

ASX ANNOUNCEMENT28th September 2020**DAVENPORT ANNOUNCES UPDATED INVESTOR PRESENTATION**

Davenport Resources Ltd (ASX: DAV, “**Davenport**”, “**The Company**”) is pleased to bring to general attention an updated corporate presentation which describes the Company’s plans for developing its 5.3 Bt potash resource in central Germany and the transformative impact of the recent magnesium sulphate discovery (ASX announcement 22nd September 2020).

The presentation is attached in the Appendix and can also be located on the Company website using the URL <https://davenportresources.com.au/presentations/>.

This announcement has been approved by the Board of Directors of Davenport Resources Limited.

In accordance with ASX listing rule 5.23, the Company is not aware of any new information or data that materially affects the information included in the previous market announcement (ASX announcement 22nd September 2020) and that all material assumptions and technical parameters underpinning the estimate in the previous market announcement continue to apply and have not materially changed.

Davenport Managing Director Dr Chris Gilchrist said:

“It is extremely pleasing that we are making significant headway in the developmental planning for our massive potash resources in Germany. We have carefully examined the merits of our various perpetual mining licence areas and concluded that Ohmgebirge should be selected as the spearhead project. We also recognise, however, the merits of the huge Nohra-Elende resource and its capacity to provide a diverse basket of specialty fertiliser products. Work will continue on this in parallel with developing Ohmgebirge where drilling is expected to take place early next year. This will contribute to Davenport developing into a world-class producer and become a major supplier in Europe.”

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APPENDIX

Davenport Corporate Presentation September 2020

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**DAVENPORT
RESOURCES**

Corporate Presentation September 2020

WESTERN EUROPE'S LARGEST POTASH INVENTORY



DISCLAIMER

Davenport Resources Limited ("Davenport", "DAV", "The Company") has issued this Presentation for informational purposes only. It is not intended to, and does not, constitute specific advice to any particular party or person. The information in this presentation is based on publicly available information, internally developed data and other sources. Where any opinion is expressed in this presentation, it is based on the assumptions and limitations mentioned herein and is an expression of present opinion only. No warranties or representations can be made as to the origin, validity, accuracy, completeness, currency or reliability of the information.

The contents of this presentation are confidential and not for distribution to unauthorized parties.

COMPETENT PERSON STATEMENTS

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.

DAVENPORT RESOURCES - A COMPELLING INVESTMENT CASE

- Massive resources across four potash projects in Germany, largest in Western Europe, 5.3 billion tonnes containing 567 Mt K₂O in areas adjacent to historic potash mines.
- Davenport holds perpetual mining licences & results from over 300 exploration holes.
- JORC Inferred resources established. Only two twin holes required to reach M&I status in each licence area.
- Low targeted capex and opex.
- Unique resource also contains sulphates – attractively priced mag sulphate and SOP can be produced.
- Next step to fund drilling program & complete DFS within 20 months of financing.

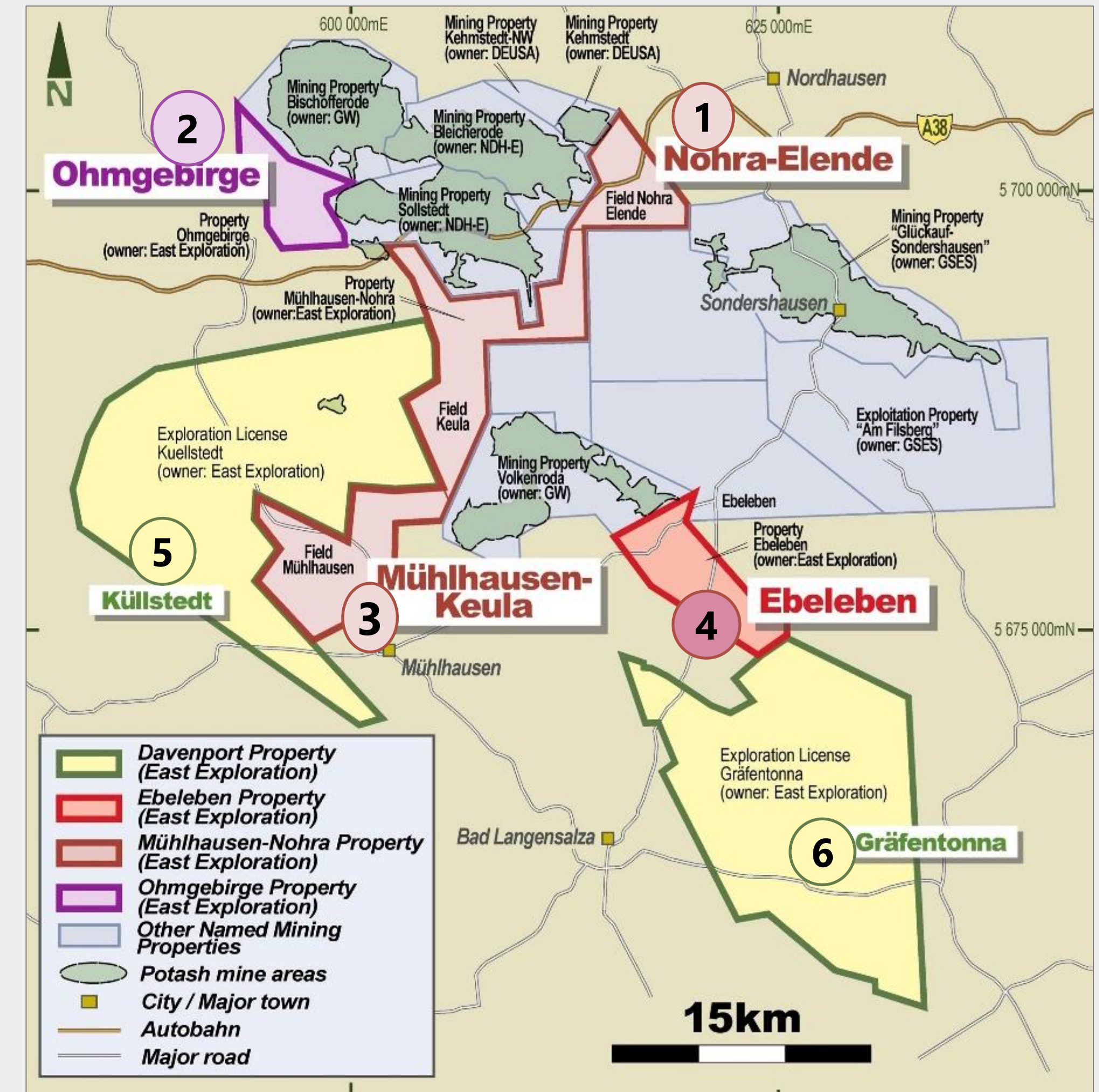
SOUTH HARZ: A SIGNIFICANT HISTORIC POTASH MINING AREA IN THE HEART OF GERMANY

- South Harz region has a long history of potash mining
- 180 Mt potash has been mined since the 1890's. There is a high understanding of mining these deposits, hence low risk.
- Potash was the GDR's most important source of foreign exchange
- Former GDR state mining company intended to mine our areas in the 1990's
- Deposits were drilled to a high standard before German reunification forced mine closures
- Resources were classified at the time as reserves under Russian resource classification



ATTRACTIVE PORTFOLIO WITH TOTAL OF 5.3Bt OF RESOURCE

- Total of JORC Inferred Resources of over 5.3 billion tonnes containing 567 Mt K₂O across 4 projects
- Four stand-alone projects identified: Nohra Elende (1), Ohmgebirge (2), Mühlhausen-Keula (3), Ebeleben (4)
- Two exploration targets: Küllstedt (5), Gräfentonna (6).
- Total licence area of 659km²
- Potash-experienced European-based team
- All projects under perpetual mining licences, with no holding costs or royalties. Licence areas are adjacent to former potash mines
- Scoping and conceptual studies completed by K-Utec AG
- Several of the licence areas have a significant content of valuable Sulphate and Magnesium minerals



OHMGEBIRGE - A POTENTIAL STARTER-PROJECT

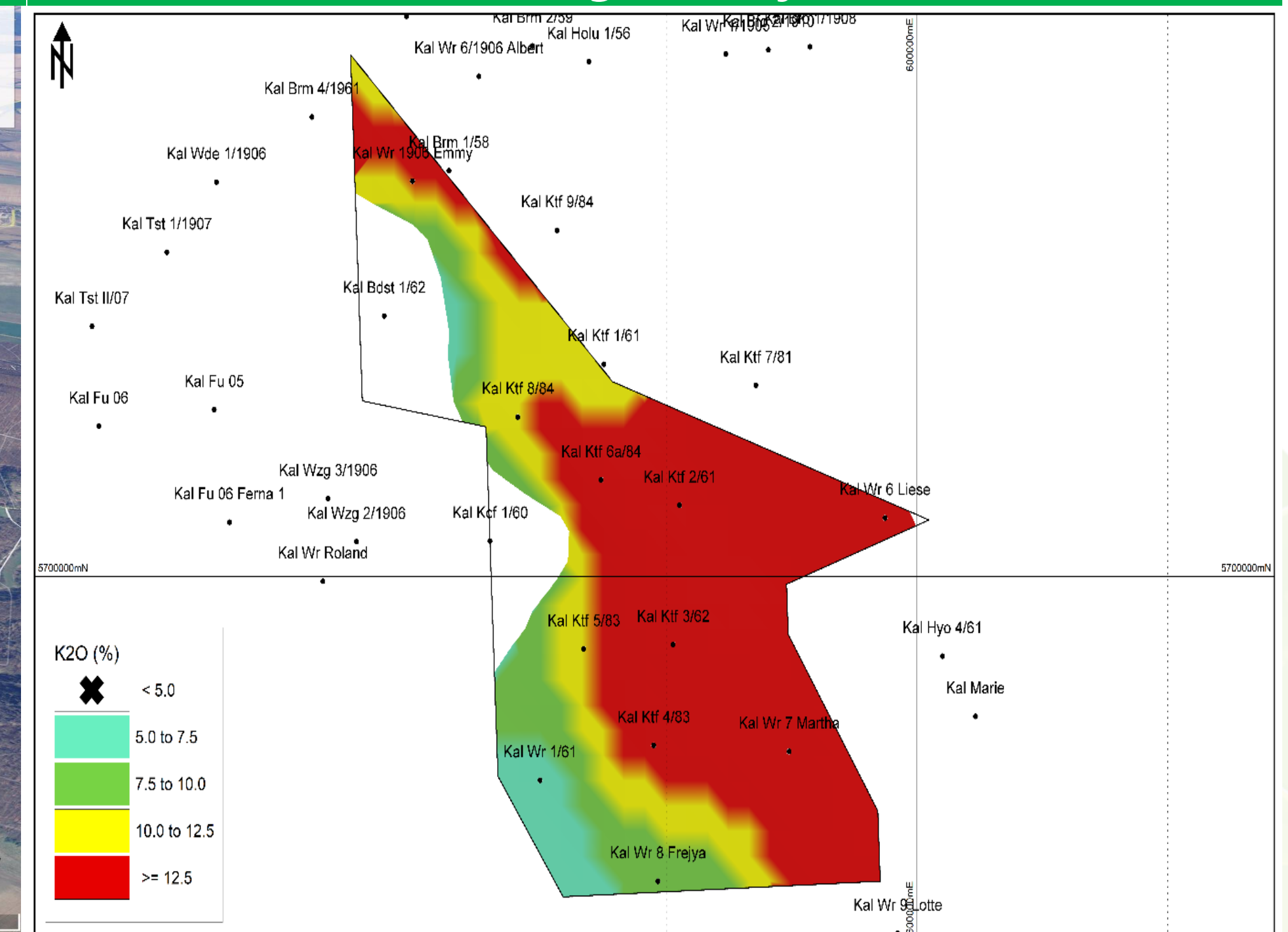
	Resource size (Mt)	Mineralisation	Production Kt/a	IRR Potential	NPV Potential	Opex Target	Capex Target
OHMGEBIRGE	325	Scoping Study 42 Mt K ₂ O (grading 9.8% to 14.0% K ₂ O) at relatively shallow depth.	500 MOP 1000 MOP	✓ ✓	✓ ✓	LOW	LOW V.LOW
NOHRA ELENDE	1700	Scoping Study 165Mt K ₂ O (grading 9.4% to 14.2% K ₂ O) with substantial additional minerals (Kieserite & NaCl) in 26m seams.	575 MOP 640 MgSO ₄ + SOP potential	✓	✓	MED	AVG.
MÜHLHAUSEN-KEULA	1130	Concept Study 125Mt K ₂ O (grading 8.2% to 12.1% K ₂ O), plus additional sulphate minerals (Kieserite, Kainite & Polyhalite)	500 MOP 1000 MOP + SOP potential	✓ ✓	✓ ✓	MED LOW	AVG. LOW
EBELEBEN	577	Concept Study 69 Mt K ₂ O (grading 7.5% to 15.6% K ₂ O).	500 MOP 1000 MOP	✓ ✓	✓ ✓	MED LOW	AVG. LOW

- Ohmgebirge scoping study supports potential for low-cost, low mining and processing risk, long-life project
- Shallow depth of resource, access to bulk samples and proximity of infrastructure promises low capex requirements
- Historic drilling records reduce exploration risk and facilitate faster timetable
- Confirmatory drilling to commence upon availability of funding

Ohmgebirge Field E to W



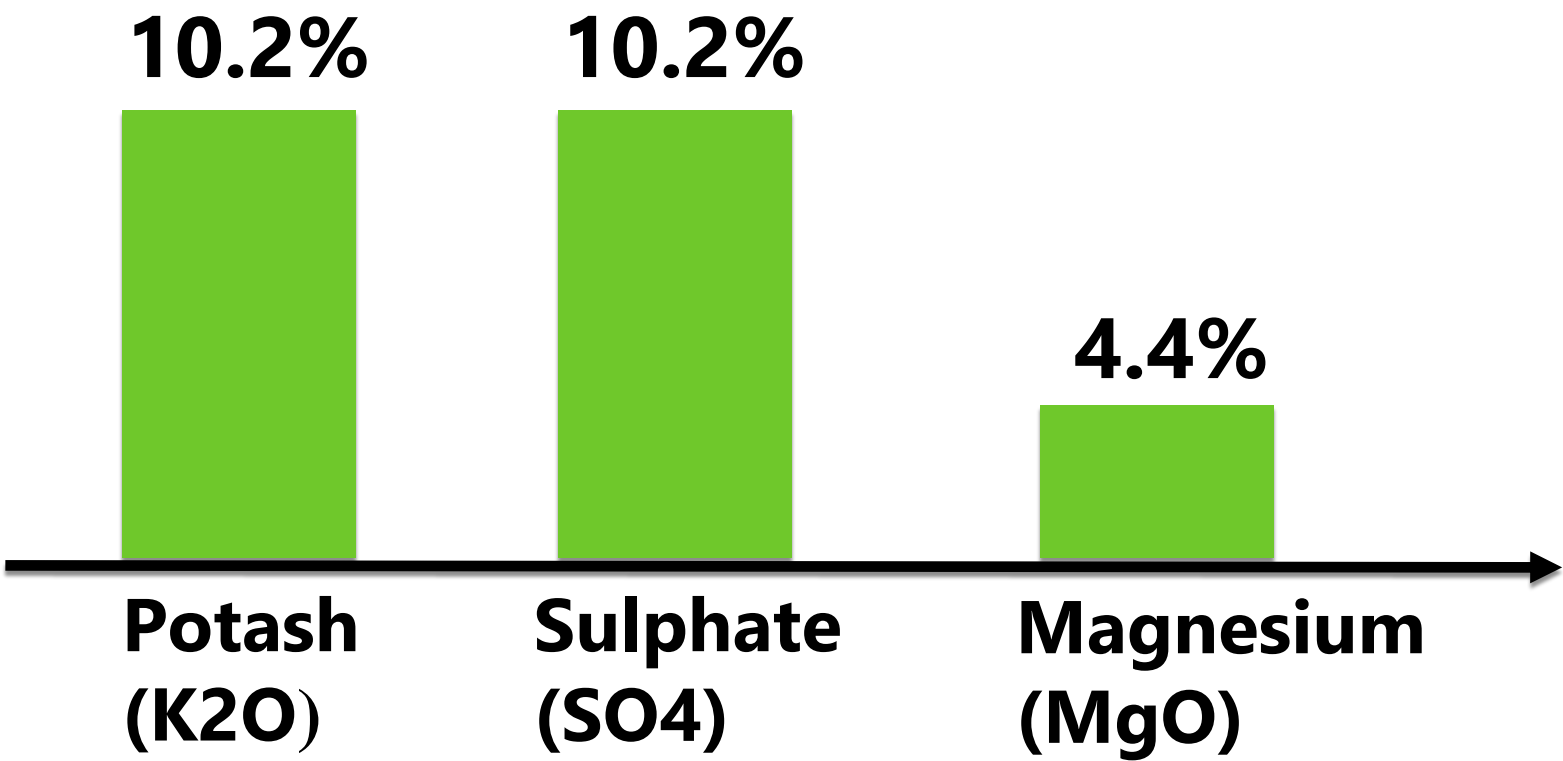
Historic Drilling Activity and Grade



NOHRA-ELENDE AND MÜHLHAUSEN-KEULA PROJECTS WITH POTENTIAL FOR PREMIUM SPECIALTY FERTILISER PRODUCTS

- Mineralisation of the potash deposits in Germany is unique in the world
- Potash is found in conjunction with Kieserite (MgSO_4), facilitating the production of a range of premium fertilizer products, including SOP
- These premium products have been the basis of K+S' specialty fertilizer product strategy from its German mining operations
- K+S mining operations in Germany are ageing & will require replacement

Resource Concentration (%) in the Mühlhausen Keula/Nohra Elende Field



Magnesium and Sulphate Components Are Key Drivers of K+S' Premium Fertilizers Specialities



Production (Mt)

Average Revenue (€ /t)

Potash/MOP

60. Kali®

3.88

256

Fertilizers Specialties

Magnesia-Kainit®

ESTA® Kieserit

EPStop®

KALISOP®

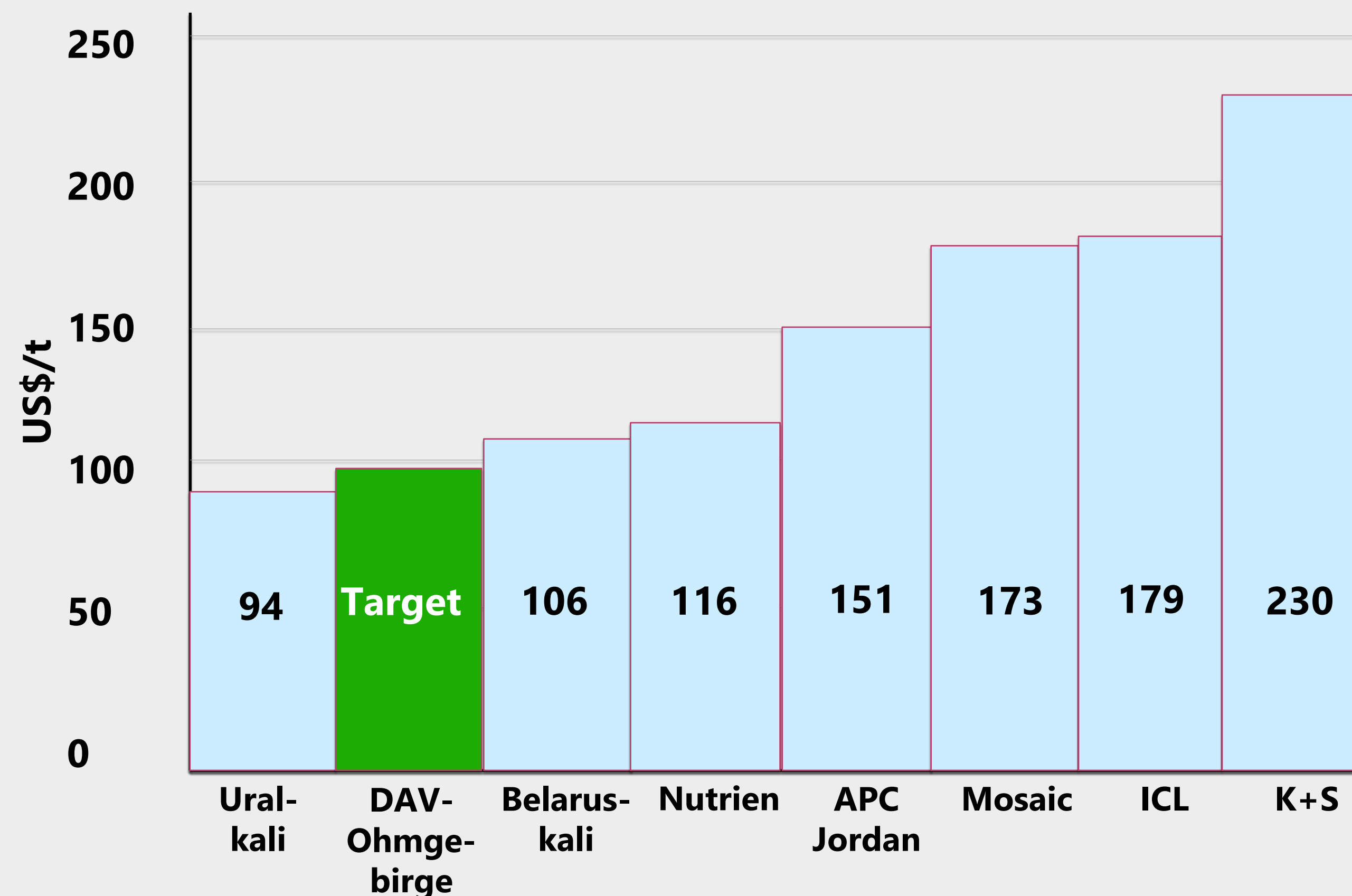
2.42

300

+17%

COMPETITIVE TARGET OPERATING CONDITIONS COMPARED TO GLOBAL PEERS

Davenport's aspirational position on the potash cost curve



FOB costs delivered to Hamburg port based on Argus 2019 World Potash outlook.


Reasons for Low Opex


- High labour cost in Germany typically offset by higher productivity
- Wage costs in the area competitive due to low level of economic activity
- No expat packages required; deep expertise available locally
- Short distance to deep-sea port (Hamburg) compared to Canadian and Russian operators
- New mine design allows compliance with tight local environmental regulations at lower cost than K+S' German legacy mining operations

STRONG COMPETITIVE POSITION RELATIVE TO BELARUSIAN AND RUSSIAN OPERATORS



Target costs per tonne MOP for France and Germany, US\$

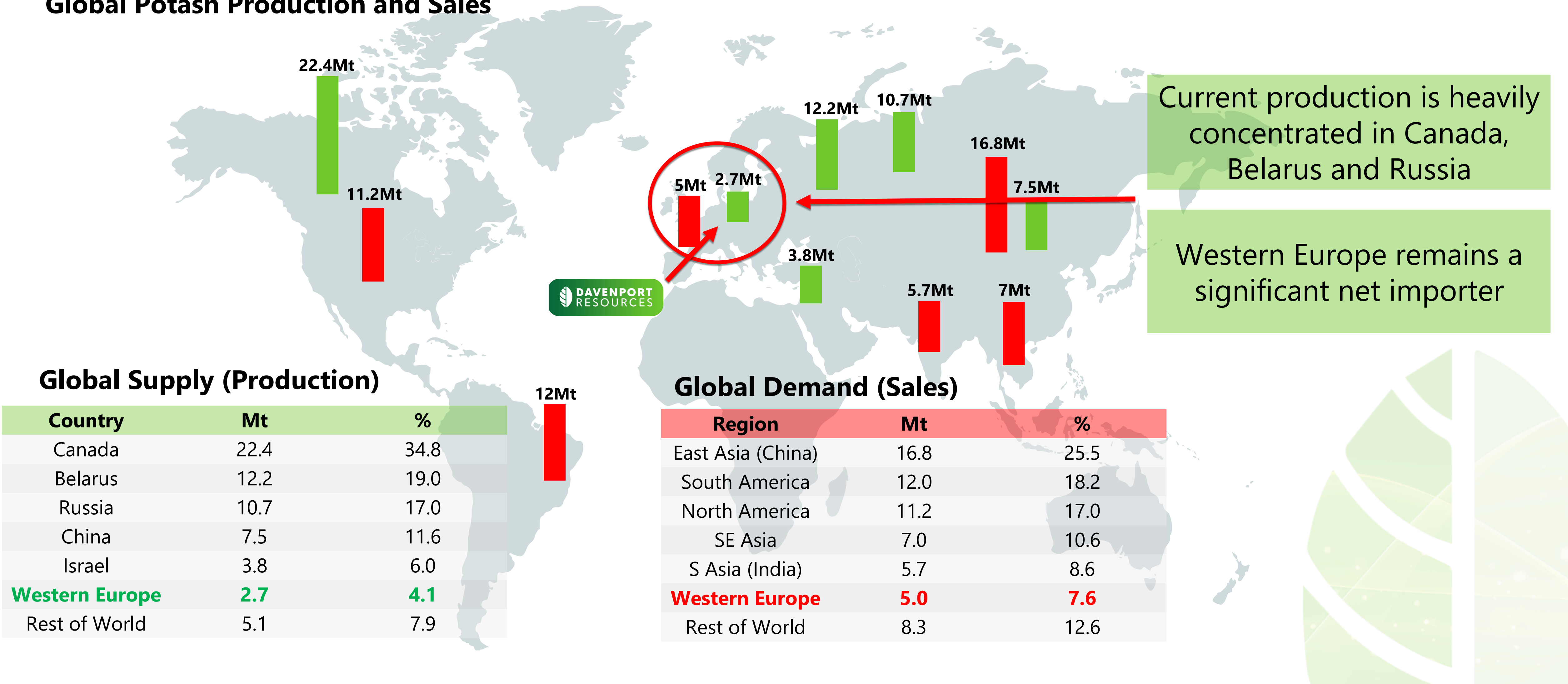
	Perm	V'grad	S'gorsk	DAV
Mine Gate	46	80	56	
Rail to port	48	50	50	
Sub-Total	94	130	106	
EU Tariff	16	16	16	ZERO
Rail to Depot	16	16	16	
Delivered Cost	126	162	138	LOW

	Perm	V'grad	S'gorsk	DAV
Delivered Cost	116	152	128	LOW

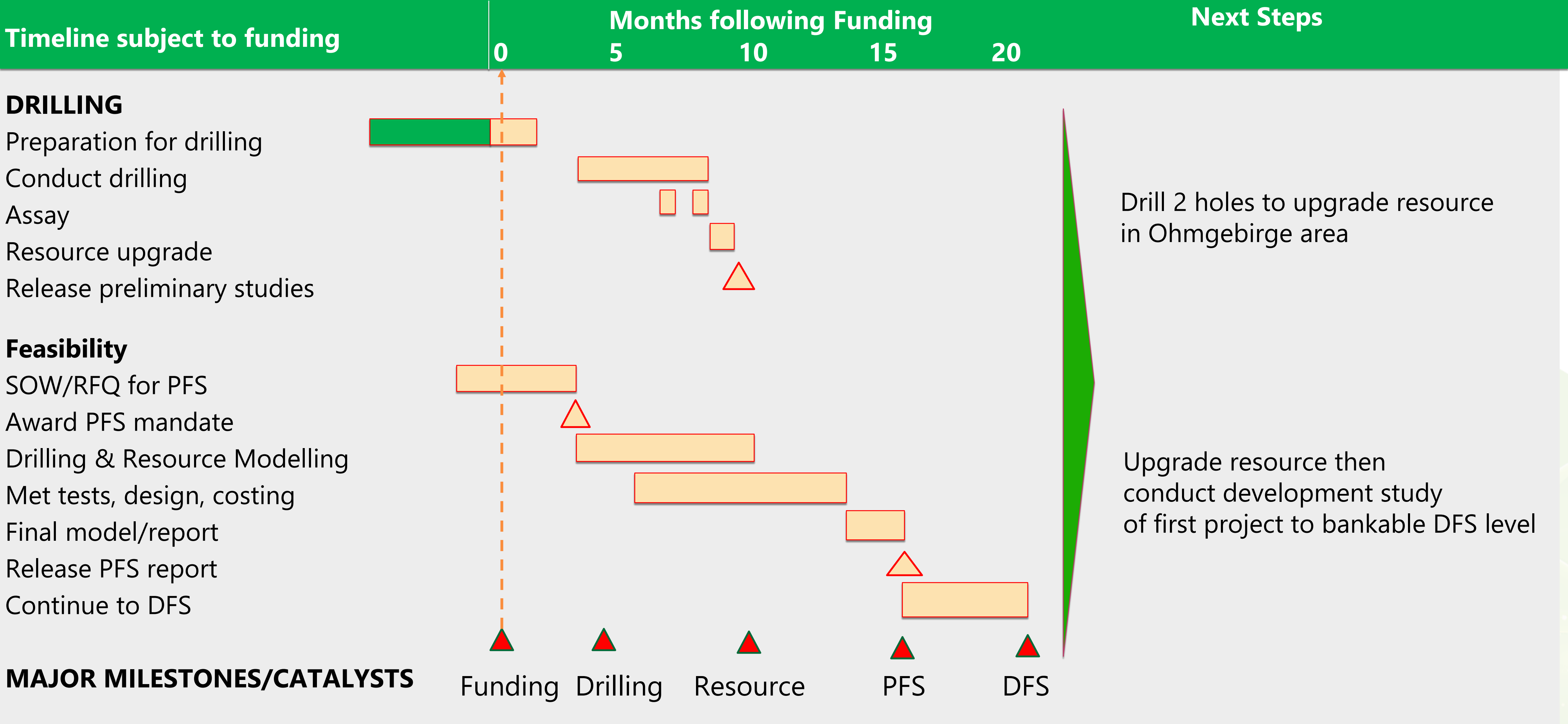
Davenport is well positioned to market potash competitively into France and Germany as logistic distances are much shorter and no EU tariff of 6.5% applies.

PROXIMITY TO WESTERN EUROPEAN END MARKETS: SIGNIFICANT NET IMPORTS OF POTASH

Global Potash Production and Sales



ATTRACTIVE NEAR-TERM CATALYSTS FOR DAVENPORT'S STOCK



CURRENT POTASH DEVELOPMENT PROJECTS

Company	Davenport	Emmerson**	Highfield***
Location	Germany	Morocco	Spain
M&I Resource	-	375 Mt	266 Mt
Inferred Resource	5.3 Bt	162 Mt	150 Mt
Grade % K₂O	10.8*	9.2	13.0
Status	Exploration	Exploration	Post-DFS
Output ktpa MOP	1000	810	500
Capex, US\$m	Competitive	406	404
Opex, US\$/t	Low	125	123
Cap Efficiency US\$/annual tonne	Low	501	808
EV US\$m	6.0	29.8	95.3
EV/attributable K₂O resource US\$	0.01	0.60	1.76

*Includes 1.85 Bt sylvinite grading 13.2% K₂O. **Emmerson plc Interim report to 30 June 2020. *** Highfield H1 report to ASX July 2020

WHAT MAKES A TIER ONE ASSET ?

Source: Mining News October 2019

How does Davenport measure up?

Size and Quality – **DAV cumulative growth potential**



Sustainable consumption growth – **Solid LT market fundamentals**



Expansion opportunities, flexibility – **Bite size modular growth options**



Barriers to entry – **Resource scarcity and high capex requirement**



Country risk/jurisdiction – **German ESG credentials & unique licences**



Location and market proximity – **Proximity to infrastructure and markets**



Positive cash flow throughout commodity cycle – **Robust scoping studies**



Bottom quartile within cost curve – **Aspirational lowest quartile**



A COMPELLING EUROPEAN POTASH OPPORTUNITY

Davenport's potash strategy presents a compelling investment opportunity as the growing world population demands an increasing amount of high-quality food products



5.3Bt JORC Resources supports long-life projects



Regional government supportive of job creation projects



Close proximity to European and African markets



Potash MOP/SOP market fundamentals continue to strengthen



Tier One potential in historic potash region



Low-risk jurisdiction in Germany



Experienced management team. Key staff based in Europe

INVESTOR & MEDIA ENQUIRIES

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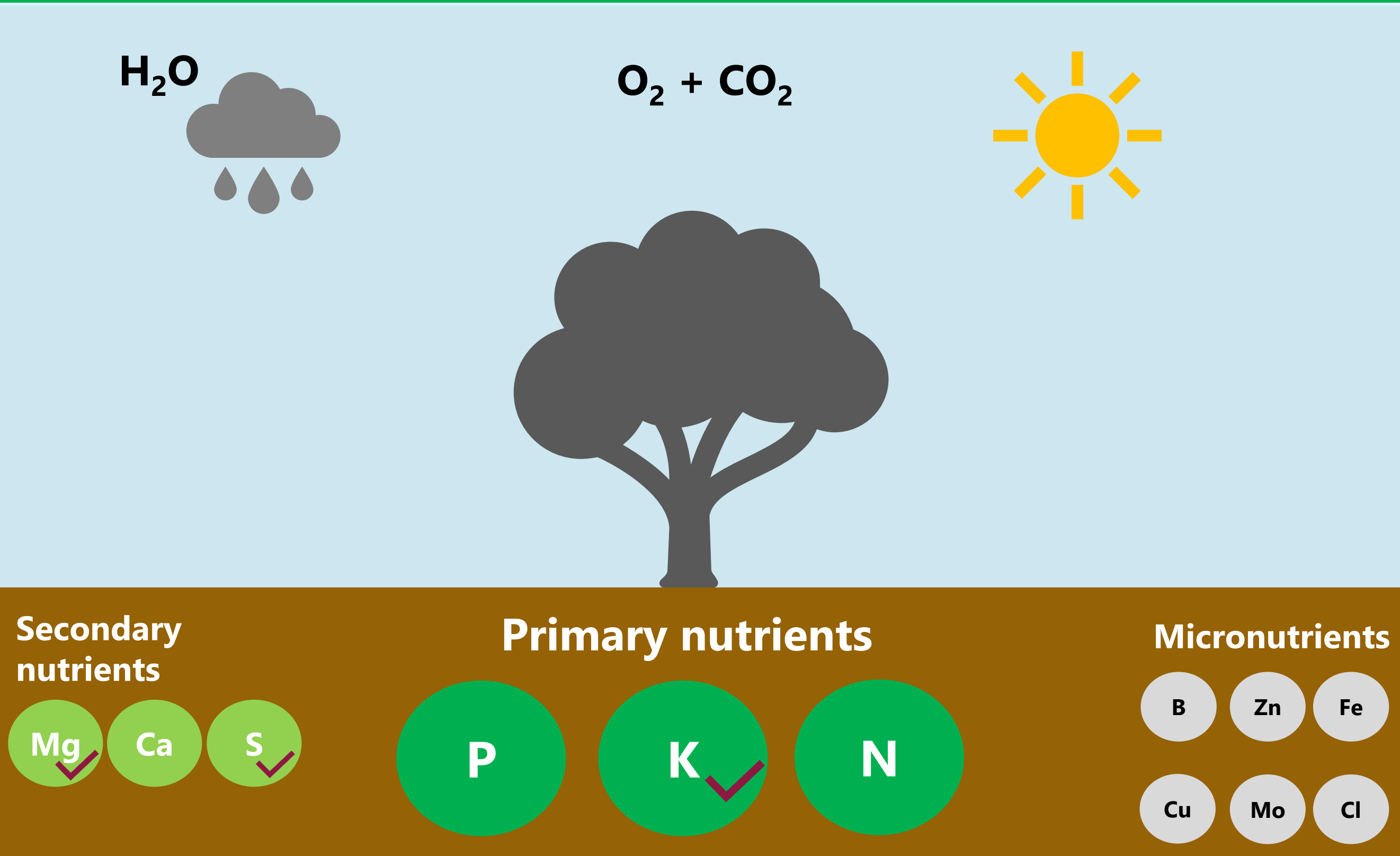
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Appendix

POTASH: A KEY SOURCE OF PRIMARY NEUTRIENT POTASSIUM (K)

Potassium, Nitrogen and Phosphate essential for plant growth



✓ Nutrient found in Davenport's resources

Potassium (K)

- Improves plant's durability and resistance to drought, disease, weeds, parasites and cold weather
- Potassium is severely lacking in many countries' soil

Phosphate (P)

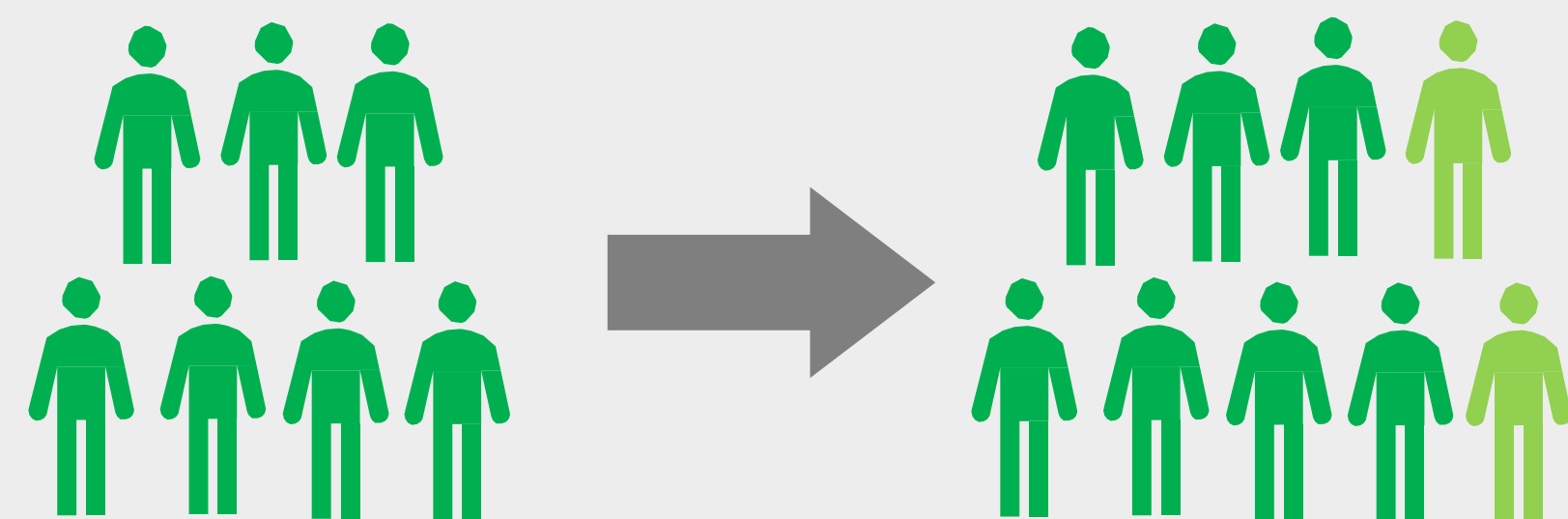
- Plays a key role in adequate root development and photosynthesis process
- Helps plants resist drought

Nitrogen (N)

- Promotes protein formation
- Determines plant's growth, vigour, colour and yield
- Plants absorb nitrogen from the atmosphere

POPULATION GROWTH

The world's population is set to increase to 9 billion by 2050, massively increasing food demand



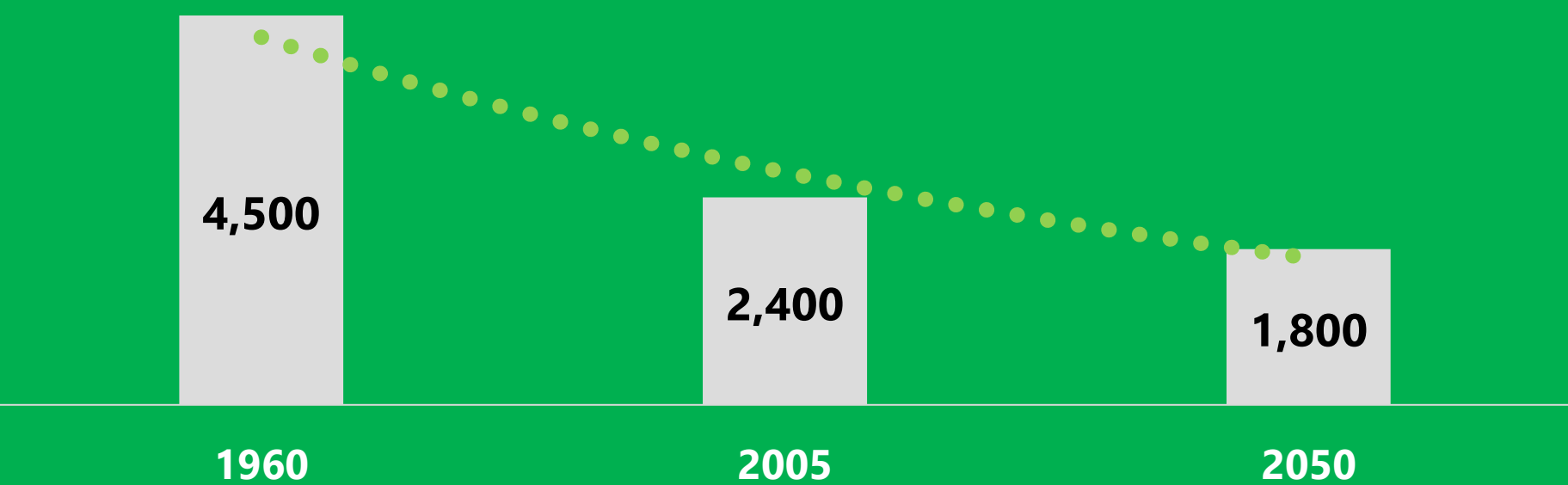
Potash has the capabilities to service the rapidly growing need for quality crops

Majority of population growth to come from developing nations

Increasing living standards driving demand for nutrient-rich crops

LAND AVAILABILITY

Arable land per person continues to dramatically decrease as food demand increases



Arable land per person will only by 1,800m² by 2050.*

Potash will be the key to get more crops from less land

Developing markets are yet to fully utilise the potential of potash

*Source: Argus

FUNDAMENTALS WILL DRIVE VOLUME AND PRICE GROWTH



Global MOP demand is expected to increase steadily to 88 Mt by 2033



Demand being driven by population increases and changing dietary demands

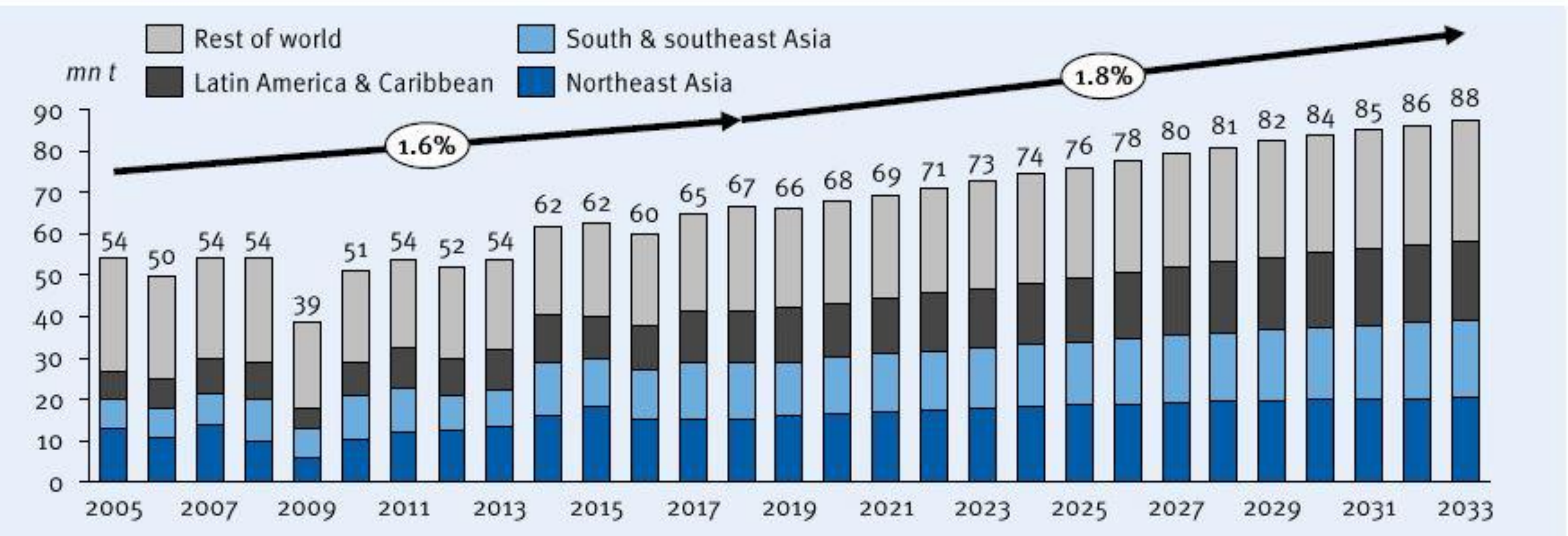


Prices are forecast to rise over the next ten years.



Significant growth will be seen from both Europe and nearby developing nations

Global MOP demand forecast, mn t/y



Source: Argus

DAVENPORT CAN BE A MULTI-PRODUCT COMPANY

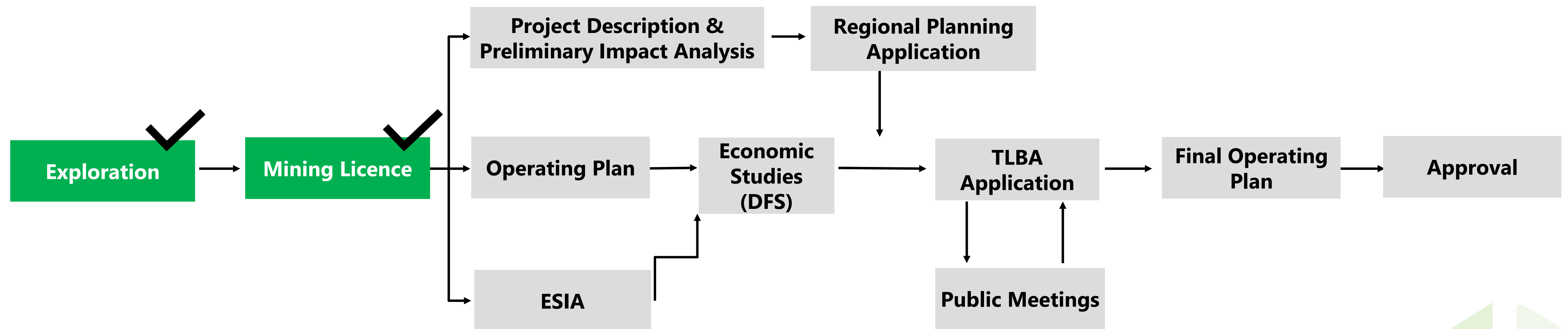
Possibilities for Value-Add Products using Mineral Suites at Nohra-Elende and Mühlhausen-Keula

Mineral	Products	Value-add products	Market Price USD/tonne	World Market Mt/annum
Chlorides	Sylvinite	Standard MOP	250	25
		NaCl	50 - 150	350
		MgCl ₂	100	4-5
	Carnallite	Granular MOP	270 - 300	25
		Industrial MOP	300	15
		Potassium Sulphate (SOP)	500	6
Sulphates	Kieserite	Magnesium Sulphate	200 - 500	1.6

React with MOP

PERMITTING EXPECTED TO BE FAST AND ACCOMMODATING

Davenport plans to utilise eco-friendly technologies, located on former industrial sites which will facilitate the permitting process in which Davenport has a high level of confidence.



Permitting timeline

ESIA Phase 12-18 months

Final Approval Phase 12-24 months

Project activities such as DFS and Front-End Engineering can be executed in parallel with the permitting process

Pipeline of Selected Conventional Mining Projects in Development in Germany	Operator	Project	Product	Permitting	Status
	EMS	Pöhla	Tungsten	✓	2021 start production
	K+S	Siegfried-Giesen	Potash	✓	2019 application approved
	Deutsche Lithium	Zinnwald	Lithium		PFS released 2019
	Knauf	Lüthorst-Portenhagen	Gypsum		Application submitted

ECO-FRIENDLY TECHNOLOGIES WILL ADDRESS ENVIRONMENTAL CHALLENGES THAT AFFECTED K+S BADLY IN RECENT YEARS



(Source: dpa)

Water

- ✗ German legacy operations resulted in significant salt water pollution of local rivers (waste water disposal) and ground water (injection of waste water)
- ✗ Water related clean-up required significant annual investment (2019: €91m) and increases to Opex (2019: €159m)



(Source: dpa)

Tailings

- ✗ Tailing piles from German legacy operations result in pollution of ground water
- ✗ Program of covering existing piles is ongoing, to prevent further pollution
- ✗ Annual investment of €3.3m and Opex of €15.4m (2019) required for tailings related waste management

- ✓ Current German environmental legislation require future potash operations to be zero waste
- ✓ Zero-waste strategy based on backfilling of waste brine and insoluble tailings, using capacity from adjacent historic mining operations
- ✓ No permanent surface disposal of wastewater or tailings piles

FAVOURABLE OPERATING CONDITIONS DUE TO PROXIMITY OF INFRASTRUCTURE AND AVAILABILITY OF BROWNFIELD SITES



- The region was heavily industrialised in GDR times
- Utilisation of former industrial sites will reduce capex and facilitate permitting
- Much of the original infrastructure remains (roads, railways, pipeline)
- All of Davenport's licence areas are surrounded by former potash mines
- Water, gas and rail infrastructure available at close proximity to potential mining sites

CORPORATE OVERVIEW

CAPITAL STRUCTURE	
Shares on issue	197m
Options	60.4m
Share price	\$0.045
Market cap (fully diluted)	\$8.2m

SUBSTANTIAL HOLDERS	%
Parkway Minerals	17.4%
Delphi Unternehmenberatung AG	8.7%
Lions Bay Capital Inc	5.2%
Davenport Directors & Management	11.1%



Share Price Performance

STRONG MANAGEMENT TEAM WITH DEEP POTASH TRACK RECORD

Executive

**Previous
experience:**

Gold Fields, De Beers,
Cleveland Potash,
Kenmare Resources,
**South Boulder
Mines, Circum
Minerals**



Dr Chris Gilchrist
Managing Director

**Previous
experience:**

VP Operations –
Allana Potash, VP
Exploration – Lydian
International



Jason Wilkinson
COO & Project Director

Non Executive



Ian Farmer
Chairman



Dr Reinout Koopmans
Non-Exec Director



Rory Luff
Non-Exec Director



Hansjörg Plaggemars
Non-Exec Director



Bob Van Der Laan
Non-Exec Director

STRONG RECENT CORPORATE MOMENTUM

Progress to date

Operational

- ✓ Created JORC Inferred Resource for Ebeleben, Mühlhausen-Küllstedt, Ohmgebirge and Nohra-Elende
- ✓ Completed scoping studies for Nohra-Elende and Ohmgebirge; concept studies for Mühlhausen-Keula and Ebeleben
- ✓ Commenced preparation for confirmatory drilling in Ohmgebirge
- ✓ JORC resource for Kainite at Nohra-Elende

Financing

- ✓ Attracted several sizeable shareholders (Lions Bay, Delphi)
- ✓ Appointed Cenkos as UK/European corporate broker
- ✓ Successfully raised several rounds of financing with strong support from existing shareholders and board members

Corporate

- ✓ Ongoing dialogue with interested strategic parties
- ✓ Made changes to the Board and appointed new Chairman
- ✓ Changed German entity name to SüdHarz Kali GmbH

Near-term milestones

- Commence confirmatory drilling
- Upgrade resources to JORC indicated
- Release preliminary economic study
- Commence Feasibility Study
- Release DFS 20 months after funding

TOTAL JORC INFERRED RESOURCES

HORIZON	TONNAGE (MT)	K ₂ O %	K ₂ O (MT)
EBELEBEN			
Sylvinite	324	15.6	50
Carnallite	253	7.5	19
MÜHLHAUSEN KEULA			
Sylvinite	834	12.1	101
Carnallite	296	8.2	24
MÜHLHAUSEN NOHRA-ELENDE			
Sylvinite	101	14.2	14
Carnallite	1,597	9.4	150
KÜLLSTEDT			
Sylvinite	333	13.0	43
Carnallite	1,205	10.1	122
OHMGEBIRGE			
Sylvinite	261	14.0	36
Carnallite	64	9.8	6
TOTAL SYLVINITE	1,853	13.2	244
TOTAL CARNALLITITE	3,415	9.5	323
TOTAL JORC INFERRED	5,268	10.8	567