



Danakali

Jan 18th 2016

Danakali chairman acquires further shares

Chairman of Danakali (ASX:DNK) Seamus Cornelius has increased his shareholding in the company with an on market purchase of ordinary shares.

He acquired 54,500 shares at \$0.27 a share.

This follows purchases of shares by the non executive chairman in late 2015.

Recently, Danakali was the subject of a research report by broker Hartleys which projected a price target of \$0.64. This was on the back of a strong DFS for its large Colluli potash (SOP) project in Eritrea.

Capex has been reduced significantly (phase 1 capex now US\$298m), but opex has risen. The higher opex still allows for a large cash margin and short payback.

The reserve is very large (1.1t @10.76% K2O) with an expected mine life >200years, producing 425kt-850kt pa.

Mining is open pit mining using conventional truck and shovel and surface miners (no blasting required), with a low strip ratio (1.9x).

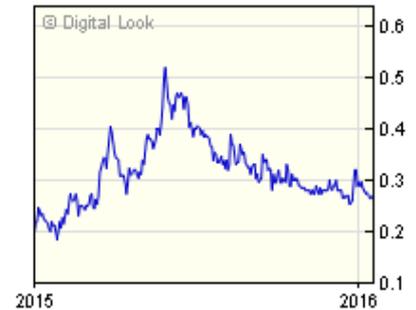
The Company will begin the application for a mining licence early 2016.

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Price: A\$0.27

Market Cap: A\$47.458M

1 Year Share Price Graph



Share Information

Code: DNK

Listing: ASX

Sector: General Mining

Website: www.danakali.com.au

Company Synopsis:

Danakali (ASX:DNK) formally known as South Boulder Mines is focussed on the world class Colluli Potash Project in Eritrea.

action@proactiveinvestors.com.au

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