



Danakali presenting at Africa Fertilizer Agribusiness Conference

Danakali Limited (ASX: DNK, LSE: DNK, **Danakali**, or the **Company**) is pleased to announce that the Company CEO Niels Wage will be presenting at the [Africa Fertilizer Agribusiness 2020 Virtual Conference](#) on 15 September 2020 at 2pm BST / 3pm SAST.

Niels Wage will present at the “Investing in African fertilizer production and distribution” panel, and will be joined by industry experts to discuss how can African nations take advantage of their natural resources to support agribusiness and rural development, and the importance of maintaining sustainability considerations while developing fertilizer input resources. The panel will see fertilizer experts talk about the routes to fertilizer market and how marketing strategies can ensure success in different African markets.

Danakali’s presentation will be available on the Company’s [website](#) and is attached to this announcement.

No new information will be provided during the event.

Announcement authorised for release by the Chief Executive Officer of Danakali.

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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.

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Untapped potential

**Agriculture is significant in Africa ->
60% of the population of Sub-
Saharan Africa is smallholder farmers
and yet only 23% of the GDP**

**Africa can produce 2-3X more cereals
and grains, comprising 20% of the
global output**

**Similar increases could be seen in
livestock and horticulture crops**

Current challenges

Continental agricultural gains need significant investment to be realized:



6x

more
improved seed



8x

more fertilizer



\$8 bn

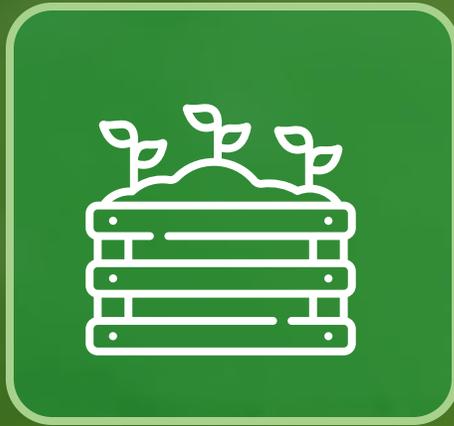
in basic storage



\$65 bn

in irrigation

COVID-19 Challenges to African Agriculture



**Trade disruption for
African exports**



**Access to food
disrupted**

Unlocking the African Agricultural Potential

Collaborative, multi-stakeholder alliances with clear investment goals

SHOWING THE WAY

African Union and DFIs



Funding and assistance in infrastructure, policy development and capacity building

LEADING THE WAY

National governments



Public investment in agriculture, infrastructure and improving policy frameworks

FOLLOWING THE WAY

Private sector



Alignment with government policies and priorities and maximizing economic synergies including R&D

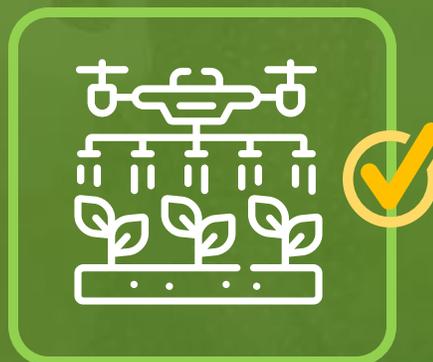
Building on Synergies

Aligning corporate investment efforts with the Comprehensive Africa Agriculture Development Programme priority areas

PRODUCTIVITY



INFRASTRUCTURE



FOOD SECURITY



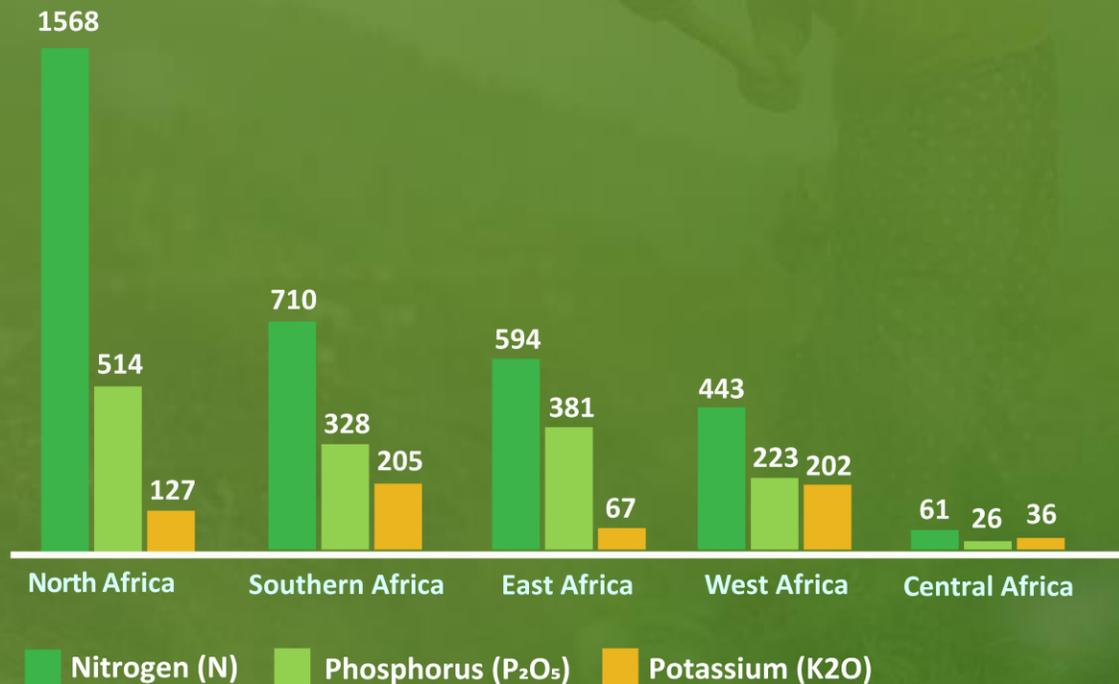
RESEARCH



What role for the Fertiliser Industry?

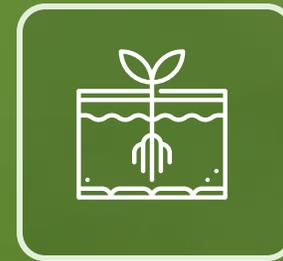
Average fertilizer consumption in Sub-Sahara Africa is estimated at 17kg of nutrients per ha of cropland

FERTILIZER NUTRIENT CONSUMPTION IN SUB-SAHARAN AFRICA, BY REGION
(kt of nutrient).



Source: FAOSTAT

The action items broadly provided by the Abuja Declaration on Fertilizer



Soil-appropriate products



Increase availability of fertilisers



Introducing new cash crops



Provide cost-effective fertilisers



Strengthen the agricultural value chains

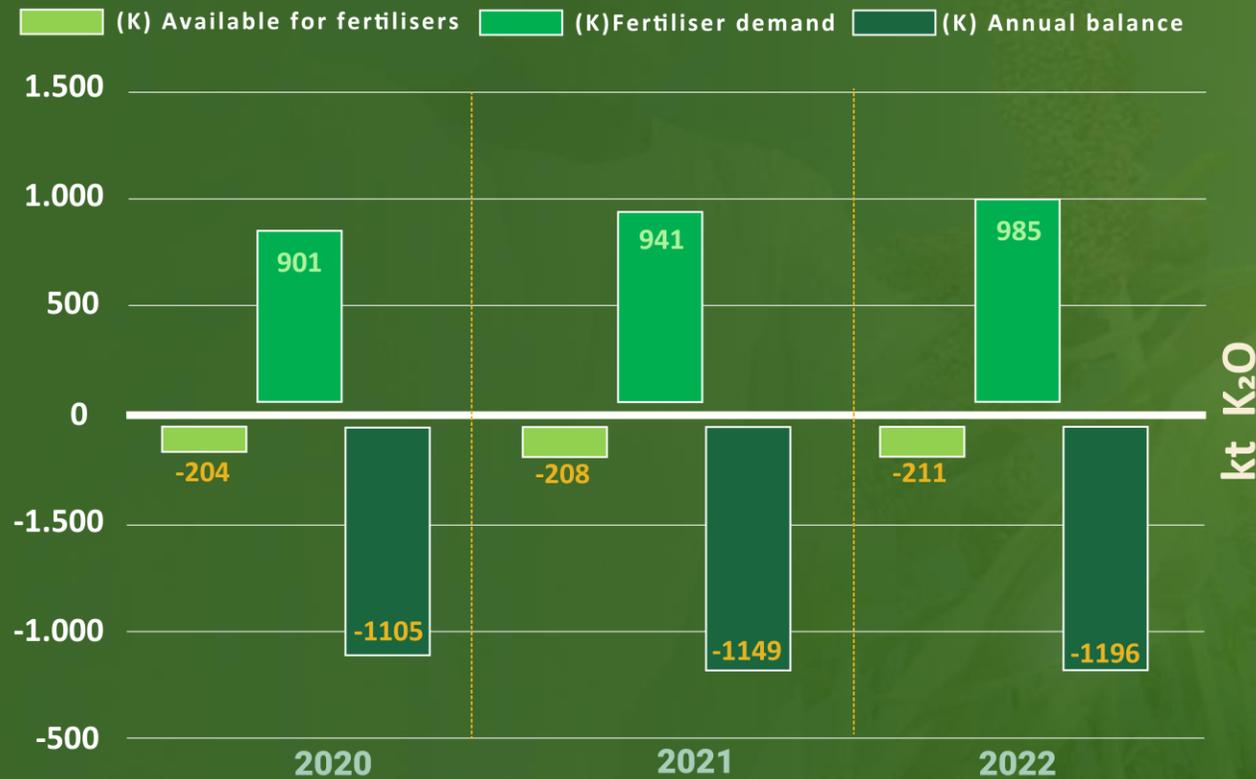


Educate on appropriate use (4Rs)

Colluli – Tackling Africa’s Potash Challenge

Current farming methods in Africa strip potassium out of soils faster than it is being replaced

POTASSIUM (K) SUPPLY, DEMAND AND BALANCE 2020-2022 (AFRICA)



Source: FAO, World fertilizer trends and outlook to 2022

The key expected benefits of developing Colluli for regional and African agriculture



Deposit with 200-year mine that can secure long-term availability of Potash



Production of high-quality fertilisers on African soil that implies lower transport costs



Ability to produce a suite of potash products catering to various needs of farmers in Africa



Availability of fertiliser that is suitable for growing higher-value crops versus crops grown for subsistence

Thank you



DANAKALI
create. nurture. grow

ASX: DNK | LSE: DNK | ADR: DNKLY
Various European OTC: SO3 (e.g. FRA: SO3 | MUN: SO3)