a) Share capital</b>				
Ordinary shares fully paid	363,497,522	31,069,064	368,334,346	31,286,723
<b>(b) Movements in ordinary share capital</b>				
Beginning of the period	368,334,346	31,286,723	368,334,346	135,716,735
<i>Movements during the period:</i>				
– Capital returned	-	-	-	(104,430,012)
– Share Buy-Back	(4,836,824)	(217,659)	-	-
End of the period	363,497,522	31,069,064	368,334,346	31,286,723

## 13. RESERVES

	Half Year to 30 June 2025	Financial Year to 31 December 2024
	\$	\$
<b>(a) Reserves</b>		
<b>Share-based payments reserve</b>		
Balance at beginning of the period	1,244,959	1,244,959
Employee and contractor share options	117,127	-
Balance at end of the period	1,362,086	1,244,959
<b>Total reserves</b>	<b>1,362,086</b>	<b>1,244,959</b>

### Share option assumptions

The options granted during the current financial year, along with the key inputs used in the valuation model to determine their fair value at the grant date, are outlined below. Due to the Company's limited trading history on the NSX, lack of active projects, and other relevant factors, management has applied probability-weighted adjustments to the option valuation.

Key assumptions include:

- Volatility: Reduced by 20% relative to peer-based implied volatility to account for limited trading activity and a lack of significant price history.
- Probability Weighting: A 50% probability has been assigned to a scenario in which a project is secured, allowing the options to retain their full value. Similarly, a 50% probability has been applied to a scenario where operations remain dormant, and the options ultimately expire.

These adjustments represent Level 3 inputs under AASB 13/IFRS 13, as they are based on management's best estimates where observable market data is not available. If alternative assumptions were applied, the option valuation could differ materially.

Number of Options	Grant Date	Expiry Date	Fair Value per Option	Exercise Price	Share Price at Grant Date	Risk Free Interest Rate	Estimated Volatility	Volatility Weighting
9,725,000	11/06/2025	11/06/2028	\$0.0120	\$0.084	\$0.057	3.45%	76.85%	50%

### (b) Nature and purpose of reserves

#### Share-based payments reserve

The share-based payments reserve is used to recognise the fair value of share options and performance rights issued and outstanding.

# Notes to the Condensed Consolidated Financial Statements

## 14. ACCUMULATED LOSSES

	Half Year to 30 June 2025 \$	Financial Year to 31 December 2024 \$
Balance at beginning of the period	(1,576,033)	57,851,063
Profit/(loss) for the year	(740,127)	(1,789,996)
Dividends paid	-	(57,637,100)
Balance at end of the period	(2,316,160)	(1,576,033)

## 15. FINANCIAL INSTRUMENTS

Set out below is an overview of financial instruments, other than cash and short-term deposits, held by the group as at 30 June 2025:

	At amortised cost \$	Fair value through profit and loss \$	Fair value through other comprehensive income \$
<b>Financial Assets:</b>			
Trade and other receivables	204,212	-	-
Total current	204,212	-	-
Receivable	-	-	-
Total non-current	-	-	-
Total Assets	204,212	-	-
<b>Financial liabilities:</b>			
Trade and other payables	235,135	-	-
Total current	235,135	-	-
Total Liabilities	235,135	-	-

### Fair values:

Set out below is a comparison of the carrying amount and fair values of financial instruments as at 30 June 2025:

	Carrying amount \$	Fair value \$
<b>Financial Assets:</b>		
Trade and other receivables	204,212	-
Total current	204,212	-
Receivable	-	-
Total non-current	-	-
Total Assets	204,212	-
<b>Financial liabilities:</b>		
Trade and other payables	235,135	-
Total current	235,135	-
Total Liabilities	235,135	-

The current receivables and payables carrying values approximates fair values due to the short-term maturities of these instruments.

# Notes to the Condensed Consolidated Financial Statements

## 16. SUBSIDIARIES

### Interest in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy:

Name	Principal Activities	Country of Incorporation	Class of Shares	Equity Holding	
				30 June 2025 %	31 December 2024 %
Danakali Investments Pty Ltd	Investment in Mineral Exploration	Australia	Ordinary	100	100
Danakali (KSA) Pty Ltd	Investment in Mineral Exploration	Australia	Ordinary	100	100

The proportion of ownership interest is equal to the proportion of voting power held.

## 17. RELATED PARTY INFORMATION

### Transactions with directors, director related entities and other related parties

Africa Finance Corporation (AFC) is deemed to be a related party of the Company on the basis of significant influence. The related party status applies due to AFC interest of 14.57% (2024: 14.4%) in the issued capital of the Company and AFC Senior Vice President & Lead Counsel Chinekwu Duru was appointed as a Non-Executive Director of the Company on 13 January 2025. As at the date of release of this report, AFC holds one out of five board seats on the Company.

## 18. CONTINGENCIES

### Contingent Liabilities

As at 30 June 2025, the Group was party to a joint venture agreement with Massadir Al-Zamrda for Mining (Emerald), incorporated in the Kingdom of Saudi Arabia. Under this agreement, Danakali has committed to contribute USD 4 million to the joint venture, conditional upon Emerald's compliance with its obligations, including undertakings to:

- Assist in securing land for the Company;
- Leverage its relationships in the Kingdom to identify mining exploration opportunities;
- Generate and coordinate business development activities in the Kingdom; and
- Provide support, expertise and know-how as reasonably requested.

The obligation for Danakali to contribute the commitment is contingent upon Emerald fulfilling the above undertakings.

As at the reporting date, the conditions precedent had not been satisfied. The amount and timing of any future inflows remain uncertain and dependent on these conditions being met. Accordingly, no asset or liability has been recognised in the financial statements.

There are no other material contingent liabilities or contingent assets of the Group at balance date (2024:Nil).

## 19. COMMITMENTS

	30 June 2025 \$	31 December 2024 \$
<i>Short-term lease commitments:</i>		
Minimum lease payments		
- within one year	63,249	62,403
<i>Long-term lease commitments:</i>		
Minimum lease payments		
- beyond one year	74,391	102,116
Total Commitments	137,640	164,519

### Operating Leases:

The minimum future payments above relate to non-cancellable leases for offices.

## 20. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

On 30 July 2025, 10,000,000 unlisted options expired, leading to a transfer of \$1.24 million from the Share Based Payments reserve to Accumulated Losses.

Apart from the above, there are no events subsequent to 30 June 2025 and up to the date of this report that would materially affect the operations of the Group or its state of affairs which have not otherwise been disclosed in this financial report.

## Directors' Declaration

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In the directors' opinion:

1. the financial statements and notes of Danakali Limited for the half-year ended 30 June 2025 are in accordance with the *Corporations Act 2001*, including:
  - c) complying with Accounting Standards, AASB 134 *Interim Financial Reporting*; and
  - d) giving a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the half year ended on that date; and
2. there are reasonable grounds to believe that Danakali Limited will be able to pay its debts as and when they become due and payable subject to achieving the matters set out in note 2(c).

This declaration is made in accordance with a resolution of the directors.



Seamus Ian Cornelius

**EXECUTIVE CHAIRMAN**

Perth, 5 September 2025

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DANAKALI LIMITED

### Conclusion

We have reviewed the accompanying half-year financial report of Danakali Limited ("the Company") and Controlled Entities ("the Consolidated Entity") which comprises the condensed consolidated statement of financial position as at 30 June 2025, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, a summary of material accounting policies and other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Danakali Limited and Controlled Entities does not comply with the *Corporations Act 2001* including:

- a. Giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and of its performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134: *Interim Financial Reporting* and *Corporations Regulations 2001*.

### Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

## Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Consolidated Entity's financial position as at 30 June 2025 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



**HALL CHADWICK WA AUDIT PTY LTD**



**MARK DELAURENTIS CA**  
**Director**

Dated 5<sup>th</sup> day of September 2025  
Perth, Western Australia