



Revised Code for Dealing in Securities

In accordance with ASX Listing Rule 12.10, Danakali Limited (ASX: DNK / LSE: DNK) (**Danakali**) advises that it has amended its Code for Dealing in Securities.

A copy of the revised Code for Dealing in Securities is attached.

For more information, please contact:

Seamus Cornelius
Executive Chairman
+61 8 6315 1444

William Sandover
Head of Corporate Development & External Affairs
+61 499 776 998

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Code for Dealing in Danakali Limited Securities

1. INTRODUCTION

This Code for Dealing in Securities (“**Code**”) sets out the requirements for persons discharging managerial responsibilities (“**PDMR**”), persons closely associated with PDMRs (“**PCA**”), employees, consultants and contractors of Danakali Limited (“**Danakali**”) and its subsidiaries (collectively “**Danakali Personnel**”) dealing in Danakali securities. Although this code outlines the requirements for dealing with Danakali securities when price sensitive/inside information is available to Danakali Personnel, it is incumbent for all personnel to ensure they understand their obligations with regard to security trading.

Compliance with this Code is vital. Failure to comply with insider dealing and market abuse legislation could expose the Company, PDMRs and/or their PCAs to criminal and/or civil liability, severe and irreparable reputational damage to the Company, or significant fines and/or public censure of the Company and/or those PDMRs or their PCAs who fail to comply.

Trading windows

In order to ensure that Danakali Personnel do not inadvertently breach the insider trading and other market conduct prohibitions of the Corporations Act 2001 (“**Corporations Act**”) or the insider dealing, unlawful disclosure and market manipulation provisions of the European Union Market Abuse Regulation (596/2014) (“**MAR**”) and the United Kingdom Criminal Justice Act 1993, Danakali Personnel are only permitted to deal in Danakali securities in limited circumstances determined by this Code. These limited circumstances are called "trading windows" and are determined by the provisions of this Code.

The trading window shall be closed during the time when any price sensitive information is unpublished. **When the trading window is closed, the employees/directors privy to market sensitive information must not deal in Danakali’s securities.** The trading window shall be opened 24 hours after all market sensitive information has been made public.

What is “dealing” in securities?

The concept of “dealing in securities” is very wide and includes buying, selling, swapping Danakali securities or pledging Danakali securities by way of security. Refer to Schedule 3 for a comprehensive list of transactions and actions that constitute “dealing”.

Who is a PDMR?

PDMRs are directors, members of the administrative, management or supervisory body of Danakali, or senior executives who have regular access to inside information relating directly or indirectly to Danakali or its group and have the power to make managerial decisions affecting Danakali's future developments and business prospects. Danakali must notify each PDMR of their obligations to notify when dealing in Danakali securities, a template of which is set out at Schedule 4.

Who is a PCA?

A PCA is either a PDMR's spouse or civil partner, child under the age of 18 who is unmarried and does not have a civil partner, relative who has shared the same household as a PDMR for at least a year from the date of relevant dealing, or a company, trust or partnership whose managerial roles are discharged by a PDMR which is controlled by the PDMR. Each PDMR must provide a list of their PCAs to Danakali and notify Danakali in writing of any changes to that list.

Who do I need to notify?

Each PDMR must also notify their PCAs of their obligations to notify when dealing in Danakali securities, a template of which is set out at Schedule 5.

PDMRs and PCAs must always (including during trading windows) submit a securities dealing request to Danakali for approval by the CEO or nominated delegate **prior to dealing** in Danakali securities. It is important to note that the definition of dealing is very wide and therefore any potential action by a PDMR or PCA in respect of Danakali securities should be brought to the attention of the CEO or nominated delegate **prior to dealing**, who will decide if approval is required.

2. PROHIBITED CONDUCT UNDER INSIDER TRADING PROVISIONS

2.1 Danakali

As a matter of law, all Danakali Personnel must not deal or encourage another to deal (meaning any change whatsoever including, but not limited to, any sale, purchase, exercise of options (even if due to expire), discharge of any right or obligation, or transfer) in Danakali securities where:

- (a) They possess information of a precise nature which is not generally available.
- (b) If that information were generally available, a reasonable person would expect it to have a significant or material effect on the price or value of Danakali securities or related securities or derivatives.

- (c) They know or ought to reasonably know that the information is not generally available and if it were it might have a significant or material effect on the price of Danakali securities, as such information constitutes inside information.
- (d) If any Danakali Personnel possess inside information that is not generally available, such person is prohibited from procuring any other person to deal in those securities and from directly or indirectly communicating the information to another person who the Danakali person believes is likely to deal in, or procure another person to deal in, those securities.
- (e) It is important that any Danakali Personnel who possesses inside information that is not generally available does not recommend or otherwise suggest to any person or associates (including a spouse, relative, friend or any trustee of a trust or family company) to deal in Danakali securities.

2.2 Other Companies

The laws regarding insider trading extend to dealings in securities of any companies about which a person possesses material price sensitive/inside information which is not generally available including for example, companies in a joint venture with Danakali.

3. POLICY FOR DEALING IN SECURITIES

Danakali Personnel **must not deal in any securities at any time when they are in possession of inside information.**

The following restrictions additional restrictions apply to PDMRs:

- (a) PDMRs are not permitted to deal in Danakali securities in the following periods (“**Closed Periods**”):
 - (i) 30 days before the release of Danakali's quarterly reports until 24 hours post release;
 - (ii) 30 days before the release of Danakali's half yearly report until 24 hours post release;
 - (iii) 30 days before the release of a preliminary announcement of Danakali's annual results, provided the preliminary announcement contains all necessary information until 24 hours post release;
 - (iv) If the preliminary announcement does not contain all necessary information, the restriction on dealing in Danakali securities will

continue until either any new information is announced or until the release of Danakali's annual results, until 24 hours post release; and

- (v) If Danakali does not release a preliminary announcement of its annual results, then 30 days before the release of Danakali's annual results until 24 hours post release.
- (b) Danakali options for ordinary shares may only be exercised by PDMRs in accordance with the terms and conditions of those options, in accordance with the requirements governing their issue, and when the trading window is open in accordance with this Code, as the exercise of options will constitute "dealing" in Danakali securities. Further, any dealing of Danakali securities acquired upon exercise of options must only occur in accordance with this Code.
- (c) Where options are held by any PDMR and the expiry date of those options is imminent, special permission for exercise should be obtained from the CEO or relevant stock exchanges on which the Danakali is listed as the application of this Code and MAR may prevent exercise of those options. If you are in any doubt, please contact the Company's relevant legal advisers.

Options held by Danakali Personnel other than PDMRs may be exercised at any time, provided the Danakali Personnel is not in possession of inside information and provided the options are exercised in accordance with the terms and conditions of those options and in accordance with the requirements governing their issue.

4. CLEARANCE REQUEST

All PDMRs and PCAs wishing to deal in Danakali securities must request and receive clearance to deal from Danakali by submitting a clearance to deal request using the template set out in Schedule 1. The CEO will evaluate such requests, except in the case of his/her own securities. In this case the Chairman must approve the proposed dealing and provide approval in writing.

Once a request has been received, the CEO may consult with the Board, provided that, in doing so, there is no conflict of interest, or with the Company's professional advisers, before making a decision to give or refuse consent to the proposed dealing.

The CEO will **not** grant clearance to deal if:-

- the CEO has reason to believe that the proposed dealing will, or is likely to, breach this Code;
- the PDMR or his or her PCA(s) are in possession of inside information, or the CEO has reason to believe that the PDMR or his or her PCA(s) are in possession of

inside information and the CEO has does not consider the proposed dealing falls within a legitimate behaviour safe harbour; or

- the proposed dealing by the PDMR or his or her PCA(s) falls within a Closed Period and does not fall within any of the exceptional circumstances that permit dealing during a Closed Period.

You must not submit an application to deal in Danakali securities if you are in possession of inside information or if a Closed Period is in force.

If the CEO grants clearance to deal, **the PDMR or the PCA must carry out the dealing within two (2) business days of receipt of clearance.** If he or she does not carry out the dealing within this timeframe, the clearance lapses and the PDMR or the PCA (communicating via his or her PDMR) must seek clearance again from the CEO before the dealing can take place.

5. EQUITY-BASED INCENTIVE PLANS

The Corporations Act prohibits the key management personnel of an ASX listed company established in Australia, or any of their related parties, from entering into an arrangement that would have the effect of limiting their exposure to risk relating to an element of their remuneration that either has not vested or has vested but remains subject to a trading lock.

Accordingly, Danakali's key management personnel are prohibited from entering into any transaction which limits their economic risk of participating in the scheme.

6. ASX NOTIFICATION FOR DIRECTORS

The ASX Listing Rules require Danakali to notify the ASX within 5 business days after any dealing in securities of Danakali (either personally or through an Associate) which results in a change in the relevant interests of a Director in the securities of Danakali. Danakali has made arrangements with each Director to ensure that the Director promptly discloses to the Company Secretary all the information required by the ASX.

7. UK NOTIFICATION OF TRANSACTIONS

PDMRs and PCAs must also notify Danakali and the Financial Conduct Authority ("FCA") in writing of each notifiable transaction as listed in Schedule 3, including acquiring, disposing, subscribing for or exchanging in Danakali securities, or exercising options over Danakali securities.

The notification to Danakali must be made using the template in Schedule 2, and must be made as soon as practicable, but no later than three days following the transaction date.

The notification to the FCA must be made by using a copy of the notification form,

available on the FCA's website¹, within three business days of the transaction date.

8. GENERAL OBSERVATIONS

This Code will be administered by the Company Secretary with input from the CEO. The Company Secretary will be available to answer any questions with regard to the code.

Neither Danakali nor the Company Secretary is to be held responsible for any answers or any act or omission by relevant personnel in reliance on those answers.

Compliance with these guidelines for trading in Danakali's securities does not absolve that individual from complying with the law, which must be the overriding consideration when trading in Danakali's securities, in particular the restriction on dealing or encouraging any other person to deal while in possession of inside information and/or during Closed Periods.

It is incumbent on all relevant personnel to comply with the law. **IF YOU ARE IN ANY DOUBT, DO NOT DEAL IN DANAKALI SECURITIES.** The consequences of dealing in securities in breach of this Code may be severe and could include criminal liability.

This Code is subject to regular review by the Board and will be amended as and when appropriate.

¹ https://marketoversight.fca.org.uk/electronicssubmissionsystem/MaPo_PDMR_Introduction

Schedule 1
Share Dealing - Clearance application template

Danakali Ltd (“Danakali”)

Application for clearance to deal

If you wish to apply for clearance to deal under the Code for Dealing in Danakali Securities, please complete sections 1 and 2 of the table below and submit this form to the CEO or nominated delegate. By submitting this form, you will be deemed to have confirmed and agreed that:

- (a) the information included in this form is accurate and complete;
- (b) you are not in possession of inside information relating to Danakali or any Danakali Securities;
- (c) if you are given clearance to deal and you still wish to deal, you will do so as soon as possible and in any event within two business days; and
- (d) if you become aware that you are in possession of inside information before you deal (regardless of whether or not you have received clearance to deal), you will inform the CEO or nominated delegate and refrain from dealing.

| 1. | Applicant | |
|-----------|-------------------------------|---|
| (a) | Name | |
| (b) | Contact details | <i>[For executive directors and other employees, please include email address and extension number.]</i> <i>[For non-executive directors, please include email address and telephone number.]</i> |
| 2. | Proposed dealing | |
| (a) | Description of the securities | <i>[e.g. a share, a debt instrument, a derivative or a financial instrument linked to a share or debt instrument.]</i> |
| (b) | Number of securities | <i>[If actual number is not known, provide a maximum amount (e.g. ‘up to 100 shares’ or ‘up to £1,000 of shares’).]</i> |
| (c) | Nature of the dealing | <i>[Description of the transaction type (e.g. acquisition; disposal; subscription; option exercise; settling a contract for difference; entry into, or amendment or cancellation of, an Investment Programme or Trading Plan).]</i> |

| | | |
|-----|---------------|---|
| (d) | Other details | <p><i>[Please include all other relevant details which might reasonably assist the person considering your application for clearance (e.g. transfer will be for no consideration).]</i></p> <p><i>[If you are applying for clearance to enter into, amend or cancel an Investment Programme or Trading Plan, please provide full details of the relevant Investment Programme or Trading Plan or attach a copy of its terms.]</i></p> |
|-----|---------------|---|

Schedule 2
Share Dealing - Notification template

Danakali Ltd (“Danakali”)

Transaction notification

Please send your completed form to [*Company secretary*] at [*email address*], to be received as soon as is practicable after the dealing and in any event within one business days of the transaction occurring. If you require any assistance in completing this form, please contact [*Company secretary*].

PDMRs of Danakali and their PCAs must also submit a notification of the same information to the FCA by submitting their online form (which requires the same information) promptly and in any event within 3 Business Days of the transaction occurring.

https://marketoversight.fca.org.uk/electronicsubmissionssystem/MaPo_PDMR_Introduction

| 1. | Details of PDMR / person closely associated with them (‘PCA’) | |
|-----------|--|--|
| (a) | Name | [Include first name(s) and last name(s).] [If the PCA is a legal person, state its full name including legal form as provided for in the register where it is incorporated, if applicable.] |
| (b) | Position / status | [For PDMRs, state job title e.g. CEO, CFO.] [For PCAs, state that the notification concerns a PCA and the name and position of the relevant PDMR.] |
| (c) | Initial notification / amendment | [Please indicate if this is an initial notification or an amendment to a prior notification. If this is an amendment, please explain the previous error which this amendment has corrected.] |
| 2. | Details of the transaction(s): section to be repeated for (i) each type of instrument; (ii) each type of transaction; (iii) each date; and (iv) each place where transactions have been conducted | |
| (a) | Description of the financial instrument | [State the nature of the instrument e.g. a share, a debt instrument, a derivative or a financial instrument linked to a share or debt instrument.] |

| | | |
|-----|---------------------------|--|
| (b) | Nature of the transaction | <p><i>[Description of the transaction type e.g. acquisition, disposal, subscription, contract for difference, etc.]</i></p> <p><i>[Please indicate whether the transaction is linked to the exercise of a share option programme.]</i></p> <p><i>[If the transaction was conducted pursuant to an Investment Programme or a Trading Plan, please indicate that fact and provide the date on which the relevant Investment Programme or Trading Plan was entered into.]</i></p> |
| (c) | Price(s) and volume(s) | <p><i>[Where more than one transaction of the same nature (purchase, disposal, etc.) of the same financial instrument are executed on the same day and at the same place of transaction, prices and volumes of these transactions should be separately identified in the table above, using as many lines as needed. Do not aggregate or net off transactions.]</i></p> <p><i>[In each case, please specify the currency and the metric for quantity.]</i></p> |

| | | |
|-----|---|---|
| (d) | <p>Aggregated information</p> <p>Aggregated volume</p> <p>Price</p> | <p><i>[Please aggregate the volumes of multiple transactions when these transactions:</i></p> <ul style="list-style-type: none"> • <i>relate to the same financial instrument;</i> • <i>are of the same nature;</i> • <i>are executed on the same day; and</i> • <i>are executed at the same place of transaction.]</i> <p><i>[Please state the metric for quantity.]</i></p> <p><i>[Please provide:</i></p> <ul style="list-style-type: none"> • <i>in the case of a single transaction, the price of the single transaction; and</i> • <i>in the case where the volumes of multiple transactions are aggregated, the weighted average price of the aggregated transactions.]</i> <p><i>[Please state the currency.]</i></p> |
| (e) | Date of the transaction | <p><i>[Date of the particular day of execution of the notified transaction, using the date format: YYYY-MM-DD and please specify the time zone.]</i></p> |
| (f) | Place of the transaction | <p><i>[Please name the trading venue where the transaction was executed. If the transaction was not executed on any trading venue, please state 'outside a trading venue' in this box.]</i></p> |

Schedule 3
Notifiable Transactions

| Transaction |
|--|
| An acquisition, disposal, short sale, subscription or exchange. |
| The acceptance or exercise of a share option or award, including of a share option/award granted to managers or employees as part of their remuneration package, and the disposal of shares stemming from the exercise and/or vesting of a share option/award. |
| Entering into or exercising equity swaps. |
| Transactions in or related to derivatives, including cash-settled transactions. |
| Entering into a contract for difference on a financial instrument of Danakali. |
| The acquisition, disposal or exercise of rights, including put and call options, and warrants. |
| Subscriptions to a capital increase or debt instrument issuance. |
| Transactions in derivatives and financial instruments linked to a debt instrument of the concerned issuer, including credit default swaps. |
| Conditional transactions, upon the occurrence of the conditions and actual execution of the transactions. |
| Automatic or non-automatic conversion of a financial instrument into another financial instrument, including the exchange of convertible bonds to shares. |
| Gifts and donations made or received, and inheritance received. |
| Transactions executed in index-related products, baskets and derivatives. |
| Transactions executed by a manager of an alternative investment fund in which the PDMR or its PCA has invested. |
| Transactions executed in shares or units of investment funds, including alternative investment funds (AIFs). |
| Transactions executed by a third party under an individual portfolio or asset management mandate on behalf or for the benefit of a PDMR or their PCA. |
| Borrowing or lending of shares or debt instruments of the Danakali or derivatives or other |

financial instruments linked to them.

The pledging or lending of financial instruments by a PDMR or a PCA. A pledge or similar security interest, of financial instruments in connection with the depositing of the financial instruments in a custody account does not need to be notified, unless and until such time that such pledge or other security interest is designated to secure a specific credit facility.

Transactions undertaken by persons professionally arranging or executing transactions or by another person on behalf of a PDMR or a PCA, including where discretion is exercised.

Transactions made under a life insurance policy, where the policyholder is a PDMR or a PCA and they bear the investment risk and have the power or discretion to make investment decisions in relation to the policy. No notification obligation is imposed on the insurance company.

Schedule 4
Letter from Danakali to PDMRs

[ON COMPANY LETTERHEAD]

[Name of PDMR]

[Address]

[Date]

Dear [Name of PDMR]

Notification of transactions in Danakali Ltd's shares or debt instruments and related financial instruments

In this letter, Danakali Ltd ("**Danakali**") draws your attention to:

- the notification obligations applying to any person discharging managerial responsibilities within Danakali and its group (a "**PDMR**"); and
- the notification obligations applying to persons closely associated with PDMRs.

These notification obligations are in addition to any obligation under the Disclosure Guidance and Transparency Rule (DTR) 5 as a major shareholder to disclose voting rights in respect of Danakali's shares of 3 per cent. or more.

For the purposes of the EU Market Abuse Regulation (MAR), which has direct effect in the UK, you are a PDMR. The obligations in this letter therefore apply to you.

Note that as a PDMR, you cannot deal in any securities of Danakali or related financial instruments during any MAR closed period, unless you are first able to obtain clearance to deal in advance in the limited circumstances permitted by MAR. Dealings by PDMRs outside of MAR closed periods are governed by the Share Dealing Code, and may also require prior clearance.

1. Notification obligation – PDMRs

You are required, as a PDMR, to notify Danakali and the Financial Conduct Authority in writing of the occurrence of all transactions conducted on your own account in Danakali's shares or debt instruments, or derivatives or any other financial instruments relating to those shares or debt instruments. Danakali must in turn announce the information.

Under MAR, both notifications and Danakali's announcement must be made promptly and no

later than three working days after the date of the transaction. However, Danakali requires the notification to be made to it within one working day of the day on which the transaction occurred, in order to give it time to comply with its obligations to notify the market within three working days.

Your notification must contain the following information:

- your name;
- Danakali's name;
- the reason for the notification;
- a description of and the identifier of the financial instrument;
- the nature of the transaction (for example, acquisition or disposal);
- the date and place of the transaction; and
- the price and volume of the transaction.

I attach a form to disclose transactions which you should complete as appropriate. Completed forms should be addressed to Danakali at its registered office marked for the attention of the Designated Officer. Please deliver the form by hand or scan and email it to [Danny Goeman] at [email address]. Following receipt of the information from you, Danakali will notify the market.

The same notification must also be sent to the Financial Conduct Authority using the online form on their website <http://www.fca.org.uk/static/documents/forms/pdmr-notification-form.pdf>. If you wish, Danakali will do this on your behalf, although you will retain responsibility for ensuring that your obligations have been complied with.

2. Notification obligation – persons closely associated

Persons closely associated with you have a separate, primary notification obligation in the case of transactions by them. Persons closely associated with you are:

- your spouse or civil partner;
- your dependent children, meaning children or stepchildren under the age of 18 years, who are unmarried and do not have a civil partner;
- a relative who has shared the same household for at least one year on the date of the transaction concerned; and
- a legal person, trust or partnership:

- the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in any of the three bullet points above; or
- which is directly or indirectly controlled by such a person; or
- which is set up for the benefit of such a person; or
- the economic interests of which are substantially equivalent to those of such a person.

Persons closely associated with you must notify Danakali and the Financial Conduct Authority in writing of the occurrence of all transactions conducted on their own account in Danakali's shares, or derivatives or any other financial instruments relating to those shares, within one business day of the day on which the transaction occurred.

Notifications by persons closely associated with you must be sent to Danakali and to the Financial Conduct Authority in the same manner as described in paragraph 1 above in relation to PDMRs.

3. Letter to persons closely associated with you

You are required to notify persons closely associated with you of the notification obligations set out in paragraph 2. I attach a draft of an explanatory letter which you can use to send to persons closely associated with you.

4. Group Share Dealing Code

I enclose, for your information and reference, a copy of the Share Dealing Code, which applies to dealings by PDMRs (and to dealings by other employees) at any time.

The Share Dealing Code reminds you that you cannot deal (which includes any off-market dealing) in Danakali's shares and debt instruments (which for these purposes include derivatives or any other financial instruments relating to those shares and debt instruments) if you are in possession of inside information. In addition, you may need to obtain written clearance before dealing if you have been notified that you are a restricted employee. **If you are in any doubt as to whether clearance to deal is required or not, you should seek clearance before dealing.**

If you have any questions regarding these disclosure obligations generally, please contact me.

Yours sincerely

[Chairman /[*] (*delete as appropriate*)]

for and on behalf of

Danakali Ltd

Schedule 5
Letter from PDMRs to PCAs

[Name of PCA]

[Address]

[Date]

Dear [*Name of Person Closely Associated*]

Transactions in Danakali's shares or debt instruments and related financial instruments

I am a person discharging managerial responsibility in relation to Danakali Ltd (“**Danakali**”). For the purposes of the EU Market Abuse Regulation, which has direct effect in the UK, you are a person closely associated with me. This means that you are subject to various restrictions if you wish to trade or otherwise deal in any of Danakali's ordinary shares or other securities. Please read this letter carefully. **If you are in any doubt about this letter or whether you are able to deal in Danakali's securities, please advise me immediately.**

Notification of transactions

The Market Abuse Regulation requires you, as a person closely associated with me, to notify Danakali and the Financial Conduct Authority of the occurrence of all transactions conducted on your own account in Danakali's shares or debt instruments, or derivatives or any other financial instruments relating to those shares or debt instruments. Danakali must in turn announce the information.

Under the Market Abuse Regulation, notification must be made by you promptly and no later than three working days after the date of the transaction. However, Danakali requires the notification to be made to it within one working day of the day on which the transaction occurred, in order to give it time to comply with its obligation to notify the market within three working days.

Your notification must contain the following information:

- your name;
- Danakali's name;
- the reason for the notification;
- a description of and the identifier of the financial instrument;

- the nature of the transaction (for example, acquisition or disposal);
- the date and place of the transaction; and
- the price and volume of the transaction.

I attach a form for disclosure of transactions, which you should complete as appropriate. Completed forms should be addressed to Danakali at its registered office marked for the attention of [Danny Goeman] and delivered by hand or scanned and emailed to [*email address*]. Following receipt of the information from you, Danakali will notify the market. If you have any questions on these notification obligations or their application, please contact [•], the [Chairman/[•] (*delete as appropriate*)] at [*telephone number and email address*].

The same notification must also be sent to the Financial Conduct Authority using the email address on their website at <http://www.fca.org.uk/static/documents/forms/pdmr-notification-form.pdf>. If you wish, Danakali will do this on your behalf, although you will retain responsibility for ensuring that your obligations have been complied with.

These notification obligations are in addition to any disclosure obligation you may have under DTR 5 as a major shareholder to disclose voting rights in respect of Danakali's shares of 3 per cent. or more.

Yours sincerely

[Name of PDMR]



About Danakali

Danakali Limited (ASX: DNK) (**Danakali**, or the **Company**) is an ASX-listed potash company focused on the development of the Colluli Potash Project (**Colluli** or the **Project**). The Project is 100% owned by the Colluli Mining Share Company (**CMSC**), a 50:50 joint venture between Danakali and the Eritrean National Mining Corporation (**ENAMCO**).

The Project is located in the Danakil Depression region of Eritrea, East Africa, and is ~75km from the Red Sea coast, making it one of the most accessible potash deposits globally. Mineralisation within the Colluli resource commences at just 16m, making it the world's shallowest potash deposit. The resource is amenable to open pit mining, which allows higher overall resource recovery to be achieved, is generally safer than underground mining, and is highly advantageous for modular growth.

The Company has completed a Front End Engineering Design (**FEED**) for the production of potassium sulphate, otherwise known as **SOP**. SOP is a chloride free, specialty fertiliser which carries a substantial price premium relative to the more common potash type; potassium chloride (or **MOP**). Economic resources for production of SOP are geologically scarce. The unique composition of the Colluli resource favours low energy input, high potassium yield conversion to SOP using commercially proven technology. One of the key advantages of the resource is that the salts are present in solid form (in contrast with production of SOP from brines) which reduces infrastructure costs and substantially reduces the time required to achieve full production capacity.

The resource is favourably positioned to supply the world's fastest growing markets. A binding take-or-pay offtake agreement has been confirmed with EuroChem Trading GmbH (**EuroChem**) for up to 100% (minimum 87%) of Colluli Module I SOP production.

The Company's vision is to bring Colluli into production using the principles of risk management, resource utilisation and modularity, using the starting module (**Module I**) as a growth platform to develop the resource to its full potential.

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

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

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

Competent Persons Statement (Sulphate of Potash Ore Reserve)

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

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

Competent Persons Statement (Rock Salt Mineral Resource)

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

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

Danakali Limited

Level 1, 234 Churchill Avenue, Churchill Court, Subiaco, Perth, WA 6008

Tel: +61 8 6315 1444 / ABN 56 097 904 302

AMC Consultants Pty Ltd (AMC) independence

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

Quality control and quality assurance

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

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

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

Forward looking statements and disclaimer

The information in this document is published to inform you about Danakali and its activities. Danakali has endeavoured to ensure that the information enclosed is accurate at the time of release, and that it accurately reflects the Company's intentions. All statements in this document, other than statements of historical facts, that address future production, project development, reserve or resource potential, exploration drilling, exploitation activities, corporate transactions and events or developments that the Company expects to occur, are forward looking statements. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.

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

There can be no assurance that the development of Colluli will proceed as planned. Accordingly, readers should not place undue reliance on forward looking information. Mineral Resources and Ore Reserves have been reported according to the JORC Code, 2012 Edition. To the extent permitted by law, the Company accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this document. Recipients should make their own enquiries in relation to any investment decisions.

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

No representation or warranty, express or implied, is or will be made by or on behalf of the Company, and no responsibility or liability is or will be accepted by the Company or its affiliates, as to the accuracy, completeness or verification of the information set out in this announcement, and nothing contained in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Company and each of its affiliates accordingly disclaims, to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this announcement or any such statement.

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