
DAVENPORT RESOURCES LIMITED
ABN 64 153 414 852

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Meeting will be held at:

TIME: 4:00 pm AWST
DATE: Friday, 29 November 2019
PLACE: Level 1
675 Murray Street
WEST PERTH WA 6005

The business of the Meeting affects your shareholding and your vote is important.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4:00 pm (AWST) on 27 November 2019.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (08) 9479 5386.

BUSINESS OF THE MEETING

AGENDA

1. REPORTS AND ACCOUNTS

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019, together with the declaration of the Directors, the Director's report, the Remuneration Report and the auditor's report.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the Company to adopt the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2019.”

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the voter) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RORY LUFF

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 14.4, Article 59(2) of the Constitution and for all other purposes, Mr Rory Luff, being a Director, retires by rotation and, being eligible, is hereby re-elected as a Director.”

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR REINOUT KOOPMANS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 14.4, Article 57(2) of the Constitution and for all other purposes, Dr Reinout Koopmans, being a Director appointed casually on 1 January 2019, retires and, being eligible, is hereby elected as a Director.”

5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR HANSJOERG PLAGGEMARS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 14.4, Article 57(2) of the Constitution and for all other purposes, Mr Hansjoerg Plaggemars, being a Director appointed as an additional Director on 1 October 2019, retires and, being eligible, is hereby re-elected as a Director.”

6. RESOLUTION 5 – RATIFICATION OF PRIOR GRANT OF SHARE PURCHASE PLAN OPTIONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the grant of 1,142,857 Share Purchase Plan Options (**SPP Options**) to shareholders who partook in the September 2018 Share Purchase Plan on the terms and conditions set out in the Explanatory Statement.”*

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – RATIFICATION OF SEPTEMBER PLACEMENT SHARES – 7.1 CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, the Shareholders ratify the issue of 20,327,755 September Placement Shares to sophisticated investors on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – RATIFICATION OF SEPTEMBER PLACEMENT SHARES – 7.1A CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 953,083 September Placement Shares on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is

cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – RATIFICATION OF SEPTEMBER PLACEMENT OPTIONS – 7.1A CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 10,640,419 September Placement Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 9 – RATIFICATION OF SHARES AND ATTACHING OPTIONS TO DELPHI UNTERNEHMENSBERATUNG AG

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 571,428 Shares and 285,714 Options on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 10 – APPROVAL FOR RELATED PARTY PARTICIPATION IN SEPTEMBER PLACEMENT – DR CHRIS GILCHRIST

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,190,476 Shares at \$0.042 per Share and 595,238 Options to Chris Gilchrist (or his nominee/s) under the Placement on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Chris Gilchrist (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 11 – APPROVAL FOR RELATED PARTY PARTICIPATION IN SEPTEMBER PLACEMENT – MR RORY LUFF

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, subject to the approval of Resolution 2, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 595,238 Shares at \$0.042 per Share and 297,619 Options to Mr Rory Luff (or his nominee/s) under the Placement on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion :The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Rory Luff (and his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

13. RESOLUTION 12 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue up to that number of Equity Securities equal to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

14. RESOLUTION 13 – ADOPTION OF PERFORMANCE RIGHTS PLAN

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.2 (Exception 9(b)) and for all other purposes, approval is given for the Company to adopt an employee incentive scheme titled “Performance Rights Plan” and for the issue of securities under that Plan, on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of any Director except one who is ineligible to participate in any employee incentive scheme in relation to the Company, or any associates of those Directors. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

15. RESOLUTION 14 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO DR CHRIS GILCHRIST

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 13, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 2,475,000 Performance Rights to Dr Chris Gilchrist (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors or the nominee of Dr Chris Gilchrist (**Resolution 14 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 14 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

Provided the Chair is not a Resolution 14 Excluded Party, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

16. RESOLUTION 15 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MR PATRICK MCMANUS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 13, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 866,250 Performance Rights to Mr Patrick McManus (or his nominee) under the

Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The **Company** will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors or the nominee of Mr Patrick McManus (**Resolution 15 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 15 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 15 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

17. RESOLUTION 16 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO DR REINOUT KOOPMANS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, subject to the passing of Resolution 13, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 866,250 Performance Rights to Dr Reinout Koopmans (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors or the nominee of Dr Reinout Koopmans (**Resolution 16 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 16 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 16 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and

- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

18. RESOLUTION 17 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MR RORY LUFF

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 13, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 866,250 Performance Rights to Mr Rory Luff (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors or the nominee of Mr Rory Luff (**Resolution 17 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 17 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
- (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 17 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

19. RESOLUTION 18 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MR HANSJOERG PLAGGERMARS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

“That, subject to the passing of Resolution 13, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue 866,250 Performance Rights to Hansjoerg Plaggemars (or his nominee) under the Performance Rights Plan on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf any Director who is eligible to participate in the employee incentive scheme in respect of which the approval is sought, or any associates of those Directors or the nominee of Hansjoerg Plaggemars (**Resolution 18 Excluded Party**). However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 18 Excluded Party, it is cast by the person chairing the meeting as

proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution. Provided the Chair is not a Resolution 18 Excluded Party, the above prohibition does not apply if:
 - (a) the proxy is the Chair; and
 - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

20. RESOLUTION 19 – REPLACEMENT OF CONSTITUTION

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of section 136(2) of the Corporations Act and for all other purposes, approval is given for the Company to repeal its existing Constitution and adopt a new constitution in its place in the form as signed by the chairman of the Meeting for identification purposes.”

Dated: 29 October 2019

By order of the Board

**Amanda Wilton-Head
Company Secretary
Davenport Resources Limited**

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
- any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 9479 5386.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting of the Company to be held at Level 1, 675 Murray Street, West Perth WA 6005 at 4:00 pm AWST on Friday, 29 November 2019.

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The audited financial statements for the year ended 30 June 2019 included an emphasis of matter in the audit report. The basis for the emphasis of matter was the material uncertainty regarding the Company's ability to continue as a going concern. Please refer to the 2019 Annual Report for further details.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website at www.davenportresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT (NON-BINDING)

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

If at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at this Annual General Meeting, and then again at the Company's 2020 annual general meeting, the Company will be required to put to Shareholders a resolution proposing the calling of a general meeting to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of Shareholders vote in favour of the Spill Resolution, the Company must convene the general meeting (**Spill Meeting**) within 90 days of the Company's 2020 annual general meeting. All of the Directors who were in office when the Company's 2020 directors' report was approved, other than the managing director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as Directors is approved will be the directors of the Company.

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2019.

The chair of the meeting must allow a reasonable opportunity for discussion of the Remuneration Report at the Annual General Meeting.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR RORY LUFF

3.1 Background

ASX Listing Rule 14.4 and Article 59(1) of the Constitution provide that, other than a managing director, a director of an entity must not hold office (without re-election) past the third annual general meeting following the Director's appointment or 3 years, whichever is longer. A retiring Director is eligible for re-election. The Directors to retire at any annual general meeting must be those who have been longest in office since their last election but, as between persons who became Directors on the same day, those to retire must (unless they otherwise agree among themselves) be determined by lot.

Mr Rory Luff, who has served as a Director since 3 June 2016 and was elected on 30 June 2016, retires by rotation and seeks re-election.

Details regarding Mr Rory Luff are set out below.

Mr Rory Luff is the founder of BW Equities, a specialist Melbourne equities advisory firm and has over 15 years' experience in the financial services industry. Mr Rory Luff has spent most of his career in the financial markets advising resources companies on capital raisings and financial markets strategy.

Mr Rory Luff has not held any other directorships in listed companies during the last 3 years.

If re-elected the Board does not consider Mr Rory Luff will be an independent Director.

3.2 Board Recommendation

The Board (other than Mr Rory Luff) support the re-election of Mr Rory Luff and recommend Shareholders vote in favour of the re-election of Mr Rory Luff.

4. RESOLUTION 3 – ELECTION OF DIRECTOR – DR REINOUT KOOPMANS

4.1 Background

ASX Listing Rule 14.4 and Article 56(1) of the Constitution provide that subject to the provisions of the Constitution, the Directors may appoint any person as a Director to fill a casual vacancy or as an addition to the existing Directors. Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Dr Reinout Koopmans, having been appointed by other Directors on 1 January 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Details regarding Dr Reinout Koopmans are set out below.

Dr Reinout Koopmans spent 15 years in investment banking, based in London. He was responsible globally for public equity raising for natural resource companies at Deutsche Bank and he led the European equity capital markets team at Jefferies International. In the 1990's, Dr Reinout Koopmans was a management consultant with McKinsey & Co in Germany and South-East Asia. He has significant business experience in Germany. Dr Reinout Koopmans has a PhD and Masters degree from the London School of Economics, and a degree from Erasmus University, Rotterdam.

Dr Reinout Koopmans has not held any other directorships in listed companies during the last 3 years.

If re-elected the Board considers Dr Reinout Koopmans will be an independent Director.

4.2 Board Recommendation

The Board (other than Dr Reinout Koopmans) support the election of Dr Reinout Koopmans and recommend Shareholders vote in favour of the election of Dr Reinout Koopmans.

5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR HANSJOERG PLAGGEMARS

5.1 Background

ASX Listing Rule 14.4 and Article 56(1) of the Constitution provide that subject to the provisions of the Constitution, the Directors may appoint any person as a Director to fill a casual vacancy or as an addition to the existing Directors. Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Hansjoerg Plaggemars having been appointed by other Directors on 1 October 2019 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders.

Details regarding Mr Hansjoerg Plaggemars are set out below.

Mr Hansjoerg Plaggemars is an experienced company director with a deep background in corporate finance, corporate strategy and governance. He has served on the Board of Directors of many listed and unlisted companies in a variety of industries including retail, mining, agriculture, shipping, construction and investments. This includes the Board of Deutsche Balaton AG and Delphi Unternehmensberatung Aktiengesellschaft (**Delphi Unternehmensberatung AG**), which has become a substantial shareholder in the Company. Mr Hansjoerg Plaggemars has qualifications in Business Administration and is fluent in English and German and resides in Stuttgart, Germany.

Mr Hansjoerg Plaggemars is currently a director of ASX listed Kin Mining NL. Mr Hansjoerg Plaggemars was formerly a director of AIM listed Stellar Diamonds plc until April 2018. Mr Hansjoerg Plaggemars has not held any other directorships in listed companies during the last 3 years.

If re-elected the Board does not consider Mr Hansjoerg Plaggemars will be an independent Director by virtue of being a representative of Delphi Unternehmensberatung AG, which is a substantial holder in the Company.

5.2 Board Recommendation

The Board (other than Mr Hansjoerg Plaggemars) support the election of Mr Hansjoerg Plaggemars and recommend Shareholders vote in favour of the election of Mr Hansjoerg Plaggemars.

6. RESOLUTION 5 – RATIFICATION OF PRIOR GRANT OF SHARE PURCHASE PLAN OPTIONS

6.1 General

On 21 June 2018 the Company invited 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, with one free attaching Option per Share (**SPP Options**), exercisable at 20 cents and expiring 5 years after the date of issue.

On 20 December 2018 the Company granted the remainder of the SPP Options.

This Resolution seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the grant of 1,142,857 SPP Options. This Resolution is an ordinary resolution.

6.2 Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

6.3 Listing Rule 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.4 Specific Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the issue of the SPP Options:

- (a) 1,142,857 SPP Options were issued on 20 December 2018;
- (b) the SPP Options were issued for no cash consideration as free attaching options;
- (c) the SPP Options issued were quoted options over fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing quoted options on issue (ASX:DAVO) (see Schedule 1 for terms and conditions);

- (d) the SPP Options were granted to the shareholders whom participated in the SPP. None of these subscribers are related parties of the Company;
- (e) no funds were raised from the issue of the SPP Options; and
- (f) a voting exclusion statement is included in the Notice.

6.5 Directors' Recommendation

The Board recommends that Shareholders vote in favour of this Resolution.

7. RESOLUTIONS 6 TO 8 – RATIFICATION OF SEPTEMBER PLACEMENT SHARES

7.1 General

On 26 August 2019 the Company announced it had completed a \$1,120,000 capital raising via the issue of approximately 26,666,666 Shares to strategic and/or sophisticated investors, along with one (1) free attaching quoted Option for every two (2) Shares subscribed (**September Placement**). The funds raised under the September placement will be used to complete technical and economic studies which are underway across Davenport's significant portfolio of potash assets in Germany and for general working capital.

Pursuant to the September Placement a total of 21,852,266 Shares (**September Placement Shares**) and 10,926,133 free attaching quoted Options (**September Placement Options**) were issued on 10 September 2019 via the Company's Listing Rules 7.1 and 7.1A capacities.

Resolution 6 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of 20,327,755 September Placement Shares which were issued via the Company's Listing Rule 7.1 capacity.

Resolution 7 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of 953,083 September Placement Shares which were issued pursuant to the Company's Listing Rule 7.1A capacity, which was approved by Shareholders on 14 November 2018.

Resolution 8 seeks the approval of Shareholders pursuant to Listing Rule 7.4 to ratify the issue of 10,640,419 September Placement Options which were issued pursuant to the Company's Listing Rule 7.1A capacity, which was approved by Shareholders on 14 November 2018.

7.2 Listing Rule 7.1

A summary of Listing Rule 7.1 is contained in section 6.2.

7.3 Listing Rule 7.1A

ASX Listing Rule 7.1A provides that in addition to issues permitted without prior shareholder approval under ASX Listing Rule 7.1, an entity that is eligible and obtains shareholder approval under ASX Listing Rule 7.1A may issue or agree to issue during the period for which the approval is valid a number of quoted equity securities which represents 10% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period as adjusted in accordance with the formula in ASX Listing Rule 7.1.

Where an eligible entity obtains shareholder approval to increase its placement capacity under ASX Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in ASX Listing Rule 7.1A; and
- (b) are counted in variable "E",

until their issue has been ratified under ASX Listing Rule 7.4 (and provided that the previous issue did not breach ASX Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue the subject of Resolutions 7 and 8, the base figure (ie variable "A") in which the Company's 15% and 10% annual placement capacities are calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval. Although, it is noted that the Company's use of the 10% annual placement capacity following this Meeting remains conditional on Resolution 12 being passed by the requisite majority.

7.4 Listing Rule 7.4

A summary of Listing Rule 7.4 is contained in section 6.3.

7.5 Specific Information Required by Listing Rule 7.5

Pursuant to and in accordance with Listing Rule 7.5, the following information is provided in relation to the ratification of the September Placement Shares and September Placement Options:

- (a) 21,280,838 September Placement Shares and 10,637,419 September Placement Options were issued on the following basis:
 - (i) 20,327,755 September Placement Shares were issued on 10 September 2019 via the Company's Listing Rule 7.1 capacity (the subject of Resolution 6);
 - (ii) 953,083 September Placement Shares were issued on 10 September 2019 via the Company's Listing Rule 7.1A capacity (the subject of Resolution 7);
 - (iii) 10,640,419 September Placement Options were issued on 10 September via the Company's Listing Rule 7.1A capacity (the subject of Resolution 8);
- (b) the September Placement Shares were issued at \$0.042 per Share;
- (c) the September Placement Options were issued as free attaching Options on a 1:2 basis to the September Placement Shares;
- (d) the September Placement Shares issued were fully paid ordinary shares in the capital of the Company and rank equally in all respects with the Company's existing Shares (ASX:DAV) on issue;
- (e) the September Placement Options were issued on the same terms and conditions as the Company's existing quoted Options (ASX:DAVO) (see

Schedule 1 for the full terms and conditions of the September Placement Options);

- (f) 21,280,838 September Placement Shares were predominately issued to clients of Hartleys Limited (ACN 104 195 057) (**Hartleys Limited**), a licensed securities dealer (AFSL 230052), and were all sophisticated and professional investors, none of whom is a related party to the Company;
- (g) 10,640,419 September Placement Options were predominately issued to clients of Hartleys Limited and were all sophisticated and professional investors, none of whom is a related party to the Company;
- (h) the proceeds from the issue of the September Placement were used to complete technical and economic studies which are underway across the Company's significant portfolio of potash assets in Germany and for general working capital; and
- (i) a voting exclusion statement is included in the Notice.

7.6 Directors' Recommendation

The Board recommends that Shareholders vote in favour of Resolutions 6, 7 and 8.

8. RESOLUTION 9 – RATIFICATION OF SHARES AND ATTACHING OPTIONS TO DELPHI UNTERNEHMENSBERATUNG AG

8.1 General

As announced on 11 September 2019, the Company issued Shares and Options under the September Placement described in Section 7.1 to Delphi Unternehmensberatung AG in consideration for services provided for marketing the Company to German investors.

571,428 Shares and 285,714 Options were issued pursuant to the Company's capacity under ASX Listing Rule 7.1A which was approved by Shareholders at the annual general meeting held on 14 November 2018.

Resolution 9 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares and Options (**Ratification**).

8.2 Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out in section 7.2 above.

8.3 Listing Rule 7.1A

A summary of ASX Listing Rule 7.1A is set out in Section 7.3 above.

8.4 Listing Rule 7.4

A summary of ASX Listing Rules 7.1 and 7.4 is set out in section 7.4 above.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

8.5 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Ratification:

- (a) 571,428 Shares and 285,714 Options were issued;
- (b) the Shares were issued for nil cash consideration in satisfaction of marketing services provided by Delphi Unternehmensberatung AG;
- (c) the Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (ASX:DAV);
- (d) the Options were issued as free attaching Options on a 1:2 basis to the Shares, on the same terms as the September Placement;
- (e) the Options were issued on the same terms and conditions as the Company's existing quoted Options (ASX:DAVO) (see Schedule 1 for the full terms and conditions of the September Placement Options);
- (f) the Shares and Options were issued to Delphi Unternehmensberatung AG in lieu of services provided for marketing the Company to German investors, Delphi Unternehmensberatung AG is not a related party to the Company;
- (g) no funds were raised from this issue as the Shares and Options were issued in consideration for marketing the Company to German investors; and
- (h) a voting exclusion statement is included in the Notice.

9. RESOLUTIONS 10 AND 11 – APPROVAL FOR RELATED PARTY PARTICIPATION IN SEPTEMBER PLACEMENT – DR CHRIS GILCHRIST AND MR RORY LUFF

9.1 General

Pursuant to the September Placement announced on 26 August 2019 and described at Section 7.1 above, Dr Chris Gilchrist and Mr Rory Luff (or their respective nominees) wish to participate in the September Placement on the same terms as other investors.

Resolutions 10 and 11 seek Shareholder approval for the issue of up to a total of 1,785,714 September Placement Shares and 892,857 free attaching September Placement Options to Dr Chris Gilchrist and Mr Rory Luff (or their respective nominees) arising from their proposed participation in the September Placement (**Participation**).

9.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The Participation will result in the issue of September Placement Shares and September Placement Options which constitutes giving a financial benefit and Dr Chris Gilchrist and Mr Rory Luff (or their respective nominees) are related parties of the Company by virtue of being Directors. In the event that Mr Rory Luff is not re-elected as a Director under Resolution 2, he will remain a related party of the Company by virtue of being a former Director.

The Directors (other than Dr Chris Gilchrist who has a material personal interest in Resolution 10) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 10 because the September Placement Shares and September Placement Options will be issued to Dr Chris Gilchrist (or his nominee) on the same terms as the September Placement Shares and September Placement Options issued to non-related party participants in the September Placement and as such the giving of the financial benefit is on arm's length terms.

The Directors (other than Mr Rory Luff who has a material personal interest in Resolution 11) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 11 because the September Placement Shares and September Placement Options will be issued to Mr Rory Luff (or his nominee) on the same terms as the September Placement Shares and September Placement Options issued to non-related party participants in the September Placement and as such the giving of the financial benefit is on arm's length terms.

9.3 Listing Rule 10.11

Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in Listing Rule 10.12 applies.

As the Participation involves the issue of Shares and Options to related parties of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

9.4 Technical Information Required by Listing Rule 10.13

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided in relation to the Participation:

- (a) the September Placement Shares and September Placement Options will be issued to Dr Chris Gilchrist (a Non-Executive Director) and Mr Rory Luff (a Non-Executive Director) (or their respective nominees);
- (b) the maximum number of Shares to be issued is 1,785,714 and the maximum amount of Options to be issued is 892,857, to be issued to Messrs Gilchrist and Luff in the following amounts:
 - (i) 1,190,476 September Placement Shares and 595,238 September Placement Options to Dr Chris Gilchrist (or his nominee) (the subject of Resolution 10); and

- (ii) 595,238 September Placement Shares and 297,619 September Placement Options to Mr Rory Luff (or his nominee) (the subject of Resolution 11);
- (c) the September Placement Shares and September Placement Options will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);
- (d) the issue price will be \$0.042 per September Placement Share and the September Placement Options will be free attaching Options, being the same as all other September Placement Shares and September Placement Options issued under the September Placement;
- (e) the September Placement Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares (ASX:DAV) and the September Placement Options granted will be on the same terms and conditions as the Company's existing quoted Options (ASX:DAVO) (see Schedule 1 for the full terms and conditions of the September Placement Options); and
- (f) the proceeds from the issue of the September Placement Shares will be used to complete technical and economic studies which are underway across the Company's significant portfolio of potash assets in Germany and for general working capital.

Approval pursuant to ASX Listing Rule 7.1 is not required for the Participation as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Shares to the Participants (or their respective nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

10. RESOLUTION 12 – APPROVAL OF 10% PLACEMENT CAPACITY

10.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity (as defined below) may seek shareholder approval by special resolution passed at an annual general meeting to have the capacity to issue up to that number of Equity Securities equal to 10% of its issued capital (**10% Placement Capacity**) without using that entity's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

Resolution 12 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 12 for it to be passed.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of approximately \$7,919,505 (based on the number of Shares on issue and the closing price of Shares

on the ASX on 15 October 2019 and excluding any restricted securities that may be on issue).

If Shareholders approve this Resolution, the number of Equity Securities the Company may issue under the 10% Placement Capacity will be determined in accordance with the formula prescribed in ASX Listing Rule 7.1A.2 (as set out in Section 10.3 below).

The effect of this Resolution will be to allow the Directors to issue Equity Securities totalling up to 10% of the Company's fully paid ordinary securities on issue under the 10% Placement Capacity during a period of up to 12 months after the Meeting, without subsequent Shareholder approval and without using the Company's 15% annual placement capacity granted under Listing Rule 7.1.

The Board believes that this Resolution is in the best interests of the Company and unanimously recommends that Shareholders vote in favour of this resolution.

10.2 ASX Listing Rule 7.1A

ASX Listing Rule 7.1A enables an Eligible Entity to seek shareholder approval at its annual general meeting to issue Equity Securities in addition to those under the Eligible Entity's 15% annual placement capacity as set out in Section 6.2 above.

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

The Equity Securities must be in the same class as an existing class of quoted Equity Securities. The Company currently has two classes of quoted Equity Securities on issue being:

- (a) 164,989,679 Shares (fully paid ordinary);
- (b) 45,290,670 quoted Options expiring 31 July 2023, exercisable at \$0.20 per Option (**Quoted Options**);
- (c) 6,158,000 unquoted Options expiring 20 January 2020, exercisable at \$0.25 per Option;
- (d) 7,500,000 unquoted Options expiring 11 September 2023, exercisable at \$0.20 per Option;
- (e) 3,000,000 unquoted Options expiring 5 September 2021 exercisable at \$0.081 per Option; and
- (f) 3,125,000 unquoted Series B Performance Rights expiring 26 April 2020.

10.3 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in Section 10.3(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Annual General Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of the Annual General Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking),

(10% Placement Capacity Period).

(c) **Risk of voting dilution**

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 12 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A.2, on the basis of the current market price of Shares and the current number of Equity Securities on issue as at 15 October 2019.

The table also shows the voting dilution impact where the number of Shares on issue (variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

| Number of Shares on Issue | Dilution | | | |
|------------------------------|------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------------------------------------------------|
| | Number of Shares issued under 10% Placement Capacity | Funds raised based on issue price of \$0.024 (50% decrease in current issue price) | Funds raised based on issue price of \$0.048 (Current issue price) | Funds raised based on issue price of \$0.07 (50% increase in current issue price) |
| 166,775,393 (Current) | 16,677,539 | \$400,261 | \$800,522 | \$1,167,428 |
| 250,163,090 (50% increase)* | 25,016,309 | \$600,391 | \$1,200,783 | \$1,751,142 |
| 333,550,786 (100% increase)* | 33,355,079 | \$800,522 | \$1,601,044 | \$2,334,856 |

*The number of Shares on issue (variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

- There are currently 166,775,393 Shares on issue comprising:
 - 164,989,679 existing Shares as at the date of this Notice of Meeting; and
 - 1,785,714 Shares which will be issued if Resolutions 10 and 11 are passed at this Meeting.
- The current issue price set out above is the closing price of the Shares on the ASX on 17 October 2019 (being \$0.048).
- The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
- The issue of Equity Securities under the 10% Placement Capacity consists only of Shares (it does not include Partly Paid Shares or Quoted Options even though those securities may be issued under the 10% Placement Capacity) and it is assumed that no Options are exercised into Shares for the date of issue of the Equity Securities. If the issue of Equity Securities includes quoted Options, it is assumed that those quoted Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
- This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Annual General Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may decide to issue Equity Securities under the 10% Placement Capacity to raise funds for the purpose of advancing any of its projects.

The Company may also issue Equity Securities for non-cash consideration, such as for the provision of services to the Company or the acquisition of new assets or investments. If the Company issues Equity Securities for non-cash consideration, the Company will release a valuation of the non-cash consideration that demonstrates that the deemed issue price of the Equity Securities complies with Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A.4 and 3.10.5A upon any issue of Equity Securities under Listing Rule 7.1A.

(e) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

(f) **Allocation under the 10% Placement Capacity**

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;

- (iv) the Company's circumstances, including, but not limited to, its financial position and solvency;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(g) **Previous Approval under ASX Listing Rule 7.1A**

The Company obtained approval under ASX Listing Rule 7.1A at its previous annual general meeting on 14 November 2018 (**Previous Approval**).

The Company has issued 1,524,511 Shares and 10,926,133 Quoted Options pursuant to the Previous Approval.

During the 12 month period preceding the date of the Meeting, being on and from 22 November 2018, the Company otherwise issued a total of 20,327,755 Shares and 1,142,857 Options which, together with the Equity Securities issued under the Previous Approval, represents approximately 16.77% of the total diluted number of Equity Securities on issue in the Company on 22 November 2018, which was 202,324,257.

Details of each issue of Equity Securities by the Company during the 12 months preceding the date of the Meeting are set out in Schedule 2.

10.4 Voting Exclusion

A voting exclusion statement is included in the Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on this Resolution.

11. RESOLUTION 13 – ADOPTION OF PERFORMANCE RIGHTS PLAN

Resolution 13 seeks Shareholder approval for the adoption of the employee incentive scheme titled "Performance Rights Plan" in accordance with ASX Listing Rule 7.2 (Exception 9(b)).

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period. ASX Listing Rule 7.2 (Exception 9(b)) sets out an exception to ASX Listing Rule 7.1 which provides that issues under an employee incentive scheme are exempt for a period of 3 years from the date on which shareholders approve the issue of securities under the scheme as an exception to ASX Listing Rule 7.1.

If Resolution 13 is passed, the Company will be able to issue Performance Rights under the Performance Rights Plan to eligible participants over a period of 3 years without impacting on the Company's ability to issue up to 15% of its total ordinary securities without Shareholder approval in any 12 month period.

The objective of the Performance Rights Plan is to attract, motivate and retain key employees and it is considered by the Company that the adoption of the Performance Rights Plan and the future issue of Performance Rights under the Performance Rights Plan will provide selected employees with the opportunity to participate in the future growth of the Company.

Any future issues of Performance Rights under the Performance Rights Plan to a related party or a person whose relationship with the company or the related party is, in ASX's opinion, such that approval should be obtained will require additional Shareholder approval under ASX Listing Rule 10.14 at the relevant time. For this reason, the Company is also seeking approval under Resolutions 14 to 18 for the issue of Performance Rights to certain Directors pursuant to the Performance Rights Plan.

A summary of the key terms and conditions of the Performance Rights Plan is set out in Schedule 4. In addition, a copy of the Performance Rights Plan is available for review by Shareholders at the registered office of the Company until the date of the Meeting. A copy of the Performance Rights Plan can also be sent to Shareholders upon request to the Company Secretary ((08) 9479 5386). Shareholders are invited to contact the Company if they have any queries or concerns.

12. RESOLUTIONS 14 TO 18 – ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MESSRS GILCHRIST, MCMANUS, KOOPMANS, LUFF & PLAGGERMARS

12.1 General

The Company has agreed, subject to obtaining Shareholder approval and to the adoption of the Performance Rights Plan (the subject of Resolution 13), to issue a total of 5,940,000 Performance Rights (**Related Party Performance Rights**) to Messrs Gilchrist, Mcmanus, Koopmans, Luff and Plaggermars or (their nominees) (**Related Parties**) pursuant to the Performance Rights Plan and on the terms and conditions set out below. Further terms and conditions for the Performance Rights, including the performance milestones and vesting conditions, are set out in Schedules 3 and 4.

The purpose of the issue of the Related Party Performance Rights to the Related Parties (or their nominees) is to further motivate and reward their performance as Directors in achieving specified performance milestones within a specified performance period. The Board considers the granting of the Related Party Performance Rights to be a cost-effective reward for the Company to appropriately incentivise the continued performance of the Related Parties. The Board considers that the granting of the Related Party Performance Rights is consistent with the strategic goals and targets of the Company.

12.2 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Performance Rights constitutes giving a financial benefit and Messrs Gilchrist, Mcmanus, Koopmans, Luff and Plaggemars are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As it is proposed that Related Party Performance Rights be issued to all Directors, the Directors have been unable to form a quorum to consider whether one of the exceptions set out in sections 210 to 216 of the Corporations Act or ASX Listing Rule 10.15 applies to these issues. Accordingly, Shareholder approval is sought for the issue of Related Party Performance Rights to the Related Parties.

12.3 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.15

Pursuant to and in accordance with the requirements of sections 219 of the Corporations Act and ASX Listing Rule 10.15, the following information is provided in relation to the proposed grant of the Related Party Performance Rights:

- (a) the related parties are Messrs Gilchrist, Mcmanus, Koopmans, Luff and Plaggemars and they are related parties by virtue of being Directors;
- (b) the maximum number of Related Party Performance Rights (being the nature of the financial benefit being provided) to be granted to the Related Parties is 5,940,000 Related Party Performance Rights comprising:
 - (i) 2,475,000 Related Party Performance Rights to Dr Chris Gilchrist (the subject of Resolution 14);
 - (ii) 866,250 Related Party Performance Rights to Patrick Mcmanus (the subject of Resolution 15); and
 - (iii) 866,250 Related Party Performance Rights to Dr Reinout Koopmans (the subject of Resolution 16);
 - (iv) 866,250 Related Party Performance Rights to Mr Rory Luff (the subject of Resolution 17); and
 - (i) 866,250 Related Party Performance Rights to Mr Hansjoerg Plaggemars (the subject of Resolution 18);
- (c) the Related Party Performance Rights will be granted for nil cash consideration, accordingly no funds will be raised;
- (d) no Performance Rights have previously been issued under the Performance Rights Plan nor has the Performance Rights Plan previously been adopted by Shareholders;
- (e) any full or part time employee or director (being Messrs Gilchrist, Mcmanus, Koopmans, Luff and Plaggemars) of the Company is entitled to participate in the Performance Rights Plan, and the Company intends to make an offer under the Performance Rights Plan to various employees of the Company. Issues of securities via the Performance Rights Plan to employees of the Company do not require Shareholder approval, unless

those employees are related parties to the Company. Accordingly, approval is being sought only for the offer to the Related Parties;

- (f) no loan will be provided to the Related Parties with respect to the Related Party Performance Rights;
- (g) the Related Party Performance Rights will be issued to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Related Party Performance Rights will be issued on one date;
- (h) the specific vesting conditions of the Related Party Performance rights are summarised in Schedule 3;
- (i) the terms of the Related Party Performance Rights are in accordance with the Performance Rights Plan subject to the key terms and conditions of the Related Party Performance Rights summarised in Schedule 4;
- (j) the value of the Related Party Performance Rights is set out in Schedule 5;
- (k) the relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

| Related Party | Shares ¹ | Options ² | Performance Rights ³ |
|----------------------|---------------------|----------------------|---------------------------------|
| Dr Chris Gilchrist | Nil | Nil | 1,000,000 |
| Patrick McManus | Nil | Nil | 500,000 |
| Rory Luff | 13,136,044 | 1,428,571 | 375,000 |
| Dr Reinout Koopmans | Nil | Nil | Nil |
| Hansjoerg Plaggemars | Nil | Nil | Nil |

Notes:

1. Fully paid ordinary shares in the capital of the Company (ASX: DAV)
2. Quoted Options exercisable at \$0.20 per Quoted Option and expiring on 31 July 2023.
3. Performance Rights Series B, convertible into Shares for nil consideration, upon vesting on 26 April 2020 and subject to satisfying the vesting conditions set out in the Notice of Meeting dated 7 March 2019.

- (l) the remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

| Related Party | Current Financial Year | Previous Financial Year ¹ |
|----------------------|------------------------|--------------------------------------|
| Dr Chris Gilchrist | 350,000 | 350,000 |
| Patrick McManus | 45,000 | 45,000 |
| Rory Luff | 30,000 | 30,000 |
| Dr Reinout Koopmans | 30,000 | Nil |
| Hansjoerg Plaggemars | 30,000 | Nil |

Notes:

1. Based upon the Company's Financial Report for the financial year ended 30 June 2019.
- (m) if the Related Party Performance Rights granted to the Related Parties vest and are exercised, a total of 5,940,000 Shares would be issued. This will increase the number of Shares on issue from 164,989,679 (being the total number of Shares on issue as at the date of this Notice) to 170,929,679 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 3.48%, comprising 1.45% by Dr Chris Gilchrist and 0.51% by Mr Patrick McManus and 0.51% by Mr Rory Luff and 0.51% by Dr Reinout Koopmans and 0.51% by Mr Hansjoerg Plaggemars;
- (n) the trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

| | Price (\$) | Date |
|---------|------------|-------------------------------------------------------------|
| Highest | 0.051 | 21/08/2019 |
| Lowest | 0.04 | 9/10/2019, 12/09/2019 and 23/09/2019 to 24/09/2019 |
| Last | 0.048 | 17/10/2019 |

- (o) the Board acknowledges the grant of Related Party Performance Rights to Messrs Gilchrist, Mcmanus, Koopmans, Luff and Plaggemars is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Related Party Performance Rights to Messrs Gilchrist, Mcmanus, Koopmans, Luff and Plaggemars reasonable in the circumstances for the reason set out in paragraph (a);
- (p) the primary purpose of the grant of the Related Party Performance Rights to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors;
- (q) Dr Chris Gilchrist declines to make a recommendation to Shareholders in relation to Resolution 14 due to his material personal interest in the outcome of Resolution 14 on the basis that he (or his nominee) is to be granted Related Party Performance Rights should the Resolution be passed. However, in respect of the Resolutions 15, 16, 17 and 18 recommends that Shareholders vote in favour of those Resolutions for the following reasons:
- (i) the grant of Related Party Performance Rights to the Related Parties will align the interests of the Related Parties with those of Shareholders;
 - (ii) the grant of the Related Party Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to

spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and

- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Related Party Performance Rights upon the terms proposed;
- (r) Mr Patrick McManus declines to make a recommendation to Shareholders in relation to Resolution 15 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Performance Rights in the Company should Resolution 15 be passed. However, in respect of Resolutions 14, 16, 17 and 18 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (q);
- (s) Dr Reinout Koopmans declines to make a recommendation to Shareholders in relation to Resolution 16 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Performance Rights in the Company should Resolution 16 be passed. However, in respect of Resolutions 14, 15, 17 and 18 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (q);
- (t) Mr Rory Luff declines to make a recommendation to Shareholders in relation to Resolution 17 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Performance Rights in the Company should Resolution 17 be passed. However, in respect of Resolutions 14, 15, 16 and 18 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (q);
- (u) Hansjoerg Plaggermars declines to make a recommendation to Shareholders in relation to Resolution 18 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Related Party Performance Rights in the Company should Resolution 18 be passed. However, in respect of Resolutions 14, 15, 16 and 17 recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (q);
- (v) in forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Related Party Performance Rights to be granted as well as the milestones attaching to the Related Party Performance Rights and the expiry date of those Related Party Performance Rights; and
- (w) the Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 14 to 18.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Related Party Performance Rights to the Related Parties as approval is being obtained under ASX Listing Rule 10.15. Accordingly, the issue of Related Party Performance Rights to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

13. RESOLUTION 19 – REPLACEMENT OF CONSTITUTION

13.1 General

A company may modify or repeal its constitution or a provision of its constitution by special resolution of Shareholders.

Resolution 19 is a special resolution which will enable the Company to repeal its existing Constitution and adopt a new constitution (**Proposed Constitution**) which is of the type required for a listed public company limited by shares updated to ensure it reflects the current provisions of the Corporations Act and ASX Listing Rules.

This will incorporate amendments to the Corporations Act and ASX Listing Rules since the current Constitution was adopted in January 2017.

The Directors believe that it is preferable in the circumstances to replace the existing Constitution with the Proposed Constitution rather than to amend a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing Constitution. Many of the proposed changes are administrative or minor in nature including but not limited to:

- (a) updating references to bodies or legislation which have been renamed (e.g. references to the Australian Settlement and Transfer Corporation Pty Ltd, ASTC Settlement Rules and ASTC Transfer); and
- (b) expressly providing for statutory rights by mirroring these rights in provisions of the Proposed Constitution.

The Directors believe these amendments are not material nor will they have any significant impact on Shareholders. It is not practicable to list all of the changes to the Constitution in detail in this Explanatory Statement, however, a summary of the proposed material changes is set out below.

A copy of the Proposed Constitution is available for review by Shareholders at the Company's website www.davenportresources.com.au and at the office of the Company. A copy of the Proposed Constitution can also be sent to Shareholders upon request to the Company Secretary (+61 8 9479 5386). Shareholders are invited to contact the Company if they have any queries or concerns.

13.2 Summary of material proposed changes

Restricted Securities (clause 2.12)

The Proposed Constitution complies with the proposed changes to ASX Listing Rule 15.12 which is due to be finalised and released in December 2019. Under this change, ASX will require certain more significant holders of restricted securities and their controllers (such as related parties, promoters, substantial holders, service providers and their associates) to execute a formal escrow agreement in the form Appendix 9A, as is currently the case. However, for less significant holdings (such as non-related parties and non-promoters), ASX will instead permit the Company to issue restriction notices to holders of restricted securities in the form of a new Appendix 9C advising them of the restriction rather than requiring signed restriction agreements.

Direct Voting (clause 13, specifically clauses 13.35 – 13.40)

The Proposed Constitution includes a new provision which allows Shareholders to exercise their voting rights through direct voting (in addition to exercising their existing rights to appoint a proxy). Direct voting is a mechanism by which Shareholders can vote directly on resolutions which are to be determined by poll. Votes cast by direct vote by a Shareholder are taken to have been cast on the poll as if the Shareholder had cast the votes on the poll at the meeting. In order for direct voting to be available, Directors must elect that votes can be cast via direct vote for all or any resolutions and determine the manner appropriate for the casting of direct votes. If such a determination is made by the Directors, the notice of meeting will include information on the application of direct voting.

Dividends (clause 22)

There is now a three-tiered test at Section 254T of the Corporations Act that a company will need to satisfy before paying a dividend replacing the previous test that dividends may only be paid out of profits.

The amended requirements provide that a company must not pay a dividend unless:

- (a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- (b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- (c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing Constitution reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution is updated to reflect the new requirements of the Corporations Act. The Directors consider it appropriate to update the Constitution for this amendment to allow more flexibility in the payment of dividends in the future should the Company be in a position to pay dividends.

Partial (proportional) takeover provisions (new clause 36)

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for Shares may only proceed after the bid has been approved by a meeting of Shareholders held in accordance with the terms set out in the Corporations Act.

This clause of the Proposed Constitution will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

Information required by section 648G of the Corporations Act

Effect of proposed proportional takeover provisions

Where offers have been made under a proportional off-market bid in respect of a class of securities in a company, the registration of a transfer giving effect to a

contract resulting from the acceptance of an offer made under such a proportional off-market bid is prohibited unless and until a resolution to approve the proportional off-market bid is passed.

Reasons for proportional takeover provisions

A proportional takeover bid may result in control of the Company changing without Shareholders having the opportunity to dispose of all their Shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These amended provisions allow Shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

Knowledge of any acquisition proposals

As at the date of this Notice of Meeting, no Director is aware of any proposal by any person to acquire, or to increase the extent of, a substantial interest in the Company.

Potential advantages and disadvantages of proportional takeover provisions

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages of the proportional takeover provisions for Shareholders include:

- (a) the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- (b) assisting in preventing Shareholders from being locked in as a minority;
- (c) increasing the bargaining power of Shareholders which may assist in ensuring that any proportional takeover bid is adequately priced; and
- (d) each individual Shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of Shareholders which may assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages of the proportional takeover provisions for Shareholders include:

- (a) proportional takeover bids may be discouraged;
- (b) lost opportunity to sell a portion of their Shares at a premium; and
- (c) the likelihood of a proportional takeover bid succeeding may be reduced.

Recommendation of the Board

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions and as a result consider that the proportional takeover provision in the Proposed Constitution is in the interest of Shareholders and unanimously recommend that Shareholders vote in favour of Resolution 19.

GLOSSARY

In this Explanatory Statement, the following terms have the following meaning:

2019 Annual Report means the Company's annual report for the year ended 30 June 2019, which can be downloaded from the Company's website at davenportresources.com.au.

ASIC means Australian Securities and Investments Commission.

Associated Body Corporate means:

- (a) a related body corporate (as defined in the Corporations Act) of the Company;
- (b) a body corporate which has an entitlement to not less than 20% of the voting Shares of the Company; and
- (c) a body corporate in which the Company has an entitlement to not less than 20% of the voting shares.

ASX means ASX Limited (ACN 008 724 791) or the Australian Securities Exchange, as the context requires.

ASX Listing Rules or **Listing Rules** means the official Listing Rules of ASX.

AWST means Western Standard Time, being the time in Perth, Western Australia.

Board means the board of directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations.

Company means Davenport Resources Limited (ABN 64 153 414 852).

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Director mean a director of the Company.

Equity Securities has the meaning given in the Listing Rules.

Exempt Investor means a professional and/or sophisticated investor for the purpose of section 708 of the Corporations Act.

Explanatory Statement means the explanatory statement to this Notice.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting or **General Meeting** or **Annual General Meeting** means the meeting convened by the Notice.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means the notice of meeting accompanying this Explanatory Statement.

Option means an option to acquire a Share.

Performance Right means a right to acquire a Share, subject to satisfaction of any vesting conditions, and the corresponding obligation of the Company to provide the Share, subject to the terms and conditions set out in Schedules 3 and 4.

Performance Rights Plan means the incentive performance rights plan the subject of Resolution 13 as summarised in Schedule 4.

Proposed Constitution means the constitution which will be adopted by the Company subject to Shareholder approval of Resolution 19.

Remuneration Report means that section of the Directors' Report under the heading "Remuneration Report" set out in the 2019 Annual Report.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

VWAP means the volume weighted average price of the Shares.

SCHEDULE 1 – TERMS AND CONDITIONS OF SEPTEMBER PLACEMENT OPTIONS

1. **(Entitlement):** Each Option entitles the holder to subscribe for one fully paid ordinary Share.
2. **(Exercise Price and Expiry Date):** The Options are exercisable at \$0.20 each at any time up to 5.00pm (AWST) on 31 July 2023 ("Expiry Date"). Any Option not exercised by the Expiry Date will automatically expire.
3. **(Exercise):** To exercise Options, the Option holder must give the Company:
 - (a) a written exercise notice (in the form approved by the Board from time to time) specifying the number of Options being exercised and Shares to be issued; and
 - (b) payment of the exercise price for the Shares, the subject of the exercise notice, by way of bank cheque or by other means of payment approved by the Company.

The Option holder may only exercise Options in multiples of 5,000 Options unless the Option holder exercises all Options held by the Option holder. Options will be deemed to have been exercised on the date the exercise notice is lodged with the Directors.

4. **(Timing of issue of Shares upon exercise):** Within 10 days after receiving an application for exercise of Options and payment by the Option holder of the exercise price, the Company must issue the Option holder the number of Shares specified in the application.
5. **(Ranking of Shares):** Subject to the Constitution, all Shares issued on the exercise of Options will rank in all respects (including rights relating to dividends) equally with the existing ordinary shares of the Company at the date of issue.
6. **(Transferability):** The Options are transferable.
7. **(Quotation of Options):** The Company will apply to ASX for Official Quotation of the Options.
8. **(Quotation of Shares on exercise):** The Company will apply to ASX for Official Quotation of the Shares issued on exercise of Options.
9. **(Participation rights):** The Option holder is not entitled to participate in any issue to existing Shareholders of Securities unless they have exercised their Options before the "record date" for determining entitlements to the issue of Securities and participate as a result of holding Shares. The Company must give the Option holder notice of the proposed terms of the issue or offer in accordance with the Listing Rules.
10. **(Reorganisation):** If there is a reorganisation (including consolidation, sub-division, reduction or return) of the share capital of the Company, then the rights of the Option holder (including the number of Options to which the Option holder is entitled to and the exercise price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
11. **(Amendments):** The number and exercise price of the Options remains the same regardless if the Company makes a bonus issue of Shares or other Securities to Shareholders.
12. **(Adjustments):** Any calculations or adjustments which are required to be made will be made by the Board and will, in the absence of manifest error, be final and conclusive and binding on the Company and the Option holder.

13. **(Governing law):** These terms and the rights and obligations of the Option holder are governed by the laws of Western Australia. The Option holder irrevocably and unconditionally submits to the nonexclusive jurisdiction of the courts of Western Australia.

SCHEDULE 2 – ISSUES OF SECURITIES IN THE PREVIOUS 12 MONTHS SINCE 29 NOVEMBER 2019

| Date of Issue | Number of Securities | Type of Security | Recipients of Security | Issue Price and details of any discount to Market Price(if applicable) ¹ | Consideration, Use of Funds and Current Value as at the date of this Notice |
|-------------------|----------------------|-----------------------------|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 20 December 2018 | 1,142,857 | Quoted Options ⁵ | Shareholders under a share purchase plan completed on 20 December 2018 | Nil cash consideration (free attaching to Shares on a 1:2 basis) | Consideration: Issued free attaching to Shares under share purchase plan completed on 20 December 2018 on a 1:2 basis. Current Value ³ : \$5,714 |
| 10 September 2019 | 21,280,838 | Shares ⁴ | Sophisticated and professional investors under a placement completed on 10 September 2019 | \$0.042 (5% discount to 15 day VWAP on 11 September 2019) | Amount raised = \$893,795 (before costs) Amount spend = \$195,131 Amount Remaining = \$698,664 Proposed use of remaining funds ² : To be used on the Company's projects and working capital. |
| 10 September 2019 | 10,640,419 | Options ⁵ | Sophisticated and professional investors under a placement completed on 10 September 2019 | Nil cash consideration (free attaching to Shares on a 1:2 basis) | Consideration: Issued free attaching to Shares under share purchase plan completed on 10 September 2019 on a 1:2 basis. Current Value ³ : \$53,202 |
| 10 September 2019 | 571,428 | Shares ⁴ | Delphi Unternehmensberatung AG | Nil cash consideration (issued in consideration for services provided on same terms as placement completed on 10 September 2019) | Consideration: Issued in consideration for services provided. Current Value ³ : \$27,429 |
| 10 September 2019 | 285,714 | Options ⁵ | Delphi Unternehmensberatung AG | Nil cash consideration (issued in consideration for services provided on same terms as placement completed on 10 September 2019) | Issued in consideration for services provided. Current Value ³ : \$1,429 |

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
3. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.048) or Options (\$0.005) as the context requires on the ASX on 15 October 2019. In respect of unquoted Equity Securities, the value of Options is measured using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market-based performance conditions (i.e. conditions linked to the price of Shares).
4. Fully paid ordinary shares in the capital of the Company, ASX Code: DAV (the terms of which are set out in the Constitution).
5. Quoted Options, exercisable at \$0.20 each, on or before 31 July 2023, ASX Code: DAVO.

SCHEDULE 3 – SPECIFIC TERMS AND CONDITIONS OF RELATED PARTY PERFORMANCE RIGHTS

The specific allotments and vesting conditions of the 2,475,000 Performance Rights to be issued to Dr Chris Gilchrist (**Managing Director**) and the 3,465,000 Performance Rights to be distributed equally between Messrs McManus, Koopmans, Luff and Plaggermars (together, the **Non-Executive Directors**) are set out in the table below.

| | | | Resolution 14 | Resolutions 15 - 18 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------|
| Series | Vesting Milestone | Expiry Date | Managing Director Performance Rights | Non-Executive Director Performance Rights |
| C | Series C Performance Rights will vest if, at any time within the first 24 months following the date of grant of the Series C Performance Rights, the Company announces a JORC compliant measured / indicated resource of a minimum 100Mt of contained K ₂ O at an average grade of at least 12% K ₂ O being identified at any of the tenements comprising the South Harz Project. | 24 months from the date of grant of the Series C Performance Rights, any unvested Performance Rights will automatically lapse on the Expiry Date. | 321,750 | 450,452 |
| D | Series D Performance Rights will vest if, at any time within the first 24 months following the date of grant of the Series D Performance Rights, the Company announces a second JORC compliant measured / indicated resource of a minimum 100Mt of contained K ₂ O at an average grade of at least 12% K ₂ O being identified at any of the tenements comprising the South Harz Project. | 24 months from the date of grant of the Series D Performance Rights, any unvested Performance Rights will automatically lapse on the Expiry Date. | 173,250 | 242,548 |
| E | Series E Performance Rights will vest if, at any time within the first 24 months following the date of grant of the Series E Performance Rights, the Company announces a positive scoping study in relation to the South Harz Project with an internal rate of return (IRR) of at least 25%. | 24 months from the date of grant of the Series E Performance Rights, any unvested Performance Rights will automatically lapse on the Expiry Date. | 247,500 | 346,500 |
| F | Series F Performance Rights will vest if, at any time within the first 24 months following the date of grant of the Series F Performance Rights, the Company announces a second | 24 months from the date of grant of the Series F Performance | 247,500 | 346,500 |

| | | | Resolution 14 | Resolutions 15 - 18 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------|
| Series | Vesting Milestone | Expiry Date | Managing Director Performance Rights | Non-Executive Director Performance Rights |
| | positive scoping study in relation to the South Harz Project with an IRR of at least 25%. | Rights, any unvested Performance Rights will automatically lapse on the Expiry Date. | | |
| G | Series G Performance Rights will vest if, at any time within the first 12 months following the date of grant of the Series G Performance Rights, the price for the Company's fully paid ordinary Shares reaches a 20-day volume weight average price (VWAP) of at least \$0.10. | 12 months from the date of grant of the Series G Performance Rights, any unvested Performance Rights will automatically lapse on the Expiry Date. | 495,000 | 693,000 |
| H | Series H Performance Rights will vest if, at any time within the first 24 months following the date of grant of the Series H Performance Rights, the price for the Company's fully paid ordinary Shares reaches a 20-day VWAP of at least \$0.25. | 24 months from the date of grant of the Series H Performance Rights, any unvested Performance Rights will automatically lapse on the Expiry Date. | 247,500 | 346,500 |
| I | Series I Performance Rights will vest if, at any time within the first 36 months following the date of grant of the Series I Performance Rights, the price for the Company's fully paid ordinary Shares reaches a 20-day VWAP of at least \$0.50. | 36 months from the date of grant of the Series I Performance Rights, any unvested Performance Rights will automatically lapse on the Expiry Date. | 123,750 | 173,252 |
| J | Series J Performance Rights will vest if, at any time within the first 36 months following the date of grant of the Series J Performance Rights, the Company announces the completion of a preliminary feasibility study in relation to the South Harz Project, with an IRR of at least 25%. | 36 months from the date of grant of the Series J Performance Rights, any unvested Performance Rights will automatically | 371,250 | 519,748 |

| | | | Resolution 14 | Resolutions 15 - 18 |
|--------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------|
| Series | Vesting Milestone | Expiry Date | Managing Director Performance Rights | Non-Executive Director Performance Rights |
| | | lapse on the Expiry Date. | | |
| K | Series K Performance Rights will vest if, at any time within the first 36 months following the date of grant of the Series K Performance Rights, the Company announces the completion of a preliminary feasibility study in relation to the South Harz Project, with an IRR of at least 25%. | 36 months from the date of grant of the Series K Performance Rights, any unvested Performance Rights will automatically lapse on the Expiry Date. | 247,500 | 346,500 |

SCHEDULE 4 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS PLAN

The principle terms of the Performance Rights Plan (**Performance Rights Plan**) are summarised below:

- (a) **Eligibility:** Participants in the Performance Rights Plan may be:
- (i) a Director (whether executive or non-executive) of the Company or any Associated Body Corporate of the Company (each, a **Group Company**);
 - (ii) a full or part time employee of any Group Company;
 - (iii) a casual employee or contractor of a Group Company to the extent permitted by ASIC Class Order 14/1000 as amended or replaced (**Class Order**); or
 - (iv) a prospective participant, being a person to whom the offer is made but who can only accept the offer if an arrangement has been entered into that will result in the person becoming a participant under subparagraphs (i), (ii), or (iii) above,

who is declared by the Board to be eligible to receive grants of Performance Rights under the Performance Rights Plan (**Eligible Participants**).

- (b) **Offer:** The Board may, from time to time, at its absolute discretion, make a written offer to any Eligible Participant to apply for Performance Rights, upon the terms set out in the Performance Rights Plan and upon such additional terms and conditions as the Board determines.
- (c) **Plan limit:** The Company must have reasonable grounds to believe, when making an offer, that the number of Shares to be received on exercise of Performance Rights offered under an offer, when aggregated with the number of Shares issued or that may be issued as a result of offers made in reliance on the Class Order at

any time during the previous 3 year period under an employee incentive scheme covered by the Class Order or an ASIC exempt arrangement of a similar kind to an employee incentive scheme, will not exceed 5% of the total number of Shares on issue at the date of the offer.

- (d) **Consideration:** Performance Rights granted under the Performance Rights Plan will be issued for nil cash consideration.
- (e) **Vesting Conditions:** A Performance Right may be made subject to vesting conditions as determined by the Board in its discretion and as specified in the offer for the Performance Right (**Vesting Conditions**).
- (f) **Vesting:** The Board may in its absolute discretion (except in respect of a change of control occurring where Vesting Conditions are deemed to be automatically waived) by written notice to a Participant (being an Eligible Participant to whom Performance Rights have been granted under the Performance Rights Plan or their nominee where the Performance Rights have been granted to the nominee of the Eligible Participant (**Relevant Person**)), resolve to waive any of the Vesting Conditions applying to Performance Rights due to:
 - (i) special circumstances arising in relation to a Relevant Person in respect of those Performance Rights, being:
 - (A) a Relevant Person ceasing to be an Eligible Participant due to:
 - (I) death or total or permanent disability of a Relevant Person; or
 - (II) retirement or redundancy of a Relevant Person;
 - (B) a Relevant Person suffering severe financial hardship;
 - (C) any other circumstance stated to constitute "special circumstances" in the terms of the relevant offer made to and accepted by the Participant; or
 - (D) any other circumstances determined by the Board at any time (whether before or after the offer) and notified to the relevant Participant which circumstances may relate to the Participant, a class of Participant, including the Participant or particular circumstances or class of circumstances applying to the Participant,
(Special Circumstances), or
 - (I) a change of control occurring; or
 - (II) the Company passing a resolution for voluntary winding up, or an order is made for the compulsory winding up of the Company.
- (g) **Lapse of a Performance Right:** A Performance Right will lapse upon the earlier to occur of:
 - (i) an unauthorised dealing in, or hedging of, the Performance Right occurring;

- (ii) a Vesting Condition in relation to the Performance Right is not satisfied by its due date, or becomes incapable of satisfaction, as determined by the Board in its absolute discretion, unless the Board exercises its discretion to waive the Vesting Condition and vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iii) in respect of unvested Performance Right only, a Relevant Person ceases to be an Eligible Participant, unless the Board exercises its discretion to vest the Performance Right in the circumstances set out in paragraph (f) or the Board resolves, in its absolute discretion, to allow the unvested Performance Rights to remain unvested after the Relevant Person ceases to be an Eligible Participant;
 - (iv) in respect of vested Performance Rights only, a Relevant Person ceases to be an Eligible Participant and the Performance Rights granted in respect of that Relevant Person are not exercised within one (1) month (or such later date as the Board determines) of the date that Relevant Person ceases to be an Eligible Participant;
 - (v) the Board deems that a Performance Right lapses due to fraud, dishonesty or other improper behaviour of the Eligible Participant;
 - (vi) the Company undergoes a change of control or a winding up resolution or order is made, and the Board does not exercise its discretion to vest the Performance Right; and
 - (vii) the expiry date of the Performance Rights.
- (h) **Not transferrable:** Subject to the ASX Listing Rules, and except as otherwise provided for by an offer, Performance Rights are only transferrable in Special Circumstances with the prior written consent of the Board (which may be withheld in its absolute discretion) or by force of law upon death, to the Participant's legal personal representative or upon bankruptcy to the participant's trustee in bankruptcy.
- (i) **Shares:** Shares resulting from the vesting of the Performance Rights shall, subject to any Sale Restrictions (refer to paragraph (j)), from the date of issue, rank on equal terms with all other Shares on issue.
- (j) **Sale Restrictions:** The Board may, in its discretion, determine at any time up until exercise of Performance Rights, that a restriction period will apply to some or all of the Shares issued to a Participant on exercise of those Performance Rights (**Restriction Period**). In addition, the Board may, in its sole discretion, having regard to the circumstances at the time, waive any such Restriction Period.
- (k) **Quotation of Shares:** If Shares of the same class as those issued under the Performance Rights Plan are quoted on the ASX, the Company will, subject to the ASX Listing Rules, apply to the ASX for those Shares to be quoted on ASX within 10 business days of the later of the date the Shares are issued and the date any Restriction Period applying to the Shares ends. The Company will not apply for quotation of any Performance Rights on the ASX.
- (l) **No Participation Rights:** There are no participation rights or entitlements inherent in the Performance Rights and Participants will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Performance Rights without exercising the Performance Right.

- (m) **No Change:** A Performance Right does not confer the right to a change in the number of underlying Shares over which the Performance Right can be exercised.
- (n) **Reorganisation:** If, at any time, the issued capital of the Company is reorganised (including consolidation, subdivision, reduction or return), all rights of a Participant are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reorganisation.
- (o) **Amendments:** Subject to express restrictions set out in the Performance Rights Plan and complying with the Corporations Act, ASX Listing Rules and any other applicable law, the Board may, at any time, by resolution amend or add to all or any of the provisions of the Performance Rights Plan, or the terms or conditions of any Performance Rights granted under the Performance Rights Plan including giving any amendment retrospective effect.

SCHEDULE 5 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Related Parties pursuant to Resolutions 14 to 18 have been internally valued by the Company.

The performance rights have been valued at the underlying share price as at 15 October 2019 and multiplied by the estimated probability of the performance hurdles being met:

| Item | Performance Rights |
|------------------------------------------|---------------------------|
| Underlying security spot price | \$0.048 |
| Probability Range of Performance Hurdles | 10% to 50% |
| Valuation date | 17 October 2019 |
| Number of Instruments | 5,940,000 |
| Valuation per instrument | \$0.005 to \$0.024 |
| Total valuation of issued tranche | \$77,267.55 |

Please note that performance rights will be valued on the date of shareholder approval and the above is provided as a guide only.

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DAVENPORT RESOURCES LIMITED

ACN: 153 414 852

REGISTERED OFFICE:

LEVEL 1,
675 MURRAY STREET,
WEST PERTH,
WA 6005

All Correspondence to

PO BOX 1088
West Perth WA 6872
F: (08) 9475 0847
E: info@davenportresources.com.au

SHARE REGISTRY:

Security Transfer Australia Pty Ltd
PO BOX 52
Collins Street West VIC 8007
Melbourne VIC 3000
T: 1300 992 916
E: registrar@securitytransfer.com.au
W: www.securitytransfer.com.au

Code:

DAV

Holder Number:

PROXY FORM

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

SECTION A: Appointment of Proxy

I/We, the above named, being registered holders of the Company and entitled to attend and vote hereby appoint:

The meeting chairperson **OR**

or failing the person named, or if no person is named, the Chairperson of the meeting, as my/our Proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the Proxy sees fit) at the Annual General Meeting of the Company to be held at 4:00pm WST on Friday 29 November 2019 at Level 1, 675 Murray Street, WEST PERTH WA 6005 and at any adjournment of that meeting.

SECTION B: Voting Directions

Please mark "X" in the box to indicate your voting directions to your Proxy. The Chairperson of the Meeting intends to vote undirected proxies in FAVOUR of all the resolutions. In exceptional circumstances, the Chairperson of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

AUTHORITY FOR CHAIR TO VOTE UNDIRECTED PROXIES ON REMUNERATION RELATED RESOLUTIONS

Where I/we have appointed the Chair as my/our proxy (or where the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolutions 1, 13, 14, 15, 16, 17, 18 (except where I/we have indicated a different voting intention below) even though Resolutions 1, 13, 14, 15, 16, 17, 18 are connected directly or indirectly with the remuneration of a member of the Key Management Personnel, which includes the Chair.

| RESOLUTION | For | Against | Abstain* | | For | Against | Abstain* |
|------------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|------------------------------------------------------------------------------------|--------------------------|--------------------------|--------------------------|
| 1. ADOPTION OF REMUNERATION REPORT (NON-BINDING) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 11. APPROVAL FOR RELATED PARTY PARTICIPATION IN SEPTEMBER PLACEMENT - MR RORY LUFF | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. RE-ELECTION OF DIRECTOR - MR RORY LUFF | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 12. APPROVAL OF 10% PLACEMENT CAPACITY | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. ELECTION OF DIRECTOR - DR REINOUT KOOPMANS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 13. ADOPTION OF PERFORMANCE RIGHTS PLAN | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. ELECTION OF DIRECTOR - MR HANSJOERG PLAGGEMARS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 14. ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO DR CHRIS GILCHRIST | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. RATIFICATION OF PRIOR GRANT OF SHARE PURCHASE PLAN OPTIONS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 15. ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MR PATRICK MCMANUS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. RATIFICATION OF SEPTEMBER PLACEMENT SHARES - 7.1 CAPACITY | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 16. ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO DR REINOUT KOOPMANS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. RATIFICATION OF SEPTEMBER PLACEMENT SHARES - 7.1A CAPACITY | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 17. ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MR RORY LUFF | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. RATIFICATION OF SEPTEMBER PLACEMENT OPTIONS - 7.1A CAPACITY | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 18. ISSUE OF RELATED PARTY PERFORMANCE RIGHTS TO MR HANSJOERG PLAGGEMARS | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. RATIFICATION OF SHARES AND ATTACHING OPTIONS TO DELPHI UNTERNEHMENSBERATUNG AG | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 19. REPLACEMENT OF CONSTITUTION | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. APPROVAL FOR RELATED PARTY PARTICIPATION IN SEPTEMBER PLACEMENT - DR CHRIS GILCHRIST | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | | | | |

If no directions are given my proxy may vote as the proxy thinks fit or may abstain. * If you mark the Abstain box for a particular item, you are directing your Proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SECTION C: Signature of Security Holder(s)

This section must be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Security Holder

Sole Director & Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

Proxies must be received by Davenport Resources Limited no later than 4:00pm WST on Wednesday 27 November 2019.



My/Our contact details in case of enquiries are:

Name:

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)

1. NAME AND ADDRESS

This is the name and address on the Share Register of the Company. If this information is incorrect, please make corrections on this form. Shareholders sponsored by a broker should advise their broker of any changes. Please note that you cannot change ownership of your shares using this form.

2. APPOINTMENT OF A PROXY

If the person you wish to appoint as your Proxy is someone other than the Chairperson of the Meeting please write the name of that person in Section A. If you leave this section blank, or your named Proxy does not attend the meeting, the Chairperson of the Meeting will be your Proxy. A Proxy need not be a shareholder of the Company.

3. DIRECTING YOUR PROXY HOW TO VOTE

To direct the Proxy how to vote place an "X" in the appropriate box against each item in Section B. Where more than one Proxy is to be appointed and the proxies are to vote differently, then two separate forms must be used to indicate voting intentions.

4. APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two (2) persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second Proxy, an additional Proxy form may be obtained by contacting the Company's share registry or you may photocopy this form.

To appoint a second Proxy you must:

- a) On each of the Proxy forms, state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each Proxy may exercise, each Proxy may exercise half of your votes; and
- b) Return both forms in the same envelope.

5. SIGNING INSTRUCTIONS

Individual: where the holding is in one name, the Shareholder must sign.

Joint Holding: where the holding is in more than one name, all of the Shareholders must sign.

Power of Attorney: to sign under Power of Attorney you must have already lodged this document with the Company's share registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the Company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the Company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director may sign alone. Otherwise this form must be signed by a Director jointly with either another Director or Company Secretary. Please indicate the office held in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be lodged with the Company before the meeting or at the registration desk on the day of the meeting. A form of the certificate may be obtained from the Company's share registry.

6. LODGEMENT OF PROXY

Proxy forms (and any Power of Attorney under which it is signed) must be received by Davenport Resources Limited no later than the date and time stated on the form overleaf. Any Proxy form received after that time will not be valid for the scheduled meeting.

Davenport Resources Limited

Postal Address PO BOX 1088
West Perth WA 6872

Facsimile (08) 9475 0847

Email info@davenportresources.com.au

PRIVACY STATEMENT

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

