



QUARTERLY REPORT

For the period ending 31 December 2020

Danakali Limited (ASX: DNK, LSE: DNK, **Danakali**, or the **Company**) is pleased to provide this quarterly update on the activities and financial position of the Company and its Colluli Potash Project (**Colluli** or the **Project**), located in Eritrea, East Africa. 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**). CMSC is progressing to become a leading producer and exporter of Sulphate of Potash (**SOP**), the premium potash type.

Highlights

Project Progress

- Process test work continues to be undertaken before EPCM Phase 3 (Detailed Design) commences. The results of this will increase the accuracy of equipment selection allowing future schedule risk mitigation
- Aggreko were appointed as preferred power contractor for the Colluli Project to supply a 12MW (Heavy Fuel Oil (HFO)) power plant, with commercial and legal negotiations materially complete
- Commercial and legal negotiations with mining services contractor, Earthmoving Worldwide, materially complete
- Scope of work with preferred camp provider, RA International, have been defined

Appointment of Chief Operating Officer

- Dr Rod McEachern joined as **COO bringing** international potash experience spanning three decades, with his most recent role as Director of Process and Product Innovation at Nutrien

Environmental, Social and Governance (ESG)

- Progress has been made regarding the CMSC operational management systems with approximately 80% of the Environmental and Social Action Plan completed
- The independent human rights impact scoping assessment (**HRIA**) is well advanced

Key activities planned for Q1 2021

Project financing

- Ongoing sourcing and negotiations to achieve full project funding of Colluli
- Continue to satisfy conditions precedent necessary to allow CMSC senior debt drawdown

Project development

- Continue technical workstreams including optimizing process test work and process streams with planned completion late in Q1
- Assess further improvement opportunities including development schedule compression and cost optimization.

Corporate & Financial

- Cash balance of A\$9.74M as of 31 December 2020



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Project & Corporate Update

COVID-19

The Government of Eritrea implemented more stringent measures in December to curtail the spread of COVID-19 in response to an increase in case numbers. Management of COVID-19 has been relatively effective to date where total cumulative cases at the end of December were 1,320, with 676 recovered and 3 fatalities. These additional measures seek to ensure that case numbers do not increase significantly.

In and out bound charter flights continue to operate in Eritrea, on a reduced basis. Mining operations and projects are permitted to continue business as usual, with Bisha and Zara mines both producing during the pandemic. During the quarter, ore samples were successfully sent to Saskatchewan Research Council (SRC), Canada to support the ongoing test works.

Colluli field visits including activities to monitor the status of the environmental data continued during the quarter. In addition, all on site generators have undergone service and maintenance.

Project

Appointment of Preferred Power Contractor

As announced on 8 October 2020, Aggreko were appointed as preferred power contractor for the Colluli Project and will supply the 12MW (Heavy Fuel Oil (HFO)) power plant. Aggreko will also provide full scope services for the supply, commission and maintenance of the power plant, then transfer the ownership to CMSC, under the 5-year Build Own Operate Transfer (BOOT) contract. Aggreko will provide the funding for the power solution which provides certainty over delivery of this preferred solution.

The cost of this power plant solution over the 5-year contract period is lower than previous FEED study results.

The power plant equipment is available now and does not need to be built and can be mobilized on short notice, as required and further de-risks Colluli's development schedule.

Negotiation of the power contract is now materially complete.

Process test work

As announced on 2 September 2020, process test work is being undertaken before EPCM Phase 3 (Detailed Design) commences to increase the accuracy of equipment selection and process definition allowing future schedule and plant commissioning risk mitigation. This test work is progressing as planned for completion late in Q1.

Progress with Mining Services Contractor

Earthmoving Worldwide (EMW) were appointed as preferred mining services contractor for the Colluli Project on 19 December 2019. Commercial and legal negotiations are materially complete.

Execution of this contract is likely to follow the securing of the balance of the Project funding.

Progress with Mine Site Accommodation Provider

As announced on 20 August 2020, RA International were appointed as the preferred accommodation provider. Commercial discussion has progressed with the scope of works now defined and the contract details well advanced.

Corporate

Appointment of Industry Expert as Chief Operating Officer

Dr Rod McEachern, previously Director for Process and Product Innovation at Nutrien and PotashCorp, was appointed as Danakali Chief Operating Officer (**COO**). Dr McEachern holds a Ph.D in Physical Chemistry from the University of Saskatchewan. Bringing with him significant experience in potash mining, production, harvesting, process engineering, logistics and safety, he has been given the responsibilities for the design and set up of operation readiness including safe and sustainable mining and processing operation for CMSC.

Dr McEachern's international potash experience spans three decades with his most recent roles in senior management as Director, Process and Product Innovation at Nutrien. He held prior roles with Potash Corp as Senior Director for Innovation and General Manager and held the Vice President of Operations role at Arab Potash in Amman, Jordan.

Project Financing

The Company continued its institutional and strategic equity engagement. In doing so the Company completed its virtual roadshow and face-to-face meetings with targeted investors in the United Kingdom, South East Asia, Australia and North America with Danakali's Non-Executive Chairman, Seamus Cornelius, Executive team, ESG Team and Corporate Development presenting and attending.

The Company also engaged with investors on Mining Journals' Investor Outreach Program, completing virtual investor meetings with targeted investor groups in November 2020.

In terms of funding options, Danakali is pursuing several promising alternative solutions, including AFC, and potential strategic partners. These options are all focused on obtaining full funding for Colluli's development.

Financial Resilience

DNK Board has maintained strong oversight of the Q4 spending with particular focus on keeping working capital costs low and prioritizing critical Project spend tied to the long-term success of Colluli development. Prudent budget controls continued during the quarter.

Environmental, Social and Governance (ESG)

Danakali has continued to make considerable progress and advancement of the CMSC operational management systems that will align with the Equator Principles, IFC standard for Environmental and Social Performance and the World Bank Group Environment, Health and Safety Guidelines. The Company has completed approximately 80% of the Environmental and Social Action Plan (**ESAP**) requirements and continues to actively engage with the senior lenders on progress.



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The independent human rights impact scoping exercise which seeks to identify possible salient risks for the project and suggested mitigation approaches prior to construction, is well advanced. As part of this process, the Company has engaged with key external stakeholders and have solicited their feedback and suggestions.

Investor engagement

Interviews and Media Releases

- Smallcaps: Danakali selects Aggreko to power Colluli SOP project in Eritrea, 19 October 2020
- Stockhead: Rocktalk Interview - Potash Demand potential looks potent, 2 October 2020
- Stockhead: Potash Executive to drive operations at Danakali at Colluli Project, 14 October 2020

Virtual Conferences & AAMEG Africa Downunder

The Company virtually attended and presented at three conferences last Quarter and actively engaged with investors across industry specific virtual platforms namely:

- ESG Reporting Standards Webinar with Mining Journal and LSE, 27 October 2020
- Mining Journal Select 365 Conference, October & November 2020
- Munich Precious Metals and Commodities Show, November 2020
- AAMEG African Downunder Awards Conference & Emerging ESG Award Nomination, November 2020
- Mining Journal Investor Outreach in November 2020.

Webinars

The final webinar for 2020 was presented by the Company on 4 November 2020, "Potash: Driver of sustainable agriculture in Africa". The webinar was hosted by Seamus Cornelius and jointly presented by Afreximbank's, Director, Global Head, Advisory & Capital Markets, Ibrahim Sagna and CRU's Senior Analyst, Potash Humphrey Knight.

Capital

Cash

Consolidated cash on hand was A\$9.74M as at 31 December 2020. Please refer to the Appendix 5B for the quarter which estimates that available funding is sufficient for more than 5 quarters.

Securities

As at 31 December 2020, there were a total of 318,741,306 fully paid ordinary shares on issue. There were no fully paid ordinary shares issued during the December 2020 Quarter.

As at 31 December 2020, there were a total of 5,211,153 unlisted options on issue at various exercise prices and expiry dates. No unlisted options were issued, exercised or lapsed during the December 2020 Quarter.

As at 31 December 2020, there were a total of 1,260,000 performance rights on issue. No performance rights were issued, converted or lapsed during the period.

Related Party Transactions

In accordance with ASX Listing Rule 5.3.5, payments to related parties of the Company and their associates during the quarter totaled A\$0.145m. The Company advises that this relates to Non-executive Director fees. Refer to the Remuneration Report in the Annual Report for further details on director remuneration.

Interests in mining tenements

The 7 Mining Licenses awarded to CMSC span over 60km² of the 100km² Mining Agreement area. There were no mining exploration activities undertaken during the quarter.

Tenement holdings

Tenement	Colluli, Eritrea
Nature of interest	Owned
License type	Mining Licenses
Current equity	50%

There was no change in tenement holding during the December 2020 Quarter.

For more information, please contact:

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Announcement authorised for release by the board of Danakali.

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Danakali Limited

ABN

57 097 904 302

Quarter ended ("current quarter")

31 December 2020

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(193)	(993)
	(e) administration and corporate costs	(426)	(2,219)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	1	71
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	13	118
1.8	Other (provide details if material)	-	-
1.9	Net cash from / (used in) operating activities	(605)	(3.023)

2.	Cash flows from investing activities		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation	-	-
	(e) investments	-	-
	(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (funding of joint venture)	(1,261)*	(17,316)
2.6	Net cash from / (used in) investing activities	(1,261)	(17,316)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(3,326)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	(3,326)

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	12,379	33,800
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(605)	(3,023)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(1,261)	(17,316)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	(3,326)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(774)	(396)
4.6	Cash and cash equivalents at end of period	9,739	9,739

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	9,739	12,379
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (term deposit)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	9,739	12,379

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	145
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>		

Payments included in item 6.1 relates to payment of director fees (\$145k)

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	Financing facilities <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	Total financing facilities	-	-
7.5	Unused financing facilities available at quarter end		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(605)
8.2	Payments for exploration & evaluation classified as investing activities (item 2.1(d))	-
8.2a	Other (funding of joint venture) (item 2.5)	(1,261)*
8.3	Total relevant outgoings (item 8.1 + item 8.2 + item 8.2a)	(1,866)
8.4	Cash and cash equivalents at quarter end (item 4.6)	9,739
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	9,739
8.7	Estimated quarters of funding available (item 8.6 divided by item 8.3)	5.2
<p><i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i></p> <p>* The Company considers it appropriate to include cash outflows related to the funding of joint venture (investing activities) in this table given its ongoing obligation to fund these activities.</p>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:		
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer:		

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 28 January 2021.....

Authorised by: By the Audit and Risk Committee.....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.



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About Danakali

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

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

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

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

Development Finance Institutions, Africa Finance Corporation (AFC) and African Export Import Bank (Afreximbank), have obtained formal credit approval to provide CMSC with US\$200M in senior debt finance. The credit documentation was executed in December 2019, allowing drawdown of CMSC senior debt on satisfaction of customary conditions precedent. This represents the majority of funding required for the development and construction of the Colluli. AFC has also executed a Subscription Agreement and made a strategic equity investment in Danakali. The receipt of the first tranche of US\$21.6M (A\$31.8M) allowed commencement of development.

Project execution has commenced. 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 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

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case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

AMC Consultants Pty Ltd (AMC) independence

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

Quality control and quality assurance

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

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

Halite blanks and duplicate samples are submitted with each hole. Chemical analyses were conducted by Kali-Umwelttechnik GmbH, Sondershausen, Germany, utilising flame emission spectrometry, atomic absorption spectroscopy and ion chromatography. Kali-Umwelttechnik (KUTEC) has extensive experience in analysis of salt rock and brine samples and is certified according by 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⁺, Mg²⁺, Ca²⁺, Cl⁻, SO₄²⁻, H₂O) 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.

The distribution of this announcement outside the United Kingdom may be restricted by law and therefore any persons outside the United Kingdom into whose possession this announcement comes should inform themselves about and observe any such restrictions in connection with the distribution of this announcement. Any failure to comply with such restrictions may constitute a violation of the securities laws of any jurisdiction outside the United Kingdom.

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