ASX Announcement
19th February 2019

COMPANY DETAILS
Davenport Resources Limited
ABN: 64 153 414 852
ASX CODE: DAV
ASX CODE (Options): DAVO
FRANKFURT CODE: **A2DWXX**

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Capital Structure
143.1M Ordinary shares
16.6M Unlisted options
6.2M Performance Rights
34.4M Listed Options

SOUTH HARZ POTASH PORTFOLIO NOW LARGEST IN WESTERN EUROPE

Inferred Resources now total 5 Billion tonnes, at 10.6% K_2O

Highlights

- **New JORC 2012 compliant Inferred Resource for Küllstedt totalling 1,538 million metric tonnes grading 10.7 % K_2O.**
- **Project portfolio now contains a resource inventory totalling 4.94 billion metric tonnes and grading 10.6 % K_2O, which represents the largest potash resource in Western Europe.**
- **Inventory contains 1.6 billion tonnes of Sylvinite (Hartsalz) at 13.1% K_2O and 3.3 billion tonnes of Carnallitite at 9.4% K_2O, totalling over 500 million tonnes of K_2O.**

Next Steps

- **Programme to upgrade JORC Inferred Resources to Indicated Resources is progressing with confirmation drilling sites selected and progress being made to obtain permission to drill.**
- **Work will shortly commence on combining the Küllstedt Inferred Resource with the Mühlhausen-Keula sub-area Inferred Resources.**

Davenport Managing Director Dr Chris Gilchrist said:

"We always believed the Küllstedt Licence had the potential to host a significant potash resource, and the excellent work completed by Micon International and our technical team has demonstrated that this is indeed the case.

Davenport has now amassed a substantial JORC compliant resource for its South Harz Potash Projects, in the heart of Germany, totalling nearly 5 billion tonnes of JORC Inferred Resources grading 10.6% K_2O.

Further work planned this year will focus on adding value to our project portfolio through a combination of confirmatory drilling and further early-stage technical and economic studies".

Davenport Resources (ASX: DAV) ("Davenport", the "Company") is pleased to announce a JORC 2012 Inferred Resource of 1,538 million tonnes at 10.7 % potassium oxide (K_2O) for the eastern portion of its 100%-owned Küllstedt Exploration Licence in Germany's South Harz region (Figure 1). The resource, which covers approximately 106.7 km^2, is composed of both Hartsalz (Sylvinite plus sulphate minerals) (333 million tonnes grading 12.98% K_2O) and Carnallitite (1,205 million tonnes grading 10.1% K_2O). The resource was confirmed by internationally-renowned consultancy Micon International Co Limited ("**Micon**") based on available historic exploration data. The area adjoins the southern portion of Davenport's Mühlhausen-Nohra Mining Licence and the new Küllstedt resource is contiguous with the Mühlhausen-Nohra Inferred resource announced in late 2018 (ASX release 16th October 2018).

A recent review of the in-ground resources contained within Davenport's South Harz portfolio has highlighted several areas that have the potential size and grade to sustain new, independent potash projects. These areas include the entire Ebeleben Mining Licence which is rich in high-grade Sylvinite, the northern part of the Mühlhausen-Nohra Mining Licence, which contains extremely thick Carnallitite and Kieserite lending itself to a solution-mining project and the southern portion of the Mühlhausen-Nohra Mining Licence, extending into the southern portion of Davenport's Küllstedt Exploration Licence where the deposit contains impressive thicknesses of high grade Sylvinite together with valuable sulphate minerals (Hartsalz) which we believe would support a large, long-life, conventional mine.

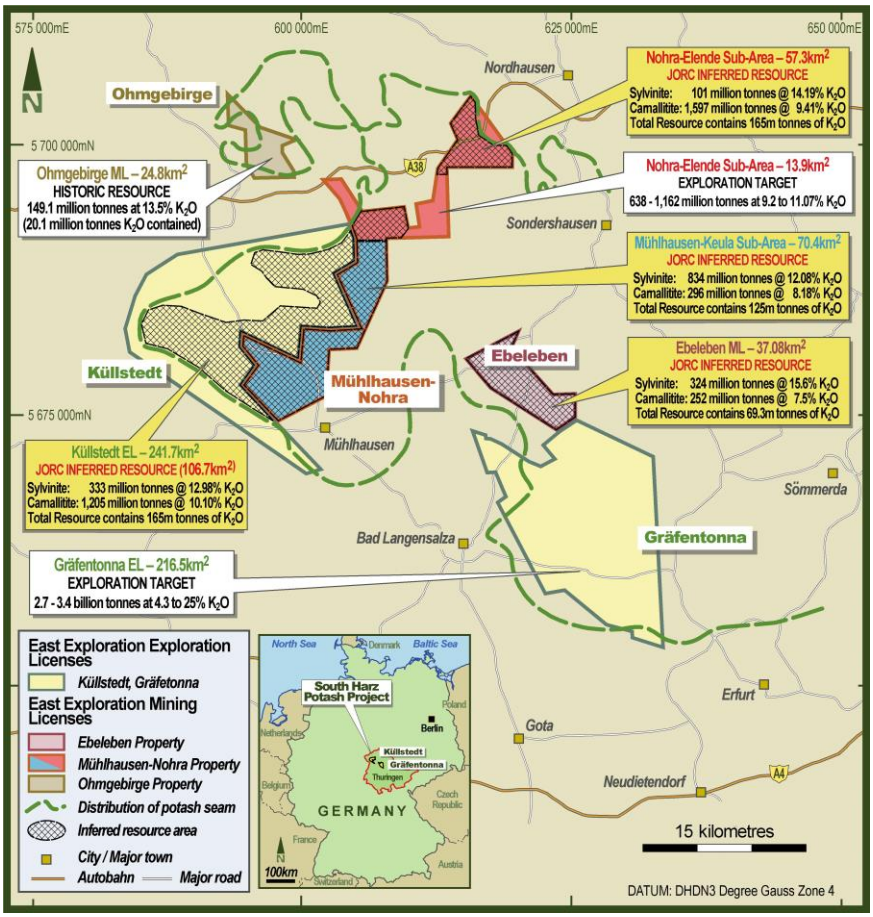

Figure 1: Location of Küllstedt Exploration license area showing adjoining mining license areas Mühlhausen-Keula, Ebeleben and Ohmgebirge. The JORC Inferred Resource of 1,538 million tonnes for Küllstedt is contained within the yellow hatched areas shown covering 106.7km^2.

Background

Exploration commenced within the Küllstedt exploration licence in 1890 for potash and natural gas, however, no data is currently available for this early work. The first drill hole information is from the Felsenfest series of holes that were drilled between 1906 - 1910 for the now closed Hüpstedt-Berestedt Potash Mines. Exploration recommenced in earnest in the 1960's and all of the exploration drilling was conducted by the former German Democratic Republic (GDR). A total of 34 historical exploration drill holes have been drilled within the Küllstedt exploration licence area (Figure 2). The database used to model Küllstedt included drillholes on Davenport's neighbouring Mühlhausen-Keula sub-area licence. All samples were taken during historical drilling campaigns predominantly carried out during the 1960's and 1970's with five holes drilled in the 1980's and an additional three drill holes drilled between 1906-1910 some of which were stopped before intersecting the z2KSt potash bearing horizon. Sample data exists from 10 hydrocarbon drill holes that were geophysically logged and 54 diamond core drill holes ('potash drill holes') that produced core samples. A total of 26 drill holes with sample data occur within the Küllstedt licence.

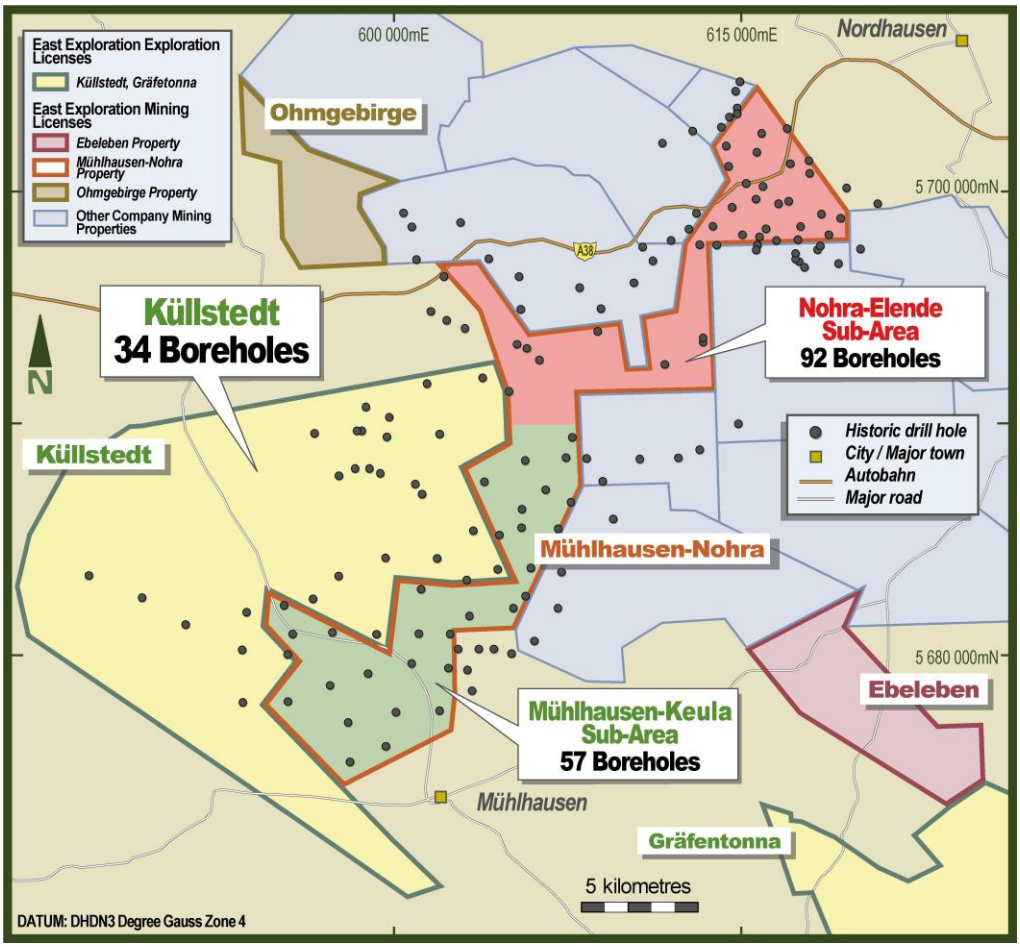

Figure 2: Location of exploration drillholes located within the Küllstedt Exploration Licence, shown in yellow. Drillholes also shown for the adjacent Mühlhausen-Nohra mining license, some of which were used in the development of the Küllstedt geological model.

All drill hole sampling was conducted according to the Kali-Instruktion (1956 and 1960), the state-defined protocols intended to exercise control over the evaluation of potash deposits in the former GDR. Core samples were taken from all 34 of the potash drill holes on Küllstedt, and core samples were taken also from two of the hydrocarbon drill holes (E Kud 1/1966 and E Mh 25/1960).

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.

Specific details regarding sample length have not yet been translated from the historical German exploration reports. However, since drilling on Küllstedt was simultaneous to that on Mühlhausen and conducted by the same company and geologists, Micon has assumed sampling methods to be if not the same, then very similar to Mühlhausen.

At Mühlhausen, core sample thickness from the potash drill holes 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 potentiometric titration. X-Ray Diffraction (XRD) was used for mineralogy and thin sections were carried out at a local university.

In 1980, an historical resource estimate was reported for an area that overlapped part of the current Küllstedt exploration licence held by Davenport. The historical resource estimation was conducted by VEB Geological Research and Exploration. The total C2 balanced resource was 331Mt with an average K_2O grade of 14.2% that was made up of a hartsalz K_2O grade of 12.8% and a Carnallite grade of 6.8% K_2O. In 2015, Ercosplan estimated a JORC compliant Exploration Target (DAV Company Prospectus - *Independent Technical Assessment, CSA Global, 15th April 2016*) with a total tonnage range of 4,055 – 5,141Mt at a K_2O grade of 7.2 – 25%. Both are comparable to the current Inferred resource grade, however, the resource tonnages differ due to different resource areas.

Geology and modelling

The geological model and mineral resource estimation for the Küllstedt Exploration Licence was conducted in Micromine®, a software package used for geologically modelling stratiform deposits. The database used to create the geological model and mineral resource estimate was created from the manual data entry of hard copy historical drill hole logs and exploration records.

The chemical database was first composited according to stratigraphy. The composited database was assigned a tag column to indicate if a sample was Hartsalz (Sylvinite plus sulphate minerals) or Carnallitite based on the mineralogical data. Where some chemical data was missing, a length weighted average dummy value was assigned. No K_2O values had to be inferred in this way. This database was composited using a minimum trigger of 5% K_2O, 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 hartsalz or Carnallitite seams were further divided into the Upper Hartsalz seam, the Upper Carnallitite seam, the Lower Carnallitite seam and the Lower Hartsalz seam. Based on elevation of the z2KSt, four main fault blocks were defined. The Lower seams only occur in fault block 1. Roof and floor grids were made for each of the four distinguished seams for each of the four fault blocks.

A grid cell size of 200 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 wireframe surfaces and then DTM surfaces for analysis. Lastly, two sets of solid wireframes were created for each of the Upper Hartsalz seam, the Upper Carnallitite seam, the Lower Carnallite seam and the Lower Hartsalz seam using the roof and floor surfaces from each fault block. The first set of wireframes represents the total extent of potash mineralisation based on complete set of data

provided and the second set of wireframes represents the potash seam mineralisation cropped by the project licence boundary.

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.

The final extents of the modelled Upper Hartsalz seam, Upper Carnallitite seam, Lower Carnallitite seam and Lower Hartsalz seam is shown in Figure 1 in JORC Table 1. Interpreted faulting in the Küllstedt area is shown in Figures 1 & 2 in JORC Table 1.

Mineral Resources

The economic potash deposit covers the eastern side of the Küllstedt exploration licence. Based on interpretation of drill hole data and historical plan maps, it appears that the z2KSt does not occur to the north, south or west of Küllstedt and the licence represents the western limit of the potash-bearing basin, Figure 1 in JORC Table 1.

The bulk density for both the Sylvinite (Hartsalz) and Carnallitite 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 Hartsalz and Carnallitite based on the samples. The average density for Upper Hartsalz is 2.26 t/m3 and 2.21 t/m3 for the Lower Hartsalz and 1.88 t/m3 for both Upper and Lower Carnallitite seams. Densities reported by Ercosplan were used by Micon.

The mineral resources have been restricted by a total seam thickness (>1 m), grade (>5% K_2O) and the licence area boundary. The average thicknesses of the wireframes for the modelled potash seams are shown in Table 1 below.

Table 1: Average thickness of Potash seams, Küllstedt Licence Mineral Resources

Seam	Fault Block	Av thickness (m)
Upper Hartsalz	1	1.64
	2	not present
	3	3.35
	4	2.65
Upper Carnallite	1	8.71
	2	5.89
	3	25.62
	4	2.45
Lower Carnallite	1	4.49
	2	not present
	3	not present
	4	not present
Lower Hartsalz	1	1.72
	2	not present
	3	not present
	4	not present

The total mineral resource area for Küllstedt is approximately 106.7 km^2 and the total Inferred Mineral Resources tonnage is 1,538 Mt grading 10.72% K_2O (Table 2). The mineral resource for the Upper Hartsalz is 275 Mt grading 13.57% K_2O, for the Lower Hartsalz is 59 Mt grading 10.23% K_2O, for the Upper Carnallitite is 1,175 Mt grading 10.20% K_2O and for the Lower Carnallitite is 30 Mt grading 5.89% K_2O, (Table 2).

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 Küllstedt 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 minimum depth from surface to the roof of the economic potash is ±550 m in the north of the licence in fault block 3 and the maximum depth to the base of the potash seam is ±950 m in fault block 1.

The modelled K_2O grade and thickness of the Upper Hartsalz and Upper Carnallitite seams are indicated in Figures 5 to 8 in JORC Table 1.

The Küllstedt exploration 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. Figure 1 in JORC Table 1 highlights the extents of the Inferred mineral resources.

The 19th February 2019 Inferred Mineral Resources for the Küllstedt Exploration Licence area are presented in Table 2.

Table 2: Küllstedt Mineral Resources, February 2019 (JORC, 2012)

Seam	JORC Category	ρ g/cm³	Geol Loss (%)	Tonnage (Mt)	K_2O (%)	K_2O (Mt)	Insols (%)	KCl (%)	Mg (%)	Na (%)	SO_4 (%)
Upper Hartsalz	Inferred	2.26	20	275	13.57	37	0.76	16.69	1.93	19.90	17.67
Lower Hartsalz	Inferred	2.21	20	59	10.23	6	0.11	16.20	2.85	24.30	18.02
Sub-Total Hartsalz	**Inferred**			**333**	**12.98**	**43**	**0.65**	**16.60**	**2.09**	**20.67**	**17.73**
Upper Carnallitite	Inferred	1.88	20	1,175	10.20	120	0.49	14.48	5.00	17.36	6.87
Lower Carnallitite	Inferred	1.88	20	30	5.89	2	0.50	9.43	3.90	24.27	7.59
Sub-Total Carnallitite	**Inferred**	1.90	20	**1,205**	**10.10**	**122**	**0.49**	**14.35**	**4.97**	**17.53**	**6.89**
Total Küllstedt	**Inferred**			**1,538**	**10.72**	**165**	**0.52**	**14.84**	**4.35**	**18.21**	**9.24**

Notes:

1. Mineral resources presented according to ore type (mineralogy) and not as per stratigraphy.
2. Minimum seam thickness considered for resources is 1 m.
3. Minimum cut-off grade ≥5% K_2O.
4. 20% geological loss applied to account for potential unknown geological losses for Inferred resources.
5. Data source: historical state records (BVVG) checked and verified.
6. Inferred resources rounded down to nearest 100,000 t.
7. Errors may exist due to rounding.

The total JORC-compliant Inferred Resources declared by Micon as a result of modelling the drill hole data from Ebeleben, the Mühlhausen-Keula sub-area, the Nohra-Elende sub-area and for the Küllstedt Exploration Licence area are shown in Table 3 below. Total resources held under the JORC 2012 Inferred category now stand at approximately 4.94 billion tonnes containing 524 Mt K_2O. Davenport anticipates that this resource could increase with additional exploration drilling within the portfolio of licences.

Table 3: Total JORC 2012 Inferred Resources to February 2019 held by Davenport.

Seam	Tonnage (Mt)	K_2O (%)	K_2O (Mt)
Sylvinite	324	15.6	50
Carnallitite	253	7.5	19
Total Ebeleben	**577**	**12.1**	**69**
Sylvinite	834	12.1	101
Carnallitite	296	8.2	2
Total Mühlhausen-Keula	**1,130**	**11.1**	**125**
Sylvinite	101	14.2	14
Carnallitite	1,597	9.4	150
Total Nohra-Elende	**1,698**	**9.7**	**165**
Hartsalz (Sylvinite plus sulphate minerals)	333	13.0	43
Carnallitite	1,205	10.1	122
Total Küllstedt	**1,538**	**10.7**	**165**
Total Davenport JORC Inferred Resources to Date	**4,943**	**10.6**	**524**

Ongoing & Future Work

The next step for Davenport is to continue to add value to the project portfolio through a combination of confirmatory drilling and early-stage technical and economic studies. Confirmation drilling sites have been selected and progress is being made with local authorities and landowners to obtain permission to drill. Drilling within the Küllstedt licence will assist in upgrading JORC Inferred Resources to JORC Indicated Resources.

Work will shortly commence on combining the Küllstedt Inferred Resource with the Mühlhausen-Keula sub-area Inferred Resources while systematically looking at the spatial and grade distributions for valuable sulphate bearing minerals in addition to Sylvinite. Discussions are ongoing with internationally renowned consultants with regards to commencing economic studies on the most prospective areas within the Davenport licence portfolio in which several stand-alone potash extraction projects have been identified. Davenport expects to release an update on these work plans for 2019 in the near future.

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Competent Person Statement

Elizabeth de Klerk M.Sc., Pr.Sci.Nat., SAIMM., Micon's Director, 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-Nohra. The second site visit involved more time spent at K-Utec inspecting additional historical records for Mühlhausen-Nohra held in the archives at the offices of K-Utec Salt Technologies Ltd in Sondershausen.

JORC Code, 2012 Edition – Table 1

Küllstedt Exploration License

Davenport Resources Ltd

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 for the Küllstedt Licence and adjacenet Mühlhausen-Nohra Mining Licence.

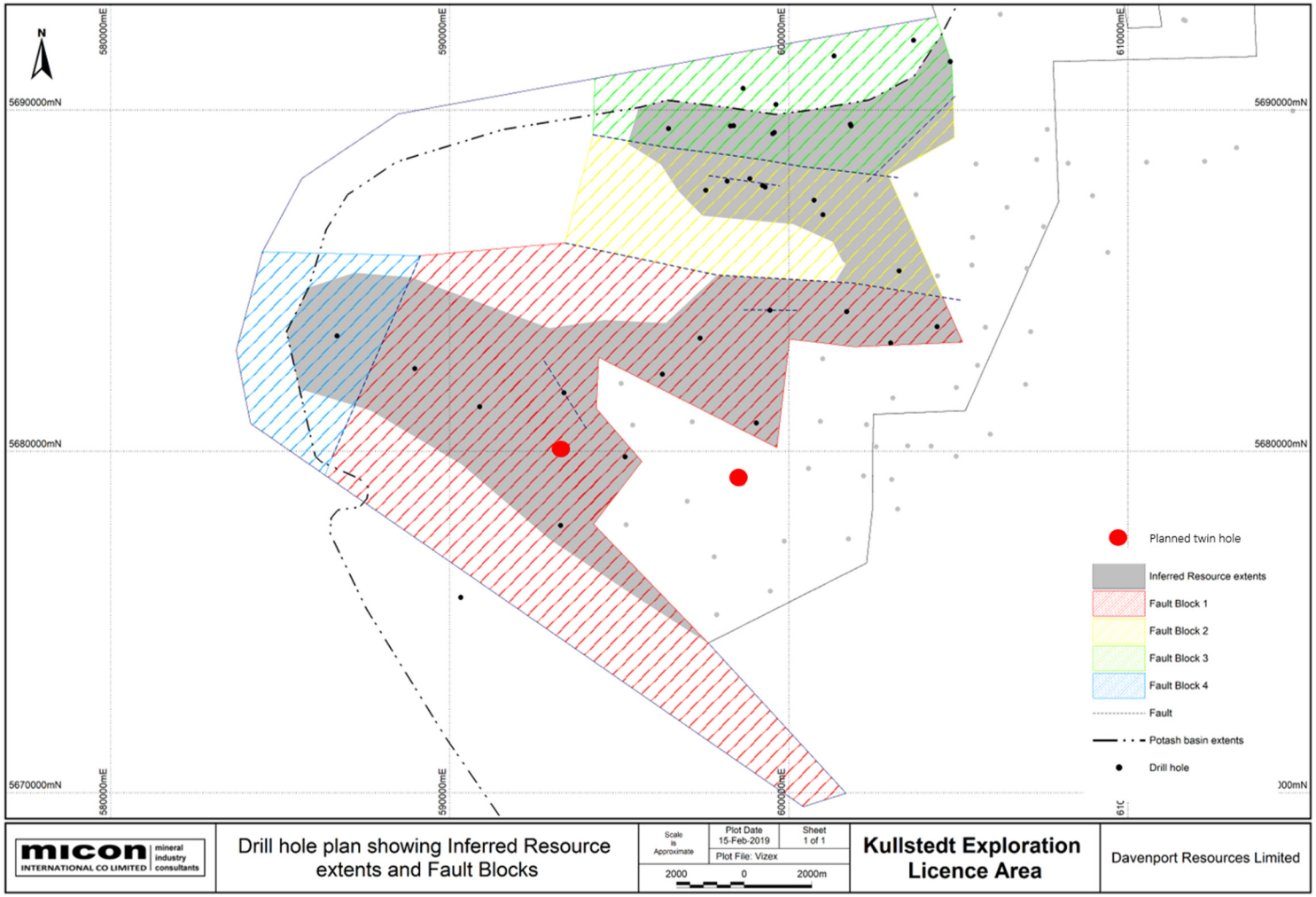


Figure 2: 3D rotated view of modelled wireframes for the Küllstedt Licence area

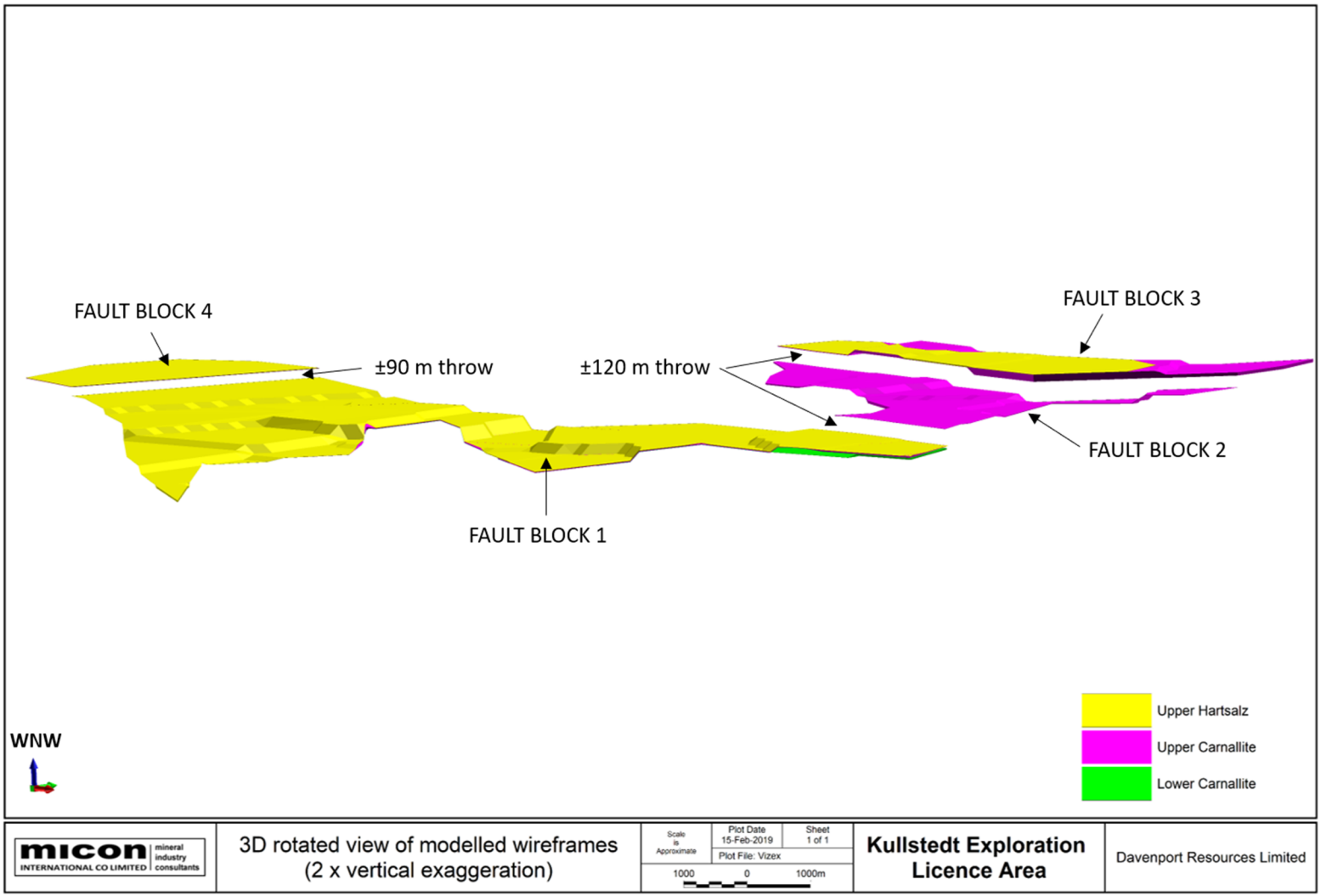


Figure 3: West-East cross section through Fault Block 1, Küllstedt Licence area

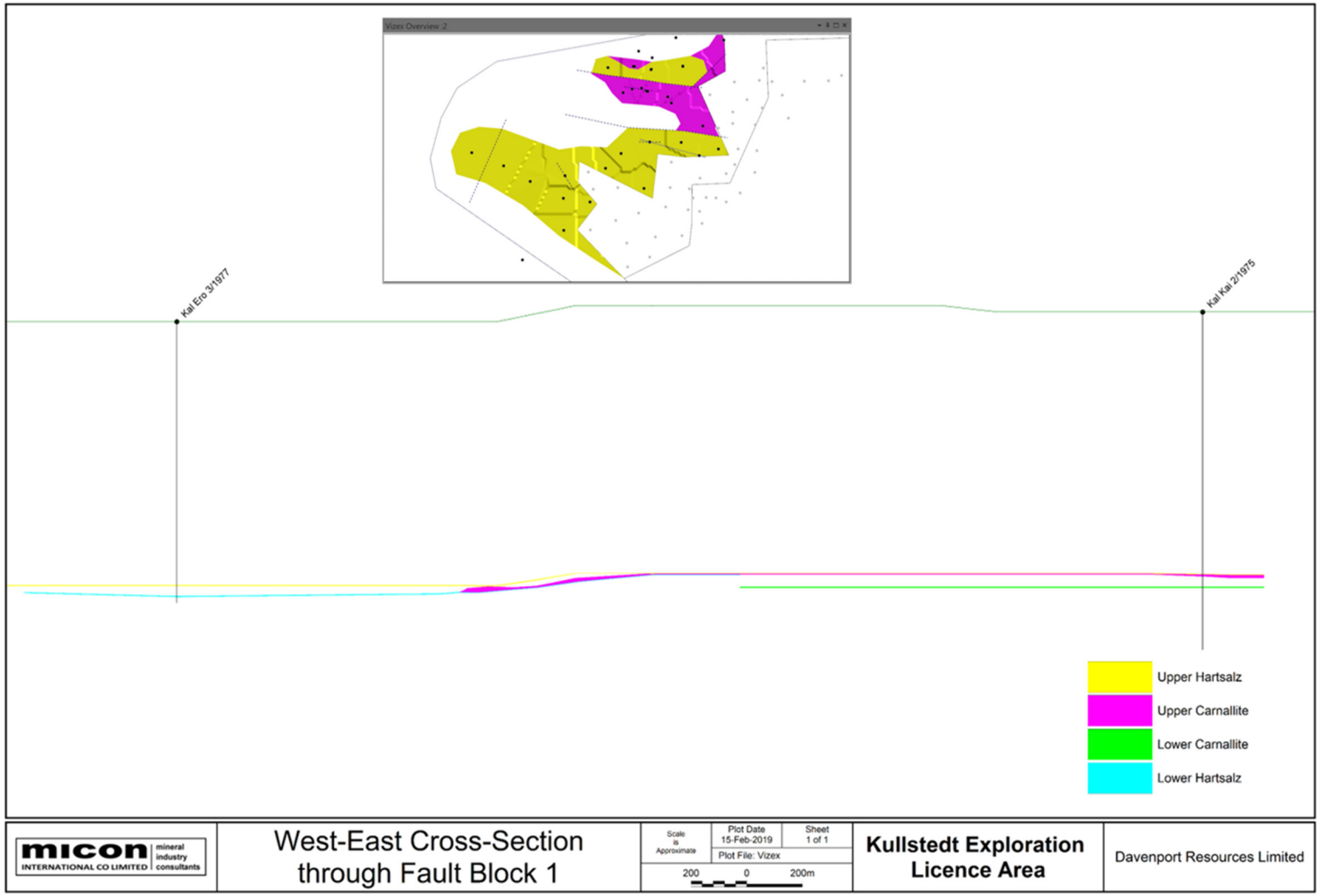


Figure 4: North-South cross section through Fault Block 1, Küllstedt Licence area

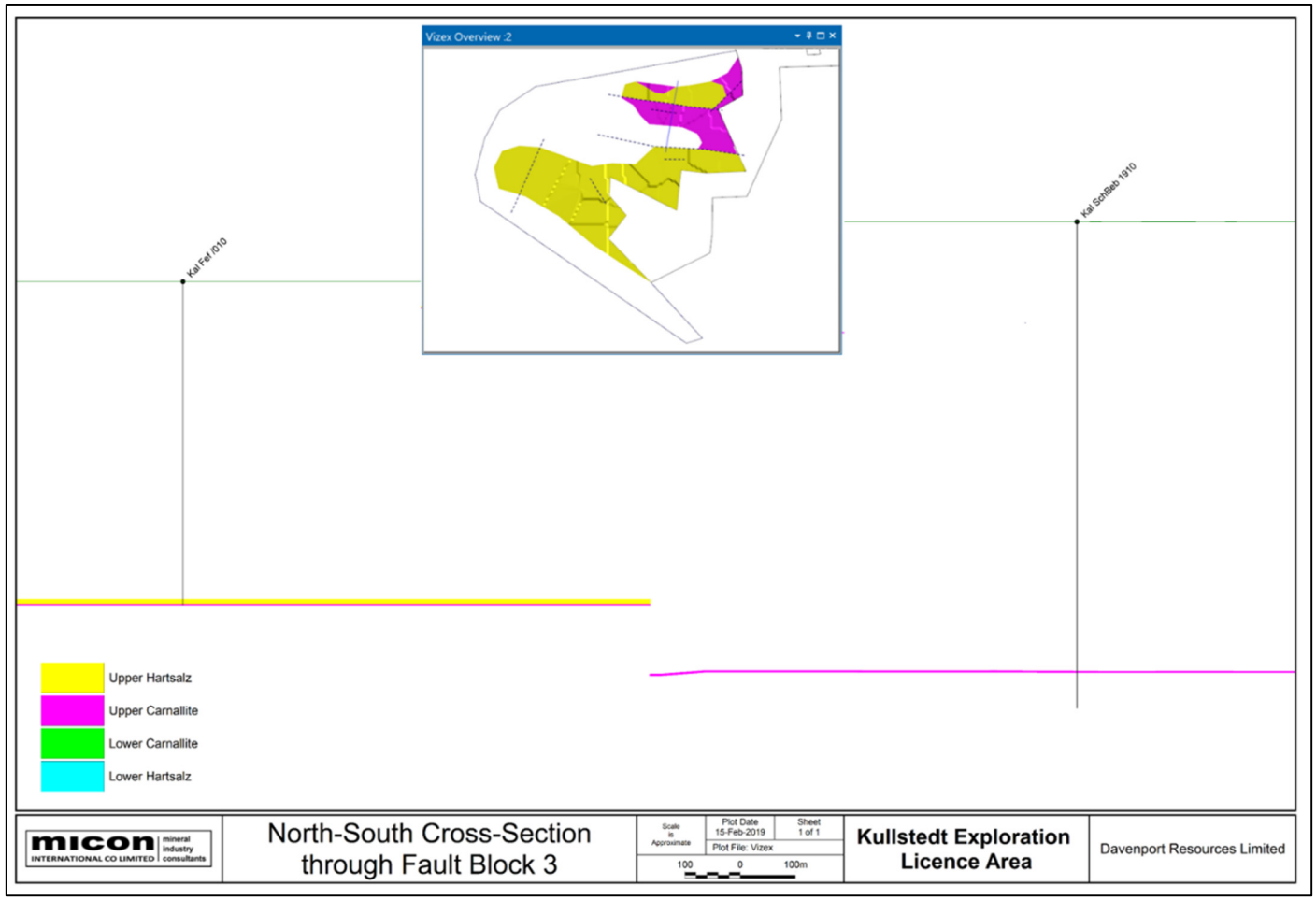


Figure 5: K_2O Grade Distribution in the Upper Hartsalz, Küllstedt Licence area

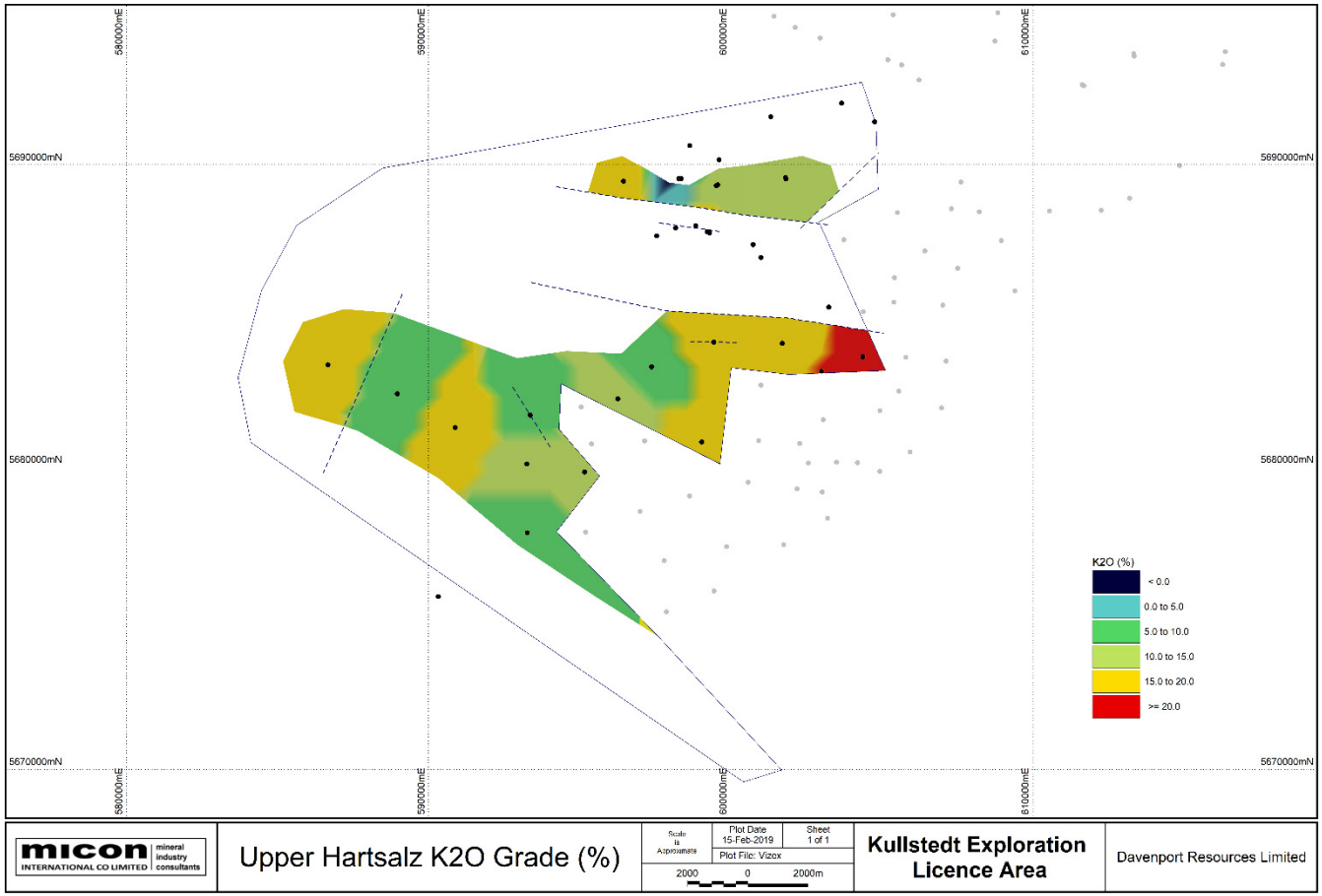


Figure 6: Thickness Distribution in the Upper Hartsalz, Küllstedt Licence area

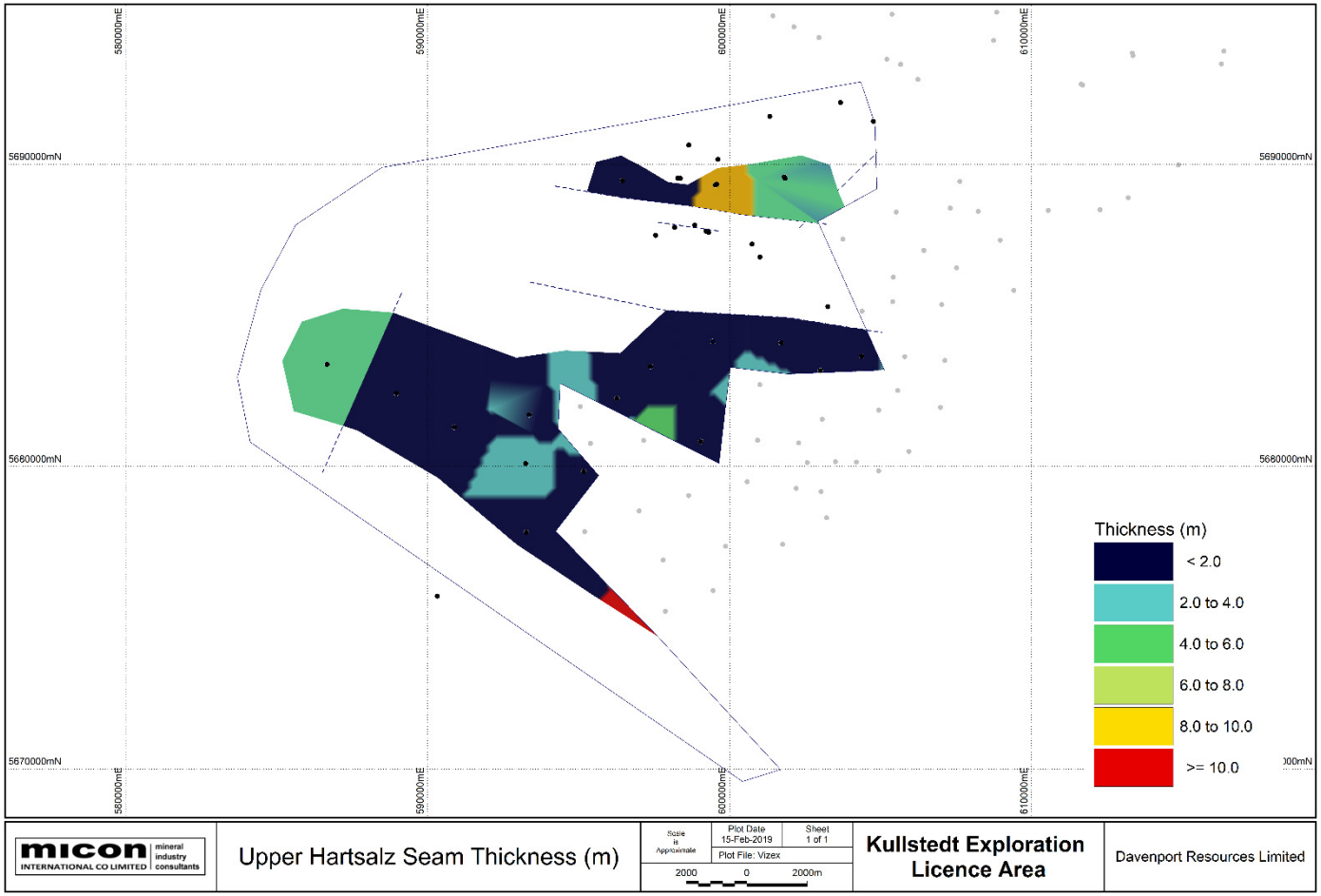


Figure 7: K_2O Grade Distribution in the Upper Carnallitite, Küllstedt Licence area

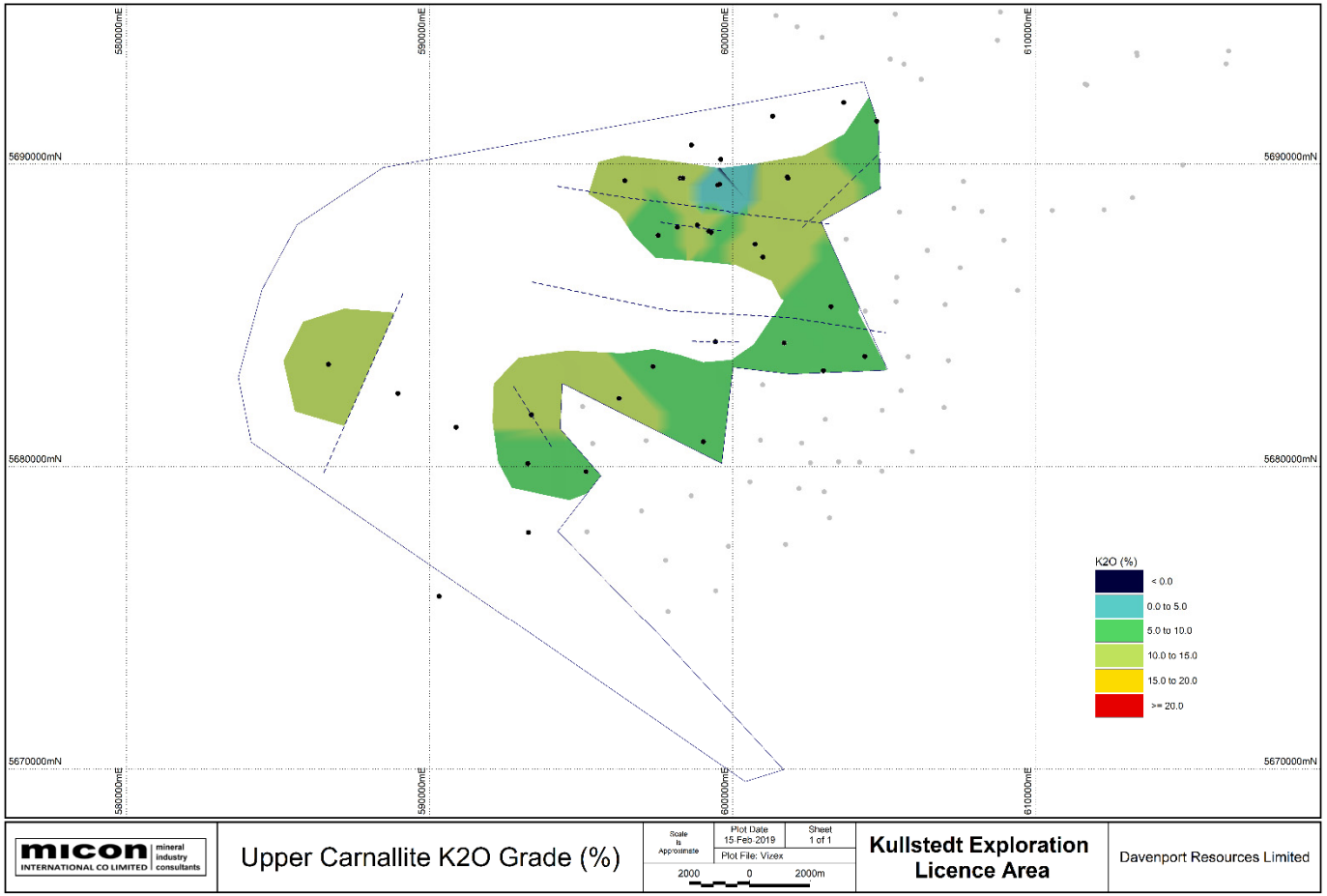
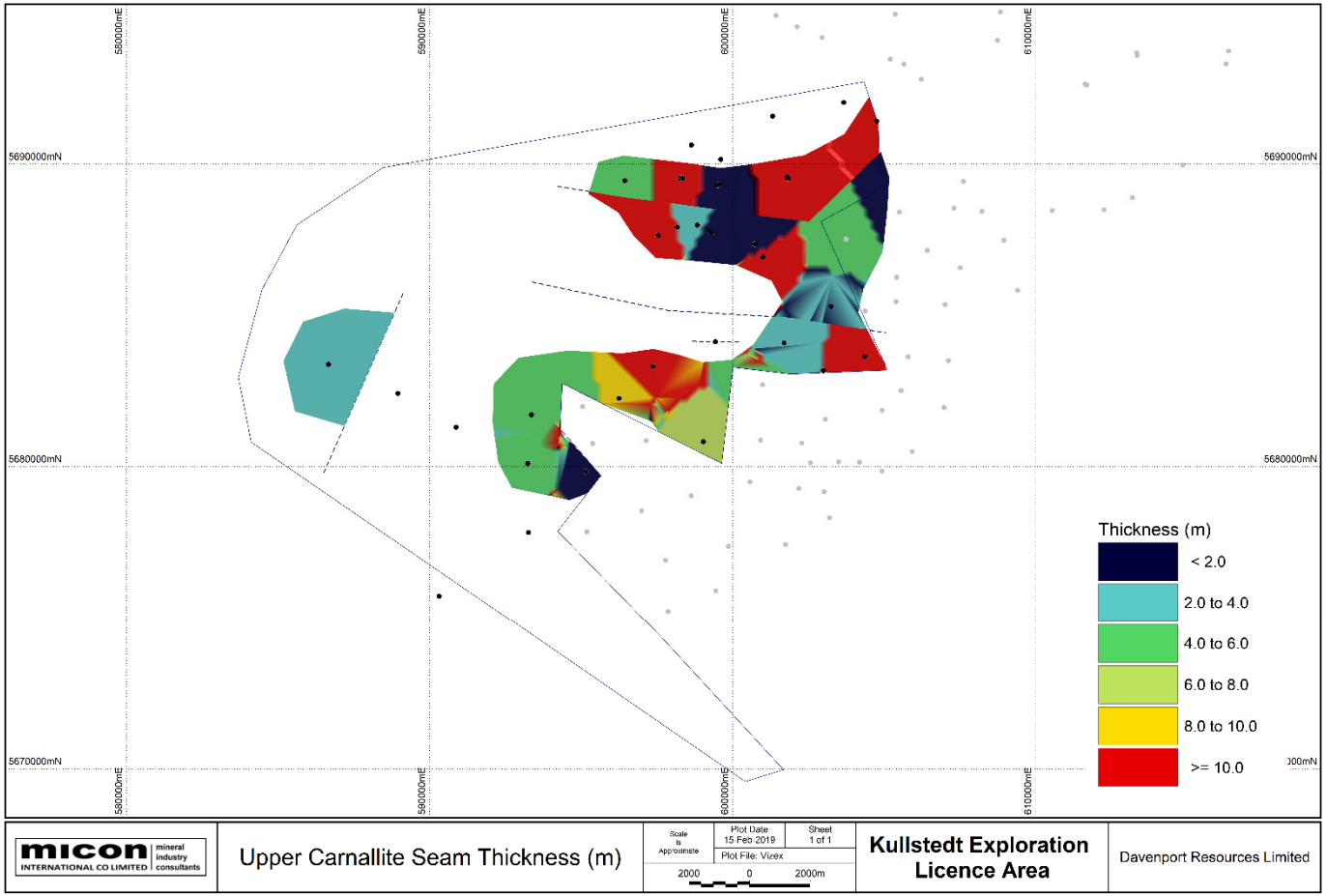


Figure 8: Thickness Distribution in the Upper Carnallitite, Küllstedt Licence area



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.*	The data base used to model Küllstedt included drillholes on Davenport's neighbouring Mühlhausen-Keula sub-area licence. All samples were taken during historical drilling campaigns predominantly carried out during the 1960's and 1970's with five holes drilled in the 1980's and an additional three drill holes drilled between 1906-1910 some of which were stopped before intersecting the z2KSt horizon. Sample data exists from 10 hydrocarbon drill holes that were geophysically logged and 54 diamond core drill holes ('potash drill holes') that produced core samples. A total of 26 drill holes with sample data occur within the Küllstedt licence.
	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 at present. Core recovery logs were kept for the core drill holes, showing measurements taken by the drillers and geologists, which were checked and corrected against the geophysical logs. Many of the historical drill hole logs include graphical logs that show the adjustment according to the geophysical logging depths.
	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*	All drill hole sampling was conducted according to the Kali-Instruktion (1956 and 1960). Core samples were taken from two of the hydrocarbon drill holes (E Kud 1/1966 and E Mh 25/1960). Core samples were taken from all 34 of the potash drill holes on Küllstedt. Where possible, the K2O 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. Specific details regarding sample length have not yet been translated from the historical German exploration reports, however since drilling on Küllstedt was simultaneous to that on Mühlhausen and conducted by the same company and geologists, Micon has assumed sampling methods to be if not the

	problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.	same, then very similar to Mühlhausen. On Mühlhausen 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 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 type of drilling techniques used has not yet been translated from the historic German exploration reports, however since drilling on Küllstedt was simultaneous to that on Mühlhausen and conducted by the same company and geologists, Micon has assumed drilling methods to be if not the same, then very similar to Mühlhausen. On Mühlhausen 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 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. Lithological and stratigraphic intersections were subsequently corrected using the geophysical logging results, and the adjustments can be seen on the graphical historical logs.

	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 both 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 45 drill holes whilst information regarding mineralogy and stratigraphy were read of historical maps for 27 drill holes and geophysical logs are available for 44 drill holes, mostly made up of calliper and natural gamma. 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.*	Exact details regarding the sample preparation are not known but as above assumed to be the same as those used on Mühlhausen. 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.	Exact details regarding the sample preparation are not known but as above assumed to be the same as those used on Mühlhausen. 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 field duplicate/second-half sampling.	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.
	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. Chemical analysis was carried out according to the Kali 97-003/01 standard using potassium flame photometry. Transmitted light investigation in bright field for thin sections was conducted.
	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 in the Davenport licence areas, quality assurance and quality control (QAQC) procedures were 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 Küllstedt 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 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. K2O grades for the hydrocarbon drill holes without core samples 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.*	Records of collar positions were obtained from drill hole logs and state archives. Details regarding collars surveys are not available and may be recorded in the historical German exploration reports. However, considering the drilling took place at the same time and by the same people as Davenport's adjacent Mühlhausen property, Micon assumes the collar positions were surveyed using a similar technique. On Mühlhausen drill hole collars were surveyed by the state surveyor subsequent to drilling and given with centimetre to decimetre accuracy.
	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.*	In the south of the Küllstedt licence area the average drill hole spacing is approximately ±1,500 m. In the north of the licence area the drill hole spacing is closer with an average of ±800 m, and several drill holes were drilled <100 m apart. Three shafts were also sunk on the north of Küllstedt for the Hüpstedt-Beberstedt Mine in 1909-1910. Two of these, Kal Sch and Kal SchBeb 1910 are spaced 84 m apart and have a comparable intersection of Carnallite.
	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 Küllstedt 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 Küllstedt exploration licence through its wholly owned subsidiary East Exploration GmbH. The Küllstedt exploration 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 Küllstedt exploration licence area. The Küllstedt exploration licence was granted to East Exploratoin GmbH by the Thuringer Landesbergamt in compliance with Sections 6 & 7 BBergG on 12th January 2015 and is valid until 12th January 2020. The exploration licence is limited to the exploration of mineral resources of rock salt, potash salts, magnesia and boron salts with accompanying salts. The area of the Küllstedt exploration licence is 241,501,552.5 m2.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	All of the exploration conducted on Küllstedt is historical. According to historical reports, exploration commenced within the Küllstedt exploration licence in 1890 for potash and natural gas, however, no data is currently available for this. The first drill hole information is from the Felsenfest series of hole, that were drilled between 1906 - 1910 for the now closed Hüpstedt-Berestedt Mines. Exploration recommenced in earnest in the 1960's and all of the exploration drilling was conducted by the former GDR. Various parties were involved, most of which combined to form VEB Kombinant after reunification. A total of 34 historical exploration drill holes have been drilled within the Küllstedt exploration licence area.

Criteria	JORC Code explanation	Commentary
Geology	*Deposit type, geological setting and style of mineralisation.*	The Küllstedt exploration 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 Küllstedt exploration 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. Drill holes to the north and south of the licence did not intersect the z2KSt and a devoid of drill holes to the west of the licence area along with historical hand drawn maps, imply that Küllstedt exploration licence appears to occur on the edge of the potash basin in this area. Figure 1 indicates the interpreted extents of the potash basin on Küllstedt. The z2KSt is present in 30 drill holes on Küllstedt with an average thickness of 12.94 m. The mineralogy on Küllstedt is varied with development of carnallite, sylvite, kieserite and polyhalite. The sylvite/kieserite/polyhalite seam has been modelled as one horizon, called the Hartsalz and the carnallite seam has been modelled separately. The potash seams have been affected by faulting that has resulted in three major fault blocks upthrown towards the

Criteria	JORC Code explanation	Commentary
		north with average displacements of ±120 m. These major faults follow the regional trend with a west north west orientation. In addition two faults striking north east have also been identified with displacements of ±90 m.
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 Küllstedt is made up of 73 historical drill holes. A table showing the key drill hole information can be found below.

Hole ID	Location	Easting (UTM 32N)	Northing (UTM 32N)	RL	EOH (m)	z2KSt Intersection (m)		Width (m)	Average K_2O Grade (%)
						From	To		
E Haen 2/1961	Off Licence	590321.47	5675716.16	471.00	882.00	Not intersected			
E Kued 1/1966	Küllstedt Licence	593367.62	5681713.04	410.90	985.30	881.37	882.15	0.78	9.87
E Kued 1/1966	Küllstedt Licence	593367.62	5681713.04	410.90	985.30	882.15	886.60	4.45	11.43
E Kued 1/1966	Küllstedt Licence	593367.62	5681713.04	410.90	985.30	886.60	888.55	1.95	9.19
E KuSo 2/1961	Mühlhausen Licence	605397.56	5685453.73	436.39	1037.20	899.50	907.57	8.07	9.97
E KuSo 3/1962	Mühlhausen Licence	607020.67	5685356.68	434.60	1546.60	865.70	877.40	11.70	12.18
E KuSo 4/1961	Mühlhausen Licence	605419.27	5686262.59	429.79	1056.40	900.20	904.80	4.60	12.18
E Mh 28/1960	Mühlhausen Licence	602289.19	5680779.61	317.20	1274.15	960.06	963.81	3.75	12.18
E Mh 28/1960	Mühlhausen Licence	602289.19	5680779.61	317.20	1274.15	966.36	973.79	7.43	8.72
E Mh 30/1961	Mühlhausen Licence	602571.87	5680133.97	297.70	1078.50	967.20	970.00	2.80	14.50
E Mh 31/1962	Mühlhausen Licence	602200.51	5679278.51	273.50	1320.90	960.60	967.76	7.16	12.18
E Mh 31/1962	Mühlhausen Licence	602200.51	5679278.51	273.50	1320.90	967.76	977.76	10.00	8.72
E SosMh 1/1962	Küllstedt Licence	603251.62	5685286.02	468.50	1011.00	874.00	876.00	2.00	9.00
E SosMh 2/1962	Küllstedt Licence	601002.46	5686930.78	450.30	968.20	857.00	879.00	22.00	13.02
E Wttl 1/1962	Mühlhausen Licence	607307.79	5688545.26	413.40	963.50	859.40	865.00	5.60	11.80
Kal Amr 1/1976	Mühlhausen Licence	601755.88	5677432.67	224.00	1061.47	1020.45	1023.93	3.48	13.86
Kal Amr 1/1976	Mühlhausen Licence	601755.88	5677432.67	224.00	1061.47	1023.93	1028.84	4.91	5.43
Kal Amr 1/1976	Mühlhausen Licence	601755.88	5677432.67	224.00	1061.47	1034.14	1036.60	2.46	8.07
Kal Amr 1/1976	Mühlhausen Licence	601755.88	5677432.67	224.00	1061.47	1038.00	1038.66	0.66	7.00

Criteria	JORC Code explanation	Commentary

Kal Beb 001/1961	Küllstedt Licence	597381.83	5683313.35	341.30	965.50	916.00	916.76	0.76	6.00
Kal Beb 001/1961	Küllstedt Licence	597381.83	5683313.35	341.30	965.50	916.76	931.66	14.90	9.92
Kal Bic 1/1975	Küllstedt Licence	593249.47	5680101.31	360.80	951.04	900.12	902.84	2.72	14.04
Kal Bic 1/1975	Küllstedt Licence	593249.47	5680101.31	360.80	951.04	910.72	915.67	4.95	6.20
Kal Bic 1/1975	Küllstedt Licence	593249.47	5680101.31	360.80	951.04	927.57	932.34	4.77	5.62
Kal Bic 2/1975	Küllstedt Licence	595168.09	5679834.57	304.50	1036.75	907.23	908.40	1.17	12.09
Kal Bic 2/1975	Küllstedt Licence	595168.09	5679834.57	304.50	1036.75	908.40	909.10	0.70	8.50
Kal Bic 3/1976	Mühlhausen Licence	595198.73	5677847.47	289.20	982.56	917.00	917.98	0.98	12.43
Kal Bic 3/1976	Mühlhausen Licence	595198.73	5677847.47	289.20	982.56	918.85	923.06	4.21	13.98
Kal Bic 4/1976	Küllstedt Licence	593269.35	5677827.28	328.60	933.71	904.06	904.75	0.69	9.30
Kal Dad 1/1975	Mühlhausen Licence	600926.25	5680874.29	294.20	1004.30	958.84	960.70	1.86	19.24
Kal Dad 1/1975	Mühlhausen Licence	600926.25	5680874.29	294.20	1004.30	960.70	976.10	15.40	7.72
Kal Dad 1/1975	Mühlhausen Licence	600926.25	5680874.29	294.20	1004.30	982.30	985.25	2.95	5.90
Kal Dad 1/1975	Mühlhausen Licence	600926.25	5680874.29	294.20	1004.30	985.25	985.75	0.50	6.50
Kal Dad 2/1975	Mühlhausen Licence	600578.38	5679496.85	278.40	1020.45	976.58	983.04	6.46	11.80
Kal Dad 2/1975	Mühlhausen Licence	600578.38	5679496.85	278.40	1020.45	983.52	986.47	2.95	6.65
Kal Dad 2/1975	Mühlhausen Licence	600578.38	5679496.85	278.40	1020.45	995.00	998.89	3.89	6.50
Kal Dad 2/1975	Mühlhausen Licence	600578.38	5679496.85	278.40	1020.45	999.20	999.99	0.79	7.20
Kal Ero 1/1965	Mühlhausen Licence	600997.04	5682706.83	369.20	1003.50	947.00	950.30	3.30	15.52
Kal Ero 1/1965	Mühlhausen Licence	600997.04	5682706.83	369.20	1003.50	950.30	955.85	5.55	6.35
Kal Ero 1/1965	Mühlhausen Licence	600997.04	5682706.83	369.20	1003.50	957.10	960.10	3.00	6.58
Kal Ero 1/1965	Mühlhausen Licence	600997.04	5682706.83	369.20	1003.50	960.1	962.65	2.55	1.53
Kal Ero 2/1976	Küllstedt Licence	601704.80	5684091.31	427.40	994.50	958.62	959.22	0.60	18.70
Kal Ero 2/1976	Küllstedt Licence	601704.80	5684091.31	427.40	994.50	959.22	962.15	2.93	9.49
Kal Ero 3/1977	Küllstedt Licence	599441.29	5684129.83	370.00	1008.00	944.62	946.13	1.51	17.13
Kal Ero 3/1977	Küllstedt Licence	599441.29	5684129.83	370.00	1008.00	982.45	984.10	1.65	5.86
Kal Fef /001	Küllstedt Licence	598647.17	5690631.99	294.00	532.02	Not intersected			
Kal Fef /005	Küllstedt Licence	597547.91	5687643.85	460.00	853.50	821.65	832.53	10.88	9.70
Kal Fef /006	Küllstedt Licence	599521.82	5689304.22	366.00	625.00	576.20	584.30	8.10	data not available
Kal Fef /007	Küllstedt Licence	601811.57	5689577.96	354.00	561.60	557.30	561.60	4.30	data not available
Kal Fef /008	Küllstedt Licence	596448.53	5689452.61	360.00	639.00	600.00	600.50	0.50	17.20
Kal Fef /008	Küllstedt Licence	596448.53	5689452.61	360.00	639.00	600.50	606.00	5.50	10.40
Kal Fef /009	Küllstedt Licence	599616.93	5690158.45	314.00	522.10	511.13	519.60	8.47	data not available

Criteria	JORC Code explanation									
	Kal Fef /010	Küllstedt Licence	599570.53	5689336.22	366.00	584.86	574.10	583.35	9.25	14.00
	Kal Fef /011	Küllstedt Licence	601833.59	5689528.84	356.00	633.00	570.28	572.28	2.00	10.20
	Kal Fef /011	Küllstedt Licence	601833.59	5689528.84	356.00	633.00	572.28	628.28	56.00	10.56
	Kal Fef /013	Küllstedt Licence	598366.99	5689533.09	356.00	645.00	548.91	570.41	21.50	11.30
	Kal Fef /017	Küllstedt Licence	601329.53	5691579.08	335.00	553.20	529.80	543.70	13.90	data not available
	Kal Fef 003/1906	Küllstedt Licence	598847.56	5687983.11	477.00	883.50	827.65	832.85	5.20	22.29
	Kal Fef 003/1906	Küllstedt Licence	598847.56	5687983.11	477.00	883.50	832.85	835.85	3.00	10.79
	Kal Fef 18	Küllstedt Licence	600742.08	5687353.31	461.00	882.00	841.9	842.4	0.5	10.24
	Kal Fef/012	Küllstedt Licence	598277.41	5689532.80	352.00	551.00	Stopped short			
	Kal Gte 001/1961	Küllstedt Licence	603672.79	5692037.11	307.40	560.10	No information			
	Kal Holla 001/1975	Mühlhausen Licence	597797.47	5676907.93	280.00	995.55	961.86	967.45	5.59	12.03
	Kal Holla 001/1975	Mühlhausen Licence	597797.47	5676907.93	280.00	995.55	967.91	975.37	7.46	7.31
	Kal Holla 002/1976	Mühlhausen Licence	599864.34	5677365.82	257.10	1060.57	1023.96	1031.41	7.45	10.89
	Kal Holla 002/1976	Mühlhausen Licence	599864.34	5677365.82	257.10	1060.57	1032.83	1034.19	1.36	6.79
	Kal Holla 003/1977	Mühlhausen Licence	597870.22	5675213.11	292.40	959.82	927.62	941.55	13.93	10.07
	Kal Holla 003/1977	Mühlhausen Licence	597870.22	5675213.11	292.40	959.82	943.27	946.67	3.40	7.60
	Kal Holla 004/1978	Mühlhausen Licence	599451.19	5675900.71	248.70	980.42	945.45	953.62	8.17	9.99
	Kal Hsm 001/1961	Mühlhausen Licence	597150.89	5680861.96	318.90	1001.40	963.67	969.19	5.52	14.44
	Kal Hsm 001/1961	Mühlhausen Licence	597150.89	5680861.96	318.90	1001.40	969.19	972.28	3.09	5.00
	Kal Hsm 002/1975	Küllstedt Licence	599039.98	5680829.11	301.40	988.71	950.77	952.04	1.27	16.04
	Kal Hsm 002/1975	Küllstedt Licence	599039.98	5680829.11	301.40	988.71	952.04	958.71	6.67	8.46
	Kal Hzl 1/1961	Mühlhausen Licence	610548.39	5688465.68	412.30	1033.80	963.27	963.80	0.53	19.30
	Kal Hzl 1/1961	Mühlhausen Licence	610548.39	5688465.68	412.30	1033.80	963.80	977.80	14.00	11.77
	Kal Hzl 1/1961	Mühlhausen Licence	610548.39	5688465.68	412.30	1033.80	980.15	983.15	3.00	10.60
	Kal Hzl 1/1961	Mühlhausen Licence	610548.39	5688465.68	412.30	1033.80	983.15	983.78	0.63	15.20
	Kal Kai 2/1975	Küllstedt Licence	603000.99	5683169.88	404.90	1210.47	984.86	987.24	2.38	7.76
	Kal Kai 3/1976	Mühlhausen Licence	603066.08	5681563.68	362.20	1014.80	982.52	983.05	0.53	17.80
	Kal Kai 3/1976	Mühlhausen Licence	603066.08	5681563.68	362.20	1014.80	983.05	983.46	0.41	8.90
	Kal Kai 3/1976	Mühlhausen Licence	603066.08	5681563.68	362.20	1014.80	984.63	984.86	0.23	6.40
	Kal Kai 4/1977	Küllstedt Licence	604371.03	5683648.06	413.70	995.88	949.64	949.85	0.21	21.80
	Kal Kai 4/1977	Küllstedt Licence	604371.03	5683648.06	413.70	995.88	949.85	961.11	11.26	7.32
	Kal Kai 4/1977	Küllstedt Licence	604371.03	5683648.06	413.70	995.88	964.23	974.71	10.48	5.46
	Kal Kued 001/1962	Küllstedt Licence	590880.48	5681303.98	398.90	923.60	894.89	896.50	1.61	18.37

Criteria	JORC Code explanation	Commentary

Kal Kued 002/1964	Küllstedt Licence	588967.12	5682422.21	466.30	953.90	924.50	925.70	1.20	8.03
Kal KuSo 006a/1978	Mühlhausen Licence	603747.67	5687517.86	435.70	916.00	864.33	867.09	2.76	17.43
Kal KuSo 006a/1978	Mühlhausen Licence	603747.67	5687517.86	435.70	916.00	867.09	871.41	4.32	11.63
Kal KuSo 006a/1978	Mühlhausen Licence	603747.67	5687517.86	435.70	916.00	871.41	873.02	1.61	17.36
Kal KuSo 1/1957	Mühlhausen Licence	606430.13	5687144.63	405.10	1006.48	892.30	895.55	3.25	14.36
Kal KuSo 5/1977	Mühlhausen Licence	605515.74	5688413.91	436.90	855.70	803.90	805.02	1.12	9.40
Kal KuSo 7/1982	Mühlhausen Licence	604381.15	5685138.11	469.10	948.30	923.60	926.66	3.06	14.21
Kal LfdMh 001/1975	Mühlhausen Licence	597002.01	5678534.78	285.00	997.38	965.56	974.18	8.62	13.44
Kal LfdMh 001/1975	Mühlhausen Licence	597002.01	5678534.78	285.00	997.38	977.27	980.90	3.63	8.40
Kal LfdMh 002/1976	Mühlhausen Licence	598639.75	5679042.75	252.40	976.00	937.14	950.90	13.76	14.54
Kal Mda	Mühlhausen Licence	609408.23	5685826.86	400.00	1070.00	977.78	983.81	6.03	18.70
Kal Mda 3/1983	Mühlhausen Licence	607513.26	5686575.95	406.30	954.24	919.71	920.57	0.86	20.59
Kal Mda 4/1984	Mühlhausen Licence	608233.11	5688437.01	388.60	933.86	870.04	876.71	6.67	18.72
Kal Mda 6/1984	Mühlhausen Licence	607619.96	5689426.89	418.70	924.70	880.07	889.07	9.00	7.91
Kal NSo 1	Mühlhausen Licence	605661.11	5693296.99	328.40	686.70	643.10	645.10	2.00	16.73
Kal NSo 1	Mühlhausen Licence	605661.11	5693296.99	328.40	686.70	645.10	664.60	19.50	10.33
Kal NSo 2	Mühlhausen Licence	608744.93	5694088.10	428.00	850.00	819.00	820.00	1.00	14.90
Kal NSo 2	Mühlhausen Licence	608744.93	5694088.10	428.00	850.00	820.00	830.00	10.00	10.70
Kal NSo 3	Mühlhausen Licence	606231.69	5692800.11	366.80	742.82	660.33	664.24	3.91	13.25
Kal NSo 3	Mühlhausen Licence	606231.69	5692800.11	366.80	742.82	664.24	701.73	37.49	10.28
Kal NSo 8/1907	Mühlhausen Licence	611691.82	5692613.37	350.00	856.60	814.98	824.10	9.12	12.26
Kal NSo 8/1907	Mühlhausen Licence	611691.82	5692613.37	350.00	856.60	824.10	850.70	26.60	9.52
Kal Scf/01909	Küllstedt Licence	598177.44	5687913.46	477.12	869.50	835.00	848.00	13.00	data not available
Kal Sch	Küllstedt Licence	599224.01	5687781.51	473.93	880.00	811.80	813.40	1.60	10.00
Kal SchBeb 1910	Küllstedt Licence	599298.58	5687742.46	474.15	880.00	813.40	814.40	1.00	6.00
Kal Vll 1/1960	Küllstedt Licence	604760.60	5691417.34	361.01	672.10	609.93	635.38	25.45	9.87
Kal Wch 1/1963	Küllstedt Licence	586672.20	5683379.77	479.40	901.40	863.95	866.60	2.65	16.00
Kal Wch 1/1963	Küllstedt Licence	586672.20	5683379.77	479.40	901.40	866.60	869.05	2.45	11.30
Kal Wch 1/1963	Küllstedt Licence	586672.20	5683379.77	479.40	901.40	869.05	869.60	0.55	20.40
Kal Wndg 1/1975	Mühlhausen Licence	605796.25	5683633.29	402.80	967.06	930.45	937.72	7.27	8.97
Kal Wndg 2/1975	Mühlhausen Licence	604938.12	5681865.16	362.20	1044.39	993.93	995.24	1.31	15.48
Kal Wndg 2/1975	Mühlhausen Licence	604938.12	5681865.16	362.20	1044.39	995.24	1010.58	15.34	8.85
Kal Wndg 2/1975	Mühlhausen Licence	604938.12	5681865.16	362.20	1044.39	1017.15	1020.99	3.84	6.68

Criteria	JORC Code explanation	Commentary

Kal Wndg 2/1975	Mühlhausen Licence	604938.12	5681865.16	362.20	1044.39	1021.82	1022.21	0.39	8.40
Kal Wndg 3/1983	Mühlhausen Licence	605563.11	5682515.77	363.20	1006.72	975.47	976.63	1.16	13.69
Kal Wndg 3/1983	Mühlhausen Licence	605563.11	5682515.77	363.20	1006.72	977.09	978.95	1.86	9.08
Kal ZlMh 1/1965	Mühlhausen Licence	595053.18	5681985.70	370.00	973.20	889.50	891.85	2.35	25.65
Kal ZlMh 1/1965	Mühlhausen Licence	595053.18	5681985.70	370.00	973.20	891.85	896.30	4.45	11.43
Kal ZlMh 1/1965	Mühlhausen Licence	595053.18	5681985.70	370.00	973.20	896.30	898.25	1.95	9.19
Kal ZlMh 3/1977	Küllstedt Licence	596266.50	5682258.37	285.70	949.53	906.60	907.08	0.48	10.20
Kal ZlMh 3/1977	Küllstedt Licence	596266.50	5682258.37	285.70	949.53	907.08	915.65	8.57	11.66
Kal ZlMh 3/1977	Küllstedt Licence	596266.50	5682258.37	285.70	949.53	915.65	915.88	0.23	19.00
Kal ZlMh 4/1978	Mühlhausen Licence	595394.08	5680767.16	337.40	955.30	920.64	924.21	3.57	15.70
Kal ZlMh 4/1978	Mühlhausen Licence	595394.08	5680767.16	337.40	955.30	924.21	924.66	0.45	6.3

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 Küllstedt was composited according to stratigraphy (z2KSt). A minimum cut-off grade of 5% K2O was applied to delineate the limits of the potash-bearing horizon within the z2KSt. A weighted average K2O grade for each drill hole was calculated against sample length.
	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.
	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	

Criteria	JORC Code explanation	Commentary
	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. Küllstedt has been reported as a mineral resource, see Section 3 of Table 1.
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 seismic studies were also been conducted by the VEB Geophysik on Küllstedt between July 1975 and March 2976. A report dated 28th October 1976 contains the results of the survey that focused on the area tectonics and thickness changes in the first two Zechstein cycles. The report is not available to Micon at this time.

Criteria	JORC Code explanation	Commentary
Further work	*The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).*	Future work should include twin drilling to confirm the historical grades, possibly accompanied by a seismic survey or a detailed review of the results of the historical seismic survey. Translation of all historical reports would also be beneficial. Further analysis of the sulphate distribution could be conducted to understand potential ore types and processing option.
	Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	Although there is potential to increase the resource area by drilling in the gap to the west of the licence area, 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 1 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 databases for Davenport's other licence areas, that were drilled at the same time and by the same companies as Küllstedt, were cross-checked against the original drill hole logs in the BVVG and K-Utec archives in Berlin and Sondershausen respectively. This process will be completed for Küllstedt next time the CP visits the project later in the year.
	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

Criteria	JORC Code explanation	Commentary
		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 Küllstedt 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.
	Nature of the data used and of any assumptions made.	Since there are no records yet in English 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 and information known about the other South Hartz licence areas that were explored during the same period by the same companies.
	The effect, if any, of alternative interpretations on Mineral Resource estimation.	In 1980, the VEB Geologie Forschung und Erkundung estimated a resource that covered a portion of the current Küllstedt exploration licence area, though the exact area is not known to Micon. The estimate reported a carnallite resource and a Glaserite resource. Although Micon has not reported a separate Glaserite resource, the mineral is included the current Hartsalz seam.

Criteria	JORC Code explanation	Commentary
	The use of geology in guiding and controlling Mineral Resource estimation.	The mineralisation is predominately 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.	Variation in mineralogy across Küllstedt exist due to the secondary nature of the Upper Hartsalz seam and precipitation of various sulphate salts. Four fault blocks have been defined based on depths of the z2KSt.
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 eastern side of the Küllstedt exploration licence. Based on interpretation of drill hole data and historical plan maps, it appears that the z2KSt does not occur to the north, south or west of Küllstedt and the licence represents the western limit of the potash-bearing basin. The mineral resource has been restricted by total seam thickness (>1 m) and grade (>5% K2O). The total mineral resource area for Küllstedt is approximately 106.7 km2 and the total Inferred Mineral Resources tonnage is 1,538 Mt. The minimum depth from surface to the roof of the economic potash is ±550 m in the north of the licence in fault block 3 and the maximum depth to the base of the potash seam is ±950 m in fault block 1.
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 Küllstedt 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 hartsalz or carnallite based on the mineralogical data. Where some chemical data was missing, a length weighted average dummy value was assigned. No K2O values had to be inferred in this way. This database was composited using a minimum trigger of 5% K2O, 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

Criteria	JORC Code explanation	Commentary
		of mineralised layers and K2O composite grades, the hartsalz or carnallitite seams were further divided into the Upper Hartsalz seam, the Upper Carnallitite seam, the Lower Carnallite seam and the Lower Hartsalz seam. Based on elevation of the z2KSt, four main fault blocks were defined. The Lower seams only occur in fault block 1. Roof and floor grids were made for each of the four distinguished seams for each of the four fault blocks. The minimum and maximum X and Y origins used for gridding were 581494 (min X), 5668287 (min Y), 607408 (max X) and 5694912 (max Y). A grid cell size of 200 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 and then DTM surfaces for analysis. Lastly, two sets of solid wireframes were created for each of the Upper Hartsalz seam, the Upper Carnallitite seam, the Lower Carnallite seam and the Lower Hartsalz seam using the roof and floor surfaces from each fault block. The first set of wireframes represents the total extent of potash mineralisation based on complete set of data provided and the second set of wireframes represents the potash seam 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 C2 reserve and a JORC Exploration Target exists for Küllstedt. Both are comparable to the current Inferred resource grade, however, the resource tonnages differ due to different resource areas.
	The assumptions made regarding recovery of by-products.	No assumptions have been made regarding by-products. There are a range of sulphate minerals in the Hartsalz seam but these have not been individually estimated at this stage and should be done in conjunction with the neighbouring South

Criteria	JORC Code explanation	Commentary
		Mühlhausen licence (Mühlhausen-Keula sub-area) to form one combined model.
	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 hartsalz and carnallite so the lower grade and higher grade areas can be distinguished as well as variations in mineralogy, which will be important for processing.
	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 the upper/lower hartsalz and carnallitite seams. Four main fault blocks have been modelled individually.
	Discussion of basis for using or not using grade cutting or capping.	A minimum cut-off grade of 5% K2O 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.

Criteria	JORC Code explanation	Commentary
Cut-off parameters	*The basis of the adopted cut-off grade(s) or quality parameters applied.*	A minimum cut-off grade of 5% K2O was used as this is considered economic. In addition, areas with a combined 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.
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 Küllstedt 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. The next phase of work for the project area will involve a more detailed understanding of the varied mineralogy and possible processing techniques.

Criteria	JORC Code explanation	Commentary
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.
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 sylvinite and carnallitite 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 hartsalz and carnallitite based on the samples. The average density for Upper Hartsalz is 2.26 t/m3 and 2.21 t/m3 for the Lower Hartsalz and 1.88 t/m3 for both Upper and Lower Carnallitite 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.

Criteria	JORC Code explanation	Commentary
	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 Küllstedt exploration 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.
	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 Küllstedt is in an area that has been mining potash for decades. The newly created modelling database and the historical cross sections both show the seams to be consistent across the property. 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.
Audits or reviews	*The results of any audits or reviews of Mineral Resource estimates.*	In 1980 an historical resource estimate was reported for an area that overlapped part of the current Küllstedt exploration licence held by East Exploration GmbH. The historical resource estimation was conducted by VEB Geological Research and Exploration. The total C2 balanced resource was 331Mt with an average K2O grade of 14.2% that is made up of a hartsalz K2O grade of 12.8% and a carnallite grade of 6.8% K2O. In 2015 Ercosplan estimated a JORC compliant Exploration Target with a total tonnage range of 4,055 – 5,141Mt at a K2O grade of 7.2 – 25%.
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*	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 Küllstedt as the drill holes are relatively far apart, the mineralised zone is flat

Criteria	JORC Code explanation	Commentary
	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.	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 Küllstedt resource.
	These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	Not applicable.

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		