The Unparalleled Opportunity of Colluli

the Colluli Potash Project presented by Danakali

James Durrant Colluli Project Manager September 2015

Formerly South Boulder Mines

Helping grow a better future
The growing world needs our Potassium Sulphate

Billions


More people = More food = More fertiliser = More potash
Potassium Sulphate - A premium potash product

Potassium Sulphate: $K_2SO_4$

- Chlorine free (unlike MOP)
- Macro and micro nutrients
- Water retention
- Assists in uptake of additional nutrients
SOP has fundamentally sound price dynamics

MOP and SOP Price vs time
US$ per tonne

Source: CRU, Infomine, Greenmarkets
Colluli’s resource is enormous and perfect for SOP

Colluli Mineral Resource and Ore Reserve estimate

Resource (Measured and Indicated)
1.3 Billion Tonnes

Reserve (Proved and Probable)
1.1 Billion Tonnes

SOP contained\(^1\)
205 Million Tonnes

1. Equivalent K2SO4 (SOP) calculated by multiplying %K2O by 1.85
Colluli is in the best position; locally and globally

Billions


1. Saskatchewan Mining Association
Danakali are leading the development of this project

Paul Donaldson
CEO and Managing Director
25 years senior leadership within BHP Billiton covering:
- Mining Operations
- Port Operations
- Technical Marketing
- Business Improvement
- Technical Development
- Steel Making

James Durrant
Colluli Project Manager
7 Years senior technical and operational leadership in BHP Billiton covering:
- Operational management of large scale open cut mines
- Project management, Organisational design
- Operation development
- Mechanical and mining engineering

Stuart Tarrant
Head Of Finance
15 years in the accounting profession most recently in leadership positions within BHP Billiton.
Experience in managing finance in companies experiencing accelerated growth or change

Gordon Tainton
Head Of Market Development
24 years in senior executive and leadership positions:
Assisted by our Joint Venture

![DANAKALI](image1)

50% 50%

![ENAMCO](image2)

![COLLUU](image3)
In a stable country with a growing mining industry

Bisha
commissioned in 2010;
undergoing 3rd expansion

Zara
commissioning

Asmara
awaiting mining approval

Gross domestic Product
% year on year change

Source: Economic Intelligence Unit; Economist

6% CAGR
Colluli has the clear advantage

Distance to coast for selected SOP projects (km)

- Colluli
- Colluli Anfile
- Colluli Massawa
- Salar de Atacama
- Lake
- Disappointment
- Ethiopian Projects
- Servie Lake
- Carlsbad
- Utah
- Lop Nur

Source: Company announcements; Allana Potash, Circum, Danakali analysis
Colluli is “Positively Unique”

- Strong government support; stable and growing mining industry
- Close proximity to key growth markets
- Lowest expected capital intensity and operating costs
- Commodity of the future: excellent fundamentals
- Unmatched proximity to the coast
- Large resource; shallow; in solid form; long life; expandable and diversifiable
- Highest purity product; already produced and available
- Lowest expected capital intensity and operating costs
- Highest purity product; already produced and available
Mining is simple, proven and low risk

Salt Mining, Western Australia

Open Pit Salt Mining, Salar Grande

Salt mining, Botash, Botswana

Salt Lake Surface Mining, Turkey

Wirtgen Surface Miner Cutting Salt

Salt extraction using surface miners
Processing is simple and well understood

This is the lowest energy input, highest potassium yield route to Potassium Sulphate
SOP has been produced and is the highest of purity

The SOP Quality Spectrum
%K₂O versus SOP product

Source: Company websites, Danakali Colluli salt pilot plant tests
Colluli’s highly attractive position is demonstrated and comparable

- Sustainable production volumes
- Modular, phased, approach
- Demonstrated by PFS
- Validated by industry leading consultants and potash experts

Mine gate expected operating costs for SOP production
US$ per tonne

Capital intensity of advanced SOP projects
US$ per tonne

1. CRU Research, EPM Mining presentation 2014, Company websites, Integer Research, Other sources: Danakali analysis, Danakali pre-feasibility Study
“Positively Unique”
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 in this presentation 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 estimated using the Australian JORC (2012) Code (‘JORC 2012’). 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.

Material resource 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 and 19 May 2015 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.
Competent Persons Reports & Responsibility Statements

Resource Statement
Colluli has a JORC 2012 compliant Measured, Indicated and Inferred Mineral Resource estimate of 1,289Mt @11% K2O. The resource contains 303Mt @ 10.98% K2O of Measured Resources, 951Mt @ 10.89% K2O of Indicated Resources and 35Mt @ 10.28% K2O of Inferred Resources.

The information in this report relating to the Colluli Mineral Resource was compiled by Mr. John Tyrell, under the supervision of Mr. Stephen Halabura M. Sc. P. Geo. Fellow of Engineers Canada (Hon), Fellow of Geoscientists Canada, and as a geologist with over 25 years experience in the potash mining industry.

Mr. Tyrell is a member of the Australian Institute of Mining and Metallurgy and a full time employee of AMC. Mr. Tyrell has more than 25 years experience in the field of Mineral Resource estimation.

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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code).

Mr. Tyrell & Mr. Halabura consent to the inclusion of information relating to the Resource Statement in the form and context in which it appears.

Reserve Statement
The JORC 2012 compliant Ore Reserve estimate for Colluli is 1,107 Mt @10% K2O comprising 287Mt Proved and 820Mt Probable Ore Reserve.

Mark Chesher is the Competent Person for the 2015 Colluli Ore Reserve estimate, and supervised preparation of the Ore Reserve estimate with assistance from specialists in each area of the study. Mr. Chesher is a Fellow of the Australasian Institute of Mining and Metallurgy, a Chartered Professional, and is a full-time employee of AMC Consultants Pty Ltd.

He 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 2012. Mr Chesher consents to the inclusion of information relating to the Ore Reserve in the form and context in which it appears.

In undertaking the assignments referred to in this report, 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 Person believe that there is no conflict of interest in undertaking the assignments which are the subject of this statement.