



Bell Potter Emerging Leaders Conference 2018 presentation

Danakali Limited (ASX: DNK, LSE: DNK) (**Danakali**) is pleased to share the investor presentation that Head of Corporate Development & External Affairs, William Sandover, will present today at the Bell Potter Emerging Leaders Conference 2018 in Sydney, Australia.

The event will showcase Danakali alongside other high growth Emerging Leaders from various sectors. It will also afford Danakali the opportunity to engage with domestic and international institutional investors.

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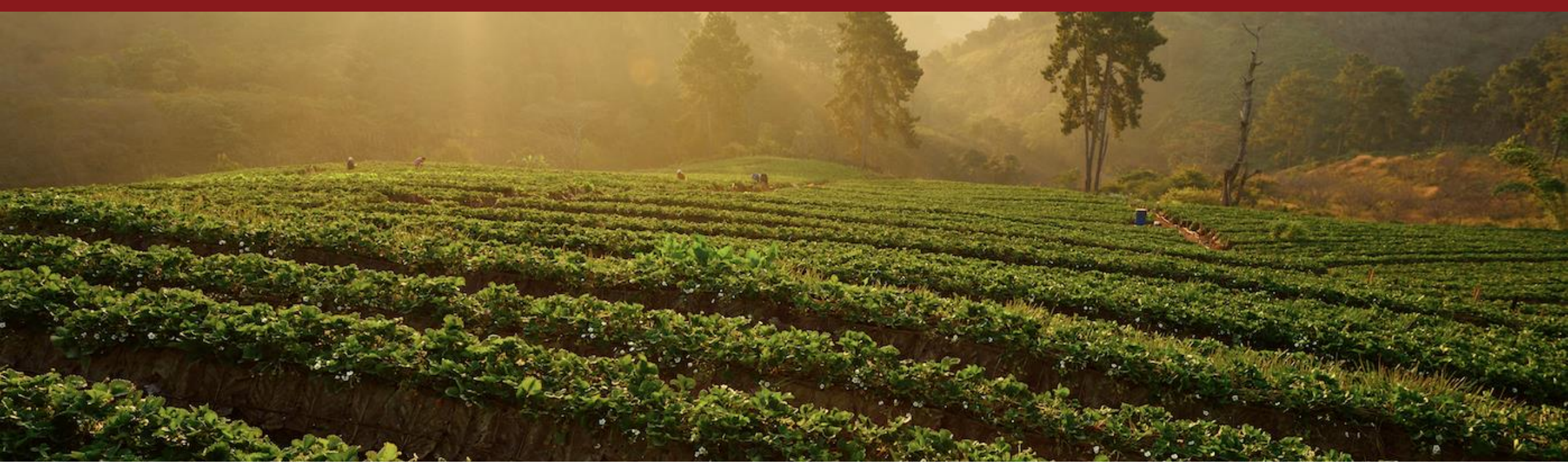
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ASX: DNK / LSE: DNK



DANAKALI

create. nurture. grow.

Bell Potter Emerging Leaders Conference 2018 Presentation

October 2018

Introduction to Danakali

ASX / LSE (Main Market) dual-listed company



Developing Colluli, an advanced and economically attractive potash (SOP) development project¹

Exceptional project economics

NPV US\$902M
IRR of 29.9%

Industry leading capital intensity

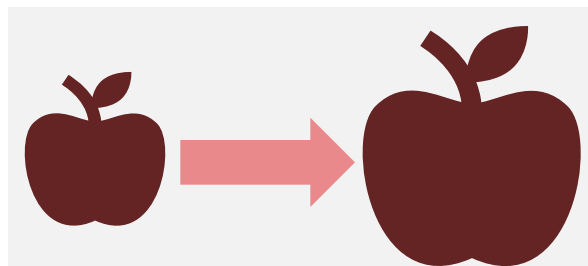
US\$534/tpa
Average of Modules I & II

First quartile operating costs

US\$242/t
FOB / Average of Modules I & II

SOP is undersupplied and demand is growing²

- Used on high value, chloride-sensitive crops
- Difficult to substitute
- High margin
- **The premium potash type**



Food demand is expected to increase **59%-98% by 2050 from 2005 levels³**

Binding, take-or-pay offtake agreement with EuroChem

- EuroChem will take, pay, market and distribute up to 100% of Colluli Module I SOP production⁴
- 10 year term with 3 year extension option⁴



- Leading global fertiliser producer⁵
- CY2017 revenue of US\$4.9B and EBITDA of US\$1.1B⁵

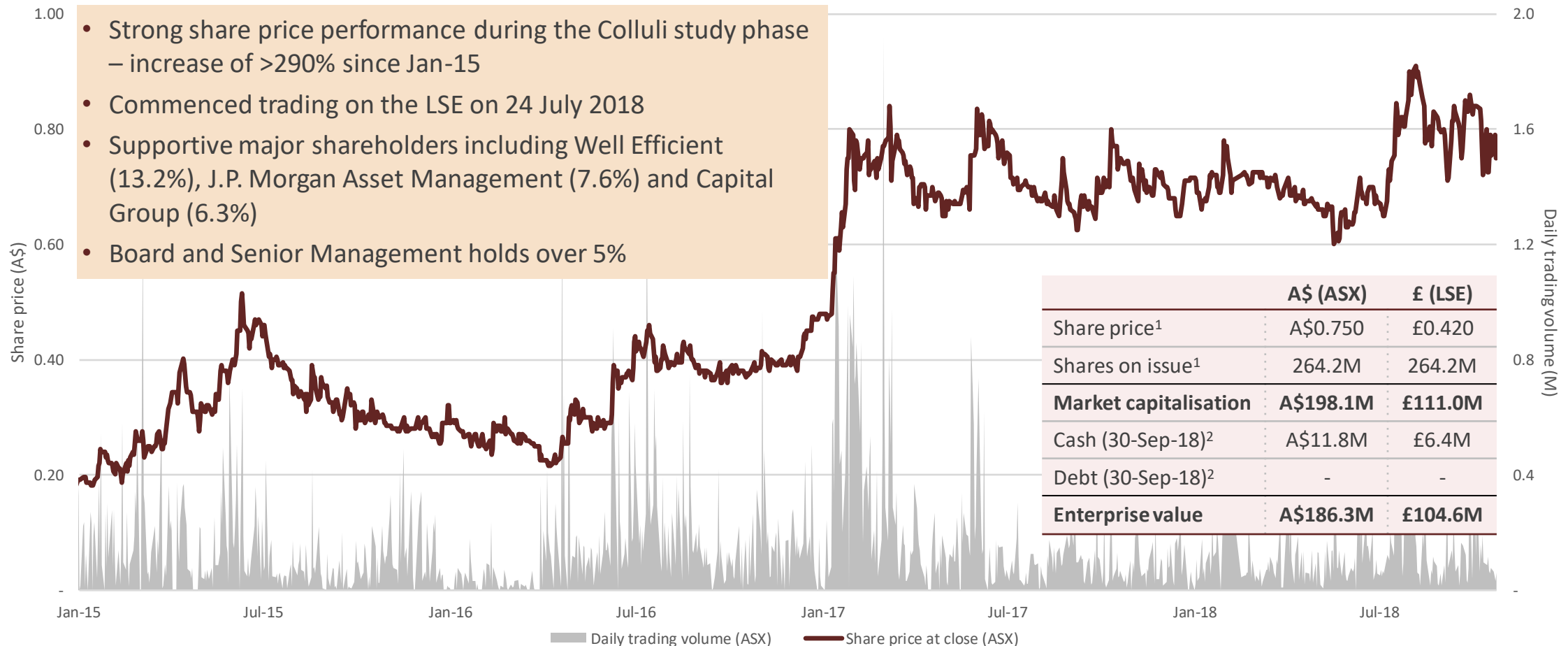
¹ DNK announcement, 29-Jan-18
² Integer Research

³ Stratfor | Worldview, 6-Sep-18
⁴ DNK announcement, 12-Jun-18

⁵ <http://www.eurochemgroup.com/en/home/#>

Corporate snapshot

Supportive major shareholders and high levels of Board and Senior Management ownership



Source: BellDirect, LSE website, S&P CapIQ

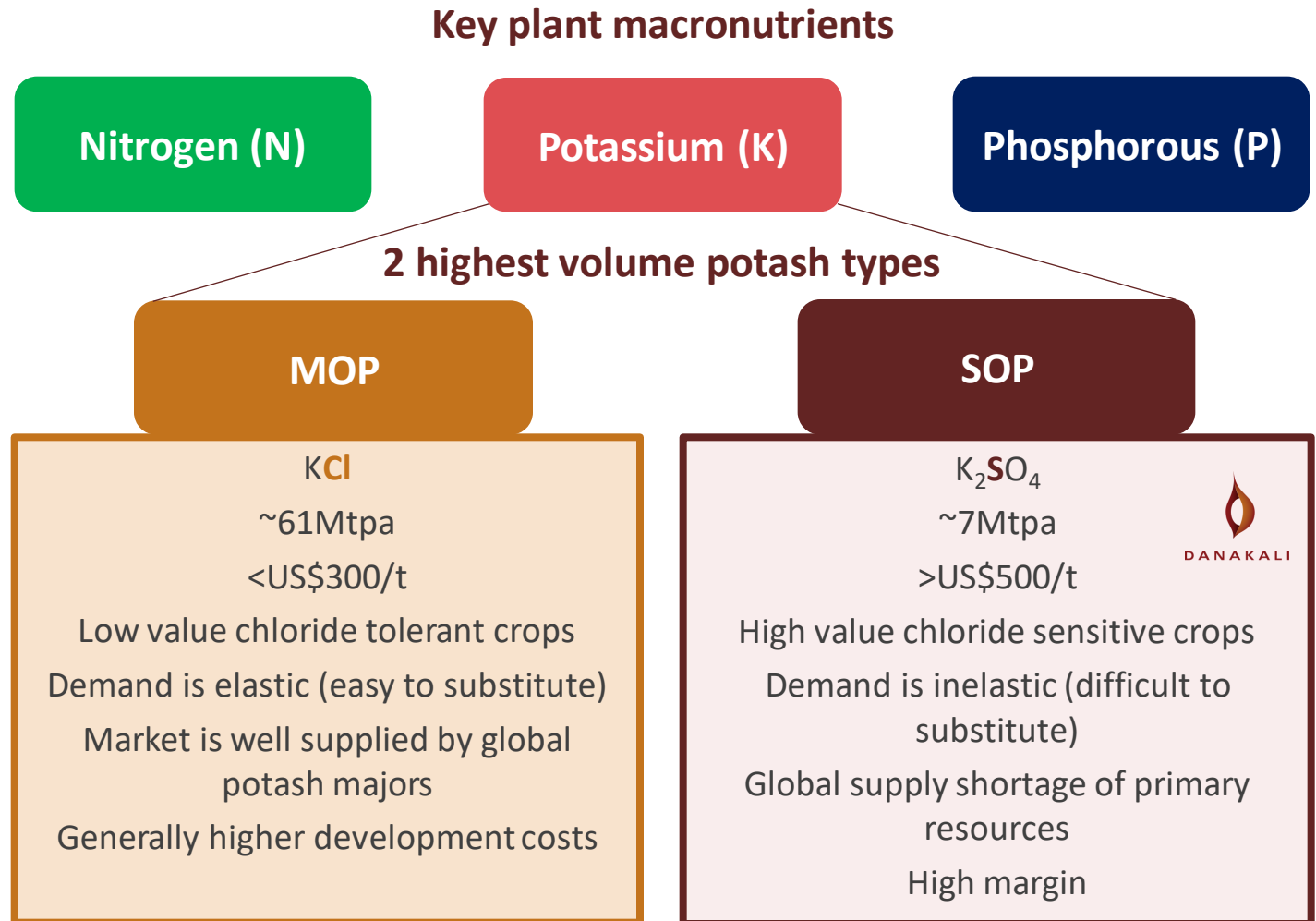
¹ ASX values as at close on 24-Oct-18, LSE values as at close on 23-Oct-18; "Shares on issue" does not include 3.84M unlisted options with exercise prices ranging from A\$0.543 to A\$0.96 and expiry dates ranging from 4-Nov-18 to 19-May-20, or 1.34M performance rights

² Exchange rate of £0.54/A\$

Potash

Potassium is one of the 3 key plant macronutrients, along with Nitrogen and Phosphorous

- Potassium is essential for plant life:
 - Improves crop quality
 - Increases nitrogen uptake
 - Increases water use efficiencies
- There are 4 potash types:
 - **SOP** – used on high value crops (primary Danakali focus)
 - **SOP-M** – used on high value crops (secondary Danakali focus)
 - **MOP** – used on low value crops
 - **NOP** – can only be produced artificially



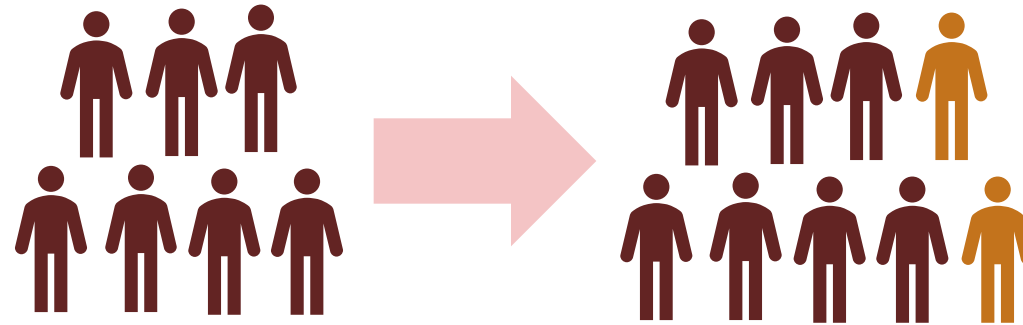
SOP – key demand drivers

The SOP market is growing and highly profitable

Key demand drivers:

1. Global population growth
2. Reduction in arable land per capita
3. Changing dietary preferences
4. Under-application in developing countries
5. Water availability

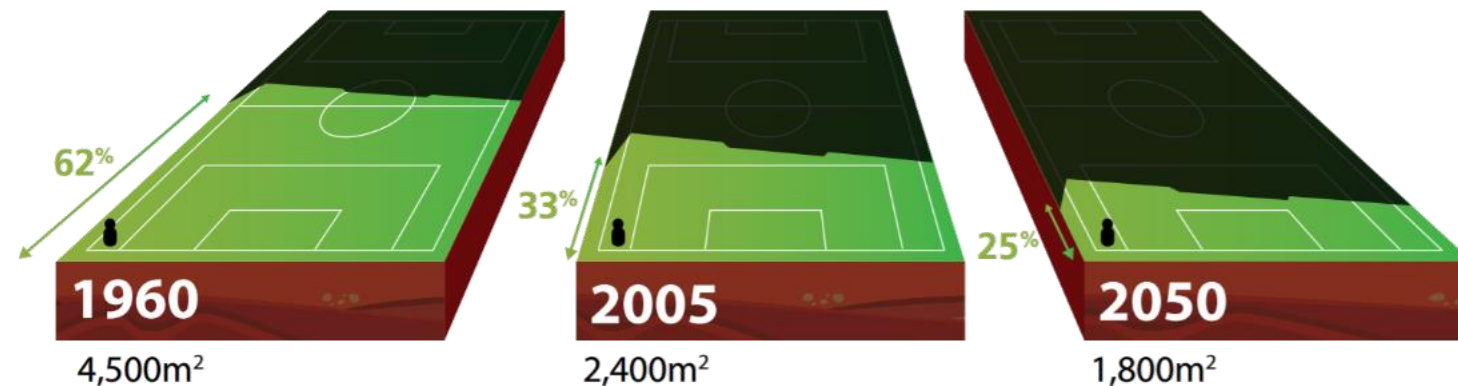
The world's population is set to increase by almost a third by 2050, from 7B to 9B



The majority of the population increase is expected to come from developing nations

Developing nations have growing middle classes seeking enhanced nutrition from premium crops

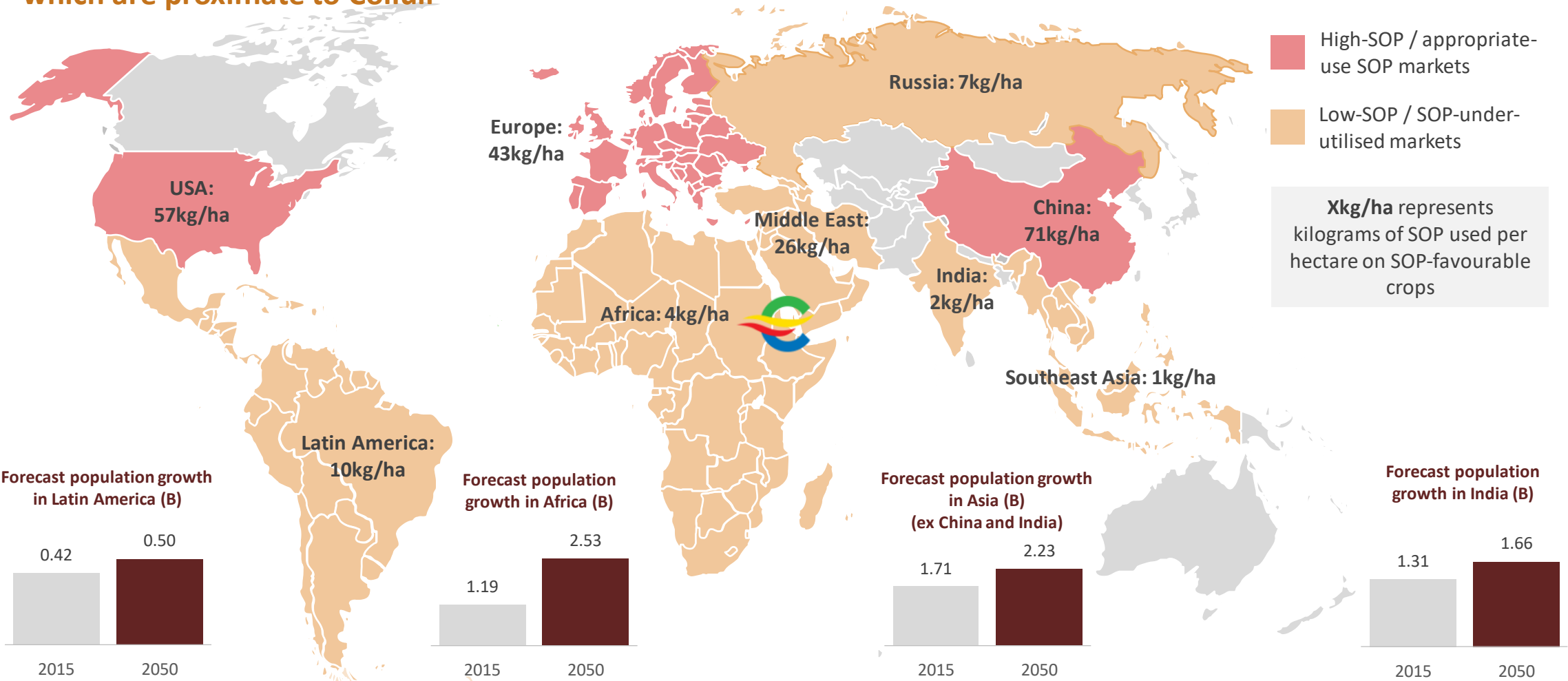
Arable land per person globally continues to dramatically decrease from 62% of a soccer pitch in 1950 to 33% in 2005 and expected to be 25% by 2050





SOP – key demand drivers *cont.*

SOP is currently underutilised in the areas expecting the highest rates of population growth, the majority of which are proximate to Colluli



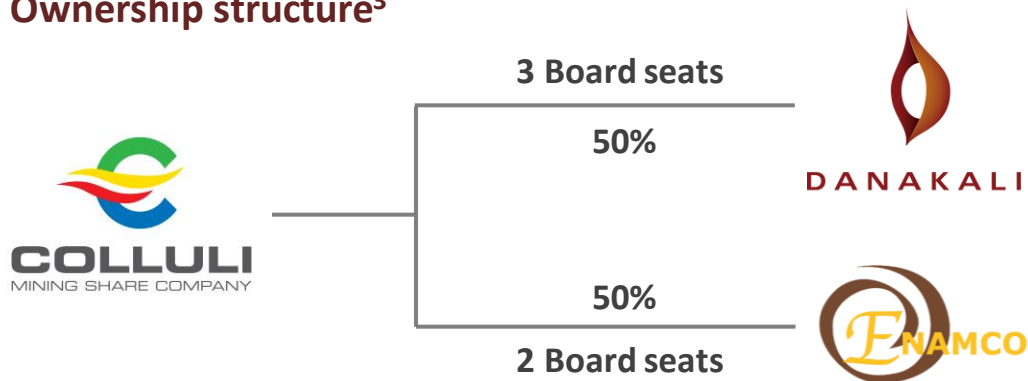
Source: Integer Research, United Nations world population prospects (2015)

Colluli overview

Strategically located SOP development project with all material permits in place

- Located in the Danakil Depression on Eritrean side of Eritrea-Ethiopia border
- To be developed utilising a modular approach
 - Module I to produce 472ktpa of premium SOP¹
 - Module II to increase total SOP production to 944ktpa^{1,2}
- 50% owned by Danakali, 50% owned by ENAMCO

Ownership structure³

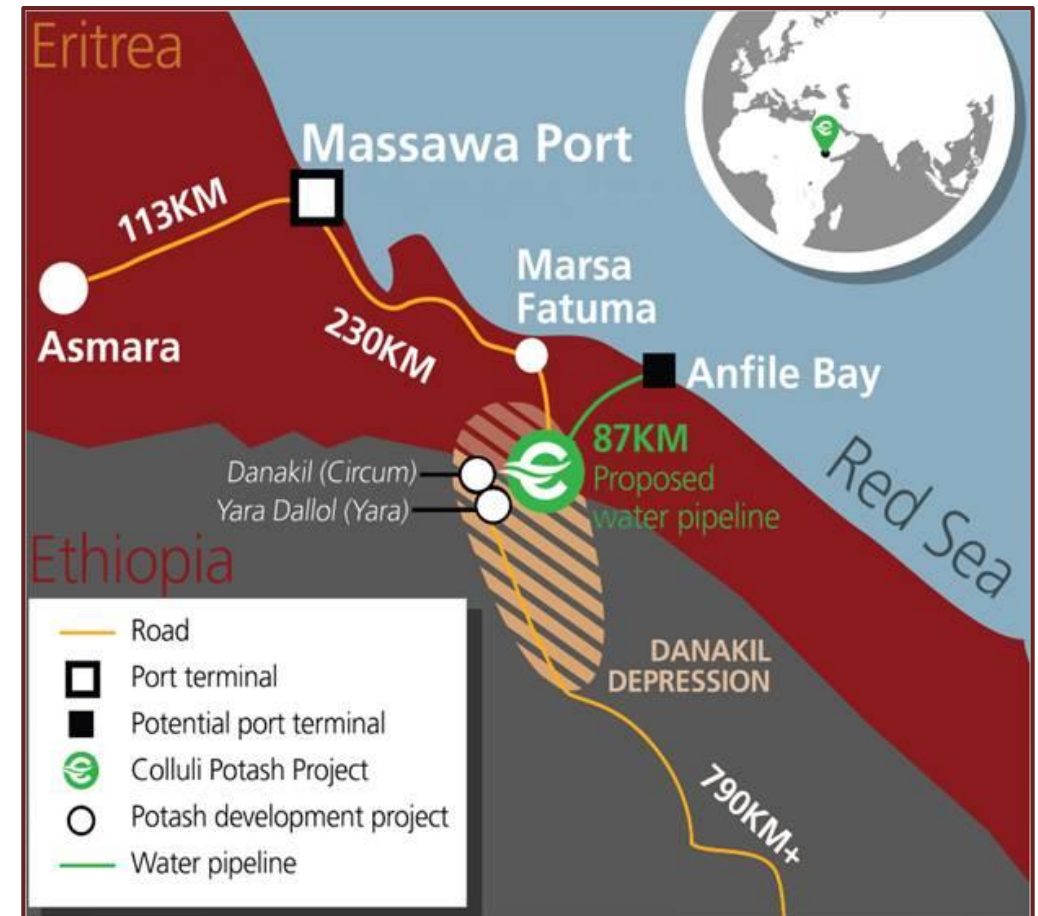


¹ DNK announcement, 29-Jan-18

² Commencing in year 6 of production

³ Danakali's disclosed economics reflect the dynamics of the Shareholder's Agreement

Location – Closest known SOP deposit to a coastline



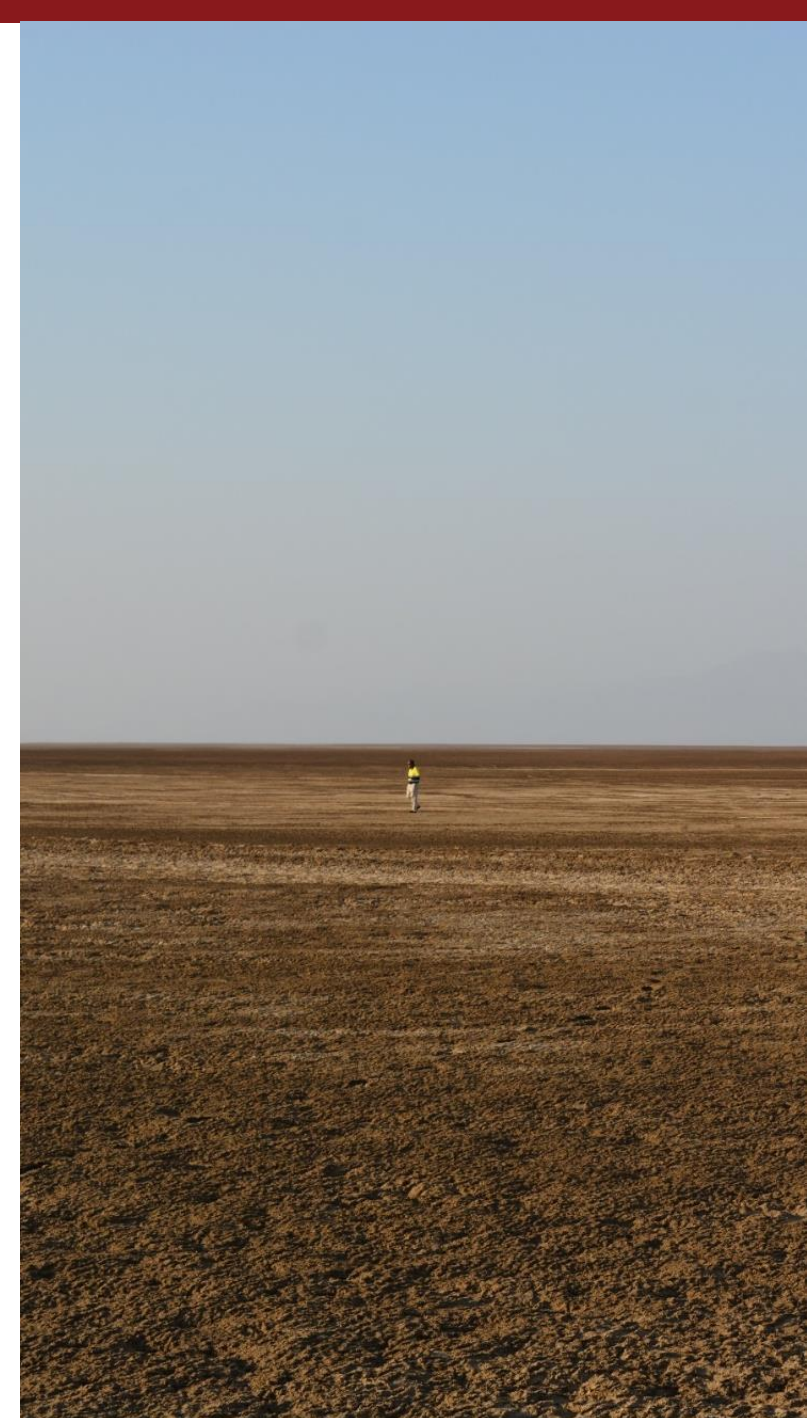
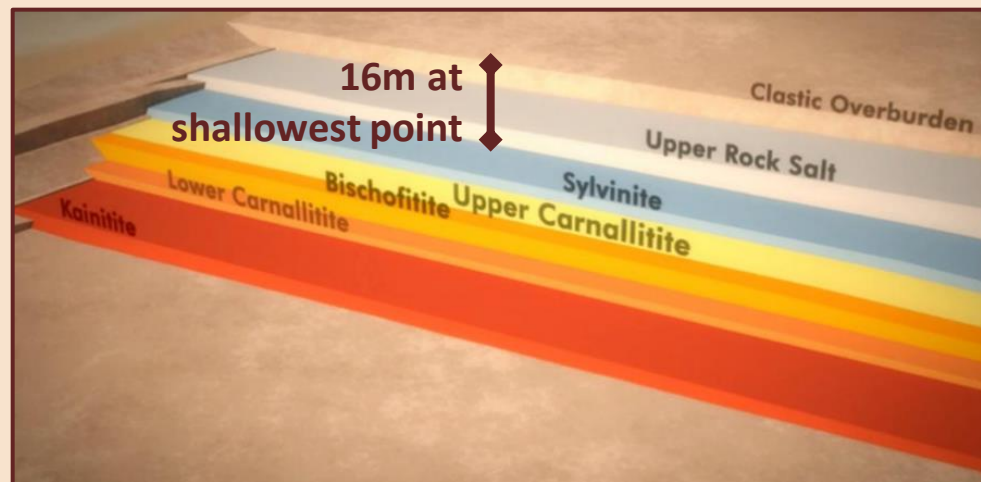
Attributes of the Colluli resource

Massive 1.1Bt Ore Reserve supports almost 200 year mine life¹

- Favourable combination of potassium bearing salts
 - Suitable for production of SOP, SOP-M and MOP
 - Appreciable amounts of rock salt, kieserite, gypsum and magnesium chloride
- Shallowest known evaporite deposit in the world, commencing at just 16m
- Light inclination – resource slope of only 1°

Stratification¹

- Salts are layered with clear distinction:
 - Homogenous, predictable grade
 - Ability to selectively extract
 - Predictable, reliable production rates



Colluli's operational attributes

Suite of attributes that allows for simple, proven, low risk and low-cost mining, processing and logistics, and outstanding project economics compared to other SOP greenfield development projects



Mining ¹	Crushing → Flotation → Mixing → Drying ¹	Logistics ¹
<ul style="list-style-type: none"> ✓ Shallow, light inclination, limited flora and fauna, and no communities in immediate vicinity ✓ Simple, low cost, open-cut mining ✓ Conventional truck and shovel methods utilised, complemented by continuous surface miners 	<ul style="list-style-type: none"> ✓ Simple, energy efficient, commercially-proven processing ✓ Unique and favourable combination of potassium bearing salts ✓ Colluli salt composition ideal for low energy, high yield conversion to SOP at ambient temperatures ✓ No pre-evaporation ponds necessary, reducing capex requirements and time to revenue 	<ul style="list-style-type: none"> ✓ Closest SOP project to a coastline ✓ Favourable logistics unlock multi-commodity potential ✓ 230km by road to the well-established Massawa port ✓ 87km to Anfile Bay, potential site for future port development

Other SOP greenfield developments typically face challenges such as²...

<ul style="list-style-type: none"> ✗ Depth of ore body ✗ Inconsistent grade ✗ Lack of scale 	<ul style="list-style-type: none"> ✗ Brine complexities ✗ Energy intensive ✗ Extensive evaporation pond requirements 	<ul style="list-style-type: none"> ✗ Large distances to coast ✗ Large distance to export facilities ✗ Lack of established infrastructure
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¹ DNK announcement, 29-Jan-18

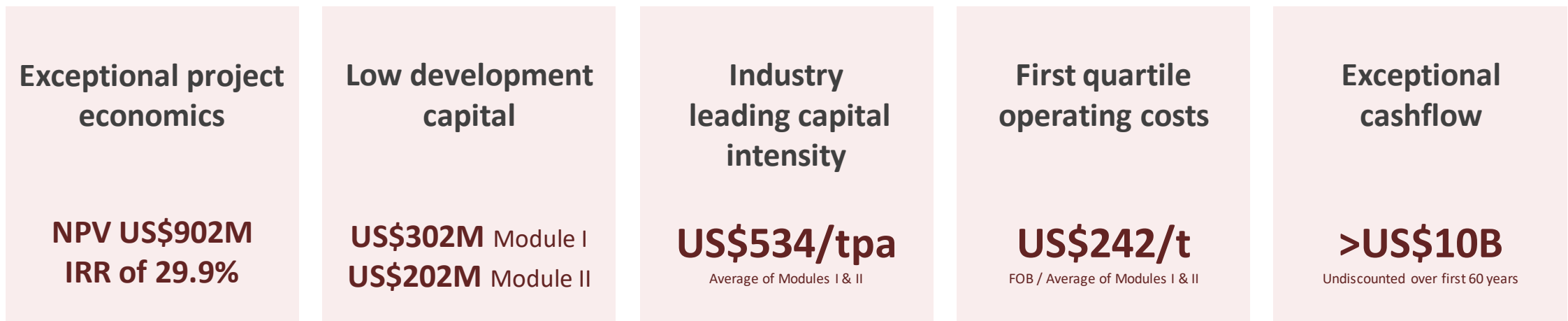
² Peer company announcements

FEED overview

FEED completion confirms Colluli as an advanced stage and economically attractive project relative to other SOP greenfield development projects

- Considerably higher level of accuracy than DFS with enhanced project economics¹
- Critical milestone for finalisation of offtake (complete)² and debt funding (strong progress made)
- Anfile Bay port, expansion, potash diversification and multi-commodity potential could provide major additional upside³

Key FEED economic estimates and outcomes^{3,4,5}



1 DNK announcement, 30-Nov-15

2 DNK announcement, 12-Jun-18

3 DNK announcement, 29-Jan-18

4 Economic estimates and outcomes reported in US\$ real

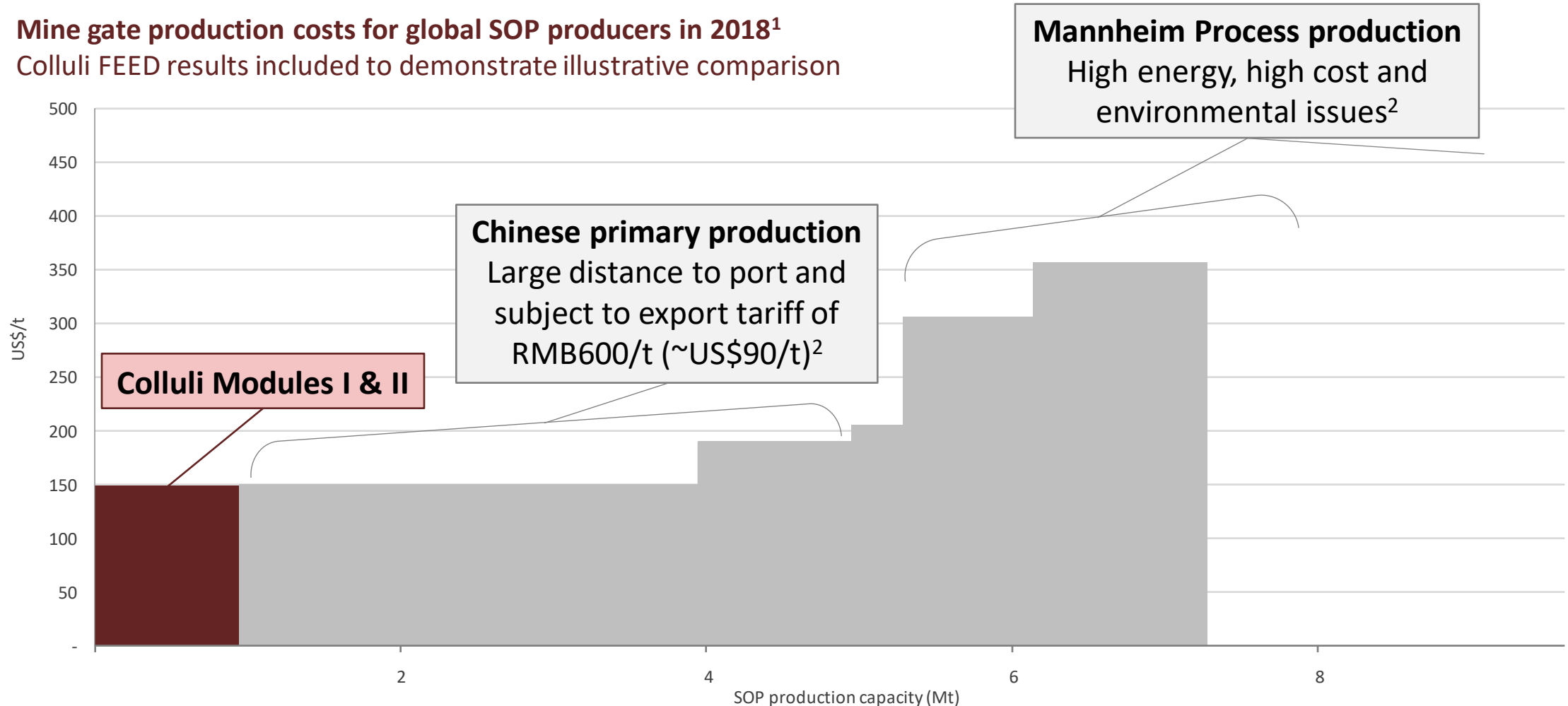
5 All results over Modules I & II unless stated

Forecast first quartile operating costs

If operating in 2018, Danakali would be one of the lowest cost SOP producers

Mine gate production costs for global SOP producers in 2018¹

Colluli FEED results included to demonstrate illustrative comparison



¹ Greenmarkets and internal Company analysis

² Integer Research

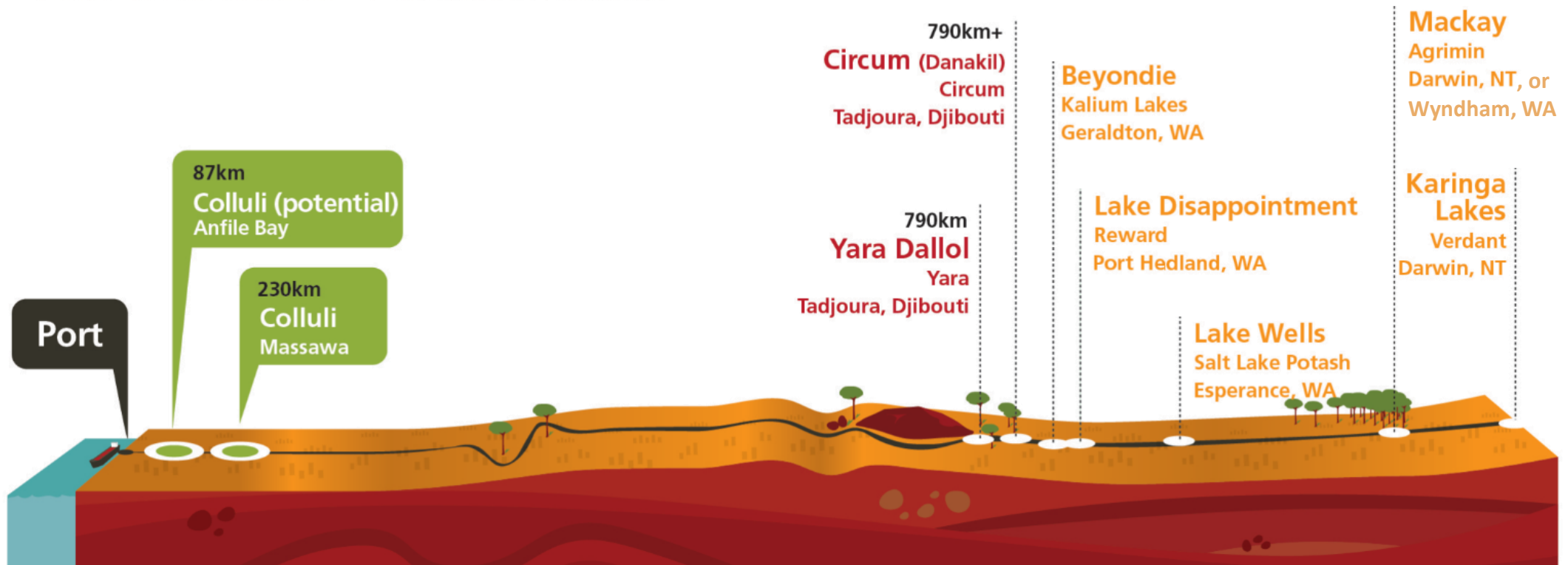
How does Colluli compare? – Logistics

Colluli's proximity to established port infrastructure gives unrivalled access to the global export markets

Distance to port for Colluli and other SOP greenfield development projects

■ AUSTRALIAN PROJECTS ■ ETHIOPIAN PROJECTS



Australian projects range from 700km to 1,500km away from the nearest established ports



How does Colluli compare? – Construction readiness


Colluli is the only known SOP greenfield development project that has completed FEED, is materially fully permitted and has achieved binding take-or-pay offtake

Progression of selected SOP greenfield development projects

Company	Project	Location	Study stage	Accuracy level (+/-)	Mining agreement / native title	Mining licences	Social and environmental approvals	Materially fully permitted	Binding offtake achieved
	 Colluli	Eritrea	FEED	-10%/+10%	✓	✓	✓	✓	✓
Kalium Lakes	Beyondie	Australia	BFS	-15%/+15%	✓	✓	Partially complete	Not disclosed	Not disclosed
Yara	Yara Dallol	Ethiopia	DFS	Not disclosed	✓	Unclear	Partially complete	Unclear	Not disclosed
Crystal Peak	Sevier Lake	USA	DFS	Opex: -10%/+10% Capex: -15%/+15%	Not disclosed	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Circum	Danakil	Ethiopia	DFS	Not disclosed	✓	✓	Unclear	Unclear	Not disclosed
Agrimin	Mackay	Australia	PFS	-25%/+25%	✓	Not disclosed	Not disclosed	Not disclosed	Not disclosed
Salt Lake	Lake Wells	Australia	Scoping study	Opex: -30%/+30% Capex: -10%/+30%	Partially complete	Partially complete	Not disclosed	Not disclosed	Not disclosed
Australian Potash	Lake Wells	Australia	Scoping study	-35%/+35%	Partially complete	Partially complete	Not disclosed	Not disclosed	Not disclosed


How does Colluli compare? – ASX-listed peers

Danakali has clear mineralisation, scale, mining method, capital intensity and returns advantages over ASX peers

	 DANAKALI	Agrimin	Salt Lake	Kalium	Australian Potash
Market capitalisation	A\$198M (£111.0M)	A\$116M	A\$94M	A\$68M	A\$22M
Project / location	Colluli / Eritrea	Mackay / Australia	Lake Wells / Australia	Beyondie / Australia	Lake Wells / Australia
Mineralisation style	Solid salts	Brine	Brine	Brine	Brine
Reserve	1.1Bt @ 18.5% K₂SO₄ 203Mt K₂SO₄	No reserve	No reserve	5.1Mt, 12.4mg/L K ₂ SO ₄	No reserve
Mining method	Open-cut	Trench	Trench & bore	Trench & bore	Bore
Production	Module I: 472ktpa Modules I & II: 944ktpa	426ktpa	Stage 1: 200ktpa Stages 1 & 2: 400ktpa	164ktpa	Stage 1: 150ktpa Stages 1 & 2: 300ktpa
Mine life	Almost 200 years	20 years	20 years	30 years	20 years
Capital intensity (US\$/t)	Module I: US\$640/t Module II: US\$428/t Modules I & II: US\$534/t	US\$691/t	Stage 1: US\$806/t ¹ Stage 2: US\$158/t ¹ Stage 1 & 2: US\$482/t ¹	US\$1,247/t ¹	Stage 1: US\$835/t ¹ Stage 2: US\$768/t ¹ Stage 1 & 2: US\$802/t ¹
Mine gate cash costs	Module I: US\$165/t Modules I & II: US\$149/t	NA	Stage 1: US\$119/t ¹ Stage 2: US\$79/t ¹	US\$147/t ¹	Stage 1: US\$215/t ¹ Stage 2: US\$194/t ¹
Total cash costs (ex royalties)	Module I: US\$238 Modules I & II: US\$222/t	US\$222/t	Stage 1: US\$174/t ¹ Stage 2: US\$133/t ¹	US\$198/t ¹	Stage 1: US\$265/t ¹ Stage 2: US\$244/t ¹
Project NPV (post-tax, US\$)	Module I: US\$505M Module II: US\$902M	US\$453M	NA (only scoping study available)	US\$250M ¹	NA (only pre-tax NPV available)
Post-tax IRR (%)	Module I: 28.1% Module II: 29.9%	20.0%	NA (only scoping study available)	16.5%	NA (only pre-tax IRR available)

How does Colluli compare? – LSE-listed peers

Low capex and high grade, high value product relative to LSE-listed fertiliser peers

	 DANAKALI	Sirius	Kore	Emmerson	Harvest
Market capitalisation	£111M (A\$198M)	£1,111M	£31M	£28M	£26M
Project	Colluli	Woodsmith	Kola	Khemisset	Arapua
Commodity focus	SOP	Polyhalite ('POLY4')	MOP	MOP	Lava ('KpFertil')
Potash grade in resource	20.2% K₂SO₄	~12% K ₂ O ¹	35.4% KCl	10.2% K ₂ O	3.1% K ₂ O (2.5% P ₂ O ₅)
Reserve	1.1Bt @ 18.5% K₂SO₄	280Mt @ 88.4% polyhalite	No reserve	No reserve	No reserve
Development capex	Module I: US\$322m Module II: US\$202m	Stage 1: US\$4.17B	US\$1.85B	NA	NA ²
Potash grade in product	96% K₂SO₄ (52% K₂O)	14% K ₂ O	39.6% KCl (25.0% K ₂ O)	NA	4.2% K ₂ O (3.5% P ₂ O ₅)
Product price	US\$569/t³	US\$140-150/t ⁴	US\$275/t ⁵	NA	US\$54/t ⁴
Illustrative margin (FOB, ex royalties)⁶	Module I: US\$331/t Module I & II: US\$347/t	Stage 1: US\$111-121/t	US\$165/t	NA	US\$46/t

Source: DNK announcements, 29-Jan-18 & 19-Feb-18, peer company announcements

- 1 Estimated as 85.7% polyhalite multiplied by 14% POLY4 potassium oxide grade
- 2 Development capex for Harvest is not comparable with the rest of the LSE-listed fertilizer peers
- 3 SOP price assumed in FEED

- 4 Average contract pricing from latest disclosure
- 5 Company disclosed product prices are from 2012 so current NW Euro MOP FOB spot price assumed (source: Argus)
- 6 Total cash costs (FOB, ex royalties) subtract product price

Binding offtake agreement with EuroChem

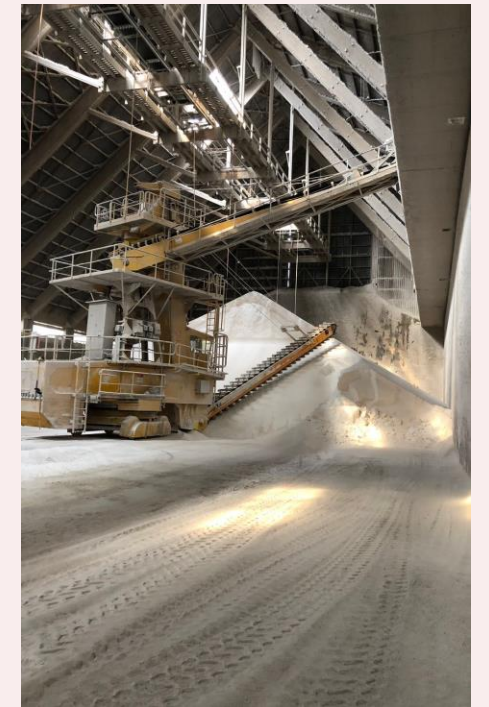
Danakali is the only known SOP developer with a take-or-pay offtake agreement; instrumental in providing cash flow certainty to unlock project funding

- EuroChem will take, pay, market and distribute up to 100% of Colluli Module I SOP production¹
 - CMSC has the option to retain and sell up to 13% through alternative sales channels
- 10 year term with 3 year extension option¹
- EuroChem to provide technical support¹



- Leading global fertiliser producer²
- Integrated mining, fertiliser production, logistics and distribution²
- CY2017 revenue of US\$4.9B and EBITDA of US\$1.1B²

Danakali's Executive Chairman and Chief Commercial Officer recently visited EuroChem's Antwerp, Belgium fertiliser production facility (Aug-18)



Debt funding progress

Strong engagement from multiple potential debt financiers

- Endeavour Financial is acting as Debt Financial Adviser
- Multiple potential debt financiers have provided expressions of interest
- Due diligence by potential debt financiers is well advanced
- Multiple potential debt financiers have met with Eritrean Government officials
- Targeting and expecting approximately US\$200M in debt funding

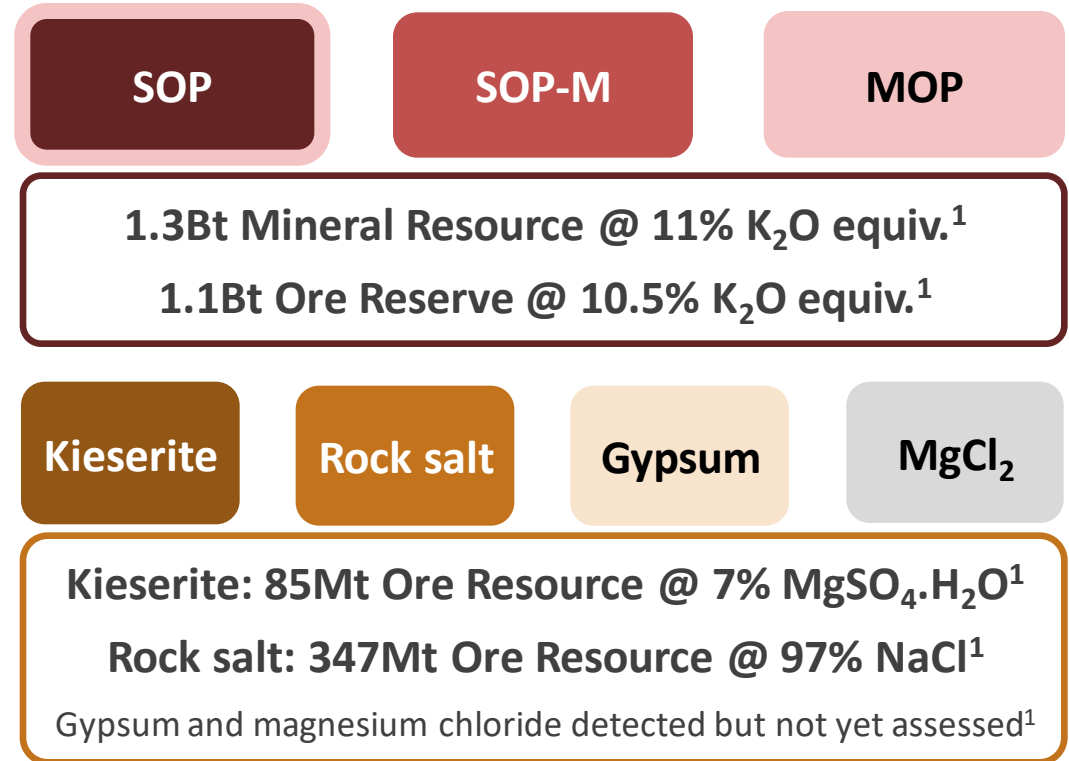
Debt process milestones

	Date	Area	Detail
✓	Jan-18	Technical reports	• FEED completed and provided to potential debt financiers
✓	Feb-18	Formal kick-off	• Information Memorandum provided to potential debt financiers
✓	Feb-18	Due diligence	• Independent Marketing report provided to potential debt financiers
✓	Jun-18	Due diligence	• Independent Social & Environmental and Technical Engineer reports provided to potential debt financiers
✓	Jul-18	Due diligence	• Legal Due Diligence report provided to potential debt financiers
✓	Jun-18	Offtake	• EuroChem offtake agreement provided to potential debt financiers
✓	Jul-18	Due diligence	• Bank club and Eritrea Government discussions
✓	Sep-18	Project contracts	• DRA Global (DRA) confirmed as preferred EPCM contractor
	TBC	Project contracts	• Finalisation of contracts with DRA, Inglett & Stubbs International, and preferred mining contractor
	TBC	Commitments	• Credit approval from debt financiers
	TBC	Commitments	• Signing of finance documentation
	TBC	Commitments	• Financial close with conditions precedent met

Multi-commodity potential

Modular development approach underpins scalable, long life, agri-mineral and salt project

- Mine life of almost 200 years at FEED SOP production rates¹
- Low incremental growth capital for further modules given wide, open, barren area and open-cut mining
- Favourable logistics
- Potassium salt combination suitable for production of SOP, SOP-M and MOP
- Appreciable amounts of rock salt (mined as overburden), gypsum, kieserite and magnesium chloride¹
- SOP-M and rock salt product specifications have been developed²



Significant expansion, potash diversification and multi-commodity potential not currently factored into FEED economics




¹ ASX announcements 25-Feb-15, 23-Sep-15, 15-Aug-16, 29-Jan-18 and 19-Feb-18
² Refer Danakali website for detailed specifications – <http://www.danakali.com.au/products>

Eritrea overview

Eritrea's development aspiration is to achieve rapid, balanced, home-grown and sustainable economic growth while ensuring social equity and justice

- Stable government and rapidly improving geopolitical dynamics
 - Recent rapprochement with Horn of Africa neighbours
- One of the fastest growing economies globally¹
 - Driven by mining, agriculture and infrastructure
- Supportive laws for mining investment
 - Accelerated depreciation (straight line, 4 years)
 - 10-year carrying forward of losses
- High profile investment in Nevsun² and Danakali
 - JPMorgan, Capital Group, Fidelity, BlackRock, Vanguard and M&G

Major mining projects in Eritrea²

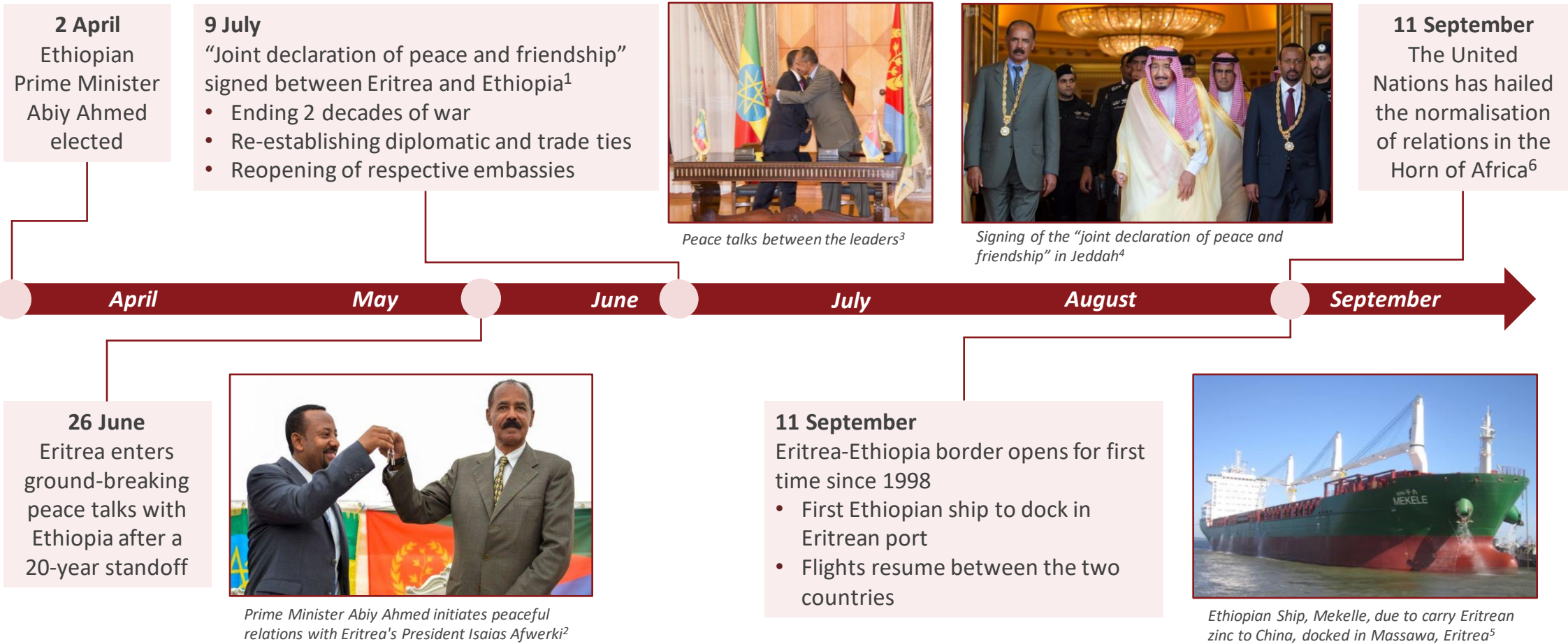
Bisha	Zara	Asmara
Au, Ag, Cu, Zn	Au	Cu, Zn, Au, Ag
Nevsun 60% / ENAMCO 40%	SFECO 60% / ENAMCO 40%	Sichuan Road & Bridge Mining (SRBM) 60% / ENAMCO 40%
Third mine expansion complete	Commissioned and producing	Advanced stages of development, mining to begin in 2019
Nevsun (NSU.TSE) is to be acquired by Zijin Mining for US\$1.4B	SFECO acquired 60% of Zara from Chalice (CHN.ASX) for US\$80M	SRBM acquired 60% of Asmara from Sunridge (SGC.TSX-V) for US\$65M
		

¹ World Bank, The Economist

² Company announcements

Rapid diplomatic progress in the Horn of Africa

Restoration of diplomatic relations among Eritrea, Djibouti, Ethiopia and Somalia signals an end to the region's conflict¹



1 Aljazeera, 11-Sep-18

2 BBC News, 14-Sep-18

3 The Defense Post, 9-Jul-18

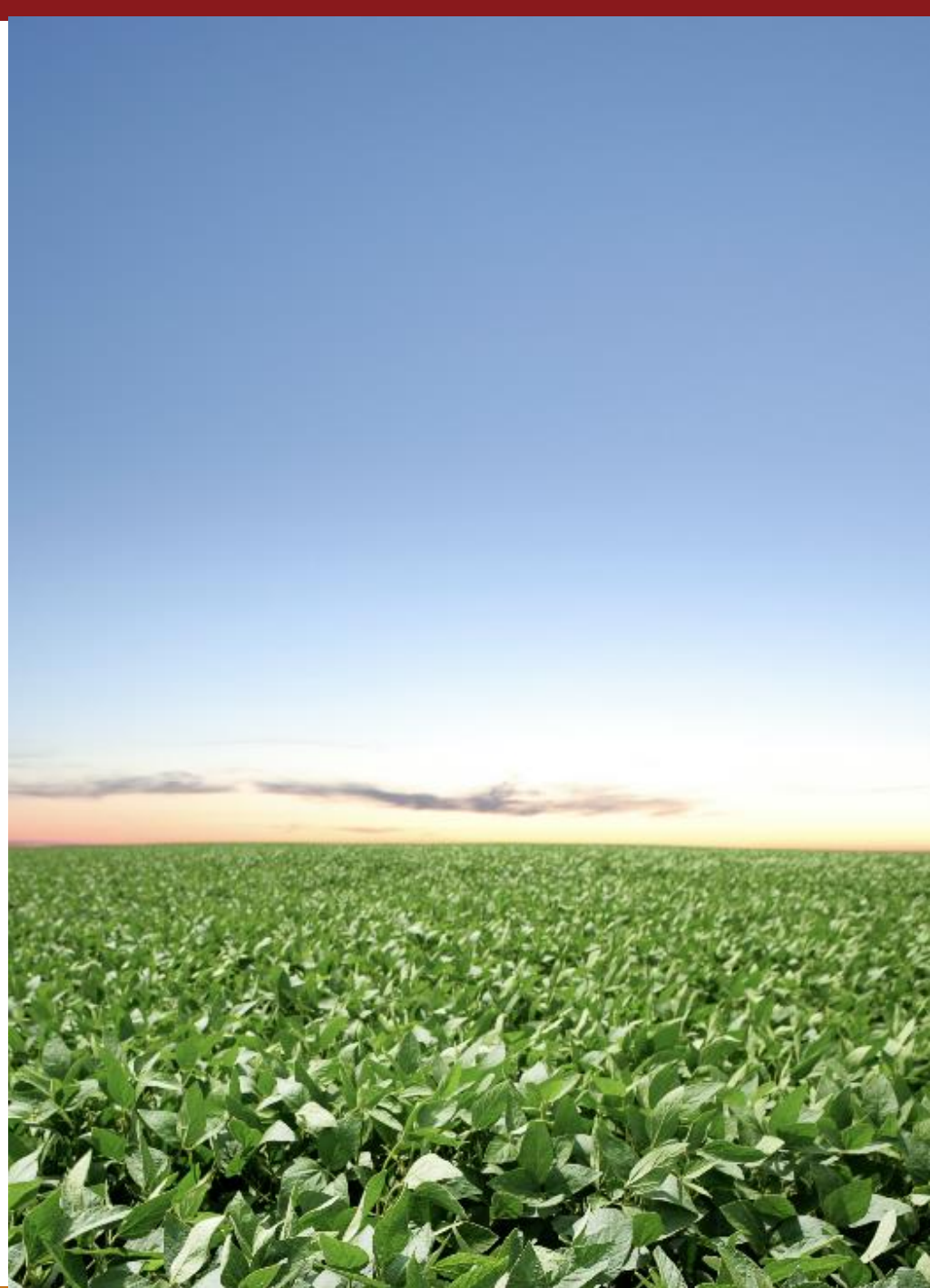
4 Reuters, 17-Sep-18

5 Reuters, 05-Sep-18

6 Aljazeera, 11-Sep-18

Danakali investment case

- Exceptional economics
 - Project NPV of US\$902M and IRR of 29.9%¹
 - NPV of US\$439M and IRR of 31.3% attributable to Danakali¹
 - Industry leading capital intensity¹
 - First quartile operating costs¹
- Binding offtake agreement for up to 100% (minimum 87%) of Module I SOP production with EuroChem²
- 1.1Bt Ore Reserve and almost 200 year mine life^{1,3}
- Expansion, diversification and multi-commodity potential¹
- Strong engagement from multiple potential debt financiers
- Rapidly improving geopolitical dynamics for Eritrea



Appendix

SOP – price premium to MOP

SOP and MOP – current price dynamics

Colluli mine plan

Product specifications

Rapid diplomatic progress in the Horn of Africa

Colluli's impact in Eritrea

Danakali Board

Danakali senior management

Technical glossary

Forward looking statements and disclaimer

Competent Persons Statements

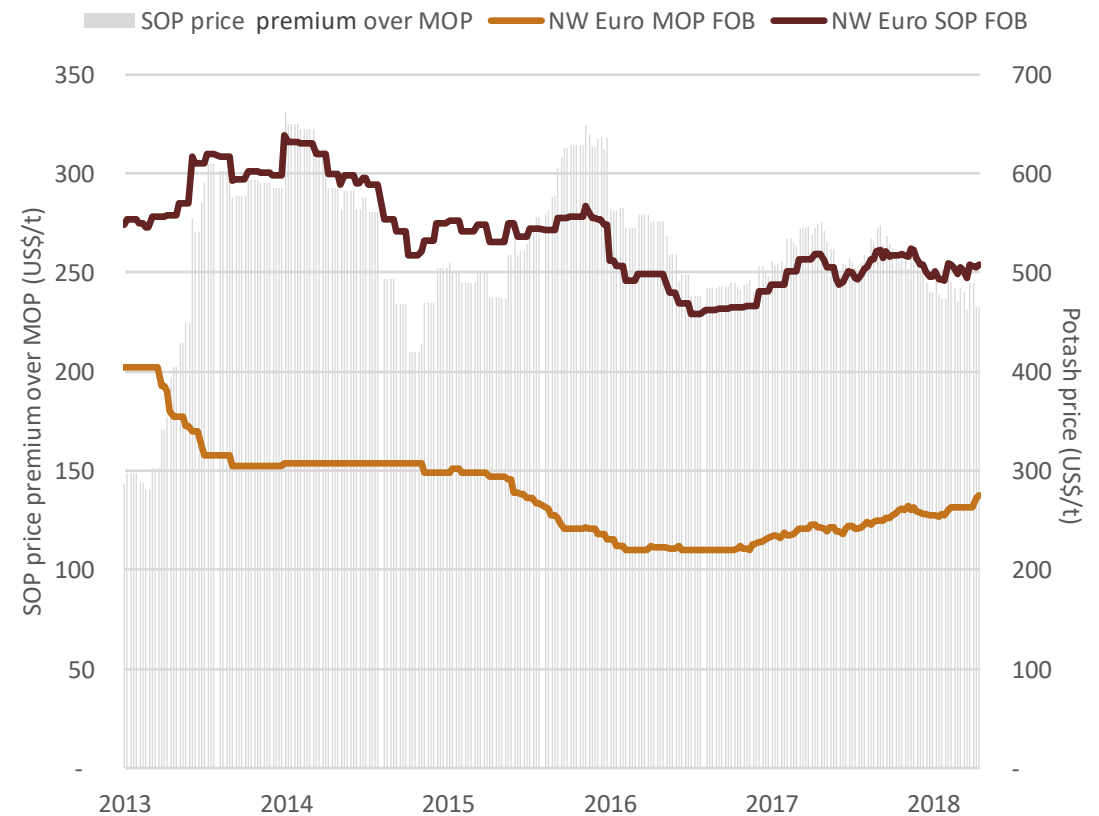


SOP – price premium to MOP

SOP prices command a significant premium over MOP, averaging over US\$250/t over the last 4 years

- Over 50% of SOP supply is produced through the Mannheim Process
 - Conversion of MOP to SOP by adding sulphuric acid in a high energy, high cost thermal process
 - Hydrochloric (HCl) acid is a by-product (1.2t HCl for every 1t SOP)
- Ample Mannheim Process capacity, but production constrained by:
 - HCl disposal issues;
 - environmental issues (energy and water use, air and water pollution); and
 - increasing production costs
- Mannheim Process conversion costs generally ~US\$100/t; premium maintained due to lack of new primary production coming online, Mannheim Process constraints and steadily increasing demand

Historical SOP prices and premium to MOP
NW Euro SOP and MOP FOB (US\$)

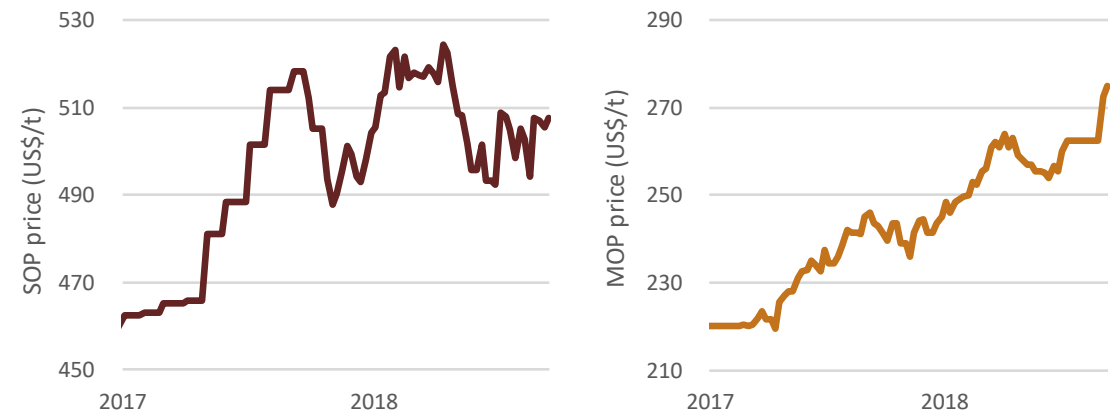


SOP and MOP – current price dynamics

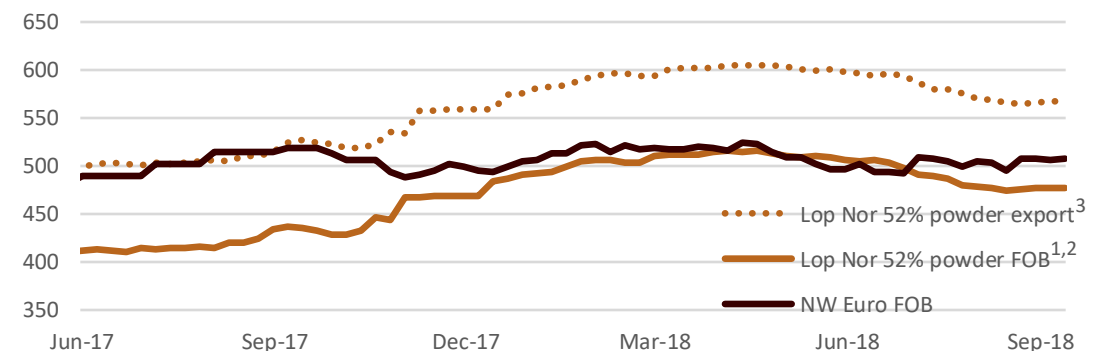
NW Euro SOP and MOP prices have increased over 11% and 25% respectively since early 2017

- Strong demand a key factor in rising MOP prices
- Supply discipline from major MOP producers
- Recent Indian / Chinese MOP contracts entered into at US\$290/t
 - Up from US\$240/t / US\$230/t 1 year prior
- SOP prices to benefit from MOP market strength
- Potash regarded as a strategic commodity in China
 - export tariff of RMB600/t (~US\$90/t)
- Domestic Chinese SOP prices have increased over 15% since June 2017 due to:
 - increased production costs;
 - reduction/removal of industry and transport subsidies; and
 - increased environmental controls (emissions, soil salinity, energy use and HCl disposal)

SOP and MOP prices since MOP price lows experienced in early 2017
NW Euro **SOP** and **MOP** FOB (US\$)



NW Europe vs. domestic Chinese FOB SOP prices (US\$)

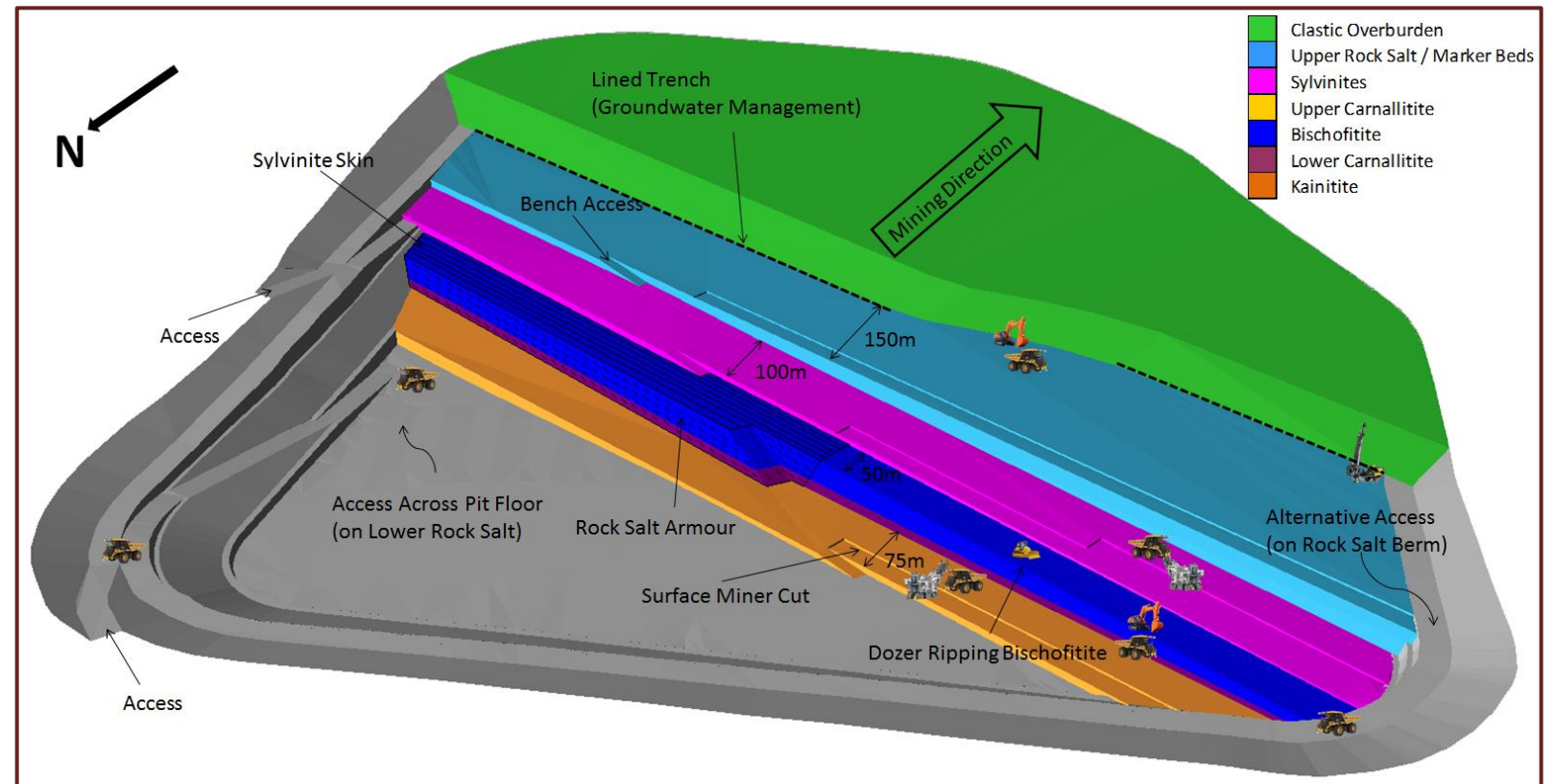


Colluli mine plan

Colluli's favourable resource characteristics allow simple, low cost, open-cut mining¹

- Proven and safer than underground mining
- Superior resource to reserve conversion (>85%)
- Low risk and complexity
- Potassium salts extracted in solid form
- Potential monetisation of other salts extracted as waste
- Expansion potential
- Low incremental growth capital

Colluli mine plan



Product specifications

Colluli's SOP and SOP-M products have superior specifications

			Sirius
Product	SOP	SOP-M	POLY4
Types	Standard / Granular / Soluble	Standard / Granular / Soluble	Powder / Granular

Product specifications – High grade favourable

Potassium Sulphate / K ₂ SO ₄	96.0%	47.0%	-
Potassium Oxide / K ₂ O	52.0%	25.5%	14%
Magnesium Sulphate / MgSO ₄	-	32.0%	-
Magnesium Oxide / MgO ₂	-	10.8%	6%
Sulphur / S	18.5%	15.5%	19%

Product specifications – Low grade favourable

Sodium Chloride / NaCl	<0.2%	0.7%	3.1%
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Calcium content not covered in table above but gypsum (CaSO₄.2H₂O) has also been detected at Colluli¹

CMSC SOP and SOP-M products



Colluli's impact in Eritrea

Eritrea stands to benefit from the long term economic, social and community dividends that Colluli will generate

- Positive impact through infrastructure, job creation, taxes, royalties, and associated economic development
- Creation of hundreds of permanent jobs for Eritrean nationals
- Long term training for trades and professionals
- Potential for adjacent industry development – including infrastructure, mining services, transport and hospitality
- Stakeholder engagements have been held with representatives of various local communities
- Deep understanding of each communities' interests
- Social & Environmental Impact Assessment and Social & Environmental Management Plans (**SEMPs**) have been developed in line with the Equator Principles¹
- Strong ongoing community support for the Project



¹ The Equator Principles are a risk management framework used to manage the environmental and social risk in projects, see Danakali's website for the SEIA and SEMPs

Danakali Board

An experienced, multi-disciplinary and international Board; Seamus Cornelius is acting as Executive Chairman during the current CEO transition



Seamus Cornelius – Executive Chairman

- Corporate lawyer with over 20 years' experience in the resource sector
- Former partner at one of Australia's leading law firms
- Also Chairman of Duketon Mining, Montezuma Mining, and Buxton Resources



Andre Liebenberg – Non-Executive Director

- Mining industry professional with extensive investor market, finance, business development and leadership experience
- Over 25 years in private equity and investment banking, and senior roles at BHP Billiton and QKR Corporation, currently Managing Director of Yellow Cake



John Fitzgerald – Non-Executive Director

- Chartered Accountant with over 30 years finance and corporate advisory experience in the resource sector
- Previously held senior position at Rothschild, Investec and HSBC
- Non-Executive Director of Northern Star Resources and Non-executive Chairman of Exore Resources



Bob Connochie – Non-Executive Director

- Highly experienced potash and mining specialist with over 40 years industry experience
- Previously Chairman of potash exporter Canpotex, former Chairman and CEO of Potash Company of America



Paul Donaldson – Non-Executive Director

- More than 30 years of industry experience in senior management roles at BHP, Danakali and Pacific National
- Extensive experience in technical project management, open cut mining operations, marketing and supply chain
- Roles at BHP included: Head of the BHP Carbon Steel Materials Technical Marketing Team, management of the Port Hedland iron ore export facility, GM of Mining Area C
- Currently Chief Transformation Officer at Pacific National



Zhang Jing – Non-Executive Director

- Previously held project management roles in publicly listed companies in China
- Over 15 years of international trading and business development experience in China

Danakali senior management

CEO search is progressing well, down to a shortlist of candidates for final interviews; the new CEO will be ably supported by a strong, energetic and accomplished senior management team



Stuart Tarrant

Chief Financial Officer

- Extensive exposure in the mining industry
- Financial modelling, financial systems deployment, procurement, budgeting, and cost analysis and optimisation experience
- Previously a finance manager at BHP



Tony Harrington

Project Manager

- Over 30 years' experience across a range of mining projects in various African countries, China, Europe, UK and Australia
- Project Manager for US\$0.3B Kwale Minerals Sands Project in Kenya and US\$0.3B Chimimiwango expansion at the Lumwana Copper Mine in Zambia



Niels Wage

Chief Commercial Officer

- Significant shipping, trading and commodity experience
- Previously held senior management roles at BHP, including Vice President Potash, Freight and Diamonds
- Currently also a Director on the Board of Bahia Mineração, which is developing an integrated greenfield iron ore project



William Sandover

Head of Corporate Development & External Affairs

- Extensive investment banking and corporate advisory experience at UBS, Macquarie and Vesparum
- Involved in raising more than A\$10B in equity and hybrid capital for ASX-listed companies

Technical glossary

Term	Meaning
CMSC	<ul style="list-style-type: none"> Colluli Mining Share Company, the 50:50 joint venture vehicle owned by Danakali and ENAMCO that 100% owns Colluli
Colluli	<ul style="list-style-type: none"> The Colluli Potash Project
The Company	<ul style="list-style-type: none"> Danakali Limited, DNK.ASX
Danakali	<ul style="list-style-type: none"> Danakali Limited, DNK.ASX
DFS	<ul style="list-style-type: none"> Definitive Feasibility Study, refer ASX announcement 30 November 2015 for the Colluli results
DRA	<ul style="list-style-type: none"> DRA Global, preferred EPCM contractor
EBITDA	<ul style="list-style-type: none"> Earnings before interest, tax, depreciation and amortisation
ENAMCO	<ul style="list-style-type: none"> The Eritrean government owned Eritrean National Mining Company (owns 50% of Colluli)
EPCM	<ul style="list-style-type: none"> Engineering, Procurement and Construction Management
Evaporite	<ul style="list-style-type: none"> A natural salt or mineral deposit left after the evaporation of a body of water
FEED	<ul style="list-style-type: none"> Front End Engineering Design, refer ASX announcement 29 January 2018 for the Colluli results
FOB	<ul style="list-style-type: none"> Free On Board, specifies the point at which respective obligations, costs, and risk involved in the delivery of goods shift from the seller to the buyer, in the case of operating cost metrics this is when product is put on board a ship at port
IRR	<ul style="list-style-type: none"> Internal Rate of Return, the discount rate at which the net present value of all the cash flows from a project equal zero
Kieserite	<ul style="list-style-type: none"> MgSO₄·H₂O
Mannheim Process	<ul style="list-style-type: none"> The high energy reaction of MOP with sulphuric acid (H₂SO₄) to produce SOP
MOP	<ul style="list-style-type: none"> Muriate of Potash (KCl)
Mtpa	<ul style="list-style-type: none"> Million tonnes per annum (measure of production output)
NOP	<ul style="list-style-type: none"> Potassium Nitrate (KNO₃)
NPV	<ul style="list-style-type: none"> Net Present Value, the difference between the present value of cash inflows and the present value of cash outflows over a period of time
The Project	<ul style="list-style-type: none"> The Colluli Potash Project
SEIA	<ul style="list-style-type: none"> Social and Environmental Impact Assessment
SEMPs	<ul style="list-style-type: none"> Social and Environmental Management and Monitoring Plans
SOP	<ul style="list-style-type: none"> Sulphate of Potash (K₂SO₄)
SOP-M	<ul style="list-style-type: none"> Sulphate of Potash Magnesia (K₂Mg(SO₄)₂·4H₂O)

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. 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 Resources and Ore Reserves have been reported according to the JORC Code, 2012 Edition. 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, 15 August 2016, 1 February 2017, 29 January 2018 and 19 February 2018 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 Statements

Competent Persons Statement (Sulphate of Potash and Kieserite Mineral Resource)

Colluli has a JORC-2012 compliant Measured, Indicated and Inferred Mineral Resource estimate of 1,289Mt @11% K₂O Equiv. and 7% Kieserite. The Mineral Resource contains 303Mt @ 11% K₂O Equiv. and 6% Kieserite of Measured Resource, 951Mt @ 11% K₂O Equiv. and 7% Kieserite of Indicated Resource and 35Mt @ 10% K₂O Equiv. and 9% Kieserite of Inferred Resource.

The information relating to the Colluli Mineral Resource estimate is extracted from the report entitled “Colluli Review Delivers Mineral Resource Estimate of 1.289Bt” disclosed on 25 February 2015 and the report entitled “In excess of 85 million tonnes of Kieserite defined within Colluli Project Resource adds to multi agri-commodity potential” disclosed on 15 August 2016, which are available to view at www.danakali.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement (Sulphate of Potash Ore Reserve)

Colluli Proved and Probable Ore Reserve is reported according to the JORC Code and estimated at 1,100Mt @ 10.5% K₂O Equiv. The Ore Reserve is classified as 285Mt @ 11.3% K₂O Equiv. Proved and 815Mt @ 10.3% K₂O Equiv. Probable. The Colluli SOP Mineral Resource includes those Mineral Resources modified to produce the Colluli SOP Ore Reserves.

The information relating to the January 2018 Colluli Ore Reserve is extracted from the report entitled “Colluli Ore Reserve update” disclosed on 19 February 2018 and is available to view at www.danakali.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

Competent Persons Statement (Rock Salt Mineral Resource)

Colluli has a JORC-2012 compliant Measured, Indicated and Inferred Mineral Resource estimate of 347Mt @ 96.9% NaCl. The Mineral Resource estimate contains 28Mt @ 97.2% NaCl of Measured Resource, 180Mt @ 96.6% NaCl of Indicated Resource and 139Mt @ 97.2% NaCl of Inferred Resource.

The information relating to the Colluli Rock Salt Mineral Resource estimate is extracted from the report entitled “+300M Tonne Rock Salt Mineral Resource Estimate Completed for Colluli” disclosed on 23 September 2015 and is available to view at www.danakali.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

AMC Consultants Pty Ltd (AMC) independence

In reporting the Mineral Resources and Ore Reserves referred to in this public release, AMC acted as an independent party, has no interest in the outcomes of Colluli and has no business relationship with Danakali 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 and the Competent Persons believe that there is no conflict of interest in undertaking the assignments which are the subject of the statements.



DANAKALI

About Danakali

Danakali Limited (ASX: DNK, LSE: DNK) (**Danakali**, or the **Company**) is an ASX- and LSE-listed potash company focused on the development of the Colluli Potash Project (**Colluli** or the **Project**). The Project is 100% owned by the Colluli Mining Share Company (**CMSC**), a 50:50 joint venture between Danakali and the Eritrean National Mining Corporation (**ENAMCO**).

The Project is located in the Danakil Depression region of Eritrea, East Africa, and is ~75km from the Red Sea coast, making it one of the most accessible potash deposits globally. Mineralisation within the Colluli resource commences at just 16m, making it the world's shallowest potash deposit. The resource is amenable to open pit mining, which allows higher overall resource recovery to be achieved, is generally safer than underground mining, and is highly advantageous for modular growth.

The Company has completed a Front End Engineering Design (**FEED**) for the production of potassium sulphate, otherwise known as **SOP**. SOP is a chloride free, specialty fertiliser which carries a substantial price premium relative to the more common potash type; potassium chloride (or **MOP**). Economic resources for production of SOP are geologically scarce. The unique composition of the Colluli resource favours low energy input, high potassium yield conversion to SOP using commercially proven technology. One of the key advantages of the resource is that the salts are present in solid form (in contrast with production of SOP from brines) which reduces infrastructure costs and substantially reduces the time required to achieve full production capacity.

The resource is favourably positioned to supply the world's fastest growing markets. A binding take-or-pay offtake agreement has been confirmed with EuroChem Trading GmbH (**EuroChem**) for up to 100% (minimum 87%) of Colluli Module I SOP production.

The Company's vision is to bring Colluli into production using the principles of risk management, resource utilisation and modularity, using the starting module (**Module I**) as a growth platform to develop the resource to its full potential.

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DANAKALI

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Quality control and quality assurance

Danakali exploration programs follow standard operating and quality assurance procedures to ensure that all sampling techniques and sample results meet international reporting standards. Drill holes are located using GPS coordinates using WGS84 Datum, all mineralisation intervals are downhole and are true width intervals.

The samples are derived from HQ diamond drill core, which in the case of carnallite ores, are sealed in heat-sealed plastic tubing immediately as it is drilled to preserve the sample. Significant sample intervals are dry quarter cut using a diamond saw and then resealed and double bagged for transport to the laboratory.

Halite blanks and duplicate samples are submitted with each hole. Chemical analyses were conducted by Kali-Umwelttechnik GmbH, Sondershausen, Germany, utilising flame emission spectrometry, atomic absorption spectroscopy and ion chromatography. Kali-Umwelttechnik (KUTEK) has extensive experience in analysis of salt rock and brine samples and is certified according to DIN EN ISO/IEC 17025 by the Deutsche Akkreditierungsstelle GmbH (DAR). The laboratory follows standard procedures for the analysis of potash salt rocks chemical analysis (K^+ , Na^+ , Mg^{2+} , Ca^{2+} , Cl^- , SO_4^{2-} , H_2O) and X-ray diffraction (XRD) analysis of the same samples as for chemical analysis to determine a qualitative mineral composition, which combined with the chemical analysis gives a quantitative mineral composition.

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No representation or warranty, express or implied, is or will be made by or on behalf of the Company, and no responsibility or liability is or will be accepted by the Company or its affiliates, as to the accuracy, completeness or verification of the information set out in this announcement, and nothing contained in this announcement is, or shall be relied upon as, a promise or representation in this respect, whether as to the past or the future. The Company and each of its affiliates accordingly disclaims, to the fullest extent permitted by law, all and any liability whether arising in tort, contract or otherwise which it might otherwise have in respect of this announcement or any such statement.

The distribution of this announcement outside the United Kingdom may be restricted by law and therefore any persons outside the United Kingdom into whose possession this announcement comes should inform themselves about and observe any such restrictions in connection with the distribution of this announcement. Any failure to comply with such restrictions may constitute a violation of the securities laws of any jurisdiction outside the United Kingdom.

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