



Highly experienced industry executive appointed as new Danakali CEO

- Highly experienced industry executive, Niels Wage, has been appointed as CEO after an extensive global search
- Mr. Wage previously held a number of senior management roles at BHP, including Vice President Potash and Vice President Freight, and has been CCO of Danakali since June 2018
- The appointment of Mr. Wage, with his considerable leadership and operational credentials, is timely as Danakali finalises project funding and commences project execution

Danakali Limited (ASX: DNK, LSE: DNK) (**Danakali** or the **Company**) is pleased to advise that Mr. Niels Wage has been appointed as Chief Executive Officer (**CEO**) of the Company. The appointment is effective immediately.

The Company undertook a thorough global search for potential CEO candidates. Mr. Wage won the role due to his extensive and relevant industry experience, clear leadership capabilities, and passion for the Colluli Potash Project (**Colluli** or the **Project**) and Eritrea.

Mr. Wage has significant potash, trading and logistics experience. Prior to joining Danakali he held a number of senior management roles at BHP, including Vice President Potash, Vice President Freight and Vice President Diamonds. At BHP he was also responsible for marketing, sales and supply chain for the Jansen Potash Project. Before BHP Mr. Wage worked in trading and logistics for Cargill and Vopak. He has also held a series of directorships including joint ventures between Japanese firms K-line, Daiichi and JFE Steel and BHP, the International Plant Nutrition Institute and RightShip. He holds a Master's Degree in Business Economics from the University of Amsterdam and has completed the International Directors Programme at global business school INSEAD.

Mr. Wage joined Danakali in June 2018 as Chief Commercial Officer (**CCO**). As CCO, Mr. Wage assisted the Company to build and maintain industry relationships including interacting with the Colluli Mining Share Company's (**CMSC**) offtake partner, EuroChem Group. He has also been involved in investigating the multi-commodity and logistics optimisation potential of the Project, further developing CMSC's product sales strategy, advancing Danakali and CMSC's social and environmental agenda, and supporting funding, project execution and operations readiness processes.

Executive Chairman Seamus Cornelius said: *"The Danakali Board is very pleased to confirm Niels as the Company's new CEO. The confirmation follows an extensive global search for the right leader for the Company's current stage, upcoming milestones and longer term strategy, and we are very confident we have found that with Niels. In his time at the Company he has already added significant value, utilising his wealth of experience and skills in leadership, mining, fertiliser, sales, marketing and supply-chain management."*

Niels starts as CEO at a very exciting and critical time for Danakali with project funding well progressed and project execution set to commence. I wish him the best of luck and know he will be supported ably by the rest of the Company's employees and the Danakali Board."

Incoming Danakali CEO Niels Wage said: *"I am honoured to be asked by the Danakali Board to serve as CEO at this particularly exciting stage, as the Company advances towards construction and production at Colluli. The recent achievements of the Company including the industry-first binding take or pay offtake agreement with*



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EuroChem, a US\$200M mandate and term sheet executed with leading African Development Finance Institutions AFC and Afreximbank and admittance to trading on the London Stock Exchange Main Market provide an excellent platform for the Company's further funding and project execution success.

I look forward to building value for shareholders by working closely with the Danakali team, joint venture partners ENAMCO and other stakeholders to move rapidly towards production from Colluli. I am privileged to be able to contribute to a unique project that has the potential to positively change the lives of people in Eritrea and across the region while helping to deliver the substantial and environmentally sound increases in global food supply required in the coming decades."

The material terms of Mr. Wage's employment agreement can be found in Appendix A.

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Appendix A: Material terms of CEO employment agreement

Mr. Wage is engaged under an employment agreement with Danakali, the material terms of which are as follows:

- Fixed remuneration – €250,000 per annum plus superannuation at the statutory rate and health insurance for Mr. Wage and his dependents
- Term – no fixed term, ongoing until terminated by either party
- Termination – 6 months’ notice period by either party
- Incentives – Mr. Wage will be eligible to participate in the Company’s incentive plans, the terms and operations of which are at the discretion of the Board

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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 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 potash deposit. The resource is amenable to open pit 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 **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.

A non-binding indicative term sheet and mandate for the provision of US\$200M in senior debt funding to CMSC has been executed with Mandated Lead Arrangers Africa Export Import Bank (**Afreximbank**) and Africa Finance Corporation (**AFC**).

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.

Competent Persons Statement (Sulphate of Potash and Kieserite Mineral Resource)

Colluli has a JORC-2012 compliant Measured, Indicated and Inferred Mineral Resource estimate of 1,289Mt @ 11% K₂O Equiv. and 7% Kieserite. The Mineral Resource contains 303Mt @ 11% K₂O Equiv. and 6% Kieserite of Measured Resource, 951Mt @ 11% K₂O Equiv. and 7% Kieserite of Indicated Resource and 35Mt @ 10% K₂O Equiv. and 9% Kieserite of Inferred Resource.

The information relating to the Colluli Mineral Resource estimate is extracted from the report entitled "Colluli Review Delivers Mineral Resource Estimate of 1.289Bt" disclosed on 25 February 2015 and the report entitled "In excess of 85 million tonnes of Kieserite defined within Colluli Project Resource adds to multi agri-commodity potential" disclosed on 15 August 2016, which are available to view at www.danakali.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement (Sulphate of Potash Ore Reserve)

Colluli Proved and Probable Ore Reserve is reported according to the JORC Code and estimated at 1,100Mt @ 10.5% K₂O Equiv. The Ore Reserve is classified as 285Mt @ 11.3% K₂O Equiv. Proved and 815Mt @ 10.3% K₂O Equiv. Probable. The Colluli SOP Mineral Resource includes those Mineral Resources modified to produce the Colluli SOP Ore Reserves.

The information relating to the January 2018 Colluli Ore Reserve is extracted from the report entitled "Colluli Ore Reserve update" disclosed on 19 February 2018 and is available to view at www.danakali.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement (Rock Salt Mineral Resource)

Colluli has a JORC-2012 compliant Measured, Indicated and Inferred Mineral Resource estimate of 347Mt @ 96.9% NaCl. The Mineral Resource estimate contains 28Mt @ 97.2% NaCl of Measured Resource, 180Mt @ 96.6% NaCl of Indicated Resource and 139Mt @ 97.2% NaCl of Inferred Resource.

The information relating to the Colluli Rock Salt Mineral Resource estimate is extracted from the report entitled "+300M Tonne Rock Salt Mineral Resource Estimate Completed for Colluli" disclosed on 23 September 2015 and is available to view at www.danakali.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the



relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

AMC Consultants Pty Ltd (AMC) independence

In reporting the Mineral Resources and Ore Reserves referred to in this public release, AMC acted as an independent party, has no interest in the outcomes of Colluli and has no business relationship with Danakali other than undertaking those individual technical consulting assignments as engaged, and being paid according to standard per diem rates with reimbursement for out-of-pocket expenses. Therefore, AMC and the Competent Persons believe that there is no conflict of interest in undertaking the assignments which are the subject of the statements.

Quality control and quality assurance

Danakali exploration programs follow standard operating and quality assurance procedures to ensure that all sampling techniques and sample results meet international reporting standards. Drill holes are located using GPS coordinates using WGS84 Datum, all mineralisation intervals are downhole and are true width intervals.

The samples are derived from HQ diamond drill core, which in the case of carnallite ores, are sealed in heat-sealed plastic tubing immediately as it is drilled to preserve the sample. Significant sample intervals are dry quarter cut using a diamond saw and then resealed and double bagged for transport to the laboratory.

Halite blanks and duplicate samples are submitted with each hole. Chemical analyses were conducted by Kali-Umwelttechnik GmbH, Sondershausen, Germany, utilising flame emission spectrometry, atomic absorption spectroscopy and ion chromatography. Kali-Umwelttechnik (KUTECH) has extensive experience in analysis of salt rock and brine samples and is certified according to DIN EN ISO/IEC 17025 by the Deutsche Akkreditierungsstelle GmbH (DAR). The laboratory follows standard procedures for the analysis of potash salt rocks chemical analysis (K^+ , Na^+ , Mg^{2+} , Ca^{2+} , Cl^- , SO_4^{2-} , H_2O) and X-ray diffraction (XRD) analysis of the same samples as for chemical analysis to determine a qualitative mineral composition, which combined with the chemical analysis gives a quantitative mineral composition.

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.

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.

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