



30 January 2026

Quarterly Report

For the period ended 31 December 2025

Highlights

- Multiple Exploration Licenses granted in Western Australia
- Continuing to advance new opportunities in Saudi Arabia and Eritrea
- Shares trading on the NSX at comparable level to peers on the ASX
- Completed the quarter with a strong cash balance of \$25.5m plus liquid investment grade bonds of \$3.5m

Danakali Limited (NSX: DNK, **Danakali**, or the **Company**) is pleased to provide this quarterly update on the activities and financial position of the Company.

Granted Exploration Licences – Yalgoo Mineral Field

During the quarter, the Department of Mines, Petroleum and Exploration (DMPE) granted the Company the following exploration licences within the Yalgoo Mineral Field, Western Australia:

- E59/3011 – Nardeen (Granted 21 October 2025)
- E59/3012 – Dongquan (Granted 23 October 2025)
- E59/3013 – Mr Magoo (Granted 23 October 2025)
- E59/3017 – Boodanoo North (Granted 31 October 2025)
- E59/3018 – Boodanoo South (Granted 31 October 2025)
- E59/3020 – Dongquan West (Granted 31 October 2025)
- E59/3027 – Bungar (Granted 26 November 2025)

The Yalgoo tenements are located in the Murchison Domain of the Yilgarn Craton, a highly prospective Archaean terrain characterised by greenstone belts and extensive mafic-ultramafic intrusions. Around 40% of northern Murchison greenstones comprise layered mafic-ultramafic intrusions and related dykes and sills. The southern tenements are dominated by the Narndee Igneous Complex, the region's second-largest mafic-ultramafic intrusion, while the northern area includes parts of the Windimurra Igneous Complex, felsic intrusives of the Mount Kenneth and Tuckanarra Suites, and metasedimentary rocks of the Yaloginda Formation. The Bungar tenement is largely underlain by granitic and gneissic basement with minor mafic-ultramafic lenses. Historical exploration has identified gold,



nickel, copper and rare earth anomalies, underscoring the district's early-stage mineral potential.

Granted Exploration Licences – Peak Hill Mineral Field

In addition to the Yalgo tenements, Danakali was granted the following exploration licences within the Peak Hill Mineral Field, Western Australia:

- E52/4503 – Errida Creek (Granted 3 November 2025)
- E52/4504 – Errabiddy (Granted 3 November 2025)

These tenements are located approximately 190 km northwest of Meekatharra.

The Peak Hill tenements are situated along the north-western margin of the Archaean Yilgarn Craton. Based on 1:100,000 scale bedrock geology mapping, the area is dominated by granite-gneiss basement rocks, with local occurrences of high-grade Proterozoic gneiss belonging to the Yarlarweelor Gneiss Complex, adjacent to the Gascoyne Complex.

Saudi-Arabia Opportunities

During the quarter, Danakali conducted visits to the Kingdom of Saudi Arabia, assessing several potential exploration sites. Our organisation is actively strengthening regional networks and enhancing collaboration with our joint venture partner, MASADAR AL-ZAMARDA For Mining (Emerald). We remain committed to identifying and evaluating prospective locations that are consistent with our strategic objectives for resource exploration. During the quarter a site visit with Emerald to open ground successfully identified a prospective area for application outside of the formal public auction process.

Eritrea

During the quarter, the Company continued to engage with the relevant ministries concerning the Ela Gedel application. We remain committed to securing an exploration opportunity in Eritrea, aiming to unlock the nation's significant and largely untapped mineral potential. Mr. Cornelius will visit Eritrea in the 1st week of February, 2026 to discuss the application's progress.

NSX Performance

The transition to the NSX has benefited shareholders, as share liquidity on the NSX platform is consistent with that observed in peer companies listed on the ASX. Danakali enjoyed the 2nd highest volume and value of shares traded in 2025 on the NSX. We expect increased activity and news flow in 2026 to substantially increase both the volume and value of shares traded. The successful takeover of NSX by the Canadian Securities Exchange (SEC) in late 2025 is also expected to drive positive developments for the NSX.



Corporate Development

Danakali is methodically advancing its corporate development strategy by evaluating potential exploration projects focused on precious and critical mineral resources. The Company remains committed to reviewing various mineral exploration and development opportunities and will disclose any material developments to the market in accordance with regulatory requirements.

We conducted an initial site visit to many of the granted tenements in Western Australia along with some of the application areas and continued desk top studies and a detailed review of historical information.

Capital

Cash

Consolidated cash on hand was \$25.5 million on 31 December 2025. Investment in liquid investment grade bonds amounted to \$3.5 million. Please refer to the Statement of Cash Flows for the quarter.

Securities

As at 31 December 2025, there were 363,497,522 fully paid ordinary shares on issue. No shares were issued during the quarter.

As at 31 December 2025, there are 9,725,000 options on issue. There were no other movements in options during the quarter.

Related Party Transactions

Payments to related parties of the Company and their associates during the quarter totalled \$140,000 in relation to Director fees and remuneration.

Refer to the Remuneration Report in the Financial Report for further details on director remuneration.

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

For more information, please contact:

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Forward looking statements and disclaimer

The information in this document is published to inform you about DNK and its activities. DNK 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 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 events may differ materially from those in forward-looking statements.

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Quarterly Report

Name of entity

DANAKALI LIMITED

ABN

57 097 904 302

Quarter ended ("current quarter")

31 December 2025

Consolidated statement of cash flows

| Cash flows related to operating activities | | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|--------------------------------------------------|-------------------------------------------------------|----------------------------|----------------------------------------|
| 1.1 | Receipts from customers | - | - |
| 1.2 | Payments for | | |
| | (a) staff costs | (689) | (1,898) |
| | (b) advertising and marketing | - | - |
| | (c) research and development | - | - |
| | (d) leased assets | - | - |
| | (e) other working capital | (126) | (942) |
| 1.3 | Dividends received | - | - |
| 1.4 | Interest and other items of a similar nature received | 288 | 1,270 |
| 1.5 | Interest and other costs of finance paid | - | - |
| 1.6 | Income taxes paid | - | - |
| 1.7 | Other (provide details if material) ¹ | (206) | (222) |
| Net operating cash flows | | (733) | (1,792) |
| <i>¹ Exploration & Evaluation</i> | | | |

| | Current quarter \$A'000 | Year to date (12 months) \$A'000 |
|------------------------------------------------------|----------------------------|----------------------------------------|
| 1.8 Net operating cash flows (carried forward) | (419) | (1,060) |
| Cash flows related to investing activities | | |
| 1.9 Payment for acquisition of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | (6) | (109) |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities | - | - |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other (Fixed Income Bonds) | (3,549) | (3,549) |
| Net investing cash flows | - | - |
| 1.14 Total operating and investing cash flows | (3,555) | (3,658) |
| Cash flows related to financing activities | | |
| 1.15 Proceeds from issues of shares, options, etc. | - | - |
| 1.16 Proceeds from sale of forfeited shares | - | - |
| 1.17 Proceeds from borrowings | - | - |
| 1.18 Repayment of borrowings | - | - |
| 1.19 Dividends paid | - | - |
| 1.20 Other- Payment for share buyback | - | (218) |
| Net financing cash flows | - | (218) |
| Net increase (decrease) in cash held | (4,288) | (5,668) |
| 1.21 Cash at beginning of quarter/year to date | 29,798 | 31,182 |
| 1.22 Exchange rate adjustments | - | (4) |
| 1.23 Cash at end of quarter | 25,510 | 25,510 |

Payments to directors of the entity and associates of the directors**Payments to related entities of the entity and associates of the related entities**

| | Current quarter \$A'000 |
|-----------------------------------------------------------------------|----------------------------|
| 1.24 Aggregate amount of payments to the parties included in item 1.2 | 140 |
| 1.25 Aggregate amount of loans to the parties included in item 1.11 | - |

1.26 Explanation necessary for an understanding of the transactions

Payments included in 1.24 relates to payment of director fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

Financing facilities available

Add notes as necessary for an understanding of the position. (See AASB 1026 paragraph 12.2).

| | Amount available \$A'000 | Amount used \$A'000 |
|---------------------------------|-----------------------------|------------------------|
| 3.1 Loan facilities | - | - |
| 3.2 Credit standby arrangements | - | - |

Reconciliation of cash

| Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows. | Current quarter \$A'000 | Previous quarter \$A'000 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|-----------------------------|
| 4.1 Cash on hand and at bank | 12,510 | 499 |
| 4.2 Deposits at call | 13,000 | 29,299 |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.22) | 25,510 | 29,798 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|-----------------------------------------------|-------------------------------|-----------------------------|
| 5.1 Name of entity | - | - |
| 5.2 Place of incorporation or registration | - | - |
| 5.3 Consideration for acquisition or disposal | - | - |
| 5.4 Total net assets | - | - |
| 5.5 Nature of business | - | - |

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to NSX.
- 2 This statement does give a true and fair view of the matters disclosed.

Approved by: The Audit & Risk Committee

Date: 30 January 2026

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 1026: Statement of Cash Flows* apply to this report except for the paragraphs of the Standard set out below.
 - 6.2 - reconciliation of cash flows arising from operating activities to operating profit or loss
 - 9.2 - itemised disclosure relating to acquisitions
 - 9.4 - itemised disclosure relating to disposals
 - 12.1(a) - policy for classification of cash items
 - 12.3 - disclosure of restrictions on use of cash
 - 13.1 - comparative information
3. **Accounting Standards.** NSX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.