



NSX Release

30 April 2025

Quarterly Report

For the period ended 31 March 2025

Highlights

- Ms Chinekwu Duru appointed as a Non-Executive Director of the company, as representative of Africa Finance Corporation (substantial holder)
- Advancing new opportunities in Saudi Arabia through joint venture agreement with prominent Saudi Arabian group
- Completed the quarter with a strong cash balance of \$31m.

Danakali Limited (NSX: DNK, **Danakali**, or the **Company**) is pleased to provide this quarterly update on the activities and financial position of the Company.

Director Appointment

Ms Chinekwu Duru was appointed as a Non-Executive Director of the Company effective 13 January 2025 as the nominee of African Finance Corporation (**AFC**), a long-standing substantial shareholder of Danakali.

Unmarketable Parcel Share Buy-back

On 17 February 2025, the Company announced a minimum holding buy-back for holders of unmarketable parcels of fully paid ordinary shares in the Company (**Buy-back**). The Buy-back was completed subsequent to quarter end, resulting in a total of 4,836,824 Shares (from 1,520 holders) being bought back. Post Buy-back, the Company has 363,497,522 fully paid ordinary shares on issue and 907 holders.

Saudi-Arabia Opportunities

During the quarter, Danakali announced it had entered into a joint venture agreement to explore mineral resources in the Kingdom of Saudi Arabia.

The Company's wholly owned subsidiary Danakali (KSA) Pty Ltd has signed a joint venture agreement, with Massadir Al-Zamrda for Mining (**Emerald**), a company incorporated under the laws of the Kingdom of Saudi Arabia. The JV will govern the formation, management and operation of a limited liability entity to be established in Saudi Arabia to explore for prospective mineral projects in the country, and in which Danakali will hold an 80% interest and Emerald will hold a 20% interest (**JV Company**).

Refer to NSX Announcement dated 15 January 2025 for further details.

Corporate Development

Danakali continues to advance its corporate development initiatives, actively assessing potential exploration projects for precious and critical resources in Eritrea and Saudi Arabia.

Capital

Cash

Consolidated cash on hand was A\$31 million on 31 March 2025. Please refer to the Statement of Cash Flows for the quarter.

Securities

As at 31 March 2025, there were 368,334,346 fully paid ordinary shares on issue. No shares were issued during the quarter.

As at 31 March 2025, there are 10,000,000 options on issue.

There were no movements in the number of options on issue during the quarter.

Related Party Transactions

Payments to related parties of the Company and their associates during the quarter totalled \$138,000 in relation to Director fees and remuneration.

Refer to the Remuneration Report in the Financial Report for further details on director remuneration.

Upcoming Planned Activity

Saudi-Arabia

Continue to identify and assess prospective areas that align with our strategic objectives for resource exploration. Maintain ongoing geological and regulatory evaluations to ensure targeted areas demonstrate strong long-term growth potential and support our business goals.

Finalize the registration of the Joint Venture Company in Saudi Arabia and initiate the application process to obtain the required exploration licenses.

Eritrea

We have planned an additional visit to Eritrea to continue our engagement with the relevant ministries regarding the Ela Gedel application. During this visit, we will also focus on identifying new potential exploration opportunities across the country.

Other Business Development

We continue to assess several mineral exploration and development opportunities in Africa, Saudi Arabia and Australia in line with our strategic priorities and will inform the market of any material information as and when required.

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

For more information, please contact:

Danakali

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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 court, contract or otherwise which it might otherwise have in respect of this announcement.

Quarterly Report

Name of entity

DANAKALI LIMITED

ABN

57 097 904 302

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (3 months) \$A'000
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) staff costs	(414)	(414)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(191)	(191)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	384	384
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) ¹	(15)	(15)
		(236)	(236)
	Net operating cash flows		
	¹ <i>Exploration & Evaluation</i>		

		Current quarter \$A'000	Year to date (3 months) \$A'000
1.8	Net operating cash flows (carried forward)	(236)	(236)
	Cash flows related to investing activities		
1.9	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
		-	-
	Net investing cash flows		
1.14	Total operating and investing cash flows	(236)	(236)
	Cash flows related to financing activities		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other- Payment for share buyback	-	-
		-	-
	Net financing cash flows		
	Net increase (decrease) in cash held	(236)	(236)
1.21	Cash at beginning of quarter/year to date	31,182	31,182
1.22	Exchange rate adjustments	(3)	(3)
1.23	Cash at end of quarter	30,943	30,943

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	138
1.25 Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions
Payments included in 1.24 relates to payment of director fees.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	533	733
4.2	Deposits at call	30,410	30,449
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		30,943	31,182

Acquisitions and disposals of business entities

		Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-	-
5.2	Place of incorporation or registration	-	-
5.3	Consideration for acquisition or disposal	-	-
5.4	Total net assets	-	-
5.5	Nature of business	-	-

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to NSX.
- 2 This statement does give a true and fair view of the matters disclosed.

Approved by: The Audit & Risk Committee

Date: 30 April 2025

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** NSX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.