

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Davenport Resources Limited

ABN

64 153 414 852

Quarter ended ("current quarter")

31 March 2018

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers – sub-tenants rent	30	64
1.2 Payments for		
(a) exploration & evaluation	(66)	(344)
(b) development		
(c) production		
(d) staff costs	(281)	(440)
(e) administration and corporate costs	(172)	(542)
1.3 Dividends received (see note 3)		
1.4 Interest received	13	24
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds		
1.8 Other -		
1.9 Net cash from / (used in) operating activities	(476)	(1,238)

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	(d) other non-current assets		
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment		
	(b) tenements		
	(c) investments		
	(d) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other – Progress payments/costs associated with acquisition of German mining licences	(34)	(1,179)
	- security deposits paid		(6)
2.6	Net cash from / (used in) investing activities	(34)	(1,185)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares		
3.2	Proceeds from issue of convertible notes		
3.3	Proceeds from exercise of share options		
3.4	Transaction costs related to issues of shares, convertible notes or options		
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	2,429	4,318
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(476)	(1,238)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(34)	(1,185)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	17	41
4.6	Cash and cash equivalents at end of period	1,936	1,936

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,536	1,229
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (short term deposit)	400	1,200
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	1,936	2,429

The above cash flow information includes East Exploration Pty Ltd and its controlled subsidiary acquired by Davenport with an effective date of 9 January 2017.

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

Current quarter \$A'000
65

Director salaries and fees.

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

Current quarter \$A'000

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8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements	10	1
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

8.2 – Company credit card facility, secured by term deposit

9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	160
9.2 Development	
9.3 Production	
9.4 Staff costs	210
9.5 Administration and corporate costs	250
9.6 Other – Final settlement re acquisition of German mineral licences	720
9.7 Total estimated cash outflows	1,340

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced		Refer to the attached tenement schedule.		
10.2 Interests in mining tenements and petroleum tenements acquired or increased		Refer to the attached tenement schedule.		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:
(Director)

Date:26 April 2018.....

Print name:Chris Bain.....

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

DAVENPORT RESOURCES LIMITED

TENEMENT SCHEDULE

NORTHERN TERRITORY

The following tenement interests were held during the quarter ended 31 March 2018:

Title Number	Interest held at start of quarter	Change in interest during the quarter	Interest held at end of quarter	Status (G - Grant, A - Appl'n)	Area sq kms
EL28045	100	-	100	G	73
EL30090	100	-	100	G	557

GERMANY

A) East Exploration GmbH (“**EE GmbH**”), the Company’s 100% controlled entity, holds the South Harz Project located in the northern part of the Federal State of Thuringia, situated approximately halfway between Frankfurt and Berlin. Details of the two licences held are:

- K llstedt licence granted on 12 January 2015 covering an area of 241 km²
- Gr fentonna licence granted on 12 January 2015 covering an area of 216 km²

Under the German Mining Law the exploration licences are granted for a term of 5 years with an option to renew for a further 3 years.

B) EE GmbH has received final approval for the acquisition of three potash mining licences in the South Harz region, largely adjoining the Company’s K llstedt and Gr fentonna exploration licences. The licences are in the administrative process of being transferred into the Company’s ownership (100%) and comprise:

- the M hlhausen-Nohra mining licence covering an area of 141km²,
- the Ebeleben mining licence covering an area of 37km², and
- the Ohmgebirge mining licence covering an area of 25km²,

A final progress payment of €450K for the acquisition is in the process of settlement

DAVENPORT RESOURCES LIMITED

PERFORMANCE SHARES - MILESTONES

It is a condition of the ASX listing that the Company discloses in each quarterly report details of the Performance shares that remain on issue.

As part consideration for the acquisition of East Exploration Pty Ltd effective 9 January 2017, the Company issued two tranches of 33,854,167 Non-voting Convertible Performance Shares (67,708,334 in total).

1. On 3rd April 2018, all of 33,854,167 of the First Performance Shares converted into fully paid Ordinary Shares upon satisfaction of the milestone condition.
2. On 10th April 2018, at separate meetings held by owners of the Second Performance Shares and shareholders of the Company, resolutions were passed to cancel all of the Second Performance Shares.

Arising from the above, there are nil Performance Shares on issue as at the date of this quarterly report.