



ASX Announcement

25 January 2017

COMPANY DETAILS

Davenport Resources Limited

ABN: 64 153 414 852

ASX CODE: DAV

PRINCIPAL AND REGISTERED OFFICE (& Postal Address)

Davenport Resources Limited
Level 14,
31 Queen Street
Melbourne VIC 3000

W: www.davenportresources.com.au

E: info@davenportresources.com.au

P: +61 (0) 415 065 280

Capital Structure

74.0M Ordinary shares
36.5M First milestone shares
36.5M Second milestone shares
6.2M Unlisted options

BOARD OF DIRECTORS

Patrick McManus

(Non-Executive Chairman)

Chris Bain

(Managing Director)

Rory Luff

(Non-Executive Director)

Angus Edgar

(Non-Executive Director)

DAVENPORT WORK PROGRAM

HIGHLIGHTS:

- **Large drilling database purchased for Gräfentonna**
- **Database review to be completed in March quarter**
- **Planning and permitting of Küllstedt drilling program in progress**

Davenport Resources Limited (ASX:DAV) (**Davenport** or the **Company**) is pleased to announce that it has completed its IPO and commenced trading on the ASX on Friday 20 January 2017 and the planned potash exploration program is now underway.

Davenport Managing Director Mr Chris Bain said “I am very grateful and encouraged by the support of our investors and the calibre of the team we are building within Davenport. We have a large footprint in the South Harz basin in Germany, which has been a significant potash producer for many decades, but has seen little exploration activity in the last 25 years”.

“Jason Wilkinson, our European Project Director has considerable experience with potash exploration, after many years with Allana Potash on the Danakhil potash project in Ethiopia. His knowledge of current-day State-of-the-Art potash exploration methods, will be invaluable in our work programs”

Davenport has two licences in the South Harz potash region of Thüringen state in Germany, (Figure 1) Küllstedt over (241km²) and Gräfentonna (216km²). Both were granted on 12 January, 2015 for 5 years with an option to renew for an additional three years.

The South Harz District has been subject to historical Potash exploration since 1888 following the initial discovery of potash in Staßfurt in Saxony-Anhalt a few years earlier. The shafts of the “Glückauf” Mine in Sondershausen, located 20km north-east of the company’s Küllstedt licence, were sunk in 1892, and is reputed to be one of the world’s first large-scale potash producing mines. This initial mine development was quickly followed by the sinking of numerous other mine shafts in the early 1900’s, which rapidly established Germany as the world’s largest producer of potash from mineral salts.



Figure 1: Davenport South Harz Project, Germany

Historical geological exploration and potash mining production data collected up to the end of exploration activities in the South Harz District, in the 1980s, is available from various national archives. For the company's K  lstedt Exploration licence, data was obtained for 28 potash exploration drill holes, six drill holes for oil and gas exploration and from three shafts which were sunk from the surface within the Licence Area. For the Gr  fentonna Exploration Licence, data from 25 drillholes, comprising over 29,000m of drilling have been located from holes sunk within and immediately surrounding the licence area.

Up to 3.5 million tonnes of K_2O were produced annually in the South Harz Potash District up until the closure of the Bleicherode, Sollstedt and Volkenroda Mines in 1990, "Gl  ckauf" Sondershausen Mine in 1991 and Bischofferode in 1993. The extraction of the potash ore was mainly carried out by conventional underground mining, and was sold either to internal markets or exported through the potash terminals of the port of Hamburg. Additional potash mining districts also contributed to Germany's output, and production continues to this day by K+S,

who currently operate six mines in three German potash districts. Germany is still ranked as the 5th largest potash producer, behind only Canada, Russia, Belarus and China.

Historical mining in the South Harz District has left behind a wealth of infrastructure. Both the K llstedt and Gr fentonna Exploration Licence areas are crossed by rail, road, power and water that all serviced the historical mining activities in the area.

Potash mining still continues today in the South Harz District. In the 1980s a solution mining operation was established at the Kehmstedt Brine Field, located to the north of the K llstedt Licence area. Today the project is operated by DEUSA International GmbH, who are progressing towards their goal of 120,000 tonnes in annual production.

K llstedt Exploration Licence

At K llstedt, the Company's consultants ERCOSPLAN have used the existing historical drillhole and mine data to create a 3D geological model of the potash seam lying underneath the licence. This work has allowed ERCOSPLAN to estimate an Exploration Target for potash within the licence of between 4,055 million tonnes and 5,141 million tonnes with a grade ranging between 7.2% K₂O and 25% K₂O. The potential quantity and grade of the Exploration Target is conceptual in nature, (Note: there has been insufficient exploration to estimate a mineral resource and it is uncertain if further exploration will result in the estimation of a mineral resource.)

The potash deposit in the K llstedt Exploration Licence Area is interpreted to occur in the entire area with exclusions along a narrow seam with a width between 600m and 1,000m along its western border. Generally, the depth of the potash seam top increases from the north to the south, ranging from 120 m below sea level to 860 m below sea level or about 500 to 1,000m below surface.

The thickness of the Potash seam at K llstedt is poorly constrained due to drill hole density and location. The greatest thickness intersected from historical drillholes is located in the northeast of the licence and attained a thickness of approx. 58m. Modelling of the potash horizon generally indicates that the thickness decreases towards the west of licence area, while it increases towards the southeast.

The average K₂O grade distribution separates the K llstedt Exploration Licence Area into two parts, with the north-eastern part showing a more even distribution of comparably lower values (between 9.6% to 14% K₂O) than the south-western part with comparably higher values (approx. 18.3% K₂O). The potash mineral facies distribution for the K llstedt Exploration Licence Area is represented in **Figure 2**.

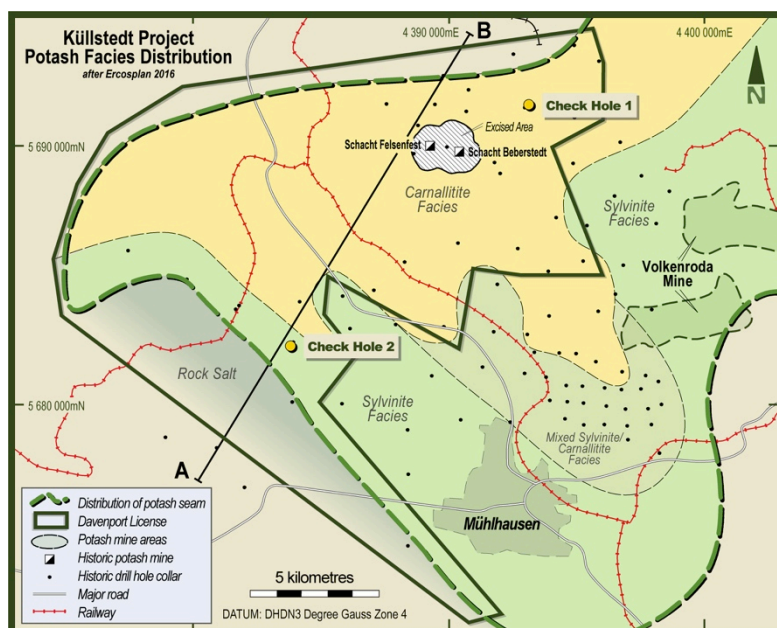


Figure 2 Küllstedt Licence

Küllstedt Exploration Licence Work Program

Consultation is underway with the state mining authority to permit the drilling of initially two confirmatory holes at Küllstedt with the objective of upgrading part of the existing Exploration Target to a JORC compliant Inferred Resource. The approximate hole locations are shown in Figure 2.

The steps required are:

- Finalise a preliminary Environmental Impact Assessment for the drill program
- Reach agreement with landowners at the planned drill hole location for access and compensation
- Select a contractor to undertake the drilling
- Submit a work plan to the state mining authority for approval
- Receive approval for the drilling and commence mobilisation of drilling equipment to first drill-site.

The company aims to initiate drilling at Küllstedt in the early German summer 2017, and should have early exploration results available by the middle of the year. Successful drilling at Küllstedt should see a maiden JORC compliant resource for the project.

Gräfentonna Exploration Licence

Davenport have now commenced the 2017 work program on the Gräfentonna licence (Figure 3) with a view to evaluating the past exploration drilling that has been completed on or around the licence area. Davenport has recently acquired data from 25 historic drill holes within the licence area and work has begun by Davenport's consultant ERCOSPLAN to model the potash horizon at depth.

The availability of detailed drill logs from so many high quality historic drill holes allows high confidence geological modelling of the potash horizon whilst saving the significant cost of a full drill program. Davenport expects that this work will allow an Exploration Target for Potash to be estimated at Gräfen-tonna.

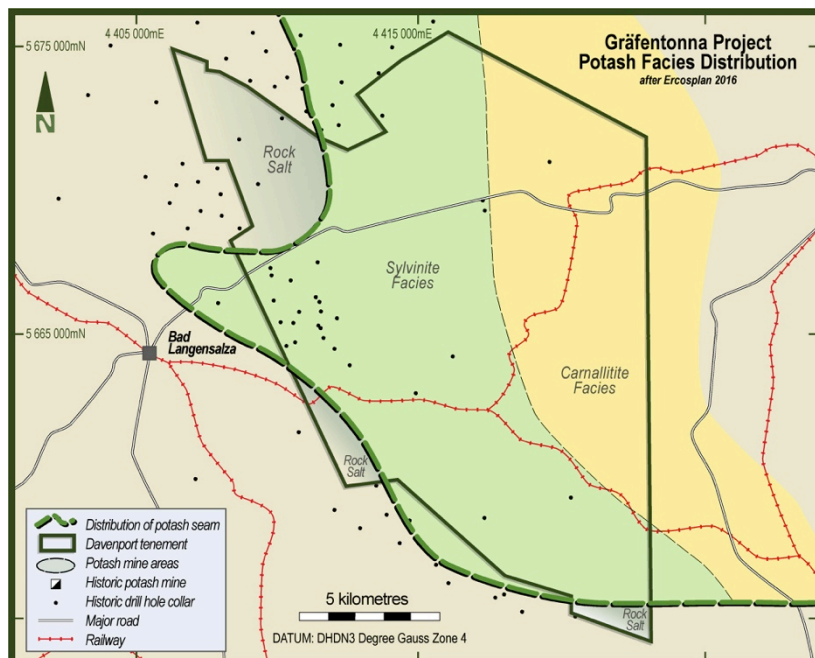


Figure 3 Gräfen-tonna Licence

ENQUIRIES

Investors:

Chris Bain
Managing Director
Davenport Resources Ltd
+61 (0) 413 275 756
cbain@davenportresources.com.au

Media:

John Beveridge
Monsoon Communications
03 9620 3333 or 0401 998 882
info@monsoon.com.au

Competent Person Statement

The South Harz Potash Project data in this report is based on information reviewed by Jason Wilkinson, a member of the Professional Member of the Institute of Materials, Minerals & Mining (MIMMM) and an employee of Davenport Resources Limited. Mr Wilkinson has sufficient experience that is relevant to the style of the mineralisation and the type of deposit under consideration and to the activity to which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Wilkinson has consented to the inclusion of this information in the form and context in which it appears in this report.