



DAVENPORT RESOURCES

**BUILDING EUROPE'S LARGEST POTASH
INVENTORY
IN GERMANY'S SOUTH HARZ BASIN**

MAY 2018

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COMPETENT PERSON STATEMENTS

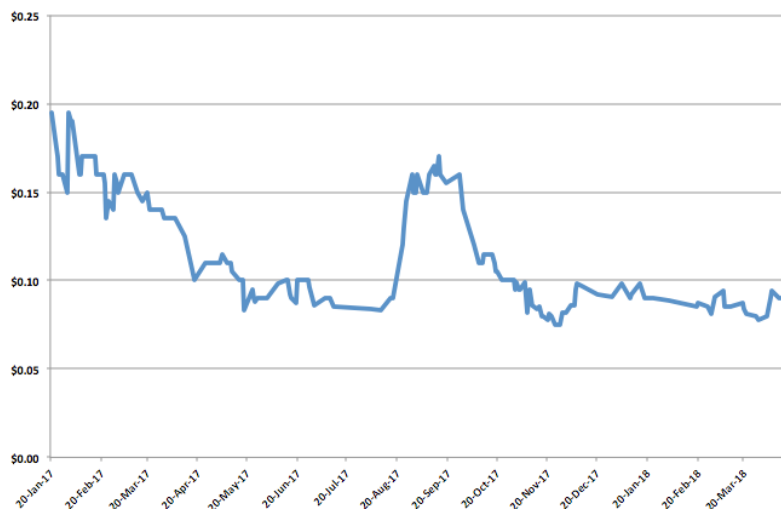
The South Harz Potash Project data in this report is based on information reviewed by Jason Wilkinson, a member of the Professional Member of the Institute of Materials, Minerals & Mining (MIMMM) and an employee of Davenport Resources Limited. Mr Wilkinson has sufficient experience that is relevant to 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



**DAVENPORT
RESOURCES**

108.7m Issued Shares
36.9m shares listed on ASX Mkt
Cap A\$9.7 mill
Cash A\$2.0m @ 31 March 2018



Directors & Management

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

Dr Chris Gilchrist: Managing Director. 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. He is based in Europe.

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

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

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



Building a strategic position in Germany's South Harz potash basin, a globally significant region with a history of over 120 years of potash production.



Three new perpetual mining licences with historic high grade resources in “next to be mined” parts of the potash basin.

Large supporting database that would cost over €100m to replicate today.



Historic resources are substantial in size and high grade. They provide the basis to fast track exploration to a JORC resource as shown by successful Ebeleben Resource conversion.



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. Key staff are based in Europe.

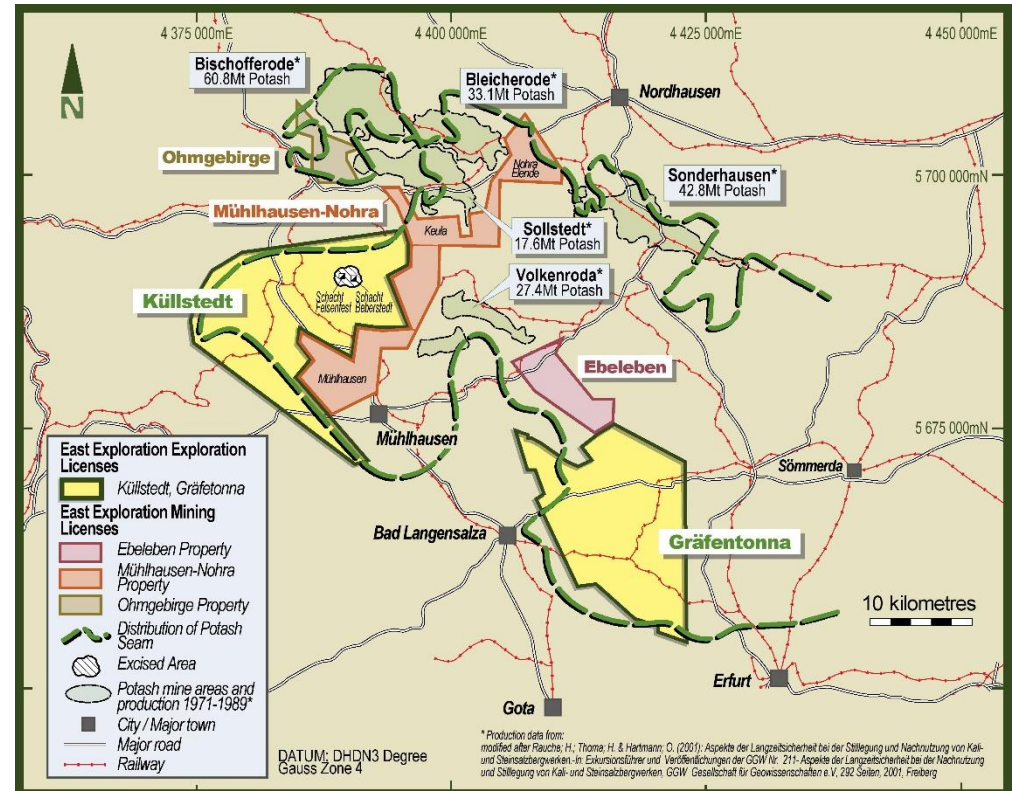
GERMAN SOUTH HARZ REGION

- Davenport owns three perpetual mining licences and two exploration licences covering 659km² in the South Harz potash basin.
- This region represents the cradle of potash mining from where 181.7 Mt potash has been extracted since the 1890's.
- Davenport is currently converting its historic resources (under the former GDR system) to JORC-compliant resources.



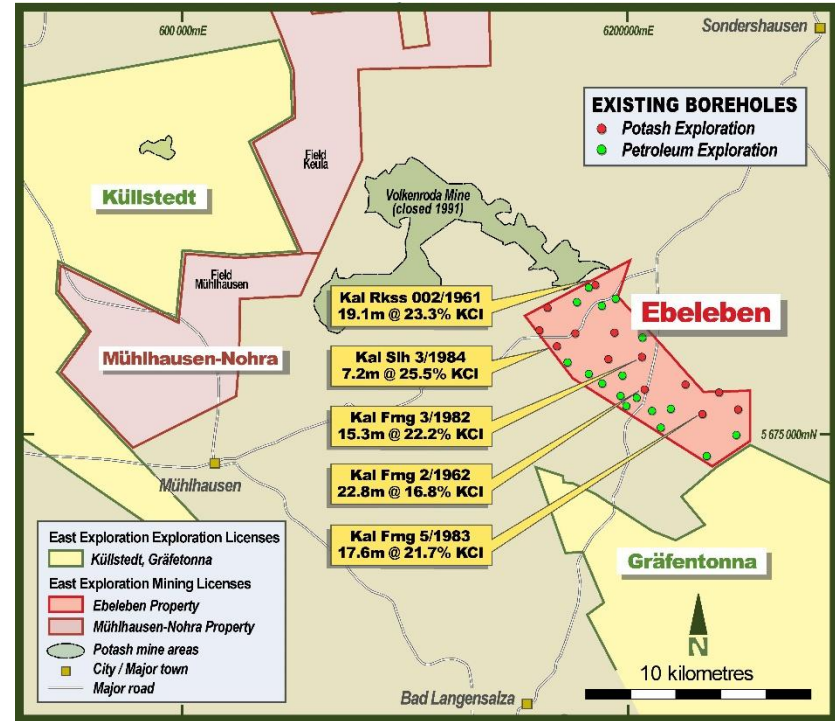
STRATEGIC LICENCE POSITION

- Davenport acquired **perpetual mining licenses** for Ebeleben, Mühlhausen and Ohmgebirge from the German government in 2018.
- In addition, Davenport already has **exploration licenses** for the Küllstedt and Gräfenonna areas.
- Davenport is fast-tracking the confirmation of resources in these areas and expects this to become Europe's largest unmined potash resource.



EBELEBEN JORC INFERRED RESOURCE

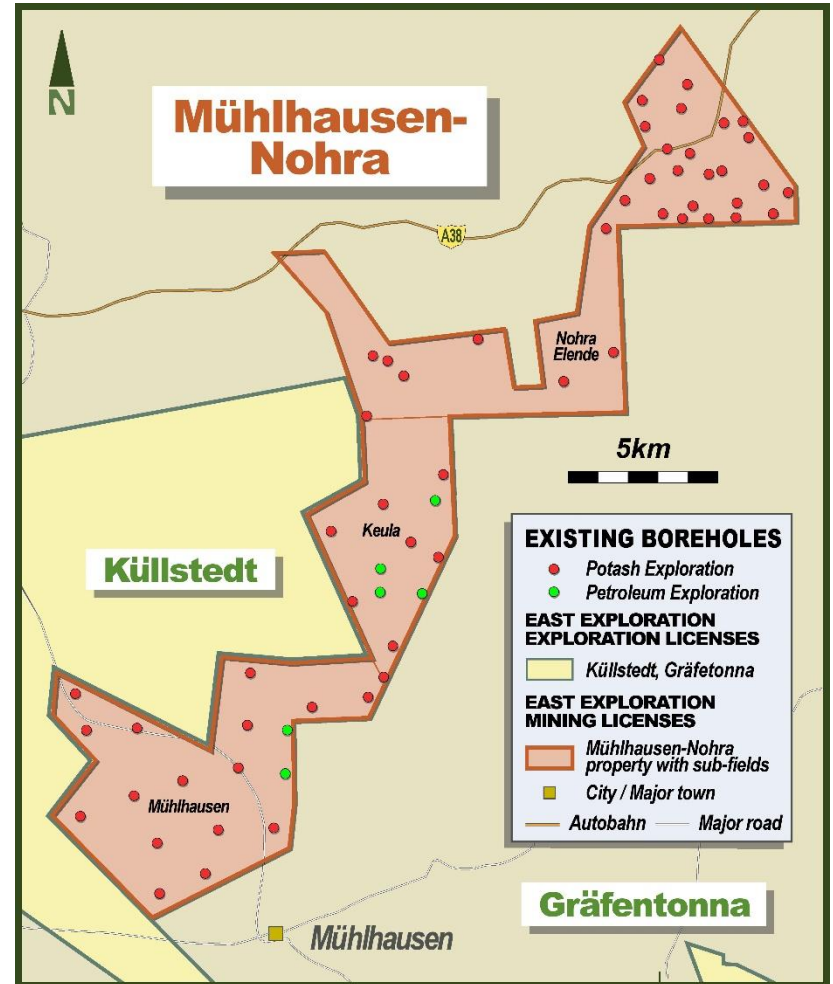
- 2012 JORC Inferred Resource of 576 million tonnes at 12.1% K₂O (110.1 Mt of KCl)
- Extends from now closed Volkenroda mine to Davenport's Gräfenonna Licence. Total mining licence area is 37km² with 31 drill holes.
- Advanced planning for mine development. Shaft sinking began but did not proceed after German re-unification. Volkenroda mine closed in 1991 after 80 years of operation.



Key features of Ebeleben resource containing thick Sylvinites with grades similar to typical international operations.

MÜHLHAUSEN, KEULA AND NOHRA-ELENDE HISTORIC RESOURCE

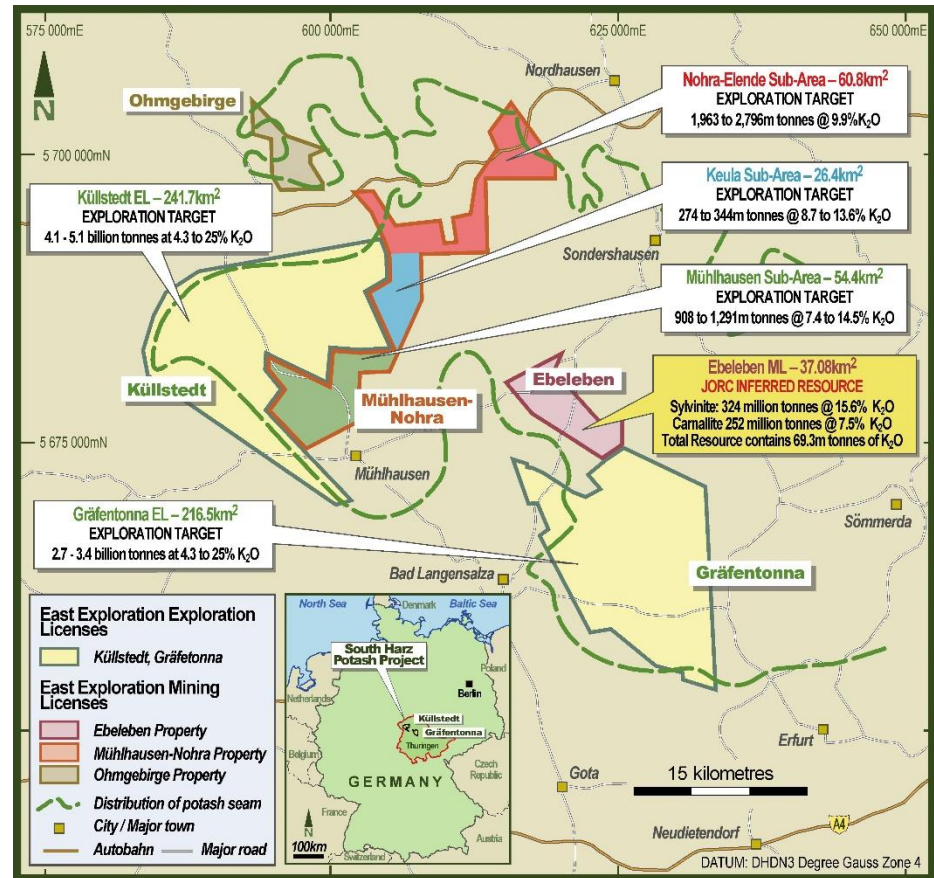
- Historic resource of 1.11 Billion tonnes containing 114.9 Mt K₂O of mixed potash salts (ASX Announcement 10 April 2018)
- Area adjoins Davenport's Küllstedt Licence.
- Mixed salt comprises both potassium chloride and potassium sulphate amenable for both Muriate of Potash (MOP) and Sulphate of Potash (SOP) production.
- Conversion of these resources to JORC (2012)-compliant Inferred Resource ongoing.



Mühlhausen-Nohra Licence showing existing drillholes

SUMMARY OF RESOURCES AND EXPLORATION TARGETS

- **Ebeleben – JORC (2012) Inferred Resource 576.6 Mt grading 12.1% K₂O.** Contains 69.3 Mt of K₂O (ASX release 3 April 2018)
- **Mühlhausen – Exploration Target - 3 areas with combined target of between 286 Mt & 510 Mt of K₂O*.** JORC Inferred resource by June 2018. (ASX release 10 April 2018)
- **Ohmgebirge – review work ongoing.**
- **Küllstedt – Exploration Target** 4.055 - 5.141 billion metric tonnes grading 7.2% - 25% K₂O*. Davenport (Prospectus 24 October 2016)
- **Gräfentonna – Exploration Target** 2.678 - 3.396 billion metric tonnes grading 4.3% - 25% K₂O*. (ASX release 22 May 2017)



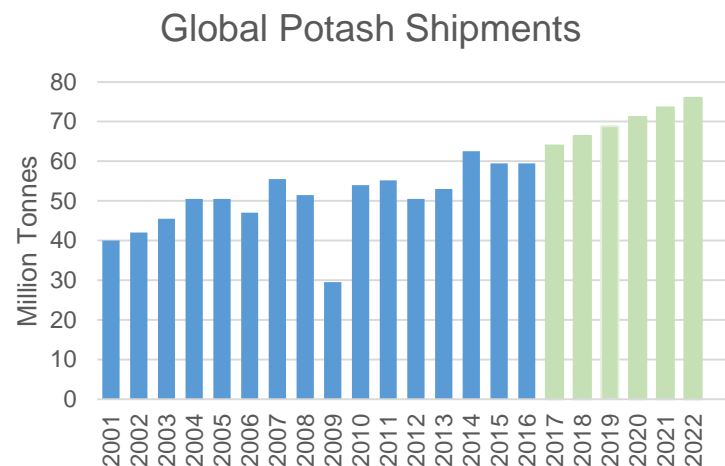
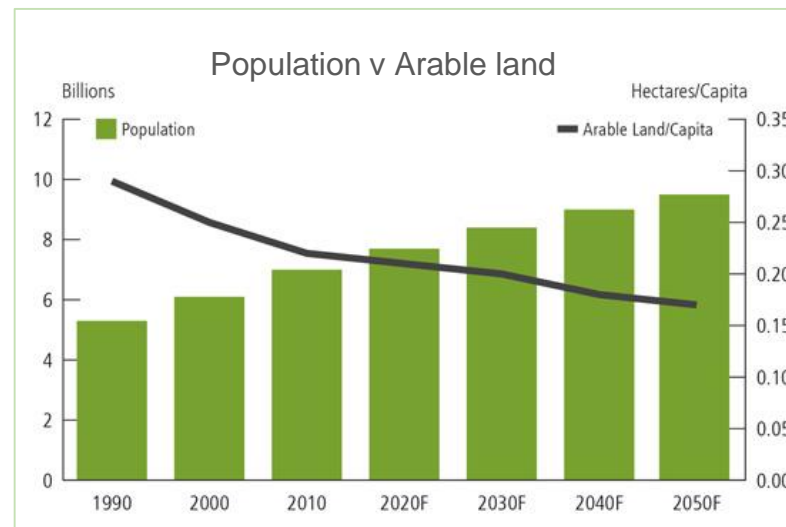
COMPARATIVE ANALYSIS

Company	Davenport	Danakali	Sirius Minerals	Highfield Resources	Kore Potash
Ticker	DAV.AU	DNK.AU	SXX.LN	HFR.AU	KP2.AU
Mkt Cap (US\$ millions)	\$7.5	\$138	\$1,781	\$218	\$119
Cash (US\$ millions)	\$1.54	\$12.00	\$560.00	\$50.50	\$16.50
Debt (US\$ millions) #	-	-	\$370.00	-	-
Enterprise Value (US\$ millions)	\$5.99	\$126.47	\$1,590.00	\$167.50	\$102.60
EV / Attributable K₂O Resource (US\$)	\$0.09	\$0.45	\$2.49	\$1.59	\$0.55
Project	South Harz	Colluli	Woodsmith	Muga	Kola
Location	Germany	Eritrea	UK	Spain	Rep of Congo
Interest	100%	50%	100%	100%	97%
Project Resources (Mt)	EBELEBEN RESOURCE				
Measured + Indicated			1,254 @ 11% K ₂ O	266.3 @ 13.0% K ₂ O	508 @ 22.3% K ₂ O
Inferred			35 @ 10% K ₂ O	150.2 @ 12.0% K ₂ O	340 @ 21.4% K ₂ O
Total			1,289 @ 11% K ₂ O	416.5 @ 12.6% K ₂ O	848 @ 21.9% K ₂ O

- * Allowing for 50% ownership
- ** Ebeleben Resource shown for Sylvinite only to provide direct comparison with other Sylvinite resources cited

POTASH MARKET

- ✓ 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 slowly emerging from a period of oversupply with demand growing at around 3% a year. It is expected to reach a record 61-64 million tonnes this year. MOP Price at ~US\$220 per tonne is beginning to recover as inventories are reducing and the market returns to balance.



FAST TRACK EVALUATION

114

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



Using today's costs this equates to at least €100 million worth of potash exploration data, including evaluation, geochemical & mineralogical information.





Historic resource estimates, supported by high quality data will enable targeted exploration to confirm further JORC 2012 resources on the South Harz project.



An exceptional starting point to fast track evaluation with the aim of continuing potash production in the South Harz region which is still ongoing after 120 years.

FAST TRACK SCHEDULE

	2018	2019
<ul style="list-style-type: none">▼ JORC Resource for Ebeleben▼ JORC Resource for Mühlhausen areas▼ Identify locations for twin drillholes▼ Drill twin holes and verify historic data▼ Elevate to JORC Indicated status▼ Conduct PEA/Scoping Study		



WHY DAVENPORT RESOURCES ? A COMPELLING BUSINESS CASE

- Large high quality resource in historic potash region
- Resources support long-life project > 50 years
- Low-risk jurisdiction
- Regional government supportive of job creation projects
- Proximity to markets (Europe still a net potash importer)
- Low infrastructure requirements (power, water, gas, rail)
- Experienced management team. Key staff based in Europe.



THIS PROJECT TICKS ALL THE BOXES

INVESTOR & MEDIA ENQUIRIES

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