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ASX Release

24 April 2024

Danakali additional distribution to shareholders and appointment of new Non-Executive Director

Highlights

- Additional 2 cents per share distribution following 42 cps return in January 2024
- Blend of special dividend and capital return, total distribution of approximately \$7.4 million
- Board continues to explore additional initiatives ahead of re-listing on the ASX
- Appointment of Jon Coates (former BHP Chief Geoscientist) as Non-Executive Director

Danakali Limited (ASX: DNK, Danakali, or the Company) is pleased to announce a further distribution to shareholders flowing from the 2023 sale of the Company's stake in the Colluli Potash Project in Eritrea.

The 2 cents per share distribution brings to 44 cps the total distribution from the Colluli proceeds and reflects the Board's decision to explore further liquidity opportunities for shareholders while the shares remain suspended from ASX trading.

The distribution will be a mix of special dividend of approximately 0.924 cps and capital return of approximately 1.076 cps.

Since the initial \$154.7 million shareholder distribution in January this year, Danakali has been exploring additional liquidity options.

The proposed capital return component of the new distribution is subject to shareholder approval at the upcoming Annual General Meeting (**AGM**). Subject to the shareholders approving the capital return at the AGM in May 2024, payment of the special dividend and capital return will be made in July 2024.

The favourable foreign exchange gain on the Colluli proceeds received together with interest earned on the cash reserves have made this additional 2 cents per share distribution possible. Following this further distribution, the Company retains sufficient funds to satisfy any potential obligations that may arise from warranties in respect of the sale of the Colluli Potash Project and to take Danakali in a fresh direction with a new portfolio of exciting assets.

In the meantime, Danakali continues to engage with the ASX on re-listing terms and timetable and works through disciplined due diligence on a number of strong exploration and development projects.



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In anticipation of the change in focus when new project acquisitions occur, Danakali has appointed experienced mining industry figure Jon Coates to the Board as an Independent Non-Executive Director effective 24 April 2024.

Mr Coates has had a lengthy and successful career as a senior executive and board member in the global resources sector. He has lived and worked in a number of jurisdictions and has operated in greenfield, brownfield and mine exploration environments. His work has covered a wide range of commodities and varied geological environments. He has held senior roles in major and junior companies. The majority of his career was with Shell/Billiton, where his last position was Chief Geoscientist in the metals exploration team of BHP Billiton. More recently, Mr Coates held the role of Executive Geoscience Advisor of Ma'aden at Riyadh.

He has direct experience in remote site exploration and mining operations with complex logistics, security, community and sensitive ecosystem issues. He holds BSc and MSc degrees from the University of London and a MBA from University of Queensland.

He has broad experience across exploration, project development, mining operations and M&A, from hands-on operational roles to senior executive duties and board positions.

Danakali Chairman Seamus Cornelius said the Board was delighted to secure someone of the calibre of Mr Coates as the Company moves into a new, exciting phase.

“Jon brings outstanding skills and experience to Danakali, including minerals exploration activities at the highest level,” said Mr Cornelius.

“He brings global operational experience across a wide range of commodities including gold, copper and potash. His network is outstanding and we look forward to his valuable contribution to Danakali.”

Mr Coates will assume the role of Chair of the Audit and Risk Committee and be a member of the Remuneration and Nomination Committee.

Mr Coates will go before shareholders for re-election at the 31 May 2024 AGM.

Announcement authorised for release by the Board of Directors of Danakali.

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Danakali

Seamus Cornelius
Executive Chair

Greg MacPherson
Chief Financial Officer

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