

Quarterly Report

For the period ended 30 September 2026

Highlights

- Reconnaissance soil sampling over selected magnetic targets at the Orson Project (WA) has revealed Au-Cu anomalism (max. 76.3 ppb Au, 272 ppm Cu), and pathfinder geochemistry consistent with intrusion-hosted Cu-Ni-PGE mineralisation.
- Further fieldwork planned across the Western Australian portfolio.
- US Treasury's Office of Foreign Assets Control (OFAC) confirmed that Eritrean related sanction had expired and had removed persons designated under that order from the Specially Designated Nationals (SDN) List.
- Updated investor presentation released to the market with an overview of our exploration portfolio, strategic priorities and financial position.
- Completed the quarter with a strong cash balance of \$13.1m plus liquid investment grade bonds of \$14.3m.

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

Western Australian Exploration

Orson Project, Gascoyne Region, Western Australia

On 17 September 2026, the Company announced that reconnaissance Ultra Fine Fraction (UFF) soil sampling over selected magnetic targets at the Orson Project had defined multiple regionally anomalous copper-gold targets. A total of 62 soil samples were collected by Danakali geologists in June and July 2026 and analysed by Labwest, Perth, for 65 elements (method UFF-PER). Key outcomes were:

- Coincident gold-copper anomalism over two of the northern-most magnetic targets, with maximum values of 76.3 ppb Au and 272 ppm Cu.
- Regionally anomalous pathfinders of Cu, Ni, Pt, Pd, Au, Nb and Cd identified over multiple magnetic targets, consistent with an intrusion-hosted Cu-Ni-PGE source.
- The significance of the geochemistry anomalies is supported by comparison with extensive historical open-file UFF soil sampling and stream sampling completed in the region by Krakatoa Resources in 2021-2023.
- Mapping further south within E52/4503 in July 2026 identified numerous outcropping, highly magnetic alkaline intrusives (including ultramafics, possible

carbonatite and various mafic rocks) that correlate closely with discrete magnetic anomalies. Thin-section petrology is pending.

- The anomalies lie within the Errabiddy Shear Zone on the northern margin of the Yilgarn Craton, an under-explored craton margin where Benz Mining Limited has recently reported exploration success at its Glenburgh and Hibernian projects.

Further work

- Significantly expand UFF soil sampling program across the northern areas of E52/4503 and E52/4578, planned for October 2026.
- Stream sampling planned for E52/4597 and E52/4504, which remain under-explored and prospective for orogenic gold associated with the Errabiddy Shear Zone.
- Await receipt of thin-section petrography of selected intrusive rock samples.
- Field mapping of soil anomalies and remaining magnetic targets.

Saudi Arabia Growth Strategy

Exploration licence applications

The joint venture has applied for several exploration licences during the year in the Arabian-Nubian Shield, and remains committed to targeting and applying for further licences within or adjacent to recognised mineralised belts. The Nubian Shield is highly prospective for orogenic gold, volcanogenic massive sulphide and polymetallic mineralisation. Regional conflict has slowed the application process, but the Company has received no formal notice of delays.

Round 11 – Advanced Exploration Programme (AEP) Sites

Bidding update

Bidding for Round 11 of Saudi Arabia’s mineral exploration licensing programme has been postponed to 30 October 2026. The Company remains committed to securing further tenure in Saudi Arabia and will be participating in the bidding for three projects identified as prospective by the Danakali exploration team.

Strategic rationale

The Company considers the AEP Programme projects to be an attractive opportunity to secure additional prospective exploration ground in the Arabian Shield. Participation supports Danakali’s strategy to build a diversified portfolio of high-quality exploration assets in Saudi Arabia and deliver long-term shareholder value.

Eritrea

On 18 September 2026, the Company noted confirmation from the US Treasury's Office of Foreign Assets Control (OFAC) that the national emergency under Executive Order 14046 had expired. OFAC removed those designated under the order from the Specially Designated Nationals (SDN) List, including the People's Front for Democracy and Justice, the Eritrean Défense Forces, Red Sea Trading Corporation and Hidri Trust, and withdrew the program's published guidance. These measures had applied to Eritrean government-related persons and entities since November 2021.

The Board views the change as positive for foreign investment in Eritrea and the Company's exploration licence application for the Ela Gedel Project. The approximately 1,500 km² project lies in the Gash Barka region, south-west of Asmara, and is considered prospective for gold and copper. The Board believes removing the US measures may simplify sanctions compliance, reduce perceived reputational risk for potential financiers, contractors and partners, ease banking and payment difficulties, and improve engagement between Eritrea and international investors.

Removal of the US measures does not itself secure the licence, and whether or when it will be granted remains uncertain.

Corporate Matters

Release of updated company presentation

The Company released its updated investor presentation to the market on 5 October 2026 to provide shareholders and prospective investors with an overview of its exploration portfolio, strategic priorities and financial position. The presentation is available for download at the following link: <https://www.nsx.com.au/ftp/news/021745645.PDF>

Capital

Cash

Consolidated cash on hand was \$13.1 million on 30 September 2026. Investment in liquid investment grade bonds amounted to \$14.3 million. Please refer to the Statement of Cash Flows for the quarter.

Securities

As at 30 September 2026, there were 363,497,522 fully paid ordinary shares on issue. No shares were issued during the quarter.

As at 30 September 2026, there are 9,725,000 options on issue. There were no other movements in options during the quarter.



Related Party Transactions

Payments to related parties of the Company and their associates during the quarter totalled \$128,000 in relation to Director fees and remuneration.

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

For more information, please contact:

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Forward looking statements and disclaimer

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

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Quarterly Report

Name of entity

DANAKALI LIMITED

ABN

56 097 904 302

Quarter ended ("current quarter")

30 September 2026

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	(335)	(1,016)
	(b) advertising and marketing	-	-
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(298)	(600)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	343	980
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other (provide details if material) ¹	(307)	(592)
		(597)	(1,228)
	Net operating cash flows		
	¹ <i>Exploration & Evaluation</i>		

	Current quarter \$A'000	Year to date (9 months) \$A'000
1.8 Net operating cash flows (carried forward)	(597)	(1,228)
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	(101)
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	-	(169)
1.12 Loans repaid by other entities	-	-
1.13 Other (Fixed Income Bonds)	-	(10,932)
	-	(11,202)
Net investing cash flows		
1.14 Total operating and investing cash flows	(597)	(12,430)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	-
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other- Payment for share buyback	-	-
	-	-
Net financing cash flows		
Net increase (decrease) in cash held	(597)	(12,430)
1.21 Cash at beginning of quarter/year to date	13,676	25,510
1.22 Exchange rate adjustments	(3)	(4)
1.23 Cash at end of quarter	13,076	13,076

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	128
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	1,076	1,176
4.2	Deposits at call	12,000	12,500
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)		13,076	13,676

Acquisitions and disposals of business entities

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

Compliance statement

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

Approved by: The Audit & Risk Committee

Date: 30 October 2026

Notes

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