The premier potash and multi agri-commodity opportunity

Colluli project update
Paul Donaldson, Managing Director
December 2016
“Danakali, which is developing a project in Eritrea, has perhaps made the most progress of all greenfield SOP projects over the last 12 months.”

- CRU Consulting, October 2016, Potash Update
Forward looking statements and disclaimer

The information in this presentation is published to inform you about Danakali Limited (the “Company” or “DNK”) and its activities. DNK has endeavoured to ensure that the information enclosed is accurate at the time of release, and that it accurately reflects the Company’s intentions. All statements in this presentation, other than statements of historical facts, that address future production, project development, reserve or resource potential, exploration drilling, exploitation activities, corporate transactions and events or developments that the Company expects to occur, are forward-looking statements. Although the Company believes the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements.

Factors that could cause actual results to differ materially from those in forward-looking statements include market prices of potash and, exploitation and exploration successes, capital and operating costs, changes in project parameters as plans continue to be evaluated, continued availability of capital and financing and general economic, market or business conditions, as well as those factors disclosed in the Company's filed documents.

There can be no assurance that the development of the Colluli Project will proceed as planned. Accordingly, readers should not place undue reliance on forward looking information. Mineral Resources and Ore Reserves have been reported according to the JORC Code, 2012 Edition. To the extent permitted by law, the Company accepts no responsibility or liability for any losses or damages of any kind arising out of the use of any information contained in this presentation. Recipients should make their own enquiries in relation to any investment decisions.

Mineral Resource, Ore Reserve and financial assumptions made in this presentation are consistent with assumptions detailed in the Company’s ASX announcements dated 25 February 2015, 4 March 2015, 19 May 2015, 23 September 2015, 30 November 2015 and 15 August 2016 which continue to apply and have not materially changed. The Company is not aware of any new information or data that materially affects assumptions made.
## Corporate Snapshot

### Financial Information

(As of 30 Nov. 2016)

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Share price</td>
<td>A$0.39</td>
</tr>
<tr>
<td>Number of shares</td>
<td>224.2m</td>
</tr>
<tr>
<td>Market capitalisation</td>
<td>A$87.4m</td>
</tr>
<tr>
<td>Cash (30-Nov-16)</td>
<td>A$11.0m</td>
</tr>
<tr>
<td>Debt (30-Nov-16)</td>
<td>Nil</td>
</tr>
<tr>
<td>Enterprise value</td>
<td>A$76.4m</td>
</tr>
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### Share Price Performance (YTD)

<table>
<thead>
<tr>
<th>Share Price ($A)</th>
<th>Volume Traded (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.0</td>
<td>0.00</td>
</tr>
<tr>
<td>0.4</td>
<td>0.10</td>
</tr>
<tr>
<td>0.8</td>
<td>0.20</td>
</tr>
<tr>
<td>1.2</td>
<td>0.30</td>
</tr>
<tr>
<td>1.6</td>
<td>0.40</td>
</tr>
<tr>
<td>2.0</td>
<td>0.50</td>
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</tbody>
</table>

Jan-16 | Mar-16 | May-16 | Jul-16 | Sep-16 | Nov-16

### Top Shareholders

<table>
<thead>
<tr>
<th>Shareholder</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Well Efficient Hong Kong private investor</td>
<td>13.4%</td>
</tr>
<tr>
<td>JP Morgan (UK)</td>
<td>9.0%</td>
</tr>
<tr>
<td>Danakali Board members</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

Source: IRESS
Overview of the World’s Premier Potash Opportunity

Colluli is a world class sulphate of potash (SOP) project with unrivalled resource, economics and diversification potential

| World class resource¹ | 1.3 billion tonne resource  
|                        | 1.1 billion tonne ore reserve  
|                        | > 200 year mine life |
| Positively unique      | Right combination of potassium salts for low energy input, high yield conversion to SOP  
|                        | Salts extracted in solid form – eliminating capital intensive evaporation ponds, and providing consistent, predictable, reliable, non weather dependent production |
| Unrivalled access to coast and global markets | Located at the epicentre of booming population growth  
|                        | Closest SOP deposit to a coastline and established export infrastructure globally |
| Exceptional feed grade | 25 times more potassium in ore feed than brines² and vastly superior waste to ore ratios |
| Exceptional economics  | Industry leading capital intensity  
|                        | Bottom quartile operating cost curve position  
|                        | The most attractive advanced stage pre-production SOP project globally |
| Unrivalled growth and diversification potential | Unique capability to produce diverse range of potash types  
|                        | Appreciable amounts of kieserite, gypsum, magnesium chloride and sodium chloride |
| Right team             | Highly experienced team with an excellent track record of project delivery, technical expertise and operational excellence |

¹ Danakali DFS 30 November 2015  
² Calculated from Colluli resource data and published brine compositions
The most advanced greenfield SOP project globally

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Outcome</th>
</tr>
</thead>
</table>
| DFS complete                                  | ✓ Simple, commercially proven process  
|                                               | ✓ Independent technical review of process design, mass balances, evaporation trials and metallurgical test program completed  
|                                               | ✓ Low development capital  
|                                               | ✓ Industry leading capital intensity  
|                                               | ✓ Bottom quartile operating cost curve position  
|                                               | ✓ World class resource with over 1bt ore reserve  
| Offtake MOUs signed                           | ✓ MOU’s signed for 800kt per annum of SOP  
|                                               | ✓ Offtake discussions progressing towards Heads of Agreement  
| Front end engineering and design bidding complete | ✓ Site visits completed  
|                                               | ✓ FEED bidding process complete  
|                                               | ✓ Kick off expected January 2017  
| Mining agreement and license approvals process well advanced | ✓ Ministry of Energy and Mines review complete  
|                                               | ✓ Independent social and environmental review committee review complete  
|                                               | ✓ Social and Environmental Impact Assessment (SEIA) approved  
|                                               | ✓ Mining agreement well advanced  

Industry Overview
Fertiliser demand growth will continue

POTASSIUM IS AN ESSENTIAL, NON-SUBSTITUTABLE NUTRIENT, WHICH IS PROVIDED BY THE ADDITION OF POTASH FERTILISER

Growth fundamentals are excellent

- 30% increase in global population by 2050\(^1\)
- 70% increase in agricultural yield required by 2050\(^2\)
- 12% increase in average daily calorie intake\(^2\)
- 33% increase in agri-demand of fruit and vegetables\(^2\)
- SOP ideal for high value, chloride intolerant crops including fruits, nuts and vegetables\(^3\)
- SOP is the preferred potash type in areas of low rainfall to prevent accumulation of chloride in soils\(^3\)
- SOP demand forecast to grow by at least 4% per annum\(^4\)

<table>
<thead>
<tr>
<th>Global Population Growth(^1)</th>
<th>7B 2016</th>
<th>9B 2050</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural Production needs to increase(^2)</td>
<td>70%</td>
<td>2050</td>
</tr>
<tr>
<td>Water demand expected to increase(^5)</td>
<td>55%</td>
<td>2050</td>
</tr>
</tbody>
</table>

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1 United Nations – Department of Economic and Social Affairs  
2 FAO  
3 International Fertiliser Institute  
4 CRU, IFA, FAO, Company Research  
5 FAO
SOP is the PREMIUM POTASH

SOP IS A HIGH VALUE, CHLORIDE FREE SOURCE OF POTASSIUM

**SOP** is a high value, chloride free source of potassium.

**Premium Price**
- Sustained price premium of over 100% relative to MOP\(^1\)
- Secondary production provides high margins for primary producers

**Essential Macro-nutrient**
- Potassium is an essential, non-substitutable nutrient
- SOP critical for high value, chloride intolerant crops such as fruits, nuts and vegetables
- SOP also provides sulphur

**Limited supply**
- Limited economically exploitable primary resources
- Over 50% of world’s supply from expensive secondary processing of MOP (KCl)\(^2\)

**Increasing Importance**
- Demographic shift to high value specialty crops
- Environmentally friendly – no chlorine, low salinity index
- Highly suited to increased focus on improved water efficiency in agricultural sector

Source: Greenmarkets

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\(^1\) MOP prices based on FOB Vancouver prices, SOP prices based on FOB Utah prices
\(^2\) CRU
SOP demand will increase by over 30%

**SOP IS A MULTI-NUTRIENT FERTILISER ESSENTIAL FOR HIGH VALUE, CHLORIDE INTOLERANT CROPS**

- A significant increase in global SOP consumption is forecast \(^1\)
- 33% increase in demand for high value fruit and vegetables till 2050
- Colluli is well positioned as an advanced stage project to take advantage of global growth

1. CRU
2. IC Potash

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Orange without SOP\(^2\)  Orange with SOP\(^2\)

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**Million tonnes SOP demand\(^1\)**

- 2015: 6.0
- 2023: 8.5

30% increase in demand forecast
Over 60% of SOP supply will come from high cost secondary production by 2020

LACK OF ATTRACTIVE PRIMARY PRODUCTION PROJECTS REQUIRES INCREASED HIGH COST SUPPLY TO MEET DEMAND

- Lack of attractive primary SOP projects requires additional secondary production to meet growing demand - high cost secondary production requires thermal conversion of sulphuric acid and potassium chloride to produce sulphate of potash (SOP)
- Acid management, storage and disposal cause ongoing challenges for secondary producers, adding to conversion costs
- Secondary producers create a high price floor for primary producers who will continue to enjoy high margins

Source: Greenmarkets, CRU

1 MOP prices based on FOB Vancouver prices, SOP prices based on FOB Utah prices
Colluli – positioned where fertiliser and food security is needed most

**BY 2050 25% OF THE WORLD’S POPULATION WILL BE AFRICAN**

<table>
<thead>
<tr>
<th>Year</th>
<th>Africa’s Population</th>
<th>Accounts for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1950</td>
<td>230 million</td>
<td>9%</td>
</tr>
<tr>
<td>2015</td>
<td>1.2 billion</td>
<td>16%</td>
</tr>
<tr>
<td>2050</td>
<td>2.4 billion</td>
<td>25%</td>
</tr>
<tr>
<td>2100</td>
<td>4.2 billion</td>
<td>39%</td>
</tr>
</tbody>
</table>

1. Unicef
SOP has demonstrated price resilience

LACK OF NEW SOP SUPPLY HAS PROVIDED SIGNIFICANTLY HIGHER PREMIUMS – DESPITE OVERSUPPLY OF MOP

- Continued growth demand, coupled with lack of new supply has resulted in significantly higher premiums over potassium chloride (MOP)
- There are only four projects in the world at DFS level (including Colluli)
- Colluli demonstrates:
  - lowest development capital of all advanced projects
  - bottom quartile operating cost curve position
  - low incremental growth capital
  - unrivalled project upside and substantial mine life

Source: Greenmarkets, CRU

1 MOP prices based on FOB Vancouver prices, SOP prices based on FOB Utah prices
Colluli – A world class project with no peer
Colluli – a positively unique resource

- There is only one Colluli!
- Shallow mineralisation allows open cut mining and extraction of salts in solid form.
  - A proven, safer method than underground mining
  - Massive conversion of resource to reserve (over 85%)
  - Significant footprint size, grade and production reliability benefits over brines
  - Lower complexity than brine chemistry management
  - Low incremental growth capital
  - Monetisation of other salts extracted as waste
- Massive 1.1 billion tonne ore reserve
- The most favourable combination of potassium bearing salts suitable for production of SOP, SOP-M and MOP
- Unrivalled diversification potential – appreciable amounts of gypsum, kieserite, rock salt and magnesium chloride
- Access to export infrastructure

Colluli sits in the world’s largest unexploited potash basin
Large, low cost, long life resource close to established infrastructure

| Large, long life resource | > 1.3 Bt resource  
<table>
<thead>
<tr>
<th></th>
<th>&gt; 1.1 Bt ore reserve</th>
</tr>
</thead>
<tbody>
<tr>
<td>Easily accessible</td>
<td>No vegetation</td>
</tr>
<tr>
<td></td>
<td>No communities within tenements</td>
</tr>
<tr>
<td></td>
<td>Mineralisation starts at 16m</td>
</tr>
</tbody>
</table>

Close proximity to established infrastructure

- Bitumised and all weather road runs to within 40km of Colluli site

Well established export facility

- Port of Massawa
  - 6 berths
  - Bulk and container shipping capability
  - Storage area allocated for Colluli product

1 Photo of Colluli site
2 Road from Massawa towards Colluli
3 Massawa Port
PRODUCTION OF SOP FROM COLLULI SALTS OCCURS WITH SIMPLE PROCESSES INCLUDING FLOTATION, MIXING AND DRYING

Simple processing – Crush – Float – Mix – Dry - Truck

Colluli contains the right combination of potassium salts for ambient temperature conversion to SOP

- The combination of sylvite and kainite is ideal for low temperature, high yield conversion to SOP
- No thermal decomposition required (kainite only brine operations require brine to be heated to 55°C to produce SOP)
- Heated brines typically achieve potassium yield 10% to 15% lower than ambient conversion
Significant advantages over potassium brines

EXTRACTION OF SALTS IN SOLID FORM PROVIDES A SIMPLE, HIGH YIELD PRODUCTION PATH TO SOP

- **Simplicity**
  - Brine chemistry management is complex
  - Colluli processing plant utilises simple, proven, mineral processing units
- **Lower energy input**
  - Sulphate rich brines typically require heating to 55°C for thermal decomposition
- **Consistent, predictable feedgrade**
- **Production rates not weather dependent**
  - Production rates from brines directly proportional to weather conditions
- **Smaller footprint**
  - No pre-production ponds
- **Higher potassium yields**
Outstanding DFS economics

**COLLULI DOMINATES OTHER PROJECTS WITH RESPECT TO VALUATION OUTCOMES**

**Key DFS results**

<table>
<thead>
<tr>
<th>Metric</th>
<th>Phase I</th>
<th>Phase I and II</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production</td>
<td>425kt</td>
<td>850kt</td>
</tr>
<tr>
<td>Strip ratio</td>
<td>1.91</td>
<td>1.93</td>
</tr>
<tr>
<td>Post tax NPV (10% real)(^1)</td>
<td>US$439m</td>
<td>US$860m</td>
</tr>
<tr>
<td>Post tax IRR(^1)</td>
<td>25.4%</td>
<td>29.0%</td>
</tr>
<tr>
<td>Post tax NPV (10% real)(^2)</td>
<td>US$206m</td>
<td>US$397m</td>
</tr>
<tr>
<td>Post tax IRR(^2)</td>
<td>22.3%(^1,2)</td>
<td>25.9%(^1,2)</td>
</tr>
<tr>
<td>Capital</td>
<td>US$298m</td>
<td></td>
</tr>
<tr>
<td>Incremental Phase II capital</td>
<td></td>
<td>US$175m</td>
</tr>
</tbody>
</table>

**Supportive laws for mining investment** in Eritrea\(^3\)

- Accelerated depreciation (straight line, 4 years)
- 10 year carrying forward of losses
- Generous reinvestment deduction (5% gross income)
- Stable corporate tax

\(^1\) In accordance with CMSC Shareholders Agreement
\(^2\) Third party debt estimated at 60% of project funding
\(^3\) Eritrea Mining Proclamation

Source: DNK Company announcements, Company websites
The Colluli resource is positively unique:

- Colluli has the right combination of potassium salts for low cost, high yield SOP production
- It is the shallowest evaporite deposit in the world – making it amenable to open cut mining
- Extraction of salts in solid form negates the need for large evaporation ponds – reducing capital intensity
- Mining and processing salts in solid form will result in stable, consistent, and reliable production

Source: DNK Company announcements, Company websites
Low payback period

**EXCEPTIONAL FREE CASH FLOW PROFILE**

- Financing of the initial development capital is expected to be a combination of third party debt (up to 70%) raised by CMSC and a shareholder contribution from Danakali (30%)

- Annual average free cash flows over A$100 million (US$81 million)\(^1\) per annum for Phase I and over A$220 million (US$166 million)\(^2\) per annum for Phase II

- **Capital payback period 3.5 years.** Majority of Phase II development capital expected to be funded by operating cash flows.

1. US$81 million as per DFS (ASX Announcement 30 Nov 2015)
2. US$166 million as per DFS (ASX Announcement 30 Nov 2015)

Source: DNK Company announcements, Company websites
Monetisation potential beyond SOP

Unrivalled multi agri-commodity potential

MOP
- Improves yield for wide range of crops
- Most concentrated form of granular potassium
- Demand is elastic (easy to substitute)
- Market is well supplied by global potash majors
- Generally higher development costs

~85% of potash supply

SOP
- Danakali’s key focus
- Improves yield of high value crops
- Suitable for chloride intolerant crops
- Demand is inelastic (not as easy to substitute, premium product leads to sticky demand)
- Global supply shortage of primary resources
- Sulphur is a key nutrient
- Fewer natural sources
- Higher margin

~10% of potash supply

SOP-M
- Demonstrated production from Colluli
- Limited supply and carries a price premium
- High grade, chloride free premium fertiliser
- Multi-nutrient fertiliser suitable for crops where three major nutrients are required
- SOP-M production ability confirms Colluli’s multi agri-commodity business potential

~3% of potash supply

Kieserite
- An effective source of both magnesium and sulphur (magnesium sulphate)
- Suitable for all types of crops and use in any soil type
- Identified in potassium salt seams
- Volumes currently being evaluated

Gypsum
- Source of calcium and sulphur
- Improves acid soils and treats aluminium toxicity
- Improves soil structure and water infiltration
- Reduces run off erosion
- Detected within the Colluli tenements

Additional agri-product potential

Major potassium products

1. CRU
Eritrea

“We were very impressed with the country itself, and with the Colluli project. Management has a very good relationship with the Government.”

Hartleys Research Report: “Site visit to Eritrea confirms world class SOP project”  
1 Nov. 2016
Eritrea – Safe, stable and progressive

DANAKALI HAS BEEN OPERATING IN ERITREA SINCE 2009 AND HAS FOUND IT TO BE SAFE, STABLE AND DEVELOPMENT FOCUSED

Positive Eritrean outlook

• The Danakali experience in Eritrea:
  • Safe and friendly
  • High degree of focus on health and education
  • Development focussed with an emphasis on the agricultural, industrial and mining sectors
  • Stable government
  • Building up a track record of success in a maturing mining industry
  • No evidence of corruption
  • Gender equality

• CMSC (ENAMCO and Danakali) are progressing a sustainable development framework that addresses the policy, management plans and compliance monitoring in key areas including:
  • Human rights
  • Anti-corruption
  • Communities
  • Health and safety

Tour of Eritrea cycling race (April 2016)

Development at the Massawa port
Multiple Mining Success Stories in Eritrea

THERE ARE MULTIPLE HIGH PROFILE EXAMPLE OF MINING INVESTMENT IN ERITREA

Eritrean mining background

• Nevsun Resources (TSX:NSU) is a major Eritrean-focused mining company
  • JV company formed with ENACMO and now operates Bisha copper mine
  • Successful modular JV development with ENAMCO paves the way for Colluli JV
  • Significant shareholders in Nevsun are globally recognised investors who have demonstrated comfort with investment in Eritrea
• Recent purchase of 60% of Asmara (copper, zinc, gold) by Chinese investor for C$85m
• Joint venture agreement and relationship with ENAMCO is a key enabler of project success

Major Eritrean mining developments

Bisha
Undergoing third expansion

Zara
Commissioned and producing

Asmara
60% recently acquired by a Chinese investor

Shareholders
Blackrock
Vanguard
Franklin Templeton

Supportive laws for mining investment

• A stable tax regime, with corporate tax rate of 38%
• Accelerated depreciation – straight line over 4 years
• Generous reinvestment deduction (5% gross income)
• 10 year carrying forward of losses
• 0.5% import duty on mining inputs
• Simple “one stop” licensing system

...and there have been no changes to mining legislation in Eritrea

Source: Nevsun Resources August 2015 corporate presentation, Bloomberg, company websites
Nevsun Resources – Case study
Cumulative Capex Spend > US$600m
Shareholder dividend > US$100m

Nevsun market capitalisation compared to commodities performances

Capex invested by Nevsun into Bisha mine and dividend paid to shareholders

Source: Company filings and S&P Capital IQ as of 23 November 2016
Note: All prices re-based to Nevsun market cap
Working in partnership with ENAMCO

**DNK AND ENAMCO ARE ADVANCING A WORLD CLASS POTASH PROJECT**

**Government support and strategic alliance**

- Eritrea is a stable jurisdiction with a rapidly emerging mining industry.
- Danakali has a strong, effective working relationship with the Government through its joint venture.
- Agreement with the Eritrean National Mining Corporation (ENAMCO).
  - ENAMCO and Danakali each hold a 50% ownership in the Colluli Mining Share Company.
  - Project Development Costs for initial development will be funded by up to 70% debt and 30% equity.
  - The CMSC board was established following the incorporation of CMSC in March 2014. The board is overseeing the project development.
  - CMSC has a board of 5, with 3 members from Danakali and 2 from ENAMCO.

The structure allows Government direct insight into the mining industry, which is an important part of Eritrea’s development.
Long-term economic, social and community dividends

ENGAGEMENT WITH COMMUNITY AND KEY STAKEHOLDERS HAS GENERATED STRONG SUPPORT FOR COLLULI DEVELOPMENT

Colluli will create over 300 permanent jobs for locals and Eritrean nationals by 2019, and over 450 by 2025

Expectations for Eritrean employee numbers at Colluli

Regional employees  National employees
STRONG OPERATIONAL AND LEADERSHIP TEAM ASSEMBLED WITH A TRACK RECORD OF SUCCESS

Paul Donaldson  
CEO and MD  
Mining senior management
- 25+ years experience spanning large scale open cut mine management, project management, supply chain logistics, mineral processing, business improvement and marketing
- Formally held a series of senior management positions with BHP Billiton

Seamus Cornelius  
Non-Executive Chairman  
Corporate law and negotiations
- 21+ years experience in legal and commercial negotiations
- Current Chairman of Buxton Resources, Duketon Mining & Montezuma Mining

Tony Kiernan  
Non-Executive Director  
Commercial law and mining
- 25+ years experience in the commercial law, corporate advisory and government relations within the mining industry
- Chairman of Pilbara Minerals, Venturex Resources and Chalice Gold Mines with previous operations in Eritrea

Liam Cornelius  
Non-Executive Director  
Geology and exploration
- Founding Director providing guidance on project generation, fund raising and strategic direction
- 20 years experience in commodity exploration within Australia, Asia and Africa

John Fitzgerald  
Non-Executive Director  
Corporate finance and banking
- Managing Director of Optimum Capital, specialising in corporate debt and advice in the mining sector
- Chairman of Atherton Resources (previously Mungana Goldmines) and Director of Northern Star Resources

Zhang Jing  
Non-Executive Director  
Strategy and Investment
- Extensive experience in International trading, procurement, and business development
- Qualifications in Economics, International Consultancy and accounting

Highly experienced board
Colluli – a standout project

- SOP is a high quality, chloride free potash with limited economically exploitable primary resources.

- Colluli is an advanced stage project and is the most fundable, scalable, long life, low operating cost SOP project with access to global markets and is in close proximity to established infrastructure.

- Colluli has standout economics relative to peers.

- Colluli has unrivalled product diversification potential.

- Colluli has significant upside on top of superior economic returns.

Danakali is an emerging multi agri-commodity company developing a world class potash project.
Competent persons statement

Resource statement

The 2015 Colluli Potash Mineral Resource is reported according to the JORC Code and estimated at 1,289Mt @11% K2O Equiv. The Mineral Resource is classed as 303Mt @ 11% K2O Equiv Measured, 951Mt @ 11% K2O Equiv Indicated and 35Mt @ 10% K2O Equiv Inferred. The Competent Person for this estimate is Mr. Stephen Halabura, M. Sc., P. Geo., Fellow of Engineers Canada (Hon), Fellow of Geoscientists Canada, and a geologist with over 25 years’ experience in the potash mining industry. Mr. Halabura is a member of the Association of Professional Engineers and Geoscientists of Saskatchewan, a Recognised Professional Organisation (RPO) under the JORC Code and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

The 2015 Colluli Rock Salt Mineral Resource is reported according to the JORC Code and estimated at 347Mt @96.9% NaCl. The Mineral Resource is classed as 28Mt @ 97.2% NaCl Measured, 180Mt @ 96.6% NaCl Indicated and 139Mt @ 97.2% NaCl Inferred. The Competent Person for this estimate is Mr. John Tyrrell, a geologist with more than 25 years’ experience in the field of Mineral Resource estimation. Mr Tyrrell is a member of the AusIMM, is a full time employee of AMC Consultants Pty Ltd and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the JORC Code.

Mr. Tyrell & Mr. Halabura consent to the inclusion of information relating to the Mineral Resource Statements in the form and context in which they appear.

Ore Reserve statement

The November 2015 Colluli Ore Reserve is reported according to the JORC Code and estimated at 1,113Mt @10% K2O Equiv. The Ore Reserve is classed as 286Mt @ 11% K2O Equiv Proved and 827Mt @ 10% K2O Equiv Probable. The Competent Person for the estimate is Mr Mark Chesher, a mining engineer with more than 30 years’ experience in the mining industry. Mr. Chesher is a Fellow of the AusIMM, a Chartered Professional, a full-time employee of AMC Consultants Pty Ltd, and has sufficient open pit mining activity experience relevant to the style of mineralisation and type of deposit under consideration to qualify as a Competent Person as defined in the JORC Code. Mr Chesher consents to the inclusion of information relating to the Ore Reserve in the form and context in which it appears.

In reporting the Mineral Resources and Ore Reserves referred to in this public release, AMC Consultants Pty Ltd acted as an independent party, has no interest in the outcome of the Colluli Project and has no business relationship with Danakali Ltd other than undertaking those individual technical consulting assignments as engaged, and being paid according to standard per diem rates with reimbursement for out-of-pocket expenses. Therefore, AMC Consultants Pty Ltd and the Competent Persons believe that there is no conflict of interest in undertaking the assignments which are the subject of the statements.
Colluli - Positively Unique