



DANAKALI
create. nurture. grow

ASX Release:

30 July 2021

Results of Annual General Meeting

In accordance with ASX Listing Rule 3.13.2 and section 251AA of the Corporations Act, Danakali Limited (ASX: DNK, LSE: DNK, **Danakali** or the **Company**) provides the results of the Annual General Meeting of Shareholders held at 10:00am (WST) on 30 July 2021, as set out in the attached schedule. The Company advises that all resolutions were passed and decided by way of a poll.

Announcement authorised for release by the Company Secretary of Danakali.

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Danakali

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Visit the Company's website: www.danakali.com

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The Colluli Potash Project (**Project, Colluli**) is 100% owned by Colluli Mining Share company (**CMSC**), a 50:50 Joint Venture between Danakali Limited (**DNK**) and Eritrean National Mining Corporation (**ENAMCO**)



Codes:

ASX: DNK, LSE: DNK,
SO3-FRA, SO3-BER.
US Level 1 ADR's OTC-
DNKLY,
CUSIP.23585T101

Highlights:

The world's largest JORC compliant solid salt, Sulphate of Potash (**SOP**) reserve, 1.1Bt

Aiming to be the worlds first Zero Carbon SOP Producer

Development underway towards production

Financial facts:

Issued capital: 367.3m
Share price: A\$0.435
Market cap: A\$159.8m



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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.

Project execution has commenced and 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.

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.

Results of Annual General Meeting held at 10:00am (WST) on 30 July 2021

| Resolution | Manner in which the securityholder directed the proxy vote (as at proxy close): | | | | Manner in which votes were cast in person or by proxy on a poll (where applicable): | | |
|--|---|---------|------------------|---------|---|--------------------|---------|
| | For | Against | Proxy Discretion | Abstain | For | Against | Abstain |
| 1 Non-Binding Resolution to adopt Remuneration Report | 33,276,331 | 702,449 | 208,301 | 24,427 | 39,485,963 (98.25%) | 702,449 (1.75%) | 24,427 |
| 2 Election of Neil Gregson as a Director | 47,152,504 | 155,405 | 208,301 | 74,704 | 53,362,136 (99.71%) | 881,665 (0.29%) | 74,704 |
| 3 Re-election of Robert Connochie as a Director | 46,198,333 | 881,665 | 208,301 | 302,615 | 52,407,965 (98.35%) | 881,665 (1.65%) | 302,615 |
| 4 Ratification of Prior Issue of Shares – Placement | 45,072,754 | 719,542 | 208,301 | 246,372 | 51,282,386 (98.62%) | 719,542 (1.38%) | 246,372 |
| 5 Ratification of Prior Issue of Shares – Placement | 45,072,754 | 719,542 | 208,301 | 246,372 | 51,282,386 (98.62%) | 719,542 (1.38%) | 246,372 |
| 6 Issue of Shares to Related Party – Seamus Cornelius | 33,741,337 | 728,711 | 208,301 | 21,439 | 39,950,969 (98.21%) | 728,711 (1.79%) | 21,439 |
| 7 Issue of Shares to Related Party – Neil Gregson | 46,483,742 | 731,211 | 208,301 | 167,660 | 52,693,374 (98.63%) | 731,211 (1.37%) | 167,660 |
| 8 Amendment to Constitution (Special Resolution) | 47,144,042 | 203,236 | 208,301 | 35,335 | 53,353,674 (99.62%) | 203,236 (0.38%) | 35,335 |
| 9 Approval of 7.1A Mandate (Special Resolution) | 47,143,042 | 199,589 | 208,301 | 39,982 | 53,352,674 (99.63%) | 199,589 (0.37%) | 39,982 |
| 10 Approval of the grant of Security to AFC under the Senior Debt Facility | 46,923,043 | 383,210 | 208,301 | 76,360 | 53,132,675 (99.28%) | 383,210 (0.72%) | 76,360 |
| 11 Issue of Options to Related Party – Seamus Cornelius | 33,719,670 | 750,378 | 208,301 | 21,439 | 39,929,302 (98.16%) | 750,378 (1.84%) | 21,439 |