



Changes to Board of Directors

- Danakali appoints Mr Neil Gregson as a Non-Executive Director.
- Two Non-Executive Directors retire with one retiree becoming a Senior Consultant to the Company.

Danakali Limited (ASX: DNK, LSE: DNK, **Danakali** or the **Company**) is pleased to announce the appointment of Mr Neil Gregson as a Director and the retirement of Mr Paul Donaldson and Mr Andre Liebenberg. Mr Paul Donaldson will remain actively engaged with Danakali as a Senior Consultant.

Mr Gregson will join the Danakali Board as Non-Executive Director with immediate effect bringing significant technical mining and international investment experience to the Board. Mr Gregson is a qualified mining engineer with deep experience in the resources sector. He has over 30 years of experience as an investment manager predominantly in the mining and energy sectors.

Mr Gregson's most recent role was as portfolio manager at J.P. Morgan Asset Management Global Equities Team based in London where he was responsible for global natural resources mandates. He held prior investment management roles at CQS Asset Management as a Senior Portfolio Manager focused on natural resources and at Credit Suisse as Head of Emerging Markets and related sector funds.

Mr Donaldson has been a highly valued board member and previously held the role as CEO of Danakali. He was instrumental in guiding the Company through the early study stages of its development and the high quality comprehensive FEED study. He was closely involved in establishing the Colluli Mining Share Company (CMSC). He has been a valuable resource to the Company and will continue to provide his expertise.

Mr Liebenberg has been a valued board member and a significant contributor to the Company in the development of the Colluli Sulphate of Potash Project throughout his tenure as Non-Executive Director. His contribution and selfless support from his appointment through to his retirement has been of the highest calibre.

Danakali Chairman, Seamus Cornelius said: *"I am very pleased that Neil Gregson with his wealth of experience in mining and project finance has agreed to join the Danakali Board at a very exciting time for the Company. We look forward to benefitting from Neil's involvement as we complete the funding package and bring the Colluli project into production as quickly and safely as possible for the benefit of all stakeholders."*

Paul and Andre's contributions to the Company have been very valuable throughout their tenure as Non-Executive Directors. They both brought extensive experience and sound judgement to the Company. On behalf of the Company we wish Andre all the very best in the future and I personally express my sincere thanks for his support, guidance and friendship. I am excited about continuing to work with Paul and look forward to his ongoing contributions. Board transition is an integral part of our Company's development and a key enabler for its growth and success."

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Announcement authorised for release by the Board of Danakali.

New Board nominees

Mr Neil Gregson does not hold any interest in shares or other securities of Danakali.

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.

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.

Forward looking statements and 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. All statements in this document, other than statements of historical facts, that address future production, project development, reserve or resource potential, exploration drilling, exploitation activities, 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 results or developments may differ materially from those in forward-looking statements.

Factors that could cause actual results to differ materially from those in forward-looking statements include market prices of potash and, exploitation and exploration successes, capital and operating costs, changes in project parameters as plans continue to be evaluated, continued availability of capital and financing and general economic, market or business conditions, as well as those factors disclosed in the Company's filed documents.

There can be no assurance that the development of Colluli will proceed as planned. Accordingly, readers should not place undue reliance on forward looking information. Mineral Resources and Ore Reserves have been reported according to the JORC Code, 2012 Edition. 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.

Mineral Resource, Ore Reserve, production target, forecast financial information and financial assumptions made in this announcement are consistent with assumptions detailed in the Company's ASX announcements dated 25 February 2015, 23 September 2015, 15 August 2016, 1 February 2017, 29 January 2018, and 19 February 2018 which continue to apply and have not materially changed. The Company is not aware of any new information or data that materially affects assumptions made.

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