



DANAKALI

# Danakali Ltd

ACN 097 904 302

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

**Date of Meeting**

15 July 2020

**Time of Meeting**

3:00pm AWST

**Place of Meeting**

Brookfield Place, Level 11, 125 St Georges Terrace, Perth, Western Australia

**A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

# DANAKALI LTD ANNUAL GENERAL MEETING AND CORONAVIRUS (COVID-19)

**Danakali Ltd's Annual General Meeting (Meeting) is due to be held at 3:00pm (AWST) on Wednesday 15 July 2020 at Brookfield Place, Level 11, 125 St Georges Terrace, Perth, Western Australia.**

**As a result of the uncertainty and potential health risks created by the rapidly evolving coronavirus (COVID-19) pandemic, the Company encourages its Shareholders to consider lodging a directed proxy in advance of the Meeting, rather than attending the Meeting in person.**

**The Company will announce details on how to attend the Meeting virtually as soon as possible.**

Danakali Ltd's Meeting is due to be held at 3:00pm (AWST) on Wednesday 15 July 2020 at Brookfield Place, Level 11, 125 St Georges Terrace, Perth, Western Australia.

We are acutely aware of the current global circumstances from the COVID-19 pandemic. As a result of the uncertainty and potential health risks created by COVID-19, the Company strongly encourages its Shareholders to consider lodging a directed proxy in advance of the Meeting, rather than attending the Meeting in person.

To lodge your directed proxy in advance of the Meeting, please follow the instructions set out in this Notice and in the enclosed Proxy Form and lodge it by 3:00pm (AWST) on 13 July 2020.

If you wish to ask questions of the Board, Shareholders are encouraged to lodge questions in advance of the Meeting by visiting the Company's website at [www.danakali.com.au](http://www.danakali.com.au) to submit a question electronically or by emailing [admin@danakali.com](mailto:admin@danakali.com) by no later than 3:00 pm (AWST) on Monday, 13 July 2020.

The Company will announce details on how to attend the Meeting virtually as soon as possible. The Company will make this information available via the Company's ASX platform at [www.asx.com.au](http://www.asx.com.au) (ASX:DNK) and on the Company's website [www.danakali.com.au](http://www.danakali.com.au).

While Shareholders are entitled to attend the physical Meeting, the Company strongly encourages those Shareholders wishing to attend to do so through the virtual facility. Should Shareholders not wish to attend the Meeting via the virtual facility, the Company encourages Shareholders to vote by proxy by following the instructions set out in this Notice and in the enclosed proxy form.

Any Shareholders who wish to attend the physical Meeting should be mindful of State and Federal Government warnings and recommendations regarding COVID-19 and monitor the Company's website and ASX announcements for any updates regarding the Meeting. If it becomes necessary or appropriate to make alternative arrangements for the holding or conducting of the Meeting, the Company will make further information available via the Company's ASX platform at [www.asx.com.au](http://www.asx.com.au) (ASX:DNK) and on the Company's website [www.danakali.com.au](http://www.danakali.com.au).

**Danakali Ltd**  
**ACN 097 904 302**

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of Shareholders of Danakali Ltd (ACN 097 904 302) will be held at Brookfield Place, Level 11, 125 St Georges Terrace, Perth, Western Australia on 15 July 2020 at 3:00pm (AWST) for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

**BUSINESS OF MEETING**

**Financial Report, Directors' Report and Auditor's Report**

To receive and consider the Financial Report of the Company for the year ended 31 December 2019, together with the Directors' Report and the Auditor's Report as set out in the Annual Report.

**Resolution 1 – Non Binding Resolution to adopt Remuneration Report**

To consider and, if thought fit, to pass, with or without amendment the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 31 December 2019 as set out in the Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company.

**Resolution 2 - Re-election of Zhang Jing as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 14.4, Rule 61.1 of the Constitution and for all other purposes, Zhang Jing, being a Director, retires by rotation and, being eligible, is hereby re-elected as a Director."*

**Resolution 3 – Election of Taiwo Adeniji as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 14.4, Rule 59.2 of the Constitution and for all other purposes, Taiwo Adeniji, being a Director appointed casually on 23 April 2020, retires and, being eligible, is hereby elected as a Director."*

**Resolution 4 – Election of Samaila Zubairu as a Director**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 14.4, Rule 59.2 of the Constitution and for all other purposes, Samaila Zubairu, being a Director appointed casually on 23 April 2020, retires and, being eligible, is hereby elected as a Director."*

**Resolution 5 – Ratification of February 2019 Options**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,724,015 unlisted Options on 27 February 2019 to employees on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 6 – Ratification of March 2019 Options**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 583,000 unlisted Options on 26 March 2019 to an employee on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 7 – Ratification of April 2019 Options**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 561,800 unlisted Options on 18 April 2019 to an employee on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 8 – Ratification of June 2019 Options**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*“That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,450,000 unlisted Options on 14 June 2019 to Niels Wage on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 9 – Ratification of June 2019 Performance Rights to Niels Wage**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 1,000,000 Class 9 Performance Rights on 14 June 2019 to Niels Wage on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 10 – Ratification of Tranche 1 Subscription Shares – Listing Rule 7.1**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

*“That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders ratify the prior issue of the 26,364,563 Shares to AFC Equity at an issue price of A\$0.60 per Share to raise A\$15,818,737, on the terms and conditions set out in the Explanatory Memorandum.”*

#### **Resolution 11 – Ratification of Tranche 1 Subscription Shares – Listing Rule 7.1A**

To consider and, if thought fit, to pass the following resolution as an ordinary resolution, with or without amendment:

*“That, for the purposes of Listing Rule 7.4, and for all other purposes, Shareholders ratify the prior issue of the 26,594,345 Shares to AFC Equity at an issue price of A\$0.60 per Share to raise A\$15,956,607, on the terms and conditions set out in the Explanatory Memorandum.”*

**Resolution 12 – Approval of additional 10% placement capacity (Special Resolution)**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

**Resolution 13 – Amendments to Constitution (Special Resolution)**

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That with effect from the close of the Meeting and in accordance with section 136(2) of the Corporations Act 2001 (Cth) and for all other purposes, the Company's Constitution be modified by making the amendments described in the Explanatory Memorandum."*

**Voting Prohibition Statement**

<p><b>Resolution 1 - Non Binding Resolution to adopt Remuneration Report</b></p> <p><b>Voting Prohibition:</b> <i>In accordance with section 250R of the Corporations Act, a vote on this Resolution must not be cast (in any capacity) by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or a Closely Related Party of such a member (Restricted Voter).</i></p> <p><i>However, a Restricted Voter described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</i></p> <ul style="list-style-type: none"> <li>(a) <i>the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or</i></li> <li>(b) <i>the voter is the Chair of the Meeting and the appointment of the Chair as proxy:</i> <ul style="list-style-type: none"> <li>(i) <i>does not specify the way the proxy is to vote on this Resolution; and</i></li> <li>(ii) <i>expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.</i></li> </ul> </li> </ul>
---

**Voting Exclusion Statements**

<p><b>Resolutions 5, 6, 7, 8, 9, 10 &amp; 11 – Ratifications of previously issued securities</b></p> <p><b>Voting exclusion statement:</b> <i>The Company will disregard any votes cast in favour of this Resolution by or on behalf of:</i></p> <ul style="list-style-type: none"> <li>(a) <i>a person who participated in the issue; or</i></li> <li>(b) <i>an associate of that person or those persons.</i></li> </ul> <p><i>However, this does not apply to a vote cast in favour of this Resolution by:</i></p> <ul style="list-style-type: none"> <li>(a) <i>a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or</i></li> <li>(b) <i>the chair of the meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or</i></li> <li>(c) <i>a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:</i> <ul style="list-style-type: none"> <li>(i) <i>the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and</i></li> <li>(ii) <i>the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.</i></li> </ul> </li> </ul>
--

## **Resolution 12 - Approval of additional 10% placement capacity (Special Resolution)**

**Voting exclusion statement:** *The Company will disregard any votes cast in favour of the Resolution by or on behalf of*

- (a) *a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company); or*
- (b) *an associate of that person or those persons.*

*However, this does not apply to a vote cast in favour of this Resolution by:*

- (a) *a person as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with directions given to the proxy or attorney to vote on the resolution in that way; or*
- (b) *the chair of the Meeting as proxy or attorney for a person who is entitled to vote on this Resolution, in accordance with a direction given to the chair to vote on this Resolution as the chair decides; or*
- (c) *a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:*
  - (i) *the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on this Resolution; and*
  - (ii) *the holder votes on this Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.*

## **OTHER BUSINESS**

---

**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

---

Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**



**Catherine Grant-Edwards**

Company Secretary

Dated: 9 June 2020

## How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

## Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

## Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

## Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolution 1 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 3:00pm (AWST time) on 13 July 2020. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - Online At [www.investorvote.com.au](http://www.investorvote.com.au)
  - By mail Share Registry – Computershare Investor Services Pty Limited, GPO Box 242  
Melbourne Victoria 3001, Australia
  - By fax 1800 783 447 (within Australia) or +61 3 9473 2555 (outside Australia)
  - By mobile Scan the QR Code on your proxy form and follow the prompts

- Custodian voting For Intermediary Online subscribers only (custodians) please visit [www.intermediaryonline.com](http://www.intermediaryonline.com) to submit your voting intentions

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 3:00pm (AWST time) on 13 July 2020. If facsimile transmission is used, the Power of Attorney must be certified. The time is 48 hours prior to the meeting (3:00pm (AWST time) on 15 July 2020).

#### **United Kingdom (CREST Voting Instruction)**

DI Holders in CREST may transmit voting instructions by utilising the CREST voting service in accordance with the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider, should refer to their CREST sponsor or voting service provider, who will be able to take appropriate action on their behalf.

In order for instructions made using the CREST voting service to be valid, the appropriate CREST message (a "CREST Voting Instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)).

To be effective, the CREST Voting Instruction must be transmitted so as to be received by the Company's agent (3RA50) no later than Thursday, 9 July 2020 at 3:00 pm (BST). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the CREST Voting Instruction by the CREST applications host) from which the Company's agent is able to retrieve the CREST Voting Instruction by enquiry to CREST in the manner prescribed by CREST. DI Holders in CREST and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the transmission of CREST Voting Instructions. It is the responsibility of the DI Holder concerned to take (or, if the DI Holder is a CREST personal member or sponsored member or has appointed a voting service provider, to procure that the CREST sponsor or voting service provider takes) such action as shall be necessary to ensure that a CREST Voting Instruction is transmitted by means of the CREST voting service by any particular time.

In this connection, DI Holders and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

#### **United Kingdom (Form of Instruction)**

DI Holders are invited to attend the Meeting but are not entitled to vote at the Meeting. In order to have votes cast at the Meeting on their behalf, DI holders must complete, sign and return the Forms of Instruction forwarded to them along with the Notice to the Company's agent, Computershare UK, by Thursday, 9 July 2020 at 3:00 pm (BST).

#### **Shareholders who are entitled to vote**

In accordance with paragraphs 7.11.37 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00pm (AWST time) on 13 July 2020.



**Danakali Ltd**  
**ACN 097 904 302**

**EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

**FINANCIAL REPORTS**

The first item of the Notice deals with the presentation of the consolidated Financial Report of the Company for the financial year ended 31 December 2019, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the Financial Report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

The Company will not provide a hard copy of the Company's consolidated Financial Report to Shareholders unless specifically requested to do so. The Company's consolidated Financial Report is available on its website at [www.danakali.com.au](http://www.danakali.com.au).

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

**1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's Annual Report be adopted. The Remuneration Report is set out in the Company's Annual Report and is also available on the Company's website at [www.danakali.com.au](http://www.danakali.com.au).

The vote on Resolution 1 is advisory only and does not bind the Directors of the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second annual general meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If

more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second annual general meeting. All of the Directors who were in office when the applicable Directors' Report was approved will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The Remuneration Report for the financial year ended 31 December 2018 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 27 May 2019. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Note that a voting prohibition applies to Resolution 1 on the terms set out in the Notice.

## **2. RESOLUTION 2 – RE-ELECTION OF ZHANG JING AS A DIRECTOR**

In accordance with rule 61.1 of the Constitution and Listing Rule 14.4, no Director of the Company may hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever period is longer. Rule 61.2 of the Constitution also requires that one of the Company's Directors must retire at each annual general meeting. Accordingly, Zhang Jing, being a Director, retires by way of rotation and, being eligible, offer herself for re-election as a Director.

### **2.1. Re-election of Zhang Jing**

Ms Zhang has previously held investment and project managerial roles in public listed companies in China. She has more than 15 years of international trading and business development experience in China.

Ms Zhang holds a Master's degree in International Consultancy and Accounting from the University of Reading in the United Kingdom and does not hold any other material directorships.

Ms Zhang is associated with a substantial shareholder and is therefore not an independent director.

### **2.2. Recommendation**

The Board recommend that Shareholders vote in favour of Resolution 2.

## **3. RESOLUTIONS 3 AND 4 – ELECTION OF TAIWO ADENIJI AND SAMAILA ZUBAIRU AS DIRECTORS**

As announced on 3 December 2019, the Company has entered into a subscription agreement with AFC Equity (**Subscription Agreement**) pursuant to which AFC Equity will subscribe for Shares at A\$0.60 per Share to raise a total of US\$50 million (**Placement**). The Placement provides for a total amount of up to US\$50 million to be made available by AFC Equity via two tranches of A\$31.8 million (US\$21.5 million) (**Tranche 1**) and A\$42.0 million (US\$28.5 million) respectively.

Pursuant to the Subscription Agreement, AFC Equity has the right to nominate a maximum of two directors to the Board as follows:

- (a) If AFC Equity holds between 10% and 15% of the total number of Shares on issue, AFC Equity may appoint one director; and

- (b) If AFC Equity holds more than 15% of the total number of Shares on issue, AFC Equity may appoint one additional director.

AFC currently holds 16.61% of the Company's currently issued Shares. Accordingly, in accordance with the Subscription Agreement, the Board appointed Taiwo Adeniji and Samaila Zubairu as Directors on 23 April 2020.

In accordance with rule 59.2 of the Constitution and Listing Rule 14.4, a Director appointed to fill a casual vacancy or as an addition to the Board must not hold office (without election) past the next annual general meeting of the entity. Accordingly, Taiwo Adeniji and Samaila Zubairu retire from the Board and, being eligible, offer themselves for election.

Resolution 3 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

Resolution 4 is an ordinary resolution, requiring it to be passed by a simple majority of votes cast by the Shareholders entitled to vote on it.

### **3.1. Director' Biography – Taiwo Adeniji**

Mr Adeniji is Senior Director for Investment Operations & Execution at AFC Equity, where he has responsibility, amongst other things, for the institution's investments in oil & gas, and mining projects. Taiwo has had over 26 years of post-graduate and extensive professional and managerial experience in several areas of banking and finance. He has deep knowledge and extensive experience with infrastructure and mining policy issues, as well as the analysis, evaluation and financing of infrastructure and mining projects. Taiwo has supervised AFC Equity's investments in mining projects that spanned different commodities, including gold, copper, bauxite, and iron ore, as well as in different geographies, including countries in West, North and Central Africa. From 1994 to 2007, Mr Adeniji worked with the African Development Bank, focussing largely on infrastructure investments and financial sector development.

Mr Adeniji's academic background is in economics and finance. He is an Honorary Senior Member (HCIB) of The Chartered Institute of Bankers of Nigeria.

Taiwo Adeniji is associated with a substantial shareholder and is therefore not an independent director.

### **3.2. Director' Biography – Samaila Zubairu**

Mr Zubairu is AFC's President and Chief Executive Officer. Previously, he was the CEO of Africapital Management Limited, where he established a joint venture with Old Mutual's African Infrastructure Investment Managers to develop a fund for infrastructure private equity across West Africa, and Chief Financial Officer for Dangote Cement Plc. Prior to that, he was the Treasurer for the Dangote Group during its transformation from a trading company to an industrial conglomerate. He has undertaken investments of over US\$3 billion, financing green-field project finance, acquisitions, corporate transformation, privatisation and equity capital market transactions.

Mr Zubairu is an Eisenhower Fellow and sits on the Eisenhower Fellowship's Board of Trustees. He holds several non-executive board positions. He is also a Fellow of the Institute of Chartered Accountants, Nigeria (FCA) and holds a BSc in Accounting from Ahmadu Bello University, Nigeria.

Samaila Zubairu is associated with a substantial shareholder and is therefore not an independent director.

### **3.3. Directors' Recommendation**

After considering the results of background verification checks undertaken by the Company, all Directors except Taiwo Adeniji recommend that Shareholders vote in favour of Resolution 3.

After considering the results of background verification checks undertaken by the Company, all Directors except Samaila Zubairu recommend that Shareholders vote in favour of Resolution 4.

#### **4. RESOLUTION 5 - Ratification of February 2019 Options**

On 27 February 2019 the Company issued a total of 1,724,015 unlisted Options to employees as part of remuneration (**February 2019 Options**). The issuance of Options to employees is considered by the Directors to be a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. Options have been awarded to certain employees of the Company in recognition of their contribution to the Company's success.

The February 2019 Options were issued without Shareholder approval via the Company's Listing Rule 7.1 issuance capacity.

Resolution 5 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the February 2019 Options.

##### **4.1. Listing Rule 7.1**

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

##### **4.2. Listing Rule 7.4**

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rules 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue the subject of Resolution 5, the base figure (i.e. variable "A") in which the Company's 15% annual issuance capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Resolution 5 is passed, the issue of the February 2019 Options will be excluded in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the February 2019 Options.

If Resolution 5 is not passed, the issue of the February 2019 Options will be included in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the February 2019 Options.

##### **4.3. Technical information required by Listing Rule 7.5**

The following information in relation to the February 2019 Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 1,724,015 unlisted February 2019 Options were issued to employees of the Company;
- (b) the February 2019 Options are exercisable at \$1.031 per Option expiring on 24 January 2022 (subject to the satisfaction of specific vesting conditions), the February 2019 Options were otherwise issued on specific terms set out in Schedule 1 and on standard terms set out in Schedule 2;
- (c) the February 2019 Options were issued on 27 February 2019; and

- (d) No funds were raised from this issue as the February 2019 Options were issued as part remuneration to employees of the Company.

A voting exclusion statement has been included for the purpose of Resolution 5.

#### **4.4. Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 5.

The Chair intends to exercise all undirected proxies in favour of Resolution 5.

### **5. RESOLUTION 6 - Ratification of March 2019 Options**

On 26 March 2019 the Company issued a total of 583,000 unlisted Options to an employee as part of remuneration (**March 2019 Options**). The issuance of Options to employees is considered by the Directors to be a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. Options have been awarded to certain employees of the Company in recognition of their contribution to the Company's success.

The March 2019 Options were issued without Shareholder approval via the Company's Listing Rule 7.1 issuance capacity.

Resolution 6 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the March 2019 Options.

A summary of Listing Rule 7.1 is set out in section 4.1 above.

A summary of Listing Rule 7.4 is set out in section 4.2 above.

By ratifying the issue the subject of Resolution 6, the base figure (i.e. variable "A") in which the Company's 15% annual issuance capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Resolution 6 is passed, the issue of the March 2019 Options will be excluded in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the March 2019 Options.

If Resolution 6 is not passed, the issue of the March 2019 Options will be included in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the March 2019 Options.

#### **5.1. Technical information required by Listing Rule 7.5**

The following information in relation to the March 2019 Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 583,000 unlisted March 2019 Options were issued to an employee of the Company;
- (b) the March 2019 Options are exercisable at \$1.108 per Option expiring on 13 March 2022 (subject to the satisfaction of specific vesting conditions), the March 2019 Options were otherwise issued on specific terms set out in Schedule 1 and on standard terms set out in Schedule 2;
- (c) the March 2019 Options were issued on 26 March 2019; and

- (d) No funds were raised from this issue as the March 2019 Options were issued as part remuneration to employees of the Company.

A voting exclusion statement has been included for the purpose of Resolution 6.

## **5.2. Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 6.

The Chair intends to exercise all undirected proxies in favour of Resolution 6.

## **6. RESOLUTION 7 - Ratification of April 2019 Options**

On 18 April 2019 the Company issued a total of 561,800 unlisted Options to an employee as part of remuneration (**April 2019 Options**). The issuance of Options to employees is considered by the Directors to be a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. Options have been awarded to certain employees of the Company in recognition of their contribution to the Company's success.

The April 2019 Options were issued without Shareholder approval via the Company's Listing Rule 7.1 issuance capacity.

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the April 2019 Options.

A summary of Listing Rule 7.1 is set out in section 4.1 above.

A summary of Listing Rule 7.4 is set out in section 4.2 above.

By ratifying the issue the subject of Resolution 7, the base figure (i.e. variable "A") in which the Company's 15% annual issuance capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Resolution 7 is passed, the issue of the April 2019 Options will be excluded in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the April 2019 Options.

If Resolution 7 is not passed, the issue of the April 2019 Options will be included in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the April 2019 Options.

### **6.1. Technical information required by Listing Rule 7.5**

The following information in relation to the April 2019 Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 561,800 unlisted April 2019 Options were issued to an employee of the Company;
- (b) the April 2019 Options are exercisable at \$1.119 per Option expiring on 28 March 2022 (subject to the satisfaction of specific vesting conditions), the April 2019 Options were otherwise issued on specific terms set out in Schedule 1 and on standard terms set out in Schedule 2;
- (c) the April 2019 Options were issued on 18 April 2019; and

- (d) No funds were raised from this issue as the April 2019 Options were issued as part remuneration to employees of the Company.

A voting exclusion statement has been included for the purpose of Resolution 7.

## **6.2. Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolution 7.

The Chair intends to exercise all undirected proxies in favour of Resolution 7.

## **7. Resolutions 8 & 9 – Ratification of June 2019 Options and June 2019 Performance Rights**

On 14 June 2019 the Company issued a total of 1,450,000 unlisted Options (**June 2019 Options**) and 1,000,000 Class 9 Performance Rights (**June 2019 Performance Rights**) to the Chief Executive Officer (**CEO**), Mr Niels Wage, in accordance with the agreed remuneration under his employment contract.

The June 2019 Options and June 2019 Performance Rights were issued without Shareholder approval via the Company's Listing Rule 7.1 issuance capacity.

Resolutions 8 and 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the June 2019 Options and the June 2019 Performance Rights.

A summary of Listing Rule 7.1 is set out in section 4.1 above.

A summary of Listing Rule 7.4 is set out in section 4.2 above.

By ratifying the issues the subject of Resolutions 8 and 9, the base figure (i.e. variable "A") in which the Company's 15% annual issuance capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Resolutions 8 and 9 are passed, the issue of the June 2019 Options and June 2019 Performance Rights will be excluded in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the June 2019 Options and June 2019 Performance Rights.

If Resolutions 8 and 9 are not passed, the issue of the June 2019 Options and June 2019 Performance Rights will be included in calculating the Company's 15% limit for the purposes of Listing Rule 7.1, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the June 2019 Options and June 2019 Performance Rights.

### **7.1. Technical information required by Listing Rule 7.5**

The following information in relation to the June 2019 Options and the June 2019 Performance Rights is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 1,450,000 unlisted June 2019 Options and 1,000,000 June 2019 Performance Rights were issued to Mr Niels Wage, the CEO of the Company, who is an unrelated party to the Company;
- (b) the June 2019 Options are exercisable at \$1.114 per Option expiring on 30 May 2022 (subject to the satisfaction of specific vesting conditions), the June 2019 Options were otherwise issued on specific terms set out in Schedule 1 and on standard terms set out in Schedule 2;

- (c) the June 2019 Performance Rights are convertible into Shares subject to the satisfaction of specific vesting conditions, the June 2019 Performance Rights were otherwise issued on the terms and conditions set out in Schedule 3;
- (d) the June 2019 Options and June 2019 Performance Rights were issued on 14 June 2019; and
- (e) no funds were raised from this issue as the June 2019 Options and June 2019 Performance Rights were issued as part remuneration to Niels Wage, the CEO of the Company, in accordance with the agreed remuneration under his employment contract.

A voting exclusion statement has been included for the purpose of Resolutions 8 and 9.

## **7.2. Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolutions 8 and 9.

The Chair intends to exercise all undirected proxies in favour of Resolutions 8 and 9.

## **8. RESOLUTIONS 10 & 11 - Ratification of Tranche 1 Subscription Shares**

On 10 December 2019 the Company issued 52,958,908 Shares to AFC Equity at a price of A\$0.60 per Share to raise US\$21.5 million (A\$31.8 million). The remaining A\$42 million (US\$28.5 million) is subject to the satisfaction of various conditions precedent, including obtaining Shareholder approval at an extraordinary general meeting of Shareholders planned to be held as soon as possible. Of the 52,958,908 Shares issued under Tranche 1:

- (a) 26,364,563 were issued without Shareholder approval pursuant to the Company's remaining 15% placement capacity under Listing Rule 7.1; and
- (b) 26,594,345 were issued without Shareholder approval pursuant to the Company's 10% placement capacity under Listing Rule 7.1A,

(together, the **Tranche 1 Subscription Shares**).

Resolution 10 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 26,364,563 Tranche 1 Subscriptions Shares under the Company's Listing Rule 7.1 issuance capacity.

Resolution 11 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of the 26,594,345 Tranche 1 Subscriptions Shares under the Company's Listing Rule 7.1A issuance capacity.

A summary of Listing Rule 7.1 is set out in section 4.1 above.

Listing Rule 7.1A permits listed entities who meet the threshold eligibility criteria and have obtained the approval of their ordinary shareholders by special resolution at their general meeting, to issue an additional 10% of issued capital by way of placement over a 12 month period.

A summary of Listing Rule 7.4 is set out in section 4.2 above.

By ratifying the issues the subject of Resolutions 10 and 11, the base figure (i.e. variable "A") in which the Company's 15% annual issuance capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

If Resolutions 10 and 11 are passed, the issue of the Tranche 1 Subscription Shares will be excluded in calculating the Company's 15% limit for the purposes of Listing Rule 7.1 and 10% limit for the



purposes of Listing Rule 7.1A, effectively increasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Tranche 1 Subscription Shares.

If Resolutions 10 and 11 are not passed, the issue of the Tranche 1 Subscription Shares will be included in calculating the Company's 15% limit for the purposes of Listing Rule 7.1 and 10% limit for the purposes of Listing Rule 7.1A, effectively decreasing the number of equity securities it can issue without shareholder approval over the 12 month period following the date of issue of the Tranche 1 Subscription Shares.

### **8.1. Technical information required by Listing Rule 7.5**

The following information in relation to the Tranche 1 Subscription Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) a total of 52,958,908 Shares were issued;
- (b) the Tranche 1 Subscription Shares were issued at a price of \$0.60 per Share to raise US\$21.5 million (A\$31.8 million);
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Tranche 1 Subscription Shares were issued to AFC Equity pursuant to the Placement announced on 3 December 2019;
- (e) the Tranche 1 Subscription Shares were issued on 10 December 2019; and
- (f) the Placement is part of the overall funding package for the development and construction of the Colluli Sulphate of Potash Project in the Danakil Depression of Eritrea, East Africa.

A voting exclusion statement has been included for the purpose of Resolutions 10 and 11.

### **8.2. Directors' Recommendation**

The Board recommends that Shareholders vote in favour of Resolutions 10 and 11.

The Chair intends to exercise all undirected proxies in favour of Resolutions 10 and 11.

## **9. RESOLUTION 12 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

### **Background**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the annual general meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of \$127,496,522 as at 5 June 2020 and is therefore an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 12 seeks Shareholder approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the acquisition of new assets or investments (including costs associated with any such acquisitions), and general working capital.

If Resolution 12 is passed the Company will be able to issue equity securities up to the combined 25% limit in Listing Rules 7.1 and 7.1A without any further Shareholder approval.

If Resolution 12 is not passed, the Company will not be able to access the additional 10% issuance capacity to issue equity securities without Shareholder approval provided for in Listing Rule 7.1A and will remain subject to the 15% limit on issuing equity securities without Shareholder approval set out in Listing Rule 7.1.

### **9.1. Listing Rule 7.1A**

The effect of Resolution 12 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares, unlisted Options and unlisted Performance Rights on issue.

Based on the number of Shares on issue at the date of this Notice, the Company has 318,741,306 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 11, 31,874,130 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

#### **$(A \times D) - E$**

- A is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (b) plus the number of partly paid Shares that became fully paid in the 12 months;
  - (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
  - (d) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.20 Issue Price at half the current market price	\$0.40 Issue Price at current market price	\$0.80 Issue Price at double the current market price
<b>Current Variable 'A'</b> 318,741,306 Shares	<b>Shares issued</b>	31,874,131	31,874,131	31,874,131
	<b>Funds raised</b>	\$6,374,826	\$12,749,652	\$25,499,304
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 478,111,959 Shares	<b>Shares issued</b>	47,811,196	47,811,196	47,811,196
	<b>Funds raised</b>	\$9,562,239	\$19,124,478	\$38,248,957
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b> 637,482,612 Shares	<b>Shares issued</b>	63,748,261	63,748,261	63,748,261
	<b>Funds raised</b>	\$12,749,652	\$25,499,304	\$50,998,609
	<b>Dilution</b>	10%	10%	10%

**Note:** This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4.
- This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 12 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

## 9.2. Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 12 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
  - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
  - (ii) the Equity Securities may be issued:
    - (A) at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or
    - (B) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.
- (c) The table above shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.

The table shows:

- (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
  - (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 5 June 2020, being \$0.40 (current market price), where the issue price is halved, and where it is doubled; and
  - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
- (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
    - (i) the date that is 12 months after the date of the Annual General Meeting; and
    - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).

- (e) The Company may seek to issue the Equity Securities for the following purposes:
- (i) if Equity Securities are issued for cash consideration, the Company intends to use the funds for execution of the development activities of the Colluli Potash Project, for the acquisition of new assets or investments (including costs associated with any such acquisitions), and general working capital; and
  - (ii) if Equity Securities are issued for non-cash consideration for the acquisition of new resources assets and investments. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.3 upon issue of any Equity Securities.

- (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
- (g) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
- (i) In the case of an asset or investment acquisition, the nature and circumstances of the acquisition;
  - (ii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
  - (iii) the financial situation and solvency of the Company; and
  - (iv) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The Company previously obtained Shareholder approval under Listing Rule 7.1A at its previous annual general meeting held on 27 May 2019 (**Previous Approval**).

The Company has issued 26,594,345 Shares pursuant to the Previous Approval. Since obtaining the Previous Approval, the Company has otherwise issued a total of 27,724,563 Shares 2,251,040 Options and 1,000,000 Performance Rights which, together with the Equity Securities issued under the Previous Approval, represents approximately 21.20% of the total fully diluted number of Equity Securities on issue in the Company on 27 May 2019, which was 271,596,213.

Details of each issue of Equity Securities under the Previous Approval by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 4.

A voting exclusion statement for Resolution 12 is included in the Notice. At the date of the Notice, the Company has not determined who the Company will issue Equity Securities to under the Additional 10% Placement Capacity, other than noting that the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

### 9.3. Recommendation

The Board recommends that Shareholders vote in favour of Resolution 12.

## 10. RESOLUTION 13 – AMENDMENT TO CONSTITUTION

The Company's Constitution was last amended in May 2019. There have been a number of developments in the ASX Listing Rules, corporate governance principles and general corporate and commercial practice for ASX listed companies since that time. Under section 136(2) of the Corporations Act, a company can modify its constitution or a provision of its constitution by special resolution.

Accordingly, the Company seeks Shareholder approval to amend its Constitution by a special resolution of shareholders as set out below.

A copy of the amended constitution will be sent to Shareholders on request and will also be available for inspection at the office of the Company during normal business hours prior to the Meeting.

### 10.1. Background

Changes to the Listing Rules were implemented on 1 December 2019 and require a listed entity's constitution to contain certain provisions regarding Restricted Securities if the entity has any Restricted Securities on issue. Although the Company does not presently have any Restricted Securities on issue and does not have any present intentions to undertake a transaction which would result in the issue of Restricted Securities, the Board considers it prudent to take this opportunity to update the Constitution to ensure it complies with these new requirements.

From 1 December 2019, ASX applies a two-tier escrow regime where ASX can require certain more significant holders of Restricted Securities and their controllers to execute a formal escrow agreement in the form of Appendix 9A of the Listing Rules. However, for less significant holdings, ASX will instead permit entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holders of restricted securities and to simply give a notice to the holders of Restricted Securities in the form to be set out in an appendix to the Listing Rules, advising them of those restrictions.

To facilitate the operation of the two-tier escrow regime, certain changes are required to the customary provisions of constitutions of ASX-listed entities regarding Restricted Securities.

### 10.2. Proposed Amendment

Rule 24 of the Constitution currently provides as follows:

#### ***'24 Restricted Securities***

*24.1 Despite any other provision in this Constitution:*

- (1) the Company must comply with and enforce a Restriction Agreement and enforce this Constitution to ensure compliance with the requirements of the Listing Rules or ASX for Restricted Securities;*
- (2) Restricted Securities cannot be disposed of during the escrow period except as permitted by the Listing Rules or ASX;*
- (3) the Company must refuse to acknowledge a disposal (including registering a transfer) of Restricted Securities during the escrow period except as permitted by the Listing Rules or ASX; and*

- (4) *during a breach of the Listing Rules relating to Restricted Securities, or a breach of a Restriction Agreement, the holder of the Restricted Securities is not entitled to any dividend or distribution, or voting rights, in respect of the Restricted Securities.'*

By Resolution 13, the Company seeks Shareholder approval to delete clause 24 of the Constitution in its entirety and replace it with the following:

**'24 Restricted Securities**

*While the Company is on the official list of ASX, the Company must recognise and comply with the Listing Rules with respect to Restricted Securities.*

*Without limiting the obligation to comply with the Listing Rules:*

- (a) *a holder of Restricted Securities must not Dispose of, or agree or offer to Dispose of, the Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX;*
- (b) *if the Restricted Securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored sub-register and are to have a holding lock applied for the duration of the escrow period applicable to those securities;*
- (c) *the Company will refuse to acknowledge any Disposal (including, without limitation, to register any transfer), of Restricted Securities during the escrow period except as permitted by the Listing Rules or the ASX;*
- (d) *a holder of Restricted Securities will not be entitled to participate in any return of capital on those Restricted Securities during the escrow period applicable to those Restricted Securities except as permitted by the Listing Rules or ASX; and*
- (e) *if a holder of Restricted Securities breaches a Restriction Deed or a provision of this Constitution restricting a Disposal of those Restricted Securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those Restricted Securities for so long as the breach continues.*

*For the purposes of this rule 24.1, Dispose has the meaning given to it in the Listing Rules and Disposal has the corresponding meaning.*

*For the purposes of this rule 24.1, Restriction Deed has the meaning given to it in the Listing Rules.'*

**Recommendation**

The Chair of the Meeting intends to vote undirected proxies in favour of Resolution 13.

The Board recommends that Shareholders vote in favour of Resolution 13. If this Resolution is approved, the Constitution will be amended from the close of the Meeting

## GLOSSARY

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Additional 10% Placement Capacity** has the meaning set out on page 11.

**Additional Placement Period** has the meaning set out on page 20.

**AFC Equity** means AFC Equity Investments Limited.

**Annual General Meeting** or **Meeting** means the meeting convened by this Notice.

**Annual Report** means the annual report of the Company for the year ended 31 December 2019.

**Associate** has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company’s auditor from time to time (if any).

**Auditor’s Report** means the report of the Auditor contained in the Annual Report for the year ended 31 December 2019.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Child Entity** has the meaning given to that term in the Listing Rules.

**Closely Related Party** has the meaning given in section 9 of the Corporations Act and includes, in relation to Key Management Personnel of the Company, a spouse, dependent and certain other close family members, as well as companies controlled by key management personnel of the Company.

**Company** means Danakali Limited ACN 097 904 302.

**Constitution** means the Company’s constitution up to and as at the date of the Meeting.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company.

**Director’s Report** means the report of the Directors contained in the Annual Report for the year ended 31 December 2019.

**Equity Securities** has the same meaning given in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Financial Report** means the annual financial report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Listing Rules** means the ASX Listing Rules.

**Meeting** means the Annual General Meeting convened by the Notice.

**Notice** means this Notice of Annual General Meeting, as does **Notice of Annual General Meeting**.

**Option** means an option to acquire a Share in the Company.

**Performance Rights** means the performance rights in the Company

**Proposed Constitution** has the meaning given on page 16.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 31 December 2019.

**Resolution** means a resolution contained in the Notice.

**Restricted Securities** has the same meaning as in the Listing Rules.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 9.



**Spill Resolution** has the meaning set out on page 9.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

## SCHEDULE 1

### SPECIFIC TERMS AND CONDITIONS OF OPTIONS

#### Item 1 – Resolution 5 – February 2019 Options

##### (a) Exercise Price

Subject to paragraph (f) of Schedule 2, the amount payable upon exercise of each Option is \$1.031 (**Exercise Price**).

##### (b) Expiry Date

Each Option will expire at 5:00 pm (AWST) on 24 January 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

##### (c) Vesting Conditions

Subject to this clause (c), the Options shall vest and become exercisable on the date one year from the date of grant of the Options, conditional on the holder remaining employed by the Company at that date.

Options shall immediately vest if the Company is subject to:

- (i) a successful on or off market take over offer where either:
  - a) the bidder either acquires greater than 50% of the shares in the Company; or
  - b) if the offer is recommended by the Company's board and the conditions for the offer are met; or
- (i) if there is a transaction at CMSC level, it needs to be a transaction where the Company sells 50% or more of its interest in Colluli Mining Share Company (**CMSC**).

Should the holder cease employment or engagement by the Company:

- (i) any unexercised Options that have not vested as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse immediately; and
- (ii) any unexercised Options that have vested as at the date of cessation of employment or engagement with the Company will be retained by the holder.

##### (d) Other Terms and Conditions

The Options will otherwise be issued on the terms and conditions as set out in Schedule 2.

#### Item 2 – Resolution 6 – March 2019 Options

##### (a) Exercise Price

Subject to paragraph (f) of Schedule 2, the amount payable upon exercise of each Option is \$1.108 (**Exercise Price**).

##### (b) Expiry Date

Each Option will expire at 5:00 pm (AWST) on 13 March 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(c) Vesting Conditions**

Subject to this clause (c), the Options shall vest and become exercisable on the date one year from the date of grant of the Options, conditional on remaining employed by the Company at that date.

Options shall immediately vest if the Company is subject to:

- (i) a successful on or off market take over offer where either:
  - a) the bidder either acquires greater than 50% of the shares in the Company; or
  - b) if the offer is recommended by the Company's board and the conditions for the offer are met; or
- (ii) if there is a transaction at CMSC level, it needs to be a transaction where the Company sells 50% or more of its interest in CMSC.

Should the holder cease employment or engagement by the Company:

- (i) any unexercised Options that have not vested as at the date of cessation of employment or engagement with the Company (Cessation Date) shall lapse immediately; and
- (ii) any unexercised Options that have vested as at the date of cessation of employment or engagement with the Company will be retained by the holder.

**(d) Other Terms and Conditions**

The Options will otherwise be issued on the terms and conditions as set out in Schedule 2.

**Item 3 – Resolution 7 – April 2019 Options**

**(a) Exercise Price**

Subject to paragraph (f) of Schedule 2, the amount payable upon exercise of each Option is \$1.119 (**Exercise Price**).

**(b) Expiry Date**

Each Option will expire at 5:00 pm (AWST) on 28 March 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(c) Vesting Conditions**

Subject to this clause (c), the Options shall vest and become exercisable on the date one year from the date of grant of the Options, conditional on remaining employed by the Company at that date.

Options shall immediately vest if the Company is subject to:

- (i) a successful on or off market take over offer where either:
  - a) the bidder either acquires greater than 50% of the shares in the Company; or
  - b) if the offer is recommended by the Company's board and the conditions for the offer are met; or

- (ii) if there is a transaction at CMSC level, it needs to be a transaction where the Company sells 50% or more of its interest in CMSC.

Should the holder cease employment or engagement by the Company:

- (i) any unexercised Options that have not vested as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse immediately; and
- (ii) any unexercised Options that have vested as at the date of cessation of employment or engagement with the Company will be retained by the holder.

**(d) Other Terms and Conditions**

The Options will otherwise be issued on the terms and conditions as set out in Schedule 2.

**Item 4 – Resolution 8 – June 2019 Options**

**(a) Exercise Price**

Subject to paragraph (f) of Schedule 2, the amount payable upon exercise of each Option is \$1.114 (**Exercise Price**).

**(b) Expiry Date**

Each Option will expire at 5:00 pm (AWST) on 30 May 2022 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

**(c) Vesting Conditions**

Subject to this clause (c), the Options shall vest and become exercisable:

- (i) in respect of 725,000 of the Options, on 31 January 2020, conditional on remaining employed by the Company as CEO at that date; and
- (ii) in respect of the remaining 725,000 Options, on 31 July 2020, conditional on remaining employed by the Company as CEO at that date.

Options shall immediately vest if:

- (i) the Board, in its absolute discretion, determines that the Company is subject to a hostile or non-board recommended change of control transaction; or
- (ii) the Company completes the sale of at least 50% or more of its interest in CMSC to an unrelated third party.

Should the holder cease employment or engagement by the Company:

- (i) any unexercised Options that have not vested as at the date of cessation of employment or engagement with the Company (**Cessation Date**) shall lapse immediately; and
- (ii) any unexercised Options that have vested as at the date of cessation of employment or engagement with the Company will be retained by the holder.

**(d) Other Terms and Conditions**

The Options will otherwise be issued on the terms and conditions as set out in Schedule 2.

## SCHEDULE 2

### TERMS AND CONDITIONS OF OPTIONS

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of the Option.
- (b) Each Option shall be issued for no consideration.
- (c) Each Option is non-transferrable.
- (d) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to Shareholders during the currency of the Options.
- (e) Option holders have the right to exercise their Options prior to the date of determining entitlements to any capital issues to the then existing shareholders of the Company made during the currency of the Options, and will be granted a period of at least 10 business days before books closing date to exercise the Options.
- (f) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (g) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (h) An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.
- (i) The Options shall be exercisable in whole or in part at any time and from time to time until the Expiry Date (**Exercise Period**) by the delivery to the company secretary of one or more notices in writing (each a **Notice**) stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and payment to the Company of an amount in cleared funds equal to the Exercise Price multiplied by the number of Options.

The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.

- (j) The Company shall as soon as practicable, and no later than 15 business days of exercise of the Options:
  - (i) take steps so that any offer of Shares for sale within 12 months of their issue will not require disclosure under section 707(3) of the Corporations Act 2001 (Cth); and
  - (ii) allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number.
- (k) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.
- (l) The Options are issued in conjunction with an accompanying Information Document.

### SCHEDULE 3

#### TERMS AND CONDITIONS OF JUNE 2019 PERFORMANCE RIGHTS

- (a) Unless and until the Performance Rights are earned upon the completion of the Performance conditions and the relevant Shares are either issued or transferred to the holder, the holder will have no interest in those Shares.
- (b) There are no participating rights or entitlements inherent in the Performance Rights and participants will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Performance Rights without exercising the Performance Rights.
- (c) If the issued capital of the Company is reorganised, all rights of a holder of a Performance Right are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (d) The performance period of the Performance Rights commences on the date of grant of the Performance Rights. Subject to clause (g) below after a request to issue the Shares, the Board will confirm:
  - (i) whether, and to what extent, the Performance Conditions as outlined below have been satisfied;
  - (ii) the number of Performance Rights (if any) that will vest in accordance with the performance conditions; and
  - (iii) the number of Performance Rights (if any) that will lapse as a result of the non-satisfaction of Performance Conditions, and shall provide written notification to you as to that determination.
- (e) The Performance Conditions for the Performance Rights are as follows:
  - (i) 100,000 Performance Rights will vest when CMSC commences early works at Colluli provided this occurs in 2019;
  - (ii) 300,000 Performance Rights will vest when construction at Colluli is considered to be 50% complete provided construction is materially on time and on budget and Danakali are meeting safety standards;
  - (iii) 500,000 when CMSC commences commercial production at Colluli provided this is materially on time and on budget, meeting safety and product quality standards; and
  - (iv) 100,000 when CMSC have shipped and been paid for 100,000t of SOP provided this occurs materially on time, meeting safety and product quality standards.
- (f) The maximum number of Performance Rights which are capable of vesting if the Performance Conditions are met is 1,000,000.
- (g) Within 21 days after the Board has determined that any Performance Rights have vested, the Company will issue you one Share in respect of each vested Performance Right.
- (h) Shares issued for vested Performance Right shall rank pari passu with existing issued fully paid ordinary shares, in the capital of the Company. The Company will apply for official quotation on ASX of Shares issued.
- (i) Performance Rights are non-transferable except with the prior written consent of the Board of the Company.
- (j) No amount shall be payable on exercise of the Performance Rights.

(k) The Performance Rights will be issued in conjunction with an accompanying Information Document.

## SCHEDULE 4

### INFORMATION REQUIRED BY LISTING RULE 7.3A.6

Date	Quantity	Class	Recipients	Issue price and discount Market Price (if applicable) <sup>1</sup>	Form of consideration
<b>Issue</b> – 10 December 2019  <b>Appendix 2A</b> – 10 December 2019	26,594,345	Shares <sup>2</sup>	AFC Equity Investment Limited pursuant to the announcement released 10 December 2019	Closing Market Price on 9 December 2019 (preceding day of issue) \$0.625  Issue Price: \$0.60 (discount of 4%)	<b>Amount raised</b> = \$15,956,607  <b>Amount spend</b> = \$13,018,085 (as at 30 April 2020)  <b>Use of funds</b>  The funds were utilised for the development and construction of the Colluli Sulphate of Potash Project in the Danakil Depression of Eritrea, East Africa.  <b>Amount remaining</b> = \$2,938,522 (as at 30 April 2020)  <b>Proposed use of remaining funds<sup>3</sup></b>  Remaining funds will be utilised to continue the development and construction of the Colluli Sulphate of Potash Project.

**Notes:**

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Fully paid ordinary shares in the capital of the Company, ASX Code: DNK (terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.





**DANAKALI**  
Danakali Limited  
ABN 56 097 904 302

DNK  
MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



## Need assistance?



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



**Online:**  
[www.investorcentre.com/contact](http://www.investorcentre.com/contact)



## YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **3:00pm (AWST)** Monday, 13 July 2020.

# Proxy Form

## How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### APPOINTMENT OF PROXY

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

## SIGNING INSTRUCTIONS FOR POSTAL FORMS

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

## ATTENDING THE MEETING

**If you are attending in person, please bring this form with you to assist registration.**

### Corporate Representative

If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Appointment of Corporate Representative" prior to admission. A form may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

## Lodge your Proxy Form:

**XX**

### Online:

Lodge your vote online at [www.investorvote.com.au](http://www.investorvote.com.au) using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is



**Control Number: 999999**  
**SRN/HIN: I9999999999**  
**PIN: 99999**

For Intermediary Online subscribers (custodians) go to [www.intermediaryonline.com](http://www.intermediaryonline.com)

### By Mail:

Computershare Investor Services Pty Limited  
GPO Box 242  
Melbourne VIC 3001  
Australia

### By Fax:

1800 783 447 within Australia or  
+61 3 9473 2555 outside Australia



**PLEASE NOTE:** For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE  
 FLAT 123  
 123 SAMPLE STREET  
 THE SAMPLE HILL  
 SAMPLE ESTATE  
 SAMPLEVILLE VIC 3030

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



I 9999999999

I ND

# Proxy Form

Please mark  to indicate your directions

## Step 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Danakali Limited hereby appoint

the Chairman of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Danakali Limited to be held at Brookfield Place, Level 11, 125 St Georges Terrace, Perth, Western Australia on Wednesday, 15 July 2020 at 3:00pm (AWST) and at any adjournment or postponement of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6, 8 and 9 (except where I/we have indicated a different voting intention in step 2) even though Resolutions 1, 6, 8 and 9 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6, 8 and 9 by marking the appropriate box in step 2.

## Step 2 Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain		For	Against	Abstain	
1	Non Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10	Ratification of Tranche 1 Subscription Shares – Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2	Re-election of Zhang Jing as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	11	Ratification of Tranche 1 Subscription Shares – Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3	Election of Taiwo Adeniji as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	12	Approval of additional 10% placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4	Election of Samaila Zubairu as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	13	Amendments to Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5	Ratification of February 2019 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
6	Ratification of March 2019 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
7	Ratification of April 2019 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
8	Ratification of June 2019 Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
9	Ratification of June 2019 Performance Rights to Niels Wage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

## Step 3 Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1  Securityholder 2  Securityholder 3  / /  
 Sole Director & Sole Company Secretary Director Director/Company Secretary Date

**Update your communication details** (Optional)

Mobile Number  Email Address   
 By providing your email address, you consent to receive future Notice of Meeting & Proxy communications electronically

