



Danakali Ltd

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Danakali Ltd hosts site visit from minister as Colluli approvals progress

Danakali Ltd (ASX:DNK) has hosted the Eritrean Minister of Energy and Mines along with key delegates at the company's flagship Colluli Potash Project located in the East African country, Eritrea.

Danakali maintains a high level of engagement with the ministry as it continues to progress its mining licence approval process.

Detailed discussion on the social and environmental impact assessments and management plans were held.

Colluli is one of the most advanced sulphate of potash (SOP) projects in the world.

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

Paul Donaldson, managing director, commented: "We have a strong and effective relationship with the Ministry of Energy and Mines and have a continuing dialogue with all relevant ministries involved in the mining license approvals process.

"We look forward to our ongoing relationship with all key stakeholders as we take the development into construction and subsequent production."

Site visit details

The tour was extensive and visited:

- Existing exploration camp;
- Plant construction site;
- Initial open cut pit shell; and
- Nearby village of Adayto.

Discussions were held regarding:

- Detailed overview of the massive resource, site layout, processing plant, mining and logistics;
- Project upside potential from the monetisation of rock salt and gypsum;
- Social and environmental impact assessments and management plans; and
- Open cut mining method, mining fleet configuration and the advantages of the mine method for the location and the resource.

Background

The definitive feasibility study on Colluli was completed in November 2015 and the project is currently awaiting mining license approvals.

The study forecast the project to have industry leading capital intensity, bottom quartile operating costs and an ore reserve of 1.1 billion tonnes.

Funding discussions are underway and the company has signed memorandums of understanding for 800,000 tonnes of

Price: A\$0.445

Market Cap: A\$87.475M

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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SOP per annum.

Broker spotlight

Danakali maintains broker support from:

- Baillieu Holst, Buy recommendation, \$0.50 price target.
- Hartleys, Speculative Buy recommendation, \$0.66 price target; and
- Somers and Partners, Buy recommendation, \$1.03 price target.

The share price is up over 100% over the past 3 months, currently trading at \$0.45.

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