



Appointment of UK Adviser

Danakali Limited (ASX: DNK, LSE: DNK) (**Danakali** or the **Company**), is pleased to announce the appointment of Canaccord Genuity Limited (**Canaccord**) as the Company's sole broker in the United Kingdom with immediate effect. Canaccord will support Danakali's equity raising strategy aimed at closing the funding gap for the project financing of Colluli Mining Share Company (**CMSC** or the **Project**).

Niels Wage, Chief Executive Officer, commented: *"We are delighted to announce the appointment of Canaccord as our sole broker in London, who we believe are strongly suited to support Danakali in attracting the financing required for the Colluli Project."*

Announcement authorised for release by the Chief Executive Officer, Niels Wage.

For more information, please contact:

Danakali

Niels Wage
Chief Executive Officer
+61 8 6189 8635

Mark Riseley
Corporate Development & Investor Relations
+61 8 6189 8635

Corporate Broker – Canaccord Genuity

James Asensio / Angelos Vlatakis
+44 (0)20 7523 4680

UK IR/PR – Instinctif Partners

Mark Garraway / Dinara Shikhametova / Sarah Hourahane
danakali@instinctif.com
+44 (0)207 457 2020

Visit the Company's [website](#)

Follow Danakali on [LinkedIn](#)

Subscribe to Danakali on [YouTube](#)

About Danakali

Danakali Limited (ASX: DNK, LSE: DNK) (**Danakali**, or the **Company**) is an ASX- and LSE-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.

Danakali Limited

Level 11, Brookfield Place, 125 St Georges Terrace, Perth, WA 6000

Tel: +61 8 6189 8635 / ABN 56 097 904 302



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. AFC has also executed a Subscription Agreement to make a US\$50M strategic equity investment in Danakali. The receipt of the first tranche of US\$21.5M (A\$31.8M) allowed commencement of the development.

Project execution has commenced and SOP production is expected during 2022. 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.

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. 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.

No representation or warranty, express or implied, is or will be made by or on behalf of the Company, and no responsibility or liability is or will be accepted by the Company or its affiliates, as to the accuracy, completeness or verification of the information set out in this announcement, and nothing contained in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. 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 or any such statement.

The distribution of this announcement outside the United Kingdom may be restricted by law and therefore any persons outside the United Kingdom into whose possession this announcement comes should inform themselves about and observe any such restrictions in connection with the distribution of this announcement. Any failure to comply with such restrictions may constitute a violation of the securities laws of any jurisdiction outside the United Kingdom.