

NSX Release

17 February 2025

Unmarketable Parcel Share Buy-Back

Danakali Ltd (ACN 097 904 302) (NSX: DNK) (**Company**) is pleased to announce that it intends to undertake a minimum holding buy-back for holders of unmarketable parcels of fully paid ordinary shares (**Shares**) in the Company (**Buy-Back**). Under the NSX Listing Rules, any shareholding valued at less than \$500 based on the closing price of shares on the NSX Electronic Trading System (**NETS**) is considered to be an “unmarketable parcel” of shares.

The Buy-Back will allow shareholders who hold unmarketable parcels of Shares (**Eligible Shareholders**) to sell their Shares back to the Company in accordance with the Corporations Act 2001 (Cth) (**Corporations Act**) and the Company’s constitution, at the Buy-Back price of \$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 (**Authorised Price**). These Shares will be cancelled once transferred to the Company in accordance with the Corporations Act.

The Company has decided to undertake the Buy-Back to assist Eligible Shareholders to sell and realise their Shares without incurring brokerage fees and other expenses. The Company will pay for all costs related to the Buy-Back (excluding tax consequences from the sale which remains the Eligible Shareholder’s responsibility) and expects to reduce administrative costs associated with maintaining a large number of very small holdings.

In accordance with the Corporations Act, the Company does not require shareholder approval for the Buy-Back, however Eligible Shareholders are able to opt-out of the Buy-Back by giving written notice to the Company of their desire to be exempted from the Buy-Back within 6 weeks of the receipt of this notice.

Based on the closing price of shares on NETS and the register of members of the Company as at 14 February 2025 (**Record Date**):

- (a) an unmarketable parcel of shares is any shareholding of less than 11,364 Shares, based on the closing price of shares on NETS on the Record Date;
- (b) 1,695 shareholders hold an unmarketable parcel of shares;
- (c) 1.44% of the Company’s ordinary shares held by shareholders are unmarketable parcels; and
- (d) the aggregate value of the Company’s ordinary shares held by Eligible Shareholders is \$233,015.

Shareholders who own 11,364 or more on the Record Date will not be eligible to participate in the Buy-Back.

The Company is sending the **attached** letter to Eligible Shareholders. Eligible Shareholders who wish to retain their shares must complete and return a share retention form to the Company by 5:00pm (WST) on 4 April 2025.

The key dates are:

Action	Date
Record Date for Buy-Back	5:00pm (WST) on 14 February 2025
Announcement of Record Date for Buy-Back	17 February 2025
Dispatch of letter and Share Retention Form to Eligible Shareholders	21 February 2025
Closing date for receipt of Share Retention Forms	5:00pm (WST) on 4 April 2025
Announcement of outcome of the Buy-Back	9 April 2025
Remittance of proceeds to Eligible Shareholders whose shares are bought back under the Buy-Back	17 April 2025

The Company may modify these dates or suspend or terminate the Buy-Back. Any modification, suspension or termination will be notified by written notice to NSX.

Shareholders with queries regarding the Buy-Back may contact the Buy-Back Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday or consult your professional advisers.

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

For more information, please contact:

Danakali

Seamus Cornelius
Executive Chairman
 scornelius@danakali.com
 +61 450 649 311

Greg MacPherson
Chief Financial Officer
 gmacpherson@danakali.com
 +61 426 967 683



DANAKALI

Danakali Ltd
Level 1, 2A / 300 Fitzgerald Street
North Perth, WA, 6006
Tel: +61 8 6266 8368
www.danakali.com.au

21 February 2025

Dear Shareholder,

OFFER TO BUY-BACK UNMARKETABLE PARCELS OF SHARES (OFFER)

As announced on 17 February 2025, Danakali Ltd (ACN 097 904 302) (NSX: DNK) (**Company**) intends to undertake a minimum holding buy-back of fully paid ordinary shares (**Shares**) of holders of unmarketable parcels of shares in the Company (**Buy-Back**) as at 14 February 2025 (**Record Date**).

The directors of the Company seek to allow shareholders holding shares with a value of \$500 or less (**Eligible Shareholders**) an opportunity to have their shares purchased by the Company. The Company has decided to undertake the Buy-Back in order to assist these shareholders to sell and realise value in their shares without incurring brokerage fees and other expenses and to reduce administrative costs associated with maintaining a large number of very small holdings.

Under the NSX Listing Rules, any shareholding valued at less than \$500 is considered to be an "unmarketable parcel" of shares. Based on the closing price of shares on the NSX Electronic Trading System (**NETS**) on the Record Date, an unmarketable parcel of Shares is any shareholding of less than 11,364 Shares. The share registry shows that the number of shares held by you or an entity that is associated with you is an unmarketable parcel, which makes you an Eligible Shareholder.

On the basis of the closing price of shares on NETS and the register of members of the Company as at the Record Date:

- (a) 1,695 shareholders hold an unmarketable parcel of shares;
- (b) 1.44% of the Company's ordinary shares held by shareholders are unmarketable parcels; and
- (c) the aggregate value of the Company's ordinary shares held by Eligible Shareholders is \$233,015.

Your options in relation to the Offer are as follows:

- (a) **Sell your unmarketable parcel** – If you would like the Company to purchase your unmarketable parcel of shares at \$0.045 per Share, you do not need to do anything. Payment will be remitted to you via direct credit on 17 April 2025. If your direct credit details or address requires updating, you can amend your details online through the Computershare Investor Services Pty Limited website at www.computershare.com.au/investor. Payment will be made in Australian dollars.

- (b) **Retain your unmarketable parcel** – If you wish to opt out of the Offer and not have your shares purchased by the Company under the Buy-Back, you must complete and return the attached Share Retention Form to Computershare by 5:00pm (WST) on 4 April 2025.

Share Retention Forms should be returned to Computershare by either of the following methods:

- **by post to:**
Computershare Investor Services Pty Limited
GPO Box 52, Melbourne Victoria 3001
- **by email:** to corpactprocessing@computershare.com.au

- (c) **Top-up your existing holding** - Increase your holding to a marketable parcel, being a holding of Shares with a market value of at least A\$500 at the Closing Date. Note any additional Shares acquired must be registered under the same name and address and with the same holder number (SRN or HIN) as set out in the enclosed Share Retention Form. The minimum number of Shares that you are required to be the registered holder of in order to hold more than an unmarketable parcel is 11,364.
- (d) **Consolidate “like holdings”** - If you hold multiple unmarketable parcels with the same name and address, you may aggregate your multiple holdings prior to the Closing Date. To do this, please contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday. If, in the aggregate, your multiple unmarketable parcels have a market value of at least A\$500 at the Closing Date (i.e., no longer constitute a Small Holding), your Shares will not be sold.

The Company will not buy-back your Shares if you wish to retain your shareholding.

We recommend that you allow reasonable time for the Share Retention Form to be received by Computershare. If you hold shares in multiple holdings, some of which are unmarketable parcels, then the Company will purchase those unmarketable parcels unless a separate Share Retention Form is received for each holding.

If your shares are purchased, the sale proceeds will be forwarded to you by the Company as soon as practicable. There will be no brokerage fees payable by shareholders whose shares are purchased by the Company under the Offer. Shares purchased by the Company under the Buy-Back will be cancelled in accordance with section 257H of the *Corporations Act 2001* (Cth).

The Company makes no recommendation as to whether you should participate in the Offer. You should seek independent professional advice when deciding whether to retain your shares or if you have any questions on how a sale of shares under the Offer may affect you.

While the Company will pay for all costs associated with this sale, any taxation consequences arising from the sale of your unmarketable parcel(s) under the Offer will be your responsibility. Please consult your legal, financial or taxation advisor if you require information regarding possible taxation implications of the sale of unmarketable parcels under the Offer.

Key Dates:

Action	Date
Record Date for Buy-Back	5:00pm (WST) on 14 February 2025
Announcement of Record Date for Buy-Back	17 February 2025
Dispatch of letter and Share Retention Form to Eligible Shareholders	21 February 2025
Closing Date for receipt of Share Retention Forms	5:00pm (WST) on 4 April 2025
Announcement of outcome of the Buy-Back	9 April 2025
Remittance of proceeds to Eligible Shareholders whose shares are bought back under the Buy-Back	17 April 2025

The Company may modify these dates or suspend or terminate the Buy-Back. Any modification, suspension or termination will be notified by written notice to the NSX.

If you require further information in respect of the Offer, please contact the Buy-Back Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

For and on behalf of the Board of Danakali Ltd.

Yours sincerely

Seamus Cornelius
Executive Chair
Danakali Ltd



DANAKALI
Danakali Limited
ABN 56 097 904 302

DNK

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001

Return your Form to the Company's share registry:



By Mail:

Computershare Investor Services Pty Limited
GPO Box 52
Melbourne Victoria 3001
Australia



By Email:

corpactprocessing@computershare.com.au

For all enquiries:

Phone:



(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

Share Retention Form



If you wish to retain your shares, your form must be received by 5:00pm (WST) on Friday, 4 April 2025

This is an important document that requires your immediate attention. It can only be used in relation to the shareholding represented by the details printed overleaf. If you are in doubt about how to deal with this form, please contact your financial or other professional adviser.

Step 1: Shareholding Details

Use this form if you wish to retain your shares in Danakali Limited. If you have recently bought or sold shares your shareholding may differ from that shown. If you have already sold all your shares in Danakali Limited, do not complete or return this form. If you have more than one shareholding on Danakali Limited's register and you do not wish to have your shares bought back under the Unmarketable Parcel Share Buy-Back Facility, you should consider consolidating them. For further advice on how to do this, contact Computershare Investor Services Pty Limited (CIS) on the number above.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHES sponsored shareholding, please contact your Controlling Participant to notify a change of address.

Step 2: Signing Instructions

Individual: Where the shareholding is in one name, the shareholder must sign.

Joint Shareholding: Where the shareholding is in more than one name, all of the shareholders must sign.

Power of Attorney: Where signing as Power of Attorney (POA), you must attach an original certified copy of the POA to this form.

Companies: Where the shareholding is in the name of a Company, this form must be signed in accordance with the Corporations Act, either as:

- a Sole Director and Sole Company Secretary **OR** a Sole Director (if no Company Secretary exists), **OR**
- two Directors, **OR**
- a Director and Secretary.

Overseas Companies: Where the shareholding is in the name of an Overseas company (companies incorporated outside Australia) the form must be signed as above, or documentation must be provided showing that the company can sign in an alternate manner.

Deceased Estate: Where the shareholding is in the name of a deceased estate, all executors must sign; and a certified copy or original, of the required documentation must accompany this form. Details of the documentation required can be found by searching "deceased estates" on our website www.computershare.com or by calling Computershare Investor Services Pty Limited on 1300 850 505 or +61 3 9415 4000. If the shareholding is in more than one name the surviving shareholder may sign the form and return it together with a certified copy of the death certificate of the other joint shareholder.

Step 3: Contact Details

Entering contact details is not compulsory, but will assist us if we need to contact you.

Turn over to complete the form →

Danakali Limited

Share Retention Form



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I ND

STEP 1**Shareholding Details**

MR SAM SAMPLE
UNIT 123
SAMPLE STREET
SAMPLETOWN NSW 2001



Change of address. If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

For your security keep your SRN/
HIN confidential.

Shares held as at 5:00pm (WST) Friday, 14 February 2025:

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STEP 2**Signature of Shareholder(s)**

This section must be completed.

By signing and returning this form, in accordance with the requirements set out in 'Step 2: Signing Instructions' overleaf, I/we confirm that I/we understand that my/our **SHARES WILL NOT BE BOUGHT BACK** under the Unmarketable Parcel Share Buy-Back Facility.

Individual or Shareholder 1

Sole Director and Sole Company Secretary/
Sole Director (cross out titles as applicable)

Shareholder 2

Director

Shareholder 3

Director/Company Secretary
(cross out titles as applicable)

STEP 3**Contact Details**

Contact
Name

Contact
Daytime
Telephone

Date / /

Email

Address

Please ensure you return your completed form to the address overleaf, or alternatively, email a copy of your completed form to **corpactprocessing@computershare.com.au**. Please ensure only one form is attached per email and please do not use this email address for any other purpose.

Privacy Notice

The personal information you provide on this form is collected by Computershare Investor Services Pty Limited (CIS), as registrar for the securities issuers (the issuer), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and NSX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at <http://www.computershare.com/au>.

INFORMATION SHEET – UNMARKETABLE PARCEL SHARE BUY-BACK

1. WHAT IS AN UNMARKETABLE PARCEL?

An unmarketable parcel is a holding of fully paid ordinary shares (**Share**) in Danakali Ltd (ACN 097 904 302) (the **Company**) valued at less than A\$500 (**Unmarketable Parcel**) based on the closing price of Shares on NETS on Friday, 14 February 2025 (**Record Date**), being \$0.044. Based on the closing price at the Record Date, an Unmarketable Parcel is a holding of 11,364 Shares or less.

2. WHAT IS THE BUY-BACK?

The Buy-Back will allow shareholders who hold unmarketable parcels of Shares in the Company (**Eligible Shareholders**) to sell their Shares back to the Company in accordance with the Company's constitution, at the Buy-Back price of \$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 (**Authorised Price**). These Shares will be cancelled once transferred to the Company in accordance with the *Corporations Act 2001* (Cth) (**Corporations Act**).

The Buy-Back will also assist the Company to reduce the administrative costs, including printing and mailing costs and share registry expenses, associated with maintaining a large number of Unmarketable Parcels on its register.

3. HOW DOES THE COMPANY HAVE THE AUTHORITY TO ESTABLISH THE FACILITY?

Under section 257B of the Corporations Act, the Company may buy-back all of a holder's shares if the shares are less than a marketable parcel within the meaning of the NSX Listing Rules.

This letter and the Share Retention Form satisfy the notice requirements under clause 12 of the Company's Constitution.

4. WHAT DO I NEED TO DO?

The options available to you are set out in the letter accompanying this Information Sheet. In short, you can choose to take advantage of the Buy-Back and have your Unmarketable Parcel bought back by the Company without incurring brokerage or handling fees by taking no action.

Alternatively, you can choose to retain your Unmarketable Parcel by taking one of the 3 steps set out in section 2 of the letter (for example, by returning the enclosed Share Retention Form) no later than 5:00pm WST on Friday, 4 April 2025 (**Closing Date**).

5. WHAT PRICE WILL I RECEIVE FOR SHARES SOLD THROUGH THE BUY-BACK?

The price that you receive for your Shares is \$0.045 per Share. This price has been determined by the Directors on the basis that it represents 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.

6. WHEN WILL THE PROCEEDS FROM THE BUY-BACK BE SENT TO ME?

Payment in Australian dollars will be sent to you as soon as is practicable following announcement of the outcome of the Buy-Back. Payment will be made in Australian dollars via the payment method recorded on the Company's share

registry, Computershare Investor Services Pty Limited (**Computershare**) by either direct credit to your nominated bank account (where we have received details) or cheque. You will be notified by way of a transaction confirmation statement of the number of your Shares that have been sold, the sale price obtained, and total sale proceeds payable to you. The transaction confirmation statement (and a cheque if direct credit details have not been provided) will be sent by post to your address as shown in the Computershare register. It is anticipated that payment will be made on or around Thursday, 17 April 2025.

Non-resident Eligible Shareholders who do not have an account with an Australian financial institution will be paid in Australian dollars by cheque.

7. WHAT IF MY DETAILS REQUIRE UPDATING?

For Issuer Sponsored holders, should you wish to update your address or your Australian direct credit instruction, please click on this link: www.investorcentre.com.

Alternatively, you may contact Computershare on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday. For CHESS Sponsored holders, please contact your broker to update your details.

8. WHO IS RESPONSIBLE FOR COSTS AND TAXES?

The Company will pay for all costs related to the Buy-Back (excluding tax consequences from the sale which remains the Eligible Shareholder's responsibility) and expects to reduce administrative costs associated with maintaining a large number of very small holdings.

9. WHAT ARE THE ADVANTAGES AND DISADVANTAGES OF PARTICIPATING IN THE FACILITY?

You may consider the following consequences of participating in the Facility to be advantageous to you:

- (a) receiving a cash payment from the sale of your Unmarketable Parcel;
- (b) avoiding any brokerage or related selling expenses in connection with the sale of your Unmarketable Parcel;
- (c) utilising a cost-effective way of disposing of your Unmarketable Parcel; and
- (d) the sale price of your Shares being a guaranteed \$0.045 per Share.

You may consider the following consequences of participating in the Buy-Back to be disadvantageous to you:

- (a) no longer holding any Shares in the Company (unless you subsequently buy more Shares);
 - (b) possible capital gains tax being payable following the sale of your Unmarketable Parcel; and
 - (c) the price of Shares subsequently rising following the Buy-Back (although there is no way of predicting whether this would actually occur).
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10. IS THE BUY-BACK OF MY SHARES GUARANTEED?

Yes, if you do not return a Share Retention Form, the Company will buy back and cancel your Shares in accordance with the Corporations Act.

11. CAN I REVOKE MY SHARE RETENTION FORM?

If you wish to revoke a completed Share Retention Form submitted in accordance with the terms and conditions of the Facility, you must send a written notice to Computershare at corpactprocessing@computershare.com.au, which contains:

- (a) details of your name, address and holder number (SRN or HIN) as set out in your letter;
- (b) statement that you would like to revoke or withdraw the Share Retention Form; and
- (c) signature of all holders in respect of that holding (if the holding is in more than one name).

A notice of withdrawal or revocation must be received by Computershare by the Closing Date in order to be effective.

12. CAN I SELL ONLY PART OF MY UNMARKETABLE PARCEL?

No. If you wish to participate in the Buy-Back, you must sell your entire Unmarketable Parcel, not a portion of it.

13. WHY DID I RECEIVE MORE THAN ONE LETTER INVITING ME TO SELL BY UNMARKETABLE PARCELS?

You may have more than one separate holdings of Unmarketable Parcels. If that is the case, the Buy-Back will apply to each holding separately.

14. WHAT HAPPENS IF THERE IS A TAKEOVER BID FOR THE COMPANY?

The Company reserves the right to withdraw the Buy-Back by written notice to Eligible Shareholders.

15. WHERE CAN I GET FURTHER INFORMATION?

If you have any questions regarding the Buy-Back or your holding, please contact the Buy-Back Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Sydney time), Monday to Friday.

16. IMPORTANT NOTICES

- (a) This Information Sheet and the accompanying letter do not constitute as an advice nor a recommendation to buy, sell or hold Shares nor that the Buy-Back is the best way to sell Shares. If you are in doubt about what to do, you should consult your financial, accounting, legal or tax adviser.
 - (b) The Company reserves the right to change any of the dates referred to in the accompanying letter, in this Information Sheet or the Share Retention Form by written notice to the NSX, subject to the requirements of the Company's Constitution and NSX.
 - (c) The Buy-Back, the accompanying letter, this Information Sheet and the Share Retention Form are governed by the laws in force in Western Australia. An Eligible Shareholder submits to the non-exclusive jurisdiction of the courts of Western Australia.
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- (d) By participating in the Buy-Back, the Eligible Shareholder acknowledges and agrees that:
- (i) neither the Company nor Computershare makes any recommendation or gives any advice regarding whether or not to buy, sell or hold Shares, or to participate in, or the appropriateness of the Buy-Back, or has had any regard whatsoever to your personal objectives, financial or taxation situation or needs in establishing the Buy-Back;
 - (ii) any cheque or transaction confirmation statement sent to an Eligible Shareholder under the Buy-Back will be posted to the address shown on the register at the risk of such Eligible Shareholder;
 - (iii) for the avoidance of doubt, the Company and its agents are irrevocably authorised, without further notice, to do all things and execute all documents, share transfers or other transmission or transaction in relation to the sale of Small Holdings, including converting a CHESS Sponsored holding into an Issuer Sponsored holding to facilitate the sale of Shares under the Buy-Back;
 - (iv) the Company may appoint agent(s) and delegate(s) to perform any of its obligations, or exercise any of its powers or discretions, in relation to the Buy-Back;
 - (v) neither the Company, Computershare or any other party involved in the Buy-Back has any liability to you other than for the payment of any sale proceeds determined and payable in accordance with terms of the Buy-Back;
 - (vi) the Buy-Back is being arranged by the Company and, to the maximum extent permitted by law, no entity or person engaged by the Company to provide services to the Company in connection with the Buy-Back is, in providing those services to the Company, assuming or accepting any duty or responsibility to an Eligible Shareholder;
 - (vii) each Eligible Shareholder will be responsible for paying any taxes or other charges on the sale of their respective Shares (including, without limitation, any income or capital gains tax which may arise as a result of or in connection with the transaction); and
 - (viii) the terms and conditions of the Buy-Back may be changed by the Company by way of an NSX announcement, subject to the NSX Listing Rules and the Company's Constitution. Each Eligible Shareholder is bound by any such change, whether or not they receive notice of the change.
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