

Danakali Ltd

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Danakali aims to bring Colluli Sulphate of Potash project into development this year

Danakali Ltd (ASX:DNK) has established a clear strategy to bring the Colluli Sulphate of Potash (SOP) Project in the northeast African country of Eritrea into development later this year after delivering a transformative year in 2018.

In January 2019 an independent report, initiated and funded by the United Nations Development Program (UNDP), revealed that Colluli has the potential to significantly boost the country's economy as well as assisting in developing the country and region.

READ: Danakali's share price far below value estimates: Investors Chronicle

Danakali executive chairman Seamus Cornelius said in the company's 2018 Annual Report that 2018 saw substantial progress for the company as it demonstrated strong operational momentum, solid progress on funding and a London listing - all supported by positive developments in Eritrea.

SOP development peer comparison

"The Front End Engineering Design (FEED) study results released at the start of 2018 confirmed Colluli as an advanced greenfield SOP project able to deliver more SOP for longer and at a lower capital intensity than any other known greenfield deposit globally.

"In July 2018 an offtake deal was signed with EuroChem for up to 100% of Colluli's Module 1 SOP production, which has paved the way for project financing and in August the Eritrean Ministry of Land, Water and Environment confirmed acceptance of the finalised Colluli Social & Environmental Management plans, which sees the project fully permitted for execution.

"2019 promises to be a transformational year for Danakali but despite the significant progress nobody should underestimate the challenges ahead."

READ: Danakali appoints highly experienced potash industry executive as CEO

Danakali's new chief executive officer Niels Wage said a critical milestone was reached in December 2018 with the signing of a term sheet with leading African development finance institutions to provide debt finance facilities of US\$200 million for construction and development funding of the project.

Price: A\$0.785

Market Cap: A\$207.57M

1 Year Share Price Graph



Share Information

Code: DNK

Listing: ASX

52 week	High	Low
	A\$0.94	A\$0.56

Sector: Mining

Website: www.danakali.com.au

Company Synopsis:

Danakali Ltd (ASX:DNK) is developing the Colluli Potash Project, a world class greenfield SOP development project based in Eritrea. The Project is 100% owned by the Colluli Mining Share Company (CMSC) which is a 50:50 joint venture between Danakali and the Eritrean National Mining Company.

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Overview of the Colluli EPCM phases

He said: "This brings us yet another step closer to production.

"Our immediate priority for 2019 will be the completion of the funding process, which will allow us to be in the position to proceed with moving into development later this year."

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