



Release of 2019 Financial Report

Danakali Limited (ASX: DNK, LSE: DNK) (**Danakali**, or the **Company**), the potash company focused on the development of the Colluli Potash Project (**Colluli**, or the **Project**) in Eritrea, is pleased to announce its Full Year Financial Results for the year ended 31 December 2019.

Key operational highlights

- Africa Finance Corporation (AFC) and African Export Import Bank (Afreximbank, together the Mandated Lead Arrangers), and the Company executed documentation for the provision of US\$200M in senior debt finance to CMSC (each Mandated Lead Arranger providing US\$100M).
- AFC and the Company executed a Subscription Agreement to make a US\$50M strategic equity investment in Danakali. The Placement is being conducted in two tranches. The first tranche consisted of approximately 53M new Shares issued at A\$0.60 per Share to raise A\$31.8M (US\$21.5M) and was completed on 10 December 2019.
- Mr. Niels Wage was appointed CEO based on his relevant industry experience, leadership capabilities and passion for the Colluli Potash Project and Eritrea.
- Development work had commenced including the engagement of DRA Global (DRA), CMSC's EPCM contractor.

Key financial highlights

- Cash position of A\$33.8M as at 31 December 2019.

Post-period highlights

- Following receipt in December 2019 of AFC's Tranche 1 investment of US\$21.5m (A\$31.8m), Danakali is well funded to complete the current activities and close out the balance of the funding.
- Significant progress on EPCM: Phase 1 completed on time and budget; Phase 2 has commenced.
- In light of the rapid spread of COVID-19 and its significant impact on global financial markets, the second tranche of AFC's equity funding will be deferred to allow for the stabilisation of market and global conditions.

Corporate Governance Statement

The Corporate Governance Statement is available for download from the Company's website at: https://www.danakali.com.au/images/stories/corporate-governance-statement/20200331_5_Corporate_Governance_Statement_2019.pdf



DANAKALI

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Announcement authorised for release by the Board of Danakali.

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