

ASX Announcement

21 June 2018



COMPANY DETAILS

Davenport Resources Limited

ABN: 64 153 414 852

ASX CODE: DAV

PRINCIPAL AND REGISTERED OFFICE (& Postal Address)

Davenport Resources Limited
Level 28,
303 Collins Street
Melbourne VIC 3000

W: www.davenportresources.com.au

E: info@davenportresources.com.au

P: +61 (0) 415 065 280

Capital Structure

108.7M Ordinary shares

6.2M Unlisted options

6.2M Performance rights

BOARD OF DIRECTORS

Patrick McManus

(Non-Executive Chairman)

Dr Chris Gilchrist

(Managing Director)

Chris Bain

(Executive Director)

Rory Luff

(Non-Executive Director)

Davenport Private Placement and Share Purchase Plan

- **Receipt of commitments for approximately \$2.1 million placement**
- **Share Purchase Plan to be offered to eligible shareholders on identical terms**

The Board of Davenport Resources Limited (ASX: DAV) (Davenport or the Company) is pleased to announce strong market and shareholder support for an oversubscribed capital raising that will advance exploration at the company's key South Harz Potash Project in Germany.

Placement

Davenport has completed an oversubscribed placement to sophisticated, professional and institutional investors of approximately 31 million fully paid ordinary shares in Davenport (Shares) at 7 cents per Share to raise approximately \$2.1 million. Each share will have one free attaching option exercisable at 20 cents and expiring 5 years after the date of issue (Option). The Options will be listed subject to meeting ASX listing criteria and will be issued subject to shareholder approval.

The Placement will comprise two Tranches, the first of approximately 26.9 million fully paid ordinary shares (\$1.9 million) is expected to be issued on or about 2 July 2018. It will not be subject to shareholder approval as it will fall within the Company's full placement capacity of 16.3 million shares under ASX Listing Rule 7.1, the balance of 10.6 million shares placed is from the Company's 10.9 million share placement capacity under ASX listing Rule 7.1A. Tranche 2 of the Placement, comprising approximately 3.9 million fully paid ordinary shares (\$0.27 million), together with the Placement Options, will be issued subject to shareholder approval at a general meeting expected to be held in August 2018.

Share Purchase Plan

Davenport invites eligible shareholders to participate in a Share Purchase Plan (SPP) to acquire up to \$15,000 worth of Shares at an issue price of 7 cents per Share (up to 214,286 Shares), without any additional brokerage or other transaction costs, and with one free attaching Option per Share, exercisable at 20 cents and expiring 5 years after the date of issue. The SPP is not underwritten and will be capped at a total amount of \$0.5 million (before costs).

Davenport Managing Director, Dr Chris Gilchrist, commented: "This Placement and SPP will bolster the Company's ability to maintain the successful momentum which is being achieved at the South Harz Project in Germany. We intend to use the funds raised to continue fast-tracking the conversion of historic resources to JORC-compliant Inferred Resources and to prepare the ground for confirmatory drilling in early 2019 as we build Europe's largest unmined potash inventory".

SPP and Option Offers

Participation in the SPP will be entirely optional and will be available exclusively to shareholders who were registered as holders of Shares at 5.00pm (WST) on 20 June 2018, and whose registered address is in Australia or New Zealand (Eligible Shareholders).

Investors who subscribe for Shares under the Placement and Eligible Shareholders who subscribe for Shares under the SPP will also be offered, one free attaching Option for every Share subscribed. The Options will have an exercise price of \$0.20 and expiry date 5 years after the date of issue, and are intended to be quoted on ASX, subject to satisfying the ASX listing criteria.

Davenport Director Mr Rory Luff also wishes to participate in the Placement by subscribing for Shares up to the value of \$100,000. Any Shares and Options to be issued to Mr Luff will be issued following the receipt of shareholder approval at a general meeting.

The Company has also agreed to issue 7.5 million Options to the Lead Manager to the Placement, (Lead Manager Options) on the same terms as the Placement Options. The Company intends to issue a prospectus for the Option component of the Placement, the SPP and the Lead Manager Options, which will also be subject to shareholder approval at a general meeting. Full details of the SPP and Option Offers will be announced at a later date.

The Placement and SPP issue price represents a 1% discount to the volume weighted average price of Shares on the ASX over the five trading day period prior to the date of this announcement (which was 7.07cents). The SPP will provide shareholders with the opportunity to increase their holding at an attractive price without paying brokerage or transaction costs.

The Placement

SPP Shortfall

Any Shares and Options not subscribed for by Eligible Shareholders under the SPP will comprise the shortfall and may be offered to professional, sophisticated or institutional investors as a separate placement at the discretion of the Directors, subject to shareholder approval to be sought at the general meeting to be convened shortly.

Enquiries: If you have any enquiries in relation to the SPP or the Option Offers, please call Rajan Narayanasamy, Company Secretary, on +61 415 065 280.

INVESTOR & MEDIA ENQUIRIES

Dr Chris Gilchrist - Managing Director
Davenport Resources Ltd
+353 41 988 3409
+353 87 687 9886
cgilchrist@davenportresources.com.au

Luke Forrestal - Account Director
Media & Capital Partners
+61 (0) 411 479 144
luke.forrestal@mcpartners.com.au