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create. nurture. grow.

Colluli Potash Project

Positively Unique
Globally Unrivalled

Paul Donaldson, Managing Director

Arlington Pre-Daba Conference, Cape town

February 2017

ASX:DNK

Forward looking statements and disclaimer

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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

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Financial information

(As of 30 Jan. 2017)

Share price	A$0.80
Number of shares	225m
Market capitalisation	**A$180m**
Cash (31-Dec-16)	A$10.9m
Debt (31-Dec-16)	Nil

Board

Chairman	**Seamus Cornelius**	Experienced mining executive and corporate lawyer with over 20 years experience in the resources sector. Chairman of Duketon Mining, Montezuma Mining, and Buxton Resources
Managing Director	**Paul Donaldson**	Mining executive with over 25 years in mining, manufacturing and marketing, with large scale mining operational and project management experience.
Non-Executive Director	**Tony Kiernan**	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
Non-Executive Director	**John Fitzgerald**	Experienced mining executive specialising in corporate debt and advice in the mining sector. Chairman of Dakota Resources and Director of Northern Star Resources
Non-Executive Director	**Zhang Jing**	More than 15 years of international trading and business development experience and project management roles in public listed companies in China
Non-Executive Director	**Liam Cornelius**	Founding Director with over 20 years experience in commodity exploration within Australia, Asia and Africa

12 Month Share price performance

Source: IRESS

Top shareholders

Well Efficient *Hong Kong private investor*	13.4%
JP Morgan Asset Management (UK)	9.0%
Danakali Board members	12.2%

A world class SOP project - Unrivalled resource, economics and diversification potential

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A GAME CHANGING, GLOBALLY UNIQUE RESOURCE THAT HAS NO PEER

World class resource[1]	• Shallow mineralisation – commencing at 16m • 1.3 billion tonne resource • > 200 year mine life	• 1.1 billion tonne ore reserve
Premium product with limited global production centres	• Chloride free • Multi-nutrient	• Limited supply
Positively unique with unrivalled growth and diversification potential	• Salts in solid form – a key advantage over potassium brines and solution mines • Unique capability to produce **diverse range of potash types**	• The right combination of potassium salts for low energy, high yield conversion to SOP • Monetisation potential for kieserite, gypsum, magnesium chloride and sodium chloride
Commercially proven process	• Same production process as current low cost producers	• Process design tested and confirmed
Outstanding Economics	• Industry leading capital intensity • Low incremental growth capital	• Bottom quartile cost curve position
Unrivalled access to coast and global markets	• Epicentre of booming population growth • 60 km from Red Sea Coast	• 200 km from export facility
Exceptional feed grade	• One of the highest grade SOP deposits in the world	• Significantly lower waste generation than potassium rich brines

1 *Danakali DFS 30 November 2015*

The most advanced greenfield primary production SOP project globally

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Milestone	Outcome
Positive DFS complete *Unrivalled economics relative to all advanced SOP projects*	✓ 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 ore reserve comprising over 1bt[1]
Debt and equity advisors appointed	✓ Endeavour Financial appointed as advisor to secure debt funding for the project ✓ Hannam and Partners appointed as equity advisor
Offtake MOUs progressing to HoAs	✓ MOU's signed for 800kt per annum of SOP[2] ✓ Offtake discussions progressing towards Heads of Agreement (HoAs)
Front end engineering design and optimisation underway	✓ Site visits completed ✓ Fluor appointed as FEED lead ✓ Global Potash Solutions, Knight Piésold and Elemental Engineering appointed to FEED team ✓ FEED optimisation phase well progressed
Mining agreement signed and licenses awarded	✓ Social and Environmental Impact Assessment (SEIA) approved ✓ Mining agreement signed off[3] ✓ Mining licenses awarded[3]

1 Danakali DFS 30 November 2015 2 ASX Announcement 25 July 2016 3 ASX Announcement 1st February 2017

SOP is the PREMIUM POTASH

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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

30% increase in demand forecast over the next decade[2]

Photo: SOP produced from Colluli potassium salts in standard, Granular and soluble form

Over 60% expected to be produced from high cost secondary production by the end of the decade[2]

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
- Currently over 50% of world's supply is 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

1 MOP prices based on FOB Vancouver prices, SOP prices based on FOB Utah prices

2 CRU

Colluli – a positively unique resource and the most attractive greenfield primary production SOP project

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- **There is only one Colluli !**
- Massive resource with ease of access
  - No clearing
  - No inhabitants within mining agreement area
  - Flat – No vegetation
  - Shallow mineralisation allows open cut mining and extraction of salts in solid form
- The most favourable combination of potassium bearing salts suitable for production of SOP, SOP-M and MOP
- Proximity to coast and open cut method provides monetisation potential of other salts within the resource (rock salt, magnesium chloride, gypsum, magnesium sulphate)
- Strong government support
- Mining Licenses Award
- Strong local support
  - Over 300 jobs for Eritrean Nationals in Phase I
  - Additional 150 jobs in Phase II

Colluli sits in the world's largest unexploited potash basin

Colluli is the ONLY primary SOP resource that allows extraction and processing of salts in solid form

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THE SALT COMBINATION AND PRESENTATION PROVIDES SIGNIFICANT ADVANTAGES RELATIVE TO BRINE ALTERNATIVES

- **Higher potassium yields**
- **Simplicity**
  - Brine chemistry management is complex
  - Colluli processing plant utilises simple, proven, mineral processing units
- **Lower energy input**
  - Colluli salts require no heating. In contrast, potassium brines can require heating to over **50°C** for thermal decomposition[1,2]
- **Consistent, predictable feed grade**
- **Production rates not weather dependent**
  - Production rates from brines directly proportional to weather conditions
- **Smaller footprint**
  - No pre-production ponds

1. *Potash, Garret. P, pp441 – 445*
2. *Reward Minerals Presentation, 2013*

Advantages of solid salt extraction and processing over brines is clear

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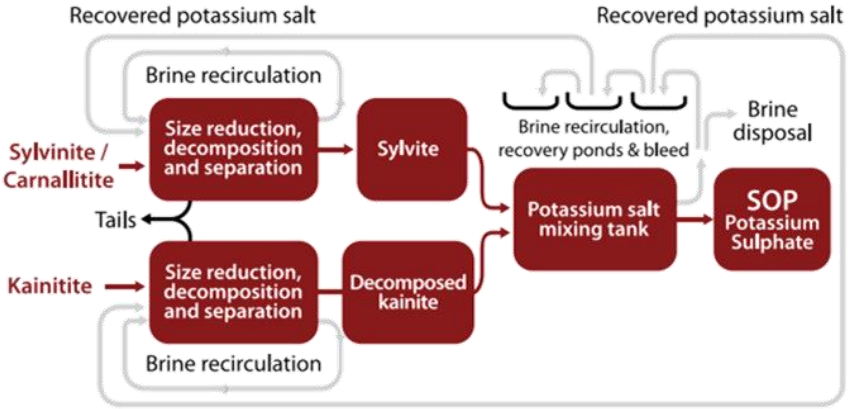
Photo: Colluli kainite core
Colluli salts will be mined in solid form

Photo: Trench excavation at Lake Wells [1]
Significant trenching required to access low grade brines

Photo: Potassium brine, Lake Wells [1]
Significant evaporation required to generate harvest salt

Colluli process design



Colluli contains <u>the right combination of potassium salts</u> for ambient temperature conversion to SOP

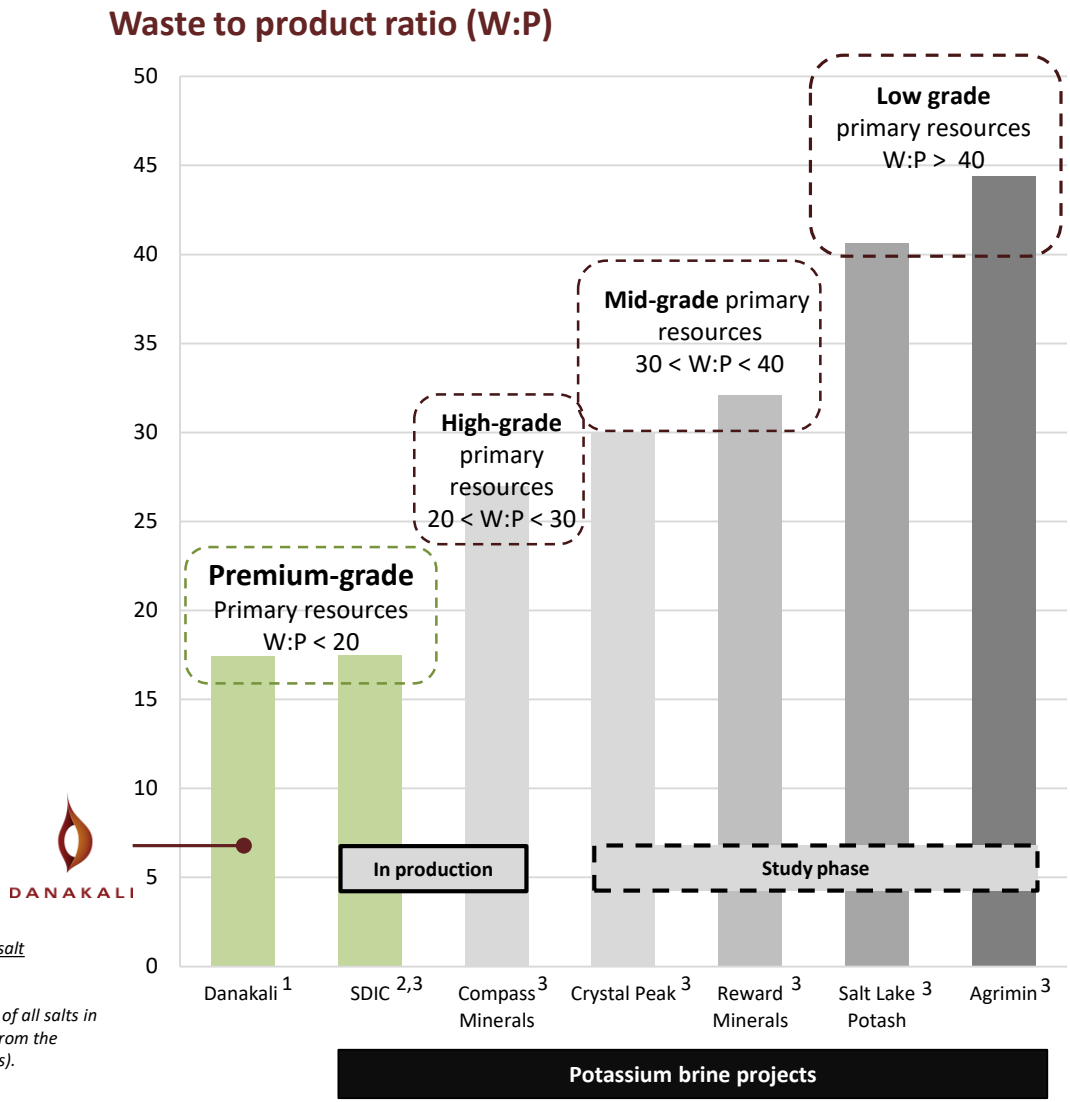
- The combination of sylvite and kainite in the Colluli resource is ideal for ambient temperature, <u>high yield</u> conversion to SOP
- Resources lacking sufficient sylvite require thermal decomposition typically at approximately 50°C which increases energy intensity and reduces yield
- Heated brines typically achieve potassium yield 10% to 15% lower than ambient conversion

<u>Simple processing</u> – Crush – Float – Mix – Dry - Truck

1 *ASX Announcement, January 2017*

Grade is King!
Colluli is a premium grade SOP resource

- Colluli is a premium resource and **one of the highest grade SOP deposits in the world**[1]
- **Very high potassium content and very low** waste to product (W:P) ratios
- **A broad quality range** exists in potassium brines – brines are not the same
- Higher W:P ratio brines typically require **higher evaporation rates, large capital intensive evaporation ponds and high volumes of waste salt management**

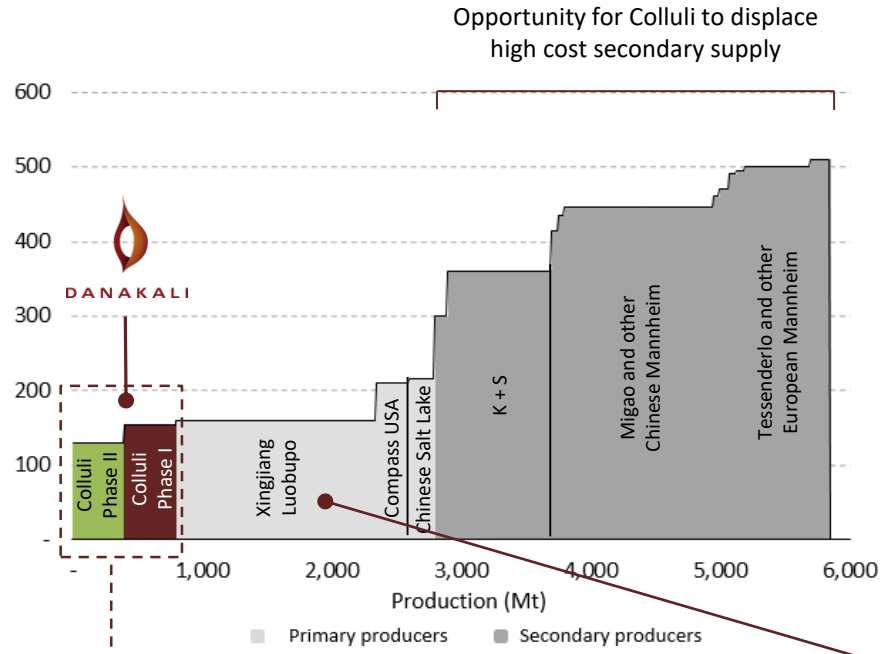


1. *Colluli DFS mine plan - Colluli waste includes all overburden (clastics, rock salt) and salt extracted in processing operations*
2. *BC Insight Fertliser Magazine*
3. *Waste calculated from total dissolved solids (TDS) data on company websites (sum of all salts in brine less SOP product). Brine waste associated with trenching has been excluded from the calculation (favouring a lower waste to product ratio to the greenfield brine projects). Potassium yields of 70% assumed for brines.*

Premium grade and low energy process = industry leading cost curve position

COST CURVE POSITION WILL PROVIDE COLLULI WITH INDUSTRY LEADING RETURNS THROUGHOUT THE COMMODITY CYCLE

Ex-works cash costs for SOP production (US$/t)



- ✓ Bottom quartile cost position
- ✓ Provides insulation in the event of a SOP price decline
- ✓ Extraction of salts in solid form provides both operating cost and capital cost advantage
- ✓ Production rates **not weather dependent**

- Operating costs are related to grade and mineralogy
- Combination of sylvite and kainite utilised by Xingjiang LuoBupo. High grade and low cost (similar grade and process to Colluli)[1]
- Processing costs become less favourable with lower grade or unfavourable salt combination which results in thermal decomposition (eg K+S thermally react sylvite and kieserite at 80°C)[2]

- Production of SOP using same potassium feed salts as Colluli and same processing technology
- Combination of sylvite and kainite is the most cost, energy and yield efficient
- Colluli will be the only project that starts with salts in solid form in contrast with brines that need to generate a harvest salt

Source: CRU, Integer, Company Research

1. *BC Insight Fertiliser Magazine*
2. *CRU*

Industry leading capital intensity

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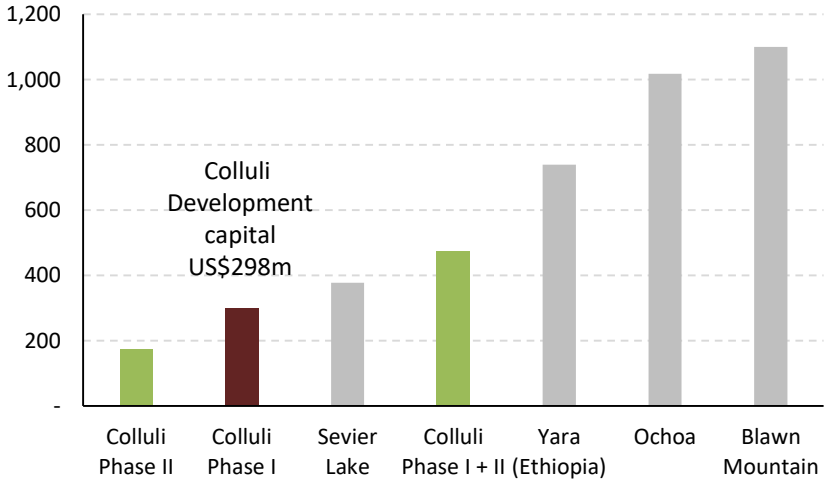
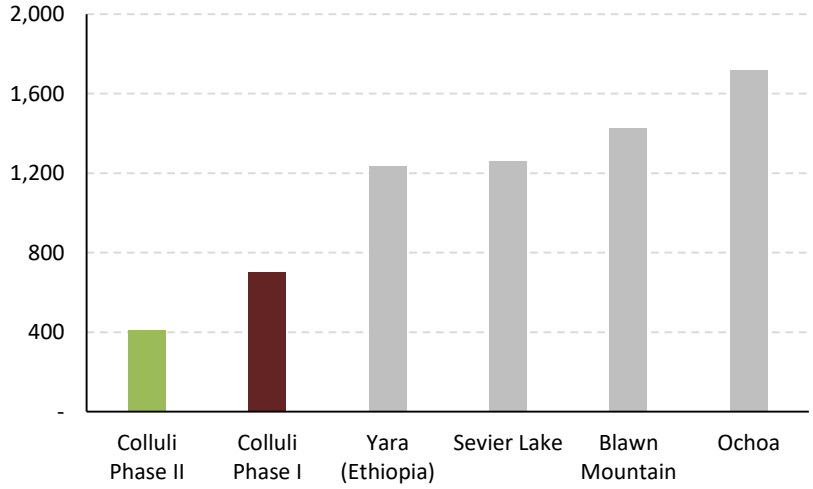
INDUSTRY LEADING CAPITAL INTENSITY AND LOW DEVELOPMENT CAPITAL RENDERS COLLULI HIGHLY FUNDABLE

Development capital (US$m)



Capital intensity (US$/t)



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

Outstanding DFS economics

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COLLULI DOMINATES OTHER PROJECTS WITH RESPECT TO VALUATION OUTCOMES

Key DFS results

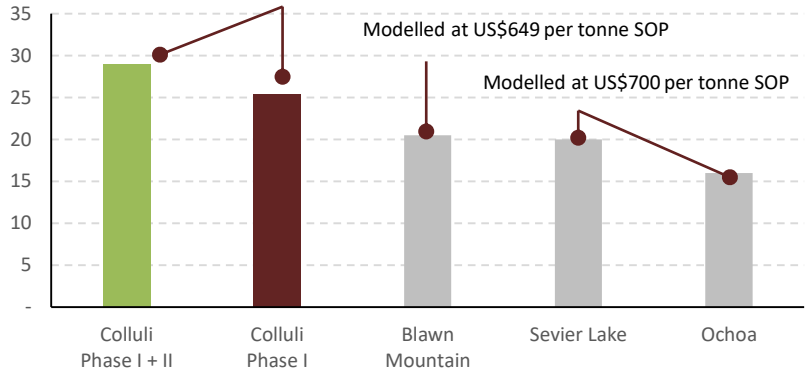
Metric	Phase I	Phase I and II
Production	425kt	850kt
Strip ratio	1.91	1.93
Post tax NPV (10% real) [CMSC]	US$439m	US$860m
Post tax IRR[CMSC]	25.4%	29.0%
Post tax NPV (10% real)[DNK]	**US$206m**	**US$397m**
Post tax IRR[DNK]	**22.3%[1,2]**	**25.9%[1,2]**
Capital	US$298m	
Incremental Phase II capital		US$175m

1 In accordance with CMSC Shareholders Agreement
2 Third party debt estimated at 60% of project funding

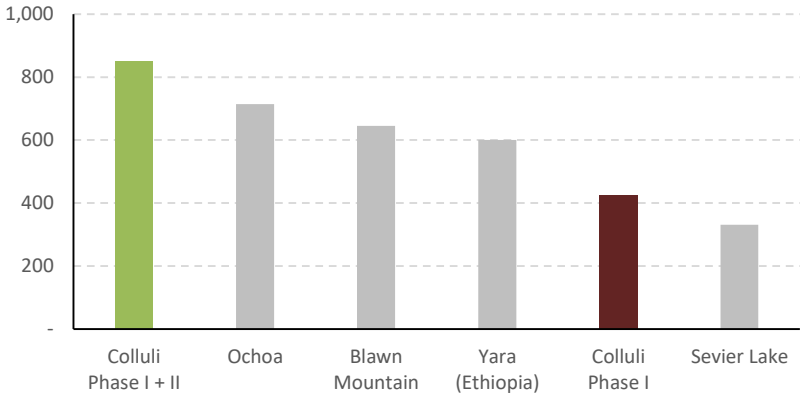
Source: DNK Company announcements, Company websites

Post-tax IRR (%)

Modelled at US$575 per tonne SOP



Annual production (ktpa)



Eritrea – safe, stable and progressive

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

Positive Eritrean outlook

- Fraser Institute Mining survey ranked **Eritrea 6 of 20 for African mining investment** ahead of jurisdictions such as South Africa, Zambia, Tanzania and Mozambique[1]
- **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
  - Communities
  - Anti corruption
  - Health and Safety

Tour of Eritrea cycling race (April 2016)

Development at the Massawa port

1. 2015 Fraser Institute Annual Survey of Mining Companies

Business can be done in Eritrea
Multiple Large Scale Success Stories

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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**
- **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

NEVSUN RESOURCES LTD.

Shareholders
Blackrock
Vanguard
Franklin Templeton

Zara
Commissioned and producing

Asmara
Currently commencing construction

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

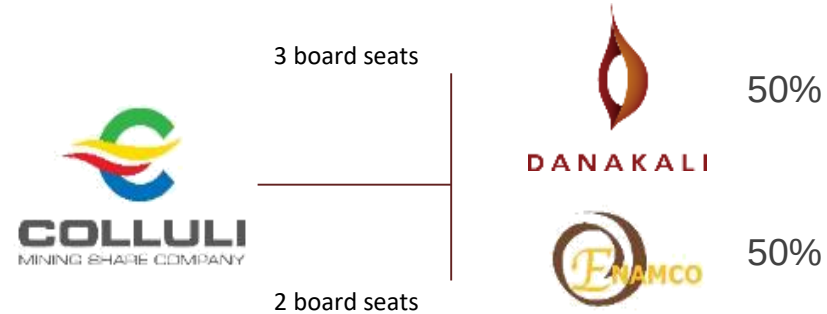
Partnership with ENAMCO continues to be a key enabler for the project development

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.



CMSC Chairman, Seamus Cornelius and Minister of Energy and Mines, Sebhat Ephrem at the Mining Agreement signing

Colluli – there is only one

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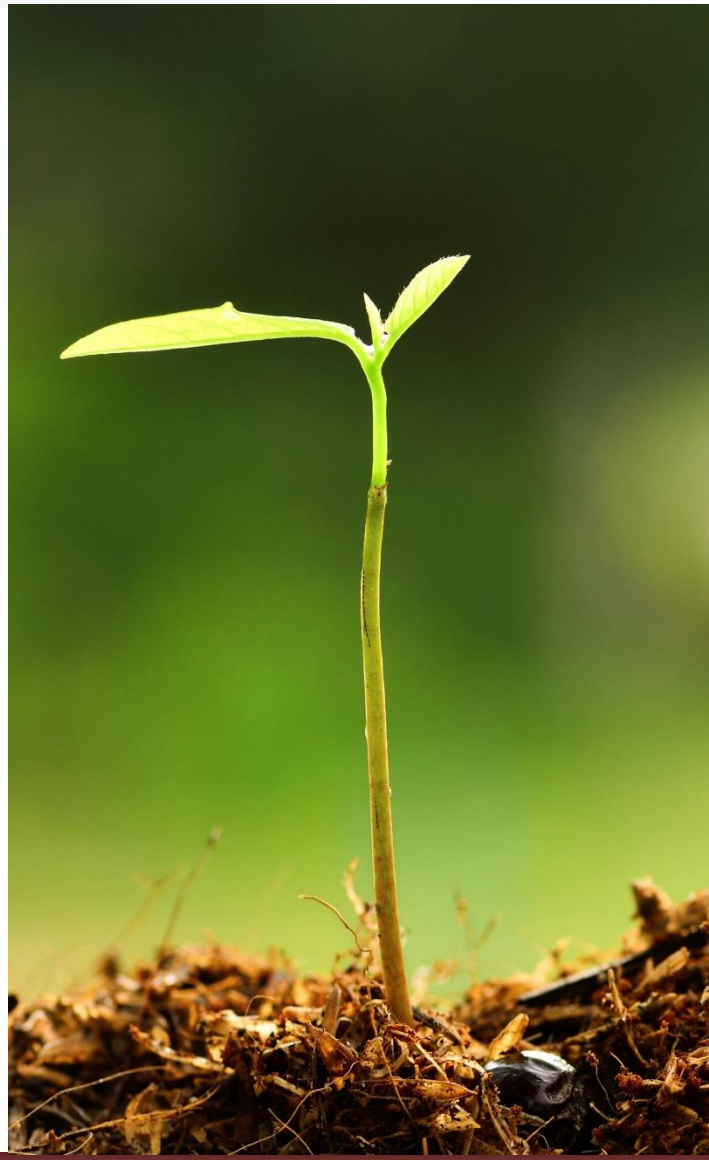
- SOP is a **high quality, chloride free potash** with **limited economically exploitable primary resources**
- Colluli is **the most attractive and advanced stage primary SOP production project in the world**
- Colluli is the most **fundable and scalable potash project with unrivalled resource, diversification and growth potential, and access to global markets**
- The project is in **close proximity to established infrastructure,** and has **standout economics relative to peers**
- Joint Venture partnership **is a key enabler**
- Front end engineering design, optimisation and contract tendering **have commenced**
- Mining Agreement **has been signed** and Mining License **Awarded**
- Offtake MOUs are **progressing to high level commercial terms under Heads of Agreements**



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Colluli - Positively Unique

Competent persons statement

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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.

SOP demand will increase by over 30% over the next decade

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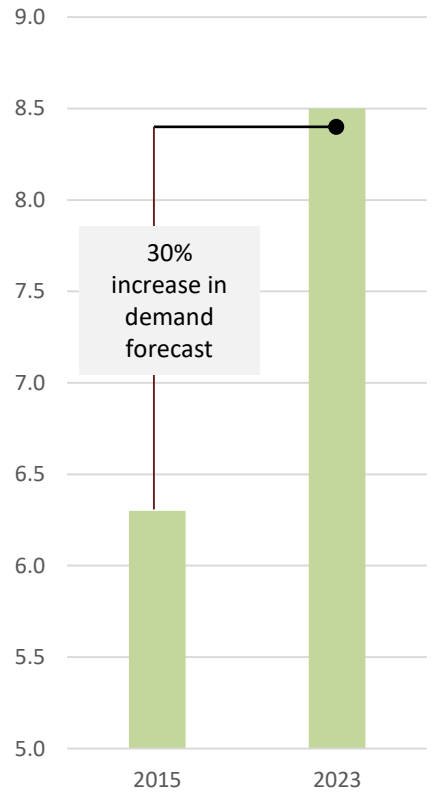
SOP IS A MULTI-NUTRIENT FERTILISER ESSENTIAL FOR HIGH VALUE, CHLORIDE INTOLERANT CROPS

- A significant increase in global SOP consumption is forecast [1]
- 33% increase in demand for high value fruit and vegetables till 2050[3]
- Colluli is well positioned as an advanced stage project to take advantage of global growth

Orange without SOP[2]

Orange with SOP[2]

Million tonnes SOP demand[1]



1. CRU
2. IC Potash
3 FAO

Over 60% of SOP supply will come from high cost secondary production by 2020

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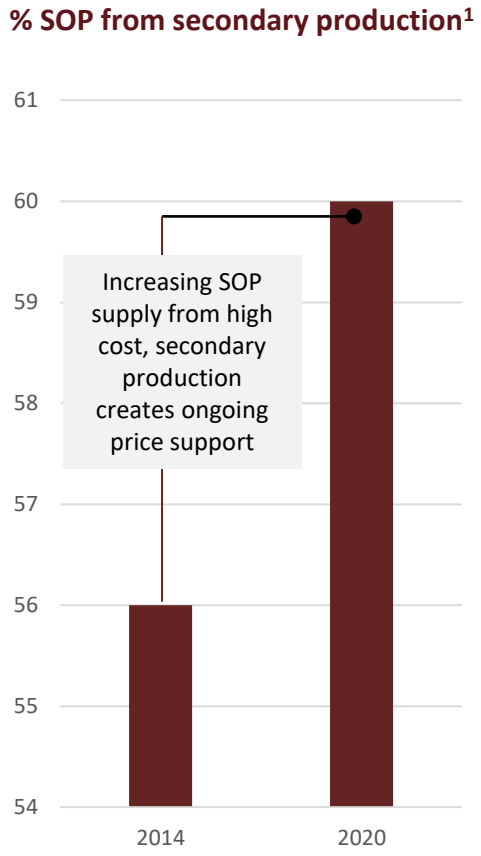
LACK OF ATTRACTIVE PRIMARY PRODUCTION PROJECTS REQUIRES INCREASED HIGH COST SUPPLY TO MEET DEMAND

- 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



1 CRU

Large, low cost, long life resource close to established infrastructure

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Large, long life resource [1]		> 1.3 Bt resource > 1.1 Bt ore reserve
Easily accessible		No vegetation No communities within tenements Mineralisation starts at 16m
Close proximity to established infrastructure[2]		Bitumised and all weather road runs to within 40km of Colluli site
Well established export facility[3]		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*

Simple, energy efficient, commercially proven technology WITH THE BEST COMBINATION OF SALTS

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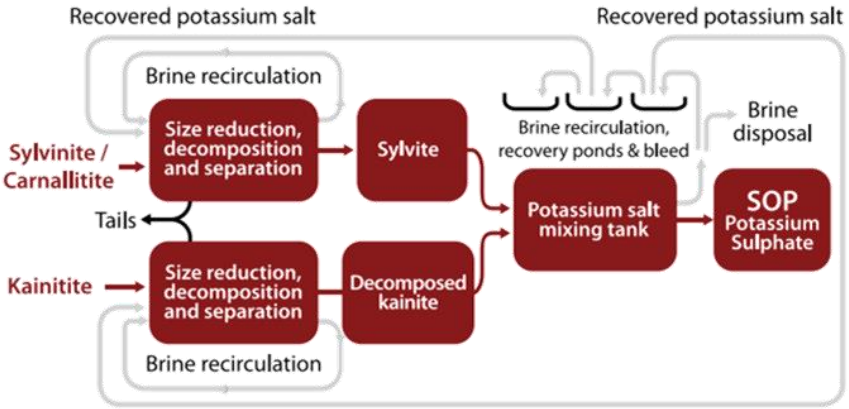
PRODUCTION OF SOP FROM COLLULI SALTS OCCURS WITH SIMPLE PROCESSES INCLUDING FLOTATION, MIXING AND DRYING

Colluli process design

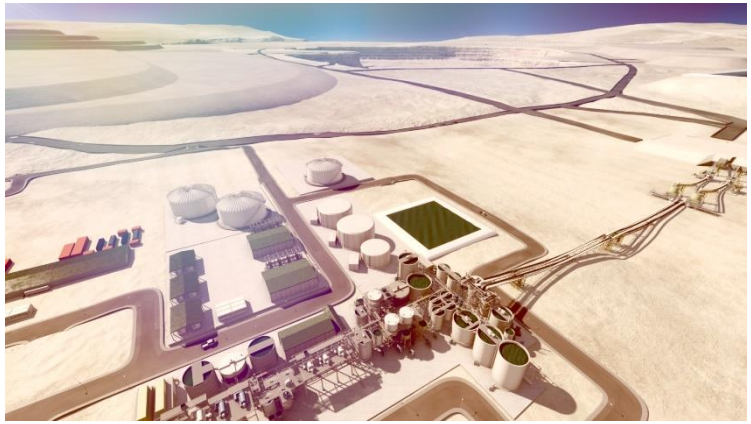


Simple processing – Crush – Float – Mix – Dry - Truck

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

- The combination of sylvite and kainite is ideal for ambient temperature, high yield conversion to SOP
- No thermal decomposition required
- Heated brines typically achieve potassium yield 10% to 15% lower than ambient conversion

Colluli plant images



East African location is geographically favourable for current and future key markets

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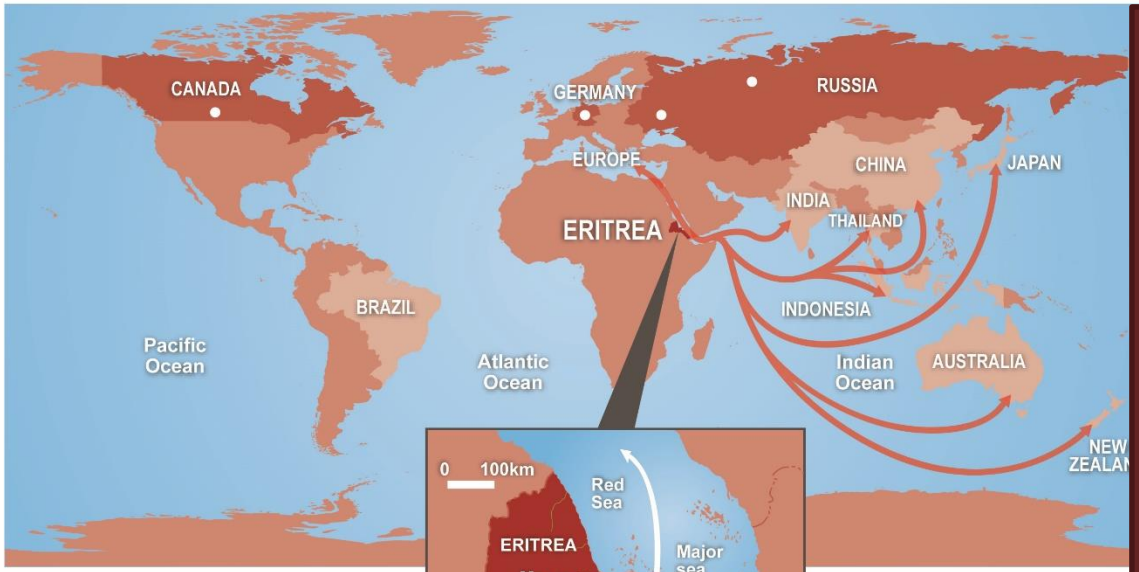
BY 2050 25% OF THE WORLDS POPULATION WILL BE AFRICAN[1]



Year	Africa's Population	Accounts for
1950	230 million	9%
2015	1.2 billion	16%
2050	2.4 billion	25%
2100	4.2 billion	39%

1 *Unicef*

Long-term economic, social and community dividends

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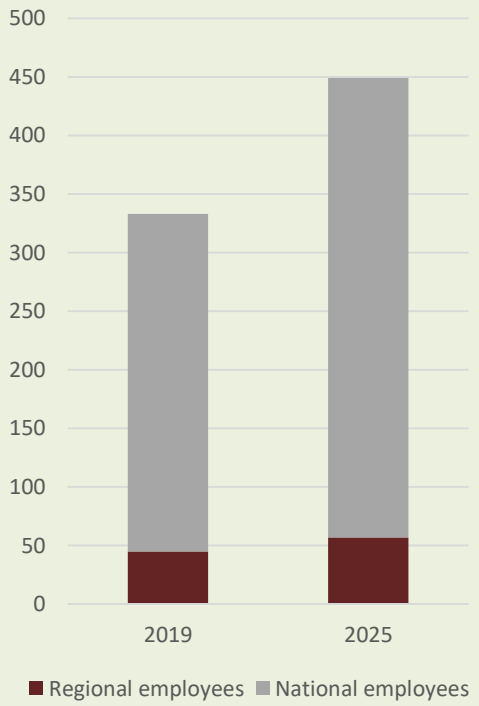
ENGAGEMENT WITH COMMUNITY AND KEY STAKEHOLDERS HAS GENERATED STRONG SUPPORT FOR COLLULI DEVELOPMENT

Expectations for Eritrean employee numbers at Colluli



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

Monetisation potential beyond SOP

DANAKALI

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

Major potassium products [1]

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

1. CRU

Colluli continues to positively advance

DANAKALI

Front End Engineering and Design (FEED) Initiated

- Globally recognised, highly reputable, multi-national construction and engineering company, Fluor have been appointed to lead the FEED and optimisation process
- Global Potash Solutions, Knight Piésold and Elemental Engineering appointed to FEED team
- Optimisation workshops underway with focus on capital and operating cost reduction

FLUOR

GLOBAL POTASH SOLUTIONS

Knight Piésold CONSULTING

elemental engineering

Offtake Discussions Well Progressed

- MOUs now converting to Heads of Agreement
- High level commercial terms outlined
- Continued high level of interest in product offtake

Mining Agreement and Mining License

- DFS submitted to Ministry of Energy and Mines
- SEIA approved in December
- Mining agreement and license discussions have been progressing over the past few months and are nearing completion

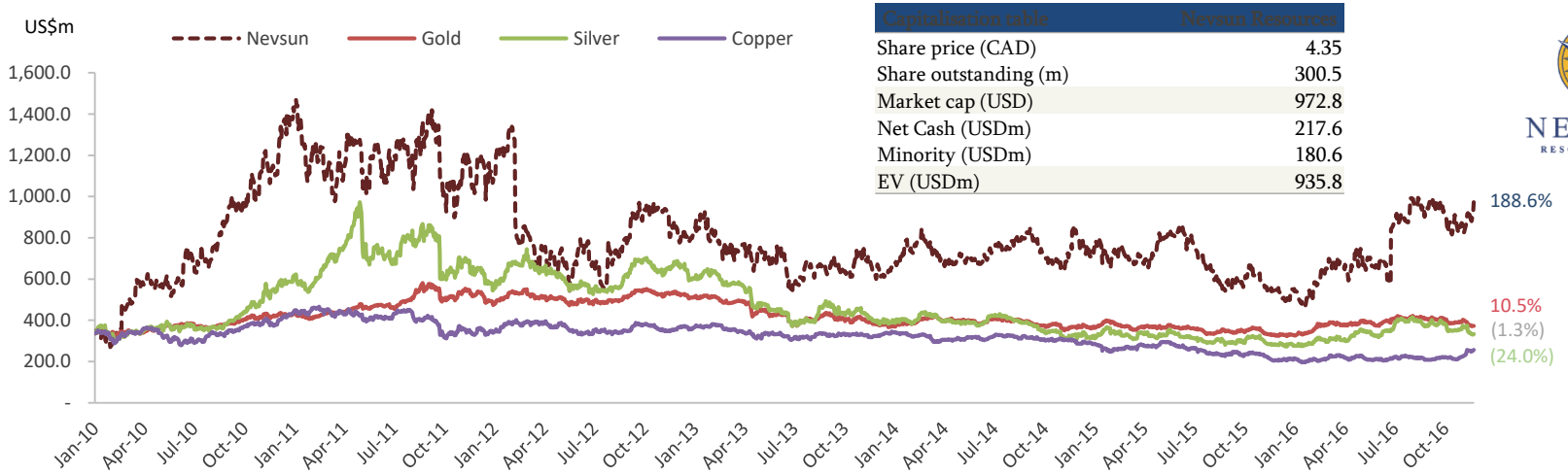
Nevsun Resources – Case study

Cumulative Capex Spend > US$600m

Shareholder dividend > US$100m

DANAKALI

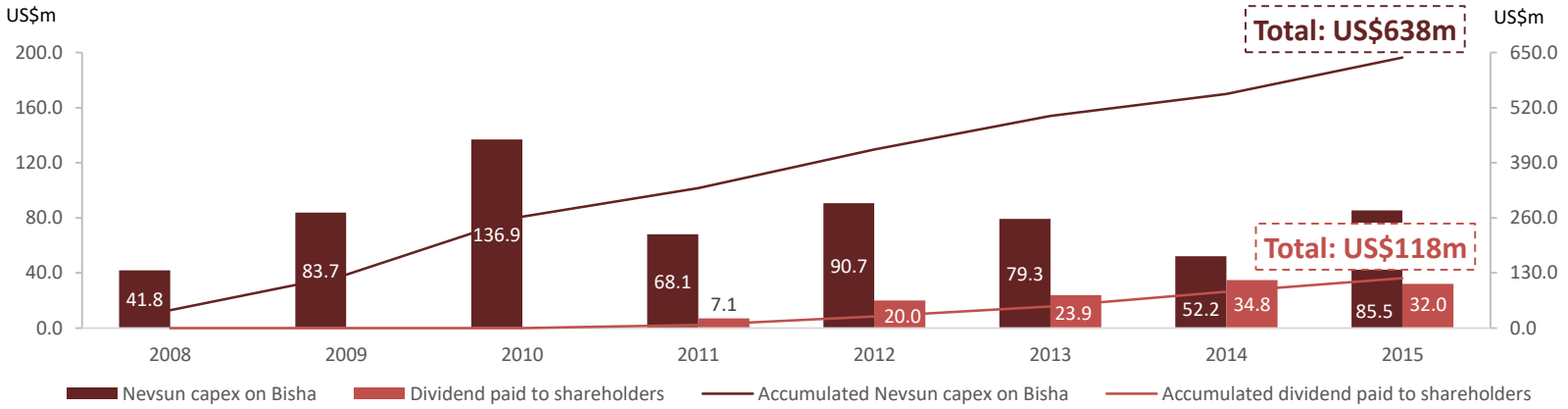
Nevsun market capitalisation compared to commodities performances



Capitalisation table	Nevsun Resources
Share price (CAD)	4.35
Share outstanding (m)	300.5
Market cap (USD)	972.8
Net Cash (USDm)	217.6
Minority (USDm)	180.6
EV (USDm)	935.8

NEVSUN RESOURCES LTD.

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 rebased to Nevsun market cap
Development of the Bisha mine commenced in 2008 and commissioning commenced in Q4 2010

2017 Plan

DANAKALI

- Finalise the Mining Agreement and Mining License
- Complete front end engineering and optimisation
- Commence geotechnical work at recovery pond site
- Continue building organisational capability
- Finalise equipment lists and develop procurement plans and vendor packages
- Tender key contracts – mining and power generation
- Finalise detailed construction schedule
- Commence organisational readiness planning
- Convert offtake heads of agreements to binding agreements
- Finalise project funding and commence construction