



ASX Announcement

26 July 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

33.85M First milestone shares

33.85M Second milestone shares

6.2M Unlisted options

BOARD OF DIRECTORS

Patrick McManus

(Non-Executive Chairman)

Chris Bain

(Managing Director)

Rory Luff

(Non-Executive Director)

Chris Gilchrist

(Non-Executive Director)

Quarterly activities report for period ending June 30 2017

HIGHLIGHTS:

- Gräfentonna Exploration Target estimate completed
- Davenport continues working with German authorities to pioneer the pathway within the legislative framework for drilling approval
- Aero magnetic survey commenced over Southern Cross Bore
- Ongoing identification and evaluation of opportunities to advance the Company's objectives including expanding and improving the potential of existing projects.

Germany

South Harz Potash project

Davenport holds two potash exploration licences, Gräfentonna and Küllstedt, in Germany's Thüringen State. The licences cover a combined total area of 457km² on the southern section of the South Harz potash basin. Historic drilling and mining in the basin demonstrate that the licences are underlain by a continuous potash horizon.

Gräfentonna

During the quarter, Davenport's consultants ERCOSPLAN completed a detailed evaluation of past drilling in the Gräfentonna licence to estimate an Exploration Target (*ASX Announcement 22 May 2017*) of between 2.678 and 3.396 billion tonnes of potash mineralisation with a grade range of 4.3% K₂O to 25% K₂O. The potential quantity and grade of the Exploration Target is conceptual in nature. 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.

Approvals process

As the first private company to undertake mineral exploration in the South Harz region, Davenport continues to work with all levels of authority to pioneer the pathway within the legislative framework to achieve drilling approval. During the quarter, the Company was informed of recent German federal legislation that requires additional approvals from the Federal Government for any drilling deeper than 300m. Davenport is advised that this will be a procedural matter and has submitted appropriate documentation for approval. However, as the first company to make an application through the Thüringen mining authority to the Federal Government, Davenport does not know how long it will take for approvals to be granted. The Company continues to receive strong local and state government support for its exploration plans in the South Harz region.

The work undertaken to estimate the Exploration Target at Gräfentonna, in combination with that previously completed on the nearby Küllstedt licence, demonstrates both the significant scale of the potash mineralization in the South Harz region and the high quality of past exploration. Davenport continues to advance its drilling proposal with the view that a small number of new drill holes will validate past work and enable it to deliver a high quality JORC 2012 resource in the South Harz region within a relatively short space of time.

Australia

Southern Cross Bore Project

Davenport's Southern Cross Bore Project, comprising ELs 30090 and 28045, covers an area of over 600km² about 75km north-east of Alice Springs in Australia's Northern Territory and is prospective for iron oxide-copper-gold mineralisation.

During the quarter, a re-interpretation of a Versatile Time Domain Electromagnetic System (VTM) survey completed in 2013 over EL28045 to incorporate lithological information and interpreted mineralization envelopes from previous drilling was completed by Southern Geoscience. The modelling interprets the Johnnies Reward anomaly to be the combination of two deeper conductors to the north and south of a shallower conductor. Past drilling has intersected the shallow conductor where results included several significant intersections of copper and gold (previously reported by Arunta Resources). The conductor remains open to the east. Neither of the interpreted deeper conductors has been tested by drilling.

Over the Johnnies Reward area, a 2013 magnetic survey at 150m line spacing showed significant lithological and structural detail not available from the 400m line spaced open file government survey information. As a first step to understanding the lithology and structural setting in EL30090 Davenport engaged MagSpec Airborne Surveys to undertake a comprehensive aeromag survey over the full Southern Cross Bore tenement area. Flying commenced in early July, with 7,291 line km flown at 100m line spacing. Southern Geoscience will provide interpretation of the survey and results will be released when available.

Corporate

At 30 June 2017, Davenport had 74,017,282 issued fully paid ordinary shares on issue of which 37,913,690 are held in escrow until 20 January 2019. The Company held \$4.3m in cash. During the quarter Angus Edgar resigned as a Non-Executive Director of Davenport. (*ASX Announcement 28 February 2017*)

Davenport continues to seek and monitor opportunities relevant to its objectives. These may include expanding and improving the potential of existing projects. The Company may engage in discussions with third parties, undertake preliminary investigations, and consider the appropriateness, possible structure and any applicable regulatory requirements in respect of potential opportunities when identified. If a proposal advances, details would be announced in accordance with the Company's continuous disclosure obligations.

INVESTOR & MEDIA ENQUIRIES:

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

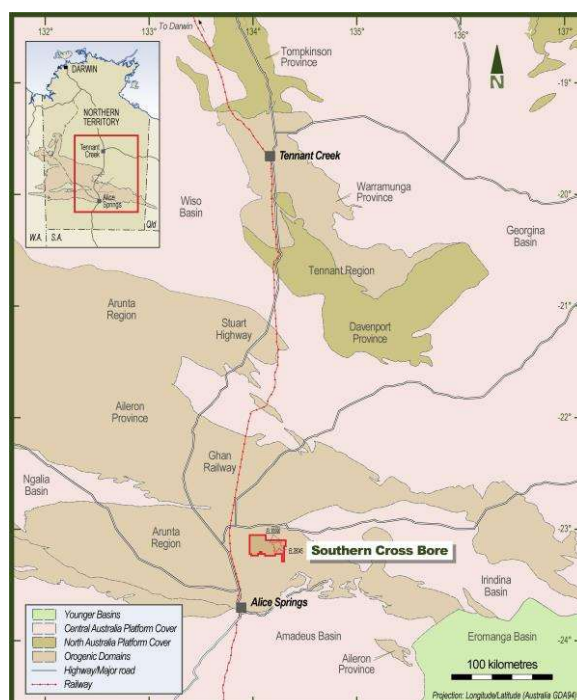
Luke Forrestal
Account Director
Media & Capital Partners
+61 (0) 411 479 144
luke.forrestal@mcpartners.com.au

Competent Person Statements

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. Mr Wilkinson has consented to the inclusion of this information in the form and context in which it appears in this report.

The Southern Cross Bore Project data in this report is based on information reviewed by Mr Chris Bain, a Member of the Australian Institute of Metals & Mining (AusIMM) and an employee of Davenport Resources Limited. Mr Bain 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. Mr Bain has consented to the inclusion of this information in the form and context in which it appears in this report.

Tenements



Tenement Locations – Germany (left) Australia (right)

Tenement Name/Number	Location	Beneficial Holding
Kallstedt	Thüringen, Germany	100%
Gräfentonna	Thüringen, Germany	100%
EL28045	NT, Australia	100%
EL30090	NT, Australia	100%

Tenements acquired or disposed of during the quarter: NIL