



NSX Release

23 September 2026

US lifts Eritrea sanctions: strongly positive for development and opportunity in Eritrea

Danakali Limited (NSX: DNK, Danakali or the Company) notes the recent action by the United States Government to end the sanctions program that had applied to Eritrean government-related persons and entities since 2021. The development is strongly positive for Eritrea across the board and hopefully, for the Company's pending application for the Ela Gedel exploration licence.

Highlights

- On 18 September 2026, the US Treasury's Office of Foreign Assets Control (OFAC) confirmed that the national emergency declared in Executive Order 14046 has expired and removed the persons designated under that order from the Specially Designated Nationals (SDN) List.
- The removals include the People's Front for Democracy and Justice, the Eritrean Defense Forces, Red Sea Trading Corporation and Hidri Trust, together with certain individuals.
- The Board considers the change positive for foreign investment in Eritrea and for Danakali's efforts to progress the Ela Gedel licence application, which the Company continues to pursue with the relevant Eritrean ministries.
- The removal of the US measures does not, of itself, result in the grant of the Ela Gedel licence, and there is no certainty as to whether or when the licence will be granted.

US Government action

Executive Order 14046, issued on 17 September 2021, declared a national emergency in relation to the humanitarian and human rights crisis in Ethiopia. Measures under the order were subsequently applied to Eritrean parties in November 2021 in connection with the conflict in Ethiopia's Tigray region.

According to OFAC's notice of 18 September 2026, the national emergency has now expired. Following that expiry, OFAC removed from the SDN List the persons whose property had been blocked under the order and withdrew its published guidance relating to the program. Media reports also indicate that the US Department of State stated that the measure was not renewed to advance US regional interests. The decision is a matter for the US Government, and the Company does not comment on the broader political considerations.



Relevance to the Ela Gedel exploration licence application

Danakali submitted its application for an exploration licence over the Ela Gedel Gold and Base Metal Project in Eritrea's Gash Barka region in November 2023. The application area covers approximately 1,500 square kilometres south-west of Asmara and is considered highly prospective for gold and copper, with evidence of historical workings and more recent artisanal gold mining activity. The Eritrean Ministry of Energy and Mining previously confirmed that the application was complete and met the necessary criteria and facilitated a site visit by the Company's Executive Chairman and Chief Financial Officer in September 2024. In its quarterly report of 31 July 2026, the Company reported that discussions with the relevant Eritrean ministries on the application were continuing.

The Board believes the lifting of the US measures is a constructive development for the Company because it may:

- reduce sanctions-related compliance complexity and perceived reputational risk for potential financiers, contractors, service providers, insurers and joint venture partners considering involvement in Eritrean exploration projects;
- ease the practical difficulties that foreign companies can face when dealing with banks, payment channels and counterparties that apply conservative US sanctions screening; and
- support a more productive environment for engagement between Eritrea and international investors, consistent with the Company's strategy of building a portfolio of exploration assets in the Arabian-Nubian Shield.

Next steps and important considerations

As previously disclosed, if the Ela Gedel licence is granted, Danakali intends to establish a branch in Asmara and form an exploration team, which is expected to take three to six months, before commencing the exploration program outlined in its licence application.

The Company notes that the grant of an exploration licence is a matter for the Eritrean authorities under Eritrean law, and that the outcome and timing of the application remain uncertain. The Company will update the market on any material developments in accordance with its continuous disclosure obligations.

Danakali's Executive Chairman, Seamus Cornelius commented;

"This is a positive and long overdue development for Eritrea and our many Eritrean friends as it removes a serious, unjustifiable impediment to their natural rights to social and economic development on their own terms. We look forward to continuing our long-term involvement in the mineral exploration and development industry in Eritrea."

Source: US Department of the Treasury, Office of Foreign Assets Control, Recent Actions, 18 September 2026.



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

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