



Danakali Ltd

Jun 23rd 2016

Danakali Ltd advances mining approvals process at Colluli potash project

Danakali Ltd (ASX:DNK) continues to advance mining approvals process at Colluli project, which is one of the most advanced sulphate of potash (SOP) projects in the world.

Danakali is in the process of securing funding, and has been attracting quite a bit of broker attention.

Baillieu Holst have just completed a site visit, and recently initiated coverage with a Buy recommendation and \$0.50 per share price target.

Hartleys has a 12-month price target of \$0.66, with Somers and Partners having assigned a Buy recommendation and target of \$1.03.

Danakali has a 50% equity interest in Colluli through a joint venture with the Eritrean National Mining Company.

Danakali recently signed non-binding memorandums of understanding (MOU's) with eight multinational parties throughout Northern Africa, Europe, Middle East and North America for the off-take of SOP from Colluli.

Mining Licence approvals progress

This week an Impact Review Committee (IRC) will visit the Colluli Project site on the 24th June 2016.

The IRC was appointed by the Eritrean Ministry of Land, Water and Environment to evaluate the social, environmental impact assessment and associated management plans for Colluli.

This is a critical step in the Mining License approval process.

The IRC will travel to both site and the nominated water intake and treatment area on the coast.

The purpose of the visit is to conduct a field assessment and reconcile the information contained in the social, environmental impact assessments.

The delegation will include representatives from the Ministry of Public Works, Ministry of Labour and Human Welfare, Ministry of Agriculture, and the Ministry of Land, Water and Environment.

Paul Donaldson, managing director for Danakali, commented: "We are very happy that the approvals process is progressing and to be hosting the visit of the relevant Ministries."

Funding discussions

The Colluli Definitive Feasibility Study (DFS) was completed in November 2015, and Danakali is currently working with the relevant ministries to gain approval for a mining license.

Funding discussions are underway and the company has signed memorandums of understanding for 800,000 tonnes of sulphate of potash per annum.

Price: A\$0.38

Market Cap: A\$74.238M

1 Year Share Price Graph



Share Information

Code: DNK

Listing: ASX

Sector: General Mining

Website: www.danakali.com.au

Company Synopsis:

Danakali Ltd (ASX:DNK) is focussed on the world class Colluli Potash Project in Eritrea.

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The DFS indicates industry leading capital intensity, bottom quartile operating costs and an ore reserve of 1.1 billion tonnes.

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