

NSX Release

29 October 2025

## Quarterly Report

**For the period ended 30 September 2025**

### Highlights

- **Saudi Arabia:** Granted **Investment License by MISA**, enabling formal operations with joint venture partner **Masadar Al-Zamarda for Mining** to progress.
- **Eritrea:** Ongoing discussions with authorities regarding the pending **Ela Gedel exploration license**.
- **Australia:** Successfully applied for multiple **exploration licenses in Western Australia** and progressing site assessments.
- Completed the quarter with a strong cash balance of \$30m.

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

### Saudi Arabia

Danakali achieved a significant milestone with the **granting of its Investment License by the Ministry of Investment, Saudi Arabia (MISA)**. The approval enables Danakali to formally establish a presence in the Kingdom and pursue mineral exploration and development opportunities alongside its Saudi joint venture partner, **Masadar Al-Zamarda for Mining**, which is led by the Al Qurashi Family and His Royal Highness Prince Mohammad Bin Nahar Bin Saud Al Saud.

Danakali conducted multiple meetings with parties in Saudi Arabia holding exploration licenses who have expressed interest in collaborating with the company on potential development opportunities. During this period, our Head of Geology visited two of these prospective sites and is currently evaluating their suitability for Danakali.

### Eritrea

The Company continues discussions with the Eritrean authorities regarding the **Ela Gedel exploration license application** and potential areas for cooperation. The license remains pending with no specific timeline set.

### Other Africa

Danakali has engaged in discussions and undertaken due diligence with various mineral projects in **Tanzania** and **Mauritania**. The Company adheres to a rigorous and structured evaluation methodology and will issue additional updates as these opportunities develop.

## Australia

In **Western Australia**, Danakali successfully applied for several exploration licenses. The state's efficient and low-cost licensing system enables qualified applicants to secure priority access to exploration areas. The Company is reviewing geological data and conducting site assessments to determine which tenements will advance to grant and subsequent exploration programs.

## NSX Developments

The **National Stock Exchange of Australia (NSX)**, has been acquired by the **Canadian Securities Exchange (CSE)**. The transaction closed on 24 October 2025. Meetings have been held with both exchanges regarding the transition. Upon completion, ownership will be consolidated under the CSE, and the NSX will delist from the ASX, operating under a new growth-focused business plan supported by additional funding. Shareholders are encouraged to stay informed on these developments.

## Capital

### Cash

Consolidated cash on hand was A\$30 million on 30 September 2025. Please refer to the Statement of Cash Flows for the quarter.

### Securities

As at 30 September 2025, there were 363,497,522 fully paid ordinary shares on issue. No shares were issued during the quarter.

As at 30 September 2025, there are 9,725,000 options on issue.

There were no movements in the number of options on issue during the quarter.

### Related Party Transactions

Payments to related parties of the Company and their associates during the quarter totalled \$139,000 in relation to Director fees and remuneration.

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

## Upcoming Planned Activity

### Saudi-Arabia

Danakali continues to evaluate the exploration licenses presented to the Company to determine their alignment with its strategic objectives. The Company also plans to submit an application for inclusion in the upcoming exploration license tender process.

### Eritrea

Our Chairman, **Seamus Cornelius** plans to visit Eritrea in calendar Q4 2025 to meet with the relevant officials to continue our engagement with regarding the Ela Gedel application.

### Australia

We have engaged **RSC Mining and Exploration** to conduct a desktop study of prospective exploration areas. In addition, RSC will coordinate and oversee on-site visits in collaboration with our Head of Exploration, to evaluate the geological and operational conditions. This engagement is a key step in advancing our due diligence and informing our decisions on which tenements to prioritise.

### Corporate Development

Danakali remains focused on building a diversified portfolio of mineral assets across strategic jurisdictions, advancing opportunities that offer long-term value creation for shareholders.

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

For more information, please contact:

#### Danakali

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#### Forward looking statements and disclaimer

The information in this document is published to inform you about DNK and its activities. DNK has endeavoured to ensure that the information enclosed is accurate at the time of release, and that it accurately reflects the Company's intentions. All statements in this document, other than statements of historical facts, that corporate transactions and events or developments that the Company expects to occur, are forward-looking statements. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual events may differ materially from those in forward-looking statements.

To the extent permitted by law, the Company accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this document. Recipients should make their own enquiries in relation to any investment decisions. The Company and each of its affiliates accordingly disclaims, to the fullest extent permitted by law, all and any liability whether arising in court, contract or otherwise which it might otherwise have in respect of this announcement.

# Quarterly Report

Name of entity

DANAKALI LIMITED

ABN

57 097 904 302

Quarter ended ("current quarter")

30 September 2025

## Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (9 months) \$A'000
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) staff costs	(375)	(1,209)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(391)	(817)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	347	982
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) <sup>1</sup>	-	(16)
	<b>Net operating cash flows</b>	<b>(419)</b>	<b>(1,060)</b>
	<sup>1</sup> <i>Exploration &amp; Evaluation</i>		

		Current quarter \$A'000	Year to date (9 months) \$A'000
1.8	Net operating cash flows (carried forward)	(419)	(1,060)
1.9	<b>Cash flows related to investing activities</b>		
	Payment for acquisition of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	(102)	(102)
1.10	Proceeds from disposal of:		
	(a) businesses (item 5)	-	-
	(b) equity investments	-	-
	(c) intellectual property	-	-
	(d) physical non-current assets	-	-
	(e) other non-current assets	-	-
1.11	Loans to other entities	-	-
1.12	Loans repaid by other entities	-	-
1.13	Other (provide details if material)	-	-
		-	-
	<b>Net investing cash flows</b>		
1.14	<b>Total operating and investing cash flows</b>	(102)	(102)
	<b>Cash flows related to financing activities</b>		
1.15	Proceeds from issues of shares, options, etc.	-	-
1.16	Proceeds from sale of forfeited shares	-	-
1.17	Proceeds from borrowings	-	-
1.18	Repayment of borrowings	-	-
1.19	Dividends paid	-	-
1.20	Other- Payment for share buyback	-	(218)
		-	(218)
	<b>Net financing cash flows</b>		
	<b>Net increase (decrease) in cash held</b>	(521)	(1,380)
1.21	Cash at beginning of quarter/year to date	30,319	31,182
1.22	Exchange rate adjustments	-	(4)
1.23	<b>Cash at end of quarter</b>	29,798	29,798

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

	Current quarter \$A'000
1.24 Aggregate amount of payments to the parties included in item 1.2	139
1.25 Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions
Payments included in 1.24 relates to payment of director fees.	

**Non-cash financing and investing activities**

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

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

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**Financing facilities available**

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

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

## Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	499	297
4.2	Deposits at call	29,299	30,022
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)		29,798	30,319

## Acquisitions and disposals of business entities

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

## Compliance statement

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

Approved by: The Audit & Risk Committee

Date: 29 October 2025

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## Notes

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