



## Danakali explores new liquidity options

### Highlights

- Danakali Board exploring new liquidity options for shareholders
- Potential for further distributions as capital returns and/or share buybacks
- Cash backing of Danakali shares post-Colluli of 10.5 cents per share
- Danakali moves forward with new project development in Eritrea

Danakali Limited (ASX: DNK, **Danakali**, or the **Company**) is pleased to announce that the Board of Directors is exploring a range of new liquidity options for shareholders following the \$154.7 million distribution from the sale of the Colluli Potash Project.

These include an off-market share buyback and further distribution of the Company's cash reserves in the form of a capital return. Any such initiatives would be open to all shareholders and backed by expert opinion on tax implications.

Following distribution to shareholders of proceeds from the sale of the Colluli Potash project, Danakali has cash reserves of approximately \$38 million, or 10.5 cents per share.

The decision to explore new liquidity options follows recent notification from the ASX that Danakali's latest proposal to seek a faster path to re-listing of the Company's shares has been rejected.

Danakali Executive Chairman Seamus Cornelius said that while the Company would continue to explore with the ASX to the best way to accelerate re-listing, Danakali would also actively explore the other liquidity options.

These include, but are not limited to, further cash distributions through a capital return, an off-market share buyback and corporate transactions where they make sense for shareholders and for the Company. Mr Cornelius said the Board would consider all potential opportunities for shareholders.

"We believe the extended suspension of our shares puts our shareholders in a difficult position and we will now explore other options to achieve additional liquidity while continuing to engage with the ASX," he said.

"In doing so, we will be mindful of the Danakali's long-term strategy of adding value through diligent management of prospective development assets, shareholder value generation as the cornerstone of any corporate transaction, and the tax effectiveness of any liquidity initiative."



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Danakali will report back to shareholders on the outcome of the Board's work and deliberations.

### **New project development – Eritrea**

Danakali is pleased to announce it has taken first steps to pursue a new resources project in Eritrea, home of the Colluli project.

The Company has applied for an Exploration Licence covering 1,537sq km where preliminary work has shown the area may be prospective for copper and gold.

Danakali has strong relationships in Eritrea and further opportunities have arisen following the Colluli transition to new owners.

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This announcement has been authorised for release by the Executive Chairman of Danakali Limited.

#### **Danakali**

Seamus Cornelius

Greg MacPherson

Executive Chairman

Chief Financial Officer

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