



DANAKALI

# Danakali Ltd

ACN 097 904 302

## NOTICE OF ANNUAL GENERAL MEETING AND EXPLANATORY MEMORANDUM TO SHAREHOLDERS

### **Date of Meeting**

Friday 11<sup>th</sup> May 2018

### **Time of Meeting**

10:00am

### **Place of Meeting**

Level 16, Brookfield Place, Tower 2, 123 St Georges Terrace, Perth, Western Australia

### **A Proxy Form is enclosed**

Please read this Notice and Explanatory Memorandum carefully.

If you are unable to attend the Annual General Meeting please complete and return the enclosed Proxy Form in accordance with the specified directions.

**Danakali Ltd**  
**ACN 097 904 302**

## **NOTICE OF ANNUAL GENERAL MEETING**

Notice is given that the Annual General Meeting of Shareholders of Danakali Ltd ACN 097 904 302 will be held at Level 16, Brookfield Place, Tower 2, 123 St Georges Terrace, Perth, Western Australia on 11 May 2018 at 10:00am for the purpose of transacting the following business referred to in this Notice of Annual General Meeting.

### **AGENDA**

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## Financial Reports

To receive and consider the financial report of the Company for the year ended 31 December 2017, together with the Directors' Report and the Auditor's Report as set out in the 31 December Annual Report.

### 1 Resolution 1 – Non Binding Resolution to adopt Remuneration Report

To consider and, if thought fit, pass the following resolution as a **non-binding resolution**:

*"That the Remuneration Report for the year ended 31 December 2017 as set out in the 2017 Annual Report be adopted."*

**Note:** The vote on this Resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Memorandum for further details on the consequences of voting on this Resolution.

**Voting exclusion statement:** The Company will disregard any votes cast on Resolution 1 by or on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties. However, the Company need not disregard a vote if:

(a) it is cast by a person as a proxy appointed by writing that specifies how the proxy is to vote on the proposed Resolution **or** the proxy is the Chair of the Meeting and the appointment of the Chair as proxy does not specify the way the proxy is to vote on the resolution and expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel; and

(b) it is not cast on behalf of a member of the Key Management Personnel whose remuneration details are included in the Remuneration Report, or their Closely Related Parties.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 1 unless:

(a) the appointment specifies the way the proxy is to vote on Resolution 1; or

(b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 1.

Shareholders may also choose to direct the Chair to vote against Resolution 1 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

### 2 Resolution 2 – Re-election of Seamus Ian Cornelius as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, Seamus Ian Cornelius, who retires in accordance with clause 11.3 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### 3 Resolution 3 – Re-election of Paul Donaldson as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, Paul Donaldson, who retires in accordance with clause 11.3 of the Constitution and, being eligible for re-election, be re-elected as a Director."*

### 4 Resolution 4 – Election of Andre Liebenberg as a Director

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Andre Liebenberg, being eligible to hold office in accordance with the Company's Constitution and having offered himself for election, be elected a Director of the Company."*

### 5 Resolution 5 – Approval of Long Term Incentive Plan

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.2, Exception 9 and for all other purposes, Shareholders approve the Company's Long Term Incentive Plan, a summary of the rules of which are set out in the Explanatory Memorandum, and any and all issues of securities under that Plan to employees and Directors, as an exception to Listing Rule 7.1."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 5 by a director of the Company and any person who is an Associate of those persons (except one who is ineligible to participate in the Long Term Incentive Plan). However, the Company need not disregard a vote if it is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## 6 Resolution 6 – Amendment to terms of certain unlisted options to allow cashless exercise

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*That for the purposes of ASX Listing Rule 6.23.4 and for all other purposes, the Company approve the proposed amendment to the terms of certain options with an expiry date on or before 31 December 2018 (as set out at Annexure B) to allow the cashless exercise of such options on the terms, and in the manner, set out in the Explanatory Memorandum which accompanies this Notice of Meeting.*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution 6 by or on behalf of any person who holds an option the subject of the approval or any Associate of that person. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 6 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 6; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 6.

Shareholders may also choose to direct the Chair to vote against Resolution 6 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

## 7 Resolution 7 – Grant of Remuneration Options to Andre Liebenberg or his nominee

Subject to Resolutions 4 and 5 being passed, to consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of Listing Rule 10.14 and all other purposes the Directors are authorised to issue 500,000 Remuneration Options for no consideration, to Andre Liebenberg or his nominee on the terms and conditions set out in the Explanatory Memorandum (including Annexure A to the Explanatory Memorandum)."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of the Resolution 7 by or on behalf of Andre Liebenberg or his nominee or any Associate of that person or his nominee. However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the vote is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Further, a Restricted Voter who is appointed as a proxy will not vote on Resolution 7 unless:

- (a) the appointment specifies the way the proxy is to vote on Resolution 7; or
- (b) the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even though the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel. Shareholders should note that the Chair intends to vote any undirected proxies in favour of Resolution 7.

Shareholders may also choose to direct the Chair to vote against Resolution 7 or to abstain from voting.

If you purport to cast a vote other than as permitted above, that vote will be disregarded by the Company (as indicated above) and you may be liable for breaching the voting restrictions that apply to you under the Corporations Act.

## 8 Resolution 8 – Approval of Additional 10% Placement Capacity

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*"That, for the purpose of Listing Rule 7.1A and all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 8 by a person who is expected to participate in the proposed issue or any person who will obtain a material benefit, except a benefit solely by reason of being a holder of ordinary securities, and any person who is an Associate of those persons.

However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## 9 Resolution 9 – Ratification of issue of Shares to institutional and sophisticated investors

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 19,920,645 Shares (at an issue price of \$0.62 each) on 23 May 2017 on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 9 by any person who participated in the issue the subject of Resolution 9 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## 10 Resolution 10 – Ratification of issue of Unlisted Options to advisers

To consider and, if thought fit to pass the following resolution as an **ordinary resolution**:

*"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 400,000 Unlisted Options on 20 June 2017 on the terms and conditions set out in the Explanatory Memorandum."*

**Voting exclusion statement:** The Company will disregard any votes cast in favour of Resolution 10 by any person who participated in the issue the subject of Resolution 10 and any person who is an Associate of those persons. However, the Company need not disregard a vote if the vote is cast by:

- (a) a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

## **OTHER BUSINESS**

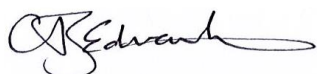
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**To deal with any other business which may be brought forward in accordance with the Constitution and the Corporations Act.**

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Details of the definitions and abbreviations used in this Notice are set out in the Glossary to the Explanatory Memorandum.

**By order of the Board**



**Catherine Grant-Edwards**  
Company Secretary

Dated: 9 April 2018

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## How to vote

Shareholders can vote by either:

- attending the Meeting and voting in person or by attorney or, in the case of corporate Shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the Proxy Form accompanying this Notice of Meeting and by submitting their proxy appointment and voting instructions in person, by post, electronically via the internet or by facsimile.

### Voting in person (or by attorney)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and their attendance recorded. To be effective a certified copy of the Power of Attorney, or the original Power of Attorney, must be received by the Company in the same manner, and by the same time as outlined for proxy forms below.

### Voting by a Corporation

A Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed.

### Voting by proxy

- A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the Meeting.
- The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half of the votes).
- A proxy need not be a Shareholder.
- The proxy can be either an individual or a body corporate.
- If a proxy is not directed how to vote on an item of business, the proxy may generally vote, or abstain from voting, as they think fit. However, where a Restricted Voter is appointed as a proxy, the proxy may only vote on Resolutions 1, 6 and 7 in accordance with a direction on how the proxy is to vote or, if the proxy is the Chair of the Meeting and the appointment expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.
- Should any resolution, other than those specified in this Notice, be proposed at the Meeting, a proxy may vote on that resolution as they think fit.
- If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the Shareholder's behalf on the poll and the Shares that are the subject of the proxy appointment will not be counted in calculating the required majority.
- Shareholders who return their Proxy Forms with a direction how to vote, but who do not nominate the identity of their proxy, will be taken to have appointed the Chair of the Meeting as their proxy to vote on their behalf. If a Proxy Form is returned but the nominated proxy does not attend the Meeting, the Chair of the Meeting will act in place of the nominated proxy and vote in accordance with any instructions. Proxy appointments in favour of the Chair of the Meeting, the secretary or any Director that do not contain a direction how to vote will be used, where possible, to support each of the Resolutions proposed in this Notice, provided they are entitled to cast votes as a proxy under the voting exclusion rules which apply to some of the proposed Resolutions. These rules are explained in this Notice.
- To be effective, proxies must be received by 10:00am (AWST time) on 9 May 2018. Proxies received after this time will be invalid.
- Proxies may be lodged using any of the following methods:
  - by returning a completed Proxy Form in person or by post using the pre-addressed envelope provided with this Notice to:  
**Share Registry – Computershare Investor Services Pty Limited, GPO Box 242, Melbourne, Victoria 3001, Australia**
  - by faxing a completed Proxy Form to **1800 783 447 (within Australia) +61 3 9473 2555 (outside Australia)**;
  - or



- For personal use only
- by recording the proxy appointment and voting instructions via the internet at [www.investorvote.com.au](http://www.investorvote.com.au). Only registered Shareholders may access this facility and will need their Holder Identification Number (HIN) or Securityholder Reference Number (SRN).

The Proxy Form must be signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. Where the appointment of a proxy is signed by the appointer's attorney, a certified copy of the Power of Attorney, or the power itself, must be received by the Company at the above address, or by facsimile, and by 10:00am (AWST time) on 9 May 2018. If facsimile transmission is used, the Power of Attorney must be certified. The time is 48 hours prior to the meeting (10am on 11 May 2018.)

**Shareholders who are entitled to vote**

In accordance with paragraphs 7.11.37 and 7.11.38 of the Corporations Regulations, the Board has determined that a person's entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5:00pm (AWST time) on 9 May 2018.

**Danakali Ltd**  
**ACN 097 904 302**

## **EXPLANATORY MEMORANDUM**

This Explanatory Memorandum is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

Certain abbreviations and other defined terms are used throughout this Explanatory Memorandum. Defined terms are generally identifiable by the use of an upper case first letter. Details of the definitions and abbreviations are set out in the Glossary to the Explanatory Memorandum.

### **FINANCIAL REPORTS**

The first item of the Notice deals with the presentation of the consolidated annual financial report of the Company for the financial year ended 31 December 2017, together with the Directors' declaration and report in relation to that financial year and the Auditor's Report on the financial report. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered.

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Annual General Meeting to ask questions and make comments on the accounts and on the management of the Company.

The Chair will also give Shareholders a reasonable opportunity to ask the Auditor or the Auditor's representative questions relevant to:

- (a) the conduct of the audit;
- (b) the preparation and content of the independent audit report;
- (c) the accounting policies adopted by the Company in relation to the preparation of the financial statements; and
- (d) the independence of the Auditor in relation to the conduct of the audit.

The Chair will also allow a reasonable opportunity for the Auditor or their representative to answer any written questions submitted to the Auditor under section 250PA of the Corporations Act.

### **RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

Section 250R(2) of the Corporations Act requires the Company to put to its Shareholders a resolution that the Remuneration Report as disclosed in the Company's 2017 Annual Report be adopted. The Remuneration Report is set out in the Company's 2017 Annual Report and is also available on the Company's website ([www.danakali.com.au](http://www.danakali.com.au)).

The vote on Resolution 1 is advisory only and does not bind the Directors or the Company.

However, if at least 25% of the votes cast are against adoption of the Remuneration Report at two consecutive annual general meetings, the Company will be required to put a resolution to the second Annual General Meeting (**Spill Resolution**), to approve calling a general meeting (**Spill Meeting**). If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must then convene a Spill Meeting within 90 days of the second Annual General Meeting. All of the Directors who were in office when the applicable Directors' Report was approved, other than the Managing Director, will need to stand for re-election at the Spill Meeting if they wish to continue as Directors.

The remuneration report for the financial year ended 31 December 2016 did not receive a vote of more than 25% against its adoption at the Company's last general meeting held on 19 May 2017. Accordingly, if at least 25% of the votes cast on Resolution 1 are against adoption of the Remuneration Report it will not result in the Company putting a Spill Resolution to Shareholders.

The Remuneration Report explains the Board policies in relation to the nature and level of remuneration paid to Directors, sets out remuneration details for each Director and any service agreements and sets out the details of any equity based compensation.

The Chair will give Shareholders a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Note that a voting exclusion applies to Resolution 1 in the terms set out in the Notice. Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **RESOLUTION 2 – RE-ELECTION OF SEAMUS IAN CORNELIUS AS A DIRECTOR**

In accordance with the Company's Constitution and Listing Rule 14.4, no Director of the Company (except a Managing Director) may hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever period is longer. The Company's constitution also requires that one third of the Company's Directors must retire at each AGM. Accordingly, Seamus Ian Cornelius, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Cornelius is a corporate lawyer and former partner of one of Australia's leading international law firms. He has a high degree of expertise in cross-border transactions, particularly in the resources and finance sectors.

Mr Cornelius has been based in China since 1993, and has advised global companies, banks, major resource companies and Chinese State-owned entities on resource project investments both within China and abroad.

Mr Cornelius is currently the Non-Executive Chairman of Buxton Resources Ltd (appointed 29 November 2010), Montezuma Mining Company Ltd (appointed 30 June 2011), and Duketon Mining Ltd (appointed 8 February 2013).

Mr Cornelius is a member of the Audit Committee and a member of the Technical and Risk Committee.

All the Directors, except Mr Cornelius, recommend that Shareholders vote in favour of Resolution 2.

## **RESOLUTION 3 – RE-ELECTION OF PAUL DONALDSON AS A DIRECTOR**

In accordance with the Company's Constitution and Listing Rule 14.4, no Director of the Company (except a Managing Director) may hold office (without re-election) past the third AGM following the Director's appointment or 3 years, whichever period is longer. The Company's constitution also requires that one third of the Company's Directors must retire at each AGM. Accordingly, Paul Donaldson, being a Director, retires by way of rotation and, being eligible, offers himself for re-election as a Director.

Mr Donaldson holds a Master's Degree in Mining Engineering, a Master's Degree in Business and Technology, BEng Chemical (Honours, University Medal), and Assoc Dip. Applied Science (Metallurgy).

Mr Donaldson joined Danakali from a series of senior management roles spanning more than 25 years with BHP Billiton ("BHP"). At BHP Mr Donaldson managed large scale, open cut mining operations, significant growth and sustaining capital projects, and complex pyro metallurgical, beneficiation and manufacturing processes. Mr Donaldson headed the BHP Carbon Steel Materials Technical Marketing

Team, managed the Port Hedland iron ore facility as well as occupying key roles in product and infrastructure planning across large scale supply chains.

Mr Donaldson also brings extensive experience in high-level business improvement and logistics from base metal operations and a high degree of integrated supply chain management, technical operational management and frontline leadership experience in the steel industry.

Mr Donaldson transitioned from Chief Executive Office and Managing Director role to Non-Executive Director role with the Company on 21 December 2017.

Mr Donaldson is a Chairman of the Technical and Risk Committee and a member of the Remuneration and Nomination Committee.

All the Directors, except Mr Donaldson, recommend that Shareholders vote in favour of Resolution 3.

#### **RESOLUTION 4 – ELECTION OF ANDRE LIEBENBERG AS A DIRECTOR**

Resolution 4 seeks approval for the election of Andre Liebenberg as a Director with effect from the end of the Meeting.

Clause 11.11 of the Constitution provides that the Directors may at any time appoint a person to be a Director, either to fill a casual vacancy, or as an addition to the existing Directors, but so that the total number of Directors does not at any time exceed the maximum number specified by the Constitution. Any Director so appointed holds office only until the next following Annual General Meeting and is then eligible for election, but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Andre Liebenberg retires from office in accordance with the requirements of clause 11.12 of the Constitution and submits himself for election.

Mr Liebenberg is an experienced mining industry professional with extensive investor, market, finance, business development and leadership experience, and has spent over 25 years in private equity, investment banking, and held senior roles within QKR Corporation and BHP Billiton.

In a previous role, Mr Liebenberg had the opportunity to visit Eritrea and is familiar with the jurisdiction. In addition to the CFO role at QKR Corporation, Mr Liebenberg occupied senior executive roles within BHP Billiton including Head of Group Investor Relations, as well as CFO roles for the Energy Coal and Diamonds and Speciality Products divisions. These roles were based in London, Melbourne and Sydney.

Mr Liebenberg's experience within BHP Billiton also included key roles in the BHP Billiton merger, the bid for Rio Tinto and the bid for Potash Corp. of Saskatchewan. Prior to BHP Billiton, Mr. Liebenberg worked at UBS in London and Standard Bank Group in South Africa.

Mr Liebenberg is Chairman of the Remuneration and Nomination Committee and a member of the Audit Committee.

Mr Liebenberg is an independent director of the Company.

All the Directors, except Mr Liebenberg, recommend that Shareholders vote in favour of Resolution 4.

#### **RESOLUTION 5 – APPROVAL OF LONG TERM INCENTIVE PLAN**

The Directors considered that it was desirable to establish an option plan under which employees and Directors may be offered the opportunity to subscribe for Shares, Options or Performance Rights (being rights to acquire Shares subject to satisfaction of specified vesting conditions in a specified period) in the Company in order to increase the range of potential incentives available to them and to

strengthen links between the Company and its employees and Directors. Accordingly the Directors adopted the Long Term Incentive Plan (**Plan**) on 4 April 2018.

The Plan is designed to provide incentives to the employees and Directors of the Company and to recognise their contribution to the Company's success. Under the Company's current circumstances, the Directors consider that the incentives to employees are a cost effective and efficient incentive for the Company as opposed to alternative forms of incentives such as cash bonuses or increased remuneration. To enable the Company to secure employees and Directors who can assist the Company in achieving its objectives, it is necessary to provide remuneration and incentives to such personnel. The Plan is designed to achieve this objective, by encouraging continued improvement in performance over time and by encouraging personnel to acquire and retain significant shareholdings in the Company.

Shareholder approval is required if any issue of Shares, Options and Performance Rights pursuant to the Plan is to fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purposes of Listing Rule 7.2 Exception 9(b) which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities within three years of the date of issue.

Prior Shareholder approval will be required before any Director or related party of the Company can participate in the Plan.

#### **Summary of the Long Term Incentive Plan**

- (a) **Eligibility:** The Board may, in its absolute discretion, offer Awards (being either Shares, Options or Performance Rights) to any Eligible Employee (being an employee, executive Director, non-executive Director, contractor or casual employee of the Company (or associated body corporate)) or any Prospective Eligible Employee.
- (b) **Invitation:** Any Offer will be made in an Offer Document which will include the following information:
  - (i) the name and address of the Eligible Employee to whom the invitation is being made;
  - (ii) the date of the Offer;
  - (iii) the Final Acceptance Date;
  - (iv) the maximum number of Awards which the Eligible Employee may apply for;
  - (v) the Grant Conditions (if any) attaching to the Awards being offered;
  - (vi) In respect of an offer of Shares:
    - (A) the Issue Price or manner of determining the Issue Price (if any); and
    - (B) details of the Vesting Conditions (if any)
  - (vii) In respect of an Offer of Options or Performance Rights:
    - (A) the Issue Price or manner of determining the Issue Price (if any);
    - (B) details of the Vesting Conditions (if any);
    - (C) the First Exercise Date and Last Exercise Date;
    - (D) the Exercise Price or manner of determining the Exercise Price (if any);

(viii) the Vesting Period (if any) applicable to the Shares, Options or Performance Rights.

- (c) **Terms:** The terms and conditions applicable to the Offer (including the Issue Price (if any) in respect of a Share, Option or Performance Right and the Exercise Price (if any) in respect of an Option or Performance Right) are determined by the Board in its absolute discretion.
- (d) **Acceptance:** An Eligible Employee may accept an offer (in whole or in part) by giving the Company an Application (and, in the case of an Offer that has an Issue Price, payment of the Issue Price) by the Final Acceptance Date. Where the Eligible Employee (or a nominee of such person approved by the Board) accepts the Awards (in whole or in part), he or she will become a participant under the Plan (**Participant**).
- (e) **Issue:** Once an Offer has been accepted (and any applicable Issue Price paid), the Company will register that number of Shares set out in the Application against the name of the relevant Employee (or their nominee) and will issue the Eligible Employee Certificates in respect of Options and Performance Rights.
- (f) **Quotation:** Options and Performance Rights will not be quoted on the ASX. However application will be made to ASX for official quotation of any Shares issued for the purposes of the Plan.
- (g) **Share Vesting Conditions:** The Board may offer Shares with Vesting Conditions. Such Shares will vest if the Board determines, in its absolute discretion, that any share vesting conditions have been satisfied or waived.
- (h) **Forfeiture of Shares:** Any Unvested Shares will be forfeited if:
- (i) the Board determines that the applicable Vesting Conditions have not been, or are not capable of being, satisfied, reached or met in accordance with their terms;
  - (i) The participant ceases to be employed by the Company or ceases to hold office in the Company, subject to certain exceptions; and
  - (ii) by determination of the Board:
    - (A) in the event of a Change of Control of the Company; and
    - (B) where the Participant breaches the term of his or her employment, is dismissed or removed for cause, or where their behaviour is fraudulent or amounts to misconduct.
- (i) **Exercise:** A Participant will be entitled to exercise an Option or Performance Right (as the case may be) if the Board determines that any applicable Vesting Conditions have been satisfied or waived and the Option or Performance Right is otherwise capable of being exercised.
- (j) **Adjustment:** The Board can make adjustments to or vary the terms of exercise of an Option or Performance Right, including reducing or waiving the applicable Vesting Conditions in whole or in part (subject to the requirements of the Corporations Act and/or the Listing Rules), and only with the consent of the Participant who holds the relevant Performance Right or Options if such an adjustment would be materially prejudicial to them.
- (k) **Cashless Exercise:** If an Exercise Price is payable on the exercise of Options or Performance Rights, the Board may allow the Participant to exercise those Options or Performance Rights by way of a cashless Exercise, in which case the Participant will not be required to pay the Exercise Price for the Options or Shares.

- (l) Issue of Shares on vesting of Options or Performance Rights:** Upon determination that Options or Performance Rights have vested, they may be exercised (at the applicable exercise price) and the Company will issue Shares to that Participant within 15 days. Shares issued upon exercise of any Option or Performance Right will rank equally in all respects with existing Shares.
- (m) Lapse of Options and Performance Rights:** A Performance Right or Option will not vest and will lapse on the earlier of:
- (iii) the Vesting Conditions attaching to the Option or Performance Right have not been, or are not capable of being, satisfied in accordance with their terms;
  - (iv) the day immediately following the Last Exercise Date; and
  - (v) The participant ceasing to be employed by the Company or ceases to hold office in the Company, subject to certain exceptions; and
  - (vi) by determination of the Board:
    - (A) in the event of a change of control of the Company; and
    - (B) where the Participant breaches the term of his or her employment, is dismissed or removed for cause, or where their behaviour is fraudulent or amounts to misconduct;
- (n) No Dealing:** Performance Rights and Options may not be transferred except with the prior consent of the Board or to the Participant's legal personal representative on the death of the Participant.
- (o) Adjustments to Options and Performance Rights:** If, prior to the vesting of an Option or Performance Right:
- (i) the Company makes a pro-rata issue of Shares (except a bonus issue), the Exercise Price of the Option or Performance Right will be reduced according to the formula specified in the Listing Rules;
  - (ii) the company makes a bonus issue of Shares, the number of underlying Shares over which the Option or Performance Right is exercisable will be increased in proportion to the number of Shares the Participant would have received before the bonus issue; and
  - (iii) there is a reorganisation of the issued share capital of the Company (including a consolidation, sub-division or reduction of capital or return of capital), the rights of the Participant (including the number the Options or Performance Rights to which the Participant is entitled and the Exercise Price) will be adjusted in a manner required by the Listing Rules.
- (p) Amendments to the Plan:** Subject to and in accordance with the Listing Rules, the Plan may be amended by the Board from time to time, but amendments may not be made which adversely effect the rights of entitlements then accrued to any Share, Option or Performance Right granted before the date of the amendment unless prior written approval from the affected Participant(s) is obtained.

In accordance with the requirements of Listing Rule 7.2 Exception 9(b), the following information is provided to Shareholders:

- (a) a summary of the Plan is set out above and a full copy of the proposed Plan is available on the Company's website at [www.danakali.com.au](http://www.danakali.com.au);

- (b) This is the first approval sought under Listing Rule 7.2 Exception 9 with respect to the Plan; and
- (c) a voting exclusion statement has been included for the purposes of Resolution 5.

## **RESOLUTION 6 – CASHLESS EXERCISE OF OPTIONS**

In previous years, a number of Options have been issued to employees, officers and advisers, the terms of which contemplate exercise in a traditional manner, being the payment of the exercise price in cash with receipt of one new Share per option exercised.

In satisfaction of the requirements of Listing Rule 6.23.4, shareholder approval is sought to allow optionholders to nominate a “cashless exercise” in respect of certain unlisted Options on issue with an expiry date on or before 31 December 2018 (as set out at Annexure B). The relevant optionholders may still elect to exercise their Options in the traditional manner if they prefer. A table of the unlisted Options to which the new cashless exercise option is proposed to apply is set out at Annexure B. These Options constitute less than 5% of the Danakali securities on issue.

On nominating a cashless exercise, the Company will only issue that number of Shares (rounded down to the nearest whole number) as are equal in value to the difference between the exercise price otherwise payable for the Options and the market value of the Shares at the time of exercise. The market value of the Shares will be based on the volume weighted average price (**VWAP**) of Shares on the ASX over the 5 trading days prior to the notice of exercise being provided to the Company, unless otherwise determined by the Board. Examples showing the difference between a traditional exercise and cashless exercise are set out below.

### **Examples**

#### ***Traditional Exercise – Example only***

If an optionholder holds 10,000 Options each with an exercise price of \$0.35, then in electing to exercise all of these Options in the traditional manner, the optionholder would pay the Company \$3,500 and receive 10,000 Shares.

#### ***Cashless Exercise – Example only***

If the same optionholder nominated a cashless exercise, and the Company's 5 day VWAP is \$0.80 per Share, the optionholder would pay no cash on exercise and would receive 6,875 Shares, calculated as follows:

- 10,000 Options x \$0.80 per share = \$8,000
- \$8,000 less the exercise price of \$3,500 = \$5,500
- \$5,500 divided by \$0.80 per share = 6,875 Shares

### **Effect of Proposed Amendment**

The directors who do not hold options consider that it would be appropriate and in the best interests of shareholders of the Company as a whole to allow a cashless exercise mechanism, solely to avoid Share sales to fund the exercise price (given the low liquidity of the stock). The Company hopes the liquidity will have improved for Options with a later expiry. The other benefits in offering cashless exercise alternative include:

- It makes exercising the Options more attractive to the optionholder, who may not otherwise have access to the funds to exercise in the traditional manner; and
- It limits dilution to existing Shareholders (since fewer Shares are issued).



#### **Listing Rule 6.23.4**

Listing Rule 6.23.4 provides that a change to the terms of Options which is not prohibited under the Listing Rules can only be made if holders of ordinary securities approve the change.

The introduction of the cashless exercise alternative to the unlisted Options (set out at Annexure B) does not have the effect of reducing the exercise price, increasing the period for exercise or increasing the number of securities to be received on exercise, of those Options and ASX have confirmed that this change can be made with shareholder approval.

#### **Corporations Act - Chapter 2E**

Shareholder approval is not being sought under Chapter 2E of the Corporations Act to approve the amendment to the terms and conditions of those affected unlisted Options on issue to the Company's directors, Messrs Seamus Cornelius, Paul Donaldson, and John Fitzgerald.

The Directors (with the exception of Messrs Cornelius, Donaldson and Fitzgerald) consider that the proposed changes to the Options on issue to Messrs Seamus Cornelius, Paul Donaldson, John Fitzgerald are being made on an arms' length basis in accordance with Section 2E of the Corporations Act, on the basis that it is the same amendment made to almost all of the Options on issue with an expiry date on or before 31 December 2018. The only Options with such expiry dates that have not been included were issued pursuant to a rights issue.

For the above reasons Shareholder approval is not considered to be required under Chapter 2E of the Corporations Act.

#### **RESOLUTION 7 – GRANT OF REMUNERATION OPTIONS TO ANDRE LIEBENBERG OR HIS NOMINEE**

Subject to Resolutions 4 and 5 being approved, the Company proposes to grant a total of 500,000 Remuneration Options (each with an exercise price of 140% of the VWAP of Shares on the ASX over the 5 trading days prior to shareholder approval of the Remuneration Options and an expiry date of 11 May 2020) to Andre Liebenberg (Participating Director), or his nominee.

#### **Related Party Transactions Generally**

Chapter 2E of the Corporations Act prohibits a public company from giving a financial benefit to a *related party* of the public company *unless* either:

- (a) the giving of the financial benefits falls within one of the nominated exceptions to the provision; or
- (b) Shareholder approval is obtained prior to the giving of the financial benefit and the benefit is given within 15 months after obtaining such approval.

For the purposes of Chapter 2E of the Corporations Act, the Participating Director is a related party of the Company.

The Directors have determined that the issue is reasonable arms' length remuneration in the circumstances for the purposes of Chapter 2E and therefore, Shareholder approval for the purposes of the related party provisions set out in Chapter 2E of the Corporations Act is not required.

#### **Information Requirements - Listing Rules 10.14 and 10.15**

Listing Rule 10.14 requires Shareholder approval by ordinary resolution for any issue of securities by a listed company to a related party under an employee incentive scheme. Accordingly, Listing Rule 10.14 requires Shareholders to approve the issue of Remuneration Options under the Plan to the Participating Director.

The following information is provided to Shareholders in relation to Resolution 7 for the purposes of Listing Rule 10.15:

- (a) the Remuneration Options will be granted to the Participating Director, or his nominee, as noted above;
- (b) the maximum number of Remuneration Options to be granted is 500,000;
- (c) the Remuneration Options will be granted for no consideration;
- (d) no funds will be raised by the grant of the Remuneration Options;
- (e) all Directors, or their permitted nominees, are entitled to participate in the Plan, but for the purposes of Resolution 7, at this time, the Company is only seeking to grant Remuneration Options to Andre Liebenberg. The persons referred to in Listing Rule 10.14 who are entitled to participate in the Plan are Seamus Ian Cornelius, Paul Michael Donaldson, John Daniel Fitzgerald, Robert Gordon Connochie, Andre Leon Liebenberg and Zhang Jing (and their respective Associates);
- (f) no Directors, or their permitted nominees, have received any Remuneration Options under the Plan;
- (g) no loan is provided in connection with the acquisition or conversion of the Remuneration Options; and
- (h) the Remuneration Options will be granted on a date, being no later than 12 months after the date Shareholder approval is obtained for Resolution 7.

If approval is given for the grant of the Remuneration Options under Listing Rule 10.14, approval is not required under Listing Rule 7.1.

### **Voting**

Note that a voting exclusion applies to Resolution 7 in the terms set out in the Notice.

Shareholders are urged to carefully read the Proxy Form and provide a direction to the proxy on how to vote on this Resolution.

## **RESOLUTION 8 – APPROVAL OF ADDITIONAL 10% PLACEMENT CAPACITY**

### **Background**

Listing Rule 7.1A enables an eligible entity to issue Equity Securities up to 10% of its issued share capital over a 12 month period after the Annual General Meeting at which a resolution for the purposes of Listing Rule 7.1A is passed by special resolution (**Additional 10% Placement Capacity**). The Additional 10% Placement Capacity is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

An entity will be eligible to seek approval under Listing Rule 7.1A if:

- (a) the entity has a market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300 million or less; and
- (b) the entity that is not included in the S&P ASX 300 Index.

The Company has a market capitalisation of \$180,000,000 as at 6 April 2018 is an eligible entity for the purposes of Listing Rule 7.1A.

The number of Equity Securities to be issued under the Additional 10% Placement Capacity will be determined in accordance with the formula set out in Listing Rule 7.1A.2.

Resolution 8 seeks Shareholders' approval to issue additional Equity Securities under the Additional 10% Placement Capacity. It is anticipated that funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity would be applied towards the Company's development activities of the Colluli Potash Project, for the acquisition of new assets or investments (including costs associated with any such acquisitions), and general working capital.

#### **Listing Rule 7.1A**

The effect of Resolution 8 will be to permit the Company to issue the Equity Securities under Listing Rule 7.1A during the Additional Placement Period (as defined below) without using the Company's 15% placement capacity under Listing Rule 7.1.

Equity Securities issued under the Additional 10% Placement Capacity must be in the same class as an existing quoted class of Equity Securities of the Company. As at the date of this Notice the Company has Shares, unlisted Options and unlisted Performance Rights on issue.

Based on the number of Shares on issue at the date of this Notice, the Company will have 262,504,508 Shares on issue and therefore, subject to Shareholder approval being obtained under Resolution 8, 26,250,451 Equity Securities will be permitted to be issued in accordance with Listing Rule 7.1A. Shareholders should note that the calculation of the number of Equity Securities permitted to be issued under the Additional 10% Placement Capacity is a moving calculation and will be based the formula set out in Listing Rule 7.1A.2 at the time of issue of the Equity Securities. That formula is:

#### **$(A \times D) - E$**

- A is the number of Shares on issue 12 months before the date of issue or agreement:
- (a) plus the number of fully paid Shares issued in the 12 months under an exception in Listing Rule 7.2;
  - (b) plus the number of partly paid Shares that became fully paid in the 12 months;
  - (c) plus the number of fully paid Shares issued in the 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid Shares under the entity's 15% placement capacity without Shareholder approval;
  - (d) less the number of fully paid Shares cancelled in the 12 months.

Note that 'A' is has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue, that are not issued with the approval of Shareholders under Listing Rules 7.1 or 7.4.

The table below demonstrates various examples as to the number of Equity Securities that may be issued under the Additional 10% Placement Capacity.

Variable 'A'	Number of Shares issued and funds raised under the Additional 10% Placement Capacity and dilution effect	Dilution		
		\$0.342 Issue Price at half the current market price	\$0.685 Issue Price at current market price	\$1.370 Issue Price at double the current market price
<b>Current Variable 'A'</b> 262,504,508 Shares	<b>Shares issued</b>	26,250,451	26,250,451	26,250,451
	<b>Funds raised</b>	\$8,977,654	\$17,981,559	\$35,963,118
	<b>Dilution</b>	10%	10%	10%
<b>50% increase in current Variable 'A'</b> 393,756,762 Shares	<b>Shares issued</b>	39,375,676	39,375,676	39,375,676
	<b>Funds raised</b>	\$13,466,481	\$26,972,338	\$53,944,676
	<b>Dilution</b>	10%	10%	10%
<b>100% increase in current variable 'A'</b> 525,009,016 Shares	<b>Shares issued</b>	52,500,902	52,500,902	52,500,902
	<b>Funds raised</b>	\$17,955,308	\$35,963,118	\$71,926,236
	<b>Dilution</b>	10%	10%	10%

**Note:** This table assumes:

- No Options are exercised before the date of the issue of the Equity Securities.
- The issue of Equity Securities under the Additional 10% Placement Capacity consists only of Shares. If the issue of Equity Securities includes quoted Options, for the purposes of the above table, it is assumed that those quoted Options are exercised into Shares for the purposes of calculating the voting dilution effect on existing Shareholders.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in Listing Rule 7.2, with approval under Listing Rule 7.1 or ratified under Listing Rule 7.4.
- This table does not set out any dilution pursuant to ratification under Listing Rule 7.4.

The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

Resolution 8 is a special resolution, requiring approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative) in order to be passed.

#### Specific information required by Listing Rule 7.3A

The following information in relation to the Shares proposed to be issued is provided to Shareholders for the purposes of Listing Rule 7.3A:

- For personal use only
- (a) The Equity Securities will be issued at an issue price of not less than 75% of the volume weighted average price for the Company's Equity Securities over the 15 Trading Days on which trades in the class were recorded immediately before:
    - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
    - (ii) if the Equity Securities are not issued within five Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
  - (b) If Resolution 8 is approved by Shareholders and the Company issues Equity Securities under the Additional 10% Placement Capacity, the existing Shareholders' economic and voting interests in the Company will be diluted. There is also a risk that:
    - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Annual General Meeting; and
    - (ii) the Equity Securities may be issued:
      - (A) at a price that is at a discount to the market price for the Company's Equity Securities on the issue date or the Equity Securities; or
      - (B) as consideration (or part thereof) for the acquisition of a new asset, both of which may have an effect on the amount of funds raised by the issue of Equity Securities under the Additional 10% Placement Capacity.
  - (c) The table above on page 20 shows the dilution of existing Shareholders upon the issue of the maximum number of Equity Securities under the Additional 10% Placement Capacity, using different variables for the number of ordinary securities for variable 'A' (as defined in Listing Rule 7.1A) and the market price of Shares. It is noted that variable 'A' is based on the number of ordinary securities the Company has on issue at the time of the proposed issue of Equity Securities.
 

The table shows:

    - (i) examples of where variable 'A' is at its current level, and where variable 'A' has increased by 50% and by 100%;
    - (ii) examples of where the issue price of ordinary securities is the current market price as at close of trade on 6 April 2018, being \$0.685 (current market price), where the issue price is halved, and where it is doubled; and
    - (iii) the dilutionary effect will always be 10% if the maximum number of Equity Securities that may be issued under the Additional 10% Placement Capacity are issued.
  - (d) Approval of the Additional 10% Placement Capacity will be valid during the period (**Additional Placement Period**) from the date of the Annual General Meeting and will expire on the earlier of:
    - (i) the date that is 12 months after the date of the Annual General Meeting; and
    - (ii) the date of the approval by Shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main undertaking).
  - (e) The Company may seek to issue the Equity Securities for the following purposes:

- (i) If Equity Securities are issued for cash consideration, the Company intends to use the funds for execution of the development activities of the Colluli Potash Project, for the acquisition of new assets or investments (including costs associated with any such acquisitions), and general working capital; and
- (ii) If Equity Securities are issued for non-cash consideration for the acquisition of new resources assets and investments. If Equity Securities are issued for non-cash consideration, the Company will comply with the minimum issue price limitation under Listing Rule 7.1A.3 in relation to such issue and will release the valuation of the non-cash consideration to the market.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.3 and 3.10.5A upon issue of any Equity Securities.

- (f) The identity of the persons to whom Shares will be issued is not yet known and will be determined on a case by case basis having regard to market conditions at the time of the proposed issue of Equity Securities and the Company's allocation policy, which involves consideration of matters including, but not limited to:
  - (i) the ability of the Company to raise funds at the time of the proposed issue of Equity Securities and whether the raising of any funds under such placement could be carried out by means of an entitlements offer, or a placement and an entitlements offer;
  - (ii) In the case of an asset or investment acquisition, the nature and circumstances of the acquisition;
  - (iii) the dilutionary effect of the proposed issue of the Equity Securities on existing Shareholders at the time of proposed issued of Equity Securities;
  - (iv) the financial situation and solvency of the Company; and
  - (v) advice from its professional advisers, including corporate, financial and broking advisers (if applicable).

The persons to whom Shares will be issued under the Additional 10% Placement Capacity have not been determined as at the date of this Notice, but will not include related parties (or their Associates) of the Company.

The Company previously obtained Shareholder approval under Listing Rule 7.1A on 19 May 2017. In the 12 months preceding the date of the Meeting, the Company has issued 38,493,830 Equity Securities which represents 17.02% of the total number of Equity Securities on issue at the commencement of that 12 month period. The following information is provided in relation to each issue of Equity Securities in the 12 months preceding the date of the Meeting:

- (i) 38,493,830 Equity Securities were issued;
- (ii) The details of all issues of Equity Securities by the Company during the 12 months preceding the date of the Meeting is set out in Annexure C.

A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not determined who the Company will issue Equity Securities to under the Additional 10% Placement Capacity, other than noting that the persons to whom Shares will be issued will be determined on a case by case basis having regard to the factors outlined in paragraph (f) above. The Company has not approached, and has not yet determined to approach, any particular existing security holders or an identifiable class of existing security holders to participate in an offer under the Additional 10% Placement Capacity, therefore no existing security holders' votes would be excluded under the voting exclusion statement included in this Notice.

## **RESOLUTION 9 – RATIFICATION OF ISSUE OF SHARES TO INSTITUTIONAL AND SOPHISTICATED INVESTORS**

As announced to the ASX on 23 May 2017, on the same date the Company issued 19,920,645 Shares at \$0.62 to institutional and sophisticated investors to raise gross proceeds of \$12,350,800.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Equity Securities up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 9 seeks ratification under Listing Rule 7.4 of the issue of 19,920,645 Shares that were made on 23 May 2017 in order to restore the ability of the Company to issue further Equity Securities within the 15% limit during the next 12 months.

The following information in relation to the Shares is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 19,920,645 Shares were issued;
- (b) the Shares were issued at an issue price of \$0.62 each;
- (c) the Shares issued were fully paid ordinary Shares in the capital of the Company and rank equally in all respects with the existing fully paid ordinary Shares on issue;
- (d) the Shares were issued to institutional and sophisticated investors in Australia and the United Kingdom, all of whom are unrelated to the Company; and
- (e) funds raised from the issue were used to complete the development cost reduction and optimisation work identified in the front-end engineering process, completion of the tendering processes for key contracts, completion of offtake and financing activities, on the ground work to reduce the project development timeline, working capital and transaction costs.

A voting exclusion statement has been included for the purposes of Resolution 9.

## **RESOLUTION 10 – RATIFICATION OF ISSUE OF UNLISTED OPTIONS TO ADVISORS**

As announced to the ASX on 23 June 2017, on 20 June 2019 the Company issued 400,000 Unlisted Options to advisors as consideration for services received.

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior Shareholder approval, provided the issue did not breach the 15% threshold set by Listing Rule 7.1. The effect of the ratification is to restore the Company's maximum discretionary power to issue further Equity Securities up to 15% of the issued capital of the Company without requiring Shareholder approval.

Resolution 10 seeks ratification under Listing Rule 7.4 of the issue of 400,000 Unlisted Options that were made on 20 June 2019 in order to restore the ability of the Company to issue further Equity Securities within the 15% limit during the next 12 months.

The following information in relation to the Unlisted Options is provided to Shareholders for the purposes of Listing Rule 7.5:

- (f) 400,000 Unlisted Options were issued;
- (g) Each Unlisted Option was issued for nil cash consideration. Rather they were issued in consideration for services received.
- (h) The principal terms of issue of the Unlisted Options are:

(i) Each Unlisted Option entitles the holder, on its exercise and payment of the exercise price of \$0.96 per Option (being 130% of the 30-day volume weighted average price of the fully paid ordinary shares traded up to 19 June 2017) to the issue of one Share.

(ii) The expiry date of the Unlisted Options is 20 June 2019;

(iii) the Unlisted Options will not be quoted on ASX (or any other recognised securities exchange);

(i) The Unlisted Options were issued to advisors, all of whom are unrelated to the Company; and

(j) No funds were raised, as the Unlisted Options were issued in consideration for services received.

A voting exclusion statement has been included for the purposes of Resolution 10.



## GLOSSARY

**\$** means Australian dollars.

**Accounting Standards** has the meaning given to that term in the Corporations Act.

**Additional 10% Placement Capacity** has the meaning set out on page 18.

**Additional Placement Period** has the meaning set out on page 21.

**Annual Report** means the annual report of the Company for the year ended 31 December 2017.

**Associate** has the meaning given in sections 12 and 16 of the Corporations Act. Section 12 is to be applied as if paragraph 12(1)(a) included a reference to the Listing Rules and on the basis that the Company is the “designated body” for the purposes of that section. A related party of a director or officer of the Company or of a Child Entity of the Company is to be taken to be an associate of the director or officer unless the contrary is established.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**Auditor** means the Company’s auditor from time to time (if any).

**Auditor’s Report** means the report of the Auditor contained in the Annual Report for the year ended 31 December 2017.

**AWST** means western standard time as recognised in Perth, Western Australia.

**Board** means the Directors.

**Chair or Chairman** means the individual elected to chair any meeting of the Company from time to time.

**Child Entity** has the meaning given to that term in the Listing Rules.

**Company** means Danakali Limited ACN 097 904 302.

**Constitution** means the Company’s constitution, as amended from time to time.

**Corporations Act** means *Corporations Act 2001* (Cth).

**Directors** mean the directors of the Company.

**Equity Securities** has the same meaning given in the Listing Rules.

**Explanatory Memorandum** means the explanatory memorandum accompanying this Notice.

**Key Management Personnel** has the meaning given to that term in the Accounting Standards.

**Listing Rules** means the ASX Listing Rules.

**Meeting** means the Annual General Meeting convened by the Notice.

**Notice** means this Notice of Annual General Meeting, as does **Notice of Meeting**

**Option** means an option to acquire a Share in the Company.

**Participant** has the meaning set out on page 14.

**Performance Rights** means the performance rights in the Company

**Plan** has the meaning set out on page 13.

**Proxy Form** means the proxy form accompanying the Notice.

**Remuneration Options** means options issued on the terms outlined in Annexure A.

**Remuneration Report** means the remuneration report set out in the Annual Report for the year ended 31 December 2017 .

**Resolution** means a resolution contained in the Notice.

**Restricted Voter** means Key Management Personnel and their Closely Related Parties as at the date of the Meeting.

**Shareholder** means a member of the Company from time to time.

**Shares** means fully paid ordinary shares in the capital of the Company.

**Spill Meeting** has the meaning set out on page 10.

**Spill Resolution** has the meaning set out on page 10.

**Trading Day** means a day determined by ASX to be a trading day in accordance with the Listing Rules.

## ANNEXURE A

### TERMS AND CONDITIONS OF REMUNERATION OPTIONS

The Options are to be issued on the following terms:

- (a) The Options are issued under the Company's Long Term Incentive Plan (**Plan**) (details of which are included in the Company's 11 May 2018 Annual General Meeting Notice of Meeting).
- (b) Each Option shall be issued for no consideration.
- (c) Each Option entitles the holder to subscribe for one Share in the Company upon the payment of the exercise price of 140% of the VWAP of the fully paid ordinary shares of the Company on the five days prior to the date of Shareholder approval of the Options.
- (d) The Options will lapse at 5.00 pm, Western Standard Time on 11 May 2020 (**Expiry Date**).
- (e) The Options may lapse prior to the Expiry Date in accordance with the terms of the Plan.
- (f) Each Option is non-transferrable, except in accordance with terms of the Plan.
- (g) The Options will vest on date of issue.
- (h) There are no participating rights or entitlements inherent in these Options and holders of the Options will not be entitled to participate in new issues of capital that may be offered to shareholders during the currency of the Option.
- (i) In the event the Company proceeds with a pro rata issue (except a bonus issue) of securities to the holders of Shares after the date of issue of the Options, the exercise price of the Options will be adjusted in accordance with the formula set out in ASX Listing Rule 6.22.2.
- (j) In the event of any re-organisation (including reconstruction, consolidation, subdivision, reduction or return of capital) of the issued capital of the Company, the Options will be re-organised as required by the Listing Rules, but in all other respects the terms of exercise will remain unchanged.
- (k) The Options shall be exercisable in whole or in part at any time and from time to time until the Expiry Date ("**Exercise Period**") by the delivery to the Company Secretary of one or more notices in writing (each a "**Notice**") stating the intention of the Option holder to exercise all or a specified number of Options held by them accompanied by an Option certificate and payment to the Company of an amount in cleared funds equal to the Exercise Price multiplied by the number of Options.  
  
The Notice and cheque must be received by the Company during the Exercise Period. An exercise of only some Options shall not affect the rights of the Option holder to the balance of the Options held by it.
- (l) The Company shall as soon as practicable, and no later than 15 business days of exercise of the Options, allot the resultant Shares and deliver a statement of shareholdings with a holders' identification number.
- (m) The Shares allotted shall rank, from the date of allotment, equally with the existing ordinary shares of the Company in all respects.

## ANNEXURE B

### UNLISTED OPTIONS TO WHICH CASHLESS EXERCISE WILL APPLY

Expiry Date	Exercise Price	Number
13 May 2018	\$0.405	1,949,000
29 May 2018	\$0.527	750,000
31 May 2018	\$0.55	600,000
23 June 2018	\$0.45	200,000
4 November 2018	\$0.55	750,000
31 December 2018	\$0.55	1,000,000

## ANNEXURE C

## INFORMATION REQUIRED BY LISTING RULE 7.3A.6

	Issue 1	Issue 2	Issue 3	Issue 4	Issue 5	Issue 6
Date of issue:	2 May 2017	23 May 2017	26 May 2017	13 June 2017	15 June 2017	23 June 2017
Number issued:	50,000	19,920,645	1,440,000	454,545	300,000	100,000 Performance Rights (Class 5) 50,000 Performance Rights (Class 6) 400,000 Unlisted Options
Class/Type of equity security:	Ordinary Shares	Ordinary Shares	Unlisted Remuneration Options	Ordinary Shares	Ordinary Shares	Performance Rights (Class 5) Performance Rights (Class 6) Unlisted Options
Summary of terms	Issued upon the exercise of unlisted options with an exercise price of \$0.35	Ordinary Shares	Exercisable at 0.94 expiring 19 May 2020	Issued on the exercise of options with an exercise price of \$0.35	Issued on the exercise of: (1) 100,000 options with an	Performance Options - conversion rights subject to the achievement of vesting conditions

	Issue 1	Issue 2	Issue 3	Issue 4	Issue 5	Issue 6
					exercise price of \$0.405;  (2) 200,000 options with an exercise price of \$0.408.	Unlisted Options – Exercisable at \$0.96 per option expiring 20 June 2019
Names of persons who received securities or basis on which those persons were determined	Sophisticated and Institutional Investors	Sophisticated and Institutional Investors	Liam Cornelius  Bob Connochie  Seamus Cornelius  Paul Donaldson  John Fitzgerald  Zhang Jing	Sophisticated and Institutional Investors	Employee	Performance Rights: Employees  Unlisted Options: Advisors as consideration for services received
Price	\$0.35	\$0.62	N/A	\$0.35	\$0.405 and \$0.408	N/A
Discount to market price (if any):	Discount of 48.1% to the closing price on the date of issue (2 May 2017) being \$0.675	Discount of 10.1% to the closing price on the date of issue (23 May 2017) being \$0.69	N/A	Discount of 57.0% to the closing price on the date of issue (13 June 2017) being \$0.815	Discounts of 49.0% and 48.7% respectively to the closing price on the date of issue (15 June 2017) being \$0.795	N/A

	Issue 1	Issue 2	Issue 3	Issue 4	Issue 5	Issue 6
<b><i>For cash issues:</i></b>	\$17,500	\$12,350,800	N/A	\$159,091	\$40,500 and \$81,600	N/A
Total cash consideration received:						
Amount of cash consideration spent:	\$17,500	\$11,532,465	N/A	Nil	Nil	N/A
Use of cash consideration:	Nil	Complete the development cost reduction and optimisation work identified in the front-end engineering process, completion of the tendering processes for key contracts, completion of offtake and financing activities, on the ground work to reduce the project development timeline, working capital and transaction costs.	N/A	N/A	N/A	N/A

	Issue 1	Issue 2	Issue 3	Issue 4	Issue 5	Issue 6
Intended use for remaining amount of cash (if any):	N/A	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.	N/A	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.	N/A
<b>For non-cash issues:</b> Non-cash consideration paid	N/A	N/A	\$291,524 <sup>1</sup>	N/A	N/A	Performance Rights: \$117,750 <sup>3</sup>  Unlisted Options: \$77,106 <sup>1</sup>
Current value of that non-cash consideration	N/A	N/A	Nil <sup>2</sup>	N/A	N/A	Performance Rights: \$107,250 <sup>4</sup>  Unlisted Options: \$Nil <sup>2</sup>

	Issue 7	Issue 8	Issue 9	Issue 10	Issue 11
Date of issue:	7 July 2017	3 August 2017	31 October 2017	11 November 2017	15 November 2017
Number issued:	1,300,000	115,000	50,000	1,300,000	150,000
Class/Type of equity security:	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	50,000 Performance Rights (Class 7)  100,000 Performance Rights (Class 8)
Summary of terms	Issued upon the exercise of unlisted options with an exercise price of \$0.278	Issued upon the exercise of unlisted options with an exercise price of \$0.35	Issued upon the exercise of unlisted options with an exercise price of \$0.35	Issued upon the exercise of unlisted options with an exercise price of \$0.278	Conversion rights subject to the achievement of vesting conditions
Names of persons who received securities or basis on which those persons were determined	Anthony Kiernan	Sophisticated and Institutional Investors	Sophisticated and Institutional Investors	Seamus Cornelius	Employees
Price	\$0.278	\$0.35	\$0.35	\$0.278	N/A
Discount to market price (if any):	Discount of 60.57% to the closing price on the date of issue (7 July 2017) being \$0.705	Discount of 48.15% to the closing price on the date of issue (3 August 2017) being \$0.675	Discount of 50.7% to the closing price on the date of issue (31 October 2017) being \$0.675	Discount of 60.0% to the closing price immediately following the date of issue (13 November 2017) being \$0.705	N/A



	Issue 7	Issue 8	Issue 9	Issue 10	Issue 11
			October 2017) being \$0.71	November 2017) being \$0.695	
<b>For cash issues:</b>	\$361,400	\$40,250	\$17,500	\$361,400	N/A
Total cash consideration received:					
Amount of cash consideration spent:	Nil	Nil	Nil	Nil	N/A
Use of cash consideration:	N/A	N/A	N/A	N/A	N/A
Intended use for remaining amount of cash (if any):	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.	N/A
<b>For non-cash issues:</b>	N/A	N/A	N/A	N/A	Performance Rights: \$105,000 <sup>3</sup>
Non-cash consideration paid					
Current value of that non-cash consideration	N/A	N/A	N/A	N/A	Performance Rights: \$107,250 <sup>4</sup>

	Issue 12	Issue 13	Issue 14	Issue 15	Issue 16	Issue 17
Date of issue:	16 November 2017	8 December 2017	16 February 2018	26 February 2018	12 March 2018	23 March 2018
Number issued:	2,000,000	56,819	450,000	725,000	25,000	6,481,819
Class/Type of equity security:	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares	Ordinary Shares
Summary of terms	Issued upon the exercise of unlisted options with an exercise price of \$0.278	Issued upon the exercise of unlisted options with an exercise price of \$0.35	Issued upon the exercise of 400,000 unlisted options with an exercise price of \$0.405 and 50,000 unlisted options with an exercise price of \$0.35	Issued upon the exercise of 675,000 unlisted options with an exercise price of \$0.35 and 50,000 unlisted options with an exercise price of \$0.35	Issued upon the vesting of Performance Rights (10,000 Class 7 and 15,000 Class 8)	Issued upon the exercise of 500,000 unlisted options with an exercise price of \$0.35 and 5,981,819 unlisted options with an exercise price of \$0.35
Names of persons who received securities or basis on which those persons were determined	Liam Cornelius  Recipients of Options under off market transfers	Sophisticated and Institutional Investors	Anthony Kiernan	Sophisticated and Institutional Investors: 675,000  Paul Donaldson: 50,000	Employees	Liam Cornelius: 500,000  Sophisticated and Institutional

	Issue 12	Issue 13	Issue 14	Issue 15	Issue 16	Issue 17
	from Paul Donaldson					Investors: 5,981,819
Price	\$0.278	\$0.35	\$0.405 and \$0.35	\$0.35	Nil	\$0.35
Discount to market price (if any):	Discount of 60.29% to the closing price on the date of issue (16 November 2017) being \$0.70	Discount of 48.53% to the closing price on the date of issue (8 December 2017) being \$0.68	Discounts of 43.75% and 51.39% respectively to the closing price on the date of issue (16 February 2018) being \$0.72	Discount of 50.5% to the closing price on the date of issue (26 February 2018) being \$0.707	N/A	Discount of 50% to the closing price on the date of issue (23 March 2018) being \$0.70
<b>For cash issues:</b>  Total cash consideration received:	\$556,000	\$19,886.56	\$162,000 and \$17,500	\$236,250 and \$17,500	N/A	\$175,000 and \$2,093,637
Amount of cash consideration spent:	Nil	Nil	Nil	Nil	N/A	Nil
Use of cash consideration:	N/A	N/A	N/A	N/A	N/A	N/A
Intended use for remaining amount of cash (if any):	Completion of offtake and financing activities, Colluli project	Completion of offtake and financing activities, Colluli project	Completion of offtake and financing activities, Colluli	Completion of offtake and financing activities, Colluli project	N/A	Completion of offtake and financing activities, Colluli project

	Issue 12	Issue 13	Issue 14	Issue 15	Issue 16	Issue 17
	development costs, and general working capital requirements.	development costs, and general working capital requirements.	project development costs, and general working capital requirements.	development costs, and general working capital requirements.		development costs, and general working capital requirements.
<b><i>For non-cash issues:</i></b>  Non-cash consideration paid	N/A	N/A	N/A	N/A	N/A	N/A
Current value of that non-cash consideration	N/A	N/A	N/A	N/A	N/A	N/A

	Issue 18	Issue 19
Date of issue:	29 March 2018	4 April 2018
Number issued:	852,274	2,272,728
Class/Type of equity security:	Ordinary Shares	Ordinary Shares
Summary of terms	Issued upon the exercise of 125,000 unlisted options with an exercise price of \$0.35 and 727,274 unlisted options with an exercise price of \$0.35	Issued upon the exercise of 2,272,728 unlisted options with an exercise price of \$0.35
Names of persons who received securities or basis on which those persons were determined	Seamus Cornelius: 125,000  Sophisticated and Institutional Investors: 727,274	Sophisticated and Institutional Investors

	Issue 18	Issue 19
Price	\$0.35	\$0.35
Discount to market price (if any):	Discount of 49.64% to the closing price on the date of issue (29 March 2018) being \$0.695	Discount of 51.05% to the last closing price on the date of issue (4 April 2018) being \$0.715
<b>For cash issues:</b>  Total cash consideration received:	\$43,750 and \$254,546	\$795,454.80
Amount of cash consideration spent:	Nil	Nil
Use of cash consideration:	N/A	N/A
Intended use for remaining amount of cash (if any):	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.	Completion of offtake and financing activities, Colluli project development costs, and general working capital requirements.
<b>For non-cash issues:</b>  Non-cash consideration paid	N/A	N/A

	Issue 18	Issue 19
Current value of that non-cash consideration	N/A	N/A

<sup>1</sup> The value of Options measured using the Black & Scholes option pricing at the date of grant of options.

<sup>2</sup> The current value of Options has been determined in reference to the share price of \$0.715 at 3 April 2018. Where the exercise price exceeds the share price, current value has been determined as nil.

<sup>3</sup> The fair value of Performance Rights determined at date of issue.

<sup>4</sup> The fair value of Performance Rights based on share price of \$0.715 at 3 April 2017.



**DANAKALI**  
**Danakali Limited**  
ABN 56 097 904 302

DNK

MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030

## Lodge your vote:



**Online:**

[www.investorvote.com.au](http://www.investorvote.com.au)



**By Mail:**

Computershare Investor Services Pty Limited  
GPO Box 242 Melbourne  
Victoria 3001 Australia

Alternatively you can fax your form to  
(within Australia) 1800 783 447  
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only  
(custodians) [www.intermediaryonline.com](http://www.intermediaryonline.com)

## For all enquiries call:

(within Australia) 1300 850 505  
(outside Australia) +61 3 9415 4000

## Proxy Form

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### Vote and view the annual report online

- Go to [www.investorvote.com.au](http://www.investorvote.com.au) or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.

### Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I999999999

PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.



**For your vote to be effective it must be received by 10:00am (AWST) Wednesday, 9 May 2018**

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

#### Appointment of Proxy

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

**A proxy need not be a securityholder of the Company.**

### Signing Instructions for Postal Forms

**Individual:** Where the holding is in one name, the securityholder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the securityholders should sign.

**Power of Attorney:** If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at [www.investorcentre.com](http://www.investorcentre.com) under the help tab, "Printable Forms".

**Comments & Questions:** If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,  
or turn over to complete the form** ➔



MR SAM SAMPLE  
FLAT 123  
123 SAMPLE STREET  
THE SAMPLE HILL  
SAMPLE ESTATE  
SAMPLEVILLE VIC 3030



**Change of address.** If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

IND

## Proxy Form

Please mark ☒ to indicate your directions

### STEP 1

### Appoint a Proxy to Vote on Your Behalf

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I/We being a member/s of Danakali Limited hereby appoint

☐ the Chairman  
of the Meeting **OR**

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Danakali Limited to be held at Level 16, Brookfield Place, Tower 2, 123 St Georges Terrace, Perth, Western Australia on Friday, 11 May 2018 at 10:00am (AWST) and at any adjournment or postponement of that Meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1, 6 and 7 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 6 and 7 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1, 6 and 7 by marking the appropriate box in step 2 below.

### STEP 2

### Items of Business

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain			For	Against	Abstain
Resolution 1	Non-Binding Resolution to adopt Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 7	Grant of Remuneration Options to Andre Liebenberg or his nominee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Re-election of Seamus Ian Cornelius as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 8	Approval of Additional 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-election of Paul Donaldson as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 9	Ratification of issue of Shares to institutional and sophisticated investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Election of Andre Liebenberg as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Resolution 10	Ratification of issue of Unlisted Options to advisors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5	Approval of Long Term Incentive Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					
Resolution 6	Amendment to terms of certain unlisted options to allow cashless exercise	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>					

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

### SIGN

### Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact  
Name

\_\_\_\_\_

Contact  
Daytime  
Telephone

\_\_\_\_\_/\_\_\_\_\_/\_\_\_\_\_  
Date

DNK

999999A

Computershare