

DAVENPORT RESOURCES LIMITED

ABN 64 153 414 852

SHARE PURCHASE PLAN OFFER

The Offer closes at 5pm (AWST) on Tuesday, 24 July, 2018

This is an important document and should be read in its entirety.

Before deciding whether to accept the Offer, please consider the price at which Davenport shares have been trading on ASX and read this document package, including the enclosed Terms and Conditions, carefully. The Offer does not take into account the individual investment objectives, financial situation or particular needs of each Eligible Shareholder. Accordingly, before making a decision whether or not to accept the Offer, you should consult your financial or other professional advisor.

6 July 2018

Dear Shareholder

Offer to participate in the Davenport Share Purchase Plan

The Directors of Davenport Resources Limited (ASX: DAV) (**Davenport** or the **Company**) are pleased to offer you the opportunity to participate in the Davenport Share Purchase Plan (**SPP**).

As announced on 21 June 2018, the Company is undertaking a two-stage program of capital raisings.

Stage one comprises an initial placement to sophisticated, professional and institutional investors of 26,496,700 fully paid ordinary shares in Davenport (**Shares**) at seven cents (\$0.07) per Share, with one (1) free attaching option per Share exercisable at twenty cents (\$0.20) and expiring on 31 July 2023 (**Options**), (**Initial Placement**). The Initial Placement raised \$1,854,769 (before costs) and the Shares component of the Initial Placement was issued on 5 July 2018. A second placement (**Second Placement**) of 2,425,000 Shares, also with one (1) free attaching Option per Share, to raise \$169,750 is proposed to certain sophisticated and professional investors, subject to shareholder approval.

The Options component of the Initial Placement and the Second Placement (together, the **Placements**) will be offered by way of a Prospectus and will be issued subject to, and following, the receipt of shareholder approval. Subject to first satisfying the prerequisites to quotation under the ASX Listing Rules (especially as to the number of holders of Options holding marketable parcels), it is the intention of the Company to apply for quotation of the Options on the Australian Securities Exchange operated by ASX Limited ABN 98 008 624 691 (**ASX**).

Stage two is this SPP, under which Shares are now offered to Eligible Shareholders on identical terms as those Shares offered under the Placements and will be capped at a total amount of \$500,000 (before costs).

The SPP offers eligible shareholders an opportunity to purchase further Shares in the Company (**New Shares**) to a value of \$1,000, \$2,000, \$5,000, \$10,000 or \$15,000 at a discount and free from brokerage and transaction costs.

The offer price for the New Shares will be 7 cents (\$0.07) per New Share. This represents a 0.4% discount to the volume weighted average price of Davenport Shares for the one trading day of 18 June 2018 and the one trading day of 22 June 2018, of 7.03 cents (\$0.0703), those dates being the one trading day immediately before and the one trading day immediately after the date of Davenport's announcement of the Placements and SPP on 21 June 2018. These two dates have been chosen to calculate the SPP offer price per New Share to ensure that the SPP offer price per New Share is the same as that price paid by participants in the Initial Placement. However, the volume weighted average price for the 30 day period up to the day prior to the date of this offer is \$0.0654, and the price of the Company's Shares traded on ASX as at the date prior to the date of this offer is 6.5 cents (\$0.065).

Any New Shares not subscribed for by Eligible Shareholders under the SPP will comprise the shortfall (**SPP Shortfall**) and may be offered to institutional or sophisticated investors as a separate placement at the discretion of the Directors, subject to shareholder approval (**SPP Shortfall Offer**).

In addition, and subject to shareholder approval, it is intended that the Company also make a placement of shares to a Director of the Company, Mr Rory Luff (or his nominee). In terms of that placement, Mr Luff (or his nominee) will subscribe for \$100,000 worth of Shares, being 1,428,571 Shares, each Share having one (1) free attaching Option exercisable at twenty cents (\$0.20) and expiring on 31 July 2023.

Eligible Shareholders who subscribe for New Shares under the SPP and investors who subscribe for New Shares under the SPP Shortfall Offer will, subject to shareholder approval, be allocated one free attaching option (**Option**) for every New Share subscribed for. Subject to first satisfying the prerequisites to quotation of the Options under the ASX Listing Rules (especially as to the number of holders of Options holding marketable parcels), it is proposed that Davenport will apply to have the Options (including those Options proposed to be granted to Mr Luff or his nominee), subject to shareholder approval, quoted on ASX. Each Option will have an exercise price of twenty cents (\$0.20) and an expiry date of 31 July 2023.

The Options to be granted to subscribers issued New Shares under the SPP, the SPP Shortfall Offer and the Placements (and to Mr Luff or his nominee) will be offered under a Prospectus (which will be dispatched to shareholders who have participated in the SPP, SPP Shortfall Offer and Placements (and Mr Luff or his nominee) in the coming weeks) and will be issued subject to the receipt of prior shareholder approval at a general meeting intended to be held on or about 30 August 2018.

Eligible Shareholders who are granted Shares under this SPP will, subject only to shareholder approval, be granted Options under the Prospectus on the terms of the SPP but they must **complete and return the Application form which will accompany the Prospectus in order to qualify to be granted Options on a one-for-one basis for the New Shares subscribed for under the SPP**. A Notice of Meeting will also be dispatched to shareholders in the coming weeks seeking approval, among other things, for the grant (to subscribers for New Shares under the SPP) of the Options on a one-for-one basis. In the event that shareholder approval is not obtained for the issue of the Options under the SPP, under the SPP Shortfall Offer and/or under the Placements, participants will be issued the New Shares for which they subscribed but will not be issued with any attaching Options.

The SPP is not underwritten and a scale-back policy will be applied if valid applications exceed \$500,000. The Company reserves absolute discretion regarding the amount raised under the SPP and the exercise of its right to scale-back applications. Should a scale-back happen, you may be allocated New Shares to a value which is less than the parcel of New Shares you applied for and the difference will be refunded to you.

The funds raised under the Placement and the SPP will be used for:

- additional data evaluation of German potash mining licences, target selection and drill hole permitting; and
- general working capital and administration pending regulatory approval to commence drilling the potash resource.

Participation in the SPP is entirely optional and open to shareholders who were holders of fully paid ordinary shares in Davenport as at 5.00pm Australian Western Standard Time (**AWST**) on 20 June 2018 and whose registered address is in Australia or New Zealand.

The SPP will open on 10 July 2018 (and the SPP offer documents will be dispatched to Eligible Shareholders by 9 July 2018) and will remain open until 5.00pm AWST on 24 July 2018. As soon as practicable after the close of the SPP, Davenport will make an ASX announcement as to the outcome of the SPP and the number of New Shares to be issued and free attaching Options to be granted (the grant of the free attaching Options being subject to shareholder approval).

The offer of New Shares under the SPP and the offer of the free attaching Options are or will be made under the following separate offer documents:

- *for New Shares:* an SPP Offer Booklet (enclosed) including an Application Form for the New Shares; and
- *for free attaching Options:* a Prospectus for the Options (which will also include an offer of unlisted options to Hartleys, as the Lead Manager, for services provided in relation to the Company's capital raising) which will be dispatched to Eligible Shareholders who subscribe for new shares under the SPP, Participants in the SPP shortfall offer and Mr Luff and the Lead Manager, after the closing date of the SPP, and which will include an application form to subscribe for free attaching Options.

These documents are important and should be read carefully in conjunction with the publicly available information relating to Davenport, which are also available on the Company's website at www.davenportresources.com.au . If you are unsure about whether to participate, please contact your professional adviser. If you require further information, please contact the Company Secretary (contact details are in the enclosed instructions).

On behalf of the Board, I invite you to consider this opportunity to increase your investment in the Company, and thank you for your ongoing support.

Yours sincerely



Patrick McManus
Non-Executive Chairman

SHARE PURCHASE PLAN (“SPP”) OFFER BOOKLET

SPP OFFER: AN OVERVIEW

KEY DATES*

DATE	EVENT
5.00pm AWST on 20 June 2018	Record Date The date and time at which Davenport determines who is eligible to participate in the SPP.
21 June 2018	Announcement of Share Purchase Plan
10 July 2018	Opening Date
5.00pm AWST on 24 July 2018	Closing Date Application Forms together with payment by cheque or money order must be received by this time and date. Note: BPAY® payments must be received by 5.00pm AWST on 24 July 2018. However, applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date.
27 July 2018	Issue Date – New Shares The date on which the New Shares are expected to be issued.
27 July 2018	Dispatch Date – New Shares Transaction confirmations/holding statements will be sent to shareholders for New Shares, on or about this date.
31 July 2018	Trading Date – New Shares The date on which the New Shares are expected to begin trading.
30 August 2018	General Meeting The date and time of the General Meeting at which shareholder approval will be sought for the issue of the free-attaching Options to Eligible Shareholders who subscribe for New Shares.
3 September 2018	Issue Date - Options The date on which the Options are expected to be issued.
3 September 2018	Dispatch Date - Options Transaction confirmations/holding statements will be sent to shareholders for Options on or about this date.
5 September 2018	Trading Date - Options The date on which the Options are expected to begin trading.

* The Company may change any of the Key Dates at its discretion (even if the offer has opened or applications have been received). Additionally, the Company reserves the right to not proceed with the SPP (or any part of it) at any time prior to the Issue Date – New Shares (see above). In that event, application moneys will be refunded in full without interest.

OFFER DETAILS

New Shares	Shares issued pursuant to valid applications received under the SPP Offer.
Issue Price	The issue price is \$0.07 per New Share, This represents a 0.4% discount to the volume weighted average price of Davenport Shares for the one trading day of 18 June 2018 and the one trading of 22 June 2018, of \$0.0703, those dates being the one trading day immediately before and the one trading day immediately after the date of Davenport's announcement of the Placements and SPP on 21 June 2018. These two dates have been chosen to calculate the SPP offer price per New Share to ensure that the SPP offer price per New Share is the same as that price paid by participants in the Initial Placement. However, the volume weighted average price for the 30 day period up to the day prior to the date of this offer is \$0.0654, and the price of the Company's Shares traded on ASX as at the date prior to the date of this offer is \$0.065 (6.5 cents).
Options	One free attaching Option for every New Share applied for, exercisable at 20 cents and expiring on 31 July 2023. The issue of Options is subject to Davenport shareholder approval and the Company intends to apply to ASX for quotation of these Options. ASX approval for quotation of the Options is conditional upon compliance with ASX Listing Rules and no assurance is given that any such listing will be obtained. All subscribers for Options subscribe for the Options on the basis that the Options are not guaranteed quotation on ASX.
Minimum Application Amount	The minimum application amount is \$1,000.
Maximum Application Amount	The maximum application amount is \$15,000.
Permitted Application Amounts	Each Eligible Shareholder is entitled to subscribe for a parcel of New Shares valued at any of \$1,000, \$2,000, \$5,000, \$10,000 or \$15,000.

INSTRUCTIONS

The SPP opens on 10 July 2018 and under the offer you may apply for a parcel of New Shares as set out in the table below. You will be entitled to one (1) free Option for every New Share you subscribe for under the SPP. Subject to shareholder approval, the total number of Options to be granted in respect of each parcel of New Shares is outlined in the table below:

Number of New Shares applied for (Rounded Down)	Amount payable for that parcel	Number of free-attaching Options¹
14,285	\$1,000	14,285
28,571	\$2,000	28,571
71,428	\$5,000	71,428
142,857	\$10,000	142,857
214,285	\$15,000	214,285

Note 1: Options will be granted subject to shareholder approval and completion of a valid application form, which will accompany the Prospectus that will be sent to eligible shareholders who subscribe for new shares under the SPP.

To apply and pay for your New Shares, you have two options:

Option 1: BPAY®

You can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must follow the instructions at paragraph 5 of the Terms and Conditions and in the Application Form and must use the customer reference number shown on the Application Form which is required to identify your holding. You still need to complete and return your Application Form which will accompany the Prospectus if you wish to apply for free attaching Options under the Prospectus. See paragraph 5 of the Terms and Conditions for further information.

Option 2: Application Form and cheque or money order

You can complete the Application Form and return it to Security Transfer Australia Pty Ltd (**Share Registry**), PO Box 52, Collins Street West, Melbourne VIC 8007, together with a cheque or money order, in accordance with the instructions on the Application Form. You still need to complete and return your Application Form which will accompany the Prospectus if you wish to apply for free attaching Options under the Prospectus. See paragraph 5 of the Terms and Conditions for further information.

Cheques and money orders must be made payable to "*Davenport Resources Ltd*" in Australian dollars and drawn on an Australian bank for the correct amount. The Company will not accept payment by cash.

Timing

All payments by cheque and money orders and Application Forms must be received before 5.00pm WST on 24 July 2018. You cannot withdraw or cancel your application or BPAY® payment once you have sent it in. BPAY® payments must be received by 5.00pm AWST on 24 July 2018 (note that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment).

NO OFFER OUTSIDE AUSTRALIA AND NEW ZEALAND

This document may not be released or distributed in the United States or any country other than Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any country other than Australia and New Zealand. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States or to any person who is a US citizen or a person resident in the United States or any person who is acting for the account or benefit of a US citizen or a person resident in the United States: except in transactions exempt from, or not subject to, registration under the US Securities Act of 1933 (as amended) and applicable US state securities laws.

QUESTIONS

If you have any questions, please contact the Company Secretary any time between 9.00am and 5.00pm (WST) Monday to Friday on +61 (0) 415 065 280.

SPP TERMS AND CONDITIONS

IMPORTANT NOTICE: The market price of Company shares may rise or fall from now to when the New Shares are issued to you under the SPP or upon exercise of Options. Therefore, if you apply for and we allot to you New Shares under the SPP, the offer price for those New Shares may be more than, or less than, the market price of Company shares you could buy on-market at that time. Similarly, the exercise price for your Options may be more than, or less than, the market price of Davenport shares you could buy on-market at the time of exercise. **By completing and returning the Application Form or making a BPAY® payment, you acknowledge this risk and that the New Shares, and Options, are a speculative investment.** We encourage you to contact your professional adviser regarding whether to participate in the SPP and how much to contribute.

1. Offer timetable

- (a) The offer timetable is set out in the Key Dates above and is included in these Terms and Conditions.
- (b) Payment by BPAY®, Application Forms, cheques and money orders may not be processed and may not be valid if they have not been received by or on behalf of the Company by the time and date specified for the Closing Date. You must allow adequate time for an Application Form and cheque or money order forwarded by post to be received by the Share Registry. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment, and you should therefore take this into consideration when making payment.
- (c) The Company expects to send transaction confirmations or holding statements to you on or around the Dispatch Date.
- (d) The Company expects that the **New Shares** will be issued under the SPP and pursuant to the Prospectus on the Issue Date - New Shares and will commence trading on ASX on the Trading Date – New Shares. You must confirm your holding before trading in any New Shares you believe have been issued to you under the SPP. Further, the Company expects that the **Options** will be issued pursuant to the Prospectus on the Issue Date - Options and will commence trading on ASX on the Trading Date - Options. You must confirm your holding before trading in any Options you believe have been issued to you pursuant to the Prospectus.
- (e) At any time, the Company can change the Closing Date, and the Issue Dates, the Trading Dates and the Dispatch Dates applicable to the New Shares and Options (even if the offer has opened, or BPAY® payments and Application Forms have been received) by lodging a revised timetable with ASX.

2. Eligible Shareholders

You are an eligible shareholder and may participate in the SPP if you were a registered holder of fully paid ordinary shares in the Company with a registered address in Australia or New Zealand as at 5.00pm AWST on 20 June 2018, unless you hold shares on behalf of another person who resides outside Australia or New Zealand (in which case you will not be eligible to participate in respect of the shares of that person) (**Eligible Shareholder**).

For New Zealand shareholders, you must still be a shareholder at the date of this offer, that is, 10 July 2018.

The Company has determined that it is not practicable for holders of shares with registered addresses in other countries to participate.

Holders receiving more than one offer: If you are the only registered holder of Company shares, but you receive more than one offer under the SPP (due to multiple registered holdings), you may only contribute a maximum of \$15,000 in applying for New Shares.

Joint Holders: If two or more persons are recorded in the register of members of the Company as jointly holding Company shares, they are considered to be a single registered holder for the purpose of the SPP and they are entitled to participate in the SPP in respect of that single holding only. If as joint holders you receive more than one offer under the SPP due to multiple identical holdings, you may still only contribute a maximum of \$15,000 in applying for New Shares.

Custodians, trustees and nominees: If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] (**Custodian**), and hold Company shares on behalf of one or more persons (each a **Participating Beneficiary**), or on behalf of a "downstream custodian" within the definition of ASIC Class Order [CO 09/425] who holds the beneficial interest in Company shares on behalf of a Participating Beneficiary, you may apply for up to a maximum of \$15,000 worth of New Shares for each Participating Beneficiary, subject to providing the Company with a Custodian Certificate in accordance with paragraph 15(d) below. If you are not a Custodian, the rules for multiple single holdings apply and you may only contribute a maximum of \$15,000 in applying for New Shares. You are not eligible to participate on behalf of a person who resides outside Australia and New Zealand.

3. Participation is optional

Participation in the SPP is entirely optional. If you are an Eligible Shareholder, you can choose whether or not to participate.

4. How much can you invest?

- (a) If you are an Eligible Shareholder, you may apply to buy a parcel of New Shares by contributing a set amount of approximately \$1,000, \$2,000, \$5,000, \$10,000 or \$15,000. There is no additional cost to acquire the free attaching Options which will only be able to be granted if an application form which will accompany the Prospectus has been completed and returned to the Company, and only if the requisite shareholder approval is obtained.
- (b) This parcel may be subject to a scale-back and rounding. If a Scale-back produces a fractional number when applied to your parcel, the number of New Shares (and Options) you will be issued will be rounded down. The SPP will be capped at a total amount raised of \$500,000 (before costs). The Company reserves absolute discretion to scale-back applications.
- (c) Unless you are applying as a Custodian, the maximum amount of \$15,000 applies even if you receive more than one Application Form or if you hold shares in the Company in more than one capacity (for example, if you are both a sole and joint holder of shares in the Company - see paragraph 2 above) and irrespective of the number of Company shares you hold on the Record Date. We can reject any application for New Shares if we believe you have not complied with this condition.

5. How to apply for New Shares

If you would like to participate in the SPP, you have two options:

Option 1: BPAY®

Provided you are not a Custodian, you can make a payment by BPAY® if you have an Australian bank account enabled for this purpose. BPAY® customers must use the customer reference number shown on the Application Form which is required to identify your holding.

IMPORTANT NOTE: You may participate in the offer of New Shares under this SPP by electing to pay by BPAY® - you need not complete and return the Application Form if you pay by BPAY®. However, if you wish to apply for the free attaching Options to which you would be entitled, you must complete and return the Application Form which will accompany the Prospectus that will be mailed to Eligible Shareholders that

subscribe to the SPP. See paragraph 6 (below) for further information.

By using this BPAY® facility to apply for New Shares, you represent that the total of the application price for the following does not exceed \$15,000:

- (a) the New Shares the subject of this application;
- (b) any other shares applied for under this SPP, or shares or interests in the class issued under a similar arrangement in the 12 months before this application;
- (c) any other shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
- (d) any other shares or interests in the class issued to a custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the custodian or another custodian, which resulted in you holding a beneficial interest in the shares or interests.

Payment by BPAY® may not be processed and may not be valid if it has not been received by the Company by the time and date specified for the Closing Date. However, applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the Closing Date.

Option 2: Application Form and cheque, or money order

You must complete an Application Form and return it with a cheque or money order in accordance with the instructions on the Application Form. Cheques and money orders must be payable to "*Davenport Resources Ltd*", in Australian dollars and drawn on an Australian bank for the correct amount. The Company will not accept payment by cash. You still need to complete and return your Application Form which will accompany the Prospectus if you wish to apply for free attaching Options under the Prospectus. See paragraph 6 (Below) for further information.

Application Forms, cheques and money orders may not be processed and may not be valid if they have not been received by or on behalf of the Company by the time and date specified for the Closing Date. You must allow adequate time for Application Forms and cheques, or money orders forwarded by post to be received by the Share Registry.

6. Free Attaching Options

Subject to the requisite shareholder approval, all successful applicants for New Shares under the SPP will also be entitled to receive one (1) free attaching Option for every New Share issued under the SPP. The Options will have an exercise price of twenty cents (\$0.20) per Option and will expire on 31 July 2023. The Company will apply to have the Options quoted so that they can be traded on ASX. Listing or quotation is not assured as ASX listing requirements for the Options as a separate class of security to be listed must be satisfied.

The SPP does not make an offer of Options. The offer of Options will be made separately under a prospectus which will be sent to Eligible Shareholders who subscribe for new shares under the SPP, participants in the SPP shortfall offer and Placements (and Mr Luff and the Lead Manager), as a separate document (**Prospectus**). **Applicants should consider the Prospectus when deciding whether to apply for the Options and, if you wish to apply for free attaching Options under the Prospectus, you must complete and return the application form which will accompany that Prospectus.** You may participate in the offer of New Shares under this SPP by electing to pay by BPAY®, but if you pay by BPAY®, you must also complete and return the application form which will accompany that Prospectus in order for you to be granted the free attaching Options to which you would be entitled.

Subject to satisfying the ASX listing criteria, the Options are intended to be quoted on ASX, and will be issued subject to shareholder approval at the Company's General Meeting planned for 30 August 2018.

If shareholder approval is not obtained for the issue of the Options to applicants who are allotted New Shares under this SPP, those successful applicants will still be issued their New Shares but will not be entitled to receive free attaching Options or to receive a refund of any application moneys.

Similarly, if shareholder approval is not obtained for the issue of Options to persons participating in the Placements, no Options will be granted to those participants.

Similarly, if shareholder approval is not obtained for the issue of Options to persons participating under the SPP Shortfall Offer then no Options will be granted to those participants.

Accordingly it is possible, depending on which resolutions are passed at the General Meeting and, thus which shareholder approvals are obtained for the grant of Options, that all, some or no Options may be granted.

If any requisite shareholder approvals are obtained but ASX requirements for listing of the Options as a separate class of security are not met, any Options granted will remain unlisted.

7. Company's discretion regarding applications

The Company may accept or reject applications for New Shares under the SPP, including if:

- (a) an Application Form is incorrectly completed, incomplete or otherwise determined by the Company to be invalid;
- (b) you are a Custodian, and we are not satisfied with your certification for any reason;
- (c) a cheque is dishonoured or has not been completed correctly;
- (d) the correct amount corresponding to your application is not provided with the Application Form or BPAY®;
- (e) a BPAY® payment is not received or is incomplete or invalid;
- (f) unless you are applying as a Custodian, an applicant appears to be contributing more than \$15,000 under the SPP;
- (g) an application is received after the time and date specified as the Closing Date. the Company has a discretion whether or not to accept late BPAY® payments, Application Forms and cheques, or money orders; or
- (h) the Company believes you are not an Eligible Shareholder,

and the Company must reject applications if required to do so under ASIC Class Order [CO 09/425].

The Company reserves the right to return your cheque or money order or refund your BPAY® payment and not allot you any New Shares.

8. Offer price

The offer price for each New Share is 7 cents (\$0.07). This represents a 0.4% discount to the volume weighted average price of Davenport Shares for the one trading day of 18 June 2018 and the one trading day of 22 June 2018, of 7.03 cents (\$0.0703), those dates being the one trading day immediately before and the one trading day immediately after the date of Davenport's announcement of the Placements and SPP on 21 June 2018. These two dates have been chosen to calculate the SPP offer price per New Share to ensure that the SPP offer price per New Share is the same as that price paid by participants in the Initial Placement. However, the volume weighted average price for the 30 day period up to the day prior to the date of this offer is 6.54 cents (\$0.0654), and the last price of the Company's Shares traded on ASX as at the date prior to the date of this offer is 6.5 cents (\$0.065).

9. Conditions

The issue of:

- Options to subscribers for New Shares under the SPP;
- Shares and Options to persons (if any) who take up any Shortfall Offer; and
- the Options pursuant to the Prospectus,

each are subject to the Company shareholder approvals required under ASX Listing Rules.

Official quotation on ASX of the Options is subject to compliance with ASX Listing Rules for the quotation of an additional class of securities.

10. Applications may be scaled back

- (a) The Company reserves the right to determine the amount it raises through the SPP, including the right to scale back applications (**Scale-back**). At this stage the maximum amount raised under the SPP will be capped at a total amount of \$500,000 (before costs), though the Company reserves the right to change this cap at its discretion by announcement to ASX.
- (b) If there is a Scale-back you will not receive all the New Shares for which you have applied. Each applicant will be treated equally and scaled back on a pro-rata basis. In the event of a Scale-back, the number of Options will also be scaled back proportionately. If a Scale-back produces a fractional number when applied to your parcel, the number of New Shares (and Options) you will be issued will be rounded down.
- (c) The Company will refund to you by direct credit deposit to your nominated bank account (where you have given your nomination to the Share Registry) or by cheque, the difference between your application money and the total offer price for the New Shares issued to you.

11. No other participation costs

No brokerage, commission or other participation costs are payable by you to acquire New Shares under the SPP (and no such costs will be payable by you to be granted Options pursuant to the Prospectus)

12. No interest

No interest will be paid on any application money returned to you.

13. You cannot transfer your rights under this SPP

Your rights under this offer are personal to you and non-renounceable. This means you cannot transfer your right to purchase New Shares under this SPP or to receive Options under the Prospectus to another person.

14. Equal ranking and Quotation on ASX

The New Shares issued under the SPP will, at the time of issue, rank equally with existing fully paid ordinary shares in the Company quoted on ASX, with the same voting rights, dividend rights and other entitlements.

The Company will apply for New Shares issued under the SPP to be quoted on ASX.

15. Significance of applying for New Shares

If you apply to participate in the SPP:

- (a) you agree that once you have sent in your application or made your BPAY® payment, you cannot withdraw or cancel your application and your application is unconditional;
- (b) you warrant and covenant that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the SPP and participate in the SPP in accordance with these Terms and Conditions and any applicable laws;
- (c) you certify that, even if you have received more than one offer under the SPP or received offers in more than one capacity, the total of the application price for the following does not exceed \$15,000:
 - (i) the New Shares the subject of this application;
 - (ii) any other shares applied for under this SPP, or shares or interests in the class issued under a similar arrangement in the 12 months before this application;
 - (iii) any other shares or interests in the class which you have instructed a custodian to acquire on your behalf under this SPP; and
 - (iv) any other shares or interests in the class issued to a Custodian under an arrangement similar to this SPP in the 12 months before this application as a result of you instructing the Custodian or another custodian, which resulted in you holding a beneficial interest in the shares or interests;
- (d) if you are a Custodian and are applying for New Shares with a total application price exceeding \$15,000, your application is subject to you providing a notice in writing to the Company certifying the matters required by ASIC Class Order [CO 09/425] condition 9 (**Custodian Certificate**). Custodians should request a pro-forma Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or if you would like further information on how to apply, you should contact the Share Registry;
- (e) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the SPP;
- (f) you agree to be bound by the Constitution of the Company;
- (g) you authorise the Company (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details if the Company elects to do so;
- (h) you agree that the Company may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- (i) you agree that your application is only effective when received by, or on behalf of, the Company and not when posted;
- (j) you accept the risk associated with any refund that may be sent to you by direct credit to your account as nominated to the Share Registry or cheque to your address shown on the Company's register;
- (k) you agree that you are responsible for any dishonour fees or other costs which the Company may incur if your cheque for payment is dishonoured;

- (l) you agree that the Company and the Share Registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy New Shares or to receive Options;
- (m) you agree that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions;
- (n) you have satisfied yourself as to your information needs prior to subscribing for New Shares and the investment is made within your personal risk profile and investment parameters;
- (n) you have had sufficient opportunity to seek independent professional advice before subscribing for any New Shares in the event you are uncertain of the meaning of any matter set out herein or as to your rights or the meaning of the declarations to be given as a term of subscription for New Shares hereunder;
- (o) you agree that no warranty or representation (express or implied) has been given or made by any of the Company, any person on behalf of the Company or by, or on behalf of, any of the Directors or officers of the Company as to:
 - (i) the merits or otherwise of applying for New Shares;
 - (ii) the value of the New Shares;
 - (iii) the assets and liabilities, financial position and performance, profits and losses and prospects of the Company;
 - (iv) the value of the assets of the Company; or
 - (v) the completeness or accuracy of the information available to the Eligible Shareholder regarding the Company; and
 - (vi) you acknowledge that you have decided to apply for the New Shares based solely on your own investigations; and
 - (vii) you release and discharge (to the maximum extent permitted at law) the Company and each of its Directors, officers and agents from any action or claim for any loss or damage which you may suffer as a result of applying for the New Shares or as a result of the occurrence of any future act matter or thing which may adversely affect the value of any such New Shares, or the existence or value of the assets of the Company; and
- (p) you agree to be bound by the constitution of the Company.

16. Notice to shareholders in New Zealand

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the class exemptions available under the *Financial Markets Conduct Act 2013* (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

17. No offer in the United States of America

If you apply to participate in the SPP, you acknowledge and agree that:

- (a) the New Shares, and Options, have not, and will not be, registered under the US Securities Act of 1933, as amended, or the securities laws of any state or other jurisdiction in the United States, or in any other jurisdiction outside Australia and New Zealand;

- (b) you must not send copies of these Terms and Conditions or any other material relating to the SPP to any person in the United States or elsewhere outside Australia and New Zealand;
- (c) you are not a US citizen or a person resident in the United States and you are not acting for the account or benefit of a US citizen or a person resident in the United States.
- (d) you must not submit an Application Form or make payment by BPAY® for any person resident outside Australia or New Zealand; and
- (e) if you do not comply with these restrictions, it may result in violations of applicable securities laws.

18. Withdrawal, waiver, suspension and termination

The Company reserves the right to withdraw the offer at any time up to the Issue Date – New Shares. The Company reserves the right at any time to:

- (a) waive compliance with any provision of these Terms and Conditions;
- (b) amend or vary these Terms and Conditions; and
- (c) suspend or terminate the SPP.

Any amendment, variation, suspension or termination is binding on all Eligible Shareholders even if the Company does not notify you of the event.

19. Use of funds

The application of funds raised pursuant to the SPP is described in the Chairman's letter to shareholders dated 6 July 2018 inviting them to participate in the SPP.

20. General

(a) Governing Law

These Terms and Conditions are governed by the laws in force in Western Australia. By accepting this offer, you submit to the non-exclusive jurisdiction of the courts in Western Australia.

(b) Interpretation

The term "these Terms and Conditions" includes terms and conditions in the Application Form and the "SPP Offer: An Overview". The Application Form forms part of this offer document.

(c) Disputes

The Company may settle, in any manner it sees fit, any difficulties, anomalies or disputes which may arise in connection with the operation of the SPP whether generally or in relation to any participant or any application for New Shares. The Company's decision is conclusive and binding on all participants and other persons to whom the determination relates. These rights may be exercised by the Company's Board or any delegate of the Board.

(d) Privacy

By receiving completed Application Forms, the Company (and the Share Registry) collects personal information about shareholders. This information will be used for the purposes of processing the Application Form and updating the records of the Company. Unless required by the law, the Company will not disclose the personal information for another purpose without the consent of the shareholder. Except as stated by the law, shareholders are able to access, upon request, their personal information held by the Company. For further information about how we manage your personal information or if you wish to obtain a copy of the Company's Privacy policy, please contact us.

21. No underwriting

The SPP is not underwritten.

22. Directory

Registered Office

Davenport Resources Limited
Level 28, 303 Collins Street
Melbourne VIC 3000
Telephone: +61 415 065 280
E-mail:
info@davenportresources.com.au

Share Registry

Security Transfer Australia Pty Ltd
Suite 913, Exchange Tower
530 Little Collins Street
MELBOURNE VIC 3000
Telephone: 1300 992 916
Facsimile: +61 8 9315 223

SHARE PURCHASE PLAN APPLICATION FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT, PLEASE CONTACT YOUR STOCK BROKER OR LICENSED PROFESSIONAL ADVISOR.

REGISTERED OFFICE:

LEVEL 28
303 COLLINS STREET
MELBOURNE VIC 3000
AUSTRALIA

DAVENPORT RESOURCES LIMITED

ACN/ABN: 153 414 852

SHARE REGISTRY:

Security Transfer Australia Pty Ltd

All Correspondence to:

PO Box 52
Collins Street West VIC 8007



«Post_zone»
«Company_code» «Sequence_number»

T: 1300 992 916 F: +61 8 9315 2233

E: registrar@securitytransfer.com.au

W: www.securitytransfer.com.au

«Holder_name»

«Address_line_1»

«Address_line_2»

«Address_line_3»

«Address_line_4»

«Address_line_5»

Code: DAV

Holder Number:

Record Date: 20 JUNE 2018

NON-RENOUNCEABLE SHARE PURCHASE PLAN OFFER CLOSING AT 5.00PM AWST ON 24 JULY 2018
AT AN ISSUE PRICE OF \$0.07 CENTS PER SHARE UNDER THE SPP.

(1) I/We, the above mentioned, wish to apply for the number of Fully Paid Ordinary Shares which will be issued in accordance with the Share Purchase Plan (SPP) and the Constitution of the Company as stated below: (please mark "X" to indicate one choice only)

		TOTAL SUBSCRIPTION AMOUNT @ \$0.07 PER SHARE	NUMBER OF SHARES
OFFER A – Maximum amount	<input type="checkbox"/>	\$ 15,000	214,285
OFFER B	<input type="checkbox"/>	\$ 10,000	142,857
OFFER C	<input type="checkbox"/>	\$ 5,000	71,428
OFFER D	<input type="checkbox"/>	\$ 2,000	28,571
OFFER E	<input type="checkbox"/>	\$ 1,000	14,285

(2) I/We have enclosed/made payment for the amount shown above (following the payment instructions as detailed overleaf).

(3) I/We agree to be bound by the terms of the SPP.

(4) I/We hereby agree to accept any lesser number of new Shares applied for.

(5) I/We hereby certify that the amount of Shares subscribed for by me/us pursuant to the SPP (being a maximum of \$15,000 worth of Shares) does not exceed \$15,000 taking into account the Shares the subject of this application and any other Shares applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including other beneficial interests. **Limit on Participation and Custodian Certification - see overleaf for details.**

(6) My/Our contact details in case of enquiries are:

NAME

TELEPHONE NUMBER

EMAIL ADDRESS

PAYMENT INFORMATION - Please also refer to payment instructions overleaf.



Bill code: 159483

Ref: <<EFT_REFERENCE_NUMBER>>

Telephone & Internet Banking – BPAY®

Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account.
More info: www.bpay.com.au

CHEQUE / MONEY ORDER

All cheques (expressed in Australian currency) are to be made payable to **DAVENPORT RESOURCES LIMITED** and crossed "Not Negotiable".

REGISTRY DATE STAMP

E & O.E.

Your BPAY reference number is unique to this offer and is not to be used for any other offer.

BPAY PAYMENT OR THE RETURN OF THIS FORM WITH THE REQUIRED REMITTANCE WILL CONSTITUTE YOUR ACCEPTANCE OF THE OFFER.

You do not need to return this form if you have made payment via BPAY.

LODGEMENT INSTRUCTIONS

PAYMENT INFORMATION**Biller code: 159483**

© Registered to BPAY Pty Ltd ABN 69 079 137 518

Contact your bank or financial institution to make this payment from your cheque, savings, debit, or transaction account.
More info: www.bpay.com.au

Your reference number is quoted on the front of this form.

Multiple acceptances must be paid separately.

Applicants should be aware of their financial institution's cut-off time (the time payment must be made to be processed overnight) and ensure payment is processed by their financial institution on or before the day prior to the closing date of the offer. BPAY® applications will only be regarded as accepted if payment is received by the registry from your financial institution on or prior to the closing date. It is the Applicant's responsibility to ensure funds are submitted correctly by the closing date and time.

Your BPAY® reference number will process your payment to your entitlement electronically and you will be deemed to have applied for such Securities for which you have paid.

CHEQUE / MONEY ORDER

All cheques should be drawn on an Australian bank and expressed in Australian currency and crossed "Not Negotiable".

Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured.

Cheques or bank drafts drawn on overseas banks in Australian or any foreign currency will NOT be accepted. Any such cheques will be returned and the acceptance deemed to be invalid.

Do not forward cash as receipts will not be issued.

When completed, this form together with the appropriate payment should be forwarded to the share registry:

Security Transfer Australia Pty Ltd
PO Box 52
Collins Street West VIC 8007

Applications must be received by Security Transfer Australia Pty Ltd no later than 5.00pm AWST on the closing date.

LIMITATION ON PARTICIPATION

The maximum subscription limitation of \$15,000 will apply even if an eligible Holder has received more than one form (whether in respect of a joint holding or because the eligible Holder has more than one holding under separate Security accounts).

CUSTODIAN CERTIFICATION

If you are a Custodian (as defined in ASIC Class Order [CO 09/425]), you must submit a custodian certificate to DAVENPORT RESOURCES LIMITED before your application for shares is accepted. If you did not receive a custodian certificate, contact Security Transfer Australia Pty Limited. If you need further information to determine whether you are a Custodian, refer to the terms and conditions of the Plan which accompany this Share Purchase Plan Application Form or contact Security Transfer Australia Pty Limited.

CERTIFICATION

By making payment for the application monies, I/we hereby:

1. Acknowledge that I/we have read and understood the Terms and Conditions of the SPP;
2. Agree to be bound by the Constitution of the Company and the SPP;
3. Agree to accept any lesser number of new Securities than the number of Securities applied for; and
4. (If not a Custodian as defined in ASIC Class Order [CO 09/425]) Certify that the amount of Securities subscribed for by me/us pursuant to the SPP does not exceed the maximum amount taking into account the Securities the subject of this application and any other Securities applied for by me/us under the SPP or any other similar arrangement within the 12 months prior to this application including joint and other beneficial interests.

ENQUIRIES

All enquiries should be directed to the Company's share registry:

Security Transfer Australia Pty Ltd
PO Box 52, Collins Street West, VIC, 8007
Telephone 1300 992 916
Facsimile +61 8 9315 2233
Email: registrar@securitytransfer.com.au

PRIVACY STATEMENT

Personal information is collected on this form by Security Transfer Australia Pty Ltd as the registrar for securities issuers for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal details may be disclosed to related bodies corporate, to external service providers such as mail and print providers, or as otherwise required or permitted by law. If you would like details of your personal information held by Security Transfer Australia Pty Ltd or you would like to correct information that is inaccurate please contact them on the address on this form.