

Danakali Receives US\$50M Strategic Investment From AFC

03.12.2019 | [Business Wire](#)

- AFC has agreed to make a US\$50M (A\$74M) strategic equity investment in Danakali
- Subscription price of A\$0.60 per Share represents a 5% discount to Danakali's 30-day VWAP
- Facilitates commencement of project execution activities
- On track for production during 2022

[Danakali Ltd.](#) (ASX: DNK, LSE: DNK, Danakali or the Company) is pleased to announce that it has entered into a Subscription Agreement with Africa Finance Corporation (AFC) for a placement of fully paid ordinary shares (Shares) to raise US\$50M (Placement).

The Placement will be part of the overall funding package used for the development and construction of the Colluli Sulphate of Potash Project (Colluli or the Project) in the Danakil Depression region of Eritrea, East Africa. Colluli is fully permitted and construction ready, with both the EPCM contract and senior debt documentation well advanced. The Placement facilitates commencement of project execution activities which places Colluli on track for production during 2022.

The Placement takes AFC's total participation to US\$150M (US\$50M in Danakali equity plus US\$100M of credit approved Colluli Mining Share Company (CMSC) senior debt) demonstrating their major and long-term commitment to the Project, Danakali and Eritrea.

Key terms of the Placement

The Placement will be undertaken in two tranches to raise a total of US\$50M (A\$74M) (subject to satisfaction or waiver of conditions precedent, set out in Appendix B)

- The first tranche will consist of approximately 53 million new Shares issued to AFC at an issue price of A\$0.60 per Share to raise A\$31.8 million (US\$21.5 million) (Tranche 1); and
- The second tranche, which is subject to Danakali shareholder approval and execution of senior debt documentation, will consist of approximately 70 million new Shares at the same issue price as Tranche 1 to raise the remaining A\$42.0 million (US\$28.5 million) (Tranche 2).

The offer price of A\$0.60 per Share represents a:

- 6% discount to Danakali's latest close price; and
- 5% discount to Danakali's 30-day VWAP.

AFC has received confirmation of approval from the Australian Foreign Investment Review Board (FIRB) of its application in relation to the Placement.

The Placement, upon completion of both tranches (and assuming no other issues of Shares take place prior to completion of the issue of Shares under Tranche 1) would result in AFC holding 32% of Danakali. As part of its equity investment, AFC will be granted the right to nominate up to two directors to Danakali's Board. Maintenance of these nominee Board positions will rely on AFC's Danakali ownership remaining above certain thresholds.

A summary of the key terms of the Placement and Subscription Agreement, including conditions precedent,

is set out in Appendix B.

Chief Executive Officer of Danakali, Niels Wage, 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. An investor with the reputation of AFC is a great endorsement of the project and will provide a strong platform to attract further investment. We are excited to commence project execution activities and look forward to providing updates to our shareholders and other stakeholders."

Chief Executive Officer of AFC, Samaila D. Zubairu, said: "We assess hundreds of potential investment opportunities across Africa every year. Colluli stands apart from other opportunities due to its long life, low cost, low technical risk and proximity to infrastructure. We look forward to a cooperative alliance with Danakali in delivering the Colluli Sulphate of Potash Project."

View the announcement in full here to see an indicative timetable and summary of AFC Subscription Agreement: <https://www.danakali.com.au/investor-relations/asx-announcements>

View source version on businesswire.com: <https://www.businesswire.com/news/home/20191203005420/en/>

Contact

Danakali
Niels Wage
Chief Executive Officer
+61 8 6189 8635

William Sandover
Head of Corporate Development & External Affairs
+61 499 776 998

Corporate Broker – Numis Securities
John Prior / James Black / Paul Gillam
+44 (0)20 7260 1000

UK IR/PR – Instinctif Partners
Mark Garraway / Sarah Hourahane / Dinara Shikhametova
danakali@instinctif.com
+44 (0)207 457 2020

Dieser Artikel stammt von Rohstoff-Welt.de

Die URL für diesen Artikel lautet:

<https://www.rohstoff-welt.de/news/340079--Danakali-Receives-US50M-Strategic-Investment-From-AFC.html>

Für den Inhalt des Beitrages ist allein der Autor verantwortlich bzw. die aufgeführte Quelle. Bild- oder Filmrechte liegen beim Autor/Quelle bzw. bei der vom ihm benannten Quelle. Bei Übersetzungen können Fehler nicht ausgeschlossen werden. Der vertretene Standpunkt eines Autors spiegelt generell nicht die Meinung des Webseiten-Betreibers wieder. Mittels der Veröffentlichung will dieser lediglich ein pluralistisches Meinungsbild darstellen. Direkte oder indirekte Aussagen in einem Beitrag stellen keinerlei Aufforderung zum Kauf-/Verkauf von Wertpapieren dar. Wir wehren uns gegen jede Form von Hass, Diskriminierung und Verletzung der Menschenwürde. Beachten Sie bitte auch unsere [AGB/Disclaimer!](#)

Die Reproduktion, Modifikation oder Verwendung der Inhalte ganz oder teilweise ohne schriftliche Genehmigung ist untersagt!
Alle Angaben ohne Gewähr! Copyright © by Rohstoff-Welt.de -1999-2026. Es gelten unsere [AGB](#) und [Datenschutzrichtlinien](#).