



DAVENPORT RESOURCES

**MINING LICENCE ACQUISITION
IN GERMANY'S SOUTH HARZ POTASH BASIN**

August 2017

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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, 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.

DAVENPORT at a glance



74mill Issued Shares
36.1m shares listed on ASX
Mkt Cap \$6.2 mill
Cash \$4.3mill @ 31 July 2017



Directors & Management

Pat McManus: 30 years of mining experience, Managing Director of Parkway Minerals NL.

Chris Bain: A geologist with 40 years of experience in mining, exploration, funds management, stockbroking and corporate advisory roles.

Rory Luff: Founder of BW Equities and East Exploration with more than 15 years' experience in financial services.

Chris Gilchrist: A Mineral Engineer with more than 30 years of experience including; General Manager and Operations Director for Cleveland Potash Limited (UK), Non-Executive Director of South Boulder Mines (now Danakali Ltd) managing feasibility on the Colluli potash project in Eritrea. More recently as Project Manager and adviser to Circum Minerals on their Ethiopian potash project.

Jason Wilkinson – Project Director: A geologist with 25 years of exploration experience including 7 years with Allana Potash and in country manager ICL in Ethiopia taking the project from start-up through to feasibility. Jason is based in Europe.

DAVENPORT'S DIRECTORS AND MANAGEMENT HAVE EXPERIENCE IN EXPLORATION AND DEVELOPMENT OF POTASH PROJECTS AND OTHER MINERALS LOCATED IN WESTERN EUROPE, AUSTRALIA, MIDDLE EAST AND AFRICA.

GROWING GERMAN POTASH ASSETS



Evaluating sylvinite and carnallite potash mineralisation in Germany's South Harz potash basin, a globally significant region with a history of over 120 years of production



Strategic acquisition from German government agency of three perpetual potash mining licences adjacent to the Company's existing Küllstedt and Gräfentonna potash exploration licences.



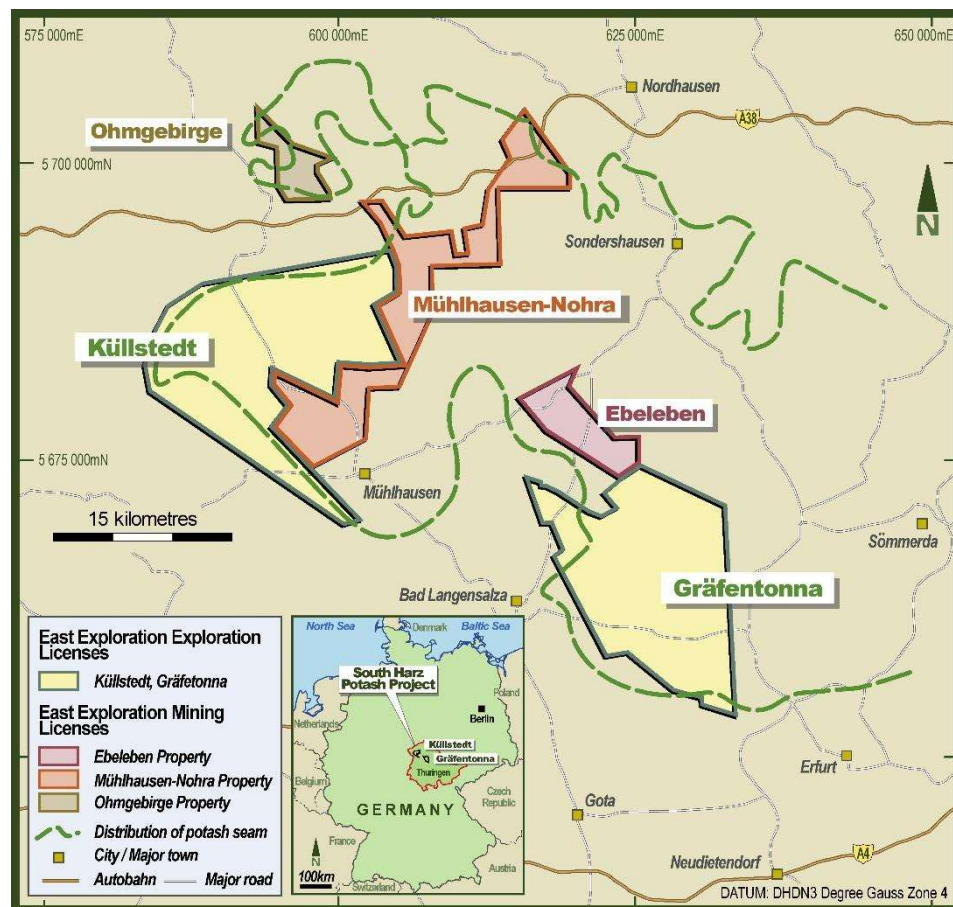
The licences have extensive historic drilling in "next to be mined" parts of the potash basin
It would cost some €100m to replicate the data today and it will allow fast tracking of a resource estimation



Davenport directors and management have experience in potash and other minerals in Western Europe, Australia, Middle East and Africa, with skills in finance, geology, project development and operations.

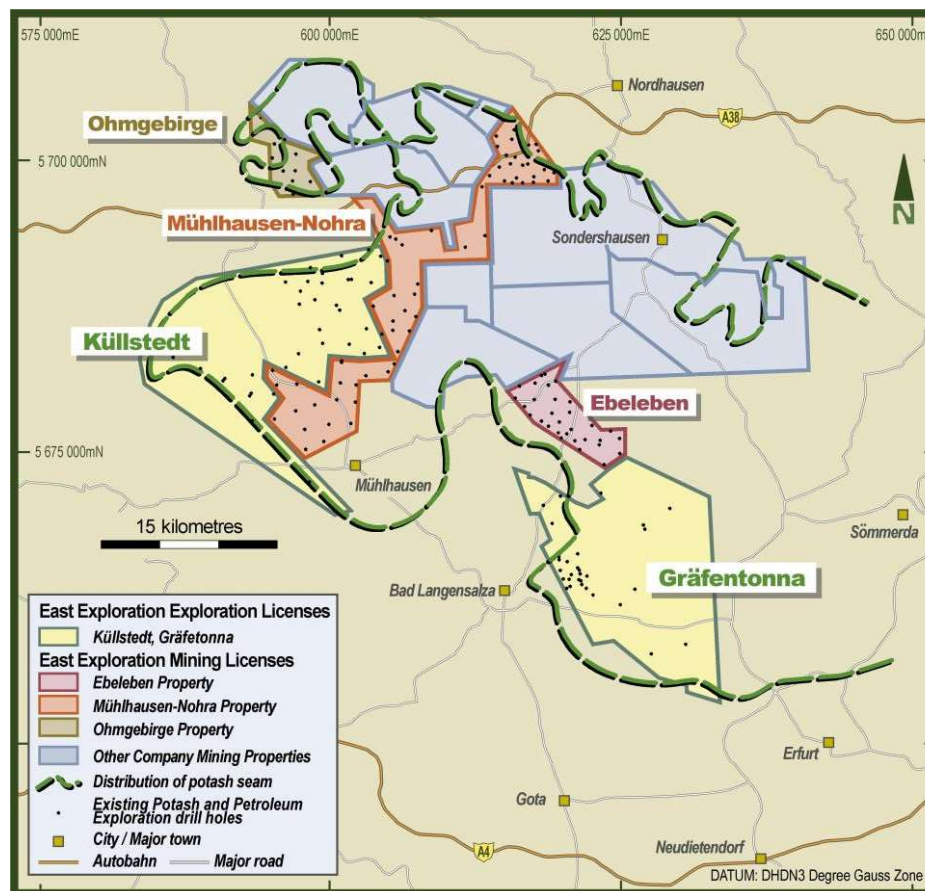
STRATEGIC MINING LICENCE ACQUISITION

- Davenport is acquiring three existing mining licences from a German government agency for €1.2 million payable over 8 months.
- Davenport's licence footprint increases to 659km² surround five historic mines that produced a total of 181Mt of potash (K₂O) between 1971 & 1989, equalling \$31B at today's MOP prices.
- Licences previously extensively explored with large well documented sylvinite areas.



NEW LICENCES ARE DATA RICH

- The acquisition will increase Davenport's total licenced area by over 200km² to 659km² of highly prospective potash ground.
- The mining licences are comprehensively drilled with over 100 historic drill holes, including 89 exclusively for potash with a focus on sylvinite rich areas.
- The data available was done to a high standard and would cost more than €100 million and many years drilling to acquire today.
- Davenport will be able to fast track exploration to a JORC12 resource and evaluation of the economic potential to revive potash mining in the South Harz.



Location of drilling on licences

Germany - the cradle of the potash industry

- Potash mining commenced in Germany in the 1850s.
- World best infrastructure to service regional and global markets.
- Extensive local expertise in all aspects of potash exploration, mining and processing.

Davenport has a strong relationship with ERCOSPLAN. Originally the Central Engineering Office of the East German potash industry now an independent global consulting group.

Located at Erfurt, close to the Davenport licences ERCOSPLAN have a unique understanding of potash in the South Harz region.



PLANNED WORK MÜHLHAUSEN-NOHRA

PHASE

1

ERCOSPLAN to compile and review all historical drill-hole data, including historic resources. Define Exploration Targets and select sites for future confirmatory drilling on known sylvinite areas. A series of reporting milestones as work progresses with the first within a few weeks.

PHASE

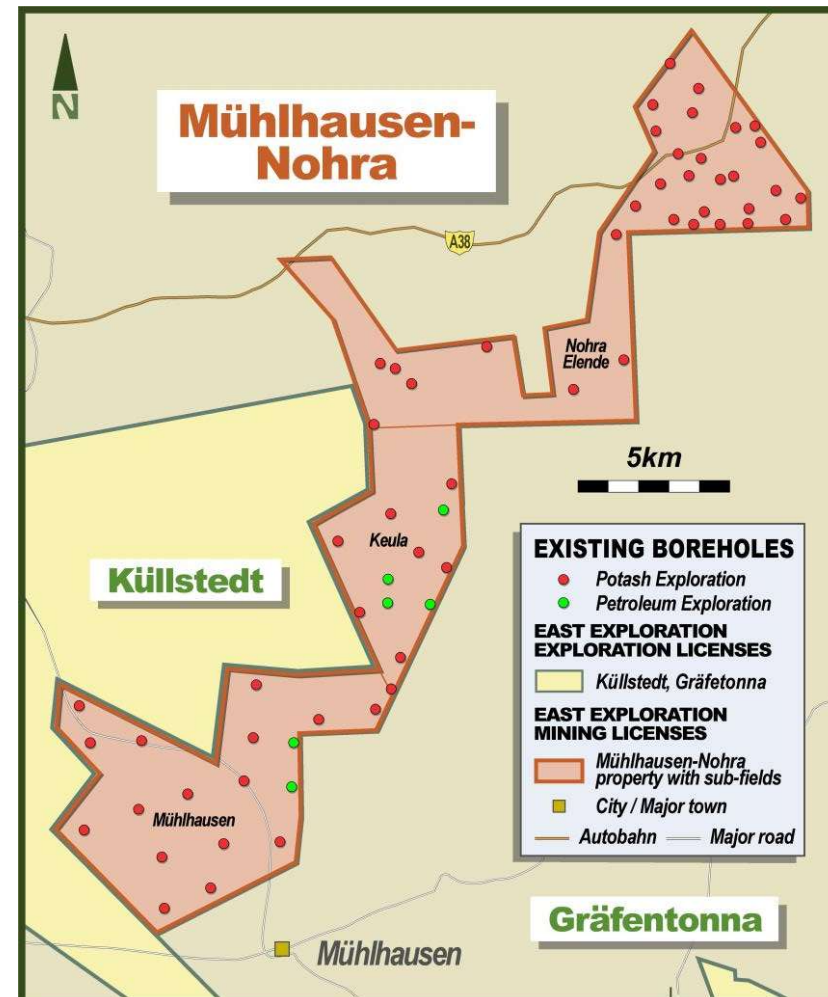
2

Confirmation drill holes to validate the results of historical drilling. A 2D/3D seismic survey to confirm the structure of the potash seam.

PHASE

3

Resource estimation, scoping study, engineering studies and economic analyses.



Fast track evaluation



Potash exploration on the Mühlhausen-Nohra, Ebeleben & Ohmgebirge licences from 1894 to 1984, with the most recent being major multi hole drill programs for resource evaluation of sylvinite mineralisation



A total of 114 drill holes within the new licences, 89 exclusively for potash with an additional 25 petroleum and geo-stratigraphic drill holes that penetrated the potash bearing strata.



High quality past exploration data including well documented historic resource estimates, will enable a fast track evaluation to confirm JORC 2012 resources on the South Harz project



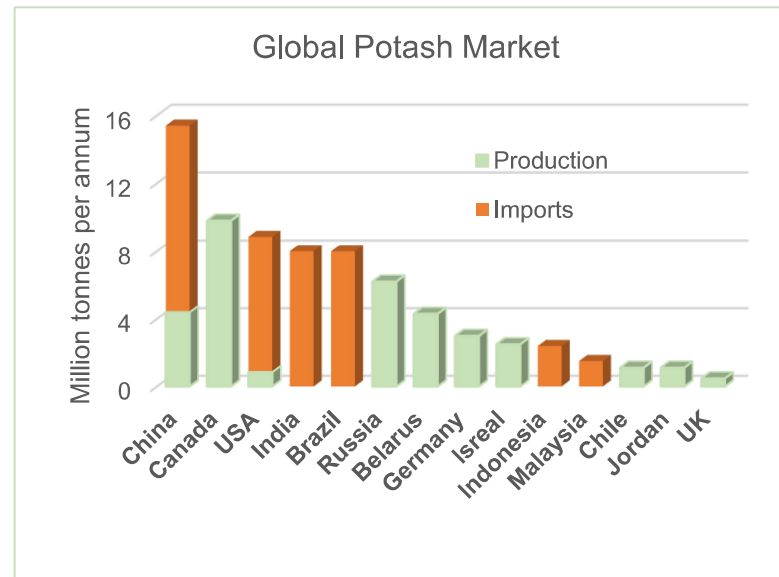
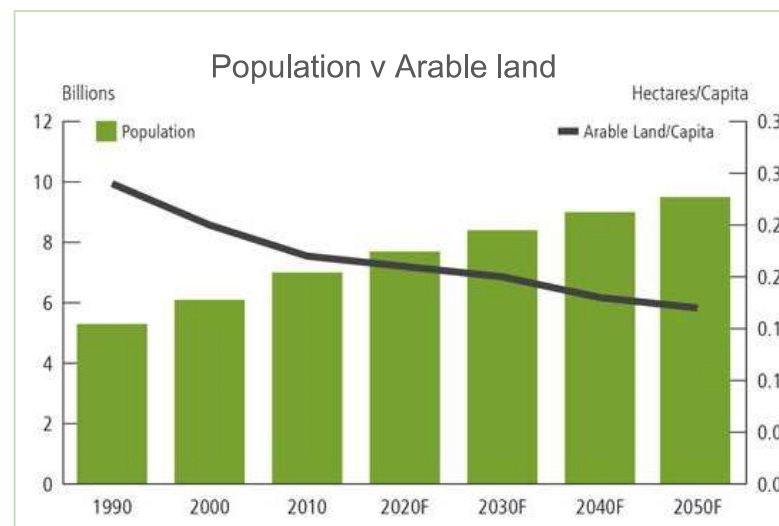
Using today's cost this equates to at least €100 million worth of potash exploration data, together with additional evaluation and process testing information.

A SIGNIFICANT POTASH DATABASE

POTASH MARKET

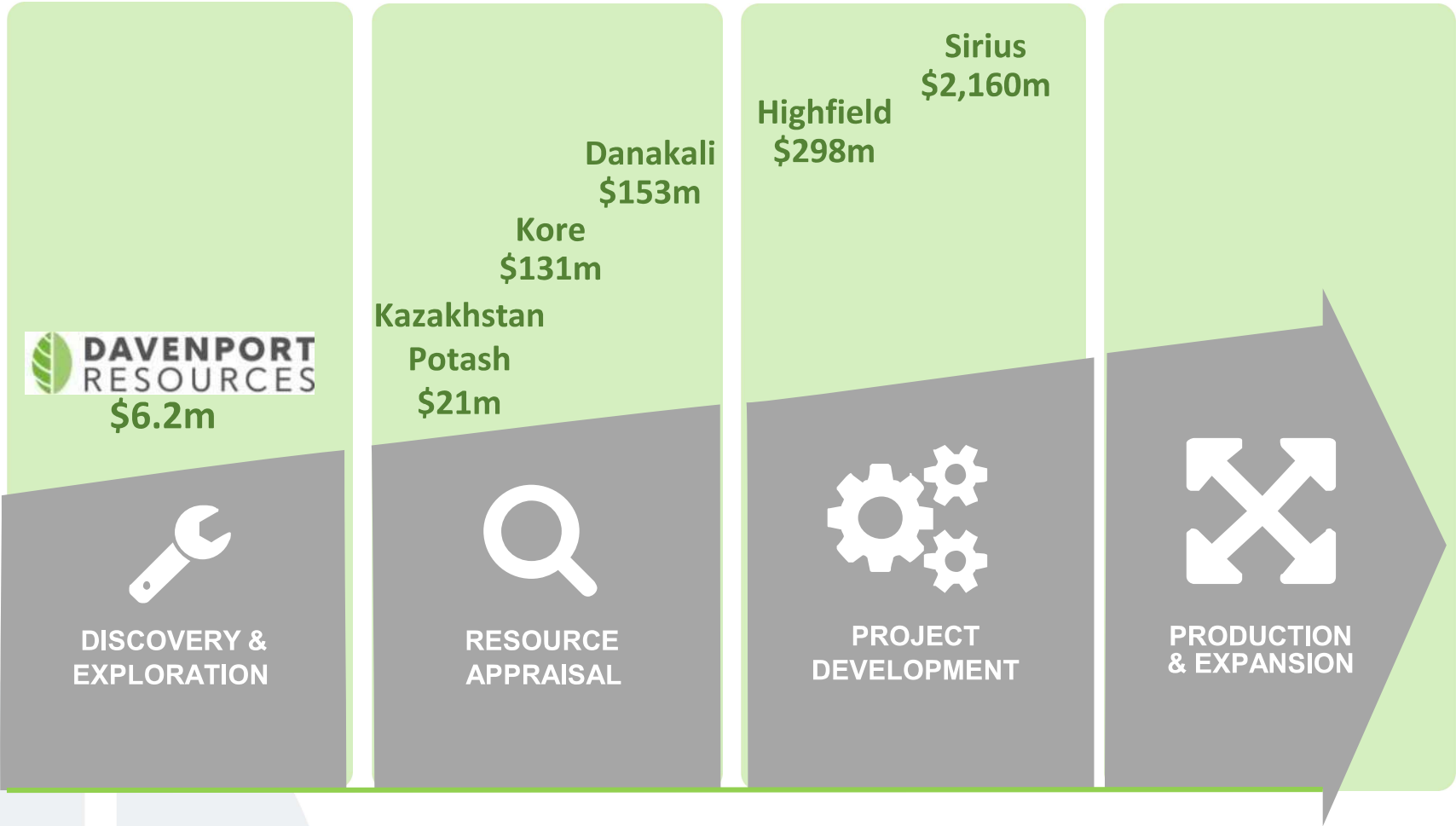
POTASH - ESSENTIAL FOR LIFE

- ✓ Potash is an essential fertilizer for plant growth. It improves water retention, strengthens roots and stems and assists nutrient transfer.
- ✓ World population is growing at 80 million a year and is headed to 9.3 billion by 2050. Arable land per person is rapidly shrinking so fertilizer is essential to increase global farm output.
- ✓ Current potash market is emerging from a period of oversupply with demand growing at around 3% a year and is expected to reach a record 61-64 million tonnes this year. Prices are beginning to recover as inventories are reducing and the market returns to balance.



Exploration results will underpin growth

MARKET CAPITALISATIONS IN A\$ AS AT 15 August 2017



DEVELOPMENT PATHWAY

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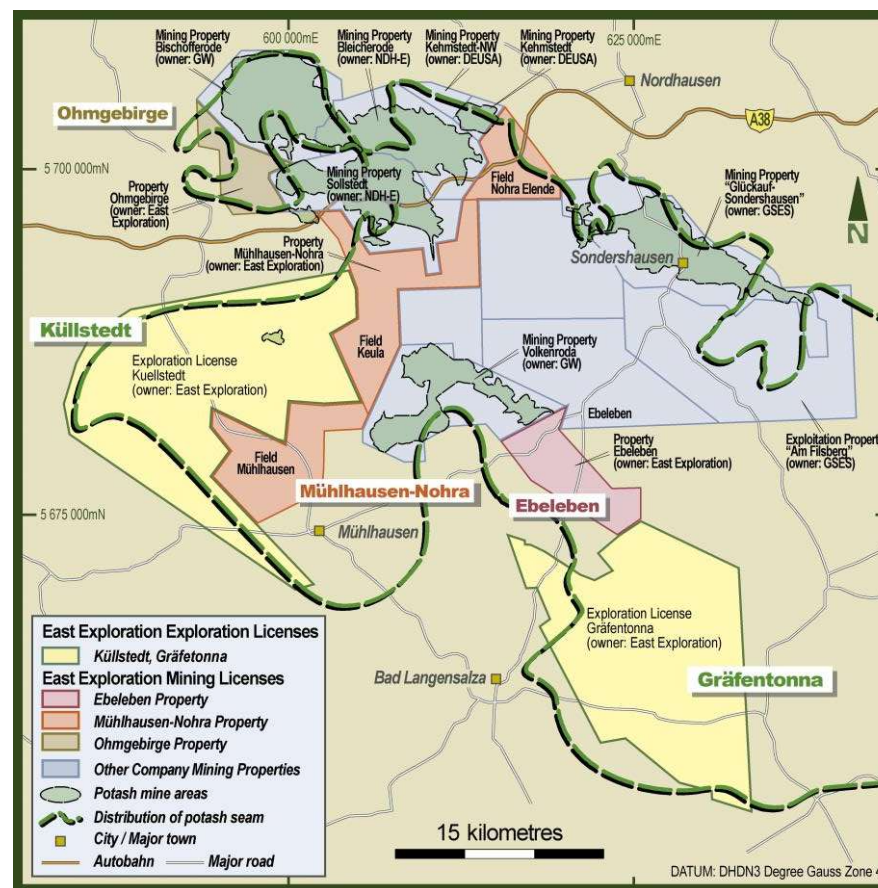


ADDITIONAL INFORMATION

EXISTING PROJECT - WORK COMPLETED

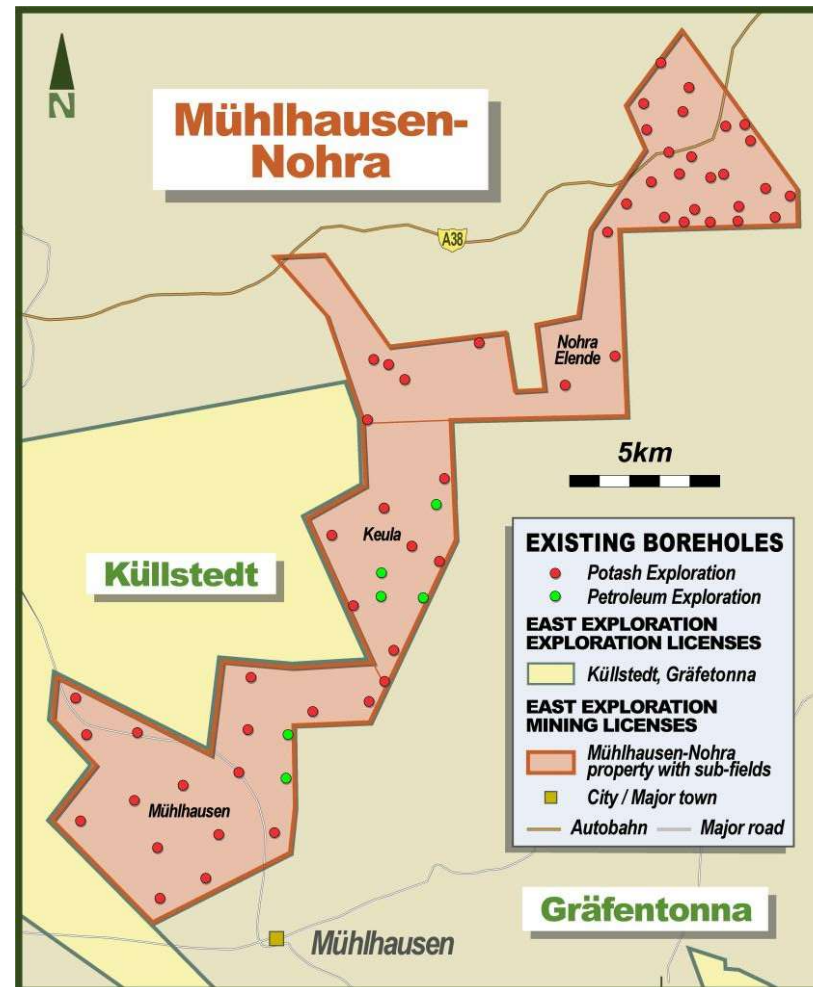
Geology and historic drill hole data evaluation allowed Exploration Target estimation:

- **Küllstedt** - estimated 4.055 - 5.141 billion metric tonnes grading 7.2% - 25% K₂O. (Davenport Resources Limited Replacement Prospectus 24 October 2016, p30)
- **Gräfentonna** - estimated 2.678 - 3.396 billion metric tonnes grading 4.3% - 25% K₂O. (ASX Announcement - 22 May 2017)
The potential quantity and grade of the Exploration Targets 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.
- Progressing drilling approval for Küllstedt.



MÜHLHAUSEN-NOHRA

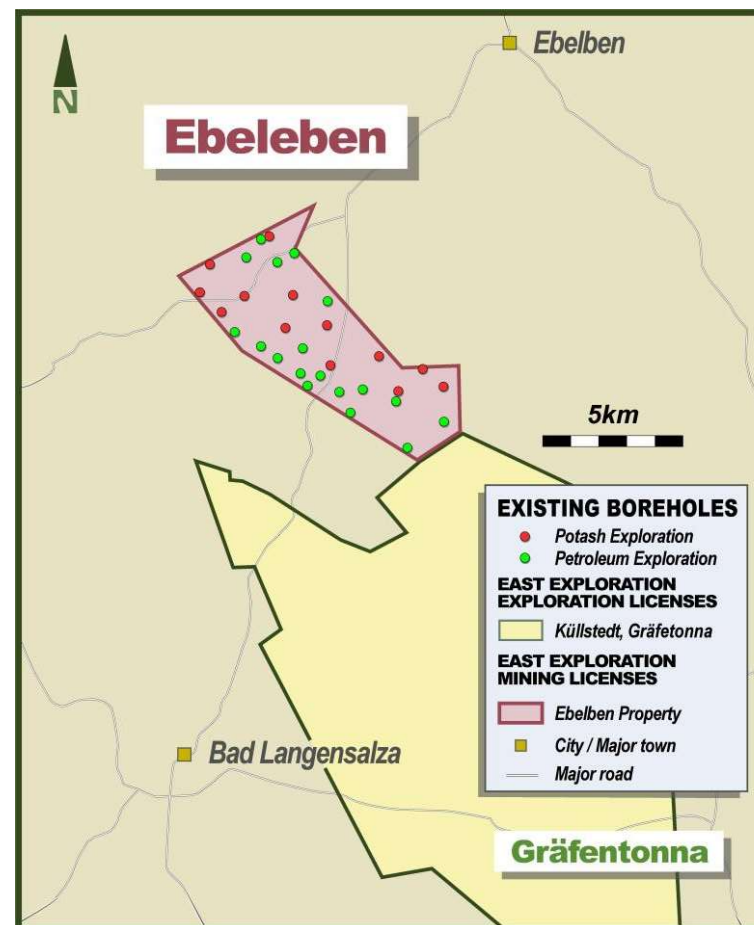
- Adjoins Davenport's Küllstedt Licence.
- The area of 141km² contains 70 historic drill holes.
- Immediately south-east of Davenport's Küllstedt licence the sub-field Mühlhausen covers 53km² with 26 drill holes targeting predominantly higher grade sylvinite in the potash horizon.
- Close spaced drilling covering both this area and Küllstedt can be readily verified with only one or two new holes



Mühlhausen-Nohra Licence showing existing drillholes

EBELEBEN

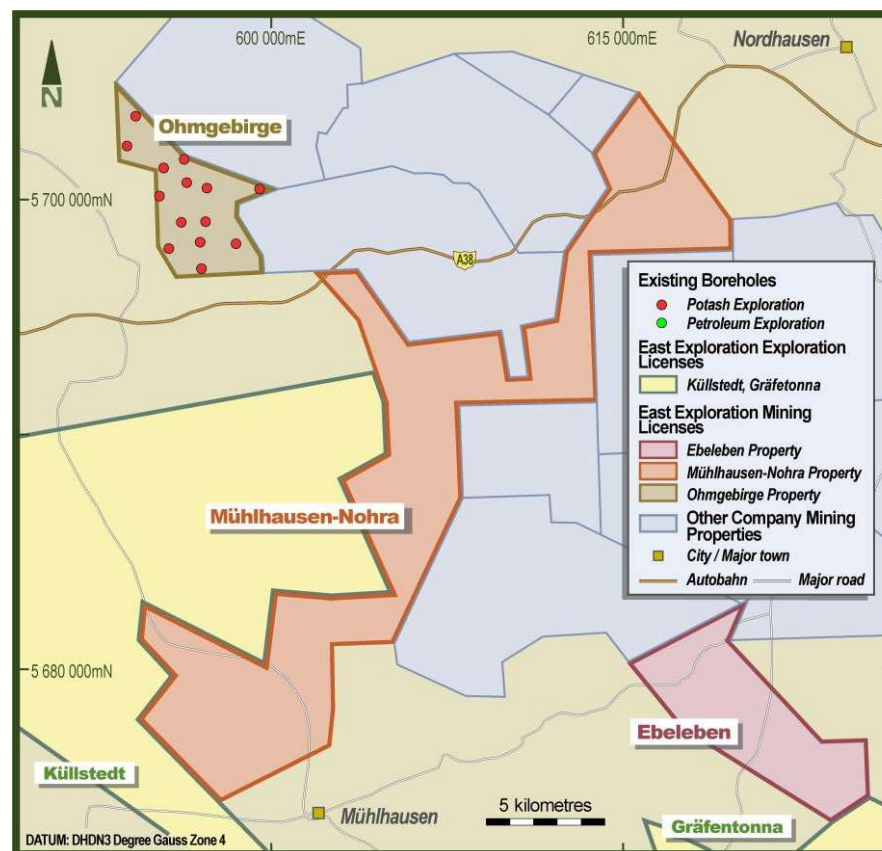
- Adjoins Davenport's Gräfentonna Licence.
- Total mining licence area is 37km² with 31 drill holes.
- Historic drilling tested high-grade extensions of the sylvinite horizon from the Volkenroda mine south-east into Davenport's Gräfentonna Licence.
- Development did not proceed after German re-unification and Volkenroda mine closed in 1991 after 80 years of operation.



Ebeleben Licence showing existing drillholes

OHMGEBIRGE

- Located north of Davenport's Küllstedt Licence.
- Total mining licence area of 24.8km² adjoins the former Bischofferode and Sollstedt potash mines, which produced approximately 199 millions tonnes for potash ore prior to closure in the early 1990s.
- The area contains 13 drill holes targeting potash mineralisation.



*Ohmgebirge Licence
showing existing drillholes*