



DANAKALI

Information Memorandum

Danakali Limited

ACN: 097 904 302

Dated: 12 November 2024

This is an important document that should be read in its entirety. If you do not understand any component of this Information Memorandum you should consult your professional advisors. No securities will be issued or sold under this Information Memorandum.

IMPORTANT INFORMATION**Issue of this document**

This document has been prepared by Danakali Limited ACN 097 904 302 (“the Company” or “Danakali”) in connection with its application to the National Stock Exchange of Australia Limited (‘the NSX’) for admission of its fully paid ordinary shares to listing on the NSX.

The Company does not propose to raise capital within three months of admission to the Official List and has not raised capital in the previous three months prior to admission to the Official List.

This document is dated 12 November 2024.

Purpose of this Information Memorandum

This document has been prepared solely for information purposes and to assist investors in evaluating the Company. Neither the Company nor any other person (not limited to any person named in this document) has independently verified any of the information or data contained in this document. No Securities will be issued or sold pursuant to this Information Memorandum.

This document is not a prospectus, investment statement, product disclosure statement or offer information statement and does not constitute an offer of securities or an invitation to apply for the issue of securities, either expressly or by implication, in any jurisdiction. This document has a lower level of disclosure requirements than a prospectus or offer information statement.

A copy of this Information Memorandum has not been lodged with ASIC as this Information Memorandum is not a disclosure document for the purposes of the Corporations Act. ASIC takes no responsibility for the contents of this Information Memorandum.

Nominated Adviser

The Nominated Adviser assumes no responsibility for the accuracy or completeness of the information contained herein (financial, legal, or otherwise). In making an investment decision, investors must rely on their own examinations of the Company and the terms of this Information Memorandum, including the merits of risks involved. Moreover, the contents of this Information Memorandum are not to be construed as legal, business or tax advice. Each prospective investor is urged to consult its own lawyer, business or tax advisor for advice.

Investment decisions

This document is not, and should not be construed as, a recommendation or advice by the Company, or by any other person (not limited to any person named in this document) to invest in the Company now or at any time in the future. Any prospective investor should conduct his or her own investigations and analysis of the Company, its financial condition, the assets and liabilities of the business and its affairs generally, including without limitation the contents of this document.

This document does not take into consideration the individual investment objectives, financial situation, or needs of any particular person. Any prospective investor should consider his or her own situation and consider seeking independent advice from suitably qualified professional sources before deciding whether or not to invest in the Company.

Application has been made for listing of the Company’s securities to the National Stock Exchange of Australia Limited. The fact that the National Stock Exchange of Australia Limited may list the

securities of the Company is not to be taken in any way as an indication of the merits of the Company or the listed securities.

The National Stock Exchange of Australia takes no responsibility for the contents of this Information Memorandum, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Information Memorandum.

If the Company's application is successful, its NSX ticker code will be DNK. If, and when this occurs, the Listing Rules will apply to the Company (subject to any waivers or rulings given from time to time by the NSX).

Valuations

No independent valuations were obtained for the Information Memorandum. The initial listing price will be based on upon a number of factors including, but not limited to, current prices quoted, valuation of underlying assets (including cash), market liquidity, and director assumptions (which are subject to change without notice) and publicly available information.

Unauthorised representations

No person is authorised by the Company to give any information or make any representation that is not contained in the Information Memorandum or is not publicly disseminated through the official announcement platform of the NSX. Any information or representation not contained in this Information Memorandum may not be relied on as having been authorised by the Company, its Directors, or any other person.

Exclusion of liability

Nothing in this document is a promise or representation as to the future. Any prospective investor must make his or her own investigations and inquiries about the assumptions, uncertainties and contingencies which may affect the Company. Neither the Company nor any other person (not limited to persons named in this document) has authorised the making of any statement not expressly contained in this document.

Currency of information

All information in this document is, unless otherwise specifically stated, current only as at the date of issue of this document and then only to the extent that relevant information is available at the time of compilation of this document.

The publication of this document does not create any implication that there will be, or has been, no change in the business or affairs of the Company as at the date of issue of this document.

The Company may in its absolute discretion, update or supplement this document but is under no obligation to do so.

Forward looking statements

This Information Memorandum contains forward-looking statements concerning the Company's business, operations, financial performance and condition as well as the Company's plans, objectives and expectations for its business, operations and financial performance and condition. Any statements contained in this Information Memorandum that are not of historical facts may be

deemed to be forward-looking statements. You can identify these statements by words such as “aim”, “anticipate”, “assume”, “believe”, “could”, “due”, “estimate”, “expect”, “goal”, “intend”, “may”, “objective”, “plan”, “predict”, “potential”, “positioned”, “should”, “target”, “will”, “would” and other similar expressions that are predictions of or indicate future events and future trends.

These forward-looking statements are based on current expectations, estimates and projections about the Company’s business and the industry in which the Company operates and management’s beliefs and assumptions.

These forward-looking statements are not guarantees of future performance or development and involve known and unknown risks, uncertainties and other factors that are in some cases beyond the Company’s control. As a result, any or all of the Company’s forward-looking statements in this Information Memorandum may turn out to be inaccurate. Factors that may cause such differences include, but are not limited to, the risks described in the Section under the heading “Risk Factors” at Section 5.

Readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. These forward-looking statements speak only as at the date of this Information Memorandum. Unless required by law, the Company does not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise. You should, however, review the factors and risks the Company describes in the reports to be filed from time to time with the NSX after the date of this Information Memorandum.

Rounding of numbers

Some numerical figures included in this Information Memorandum have been subject to rounding adjustments. Accordingly, numerical figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

Trademarks

This Information Memorandum may also include trademarks, trade names and service marks that are the property of other organisations.

Defined words and abbreviations

Capitalised terms used in this Information Memorandum are defined terms and have the specific meaning given to them in this Information Memorandum and in the Glossary in Section 10. Unless otherwise indicated, all references to dates and time are to dates and time in Australia.

Photographs and diagrams

Photographs and diagrams used in this Information Memorandum that do not have descriptions are for illustration only and should not be interpreted to mean that any person shown in them endorses this Information Memorandum or its contents or that the assets shown in them are owned by the Company. Diagrams used in this Information Memorandum are illustrative only. Unless otherwise stated, all data contained in graphs and tables is based on information available as at the date of this Information Memorandum.

Electronic Information Memorandum

A copy of this Information Memorandum can be downloaded from the website of the Company at www.danakali.com.au.

You may obtain a hard copy of this Information Memorandum free of charge by contacting the Company by phone on +61 8 9467 9119 during office hours or by emailing the Company at admin@danakali.com.

Continuous disclosure obligations

Following admission of the Company to the Official List, the Company will be a “disclosing entity” (as defined in section 111AC of the Corporations Act) and, as such, will be subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company will be required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Shares.

Price sensitive information will be publicly released through NSX before it is disclosed to Shareholders and market participants. Distribution of other information to Shareholders and market participants will also be managed through disclosure to the NSX. In addition, the Company will post this information on its website after the NSX confirms an announcement has been made, with the aim of making the information readily accessible to the widest audience.

ASX announcements

All prior announcements made on the ASX can be located on the Company’s website at <https://investorhub.danakali.com.au/announcements>.

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1. INVESTMENT OVERVIEW

This information is a selective overview only and is not intended to provide full information for investors intending to invest in the Shares. Prospective investors should read this Information Memorandum in full before deciding whether to invest in the Shares.

Topic	Summary	For further information
Issuer of this Information Memorandum	Danakali Limited (ACN 097 904 302), a company incorporated in Western Australia, Australia.	
Purpose of this Information Memorandum	This Information Memorandum is issued in connection with the Company's application for a Compliance Listing on the NSX.	Chair's Letter and Section 6
The Company's Corporate Structure	The Company was incorporated in Western Australia as an Australian public company limited by shares on 21 August 2001. The Company changed its name to Danakali Ltd on 29 May 2015. The Company is the holding company of Danakali (KSA) Pty Ltd and Danakali Investments Pty Ltd.	Section 2.1
What is the business of the Company?	Danakali is a precious and critical mineral exploration and development company focused on assets in the Arabian-Nubian Shield and Australia.	Section 2.2
How does the Company expect to fund its future operations?	The Company currently has sufficient cash reserves to fund the envisaged initial exploration and operational activities. Future capital funding for further exploration and development costs will be required. The Company intends to source future funding from new equity investment, debt financing, and revenue from long-term mineral sales.	Section 2.3
Reasons for listing on the NSX	The Directors believe that the listing of the Shares on the NSX is beneficial to the Company and Shareholders as it will: (a) improve the liquidity of the Company's assets and Shares, allowing it to expand its business and achieve long-term growth by gaining access to the capital markets by listing on an internationally recognised securities exchange such as the NSX; and	Section 6.2



Topic	Summary	For further information
	(b) provide ongoing access to capital markets through a respected securities exchange to pursue growth opportunities.	
Key benefits of investing in the Company	<p>The benefits of investing in the Company include the following:</p> <ul style="list-style-type: none"> (a) exposure to early-stage mineral discovery; (b) strong cash balance; (c) exposure to the vastly under-explored area in Eritrea, the Kingdom of Saudi Arabia, as well as in Australia; (d) an experienced team of personnel with a strong track record of successful project development. 	Section 6.2
Key risks of investing in the Company	<p>There are a number of risks associated with investing in the share market generally and in the Company specifically. Key risks associated with an investment in the Company are set out below. Full details of these and other risks associated with an investment in the Company are set out in Section 5:</p> <ul style="list-style-type: none"> (a) Exploration risk; (b) Tenure and title risk (c) Environmental risk; (d) Future funding risk; and (e) Speculative risk. 	Section 5
Key dependencies of the Company's business model	<p>The key dependencies of the Company's business model include:</p> <ul style="list-style-type: none"> (a) the ability of the Company to successfully secure prospective exploration licences; (b) the continued support received from the relevant Ministries in Eritrea and the Kingdom of Saudi Arabia; and (c) retaining and recruiting key personnel; (d) exploration success; (e) successful project development. 	Section 2.3



Topic	Summary	For further information												
What is the Company's growth strategy?	<p>The growth strategy is to develop the Company's assets through the various value creation stages of an exploration and mining company:</p> <ul style="list-style-type: none"> (a) Exploration & Study Activities: Upon acquisition of interests in tenements, explore target tenements to identify target minerals and advance projects to a bankable feasibility study. (b) Expansion of Exploration Activities: Seek new mineral deposits to expand the company's resource base. (c) Acquisition of Additional Properties: Target undervalued properties with high potential for future development. (d) Development Activities: Following the completion of feasibility studies, seek to develop exploration tenements into operating mines. (e) Strategic Partnerships: Form alliances with strategic partners to leverage expertise and resources for large-scale projects. 	Section 2.3.12												
Capital Structure	<p>The Company's capital structure at admission is set out below:</p> <table border="1"> <thead> <tr> <th>Shareholders</th><th>Shares</th><th>%</th></tr> </thead> <tbody> <tr> <td>Directors and substantial shareholders</td><td>123,845,727</td><td>33.62%</td></tr> <tr> <td>Other existing Shareholders (free float)</td><td>244,488,619</td><td>66.38%</td></tr> <tr> <td>Total</td><td>368,334,346</td><td>100%</td></tr> </tbody> </table> <p>Upon admission to the Official List, 66.38% of the Company's Shares will be in "public hands" in accordance with NSX Listing Rule 3.9.</p>	Shareholders	Shares	%	Directors and substantial shareholders	123,845,727	33.62%	Other existing Shareholders (free float)	244,488,619	66.38%	Total	368,334,346	100%	Section 8.1
Shareholders	Shares	%												
Directors and substantial shareholders	123,845,727	33.62%												
Other existing Shareholders (free float)	244,488,619	66.38%												
Total	368,334,346	100%												
Financial information	<p>This Information Memorandum contains Historical Financial Information about the Company for the past three financial years. Refer to Section 6 for this information.</p>	Section 6												
Directors of the Company	<p>The Board currently consists of:</p> <ul style="list-style-type: none"> (a) Seamus Cornelius – Executive Chair; (b) Paul Donaldson - Non-Executive Director; 	Section 4												



Topic	Summary	For further information
	<p>(c) Taiwo Olasupo Adeniji - Non-Executive Director;</p> <p>(d) Jing Zhang – Non-Executive Director; and</p> <p>(e) Jonathan Coates - Non-Executive Director.</p> <p>The profiles of each of the Directors are set out in Section 4.1.</p>	

2. CHAIR'S LETTER

Dear Investor

On behalf of the directors of Danakali Ltd, it gives me great pleasure to introduce you to the Company.

Danakali was incorporated to explore and develop mineral resources in Australia and East Africa, initially focusing on nickel, gold, and base metals. Following various early exploration successes, the Company restructured its projects into other entities and eventually shifting Danakali's focus to the Colluli Potash Project in Eritrea, East Africa, which became its flagship asset due to its high-grade potash deposits.

The Company advanced the project, securing feasibility studies, environmental approvals, and significant funding. In 2023, Danakali sold its Colluli stake for A\$240 million which led to the Company being suspended from the Australian Securities Exchange (**ASX**) due to lack of operating activities. In 2024, the Company distributed A\$162 million back to the shareholders from the Colluli sale and has retained sufficient funds to satisfy potential obligations arising from the sale of the project and to take Danakali in a fresh direction with a new portfolio of exciting assets.

Building on the Company's success in Eritrea, Danakali is now broadening its focus and is moving forward with its vision to become a preferred partner for the exploration and development of precious and critical minerals in the Arabian-Nubian Shield and in Australia.

Danakali has initiated the application process for the Ela Gadel exploration license in Eritrea, which is well advanced, targeting a region with strong potential for copper and gold discoveries. The Company has also made significant progress in establishing a partnership with a prominent Saudi Arabian group and has engaged advisors in Riyadh to access emerging mineral opportunities in Saudi Arabia, with a strategic focus on gold, copper, and battery metals.

The Company is currently suspended on the ASX as its operations do not meet the requirements of ASX Listing Rule 12.1. Central to the decision is the fact the ASX Listing Rules require that companies seeking to re-comply with the ASX Listing Rules under the assets test must have commitments to spend at least half of their cash reserves on their stated objectives within two years of re-listing.

Notwithstanding the Company's track record of success in project development and delivering cash returns to shareholders, this rule applied rigidly to Danakali. This presents Danakali with a corporate governance dilemma given the Board's view that it would not be in Shareholders' interests to needlessly spend money on exploration purely to facilitate re-listing. The Board is of the view that there is no case for committing more than \$15 million to exploration over the next two years when the funding requirement for the projects Danakali is currently contemplating is far lower. The Board considers such commitment would be an imprudent use of Shareholders' funds as the Company does not need to spend money at those levels to test and advance the projects it is currently considering.

The Danakali Board has made a proactive decision to delist from the ASX and transfer the Company's listing to the National Stock Exchange of Australia (**NSX**). Subject to NSX admitting the Company to its Official List, the Company's Shares will be quoted on the NSX, so that the Company can be provided with ongoing access to capital markets through a respected securities exchange to pursue growth opportunities. Importantly, the NSX provides Danakali and its Shareholders with liquidity, a robust and professional trading platform, well-suited to support the Company's strategic goals.

This Information Memorandum is issued for the purpose of supporting the application to list the Company on the NSX. It contains detailed information about the Company and its business, as well as the risks of investing in the Company, and I encourage you to read it carefully.

Danakali comes to the NSX with approximately \$31 million cash in the bank and a pipeline of new project opportunities consistent with the Company's stated vision and proven strategy of delivering returns to investors.

For Shareholders, the transition will be largely seamless, with Computershare continuing to manage the share register. Full details of the logistics involved will be communicated to Shareholders well in advance of the move.

If you have any queries regarding this Information Memorandum, please contact the Company or consult your licensed financial adviser, stockbroker or other professional adviser.

Yours sincerely

Yours sincerely



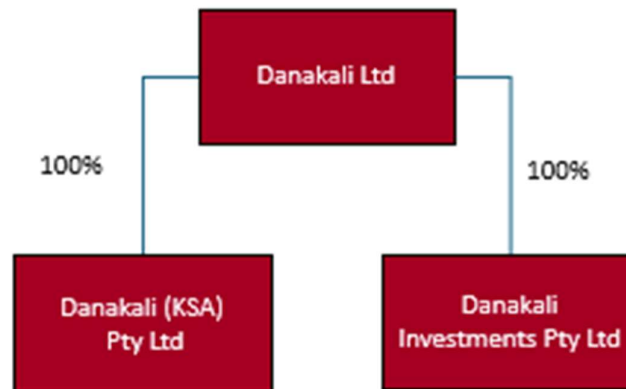
Seamus Cornelius

Executive Chair

3. BUSINESS DESCRIPTION

3.1. Corporate Structure

The Company was incorporated in Western Australia on 21 August 2001, was admitted to the official list of ASX in October, 2003, and is the holding company of Danakali (KSA) Pty Ltd and Danakali Investments Pty Ltd. The Group structure as at the date of this Information Memorandum is shown in the diagram below.



3.2. Company Vision

Danakali's vision is to become a preferred partner for the exploration and development of precious and critical minerals in the Arabian-Nubian Shield and Australia.

3.3. Business Model

3.3.1. Summary

The business model set out in this Section outlines Danakali's strategic approach as a minerals exploration and development company, focused on identifying, acquiring, and developing mineral-rich properties. The Company aims to create value through the discovery, development, extraction, and sale of mineral resources such as gold, copper, and other critical minerals essential for industrial and technological applications.

3.3.2. Business Objectives

- **Identify and Acquire High-Potential Mineral Properties:** Focus on regions with a high likelihood of mineralisation based on geological data and historical exploration.
- **Efficiently Develop and Monetise Mineral Assets:** Through advanced exploration techniques, feasibility studies, and strategic partnerships.
- **Sustainable and Responsible Mining Practices:** Implement environmentally and socially sound practices and maintain strong community relations.
- **Maximise Shareholder Value:** Through strategic resource management, cost control, and timely market entry.

3.3.3. Target Market

- **Industries:** Manufacturing, technology, automotive (especially electric vehicles), construction, and energy sectors requiring minerals like copper, nickel and gold.
- **Geographical Focus:** Regions with rich mineral deposits. Current focus areas are Australia and the Arabian-Nubian Shield (Eritrea & Saudi Arabia).

3.3.4. Future Income and Funding Streams

Seeking out opportunities for the following:

- **Sale of Minerals:** Direct sale of extracted minerals to smelters, refineries, and end-users.
- **Partnerships and Joint Ventures:** Collaborations with governments and other mineral resource companies pursuing the exploration and development projects.
- **Equity Investments:** Attracting investors through equity stakes in the Company or specific projects.

3.3.5. Key Activities

- **Exploration:** Use geological surveys, drilling, and sampling to identify and assess mineral deposits.
- **Acquisition:** Acquire rights to explore and develop mineral-rich ground through purchases, leases, or joint ventures.
- **Development:** Conduct feasibility studies, environmental assessments, and infrastructure development to prepare for mining operations.
- **Mining and Extraction:** Implement efficient mining operations, employing state-of-the-art technologies to maximise resource recovery.
- **Processing and Refining:** Depending on the resource, engage in on-site or off-site processing and refining to increase the purity and value of the minerals.
- **Marketing and Sales:** Establish relationships with buyers, negotiate contracts, and manage logistics for the sale and delivery of minerals.

3.3.6. Key Resources

- **Experienced Exploration Team:** Geologists, mining engineers, metallurgists and environmental specialists with expertise in mineral exploration and extraction.
- **Advanced Technology and Equipment:** Drilling rigs, geophysical survey tools, and processing plants.
- **Strategic Partnerships:** Collaborations with local governments, communities, and other mining companies.
- **Capital Investment:** Funding for exploration, development, and operational costs.

3.3.7. Key Partnerships

- **Mining Companies:** Partnerships or joint ventures with larger mining firms for expertise and capital.
- **Local Governments and Communities:** Engaging with local stakeholders to ensure compliance and obtain necessary permits.
- **Environmental Consultants:** Collaborating with experts to minimise environmental impact and adhere to regulations.
- **Technology Providers:** Working with companies that supply cutting-edge exploration and mining technology.

3.3.8. Cost Structure

- **Exploration Costs:** Geological and geophysical surveys, drilling, sampling, and feasibility studies.
- **Development Costs:** Infrastructure development, environmental assessments, and equipment acquisition.
- **Operational Costs:** Labor, energy, maintenance, and transportation.
- **Regulatory Compliance:** Costs associated with environmental impact assessments, permits, and community relations.
- **Marketing and Sales:** Costs related to market research, contract negotiations, and logistics.

3.3.9. Value Proposition

The Company aims to achieve the following which will have the potential to generate growth and value for Shareholders:

- **Discovery of High-Quality Mineral Resources:** The discovery of mineral resources provides significant value by unlocking access to high-demand, strategically important raw materials essential for various industries.
- **Development of High-Quality Mineral Resources:** The early-stage development of mineral resources offers significant upside potential for investors, as the value of these assets typically increases substantially as they are developed and brought into production.
- **Conversion of Mineral Assets into Profit:** Taking mineral discoveries and developing them into productive, revenue-generating assets. By efficiently extracting and processing minerals, the Company will seek to turn raw resources into profitable products for the market.
- **Supply of Essential Resources:** Provide a consistent and reliable supply of critical minerals needed by various industries, including technology, construction, and energy.

- **Sustainable and Responsible Mining:** Commitment to environmental stewardship and social responsibility, ensuring long-term operational sustainability.

3.3.10. Customer Segments

- **Investment Firms:** Investors seeking exposure to the minerals and mining sector through equity investments.
- **Large Mineral Resource Companies:** Mineral resource companies seeking to expand their operations or replace their depleting finite resources.
- **Refineries and Smelters:** Facilities that process raw minerals into refined products for various industries.
- **Industrial Manufacturers:** Companies in need of raw materials for batteries, electronics and high-tech applications.

3.3.11. Funding

- **Cash Reserves:** Current cash reserves of approximately \$31 million will be used for initial funding for exploration, equipment, and operational costs.
- **Capital Requirements:** Future capital funding for further exploration and development costs will be required.
- **Funding Sources:** Equity investment, debt financing, and revenue from long-term mineral sales.

3.3.12. Growth Strategy

- **Exploration & Study Activities:** Upon acquisition of interests in tenements, explore target tenements to identify target minerals and advance projects to a bankable feasibility study.
- **Development Activities:** Following the completion of feasibility studies, seek to develop exploration tenements into operating mines.
- **Expansion of Exploration Activities:** Seek new mineral deposits to expand the Company's resource base.
- **Acquisition of Additional Properties:** Target undervalued properties with high potential for future development.
- **Strategic Partnerships:** Form alliances with strategic partners to leverage expertise and resources for large-scale projects.

3.3.13. Exit Strategies

- **Merger or Acquisition:** Positioning the Company as an attractive acquisition target for larger mining firms.
- **Asset Sale:** Selling individual mineral properties or production rights to generate returns for investors.

This business model provides a framework for building Danakali's minerals exploration and development business, focusing on sustainable growth, efficient operations, and strong returns for investors.

3.4. Company History

The Company was incorporated on 21 August 2001, under the name South Boulder Mines Ltd, with a primary focus on the exploration and development of mineral resources in Australia and East Africa. Initially, the Company concentrated on exploring nickel, gold, and base metals in Western Australia.

During its early years, the Company achieved various exploration successes which led to the strategic unbundling of projects into new ASX-listed entities or exiting projects at opportune moments.

A pivotal moment in the Company's history came when it shifted its focus to the Colluli Potash Project in Eritrea, East Africa (the "Colluli Project"). This project, known for its vast and high-grade potash deposit, quickly became the Company's flagship asset. The Colluli deposit is particularly notable for its potential to produce a diverse range of potassium-bearing products, including Sulphate of Potash ("SOP"), a premium fertiliser.

In May 2015, the Company changed its name to Danakali Ltd to underscore its strategic commitment to the Colluli Project and to reflect its evolution from a multi-commodity exploration company to one singularly focused on potash production.

Under the new name Danakali Ltd, the Company advanced the Colluli Project through various development stages, achieving key milestones such as completing a definitive feasibility study, securing mining licenses, and obtaining environmental approvals. Additionally, the Company successfully secured offtake agreements and raised US\$200 million in debt funding necessary for the project's development.

In 2021, recognising an opportunity to maximise Shareholder value, Danakali decided to exit the Colluli Project. The Company sold its interest in the project for approximately A\$240 million in March 2023 and subsequently returned approximately A\$162 million to shareholders (after taxes).

The Company was suspended from trading on the ASX on 3 April 2023 following the disposal of the Colluli Project, as the ASX deemed that Danakali's operations, post the disposal, were inadequate to warrant continued quotation of the Company's securities in accordance with of ASX Listing Rule 12.1.

The Board is now pursuing a listing on the NSX to ensure that Danakali's shares remain available for trading on a regulated market, offering liquidity options for Shareholders and sustained access to capital markets. The Board is of the view that the NSX listing will support the Company's ability to pursue growth opportunities through a respected securities exchange.

3.5. Current Activities

After divesting its primary venture, the Colluli Project, in 2023, the Company has restructured its team, now comprising highly specialised professionals focused on discovering new opportunities and creating value for Shareholders.

Danakali is actively pursuing assets in three countries: Eritrea, the Kingdom of Saudi Arabia and Australia. The status of these opportunities are as follows:

Eritrea

The Eritrean government keenly encourages foreign exploration of its abundant mineral resources. Building on Danakali's successful track record with the Colluli Project, the Company is eager to return to Eritrea, leveraging its experience to further explore and develop the country's largely untapped mineral potential.

In November 2023, Danakali submitted an application for an exploration license for the highly promising Ela Gedel Gold and Base Metal Project in Eritrea's Gash Barka region. The Ministry of Energy and Mining ("MoEM") welcomed Danakali's application, confirming that it was complete and met all necessary criteria for approval.

In September 2024, Danakali Executive Chairman Seamus Cornelius and Chief Financial Officer Greg MacPherson conducted a site visit to the Ela Gedel exploration application area in Eritrea. The visit was formally approved by the MoEM, which also facilitated the presence of a senior geologist to accompany and guide our delegation during their visit. This collaboration highlights the Ministry's ongoing support for foreign exploration of Eritrea's rich mineral resources. Danakali's track record of positive contribution and success through Colluli Potash Project in Eritrea puts the Company in good standing with the local community.

Located southwest of Asmara, the capital of Eritrea, the Ela Gedel exploration license area spans approximately 1,500 square kilometres. The region is considered highly prospective for both gold and copper, with evidence of historical workings with more recent areas of artisanal gold mining activity. Despite the minimal modern exploration carried out thus far, the MoEM has identified several promising gold and copper prospects scattered throughout the area, many of which are in relatively close proximity to Molki, the administrative hub of the sub-zone.

Accessibility to the site is facilitated by a network of moderately good roads that run from Asmara through towns such as Mendefera, Areza, and Mai-Dima. These transport routes enhance the project's feasibility and logistical considerations for ongoing exploration activities.

Significantly, Danakali has now received confirmation from the MoEM that the review of its application for the Ela Gedel exploration license is progressing to its final stage. However, as at the date of this Information Memorandum, there is no certainty that matters contemplated above will proceed.

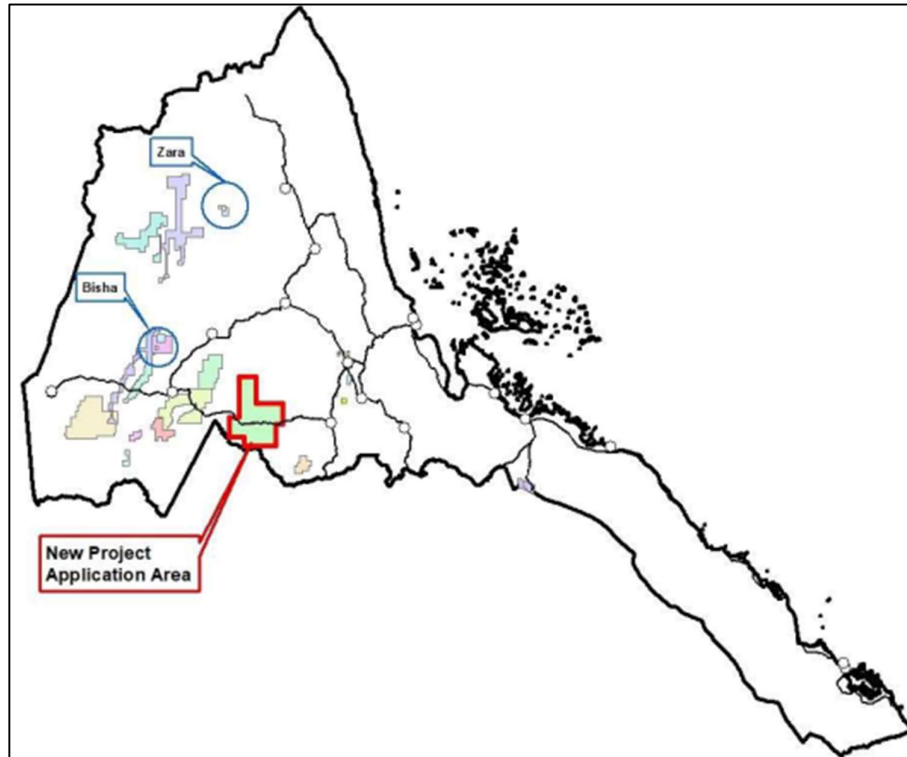


Figure 1: Location of Ela Gedal Exploration Tenement

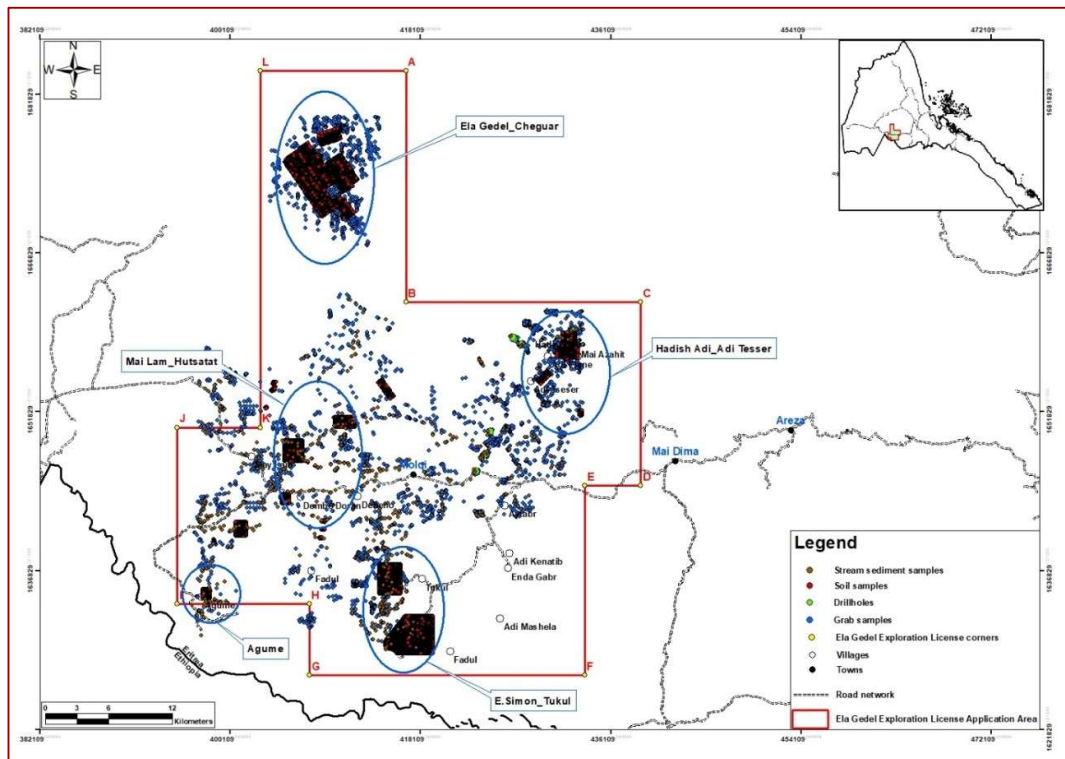


Figure 2: Ela Gedal Exploration Tenement.



Figure 3: Image of prospecting site approximately 9km North of Molki

Kingdom of Saudi Arabia (“KSA”)

Investment into Saudi Arabia offers access to the largest economy in the Middle East and North Africa. With a growing market of 35 million people, KSA is rapidly expanding its private sector, guided by its “Vision 2030” initiative.

Establishing KSA as the next world’s “mineral hub” is one of the pillars of KSA’s industrial growth strategy. Through collaboration with ministries, government agencies, and the private sector, Vision 2030 seeks to unlock new opportunities for mining companies across the country.

KSA has a variety of metallic and non-metallic resources that range in size to world class. Most metallic-mineral resources are located in the Arabian Shield, in the western half of KSA. Danakali's interest in the geological formations along the Red Sea spans both Saudi Arabia and Eritrea. A development in Saudi Arabia could present good opportunities for the Company, leveraging its regional expertise and successful track record. This potential is further reinforced by strong local interest from the financing sector, which is eager to gain exposure to the growing hard rock minerals market in both Saudi Arabia and Africa.

Danakali has signed a non-binding term sheet with a prominent group in KSA, for the establishment of an exploration joint venture company, in which Danakali will hold an 80% interest, to explore prospective mineral projects in KSA (“Term Sheet”).

Pursuant to the Term Sheet, the KSA group will leverage its extensive relationships in KSA to identify and introduce potential mining exploration opportunities to the Company. The KSA group will coordinate the generation of business development opportunities and carry out business development activities in Saudi Arabia as requested by Danakali. Additionally, the KSA group will identify exploration licenses or applications for exploration activities, which could be developed into an operational mine if the land qualifies as a “Designated Development Project” (being an area identified by Danakali which has reasonable prospects for development based on the results of the exploration operations of the joint venture company).

Upon securing an appropriate exploration licence, Danakali will establish an incorporated joint venture with the KSA group and contribute a minimum of US\$4 million for the establishment and initial exploration programme. Danakali will provide the technical and commercial mining expertise, lead the evaluation assessments of potential exploration areas, and spearhead the development of technical, commercial, and financial plans.

The Term Sheet is non-binding and the matters set out above are subject to execution of binding joint venture agreements. As at the date of this Information Memorandum, there is no certainty that matters contemplated above will proceed.

Australia

Danakali is actively evaluating a range of early-stage exploration projects across Australia. These projects represent significant potential for discovering valuable mineral resources, and Danakali is strategically assessing their viability based on geological data, location, and alignment with the Company's broader exploration goals.

In parallel with this evaluation process, Danakali is engaged in ongoing negotiations with several junior exploration companies. The goal is to establish partnerships through farm-in agreements, which would allow Danakali to acquire an interest in these promising projects. These agreements would be particularly advantageous as they enable Danakali to leverage its available cash resources to explore and develop prospective areas without bearing the full financial burden and time required to generate new exploration targets.

Through these farm-in options, Danakali will be able to participate in the exploration phase while minimising risk, as the Company will be able to choose to increase or decrease its stake in a project based on exploration results. The Board considers that this approach will maximise the efficient use of capital and position Danakali to capitalise on successful discoveries, potentially leading to further development and production opportunities in the future.

3.6. Proposed level of operations

The following are the proposed level of operations of the Company moving forward:

Eritrea

Upon receiving the exploration license, Danakali plans to establish a branch in Asmara, Eritrea. The formation of the exploration team is expected to take 3-6 months, thereafter the Company will begin executing the exploration program outlined in the exploration license application. The projected cost for the first year of exploration is estimated at US\$772,000, with an additional US\$3 million (total) anticipated over years two and three.

The Company will assess the results of the exploration program to determine the appropriate next steps for advancing the project.

Saudi Arabia

Subject to execution of binding joint venture agreements, Danakali will commence a thorough evaluation of the exploration areas identified by the KSA group. This evaluation will involve an in-depth assessment of the geological potential, resource availability, and strategic value of each site to determine their viability for further exploration.

Once the agreed exploration licenses have been granted, Danakali will proceed to design and implement a comprehensive exploration program. This program will be tailored to the specific characteristics and potential of the licensed areas. The exploration strategy will encompass geological surveys, sampling, drilling, and other necessary exploration activities to assess the mineral prospects. The timing, scope, and objectives of this program will be carefully developed to maximise the potential for discovering commercially viable mineral deposits.

Danakali's exploration efforts will be guided by its technical expertise and a commitment to efficient resource development. The outcomes of the initial exploration phase will inform subsequent decisions on how best to advance the project, including funding, potential further investment, resource estimation, and long-term development planning.

Australia

Danakali's strategy is to execute farm-in agreements in the near term, in order to secure access to prospective exploration licenses within Australia. Entry into such agreements would mark a significant step forward in Danakali's strategic expansion, allowing the Company to actively participate in the exploration of promising mineral-rich areas.

Once any farm-in agreements are in place, Danakali plans to expand its operations by enhancing its exploration team in Australia. This expansion will involve recruiting additional geologists, engineers, and field specialists, all of whom will play a crucial role in executing the exploration programs stipulated in the agreements.

The exploration programs will be carefully crafted based on the specific requirements and geological characteristics of each licenced area. These programs will likely include comprehensive geological surveys, targeted drilling campaigns, and advanced data analysis to accurately assess the mineral potential of the regions under exploration. Danakali's approach will be methodical, leveraging its technical expertise to maximise the chances of discovering commercially viable mineral deposits.

The successful execution of these exploration programs will position Danakali to further develop its portfolio of assets in Australia, potentially leading to new mining projects that could contribute significantly to the Company's growth and value creation.

4. BOARD MANAGEMENT AND GOVERNANCE

4.1. Directors and Officers

Seamus Ian Cornelius (Executive Chair)

Mr Cornelius is an experienced mining executive, corporate lawyer and former partner of one of Australia's leading international law firms. He has a high degree of expertise in cross-border transactions, particularly in the resources and finance sectors.

Mr Cornelius has vast experience in China and brings more than 20 years of corporate experience in legal and commercial negotiations. He has also advised global companies including major resource companies and banks on their investments in China and advised Chinese State-owned entities on their investments in overseas resource projects.

Mr Cornelius engagement in the Colluli project was crucial to its progress and development. He was instrumental in solidifying the relationship between Danakali and the Ministry of Mining and Energy. Ultimately, he steered the Company to the successful sale of the project for approximately A\$240 million in March 2023 and subsequently returned approximately A\$162 million to shareholders after taxes.

Mr Cornelius is currently the Non-Executive Chair of Buxton Resources Ltd (appointed 29 November 2010) and Duketon Mining Ltd (appointed 8 February 2013).

The Board considers that Mr Cornelius is not an independent Director.

Paul Donaldson (Non-Executive Director)

Mr Donaldson has more than 30 years' experience in senior management at BHP, Danakali and Pacific National. Mr Donaldson held a series of senior management roles spanning over 20 years with BHP Billiton where he managed large scale open-cut mining operations, headed the BHP Carbon Steel Materials Technical Marketing Team, managed the Port Hedland iron ore facility, as well as key roles in product and infrastructure planning across large scale supply chains.

He also has extensive experience in high level business improvement and logistics from base metal operations and a high degree of integrated supply chain management, technical operational management and frontline leadership experience in the steel industry.

The Board considers that Mr Donaldson is an independent Director.

Taiwo Adeniji (Non-Executive Director)

Mr Adeniji was Senior Director, Investments Group at the Africa Finance Corporation ("AFC") where he oversaw investments in oil & gas, mining and transport infrastructure until June 2024.

He has led the efforts at providing financial advisory and structuring services for AFC's investments in infrastructure projects, including supervising the management of the Central Bank of Nigeria's US\$2 billion Power Intervention Fund in Nigeria. Recent transactions included the award-winning US\$900 million Kpone IPP Project in Ghana, as

well as the innovatively structured US\$360million Hakan Peat-fired IPP project in Rwanda.

His academic background is in economics and finance. He is an Honorary Senior Member (HCIB) of The Chartered Institute of Bankers of Nigeria.

The Board considers that Mr Adeniji is not an independent Director on the basis that he is the nominee of AFC on the Board.

Zhang Jing (Non-Executive Director)

Ms Zhang joined the board in June 2016 and has previously held investment and project managerial roles in public listed companies in China. She has more than 20 years of international trading and business development experience in China.

Ms Zhang holds a Masters degree in International Consultancy and Accounting from the University of Reading in the United Kingdom.

The Board considers that Ms Zhang is not an independent Director on the basis that she is the nominee of substantial shareholders, Well Efficient Limited, on the Board.

Jonathan Coates (Non-Executive Director)

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.

The Board considers that Mr Coates is an independent Director.

Catherine Julie Grant-Edwards (Joint Company Secretary)

Ms Grant-Edwards is a qualified Chartered Accountant (ICAA) and holds a Bachelor of Commerce degree. She has over 20 years' experience in external audit and the provision of accounting, finance and company secretarial services to listed resource companies.

Melissa Kate Chapman (Joint Company Secretary)

Ms Chapman is a Certified Practicing Accountant (CPA), holds a Bachelor of Commerce degrees, is an Associate member of the Governance Institute of Australia (AGIA) and is a Graduate of the Australian Institute of Company Directors (GAICD). She has over 20

years' experience in the provision of accounting, finance and company secretarial services to public listed and private resource companies in Australia and the UK.

4.2. Senior Management

Gregory Ian MacPherson (Chief Financial Officer)

Greg MacPherson is a qualified and experienced Chartered Accountant with more than 25 years of success in finance, commerce and governance across diverse industries. He has a proven ability to develop and execute financial strategies to drive economic value for shareholders. Mr MacPherson has a deep knowledge of accounting, taxation, and compliance practices across multi-jurisdiction and is highly skilled in risk management which directs the strategic activities of the Company.

Mr MacPherson has strong governance competencies and is a graduate of the Institution of Chartered Secretaries and was a Board member and Chair of the Risk and Audit Committee for the Phola Coal Processing Plant, a joint venture with BHP.

Mr MacPherson began his career in the Assurance & Advisory division of KPMG, before moving into commerce where he later joined Anglo America to establish the joint venture company Anglo American Inyosi Coal. He has significant experience in working in joint venture companies in Africa and instituting the financial and commercial structures for these businesses. Greg later immigrated to Australia where he held various financial positions and later joined Danakali in 2018.

Mr MacPherson was part of the team which secured the US\$215 million equity and debt financing for the Colluli Project in Eritrea and was the team lead for the disposal of Danakali's interest in the Colluli Project for AU\$240 million and the returning of AU\$162 million to shareholders after taxes.

4.3. Disclosure of interests

4.3.1. Directors, Officers and Managements interest in securities

Directors are not required under the Company's Constitution to hold any Shares to be eligible to act as a director. As at the date of this Information Memorandum, the Directors, officers and management of the Company have relevant interests in securities as follows.

Directors, Officers and Management	Shares	Options	Percentage (%) (Undiluted)	Percentage (%) (Diluted)
Seamus Cornelius	14,741,126 ¹	2,000,000 ²	4.0%	4.3%
Jing Zhang	Nil	Nil	Nil	Nil
Taiwo Adeniji	Nil	Nil	Nil	Nil
Paul Donaldson	1,145,693 ³	Nil	0.3%	0.3%
Jonathan Coates	Nil	Nil	Nil	Nil
Catherine Grant-Edwards	38,156 ⁴	Nil	0.01%	0.01%
Melissa Chapman	38,156 ⁴	Nil	0.01%	0.01%



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Greg MacPherson	Nil	2,000,000 ⁵	Nil	0.5%
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Notes:

- 3,654,097 Shares held directly by Mr Cornelius; 4,106,000 Shares held indirectly by Suitangi Pty Ltd <Sima QXX Super Fund A/C> (of which Mr Cornelius is a director and beneficiary) and 6,981,029 Shares held indirectly by Sino West Assets Pty Ltd (a company which Mr Cornelius is a director of).
- Options held directly by Mr Cornelius.
- Shares held directly by Mr Donaldson.
- Bellatrix Corporate Pty Ltd holds a total of 76,312 Shares. Ms Grant Edwards and Ms Chapman are both directors of, and equal shareholders in, Bellatrix Corporate Pty Ltd.
- Options held directly by Mr MacPherson.

4.3.2. Directors' remuneration

Details of the Directors' remuneration (including cash and share-based payments) for the previous two years and the current financial year (on an annualised basis) are set out in the table below:

Directors	Remuneration for the year ended 31 December 2022	Remuneration for the year ended 31 December 2023	Proposed remuneration for the year ending 31 December 2024
Seamus Cornelius	\$623,613 ¹	\$349,088 ²	\$355,200
Jing Zhang	\$40,000	\$40,000	\$40,000
Taiwo Adeniji	\$40,030	\$40,000	\$40,000
Paul Donaldson	\$61,740	\$62,020	\$62,440
Jonathan Coates	N/A	N/A	\$37,333

Notes:

- \$375,550 of this figure represents the fair value of 4,000,000 Options exercisable at \$0.45 on or before 31 December 2024 issued to Mr Cornelius as part of his remuneration for the year ended 31 December 2022. These Options were cancelled for cash consideration on 30 November 2023 (as approved by Shareholders at a general meeting held on 24 November 2023).
- \$90,000 of this figure represents a performance-based cash bonus for the year ended 31 December 2023, which has not been paid as at the date of this Information Memorandum.

4.4. Related parties and related party Transactions

4.4.1. Company's policy in respect of related party transactions

The Company's policy in respect of related party arrangements is:

- a Director with a material personal interest in a matter is required to give notice to the other Directors before such a matter is considered by the Board; and
- for the Board to consider such a matter, the Director who has a material personal interest is not present while the matter is being considered at the meeting and does not vote on the matter.

4.4.2. Transactions with Directors, Director related entities and other related parties

The agreements between the Company and related parties are summarised in Section 9.4.

AFC is deemed to be a related party of the Company on the basis of significant influence. The related party status applies due to AFC interest of 14.4% in the issued capital of the Company and Taiwo Adeniji acting as AFC's nominated Non-Executive Director on the Board. AFC currently holds one out of five Board seats on the Company.

4.4.3. Other transactions

There are no other related party transactions.

For further information, Shareholders and investors can refer to the Company's previous financial reports on the Danakali website at:

https://investorhub.danakali.com.au/announcements#annual_reports_block

The Company's most recent financial reports for the last three years will be lodged with NSX upon listing.

4.5. Corporate Governance

The Board is cognisant of the need for a well-articulated and robust corporate governance framework and believes that good corporate governance is essential to the preservation and enhancement of Shareholder value.

The Company has also adopted a Board Charter, Code of Conduct, Continuous Disclosure Policy, Diversity Policy and other policies ("Policies"). It has also established an Audit Committee and Remuneration Committee ("Charters").

Copies of the Company's Constitution, Policies and Charter are available on the Company's website at <https://danakali.com.au/corporate-governance/>.

The Board has previously implemented the ASX standard in relation to Corporate Governance. Further information in relation to these standards is contained in the ASX Corporate Governance Council's Principles and Recommendations, 4th edition. A copy of the Company's ASX Appendix 4G which was lodged with ASX on 28 March 2024 and sets out how the Company complies with the recommendations, is available on the company's website at <https://investorhub.danakali.com.au/announcements/6267254>.

5. RISK FACTORS

The future performance of the Company and the value of the Shares may be influenced by a range of factors, many of which are largely beyond the control of the Company and the Directors.

The risks factors set out in this Section 5, or other risk factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares. This Section 5 is not intended to provide an exhaustive list of the risk factors to which the Company is exposed.

The Directors strongly recommend that prospective investors consider the risk factors set out in this Section 5, together with all other information contained in this Information Memorandum.

If you do not understand any matters contained in this Information Memorandum or have any queries about whether to invest in the Company, you should consult your accountant, financial adviser, stockbroker, lawyer or other professional adviser.

5.1. Material business risks

The following table provides the material business risks for the Company:

RISK AREA	RISK
Operational Risk	
Exploration	<p>The mineral exploration is a high-risk speculative undertaking. There can be no assurance that future exploration of any exploration licences that the Company may acquire an interest in will result in the discovery of an economic resource. Even if an apparently viable resource is identified, there is no guarantee that it can be economically exploited.</p> <p>The future exploration activities of the Company may be affected by a range of factors including geological conditions, limitations on activities due to seasonal weather patterns or adverse weather conditions, unanticipated operational and technical difficulties, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, industrial and environmental accidents, industrial disputes, unexpected shortages and increases in the costs of consumables, spare parts, plant, equipment and staff, native title process and Aboriginal heritage factors, changing government regulations and many other factors beyond the control of the Company.</p> <p>The success of the Company will also depend upon the Company being able to secure and maintain title to mineral exploration licences and obtaining all required approvals for their contemplated activities. If exploration programs prove to be unsuccessful this could lead to a diminution in the value of the Company, a reduction in the cash reserves of the Company and possible relinquishment of one or more of the mineral exploration licenses.</p>

RISK AREA	RISK
Tenure and Title	<p>The ability of the Company to carry out successful exploration and mining activities will depend on the ability to obtain and maintain tenure to mining titles. The maintenance or issue of any such titles must be in accordance with the laws of the relevant jurisdiction and in particular, the relevant mining legislation. Conditions imposed by such legislation must also be complied with.</p> <p>There is a risk that some or all of the pending applications or parts thereof will not be granted, or that they may be granted on terms which are substantially less favourable to the Company than would typically prevail.</p> <p>It is the Company's intention to satisfy the conditions that apply to any tenements it acquires an interest in. However, no guarantee can be given that tenures will be maintained or granted, or if they are maintained or granted, that the Company will be in a position to comply with all conditions that are imposed or that they will not be plained by third parties.</p> <p>If the conditions that apply to a tenement are not satisfied, it may be subject to additional conditions, penalties, objections or forfeiture applications. Any of these events could have a materially adverse effect on the Company's prospects and the value of its assets.</p> <p>Tenements are subject to periodic renewal or extension of term. There is no guarantee that any renewal or extension applications will be approved, or that future applications for renewal or extension will be approved. The consequence of failure to renew or involuntary surrender of all or part of a granted tenements could be significant.</p>
Mine Development	<p>Possible future development of mining operations is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services. Mine development and operations may also be impacted by water availability and power supply in remote areas.</p> <p>If the Company commences production, its operations may be disrupted by a variety of risks and hazards which are beyond the control of the Company. No assurance can be given that the Company will achieve commercial viability through the development of future Projects.</p>

RISK AREA	RISK
	The risks associated with the development of a mine will be considered in full should a project reach that stage and will be managed with ongoing consideration of stakeholder interests.
Community Relations	The Company's ability to undertake exploration on tenements will depend in part on its ability to maintain good relations with relevant local communities. Any failure to adequately manage community and social expectations with respect to compensation for land access, employment opportunities, impact on local business and other expectations may lead to local dissatisfaction with the Company, which in turn may lead to disruptions in the exploration and production (if relevant at the time) programs for the tenements and potentially losses
Foreign agreements and operations	<p>The Company intends on securing projects located in Eritrea and the Kingdom of Saudi Arabia.</p> <p>Foreign agreements and ownership of foreign projects are subject to a number of risks, including:</p> <ul style="list-style-type: none"> (a) potential difficulties in enforcing the agreements through foreign local systems; (b) difficulties in enforcing Australian judgments in those jurisdictions against those assets; and (c) restrictive governmental actions, such as imposition of trade quotas, tariffs and other taxes. <p>Any of these factors could materially and adversely affect the Company's business, results of operations and financial condition.</p> <p>Potential risk to the Company's activities may occur if there are changes to the political, legal, and fiscal systems which might affect the ownership and operation of the Company's interests in Eritrea and KSA. This may also include changes in exchange control systems, expropriation of mining rights, changes in government and in legislative and regulatory regimes. Any of these factors may, in the future, also adversely affect the financial performance of the Company and the market price of its Shares.</p> <p>No assurance can be given regarding future stability in Eritrea or the KSA or any other country in which the Company may, in the future, have an interest.</p>
Future Acquisitions	As part of its growth strategy, the Company may make further acquisitions of licences or enter into strategic alliances with third parties. Any such future transactions are accompanied by the risks commonly encountered in making acquisitions of assets, such as short-term strain on working capital requirements and achieving project success.
Financial Risks	
Future Funding Requirements	The funds currently available on hand are considered sufficient to meet the short to mid-term objectives of the Company.



RISK AREA	RISK
	<p>Additional funding may be required in the event exploration costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur, additional financing will be required.</p> <p>In addition, should the Company consider that its exploration results justify commencement of production on any of projects that it acquires an interest in, additional funding will be required to implement the Company's development plans, the quantum of which remain unknown at this date.</p> <p>The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means.</p> <p>Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, development or production on the Company's properties or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.</p>
Liquidity	<p>Once listed on the NSX, Shareholders will be able to sell their Shares on NSX. The timing and pricing of listed securities is determined by the live market of buyers and sellers. This type of risk is particularly relevant in the context of Shares that are not frequently traded or in situations where market conditions suddenly deteriorate.</p>
Foreign Exchange Rates	<p>The Company intends to operate in multiple jurisdictions and this may result in the use of multiple currencies. The Company is exposed to translation risk as the company will have assets, liabilities, income, or expenses denominated in foreign currencies. When these foreign currency financial statements are consolidated into the reporting currency, changes in exchange rates can affect the reported financial results.</p>
Industry Specific Risks	
Dependence on Licences, Permits and Approvals	<p>The Company will require governmental licences, permits, authorisations, concessions and other approvals in connection with its proposed activities in relevant jurisdictions, including in relation to laws and regulations governing prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, surface rights, environmental protection, safety and other matters ("Operating Authorisations").</p> <p>Obtaining and complying with the necessary Operating Authorisations or governmental regulations can be complex, costly and time consuming and is</p>



RISK AREA	RISK
	<p>not assured. The duration, cost and success of applications for Operating Authorisations are contingent on many factors, including those outside the control of the Company. Delay in obtaining or renewing, or failure to obtain or renew, a material and necessary permit could mean that the Company may be delayed or, in a worst-case scenario, unable to proceed with the development or continued operation of a mine or project.</p> <p>The Operating Authorisations that the Company needs may not be issued, maintained or renewed either in a timely fashion or at all, which may constrain the ability of the Company to conduct its mining operations, which in turn may impact the Company's operations, financial performance and financial position.</p> <p>No assurance can be given that new laws or regulations will not be enacted or that existing laws and regulations will not be applied in a manner which could limit or curtail the Company's activities and ultimate development or operation of the Company's assets. Any inability to conduct the Company's mining operations pursuant to applicable Operating Authorisations would materially reduce the Company's production and cash flow.</p>
Environmental	<p>The operations and activities of the Company are subject to the environmental laws and regulations of various jurisdictions. As with all mining operations and exploration projects, the Company's activities are expected to have an impact on the environment.</p> <p>The Company intends to conduct its operations and activities to high standards of environmental performance, including compliance with all environmental laws and regulations. Nevertheless, such operations may give rise to potentially substantial costs for pollution abatement, environmental rehabilitation, damage control and losses that exceed estimates, and possible regulatory intervention, potentially adversely impacting the Company's operations, financial performance and financial position.</p> <p>Additionally, environmental laws and regulations are increasingly evolving to require stricter standards and enforcement behaviours, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility (and liability) for companies and their officers, directors and employees. Changes in environmental laws and regulations deal with air quality, water and noise pollution and other discharges of materials into the environment, plant and wildlife protection, the reclamation and restoration of mining properties, greenhouse gas emissions, the storage, treatment and disposal of wastes, and the effects of mining on the water table and groundwater quality.</p> <p>Changes in environmental legislation could increase the cost of exploration, development and mining activities or delay or preclude those activities altogether. The Company is unable to predict the effect of additional</p>

RISK AREA	RISK
	<p>environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area. However, there can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not require the Company to incur significant expenses and undertake significant investments which could have material adverse effect on the Company's business, financial condition and performance.</p>
Climate	<p>There are several climate-related factors that may affect the operations and proposed activities of the Company. The climate change risks particularly attributable to the Company include:</p> <ul style="list-style-type: none"> a) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its business viability. While the Company will endeavour to manage these risks and limit any consequential impacts, there can be no guarantee that the Company will not be impacted by these occurrences; and b) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidence of extreme weather events and longer-term physical risks such as shifting climate patterns. All these risks associated with climate change may significantly change the industry in which the Company operates
General Risks	
Key Personnel	<p>The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. The loss of any of the key personnel, the inability to recruit necessary staff as needed or the increased cost to recruit or retain the necessary staff, may cause disruption and adversely impact the Company's operations, financial performance and financial position.</p>
Economic	<p>General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's activities, as well as on its ability to fund those activities.</p>

RISK AREA	RISK
	<p>Further, share market conditions may affect the value of the Shares regardless of the Company's operating performance. Share market conditions are affected by many factors such as:</p> <ul style="list-style-type: none"> a) general economic outlook; b) interest rates and inflation rates c) currency fluctuations d) changes in investor sentiment toward market sectors e) the demand for, and supply of, capital; and f) terrorism or other hostilities. <p>Neither the Company, the Directors warrant the future performance of the Company or any return on an investment in the Company.</p>
Metallurgy	<p>When compared with many industrial and commercial operations, mining exploration projects are high risk. Each ore body is unique and the nature of the mineralisation, the occurrence and grade of the ore, as well as its behaviour during mining and processing can never be wholly predicted. Estimations of a mineral deposit are not precise calculations but are based on interpretation and development of a geological model, which is based on samples from drilling, which represent a very small portion of the entire ore body. Reconciliation of past production and reserves, where available, can confirm the reasonableness of past estimates, but cannot categorically confirm accuracy of future projections.</p> <p>The applications of metallurgical test work results and conclusions to the process design, recoveries and throughput depend on the accuracy of the test work and an assumption that the sample tests are representative of the ore body as a whole. There is a risk associated with the scale-up of laboratory and pilot plant results to a commercial scale and with the subsequent design and construction of any plant. Scale-up risk include failure to achieve design throughput and/or recovery.</p>
Commodity Price Volatility and Exchange Rate	<p>If the Company achieves success leading to mineral production, the revenue it will derive through the sale of product exposes the potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by many factors beyond the control of the Company. Such factors include supply and demand fluctuations for precious and base metals, technological advancements, forward selling activities and other macro-economic factors.</p> <p>Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Company will be considered in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets.</p>



RISK AREA	RISK
Dividends	Any future as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.
Changes to Laws, Regulations and Policy	The Company may be affected by changes to laws, regulations and policy (in Australia and other countries in which the Company may operate) concerning mining and exploration, property, the environment, superannuation, taxation trade practices and competition, government grants, incentive schemes, accounting standards and other matters. Such changes could have adverse impacts on the Company from a financial and operational perspective.
Taxation	<p>The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to obtain independent financial advice about the consequences of acquiring Shares from a taxation viewpoint and generally.</p> <p>To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability and responsibility with respect to the taxation consequences of Shareholders.</p>
Litigation	The Company may be exposed to possible litigation risks including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, the Company may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on the Company's operations, reputation, financial performance and financial position. The Company is not currently engaged in any litigation.
Force Majeure	Company operations may be adversely affected by risks outside the control of the Company including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.
Sovereign risk	<p>The Company will be subject to risks of operating in multiple jurisdictions. There is no assurance that future political and economic conditions in these jurisdictions will not result in Government adopting policies precluding foreign investment and / or control in, development and ownership of mineral resources.</p> <p>Any changes in policy by Government's may result in changes in the laws relating to, without limitation, ownership and control of assets and shares in companies, taxation, rates of exchange, environmental protection, labour</p>

RISK AREA	RISK
	<p>relations, repatriation of income and return of capital, which may affect the Company's ability to carry out its state objectives.</p> <p>There can be no assurance that the Government from time to time will not impose measures that could have a material adverse effect on the Company's future operations.</p>
Enforcing Judgements in Foreign Jurisdictions	<p>The Company will be operating in multiple jurisdictions. As a result, it may be difficult to enforce judgments obtained in Australian courts against those assets. In addition, there is uncertainty as to whether the courts of any other jurisdictions in which the Company operates would recognise or enforce judgments of Australian courts obtained against the Company based on provisions of the laws of Australia. As a result of all the above, Shareholders may have more difficulty in protecting their interests in the face of actions taken by management, the Board or controlling Shareholders than they would as shareholders of a company with assets in Australia.</p>

5.2. Investment speculative

The risk factors described above, and other risks factors not specifically referred to, may have a materially adverse impact on the performance of the Company and the value of the Shares.

Investors will need to consider that an investment in the Company is highly speculative, and the Shares carry no guarantee in respect of profitability, dividends, return of capital or the price at which they may trade.

6. SUMMARY OF FINANCIAL INFORMATION

The financial information set out below for the full years ended 31 December 2021, 31 December 2022, and 31 December 2023 have been independently audited. Additionally, the financial information for the half year ended 30 June 2024 has been independently reviewed by the Company's auditors.

Copies of the audited financial statements of the Company for the last three financial years ending 31 December 2021, 31 December 2022 and 31 December 2023 and review half year accounts to 30 June 2024 are available on the Company's website at:

https://investorhub.danakali.com.au/announcements#annual_reports_block.

It is anticipated that the NSX will require the Company to undertake quarterly cashflow reporting (as is currently the case with ASX) as a condition to admission.

All figures in this Section 6 are in Australian Dollars (A\$) unless otherwise stated.

6.1. Summary of historical financial performance

	Half year 30 June 2024 \$	31 Dec 2023 \$	31 Dec 2022 \$	31 Dec 2021 \$
Loss relating to joint venture: Share of net gain/(loss)	-	-	-	(4,371,666)
Loss relating to joint venture: Gain/(loss) on financial assets classified as FVTPL	-	-	-	(3,458,248)
Other items	(1,618,066)	(4,308,717)	(4,581,598)	(2,243,987)
Earnings before Interest, Tax & Depreciation	(1,618,066)	(4,308,717)	(4,581,598)	(10,073,901)
Interest Received	874,555	5,829,251	89,484	43,142
Income Tax	-	-	-	-
Depreciation	(8,495)	(5,089)	(8,335)	(6,409)
Net Income before extraordinary items	(752,006)	1,515,444	(4,500,449)	(10,037,168)
Profit from discontinued operations	-	132,271,689	998,428	-
Other comprehensive income (share of foreign currency translation reserve)	-	(2,590,023)	-	1,064,052
Total comprehensive income	(752,006)	131,197,110	(3,502,352)	(8,973,116)
Earnings per share (Cents)	(0.20)	36.32	(0.95)	(2.87)

6.2. Historical Consolidated Statement of Financial Position

	Half year 30 Jun 2024 \$	31 Dec 2023 \$	31 Dec 2022 \$	31 Dec 2021 \$
Cash and cash equivalents	39,274,852 ¹	193,109,430	14,873,027	22,884,417
Receivables	522,022	2,264,324	25,163	96,481
Prepayments	-	165,982	78,013	61,977
Total Current Assets	39,796,874	195,539,736	14,976,203	23,042,875
Receivables	-	-	13,398,870	10,597,238
Investment in joint venture	-	-	36,482,469	34,916,132
Plant and equipment	1,032	9,526	15,464	26,829
Total Non-Current Assets	1,032	9,526	49,896,803	45,540,199
Trade and other payables	167,682	488,196	761,675	1,240,888
Provisions	205,530	184,280	141,024	108,796
Total Current Liabilities	373,212	672,476	902,699	1,349,684
Provisions	64,368	64,029	52,160	48,200
Total Non-Current Liabilities	64,368	64,029	52,160	48,200
NET ASSETS	39,360,326	194,812,757	63,918,147	67,185,189
Issued capital	35,250,001	135,716,735	127,866,319	127,866,319
Reserves	1,244,959	1,244,959	16,458,029	15,107,903
Accumulated profits / (losses)	2,865,366	57,851,063	(80,406,201)	(75,789,033)
TOTAL EQUITY	39,360,326¹	194,812,757	63,918,147	67,185,189
Net Asset per share (Cents)	0.11	0.53	0.17	0.18

¹ In July 2024 the Company returned approximately \$7.4 million to shareholders through a capital return and special dividend.

6.3. Working Capital Statement

As at 30 June 2024, the Company had \$39.3 million in cash available to it. As at the date of this Information Memorandum, the Board believes that it has sufficient working capital to achieve the Company's initial objectives. The Company therefore has no intention of raising additional funds for at least 12 months after its listing on the NSX.

6.4. No prospective financial forecast

No prospective financial forecast or projection is prepared for inclusion in this Information Memorandum because the Directors consider that any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

Notwithstanding the above, this Information Memorandum includes, or may include, forward-looking statements which have been based on the Company's current expectations. These forward-looking statements are, however, subject to known and

unknown risks, uncertainties and assumptions that could cause actual results, performance or achievements to differ materially from expected future results, performance or achievements expressed or implied by such forward-looking statements. These forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and environment in which the Company will operate in the future. Matters not yet known to the Company or not currently considered material to the Company may impact on these forward-looking statements.

In light of these risks, uncertainties and assumptions, forward-looking statements in this Information Memorandum might not occur. Investors are therefore cautioned not to place undue reliance on these statements.

7. NATIONAL STOCK EXCHANGE OF AUSTRALIA

7.1. NSX listing

The Company has applied to NSX for admission to the Official List and for official quotation of its Shares on NSX. The fact that NSX may list the Company's securities is not to be taken in any way as an indication of the merits and commercial viability of the Company or the listed securities. The NSX takes no responsibility for the contents of this Information Memorandum, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss arising from or in reliance upon any part of the content of this Prospectus.

The Directors expect that trading of the Shares on NSX will commence as soon as practicable after approval for admission to the Official List is granted and all conditions (if any) applicable thereto have been fulfilled.

7.2. Purpose of the Listing

The Company's application to NSX is to list its Shares on NSX by way of a Compliance Listing. The Company seeks to move its listing from the ASX to the NSX, with the NSX to be the Company's only listing. The Company's Shares (prior to listing on the NSX) have been suspended from trading on the ASX, as ASX considered, for the purposes of ASX Listing Rule 12.1, that the Company did not have sufficient activities to remain trading. As such, Danakali seeks to be listed on the NSX for the following reasons:

- provide liquidity options to Shareholders through a listed exchange;
- provide a regulated market upon which Danakali's Shares may continue to be traded; and
- provide ongoing access to capital markets through a respected securities exchange to pursue growth opportunities.

The Company's application to NSX is to list its Shares on NSX by way of a Compliance Listing. No new capital will be raised by the Company as a result of listing on NSX.

7.3. Information about NSX

In February 2000, NSX became the second stock exchange to be approved under the then Corporations Act in Australia and is licensed under the Corporations Act. NSX is a fully operational and fully regulated stock exchange. NSX creates a market for a wide range of interests including alternative investments and traditional equity securities. Investments listed by NSX cover various areas of the economy that require a market platform. NSX is focused on listing small to medium-sized enterprises, as there is a great need for growth entities to have a capital market in which they can raise further capital and provide a mechanism for the transferability of shares or other listed interests.

Additional information about NSX and the market which it operates can be obtained on its website (www.nsx.com.au).

7.4. Brokers

On or about the date of this Information Memorandum, there are 16 brokers registered as participant brokers of NSX, and they are the only brokers who can execute trades on NSX. Full profiles of these participant brokers are available on the NSX website at <https://www.nsx.com.au/investing/broker-directory/>.

7.5. Nominated Adviser

Companies intending to list on NSX are required to have a nominated adviser. It is contemplated that, with a nominated adviser for each company, investors will be offered better protection because nominated advisers are required to make sure that companies meet the on-going requirements for listing on NSX and the requirements of the Corporations Act. The Company has appointed Steinepreis Paganin as its nominated adviser.

7.6. Financial Advisor & Sponsoring Broker

The Company has appointed Morgans Corporate Limited (ABN 32 010 539 607) as its financial advisor in relation to listing on the NSX.

The Company has appointed Morgans Financial Limited (AFSL 234510) as its sponsoring broker in relation to listing on the NSX.

8. SHAREHOLDER AND SHARE OPTION INFORMATION

8.1. Share class information

As at the date of this Information Memorandum, the Company has one class of shares on issue, namely fully paid ordinary shares, the details of which are as follows:

Type of Shares	Number of shares	Voting rights
Ordinary shares	368,334,346	Each Shareholder is entitled to one vote for each Share

The rights attaching to the Shares are summarised in Section 9.2 below.

8.2. Options

As at the date of this Information Memorandum, the Company has the following unlisted Options on issue:

Type of Option	Number Options	Exercise Price	Expiry Date
Unlisted Options	10,000,000	\$0.35624	30 July 2025

The terms and conditions of the Options are summarised in Section 9.3 below.

8.3. Top 20 Shareholders

The top 20 shareholders of the Company as at the date of this Information Memorandum are set out below:

Name	Number of shares	% of issued share capital
AFC Equity Investments Limited	52,958,908	14.38%
Well Efficient Limited	35,000,000	9.50%
Citicorp Nominees Pty Limited	34,765,180	9.44%
Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 Account>	31,191,756	8.47%
BNP Paribas Noms Pty Ltd	23,505,834	6.38%
BNP Paribas Nominees Pty Ltd <Clearstream>	20,974,699	5.69%
NGE Capital Limited	20,000,000	5.43%
HSBC Custody Nominees (Australia) Limited	12,134,084	3.29%
BNP Paribas Nominees Pty Ltd <IB AU NOMS RETAIL CLIENT>	9,867,174	2.68%
J P Morgan Nominees Australia Pty Limited	6,714,398	1.82%
Caldwell Nominees Pty Ltd	6,000,000	1.63%



Name	Number of shares	% of issued share capital
Sino West Assets Pty Ltd	4,672,992	1.27%
Mr Seamus Cornelius	3,654,097	0.99%
Suitangi Pty Ltd <SIMA QXX SUPER FUND A/C>	3,506,000	0.95%
HSBC Custody Nominees (Australia) Limited - A/C 2	3,292,643	0.89%
Mr Gabriel Berra	3,248,490	0.88%
Gjewa Pty Ltd <Graham Johnson Ent S/F A/C>	3,100,000	0.84%
Arlington Group Asset Mgt Ltd	3,000,000	0.81%
Mr John Joseph Wallace <Wallace Family A/C>	2,848,983	0.77%
Sino West Assets Pty Ltd	2,308,037	0.63%

8.4. Analysis of shareholders

As at the date of this Information Memorandum, the distribution of the holders of Shares issued by the Company are as follows:

Shareholding	Number of holders	Number of ordinary shareholders	% of issued capital
1-50,000	2,130	17,114,255	4.6%
50,001-100,000	128	9,537,567	2.6%
100,001-500,000	150	31,480,572	8.5%
500,001-1,000,000	18	12,023,373	3.3%
≥ 1,000,001	33	298,181,579	81.0%

8.5. Restricted Securities

NSX may classify certain securities as being subject to the restricted securities provisions of the Listing Rules. In particular, directors, other related parties and promoters may receive escrow on securities held by them for up to 24 months from the date the Company's Shares are listed on NSX. As the Company is currently listed on ASX, where none of its securities are subject to restriction arrangements, it is not anticipated that any securities will be restricted following the Company's listing on NSX.

8.6. Dividend Policy

The Company does not intend to pay dividends on securities in the short term and will be concentrating on capital growth. Any future determination as to the payment of dividends by the Company will be at the discretion of directors and after taking into account factors such as the availability of distributable earnings, the operating results and financial



condition of the Company, future capital requirements, general business and other factors considered relevant by directors.

9. ADDITIONAL INFORMATION

9.1. The NSX, CHESS and Issuer Sponsored Register

The Company will continue to participate in the ASX's Clearing House Electronic Sub-register System ("CHESS") in accordance with the Settlement Rules. CHESS is an automated electronic transfer and settlement system for transactions in securities quoted on the NSX. NSX has established a transfer service agreement between NSX and ASX CHESS. This agreement recognises the NSX as an Australian market operator pursuant to the ASX Settlement and Operating Rules and allows NSX to be a recipient of the transfer service provided by ASX.

Shareholdings will continue to be registered on one of two sub-registers, the electronic CHESS sub-register or an issuer sponsored sub-register (Computershare). There are three scenarios on how your shareholdings may be affected:

- 1) A Shareholder who is a participant in CHESS and whose Broker is a participant of the NSX, will continue be registered on the CHESS sub-register. There will be no change.
- 2) A Shareholder who is a participant in CHESS and whose Broker is **not** a participant of the NSX, will need to provide instruction to their Broker to either
 - move their holdings to a participating Broker and they will continue to be registered on the CHESS sub-register, or
 - move to the issuer sponsored sub-register. If you elect to move to the issuer sponsored sub-register, you will be sent an initial holding statement setting out the number of Shares held and new Shareholder Reference Number (SRN).
- 3) A Shareholder who is a participant on the issuer sponsored sub-register will have no change.

9.2. Rights attaching to Shares

The rights and liabilities attaching to ownership of the Shares are detailed in the Constitution of the Company which may be inspected during normal business hours at the registered office of the Company.

A summary of the significant rights, liabilities and obligations attaching to the Shares and a description of other material provisions of the Constitution are set out below. This summary is not intended to be exhaustive and is qualified by the fuller terms of the Constitution. This summary does not constitute a definitive statement of the rights and liabilities of Shareholders.

This summary assumes the Company is admitted to the Official List.

(a) Listing Rules

While the Company is admitted to the Official List, notwithstanding anything in the Constitution, it must comply with the Listing Rules, specifically, if the Listing Rules prohibit an act being done, the act must not be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done, and if the Listing Rules require a provision to be included in the Constitution, the Constitution will be

treated as containing that provision. If any provision of the Constitution becomes inconsistent with the Listing Rules, the Constitution will not be treated as containing that provision to the extent of the inconsistency.

(b) Voting

Subject to any rights or restrictions attached to any class or classes of shares, every member present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each fully paid Share held. On a poll, partly paid Shares confer a fraction of a vote pro-rata to the amount paid up on the Share.

(c) Dividends

Subject to the Listing Rules, the Corporations Act and the Constitution, the amount which the Directors from time to time determine to distribute by way of dividend are divisible among the members in proportion to the amounts paid up on the Shares held by them.

(d) Issue of Shares

Subject to the Listing Rules, the Corporations Act and the Constitution, the Directors have the right to issue shares, grant options over unissued shares to any person and they may do so at such times as they think fit, and on the conditions and the issue price they think fit. Such shares may have preferred, deferred or other special rights or special restrictions about dividends, voting, return of capital or otherwise, as the Directors think fit.

(e) Variation of class rights

Subject to the Corporations Act and the Listing Rules, the Company may only modify or vary the rights attaching to any class of shares with the consent in writing of the shareholders with at least 75% of the votes in the class or by special resolution passed at a meeting of the holders of the issued shares of that class.

(f) Transfer of Shares

Subject to the Constitution, and to the rights or restrictions attached to any shares or class of shares, holders of Shares may transfer them by instrument in writing in any usual or common form or in any other form that the Directors approve or by any other method of transfer of securities which may be recognised by the Corporations Act, is not inconsistent with the Listing Rules and is approved by the Directors. In the case of CHESS Approved Securities, in accordance with the Settlement Rules and the provisions of the Corporations Act and Listing Rules.

(g) Unmarketable parcels

The Directors may sell the Shares of a Shareholder if that Shareholder holds less than a marketable parcel of Shares, provided that the procedures set out in the Constitution are followed. A non-marketable parcel of Shares is defined in the Listing Rules and is, generally, a holding of shares with a market value of less than A\$500.

(h) General Meetings and Notices

Subject to the Constitution and to the rights or restrictions attached to any shares or class of shares, each member is entitled to receive notice of and, except in certain circumstances, to attend and vote at general meetings of the Company and receive all financial statements, notices and other documents required to be sent to members under the Constitution or the Corporations Act.

(i) Directors – appointment and removal

The minimum number of Directors is three and the maximum is to be fixed by the Directors but may not be more than 10. Directors are elected at annual general meetings of the Company. Retirement will occur (excluding any managing Director) on a rotational basis as required under the Listing Rules or as provided for in the Constitution or as otherwise required by a resolution of the Company. A retiring Director may act as a Director throughout the meeting at which he or she retires and at any adjournment.

(j) Directors Meetings

The Directors may meet together for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit. Questions arising at a meeting of Directors are to be decided by a majority of votes of Directors participating and voting and any such decision is for all purposes deemed a decision of the Directors. In the event of an equality of votes, the chair of the meeting has a casting vote in addition to the chair's deliberative vote unless only two Directors present are entitled to vote on the question.

(k) Directors Remuneration

The Directors, other than the Executive Directors, are entitled to be paid by such Directors' fees for their services as the Company in a general meeting may from time to time determine. The Constitution also makes provision for the Company to pay all expenses of Directors in attending meetings and carrying out their duties and for the payment of additional fees for extra services or special exertions.

(l) Alteration of Share Capital

Subject to the Listing Rules, the Constitution and the Corporations Act, the Company may alter its share capital.

(m) Variation of the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of members present and voting at a general meeting of the Company. The Company must give at least 28 days' written notice of its intention to propose a resolution as a special resolution.

(n) Share buy-backs

The Company may buy back shares in accordance with the provisions of the Corporations Act and the NSX.

(o) Winding Up

Subject to any special or preferential rights attaching to any class or classes of shares, the Constitution, the Corporations Act and the Listing Rules, members will be entitled in a winding up to share in any surplus assets of the Company in proportion to the shares held by them.

9.3. Rights and liabilities attaching to Options

The Company has 10,000,000 unlisted Options on issue with an exercise price of \$0.35624 (vested) and the following terms and conditions:

- a) Issued for no consideration.
- b) Each Option entitles the holder to subscribe for one Share in the Company upon the payment of the exercise price of 143% of the VWAP of the fully paid ordinary shares of the Company on the 30 days prior to the date of grant of the Options ("Exercise Price").
- c) The Options will lapse at 5.00 pm, Western Standard Time on 30 July 2025 (3 years from date of grant of the Options) ("Expiry Date").
- d) Each Option is non-transferrable.
- e) Subject to (j), the Options shall vest and become exercisable on the date 1 year (30 July 2020) from the date of grant of the Options, conditional on remaining employed by the Company at that date.
- f) Should the holder cease employment or engagement by the Company:
 - i. any unexercised Options that have not vested as at the date of cessation of employment or engagement with the Company ("Cessation Date") shall lapse immediately; and
 - ii. any unexercised Options that have vested as at the date of cessation of employment or engagement with the Company will be retained by the holder.
- g) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
- h) If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- i) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- j) The Options shall be exercisable in whole or in part at any time and from time to time until the Expiry Date ("Exercise Period") by the delivery to the Company Secretary of one or more notices in writing (each a "Notice") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and payment to the Company of an amount in cleared funds equal to the Exercise Price multiplied by the number of Options.

- k) The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
- l) The Company shall as soon as practicable, and no later than 15 business days of exercise of the Options, allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number.
- m) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

9.4. Material Contracts

9.4.1. Agreements with Directors and Officers

Seamus Cornelius, Executive Chair

Seamus Cornelius, Executive Chair, has entered into an employment contract with the Company with the following key terms:

- Appointed 26 February 2021.
- Engaged as a permanent part-time employee (0.8 FTE).
- Mr Cornelius's remuneration is \$320,000 per annum (plus superannuation at the statutory rate). In addition, Mr Cornelius is eligible to participate in the Company's incentive plans, the terms and operation of which are at the discretion of the Board and subject to shareholder approval in the case of securities.
- Notice period of three months, required to be given by either party for termination.

Greg MacPherson, Chief Financial Officer

Greg MacPherson, Chief Financial Officer, has entered into an employment contract with the Company with the following key terms:

- Appointed 1 March 2022.
- Engaged as a permanent full-time employee.
- Mr MacPherson's remuneration is \$320,000 per annum (plus superannuation at the statutory rate). In addition, Mr MacPherson is eligible to participate in the Company's incentive plans, the terms and operation of which are at the discretion of the Board.
- Notice period of three months, required to be given by either party for termination.

9.4.2. Non-Executive Director appointment letters

Paul Donaldson, Zhang Jing, Taiwo Adeniji and Jonathan Coates have entered into appointment letters with the Company to act in the capacity of Non-Executive Directors. These Directors will receive the remuneration set out in Section 4.3.1.

9.4.3. Deeds of indemnity, insurance and access



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The Company has entered into deeds of indemnity, insurance and access with each of its Directors and officers. Under these deeds, the Company has agreed to indemnify each officer to the extent permitted by the Corporations Act against any liability arising as a result of the officer acting as an officer of the Company. The Company is also required to maintain insurance policies for the benefit of the relevant officer and allow the officers to inspect board papers in certain circumstances.

9.5. Litigation and Claims

As at the date of this Information Memorandum, no member of the Group is involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against any member of the Group.

9.6. Interests of Directors

Other than as set out in this Information Memorandum, no Director or proposed Director holds, or has held within the two years preceding lodgement of this Information Memorandum, any interest in:

- the formation or promotion of the Company;
- any property acquired or proposed to be acquired by the Company in connection with its formation or promotion,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- as an inducement to become, or to qualify as, a Director; or
- for services provided in connection with the formation or promotion of the Company.

9.7. Interests of Experts and Advisers

Other than as set out below or elsewhere in this Information Memorandum, no:

- a) person named in this Information Memorandum as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Information Memorandum;
- b) promoter of the Company; or
- c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Information Memorandum as a financial services licensee involved in the issue,

holds, or has held within the two years preceding lodgement of this Information Memorandum, any interest in:

- a) the formation or promotion of the Company;
- b) any property acquired or proposed to be acquired by the Company in connection with its formation or promotion,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with the formation or promotion of the Company.

Steinepreis Paganin has acted as the Australian legal advisers to the Company in relation to the preparation of the Information Memorandum. The Company estimates it will pay Steinepreis Paganin \$40,000 (excluding GST) for these services. Subsequently, fees will be charged in accordance with normal charge out rates. During the 24 months preceding lodgement of this Information Memorandum, Steinepreis Paganin has received \$97,699.50 (excluding GST and disbursements) in fees from the Company for its services.

Morgans Corporate Limited has acted as financial advisor to the Company in relation to the preparation of the Information Memorandum. The Company estimates it will pay Morgans Corporate Limited \$150,000 (excluding GST) for these services. During the 24 months preceding lodgement of this Information Memorandum, Morgans Corporate Limited has received \$36,500 (excluding GST) in fees from the Company for its services.

9.8. Consents

Chapter 6D of the Corporations Act imposes a liability regime on the Company, the Directors, any underwriters, persons named in the Information Memorandum with their consent having made a statement in the Information Memorandum and persons involved in a contravention in relation to the Information Memorandum, with regard to misleading and deceptive statements made in the Information Memorandum. Although the Company bears primary responsibility for the Information Memorandum, the other parties involved in the preparation of the Information Memorandum can also be responsible for certain statements made in it.

Each of the parties referred to in this Section:

- a) does not make, or purport to make, any statement in this Information Memorandum other than those referred to in this Section;
- b) in light of the above, only to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Information Memorandum other than a reference to its name and a statement included in this Information Memorandum with the consent of that party as specified in this Section; and
- c) has not withdrawn its consent prior to the lodgement of this Information Memorandum.

Hall Chadwick has given its written consent to being named as auditor of the Company in this Information Memorandum and the inclusion of the audited financial information of the Company contained in Section 6 in the form and context in which it appears.

Steinepreis Paganin has given its written consent to being named as the Australian legal advisers and Nominated Adviser to the Company in the form and context in which it is named in this Information Memorandum.

Computershare Investor Services Pty Limited has given its written consent to being as the Company's Share Registry in the form and context in which it is named in this Information Memorandum.

Morgans Corporate Limited has given its written consent to being named as financial advisor to the Company in the form and context in which it is named in this Information Memorandum.

Morgans Financial Limited has given its written consent to being named as sponsoring broker of Morgans Financial Limited.

10. GLOSSARY OF TERMS

A\$ and **\$** means Australian dollars.

ACN means Australian Company Number.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Chair means chairperson of the Board.

Compliance Listing means a listing by way of the transfer of an entity already listed on a recognised stock exchange to the NSX without the need to undertake a capital raising in conjunction with the listing.

Company or **Danakali** means Danakali Limited (ACN 097 904 302).

Constitution means the constitution of Danakali.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the directors of Danakali, and **Director** means any one of them.

Group means the consolidated group comprising Danakali and its subsidiaries.

GST has the meaning given in section 195–1 of the A New Tax System (Goods and Services) Tax Act 1999 (Cth).

Historical Financial Information has the meaning as set out in Section 6.

Information Memorandum means this document and any supplementary or replacement Information Memorandum in relation to this document.

Listing Rules means the Listing Rules of the NSX and any other rules of the NSX which apply while the Company is admitted to the Official List, each rule as amended or replaced from time to time, except to the extent of any express written waiver by NSX.

NSX means the National Stock Exchange of Australia Limited (ABN 11 000 902 063).

Official List means the official list of entities that NSX has admitted and not removed.

Option means an option to acquire a Share.

Section means a section of this Information Memorandum.

Share means fully paid ordinary share in the Company (and includes the Shares).

Shareholder means a holder of a Share.

US\$ means United States dollars.

11. CORPORATE DIRECTORY

Directors	
Seamus Cornelius	(Executive Chair)
Paul Donaldson	(Non-Executive Director)
Zhang Jing	(Non-Executive Director)
Taiwo Adeniji	(Non-Executive Director)
Jonathan Coates	(Non-Executive Director)
Joint Company Secretaries	
Catherine Grant-Edwards	
Melissa Chapman	
Executive Management	
Greg MacPherson (Chief Financial Officer)	
Registered Office	
Level 1, Unit 2A	
300 Fitzgerald Street	
North Perth, WA 6006	
Principal Place of Business	
Level 3, 22 Mount Street	
Perth, WA 6000	
Nominated Adviser / Australian legal advisers	
Steinepreis Paganin	
Level 14 - QV1 Building	
250 St Georges Terrace	
Perth, WA 6000	
Financial Advisor	
Morgans Corporate Limited	
Level 29 Riverside Centre	
123 Eagle St Brisbane, QLD 4000 Australia	
Auditors	
Hall Chadwick	
283 Rokeby Road	
Subiaco, WA 6000	
Share Registry	
Computershare Investor Services Pty Limited	
Level 17, 221 St Georges Terrace	
Perth WA 6000	
Telephone: 1300 850 505 (Inside Australia)	
Telephone: +61 (0)3 9415 4000 (Outside Australia)	
Principal Bankers	
Bendigo and Adelaide Bank	
12 Bath Lane	
Bendigo, VIC 3550	
Website	
www.danakali.com.au	

12. DIRECTORS RESPONSIBILITY STATEMENT

This Information Memorandum has been seen and approved by all Directors who collectively and individually accept responsibility for this Information Memorandum and confirm, after having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Information Memorandum are fair and accurate in all material respects as at the date of this Information Memorandum, and that there are no material facts, the omission of which would make any statement in this Information Memorandum misleading.

Each Director has consented to lodgement of this Information Memorandum with NSX and has not withdrawn that consent and has authorised this Information Memorandum for issue on the date of this Information Memorandum.

Signed for and behalf of Danakali Ltd.



Seamus Cornelius
Executive Chair