



Project News

Danakali provides Update on Colluli Potash Project – EPCM Phase 1 commenced

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Australian company Danakali Limited published an update on the progress made within Phase 1 of the EPCM of its Colluli Sulphate of Potash Project in Eritrea. The project will be developed in two phases: Module I, expected to produce 472 ktpa of Sulphate-of-Potash product, and Module II, commencing production in year 6 of the project and increasing total production to 944 ktpa.

- CMSC's Owner's team established and embedded in to EPCM Consultants Project team
- Phase 1 EPCM FEED review commenced by DRA Global
- Purchase Agreement for the Reverse Osmoses plant nearing completion
- Phase 2 to commence mid-February, followed by geotechnical investigation

Project Team

The Colluli Mining Share Company (CMSC) Board approved the establishment of the Owner's Project Team, which includes key project personnel led by Project Director, Tony Harrington. All Owner's Team personnel will be based at the DRA Global (DRA) Project office in Johannesburg during the first three

EPCM phases. Turner & Townsend, a multinational professional services company, will also be providing a number of key members for all phases.

FEED review, Water and Geotechnical Study

Further to issuing of the Notice to Proceed, DRA has started the review of the Colluli Front End Engineering Design (FEED), which includes developing and establishing of Project Systems, Project Controls and Progress measurement monitoring. DRA has also commenced project management activities and mobilised its own engineering group for the Process Plant and associated infrastructure work, which has started in Johannesburg. The Water Intake Area (WITA) design is being undertaken and commenced at the DRA office in Cape Town. The agreement for the purchase of the Reverse Osmosis (RO) plant is nearing completion, with the order for critical equipment on track for February. This facility will be used to provide potable and construction water prior to the commissioning of the main Anfile Bay WITA. Delivery of the RO plant to site is to coincide with mobilisation of the Early Works Contractor. The plant will consist of a pre-tested desalination facility for the on-site bores and portable water. Phase 2 will start mid-February, followed by geotechnical investigation works that will commence in March 2020. Data collected will help optimise the geotechnical foundation design and outline any other investigation work if required going forward. Project Director, Tony Harrington, said: "I am very pleased with the progress achieved since commencement. We are near completion in formalising our partnership with DRA and are firmly moving into development phase with some key works and activities in progress. As part of the Mobilisation phase (1 & 2) the Project Team has put in place a robust execution strategy as a basis of delivery throughout the life of the project, which includes controls

About the Project

Colluli, a 50:50 joint venture between Danakali and the Eritrean National Mining Corporation (ENAMCO), has been called "a game changer" for Eritrea's economy, as it's expected to become one of the world's most significant and lowest cost sources of sulphate of potash (SOP), a premium grade fertilizer. In the initial phase of operation Colluli is planned produce more than 472,000 tonnes a year of SOP. Annual output could rise to almost 944,000 tonnes if Danakali decides to go ahead with a second phase of development, as the project has a possible 200-year plus mine-life. Colluli is fully permitted following the signing of the Mining Agreement in February

2017; and the subsequent awarding of the requisite Mining Licenses. The resource is amenable to open-cut mining: a proven, high productivity mining method. Open-cut mining provides higher resource recoveries relative to underground and solution mining methods, and is generally safer and more easily expanded.