

Appendix 3Y

Change of Director's Interest Notice

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 30/09/01 Amended 01/01/11

| | |
|-----------------------|-----------------------|
| Name of entity | DANAKALI LTD |
| ABN | 56 097 904 302 |

We (the entity) give ASX the following information under listing rule 3.19A.2 and as agent for the director for the purposes of section 205G of the Corporations Act.

| | |
|----------------------------|------------------------|
| Name of Director | Liam Raymond Cornelius |
| Date of last notice | 16 May 2016 |

Part 1 - Change of director's relevant interests in securities

In the case of a trust, this includes interests in the trust made available by the responsible entity of the trust

Note: In the case of a company, interests which come within paragraph (i) of the definition of "notifiable interest of a director" should be disclosed in this part.

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|--|--|
| Direct or indirect interest | (a) Direct (b) Indirect |
| Nature of indirect interest (including registered holder) Note: Provide details of the circumstances giving rise to the relevant interest. | (b) Duketon Consolidated Pty Ltd – Director of the Company |
| Date of change | (a) 21 November 2016 transfer (b) 25 November 2016 exercise |

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| <p>No. of securities held prior to change</p> | <p><u>Direct holding</u> (a) 13,422,041 fully paid ordinary shares (a) 50,000 Performance Rights – Class 1 (a) 1,000,000 unlisted options exercisable at \$0.34, expiring on 29/11/2016 (a) 1,000,000 unlisted options exercisable at \$0.278, expiring on 17/11/2017 (a) 400,000 unlisted (remuneration) options \$0.405, expiring on 13/05/2018</p> <p><u>Indirect holding</u> (b) 1,260,000 fully paid ordinary shares (b) 500,000 unlisted options exercisable at \$0.35, expiring on 13/05/2018</p> |
| <p>Class</p> | <p>1. Unlisted options exercisable at \$0.34, expiring on 29/11/2016 transferred 2. Ordinary fully paid shares issued on exercise of unlisted options exercisable at \$0.34, expiring on 29/11/2016</p> |
| <p>Number acquired</p> | <p>(b) 1. 1,000,000 Unlisted options exercisable at \$0.34, expiring on 29/11/2016 (b) 2. 1,000,000 Ordinary fully paid shares on exercise of unlisted options exercisable at \$0.34, expiring on 29/11/2016</p> |
| <p>Number disposed</p> | <p>(a) 1. 1,000,000 Unlisted options exercisable at \$0.34, expiring on 29/11/2016 transferred to a controlled entity (b) 2. 1,000,000 Ordinary fully paid shares on exercise of unlisted options exercisable at \$0.34, expiring on 29/11/2016 exercised</p> |
| <p>Value/Consideration Note: If consideration is non-cash, provide details and estimated valuation</p> | <p>(a) 1. \$30,000 value of transfer (b) 2. \$340,000 exercise price</p> |

+ See chapter 19 for defined terms.

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| No. of securities held after change | <p><u>Direct holding</u></p> <p>(a) 13,422,041 fully paid ordinary shares</p> <p>(a) 50,000 Performance Rights – Class 1</p> <p>(a) 1,000,000 unlisted options exercisable at \$0.278, expiring on 17/11/2017</p> <p>(a) 400,000 unlisted (remuneration) options \$0.405, expiring on 13/05/2018</p> <p><u>Indirect holding</u></p> <p>(b) 2,260,000 fully paid ordinary shares</p> <p>(b) 500,000 unlisted options exercisable at \$0.35, expiring on 13/05/2018</p> |
| <p>Nature of change</p> <p>Example: on-market trade, off-market trade, exercise of options, issue of securities under dividend reinvestment plan, participation in buy-back</p> | <p>1. Off the market transfer of 1,000,000 unlisted options exercisable at \$0.34, expiring on 29/11/2016</p> <p>2. Exercise of 1,000,000 unlisted options at \$0.34 with expiry date 29/11/2016.</p> |

Part 2 – Change of director's interests in contracts

Note: In the case of a company, interests which come within paragraph (ii) of the definition of "notifiable interest of a director" should be disclosed in this part.

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| Detail of contract | N/A |
| Nature of interest | N/A |
| Name of registered holder (if issued securities) | N/A |
| Date of change | N/A |
| <p>No. and class of securities to which interest related prior to change</p> <p>Note: Details are only required for a contract in relation to which the interest has changed</p> | N/A |
| Interest acquired | N/A |

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| Interest disposed | N/A |
| Value/Consideration Note: If consideration is non-cash, provide details and an estimated valuation | N/A |
| Interest after change | N/A |

Part 3 – +Closed period

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|--|-----|
| Were the interests in the securities or contracts detailed above traded during a +closed period where prior written clearance was required? | No |
| If so, was prior written clearance provided to allow the trade to proceed during this period? | N/A |
| If prior written clearance was provided, on what date was this provided? | N/A |

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