ASX Announcement

16th October 2018

COMPANY DETAILS
Davenport Resources Limited
ABN: 64 153 414 852
ASX CODE: DAV

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Capital Structure
143.1M Ordinary shares
16.7M Unlisted options
6.2M Performance Rights
33.2M Listed Options

Davenport Announces Inferred Potash Resource of over 1.1 Billion Tonnes for the Mühlhausen-Keula sub-area of the Mühlhausen-Nohra Mining Licence

Highlights

- **Inferred Resource of 1.13 Billion tonnes at 11.10% K_2O declared for the Mühlhausen-Keula Mining Licence.**
- **Resource comprises mostly sylvinite (834 million tonnes at 12.10% K_2O) and carnallitite (295.8 million tonnes at 8.2% K_2O).**
- **The resource also contains significant amounts of sulphate-rich and magnesium-rich potash minerals which are becoming important for the production of multi-nutrient fertilizers increasingly sought by customers.**
- **Resource contains exceptionally low levels of insoluble minerals (< 1% clays, anhydrite) which will greatly facilitate metallurgical processing.**
- **Davenport now controls over 1.7 billion tonnes (grading 11.4% K_2O) of JORC inferred resources from its Ebeleben and the southern portion of the Mühlhausen-Nohra Mining Licences.**
- **Improvements in the global potash market have recently elevated potash prices in excess of US$300 per tonne in NW Europe, SE Asia and Brazil.**

Next Steps

- Confirmation modelling work continues on the Nohra-Elende sub-area, the results of which will be released in the coming weeks.
- Davenport is planning a targeted programme to upgrade JORC Inferred Resources to Indicated Resources by carrying out confirmation and exploration drilling in selected target areas.

Davenport Managing Director Dr Chris Gilchrist said:

"This project continues to get bigger all the time. This is the second of the areas where we have sufficient data to support a JORC Inferred Resource. As with the Ebeleben licence area (ASX announcement 3rd April 2018), Micon International Co Ltd has again confirmed an extremely large and high-quality resource within the southern part of our Mühlhausen-Nohra Mining Licence. This dramatic increase in our overall JORC Inferred resources means we are well on the way to declaring Europe's largest potash resource. Equally important, is the significant quantities of minerals required for the production of high value multi-nutrient fertilisers. Further work is still ongoing, and we believe we will have more significant announcements coming in the near future".

Davenport Resources (ASX: DAV) ("Davenport", "the Company") is pleased to announce a JORC 2012 Inferred Resource of 1,130 million tonnes at 11.10% potassium oxide (K_2O) for the southern portion of its 100%-owned Mühlhausen-Nohra Mining licence in Germany's South Harz region. The resource, which is predominantly sylvinite, was confirmed by internationally-renowned consultancy Micon International Co Limited ("Micon") based on available historic exploration data.

The Mühlhausen-Nohra area was explored during the 1960s and 1970s under former GDR state control. Extensive data from a total of 29 drill holes from within the resource area and 28 drill holes from outside the area were used to support the resource estimation. The results of the resource work compare well with the historic resource estimates and exploration target values defined by Ercosplan in 2017 (DAV announcement 16th November 2017). As with our Ebeleben Mining Licence, parts of the Mühlhausen-Nohra licence area were earmarked to be developed as an extension of the adjoining Volkenroda Mine from where 27.4 Mt of potash was extracted prior to German reunification in 1991.

Mühlhausen-Nohra is one of three perpetual mining licences in the South Harz Basin that Davenport acquired recently from German government agency Bodenverwertungs-und-verwaltungs GmbH (BVVG), (Figure 1). This new JORC compliant inferred resource covers only 13.5% of the licence area under Davenport's control in Germany and lies adjacent to the Küllstedt Exploration Licence. It has already been demonstrated (*Independent Technical Assessment, CSA Global, 15th April 2016*) that the Mühlhausen resource extends well into the Küllstedt licence, and ongoing work may lead to the definition of further JORC resources in the near future.

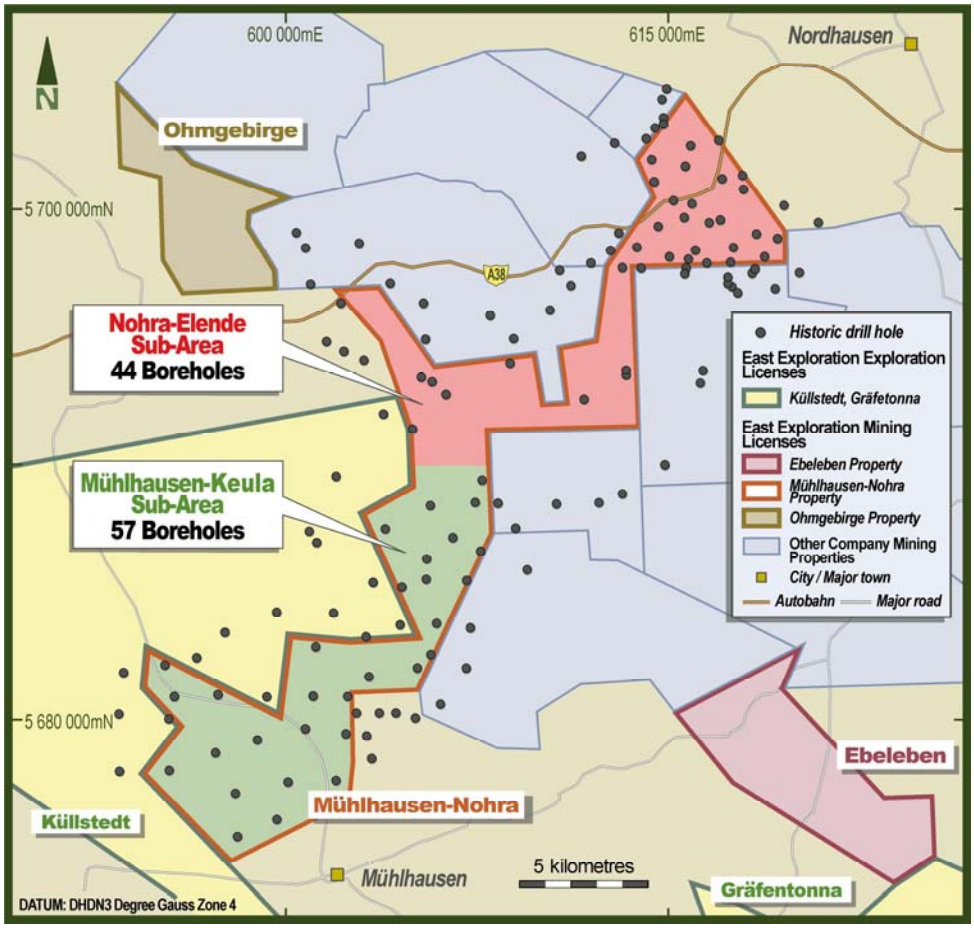

Figure 1: The Mühlhausen-Nohra mining licence comprises two sub-areas as follows: (a) Mühlhausen-Keula (Green) to the south and (b) Nohra-Elende (Red) to the north. This announcement refers solely to the JORC Inferred resource contained within the southern Mühlhausen-Keula sub-area (Green). The results of modelling within the Nohra-Elende sub-area (Red) will be announced in the coming weeks.

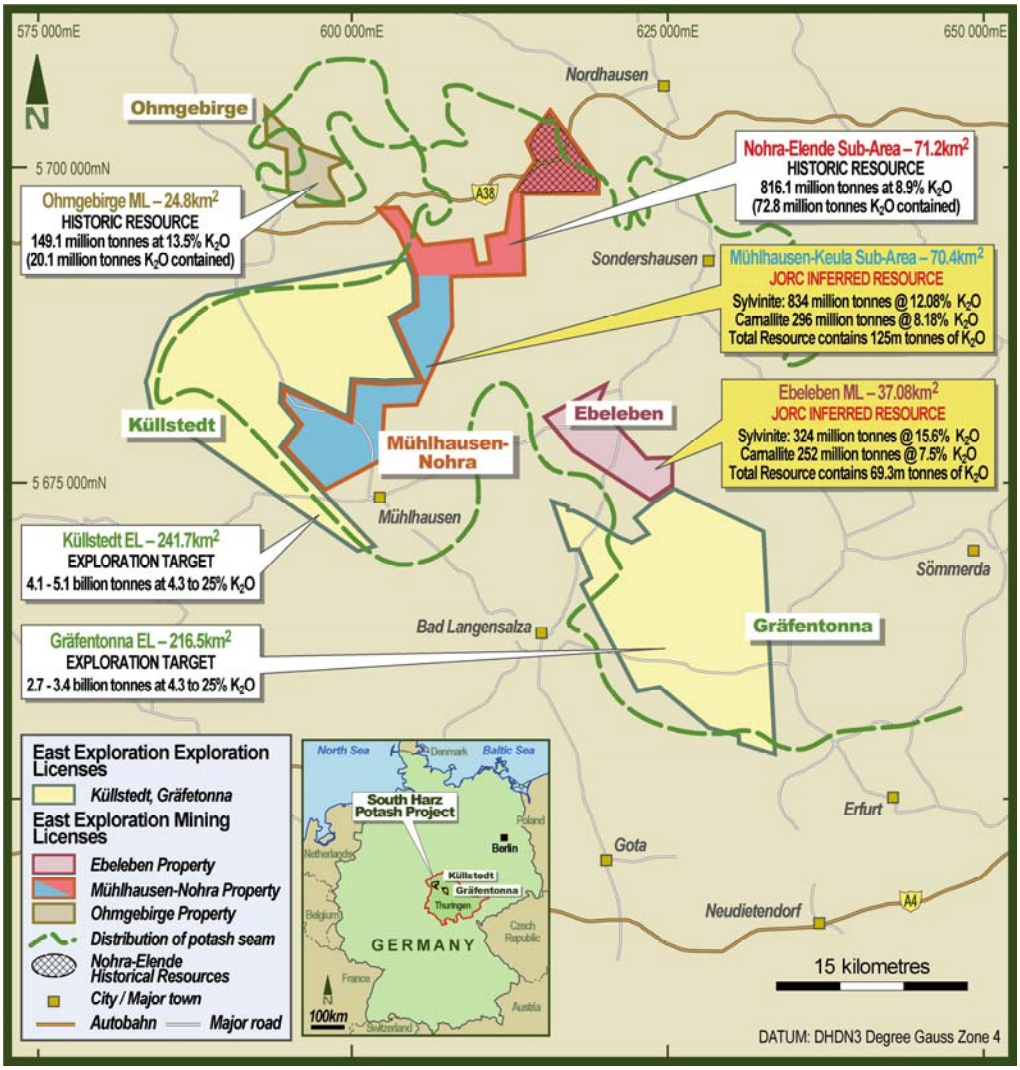

Figure 2 Location of Mühlhausen-Nohra mining license area showing adjoining mining license areas Ebeleben and Ohmgebirge. Davenport also has exploration licenses and historical drill data for the massive Küllstedt and Gräfentonna areas.

The declared resource covers the southern portion of the Mühlhausen-Nohra mining licence and has an area of 70.4 km^2. The area adjoins the western boundary of the former Volkenroda potash mine which last operated in 1991 and produced 27.4 Mt of potash.

A comprehensive exploration campaign was conducted in two stages in the 1960s and 1980s by the former GDR state potash mining authority. The drill hole database considered for the Mühlhausen-Keula sub-area consists of 57 drill holes made up of 18 hydrocarbon exploration drill holes and 39 diamond core potash exploration drill holes. (Figure 1). Not all the drill holes considered for modelling are located exclusively within the licence area. A total of 28 of the 57 Project drill holes are located outside and adjacent to the licence boundary, but sufficiently close such that they have been deemed to have a material impact in the geological modelling and mineral resource estimation process. Full drillhole logs include a detailed lithological description of the entire drill hole, which was also summarised and graphically portrayed alongside the downhole geophysical logging and assay results were available for 36 of the drill holes. Chemical assay data were available for 36 of the drillholes and geophysical logs were available for 22 drillholes, mostly made up of calliper and natural gamma.

All drill hole sampling was conducted according to the Kali-Instruktion (1956 and 1960), the German Standard Operating Procedures for evaluation of potash. Drill core samples were collected from 32 of the 39 potash drill holes. Where possible, the K_2O grade of the potash-bearing horizons was historically determined on an empirical base using the correlation with the downhole natural gamma log. Samples were collected across all potash-bearing horizons and the total sampled length represents the total thickness of the potash-bearing horizon of the z2KSt. In the potash drill holes, core sample thicknesses ranged from 0.18 m to 4.00 m. Over inhomogeneous potash horizons where interlayers of potential waste were included, the minimum sample thickness was 0.5 m and the maximum was 5.0 m. Samples were crushed to 2 mm in a jaw crusher and a representative sample was milled and crushed further to 50 µm which was assayed by ICP-OES for all elements except NaCl, which was analysed using potentiometric titration. XRD was used for mineralogy and thin sections were carried out at a local university.

Geology and modelling

The geological model and resource estimation for the Mühlhausen-Keula Sub-Area was carried out by Micon in Micromine, which is an internationally recognised software used for modelling stratiform deposits. The database used to create the geological model and mineral resource estimation was created from manual data entry of hard copy historical drill hole logs and exploration records.

The drill hole database was imported into Micromine and validated. Validation checks undertaken included checking for missing samples, mismatching sample and stratigraphy intersections, duplicate records and overlapping from-to depths. No mistakes in the database, that could not be rectified, have been identified. Once imported into Micromine, geological interpretation was carried out in 2D cross-sections and 3D downhole plots of lithology and grade. This process confirmed the correlating relationship between the drill hole logs and the geophysical logging as well as the stratigraphic-hosted nature of the potash mineralisation.

In Micromine, the chemical database was first composited according to stratigraphy, which allowed merging the mineralogical and chemical data tables. The composited database was assigned a tag column to indicate if a sample was sylvinite or carnallitite based on the mineralogical drill hole logging data and the chemical assay data.

Some drill holes did not have a full suite of chemical data, for example a number of drill holes did not have an assay result for $MgSO_4$. In these instances, a length weighted average dummy value was assigned. For missing KCl values, the K_2O value was divided by 0.63. The resultant database was composited again, this time by grade, using a minimum trigger of 5% K_2O, a minimum grade length of 2 m, a maximum total length of waste of 2 m and a 1 m maximum consecutive length of waste.

Each drill hole was then examined and, based on stratigraphy, sequence of mineralised layers and K_2O composite grades, the sylvinite or carnallitite seams were further divided into the Upper Sylvinite seam, Upper Carnallitite seam, Lower Carnallitite seam and Lower Sylvinite seam. The mineralogy of sylvinite in the Mühlhausen-Keula sub-area is varied and for the purposes of reporting includes Hartsalz.

Roof and floor grids were made for each of the four distinguished seams. The minimum and maximum x and y origins used for gridding were 592000 (min x), 5674000 (min y), 610000 (max x) and 5690800 (max y). A grid cell size of 400 was used as this best fitted the data when correlated in cross-section. An inverse distance squared gridding algorithm was used, with a circular search area and a 5,000 m search radius to cover the distance between data points, one sector and maximum 1 point per sector. The roof and floor grids were converted to wireframes surfaces (DTM).

Micon has been provided with data for drill holes located in adjoining areas outside the project licence. The surfaces were cut according to the limits of the seams that extend outward the licence boundary. The surfaces were additionally cut to the licence boundaries forming a second set of DTM surfaces for analysis.

Lastly, two sets of solid wireframes were created for Upper Sylvinite seam, Upper Carnallitite seam, Lower Carnallitite seam and Lower Sylvinite seam using the roof and floor surfaces. The first set of wireframes

represents the total extent of potash mineralisation based on complete set of data provided. The second set of wireframes represents the potash seam mineralisation cropped by the project licence boundary.

Mineral Resources

With the exception of barren drill hole Kal Mda 3/1983, the economic potash deposit covers the whole of the Mühlhausen-Keula Sub-Area.

The mineral resources have been restricted by seam thickness (>1 m), grade (>5% K_2O) and the licence area boundary.

The average modelled thickness of the Upper Sylvinite is 5.2 m and the average thickness of the Upper Carnallitite seam is 5.5 m, Lower Carnallitite seam is 2.6 m and Lower Sylvinite is 2.1 m. The minimum depth to the roof of the Upper Sylvinite is 830 m from surface in the North of the Project area and the seam is dipping gently towards South-East with the maximum depth reaching 1000 m below surface in drill hole Kal Amr 1/1976.

A grade-tonnage report was generated for the four seams using average densities obtained from historical records, specifically 2.26 t/m^3 for Upper Sylvinite and 1.88 t/m^3 for the Upper and Lower Carnallitite and 2.21 t/m^3 for the Lower Sylvinite. The grades for each wireframe are reported based on the modelled composited assay database and these were modelled using the same algorithm and parameters as the seam roof and floor surfaces. The modelled K_2O grade, the width and the roof elevation of all four seams were plotted and are included in the Micon report.

The whole of the Mühlhausen-Keula licence area has been classified as an Inferred resource based on the quality and extents of the drilling database that are sufficient to imply geological grade and continuity for eventual economic extraction. The spacing between drill holes ranges from ±800 m to ±1,900 m. A 20% geological loss was applied to the modelled tonnage to take into consideration the Inferred resource category of the mineral resources and potential for discovery of localised structure and grade variation.

The October 2018 Mineral Resources for Mühlhausen-Keula are shown in Table 1.

Table 1: Mühlhausen-Keula Mineral Resources, October 2018 (JORC, 2012)

Seam	JORC Category	ρ g/cm^3	Geol Loss (%)	Tonnage (Mt)	K_2O (%)	K_2O (Mt)	Insols (%)	Mg (%)	Na (%)	SO_4 (%)
Upper Sylvinite	Inferred	2.26	20	660	12.69	84	0.97	1.32	20.87	16.00
Upper Carnallitite	Inferred	1.88	20	233	8.53	20	0.67	4.89	18.09	6.52
Lower Carnallitite	Inferred	1.88	20	63	6.88	4	0.66	3.55	22.55	5.27
Lower Sylvinite	Inferred	2.21	20	174	9.76	17	1.07	0.95	28.02	12.31
Total Mühlhausen-Keula Sub-Area	**Inferred**			**1,130**	**11.10**	**125**	**0.97**	**1.32**	**20.87**	**16.00**

Notes:

1. Minimum seam thickness considered for resources is 1 m.
2. Minimum cut-off grade ≥5% K_2O.
3. 20% geological loss applied to account for potential unknown geological losses for Inferred resources.
4. Data source: historical state records (BVVG) checked and verified.
5. Inferred resources rounded down to nearest 100,000 t.
6. Errors may exist due to rounding.

The total JORC-compliant Inferred Resources declared by Micon as a result of modelling the drill hole data in both the Ebeleben and Mühlhausen-Keula areas are shown in Table 2 below. Total resources held under the JORC 2012 Inferred category now stand at approximately 1.7 billion tonnes containing 194 Mt K_2O. Davenport anticipates that this will increase further in the coming weeks with the completion of modelling work on the Nohra-Elende sub-area and through exploration of the Küllstedt and Gräfentonna areas in future years.

Table 2: Total JORC 2012 Inferred Resources to October 2018 held by Davenport.

Seam	Tonnage (Mt)	K_2O (%)	K_2O (Mt)
Sylvinite	324.0	15.6	50.4
Carnallitite	252.6	7.5	18.9
Total Ebeleben	**576.6**	**12.1**	**69.3**
Sylvinite	834.3	12.1	100.7
Carnallitite	295.8	8.2	24.2
Total Mühlhausen-Keula	**1,130.1**	**11.1**	**124.9**
Total Davenport JORC Inferred Resources to Date	**1706.7**	**11.4**	**194.2**

Ongoing & Future Work

Work is ongoing to review the historic drill hole data from the northern portion of the Mühlhausen-Nohra Licence with an aim to convert historic resources to JORC 2012 compliant resources. This work is nearing completion and is expected in the coming weeks. In addition, the company has begun the process to collate and review new drill hole data from the Küllstedt Exploration Licence area to identify areas that could meet JORC Inferred compliance.

The next steps for Davenport are to upgrade JORC Inferred Resources to JORC Indicated Resources by carrying out confirmation and exploration drilling in selected target areas during early 2019. Progress is being made with local authorities and landowners to obtain permission to drill and a drilling contractor has been selected. Davenport expects to release an update on the preparations for drilling in the near future. Davenport expects the number of drill holes required for this purpose will not exceed four.

INVESTOR & MEDIA ENQUIRIES

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Competent Person Statement

Elizabeth de Klerk M.Sc., Pr.Sci.Nat., SAIMM., Micon's Senior Geologist and Competent Person visited the South Harz Potash project from 12th to 16th February 2018 and 6th to 8th March 2018. During the initial site visit, the historical drilling area and laboratory facilities at K-Utec Salt Technologies Ltd in Sondershausen were visited. The original drill hole logs, reports, maps and cross-sections held in the Bodenverwertungs and verwaltungs GmbH (BVVG) archives in Berlin were also inspected. In addition, Mrs. de Klerk interviewed the Ercosplan team at their offices in Erfurt to understand how the data were used to compile an Excel database and generate an initial Exploration Target for Mühlhausen-spelling. The second site visit involved more time spent at K-Utec inspecting additional historical records for Mühlhausen-Keula held in the archives at the offices of K-Utec Salt Technologies Ltd in Sondershausen.

JORC Code, 2012 Edition – Table 1

Mühlhausen-Keula Sub-Area,

Mühlhausen-Nohra Mining License

Micon International Co Limited. Suite 10, Keswick Hall, Keswick, Norwich, Norfolk, U.K., NR4 6TJ
Telephone (44) (1603)-501501 Fax (44) (1603)-507007 E-mail office@micon-international.co.uk. Registered no. 4026319, England.

Figure 1: Drill Hole Plan of the Mühlhausen-Keula and Nohra-Elende Sub-Areas of the Mühlhausen-Nohra Mining Licence

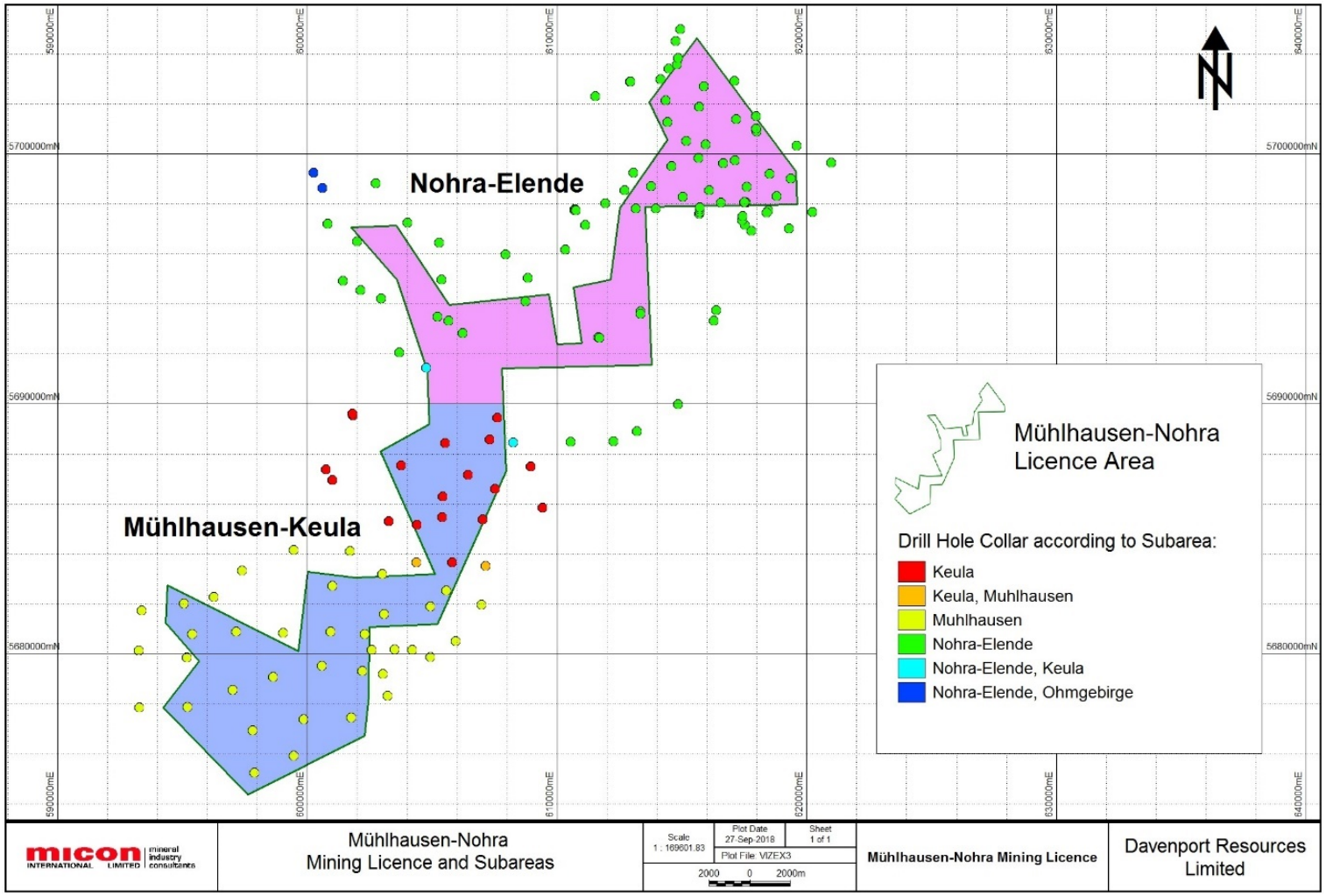


Figure 2: Drill Hole Positions and Main Mineral Distribution within the Mühlhausen-Keula Sub-Area

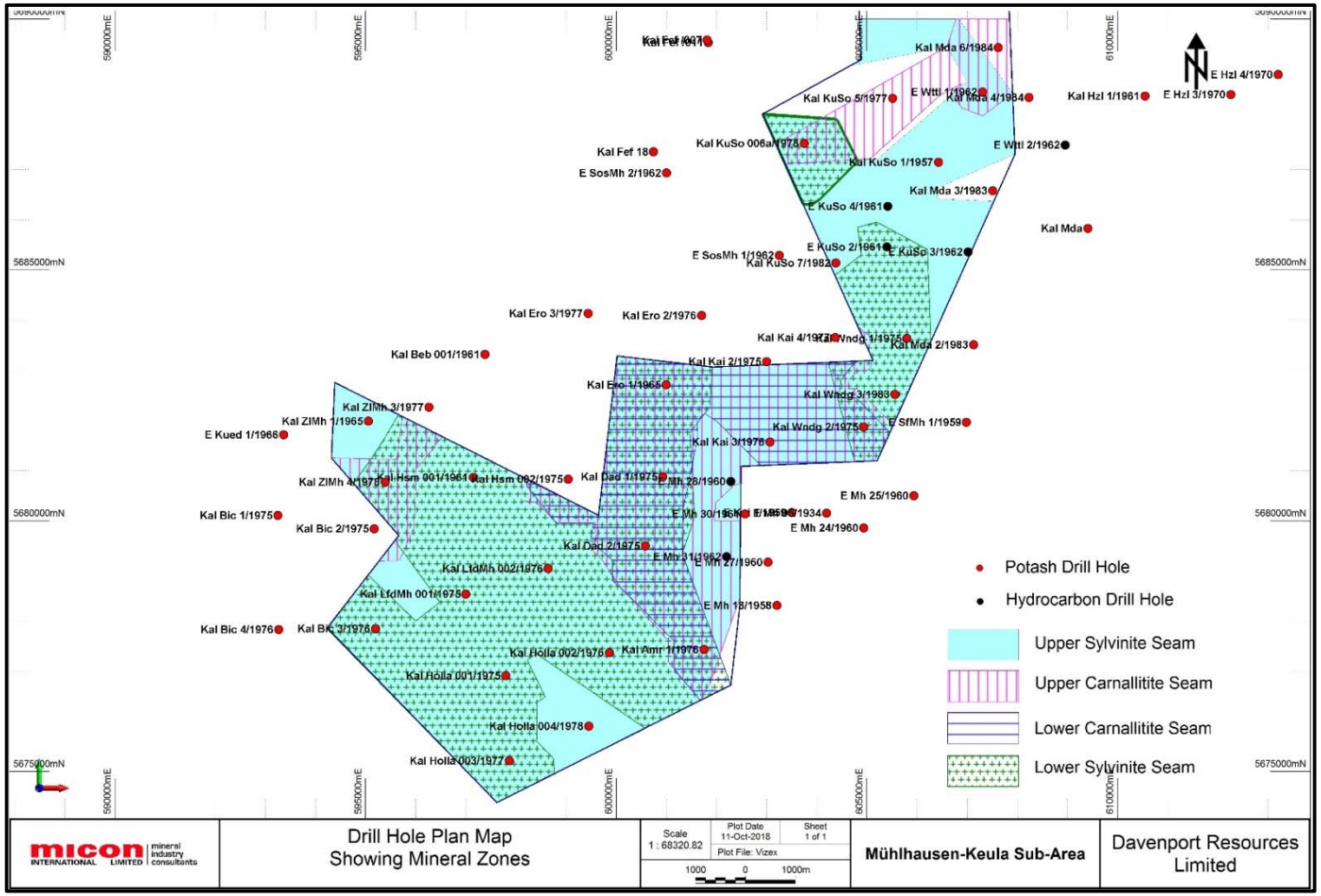


Figure 3: K_2O Grade Distribution in the Upper Sylvinite Seam, Mühlhausen-Keula Sub-Area

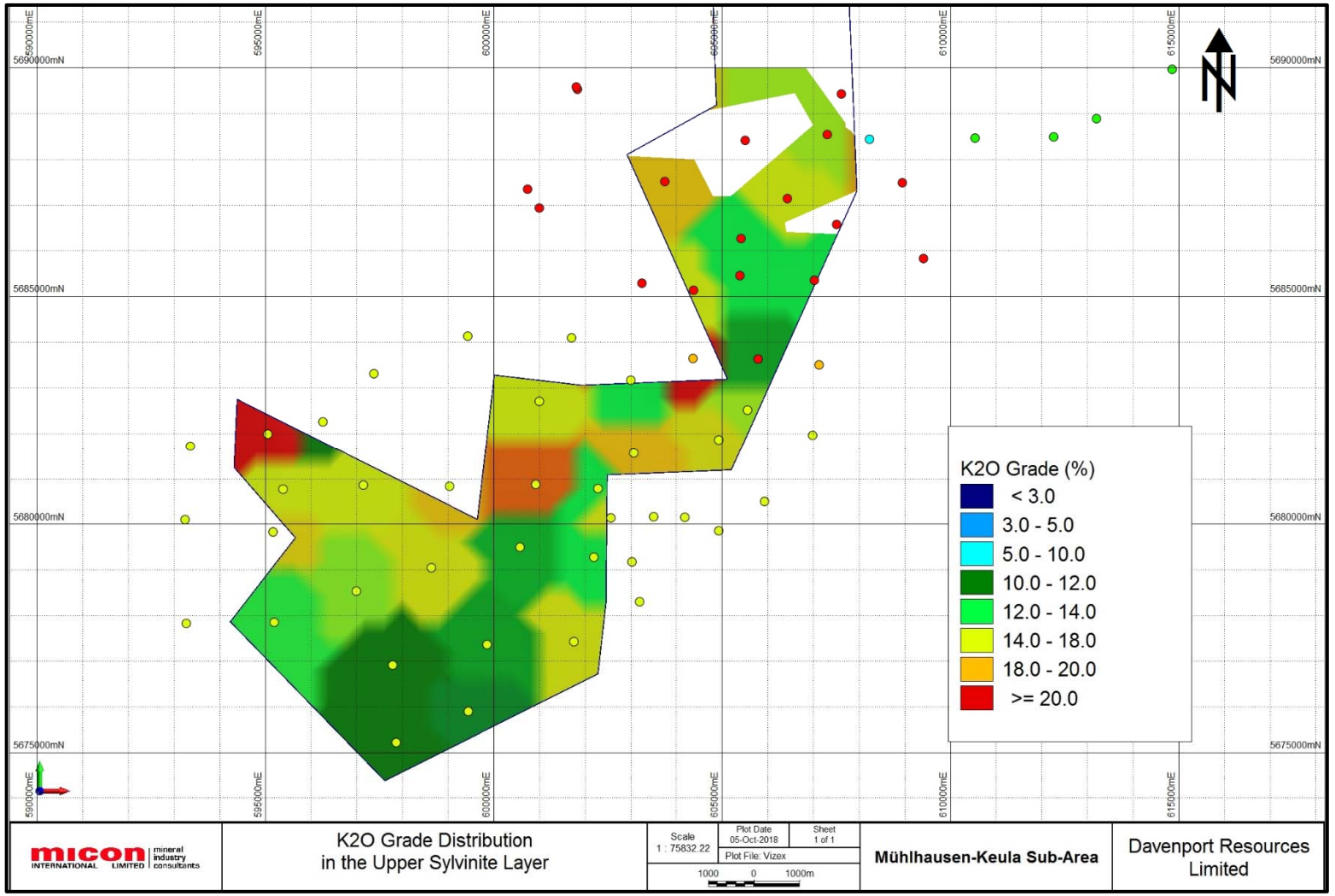


Figure 4: Thickness Distribution in the Upper Sylvinite Seam, Mühlhausen-Keula Sub-Area

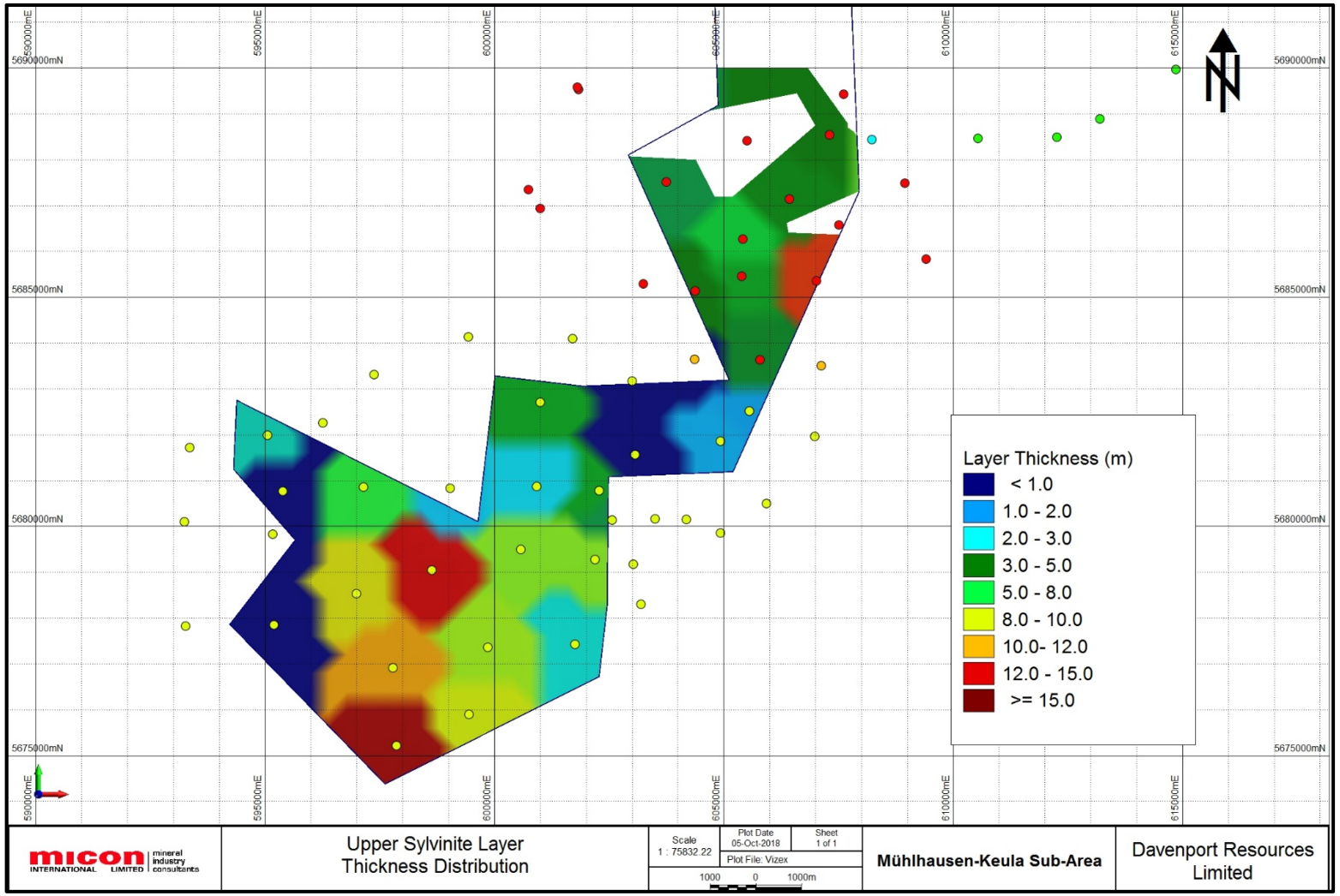


Figure 5: Upper Sylvinite Seam Roof Elevation, Mühlhausen-Keula Sub-Area

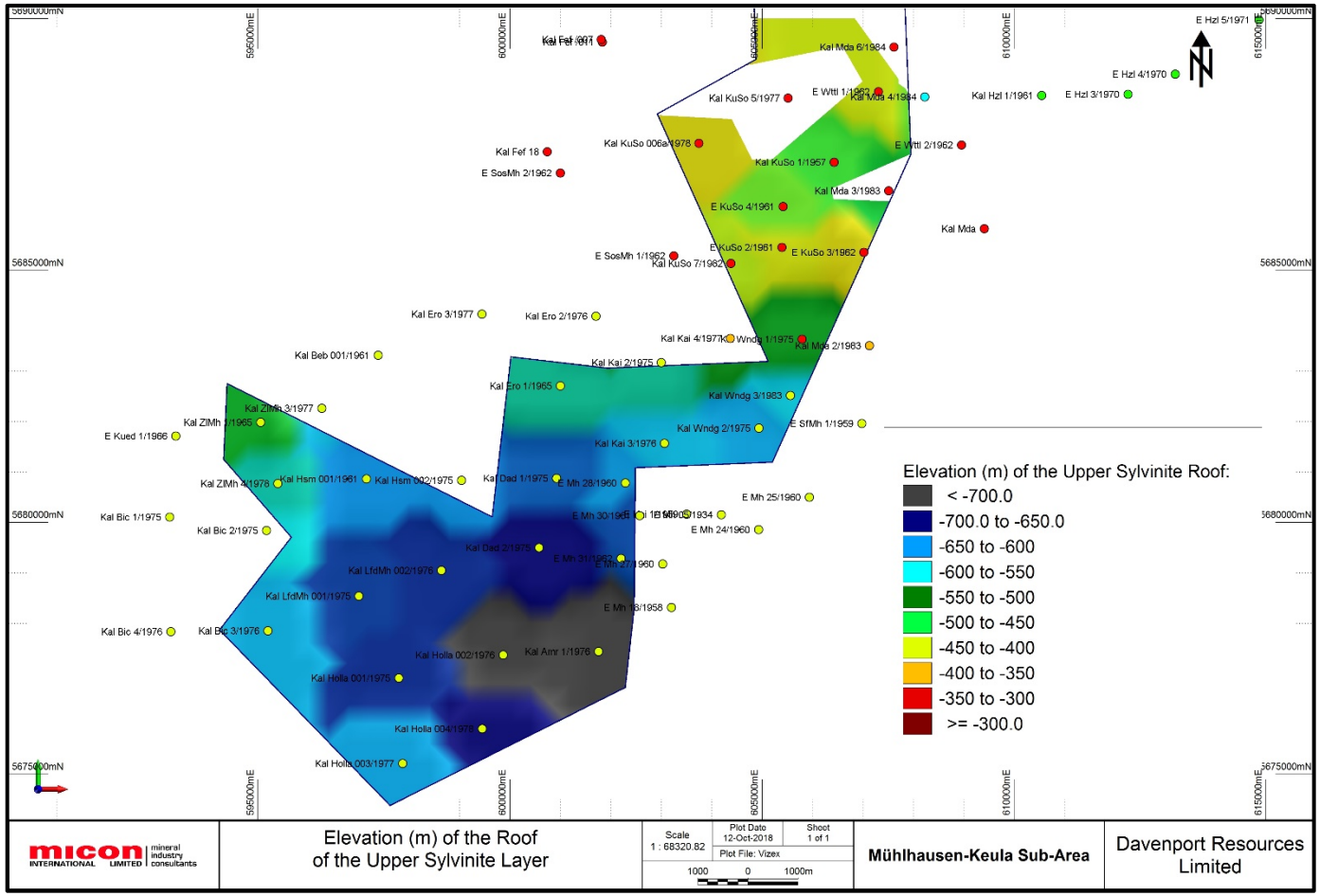


Figure 6: Upper Sylvinite Seam Roof Elevation, Mühlhausen-Keula Sub-Area

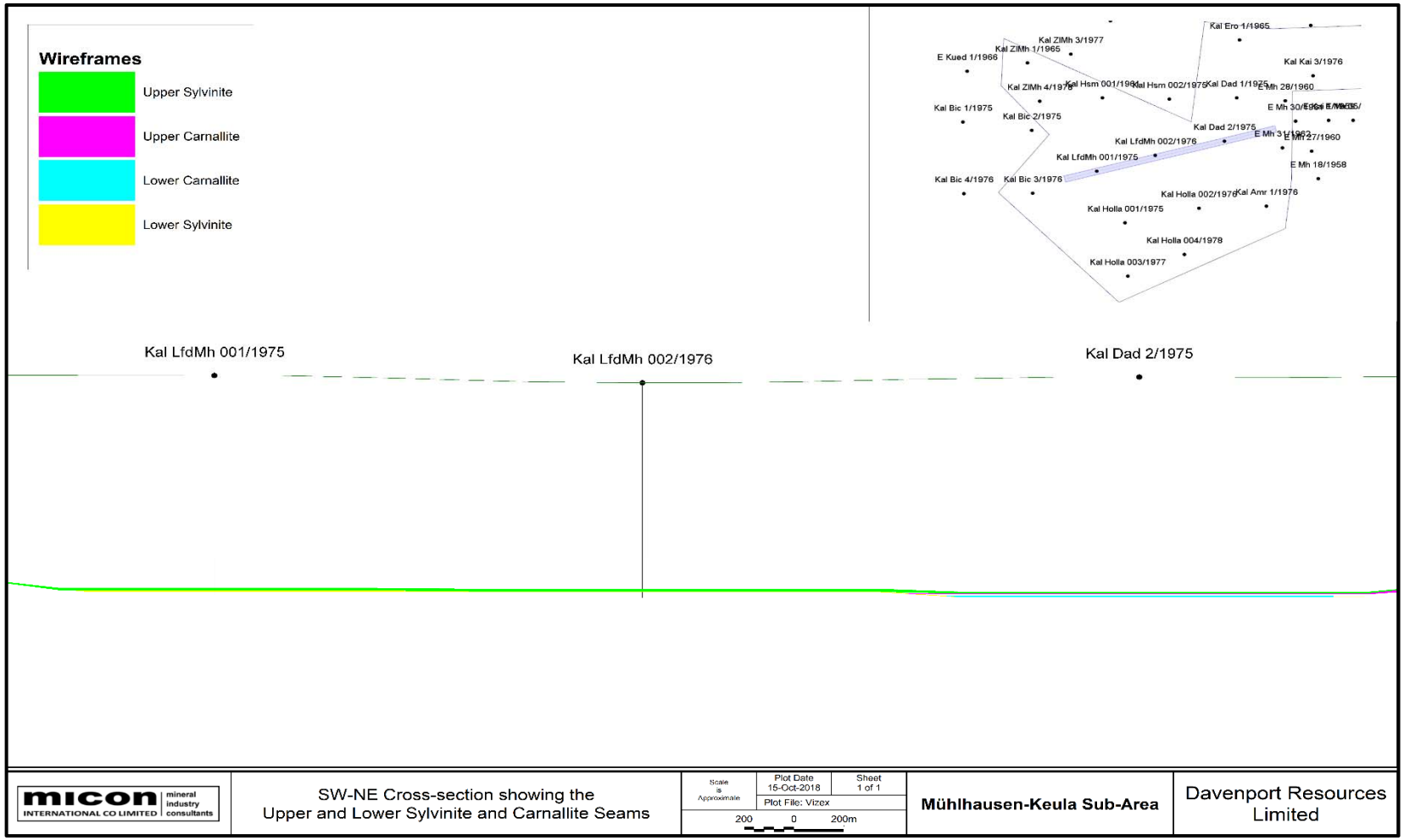
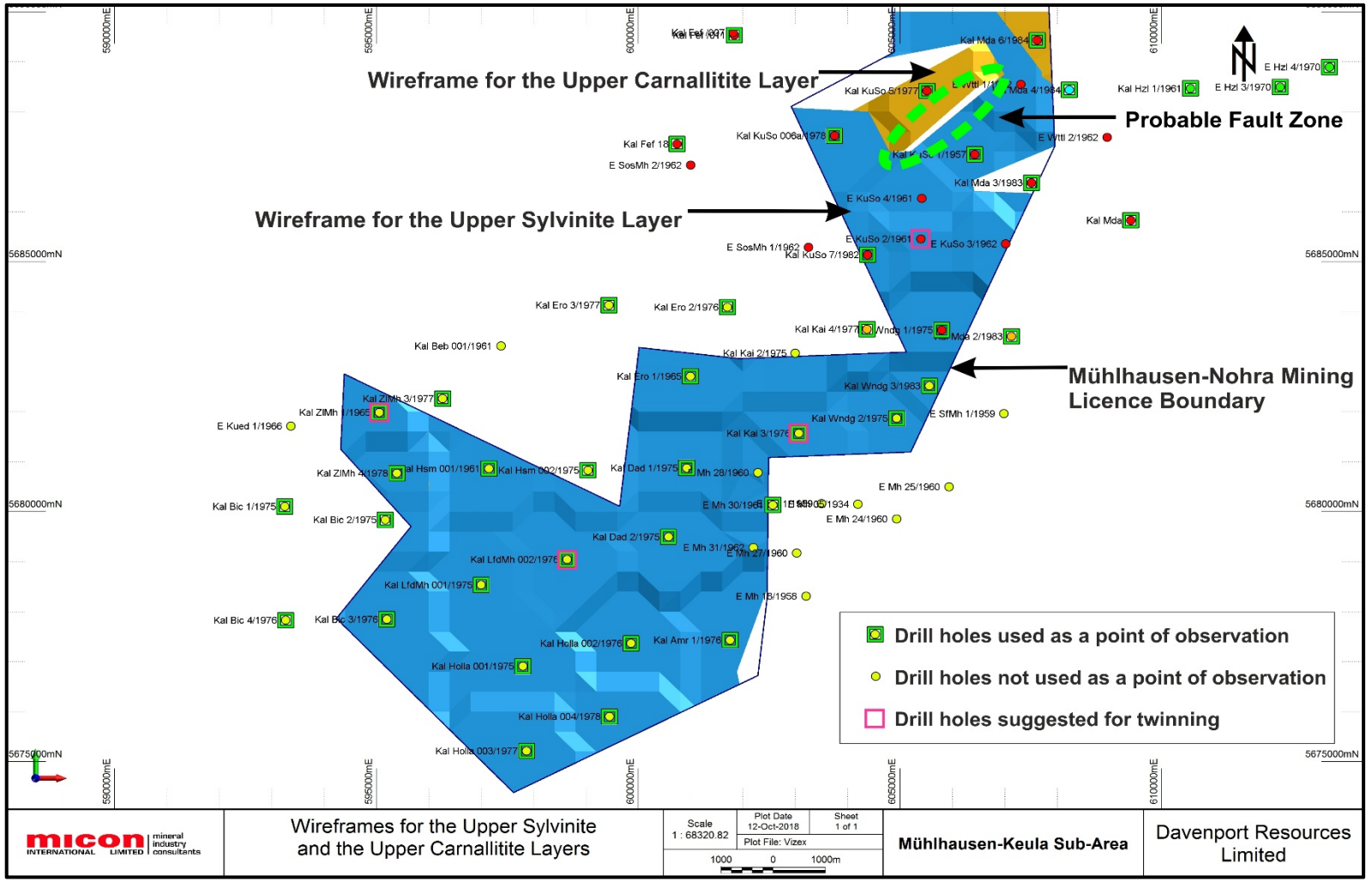


Figure 7: Upper Sylvinite & Carnallitite Seams with Historic Drillholes, Mühlhausen-Keula Sub-Area



Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	All samples were taken during historical drilling campaigns predominantly carried out during the 1960's and 1970's with six holes drilled in the 1980's. Sample data exists from seven hydrocarbon drill holes that were geophysically logged and 35 diamond core drill holes ('potash drill holes') that produced core samples.
	Include reference to measures taken to ensure sample retrospectivity and the appropriate calibration of any measurement tools or systems used.	Information about the calibration of the geophysical downhole tools is not available. Core recovery logs were kept for the core drill holes, showing measurements taken by the drillers and geologists, which were checked and correct against the geophysical logs.
	Aspects of the determination of mineralisation that are Material to the Public Report. *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may*	All drill-hole sampling was conducted according to the Kali-Instruktion (1956 and 1960). No core samples were taken from the hydrocarbon drill holes. Core samples were taken from 35 of the potash drill holes. Where possible, the K_2O grade of the potash-bearing horizons was determined on an empirical base using the correlation with the downhole natural gamma log. Samples were taken across all potash-bearing horizons and the total sampled length represents the total thickness of the potash-bearing horizon of the z2KSt. In the potash drill holes, core sample thickness ranges from 0.18 m to 4.00 m. Over inhomogeneous potash horizons where interlayers of potential waste were included, the minimum sample thickness was 0.5 m and the maximum was 5 m. Samples were crushed to 2 mm in a jaw crusher and a representative sample was milled and crushed further to 50 µm which was assayed by Induced Coupled Plasma Optical Omission Spectrometry (ICP-OES) for all elements except NaCl which was tested using

	warrant disclosure of detailed information.	potentiometric titration. X-Ray Diffraction (XRD) was used for mineralogy and thin sections were carried out at a local university.
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	The 39 cored potash drill holes were drilled using a Type C 1500 rig in the 1960s, and T50A and Sif 1200 rigs in the 1980s producing core with diameters of 108 mm and 65 mm respectively. The 18 hydrocarbon drill holes were drilled using T-50, BU-40 and BU-75 rigs producing core with diameters of 114 mm, 118 mm, 143 mm and 193 mm. All drill holes were drilled vertically with minor deviations in some drill holes at depth. Drilling from surface used tricone bits through the overburden and upper stratigraphy, switching to core through the potash-bearing horizons to the end of hole (EOH). Clay mud was used as the drilling fluid through the overburden sections in potash drill holes and a NaCl-saturated drilling fluid was used through the salt horizons. Casing was used through the overburden.
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.*	It is apparent that the core recovery was monitored by the project geologist on site at the time of drilling and this recorded in the historical logs. From the data available, which is not easily interpreted, the core recoveries appear satisfactory (approx. 97%). Lithological and stratigraphic intersections were subsequently corrected using the geophysical logging results.
	Measures taken to maximise sample recovery and ensure representative nature of the samples.	Information about maximising sample recovery is not currently known, but may be available in historical German documents.
	Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	Sampling was conducted according to the stratigraphic interpretation of the core using the downhole geophysical logging as a depth guide. Axial drilling into the drill core with a spiral drill was conducted to contain pulverised material for chemical and mineralogical analysis.

Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.*	Core samples were geologically logged in detail and full and summary drill-hole logs were produced in both written and graphical format. Information recorded on the drill-hole logs included lithological depths, stratigraphic interpretation, and sampling information.
	Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.	Full drill-hole logs include a detailed lithological description of the entire drill hole, which was also summarised and graphically portrayed alongside the downhole geophysical logging and assay results. Logs are available for 32 drill holes and geophysical logs are available for 16 drill holes, mostly made up of calliper and natural gamma with the full suite of geophysical results available for at least two drill holes. Geophysical logging speed is recorded as 2.5 m/min and 7 m/min.
	The total length and percentage of the relevant intersections logged.	The complete core intersection was logged on a millimetre scale.
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.*	Axial drilling into the drill core with a spiral drill was conducted to obtain pulverised material for chemical and mineralogical analysis.
	If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.	Not applicable.
	For all sample types, the nature, quality and appropriateness of the sample preparation technique.	All drill-hole sampling was conducted according to the Kali-Instruktion (1956 and 1960).
	Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.	Samples were homogenised to ensure a representative sample was assayed (see section above on sampling).
	Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for	No field duplicates were taken. Thicknesses of the potash-bearing horizons were confirmed by the geophysical logging and the full length of the potash was sampled.

	field duplicate/second-half sampling.	
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes are considered appropriate to the material being sampled, which is bulk mineralisation.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	Samples were sent to the VEB Kombinat Foundation of Potash Research Institute, now known as K-Utec AG Salt Technologies. Samples were assayed by ICP-OES for all elements except NaCl which was tested using potentiometric titration.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	This information is not currently known, but may be available in untranslated historical German documents.
	Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Quality control was insured by technical representatives from several state institutions at the time who checked the sampling procedures and laboratory results.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	For all exploration work conducted post-1950, quality assurance and quality control (QAQC) procedures performed at Mühlhausen-Nohra was conducted by independent state institutions and quality checked by VEB Kombinat Kali company professionals. Detailed information regarding the cross-check analysis that is reported to have occurred on the Mühlhausen drill-hole data is not currently available to Micon and may exist in the archives in Germany.
	The use of twinned holes.	No twin drilling has taken place.

	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	Original drill-hole logs were recorded on paper, using a combination of handwritten and typed records. Copies of the drill-hole logs (including the summary logs and geophysical logging etc) were distributed to several institutions around Germany, including BVVG, Ercosplan and K-Utec, many of which are still stored in the archives and available for review. The header for each drill-hole lists have not all been located, but those that are have been were reviewed in person by Micon and Davenport. No original drill core or sample pulps are still available.
	Discuss any adjustment to assay data.	Assay data was not adjusted in any way. K_2O grades for the hydrocarbon drill holes were interpreted from the natural gamma logs.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Drill-hole collars were surveyed by the state surveyor subsequent to drilling and given with centimetre to decimetre accuracy. Records of collar positions were obtained from drill-hole logs and state archives.
	Specification of the grid system used.	Drill-hole coordinates were recorded in local a German coordinate system, which is a 3-degree Gaus Kruger zone 4 projection with a DHDN datum and an East Germany local transformation to 2 m (EPSG-Code 31, 468). For the purposes of this resource estimation the coordinates have been converted to UTM Zone 32 North.
	Quality and adequacy of topographic control.	No topographic survey exists for the project area, which is flat lying to gently undulating.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The drill-hole spacing in the Mühlhausen-Keula sub-area ranges from ±700 m to ±1,800 m.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The spacing of drill holes and samples is considered sufficient to imply geological and grade continuity based on information obtained from historical drill holes and samples.

	Whether sample compositing has been applied.	Samples were not composited prior to laboratory test work.
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	All drill holes are vertical with only minor deviations at depth as discussed above. The potash-bearing horizons are horizontal with only minor gentle undulations and the sample thicknesses are considered to represent true thickness without requiring correction.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	The potash seam at Mühlhausen-Keula is horizontal to sub-horizontal and all thicknesses from the vertical drill holes have been treated as true thickness.
Sample security	*The measures taken to ensure sample security.*	No information is available about sample security, although it is noted that the historical drilling programmes were conducted with a very high level of technical capability with experienced geologists and drillers. The laboratory used (K-Utec) is regarded as one of the most experienced salt technological facilities in the world.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	Original analytical results retained in the K-Utec archives were reviewed where possible and compared with historical records stored at the BVVG archives. No original core or sample material is available, however, the available data is of sufficient quality to support an Inferred Resource.

Section 2 Reporting of Exploration Results

Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	Davenport Resources Limited is a publicly listed company on the Australian Securities Exchange and holds the Mühlhausen-Nohra mining licences through its wholly owned subsidiary East Exploration GmbH. The Mühlhausen-Keula mining licence is located within the South Harz Potash District of the Thuringian Basin, Germany.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	There are no known impediments to the security of the tenure that Davenport have over the Mühlhausen-Keula sub-area. The Mühlhausen-Nohra mining licence is perpetual in nature, not subject to expiry and is valid to explore for and produce 'potash, including (associated) brine' with no applicable statutory royalties. The Mühlhausen-Nohra Mining Licence Deed No. is 1077/95-611 and has an area of 141.6049 km^2
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	All of the exploration conducted on Mühlhausen-Keula is historical. The first recorded evidence of exploration drilling on the Mühlhausen-Nohra mining licence is from drill hole Kal Möhrbach 1/1890, drilling of which commenced in 1889, following the completion of which a further 14 drill holes were drilled during the 1890's. All of the other exploration drilling was conducted by the former GDR. Various parties were involved, most of which combined to form VEB Kombinant after reunification.

Criteria	JORC Code explanation	Commentary
Geology	*Deposit type, geological setting and style of mineralisation.*	The Mühlhausen-Nohra mining licence is located in the Südharz (South Harz) Potash District in the north-western extent of the Thuringian sedimentary basin, which has been separated by the uplift of the northerly Harz Mountains from the South Permian Basin (SPB). The regional stratigraphy of the South Permian Basin is fairly well understood with a pre-Variscan basement (Upper Carboniferous and older rocks) and a transition horizon of Upper Carboniferous to Lower Permian lying beneath an expansive sequence of evaporite rocks of the Upper Permian succession. These evaporite deposits are assigned to the Zechstein Group, and host the target potash mineralisation of the South Harz Potash District which occurs on the Mühlhausen-Keula mining licence. The potash-bearing target Zechstein Group consists of seven depositional cycles with the potash mineralisation of the South Harz Potash District hosted within the second cycle, the Staßfurt Formation (Z2). The Z2 is further sub-divided into horizons, of which the Kaliflöz Staßfurt (z2KSt) hosts potentially economic potash. The z2KSt is split into a Hanging Wall Group that has 11 to 19 horizons of finely layered potassium salts and a Footwall Group that has 1 to 10 coarsely layered potassium salts and thick halite layers. The z2KSt is present across the whole of Mühlhausen-Keula sub-area apart from one barren drill hole (Kal Mda 3/1983) and has an average thickness of 18.2 m. The main mineral present on Mühlhausen-Keula is carnallite with additional sylvite, or Hartsalz present in various areas. There are also lesser amounts of glaserite, langbeinite, halite, polyhalite, anhydrite and kieserite.
Drill hole Information	*A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:*	The drill-hole database for Mühlhausen-Keula is made up of 57 historical drill holes. A table showing the key drill hole information can be found below:

Criteria	JORC Code explanation	Commentary

Hole ID	Location	Easting (UTM 32N)	Northing (UTM 32N)	EOH (m)	From (m)	To (m)	Width (m)	K_2O (%)
E Kai 1/1959	Off Licence	603503	5680159	1055.40	No assay, no geophysical data			
E KuSo 2/1961	Licence	605398	5685454	1037.20	876.51	880.47	3.96	13.30
E KuSo 2/1961	Licence	605398	5685454	1037.20	899.50	907.57	8.07	10.04
E KuSo 3/1962	Licence	607021	5685357	1546.60	865.70	877.40	11.70	12.18
E KuSo 4/1961	Licence	605419	5686263	1056.40	900.20	904.80	4.60	12.18
E Kued 1/1966	Off Licence	593368	5681713	985.30	No chemistry or geophysical data			
E Mh 05/1934	Off Licence	604194	5680148	1258.40				
E Mh 18/1958	Off Licence	603205	5678308	1077.00				
E Mh 24/1960	Off Licence	604934	5679855	1582.10				
E Mh 25/1960	Off Licence	605938	5680499	1516.00				
E Mh 27/1960	Off Licence	603030	5679174	1039.00				
E Mh 28/1960	Licence	602289	5680780	1274.15				
E Mh 28/1960	Licence	602289	5680780	1274.15	960.06	963.81	3.75	13.30
E Mh 28/1960	Licence	602289	5680780	1274.15	966.36	973.79	7.43	8.15
E Mh 30/1961	Off Licence	602572	5680134	1078.50	967.20	970.00	2.80	14.50
E Mh 31/1962	Licence	602201	5679279	1320.90	960.60	967.76	7.16	12.18
E Mh 31/1962	Licence	602201	5679279	1320.90	967.76	977.76	10.00	8.72
E SfMh 1/1959	Off Licence	606982	5681958	1043.00	No chemistry or geophysical data			
E SosMh 1/1962	Off Licence	603251	5685286	1011.00				
E SosMh 2/1962	Off Licence	601002	5686931	968.20				
E Wttl 1/1962	Licence	607308	5688545	963.50	859.25	864.14	4.89	13.30
E Wttl 2/1962	Off Licence	608958	5687483	1343.20	No chemistry or geophysical data			
Kal Amr 1/1976	Licence	601756	5677433	1061.47	1020.45	1028.84	8.39	8.93
Kal Amr 1/1976	Licence	601756	5677433	1061.47	1034.14	1038.66	4.52	8.07
Kal Beb 001/1961	Off Licence	597382	5683314	965.50	No chemistry or geophysical data			
Kal Bic 1/1975	Off Licence	593249	5680102	951.04	900.28	903.75	3.47	11.63
Kal Bic 1/1975	Off Licence	593249	5680102	951.04	912.03	915.10	3.07	6.06
Kal Bic 1/1975	Off Licence	593249	5680102	951.04	926.76	929.84	3.08	6.17
Kal Bic 2/1975	Off Licence	595169	5679835	1036.75	903.47	905.36	1.89	10.75
Kal Bic 3/1976	Licence	595199	5677847	982.56	917.00	923.06	6.06	12.30

Criteria	JORC Code explanation	Commentary

Kal Bic 4/1976	Off Licence	593269	5677828	933.71	903.48	904.25	0.77	9.30
Kal Dad 1/1975	Licence	600926	5680874	1004.30	958.84	976.10	17.26	8.96
Kal Dad 1/1975	Licence	600926	5680874	1004.30	982.30	985.75	3.45	5.99
Kal Dad 2/1975	Licence	600578	5679497	1020.45	976.58	986.47	9.89	9.72
Kal Dad 2/1975	Licence	600578	5679497	1020.45	995.00	999.99	4.99	6.28
Kal Ero 1/1965	Licence	600997	5682707	1003.50	946.50	953.05	6.55	10.77
Kal Ero 1/1965	Licence	600997	5682707	1003.50	954.20	958.60	4.40	6.52
Kal Ero 2/1976	Off Licence	601705	5684091	994.50	960.27	964.10	3.83	10.79
Kal Ero 3/1977	Off Licence	599442	5684129	1008.00	945.28	946.79	1.51	17.13
Kal Ero 3/1977	Off Licence	599442	5684129	1008.00	983.66	985.31	1.65	5.86
Kal Fef 18	Off Licence	600742	5687353	882.00	841.90	872.10	30.20	10.24
Kal Fef /007	Off Licence	601812	5689578	561.60	No chemistry or geophysical data			
Kal Fef /011	Off Licence	601834	5689529	633.00	570.28	628.28	58.00	10.55
Kal Holla 001/1975	Licence	597797	5676908	995.55	961.86	975.37	13.51	10.13
Kal Holla 002/1976	Licence	599864	5677366	1060.57	1023.96	1031.41	7.45	10.89
Kal Holla 002/1976	Licence	599864	5677366	1060.57	1032.83	1034.19	1.36	6.79
Kal Holla 003/1977	Licence	597870	5675213	959.82	937.61	941.55	3.94	6.39
Kal Holla 003/1977	Licence	597870	5675213	959.82	943.27	946.67	3.40	7.60
Kal Holla 004/1978	Licence	599451	5675901	980.42	945.45	953.62	8.17	9.99
Kal Hsm 001/1961	Licence	597151	5680862	1001.40	963.67	972.28	8.61	11.05
Kal Hsm 002/1975	Off Licence	599040	5680829	988.71	949.60	958.58	8.98	9.79
Kal Kai 2/1975	Off Licence	603001	5683170	1210.47	985.06	987.49	2.43	8.17
Kal Kai 3/1976	Licence	603066	5681564	1014.80	982.52	983.46	0.94	13.92
Kal Kai 3/1976	Licence	603066	5681564	1014.80	984.63	984.86	0.23	6.40
Kal Kai 4/1977	Off Licence	604371	5683648	995.88	945.00	953.50	8.50	7.70
Kal Kai 4/1977	Off Licence	604371	5683648	995.88	959.65	970.30	5.16	5.47
Kal KuSo 1/1957	Licence	606430	5687145	1006.48	892.30	895.55	3.25	14.36
Kal KuSo 5/1977	Licence	605516	5688414	855.70	803.90	805.02	1.12	9.40

Criteria	JORC Code explanation	Commentary

Kal KuSo 006a/1978	Licence	603748	5687518	916.00	864.33	873.02	8.69	14.53
Kal KuSo 7/1982	Licence	604381	5685138	948.30	923.60	926.66	3.06	14.21
Kal LfdMh 001/1975	Licence	597002	5678535	997.38	965.56	974.18	8.62	13.44
Kal LfdMh 001/1975	Licence	597002	5678535	997.38	977.27	980.90	3.63	8.40
Kal LfdMh 002/1976	Licence	598640	5679043	976.00	937.14	950.90	13.76	14.54
Kal Mda	Off Licence	609408	5685827	1070.00	977.78	983.81	6.03	18.70
Kal Mda 2/1983	Off Licence	607129	5683504	966.13	Barren (based on chemistry)			
Kal Mda 3/1983	Licence	607513	5686576	954.24	919.71	920.57	0.86	20.48
Kal Mda 4/1984	Off Licence	608233	5688437	933.86	870.04	876.71	6.67	18.72
Kal Wndg 1/1975	Licence	605796	5683633	967.06	930.45	937.72	7.27	8.97
Kal Wndg 2/1975	Licence	604938	5681865	1044.39	993.93	1010.58	16.65	9.41
Kal Wndg 2/1975	Licence	604938	5681865	1044.39	1017.15	1022.21	5.06	5.81
Kal Wndg 3/1983	Licence	605563	5682516	1006.72	975.47	978.95	3.48	9.86
Kal ZlMh 1/1965	Licence	595053	5681985	973.20	889.50	891.85	2.35	26.43
Kal ZlMh 3/1977	Off Licence	596267	5682259	949.53	905.57	914.91	9.34	11.72
Kal ZlMh 4/1978	Licence	595394	5680767	955.30	920.64	924.66	4.02	14.57

Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.*	The chemical analysis for Mühlhausen-Keula was composited according to stratigraphy (z2KSt). A minimum cut-off grade of 5% K_2O was applied to delineate the limits of the potash-bearing horizon within the z2KSt. A weighted average K_2O grade for each drill hole was calculated against sample length with a 2 m minimum grade length, a 2 m maximum total length of waste and a 1 m maximum consecutive length of waste allowed.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	Waste was included in the grade composite with a 2 m maximum total length of waste and a 1 m maximum consecutive length of waste allowed.

Criteria	JORC Code explanation	Commentary
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents were used or reported.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	All drill holes are vertical with only minor deviations at depth as discussed above. The potash-bearing horizons are horizontal with only minor gentle undulations and the sample thicknesses are considered to represent true thickness without requiring correction.
	If the geometry of the mineralisation with respect to the drill-hole angle is known, its nature should be reported.	
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').	
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill-hole collar locations and appropriate sectional views.*	Diagrams included in the body of the report.
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	All available drill hole information was used. Mühlhausen-Keula has been reported as a mineral resource, see Section 3 of Table 1.

Criteria	JORC Code explanation	Commentary
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	As well as the potash and hydrocarbon drill hole information described above, hydrogeological, geotechnical and seismic studies have also been conducted on Mühlhausen-Keula. The details and results of these projects are written up in the historical archived reports and have not been reviewed by the author as they require translation into English.
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	The current mineral resources are the full extent of the Mühlhausen-Keula sub-area within the Mühlhausen-Nohra mining licence. Future work should include five to six twin drill holes to confirm the historical grades, possibly accompanied by a seismic survey or a detailed review of the results of the historical seismic survey. .
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	At this stage of the project the focus is on increasing confidence and not area of the resource. Positions of suggested holes to be twinned are shown on Figure 7 above.

Section 3 Estimation and Reporting of Mineral Resources

(Criteria listed in section 1, and where relevant in section 2, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Database integrity	*Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.*	The database used to create the geological model and mineral resource estimation was created from manual data entry of hard copy historical drill-hole logs and exploration records. The Excel database was cross-checked against the original drill-hole logs in the BVVG and K-Utec archives in Berlin and Sondershausen respectively.
	Data validation procedures used.	When the Excel database is imported into Micromine® modelling software, a data validation exercise is run that includes checking for missing samples, mis-matching samples and stratigraphy intersections, duplicate records and overlapping from-to depths. In addition, and where possible the sum of chemical compounds was checked to ensure a total of 100%.
Site visits	*Comment on any site visits undertaken by the Competent Person and the outcome of those visits.*	The Competent Person visited Muhlhausen-Keula on two occasions and incorporated visits to the archives of BVVG and K-Utec and the surrounding area where there are currently operating and now dormant Potash mines. The dates for the two site visits are 12th -15th February 2018 and 6th - 8th March 2018.
	If no site visits have been undertaken indicate why this is the case.	Not applicable
Geological interpretation	*Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.*	The confidence in the data used and geological interpretation of the potash deposit is high due to the strict guidelines followed during the historical exploration and adherence to the Kali-Instruktion. In addition the geological interpretation was checked by several geologists during both the 1960s and 1970s drilling campaigns. Lastly, the depths recorded in the lithological descriptions and geophysical logs correspond, providing confidence in the continuity of the potash horizons and grade.

Criteria	JORC Code explanation	Commentary
	Nature of the data used and of any assumptions made.	Since there are no records about some of the sampling protocols and sample security, assumptions have been made that this was done to a high standard based on the historical records. Due to the historical nature of the data, it is sometimes unclear which is the final version of the drill-hole log and this forms part of the ongoing work that will be required to increase confidence in the resources.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	No alternative interpretations exist for previous Mineral resource estimates.
	The use of geology in guiding and controlling Mineral Resource estimation.	The mineralisation is confined to the z2KSt horizon and this was used as the initial basis for geological modelling prior to applying cut-off grades.
	The factors affecting continuity both of grade and geology.	Some of the drill holes have a duplication of the z2KSt horizon that suggests there is some localised folding and/or faulting. This can only be tested when horizontal drilling can be done from underground and face mapping.
Dimensions	*The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	The economic potash deposit covers the whole of the Mühlhausen-Keula sub-area contained by the Mühlhausen-Nohra mining licence with the exception of barren drill hole Kal Mda 3/1983. The mineral resource has been restricted by seam thickness (>1 m) and grade (>5% K_2O). The total mineral resource area for the Mühlhausen-Keula sub-area is 141,581,481.7 m2 and the total Inferred Mineral Resources tonnage is 1.13Mt. The minimum depth from surface to the roof of the uppermost seam, the Upper Sylvinite seam, is ±830 m towards the north of the sub-area. The modelled seam package dips gently towards the southeast with the maximum depth below surface reaching ±1000 m in the vicinity of drill hole Kal Amr 1/1976.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	*The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	The geological model and resource estimation for Mühlhausen-Keula was carried out in Micromine® modelling software, which is internationally recognised software used for modelling stratiform deposits. The chemical database was first composited according to stratigraphy. The composited database was assigned a tag column to indicate if a sample was sylvite or carnallite based on the mineralogical data. Where some chemical data was missing, for example a number of drill hole did not have $MgSO_4$, a length weighted average dummy value was assigned. For missing KCl values, the K_2O was divided by 0.63. This database was composited using a minimum trigger of 5% K_2O, a minimum grade length of 2 m, maximum total length of waste of 2 m and a 1 m maximum consecutive length of waste. Each drill hole was then examined and, based on stratigraphy, sequence of mineralised layers and K2O composite grades, the sylvinite or carnallite seams were further divided into the Upper Sylvinite seam, Upper Carnallitite seam, Lower Carnallitite seam and Lower Sylvinite seam. Roof and floor grids were made for each of the four distinguished seams. The minimum and maximum x and y origins used for gridding were 592000 (min x), 5674000 (min y), 610000 (max x) and 5690800 (max y). A grid cell size of 400 was used as this best fitted the data when correlated in cross-section. An inverse distance squared gridding algorithm was used, with a circular search area and a 5,000 m search radius to cover the distance between data points, one sector and maximum 1 point per sector. The roof and floor grids were converted to wireframes surfaces DTM surfaces for analysis. Lastly, two sets of solid wireframes were created for Upper Sylvinite seam, Upper Carnallite seam, Lower Carnallite seam and Lower Sylvinite seam using the roof and floor surfaces. First set of wireframes represents the total extent of potash mineralisation based on complete set of data provided. Second set of wireframes represents the potash seam

Criteria	JORC Code explanation	Commentary
		mineralisation cropped by the project licence boundary.
	The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.	An historical Kali-Instruktion balanced C_2 reserve and a JORC Exploration Target exists for Mühlhausen and Keula. Both are comparable to the current Inferred resource in both grade and tonnage. There is a slight difference in the carnallite grade and tonnage reported by Micon, which is a result of the way the waste horizons between economic zones were treated, where Micon applied a minimum grade length of 2 m, a maximum total length of waste of 2 m and a 1 m maximum consecutive length of waste.
	The assumptions made regarding recovery of by-products.	No assumptions have been made regarding by-products, there is minor kieserite, but this has not been estimated at this stage.
	Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).	The insoluble content has been reported for purposes of metallurgical processing review and is not considered to be significant.
	In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.	A block model was not created.
	Any assumptions behind modelling of selective mining units.	No selective mining units were modelled. The resource was modelled according to sylvite and carnallite so the low grade and high grade areas can be distinguished.
	Any assumptions about correlation between variables.	Not applicable.
	Description of how the geological interpretation was used to control the resource estimates.	The geological model was first constrained to the z2KSt horizon and then the mineralogical data was used to split this into an upper sylvite and a lower carnallite unit. No structural blocks have been defined, but future modelling will have to

Criteria	JORC Code explanation	Commentary
		consider the upthrown fault block identified by drill holes Kal KuSo 5/1977 and Kal KuSo 1/1957.
	Discussion of basis for using or not using grade cutting or capping.	A minimum cut-off grade of 5% K_2O was used as this is considered economic. No top cut was applied as the statistical analysis of the data shows a normal distribution with no outlying populations.
	The process of validation, the checking process used, the comparison of model data to drill-hole data, and use of reconciliation data if available.	The composited assay data was compared against original assay data in cross section. Modelled wireframes were compared against original stratigraphic interpretations and geophysical logs. All correlated well.
Moisture	*Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	Not applicable.
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	A minimum cut-off grade of 5% K_2O was used as this is considered economic. In addition areas with a seam height of <1 m were excluded.
Mining factors or assumptions	*Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	A minimum seam height of 1 m was used as a cut-off to take into account potential mining height underground.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	*The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	Processing specifically for Mühlhausen-Keula has not been considered at this stage. Insoluble material has been modelled. The South Harz area has historically been mined for decades and there is a lot of local knowledge about the metallurgical processes required.
Environmental factors or assumptions	*Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a Greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	Mining will take place underground. Assumptions regarding environmental factors have been based on the standards set by surrounding potash mines in the area. Davenport has the exclusive right to explore and/or produce and to appropriate the respective mineral resources in a certain field. However, all exploration and production activities require a mining permit (Betriebsplanzulassung) to be applied for with the mining authority.

Criteria	JORC Code explanation	Commentary
Bulk density	*Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples.*	The bulk density for both the sylvite and carnallite seams was calculated by Ercosplan based on historical data. The bulk density for each sample was calculated based on the derived mineralogical composition. A weighted average was created for sylvite and carnallite based on the samples. The average density for Upper Sylvite is 2.26 t/m^3 and 2.21 t/m^3 for the Lower Sylvinite, and 1.88 t/m^3 for both Carnallite seams. densities reported by Ercosplan were used by Micon.
	The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit.	Not applicable.
	Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	Not applicable.
Classification	*The basis for the classification of the Mineral Resources into varying confidence categories.*	The whole of the Mühlhausen-Keula sub-area has been classified as an Inferred resource based on the quality and extents of the drilling database that are sufficient to imply geological grade and continuity for eventual economic extraction.
	Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).	The location of Mühlhausen-Keula is in an area that has been mining potash for decades. Whilst on site, the Competent Person visited the area where the old Volkenroda ventilation shaft was sunk and other operating underground mines and solutions mines in the neighbouring area such as Bleicherode.
	Whether the result appropriately reflects the Competent Person's view of the deposit.	The stated tonnage and grade are considered an appropriate reflection of the Competent Persons view of the deposit.

Criteria	JORC Code explanation	Commentary
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	Between 1980 and 1987 historical resource estimates were reported for three sub-areas of the Mühlhausen area including Mühlhausen-Keula. The exact areas of the three resources were slightly different to the current mining licence boundary. The historical resource estimations were conducted by VEB Geological Research und Exploration. The total C2 balanced resources was 299.2Mt at a K_2O grade of 14.05%. In 2017 Ercosplan estimated a JORC complaint Exploration Target with a total tonnage range of 1,182 – 1,635Mt at a K_2O grade of 7.91 – 14.31%.
Discussion of relative accuracy/ confidence	*Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.*	The stated resource tonnage and grades stated are considered based on the detailed drill-hole database and 3D modelling. The use of the inverse distance squared method is considered appropriate for Mühlhausen-Keula as the drill holes are relatively far apart, the mineralised zone is flat lying, mineral zones are clearly defined and grade is relatively consistent.
	The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.	This statement relates to the global Mühlhausen-Keula resource.
	These statements of relative accuracy and confidence of the	Not applicable.

Criteria	JORC Code explanation	Commentary
	estimate should be compared with production data, where available.	

Section 4 Estimation and Reporting of Ore Reserves

(Criteria listed in section 1, and where relevant in sections 2 and 3, also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral Resource estimate for conversion to Ore Reserves	Not applicable for this report	
Site visits		
Study status		
Cut-off parameters		
Mining factors or assumptions		
Metallurgical factors or assumptions		
Environmental		
Infrastructure		
Costs		
Revenue factors		
Market assessment		
Economic		
Social		
Other		
Classification		
Audits or reviews		
Discussion of relative accuracy/ confidence		

Section 5 Estimation and Reporting of Diamonds and Other Gemstones

(Criteria listed in other relevant sections also apply to this section. Additional guidelines are available in the 'Guidelines for the Reporting of Diamond Exploration Results' issued by the Diamond Exploration Best Practices Committee established by the Canadian Institute of Mining, Metallurgy and Petroleum.)

Criteria	JORC Code explanation	Commentary
Indicator minerals	Not applicable for this report	
Source of diamonds		
Sample collection		
Sample treatment		
Carat		
Sample grade		
Reporting of Exploration Results		
Grade estimation for reporting Mineral Resources and Ore Reserves		
Value estimation		
Security and integrity		
Classification		