

ASX Release
13 May 2016

Results of Annual General Meeting

Danakali Limited (ASX: DNK) (“**Danakali**” or the “**Company**”) wishes to advise, for the purposes of Listing Rule 3.13.2 and section 251AA of the Corporations Act, details of the resolutions and the proxies received at the Annual General Meeting held on 13 May 2016.

The Company is pleased to announce that Resolutions 1 – 13 were carried by a show of hands. Resolution 14 dealt with the approval of the 10% placement facility under Listing Rule 7.1A and was a special resolution that required at least 75% of the votes cast by members entitled to vote, to support the resolution in order for it to be carried. Resolution 14 was not carried by shareholders on a show of hands.

The Company advises that the proxy votes received in relation to the Annual General Meeting were as follows:

No.	Resolution	For	Proxy's Discretion	Against	Abstain
1	Adoption of Remuneration Report	64,212,595	1,295,509	1,765,447	37,552
2	Re-election of Mr Seamus Ian Cornelius as a Director	81,555,850	1,315,509	232,911	7,046,854
3	Ratification of issue of part of Tranche 1 Placement	26,479,548	1,315,509	782,042	336,169
4	Participation of Mr Seamus Ian Cornelius, a director, in issue of Tranche 2 Placement	79,408,254	1,319,809	2,377,691	27,186
5	Participation of Mr Paul Michael Donaldson, a director, in issue of Tranche 2 Placement	86,201,154	1,315,509	1,188,941	27,186
6	Participation of Mr Anthony William Kiernan, a director, in issue of Tranche 2 Placement	85,830,210	1,315,509	2,375,091	27,186
7	Participation of Mr Liam Raymond Cornelius, a director, in issue of Tranche 2 Placement	72,941,147	1,323,060	2,377,691	27,185

No.	Resolution	For	Proxy's Discretion	Against	Abstain
8	Participation of Mr John Daniel Fitzgerald, a director, in issue of Tranche 2 Placement	85,901,658	1,315,510	2,797,957	27,665
9	Issue of Remuneration Options to Mr Seamus Ian Cornelius	80,553,721	1,298,410	1,253,624	27,185
10	Issue of Remuneration Options to Mr Paul Michael Donaldson	86,158,951	1,295,510	1,251,144	27,185
11	Issue of Remuneration Options to Mr Anthony William Kiernan	85,785,407	1,295,510	2,439,894	27,185
12	Issue of Remuneration Options to Mr Liam Raymond Cornelius	72,906,494	1,295,510	2,439,894	27,185
13	Issue of Remuneration Options to Mr John Daniel Fitzgerald	86,282,801	1,295,510	2,436,814	27,665
14	Approval of 10% Placement Facility	40,185,654	1,295,510	26,583,193	22,086,767

For more information, please contact:

Paul Donaldson
Managing Director
+61 8 6315 1444

For media and broker enquiries:

Warrick Hazeldine
Cannings Purple
+61 417 944 616

About Danakali Limited

Danakali is an ASX listed company and 50% owner of the Colluli Potash Project in Eritrea, East Africa. The company is currently developing the Colluli Project in partnership with ENAMCO. Colluli is 100% owned by CMSC, which is a 50:50 joint venture between Danakali and ENAMCO.

The project is located in the Danakil Depression region of Eritrea, and is c. 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.

In November 2015, Danakali released a positive DFS for Colluli which demonstrates industry leading capital intensity and the lowest development costs relative to all SOP projects at DFS level in the world. Bottom quartile operating costs are predicted and mine life is estimated at over 200 years at the DFS production rate, providing the project with substantial growth potential.

SOP is a chloride free, specialty fertiliser which carries a substantial price premium relative to the more common potash type; potassium chloride. 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 potassium bearing resource of the Danakil Depression has the unique capability to produce three of the four potash types in the global potash market which comprises potassium chloride (muriate of potash or MOP), potassium sulphate (sulphate of potash or SOP), potassium magnesium sulphate (sulphate of potash magnesia or SOP-M) and potassium nitrate (nitrate of potash or NOP). While CMSC is concentrating on achieving SOP production in the near-term, the focus is on developing a multi agri-commodity and salt business in the medium term.

The resource is favourably positioned to supply the world's fastest growing markets.

Our vision is to bring the Colluli project into production using the principles of risk management, resource utilisation and modularity, using the starting module as a growth platform to develop the resource to its full potential.