

Danakali Ltd

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Danakali receives \$31.8 million investment from Africa Finance to advance Colluli Project

Danakali Ltd (ASX:DNK) (LON:DNK) has received the proceeds of the first tranche of the US\$50 million strategic equity investment from Africa Finance Corporation (AFC).

AFC's strategic equity investment is part of the overall funding package for development and construction of the Colluli Sulphate of Potash Project in Eritrea.

Tranche 1 consists of 53 million new Danakali shares in issued to AFC at a price of 60 cents per share to raise US\$21.5 million (A\$31.8 million).

Tranche 1 proceeds will be used to commence Colluli project execution.

Tranche 2 investment

Tranche 2 will consist of about 70 million shares at the same issue price as Tranche 1 to raise the remaining US\$28.5 million (A\$42.0 million).

It is subject to Danakali shareholder approval at a general meeting expected to be held in February 2020, execution of senior debt documentation and other conditions precedent.

"Milestone for Danakali"

Danakali's chief executive officer Niels Wage recently said: "I am very pleased to have secured AFC as a strategic equity investment partner.

"It marks a significant milestone for Danakali and continues our momentum towards financial close.

"Danakali has made good progress over the past 12 months having secured a large proportion of the development capex for Module I and demonstrated a sustainable approach to the future development of Colluli."

The placement takes AFC's total participation to US\$150 million which demonstrates their major and long-term commitment to the project, Danakali and Eritrea.

This amount comprises US\$50 million in Danakali equity plus US\$100 million of credit approved Colluli Mining Share Company (CMSC) senior debt.

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Price: 0.615

Market Cap: \$163.34 m

1 Year Share Price Graph



Share Information

Code: DNK

Listing: ASX

52 week	High	Low
	0.82	0.575

Sector: Rare earths & specialist minerals

Website: www.danakali.com.au

Company Synopsis:

Danakali Ltd (ASX:DNK) is developing the Colluli Potash Project, a world class greenfield SOP development project.

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