

**ASX Announcement**

29 January 2020

**COMPANY DETAILS****Davenport Resources Limited**

ABN: 64 153 414 852

ASX CODE: DAV

ASX CODE (Options): DAVO

FRANKFURT CODE: A2DWXX

**PRINCIPAL AND REGISTERED OFFICE (& Postal Address)**

Davenport Resources Limited  
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P: +61 (08) 9481 0389

**Capital Structure**

166.8 M Ordinary shares  
10.5M Unlisted options  
9.1 M Performance Rights  
46.2 M Listed Options

**BOARD OF DIRECTORS****Patrick McManus**

(Non-Executive Chairman)

**Dr Chris Gilchrist**

(Managing Director)

**Rory Luff**

(Non-Executive Director)

**Dr Reinout Koopmans**

(Non-Executive Director)

**Hansjörg Plaggermars**

(Non-Executive Director)

**Davenport Resources****December 2019 Quarterly Activity Report****Activities during the quarter included:**

- Ohmgebirge Inferred Resource of 325 million metric tonnes grading 13.1% K<sub>2</sub>O (JORC 2012)
- Davenport total resource inventory increases to 5.3 billion metric tonnes at 10.8% K<sub>2</sub>O, the largest potash resource in Western Europe
- Ohmgebirge resource contains 261 million tonnes of high-grade sylvinitic (Hartsalz) grading 14.0 % K<sub>2</sub>O
- Ohmgebirge identified as potential low-cost, rapid-start project
- Positive Technical and Preliminary Economic Studies completed for Ohmgebirge and Mühlhausen-Nohra potash mining licence areas
- Studies concluded proposed development of both areas is technically viable and justifies Davenport committing to progress the projects
- Studies proposed environmentally-friendly mining techniques for both project areas with zero waste discharge
- Project partnership discussions continuing with well-known German companies.

**Next Steps**

- Davenport is in discussions with potential project partners to develop the Ohmgebirge resource
- Davenport will commence work to upgrade the Ohmgebirge Scoping Study to a Feasibility Study commencing in early 2020.

## GERMANY – SOUTH HARZ PROJECTS

### Ebeleben, Ohmgebirge and Mühlhausen-Nohra-Elende Perpetual Mining Licences

Davenport holds perpetual Mining Licences for three areas, Ebeleben, Ohmgebirge and Mühlhausen-Nohra-Elende in Germany's South Harz region. The licences were purchased from the German Federal Government in 2016 and carry no rent or royalty, nor do they require Davenport to commit to any work schedules. Davenport owns a very extensive database from drilling programmes carried out in the 1960s and 1980s.

Technical reviews of the in-ground resources contained within Davenport's South Harz portfolio highlighted several areas that have the potential size and grade to sustain new, independent potash projects. These include the entire Ebeleben Mining Licence, which is rich in high-grade sylvinite; the northern part of the Mühlhausen-Nohra Mining Licence, which contains extremely thick carnallite and Kieserite and the southern portion of the Mühlhausen-Nohra Mining Licence, where the deposit contains impressive thicknesses of high-grade sylvinite together with valuable sulphate minerals (Hartsalz) which Davenport believes would support a large, long-life conventional mine.

### Ohmgebirge Resource Estimate

In December 2019, Davenport announced a JORC 2012 Inferred Resource of 325 million tonnes at 13.1% potassium oxide (K<sub>2</sub>O) for its 100%-owned Ohmgebirge Mining Licence in Germany's South Harz region (Figure 1). The resource, which covers approximately 21.7km<sup>2</sup>, is composed of sylvinite (261 million tonnes grading 14.0% K<sub>2</sub>O) and carnallite (64 million tonnes grading 9.8% K<sub>2</sub>O).

The resource was confirmed by renowned consultancy Micon International Co Limited ("Micon") based on available historic exploration data.

The Ohmgebirge area adjoins two historical mines, Bischofferode to the northeast and Söllstedt to the southeast (Figure 2). The Bischofferode mine has been decommissioned and flooded, however the Söllstedt mine is still open and is currently used to store contaminated wastes. Two fully-maintained shafts, located close to the Ohmgebirge Mining Licence are operational and currently in use.

The economic potash deposit covers almost the entire Ohmgebirge mining licence. Based on interpretation of drillhole data and historical maps, the mineralised z2KSt seam continues to the north, south, east and west of Ohmgebirge. The mineral resource has been restricted by a minimum grade cut-off of < 5% K<sub>2</sub>O.

Total mineral resource area for Ohmgebirge is approximately 21.7km<sup>2</sup> and the total Inferred Mineral Resources tonnage is 324.82Mt of which there is 42.69Mt K<sub>2</sub>O. The minimum depth from surface to the roof of the economic potash is ±440m.

The Ohmgebirge exploration licence area is classified as an Inferred Resource based on the quality and extent of the drilling database that are sufficient to imply geological grade and continuity for eventual economic extraction. A 15% geological loss has been applied to account for the Inferred classification of the resources. Figure 1 highlights the extent of the Inferred mineral resources.

The 23 December 2019 Inferred Mineral Resource for the Ohmgebirge Mining Licence area is presented in Table 1.

**Table 1: Ohmgebirge Mineral Resources, December 2019 (JORC, 2012)**

Seam	JORC Category	$\rho$ g/cm <sup>3</sup>	Geol Loss (%)	Tonnage (Mt)	K <sub>2</sub> O (%)	K <sub>2</sub> O (Mt)	Insols (%)	KCl (%)	Mg (%)	Na (%)	SO <sub>4</sub> (%)
Sylvinite	Inferred	2.23	15	261	13.96	36	1.18	20.64	1.06	21.68	10.34
Carnallitite	Inferred	1.89	15	64	9.81	6	Insufficient data				
<b>Total Ohmgebirge</b>	<b>Inferred</b>			<b>325</b>	<b>13.14</b>	<b>43</b>	<b>1.18</b>	<b>20.64</b>	<b>1.06</b>	<b>21.68</b>	<b>10.34</b>

Notes:

1. Mineral resources presented according to ore type (mineralogy) and not as per stratigraphy.
2. Minimum seam thickness considered for resources is 1 m.
3. Minimum cut-off grade  $\geq 5\%$  K<sub>2</sub>O.
4. 15% geological loss applied to account for potential unknown geological losses for Inferred resources.
5. Data source: historical state records (BVVG) checked and verified.
6. Inferred resources rounded down to nearest 100,000 t.
7. Errors may exist due to rounding.

The total JORC-compliant Inferred Resources declared by Micon as a result of modelling the drillhole data from Ohmgebirge, Ebeleben, the Mühlhausen-Keula sub-area, the Nohra-Elende sub-area and for the Küllstedt Exploration Licence area are shown in Table 2 below. Total resources held by Davenport Resources under the JORC 2012 Inferred category now stand at approximately 5.27 billion tonnes containing 567Mt K<sub>2</sub>O. Davenport anticipates that this resource could increase with additional exploration drilling within the portfolio of licences.

**Table 2: Total JORC 2012 Inferred Resources held by Davenport at December 2019.**

Seam	Tonnage (Mt)	K <sub>2</sub> O (%)	K <sub>2</sub> O (Mt)
Sylvinite	324	15.6	50
Carnallitite	253	7.5	19
<b>Total Ebeleben</b>	<b>577</b>	<b>12.1</b>	<b>69</b>
Sylvinite	834	12.1	101
Carnallitite	296	8.2	2
<b>Total Mühlhausen-Keula</b>	<b>1,130</b>	<b>11.1</b>	<b>125</b>
Sylvinite	101	14.2	14
Carnallitite	1,597	9.4	150
<b>Total Nohra-Elende</b>	<b>1,698</b>	<b>9.7</b>	<b>165</b>
Hartsalz (Sylvinite plus sulphate minerals)	333	13.0	43
Carnallitite	1,205	10.1	122
<b>Total Küllstedt</b>	<b>1,538</b>	<b>10.7</b>	<b>165</b>
Sylvinite	261	13.9	36
Carnallitite	64	9.8	6
<b>Total Ohmgebirge</b>	<b>325</b>	<b>13.1</b>	<b>43</b>
<b>Total Davenport JORC Inferred Resources to Date</b>	<b>5,268</b>	<b>10.8</b>	<b>567</b>

Davenport will continue to add value to its project portfolio through a combination of confirmatory drilling and advanced-stage technical and economic studies. Confirmation drilling sites are currently being selected and the next step is to seek permission to drill. Drilling within the Ohmgebirge licence will assist in upgrading JORC Inferred Resources to JORC Indicated Resources.

Discussions are ongoing with internationally renowned consultants with regards to commencing advanced economic studies on the most prospective areas within the Davenport licence portfolio where it has identified several potential stand-alone potash extraction projects.

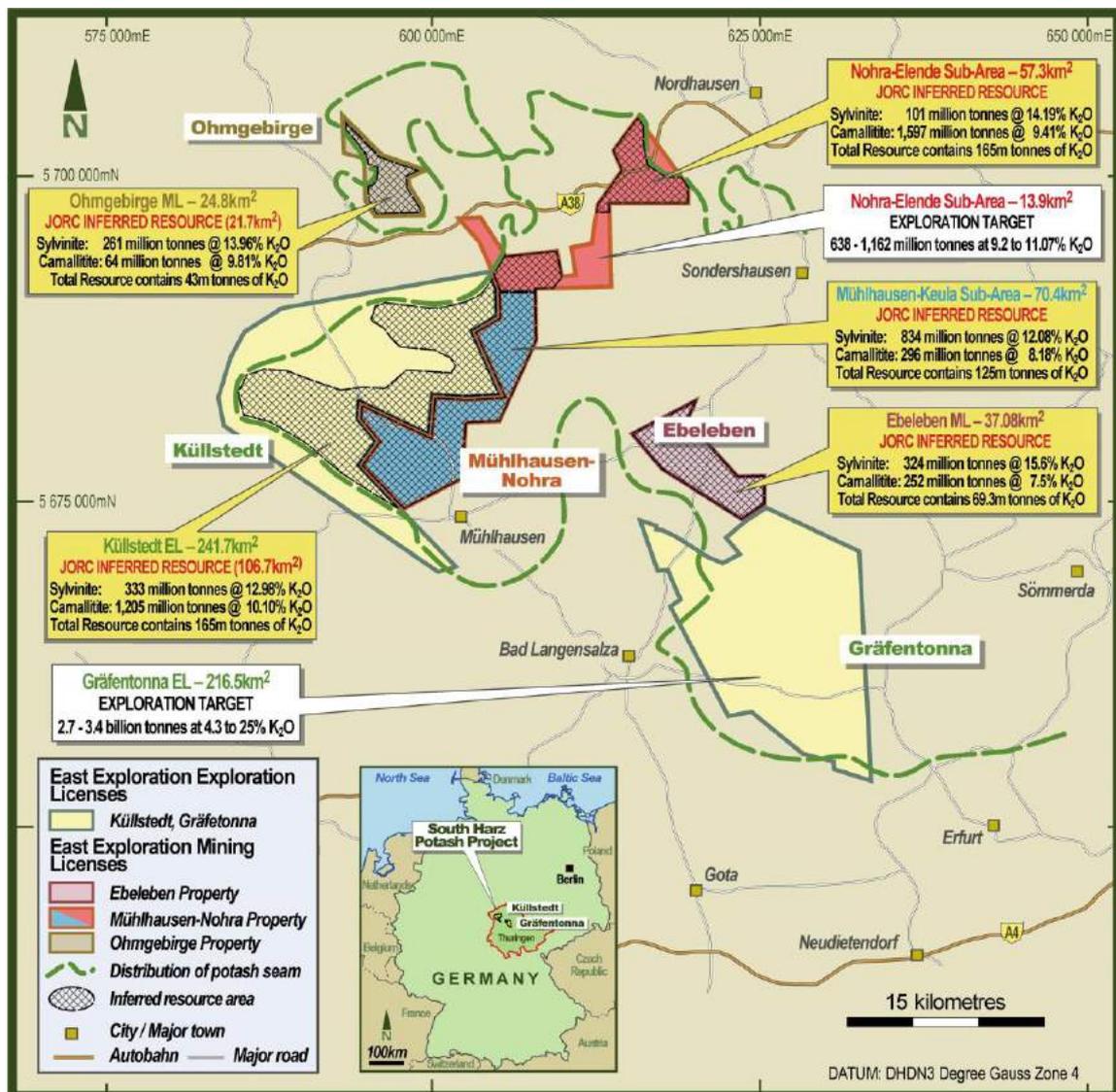


Figure 1: Location of Ohmgebirge Mining Licence area showing adjoining mining license areas Mühlhausen-Keula, Ebeleben and Küllstedt Exploration Licence. The JORC Inferred Resource of 382 million tonnes for Ohmgebirge is contained within an area covering 21.7km<sup>2</sup>.

**Positive Technical Studies**

In October, Davenport reported positive results from preliminary technical and economic studies on its Ohmgebirge and Mühlhausen-Nohra perpetual mining licence areas. Leading potash and salt consultancy K-Utec completed the studies.

Ohmgebirge and Mühlhausen-Nohra are among Davenport’s inventory of potash projects, which comprises at least four potential standalone projects in Western Europe.

Following positive study results, the Company will initially focus on progressing the Ohmgebirge project due to its proximity to infrastructure, which includes currently operating shafts.

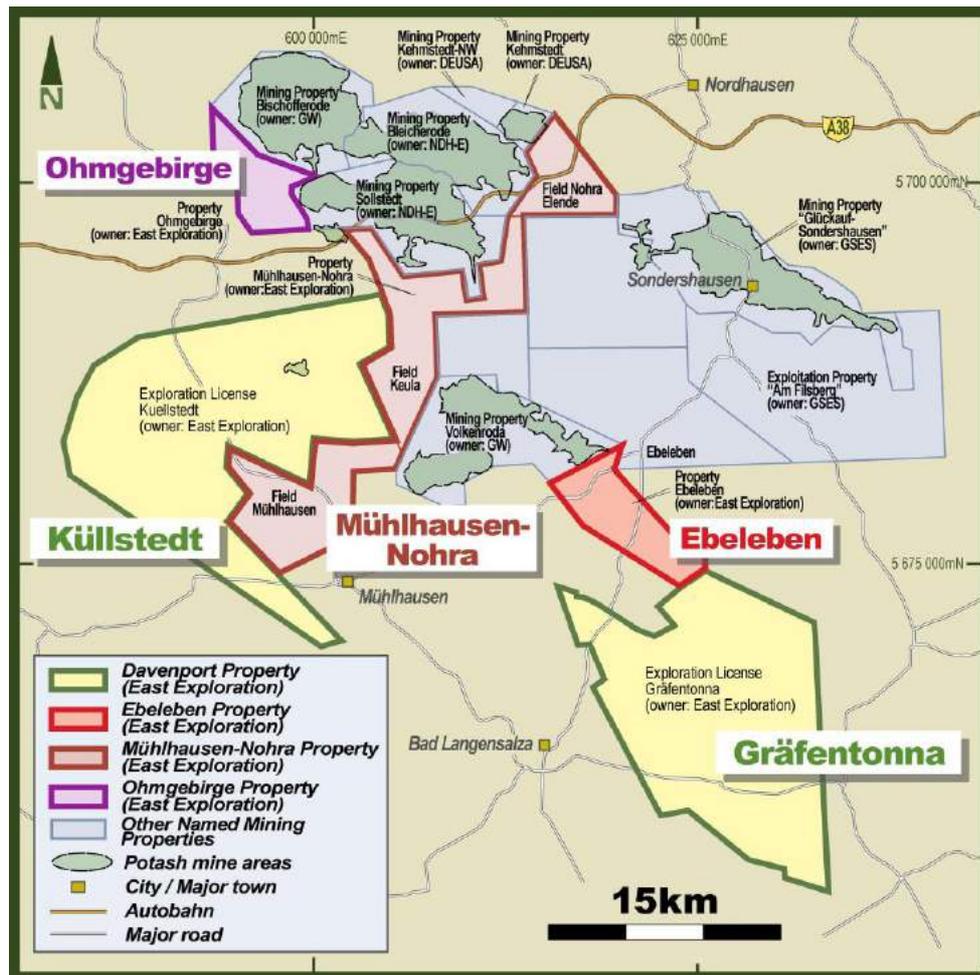


Figure 2: Ohmgebirge Mining Licence showing historical mining areas of now closed Bischofferode mine and currently open Söllstedt mine.

### Ohmgebirge

The Ohmgebirge licence is in the Federal State of Thüringia and covers an area of 24.84km<sup>2</sup>, adjacent to the former potash mines Bischofferode and Söllstedt, both of which had been in operation since the late 1800's. The Ohmgebirge licence area has been explored extensively in several campaigns from the late 19th century through to the 1980's.

Renowned salt and potash consultancy Ercosplan Ingenieurgesellschaft Geotechnik und Bergbaus mbH ("**Ercosplan**") undertook a review of the historic exploration, which Davenport reported in mid-2018. Ercosplan reviewed results from 13 exploration drillholes completed between 1894 to 1984 to test for potash at depth, and concluded there was a Historic Resource, of Soviet C2 classification, of 149 million tonnes at 13.5% K<sub>2</sub>O with an average thickness of 5m to 7m (refer ASX announcement 18 June 2018).

The Ohmgebirge resource was estimated as recently as 1996 (Watznauer & Tita)<sup>1</sup>, updating an earlier estimate completed in 1986 (Haynrode)<sup>2</sup>. This included results from close drill spacing and showed good potash intersections, which provided Davenport with sufficient confidence in the exploration target values to commission a preliminary technical and economic study and the conversion of the exploration

<sup>1</sup> Watznauer, W., Tita, J. (1996): Bewertung der Vorratssituation für das Bergwerksgutentum OHMGEBIRGE – Gutachten, Ingenieurbüro Watznauer/Tita, 20 September 1996, Gotha, 26 pages, 8 appendices.

<sup>2</sup> VEB GFEF (1986a) Geologisch-petrographische Aussagen zum Vorerkundungsobject, Hayndrode – VEB Geologische Forschung und Erkundung Freiberg, Sondershausen, July 1986, 68 pages.

data to a JORC-compliant resource. The Company commissioned Micon International to conduct this work, announcing results to the ASX on 23<sup>rd</sup> December 2019 (also Table 1).

Davenport commissioned K-Utec to conduct a preliminary technical and economic study examining potential MOP (muriate of potash) production from the Ohmgebirge licence area. This work was completed in September 2019.

Mining would be by industry-standard room and pillar methods and the processing route would be a hot leach as the polymineralic hard salts are not readily amenable to flotation. The raw salt would be digested in hot brine at elevated temperature, the resultant brine clarified and subsequently introduced to a multistage, vacuum crystallizer train from which high-purity MOP would be extracted. All solid and liquid wastes would be backfilled to void spaces within the mine, achieving a zero-effluent status.

The study identified target locations for the processing plant. These comprised redundant areas which are already designated for industrial activities, hence the permitting process for these areas is anticipated to be straightforward. Operating shafts exist near the licence area, which are used for storage in mined out areas close to the licence area.

Davenport has met with elected officials and community members in the region, and these are supportive of the renewal of mining in order to create employment opportunities.

#### Mühlhausen-Nohra

In mid-2018, Davenport appointed Micon International Co. Limited (“Micon”) to create a geological resource model based upon results from historic drillholes Davenport acquired as part of the mining licence purchases. Micon initially modelled the data from the Mühlhausen-Keula sub-area which represents approximately 50% of the area of the entire Mühlhausen licence, covering 54.4km<sup>2</sup> (Figure 3). Davenport subsequently announced an existing Inferred Resource of more than 1.1 billion tonnes grading at 11.1% K<sub>2</sub>O, of which the predominant mineral was sylvinite, 834 million tonnes grading 12.1% K<sub>2</sub>O (Table 2) (refer to ASX announcement 16th October 2018).

Davenport commissioned K-Utec to conduct a preliminary technical and economic study which would facilitate an assessment of the potential of this resource, as well as identify the optimal mining and processing method and potential project costs.

As the majority of the resource lies at a depth of approximately 800m-900m below surface, K-Utec recommended twin vertical shafts and an industry-standard, room and pillar mining method using continuous miners. Processing would be by a hot leach of the raw salts followed by brine clarification and conventional cooling crystallization to yield 1 million tonnes per annum of high-grade muriate of potash (MOP). A high-purity NaCl by-product would be produced for sale from the operation while the other waste streams, comprising solid clay and anhydrite together with the magnesium chloride brine, would be backfilled to voids within the underground mine.

K-Utec concluded the project was technically feasible and recommended that Davenport would be justified in moving to the next phase, which is to establish Measured and Indicated resources through some limited, additional exploration drilling followed by constructing a reportable technical and financial study.

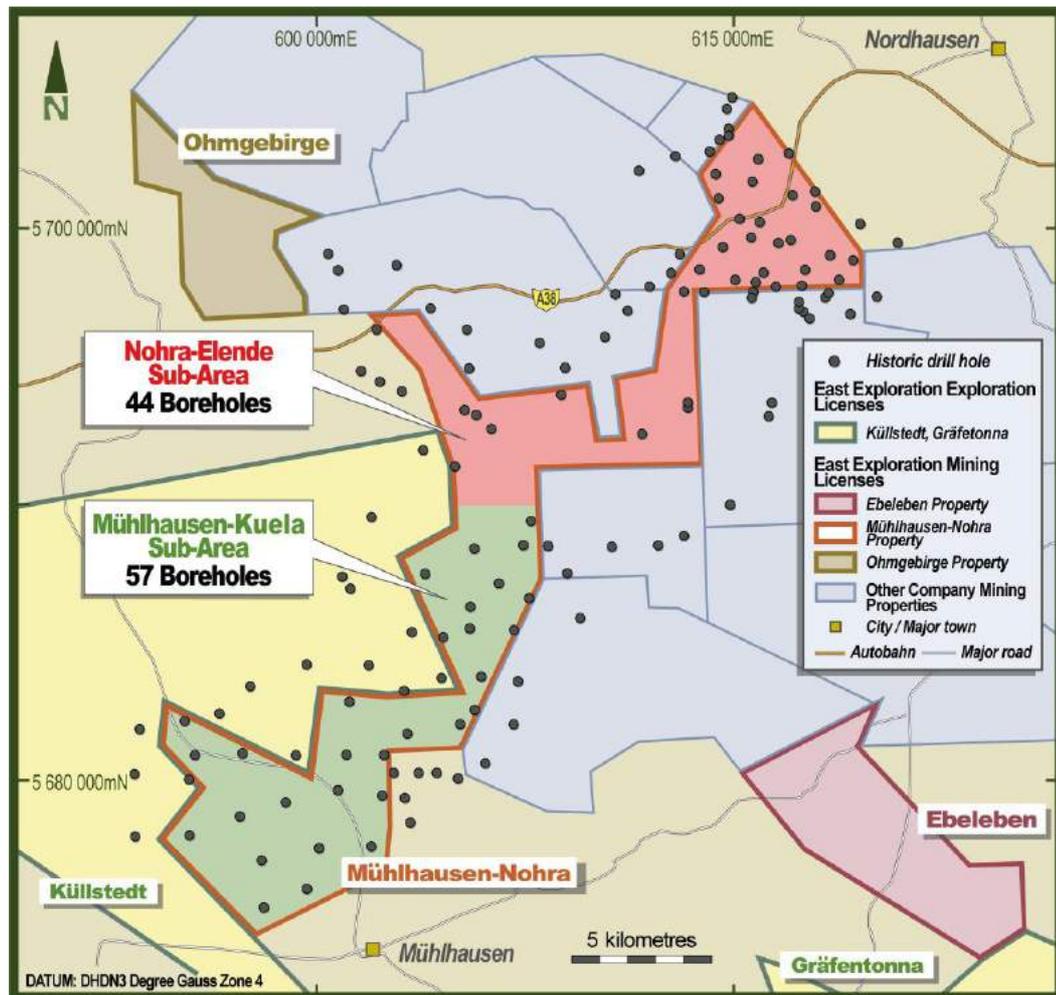


Figure 3: The Mühlhausen-Nohra sub-area (green) in the South Harz potash basin, Germany.

### Ongoing & Future Work

The next step for Davenport is to continue to add value to the project portfolio through a combination of confirmatory drilling and advanced-stage technical and economic studies. Confirmation drilling sites at Ohmgebirge are currently being selected in conjunction with Micon and the next step is to engage with local authorities and landowners to obtain permission to drill. Drilling within the Ohmgebirge licence will enable the upgrading of the current JORC Inferred Resource to JORC Indicated Resources.

Discussions are ongoing with internationally renowned consultants with regards to commencing advanced economic studies on the most prospective areas within the Davenport licence portfolio in which several stand-alone potash extraction projects have been identified. Davenport expects to release an update on these work plans for 2020 in the near future.

### AUSTRALIA – Southern Cross Bore

All tenements have been surrendered.

## CORPORATE

### *Results of Annual General Meeting*

At Davenport's Annual General Meeting of Shareholders held 29 November 2019, all resolutions put to the meeting were passed by a show of hands.

### *New Constitution*

Davenport lodged a new Constitution on 29 November 2019 following shareholders approving and adopting it at the Company's AGM. The new Constitution is available to view at: <https://davenportresources.com.au/corporate-governance/>

## TENEMENT INTERESTS

### At 31 December 2019 Davenport held the following tenements

Tenement ID	Type	Location	State/Province	Interest
Ohmgebirge	Mining	South Harz	Thüringen, Germany	100%
Ebeleben	Mining	South Harz	Thüringen, Germany	100%
Mülhausen-Nohra	Mining	South Harz	Thüringen, Germany	100%
Küellstedt	Exploration	South Harz	Thüringen, Germany	100%
Gräfentonna	Exploration	South Harz	Thüringen, Germany	100%
EL 28045	Exploration	Southern Cross Bore	NT, Australia	0%
EL 30090	Exploration	Southern Cross Bore	NT, Australia	0%

The Southern Cross Bore project was relinquished during the period.

### *Expenditure on Exploration Activities during the Quarter*

As per the attached Appendix 5B, the exploration expenditure during the reporting period was \$131k.

On behalf of Davenport Resources Limited,  
Chris Gilchrist, Managing Director

The attached Appendix 5B has been authorised by Dr Chris Gilchrist, Chief Executive Officer, and Robert Van der Laan, Chief Financial Officer.

## INVESTOR & MEDIA ENQUIRIES

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**Competent Person Statement**

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

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

**Name of entity**

Davenport Resources Limited

**ABN**

64 153 414 852

**Quarter ended ("current quarter")**

31 December 2019

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation	(131)	(253)
(b) development		
(c) production		
(d) staff costs	(153)	(369)
(e) administration and corporate costs	(262)	(587)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Research and development refunds	-	-
1.8 Other – occupancy make good costs	-	-
– release of security deposit	22	26
– GST/ VAT refund	36	40
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(488)</b>	<b>(1,143)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment		
(b) tenements (see item 10)		

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
(c) investments		
(d) other non-current assets		
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment		
(b) tenements (see item 10)		
(c) investments		
(d) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	15	968
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	-	-
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (Equity Raising Costs)	(38)	(38)
<b>3.10 Net cash from / (used in) financing activities</b>	<b>(23)</b>	<b>930</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	993	694
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(488)	(1,143)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(23)	930

## Mining exploration entity and oil and gas exploration entity quarterly report

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(1)	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>481</b>	<b>481</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	481	993
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (short term deposit)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>481</b>	<b>993</b>

**6. Payments to directors of the entity and their associates**

<b>Current quarter \$A'000</b>
------------------------------------

6.1 Aggregate amount of payments to these parties included in item 1.2

153

6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

6.1 Director salaries and fees.

**7. Payments to related entities of the entity and their associates**

<b>Current quarter \$A'000</b>
------------------------------------

7.1 Aggregate amount of payments to these parties included in item 1.2

7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3

7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

## Mining exploration entity and oil and gas exploration entity quarterly report

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities		
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Exploration and evaluation	90
9.2 Development	
9.3 Production	
9.4 Staff costs	90
9.5 Administration and corporate costs	95
9.6 Other (provide details if material)	
<b>9.7 Total estimated cash outflows</b>	<b>275</b>

10. <b>Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL28045	Exploration	100%	0%
	EL30090	Exploration	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

(Director/~~Company secretary~~)

Date: 29 January 2020

Print name: Chris Gilchrist

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

## DAVENPORT RESOURCES LIMITED TENEMENT SCHEDULE

### NORTHERN TERRITORY

The following tenement interests were held during the quarter ended 31 December 2019:

Title Number	Interest held at start of quarter	Change in interest during the quarter	Interest held at end of quarter	Status (G - Grant, A -Appl'n	Area Number of blocks
EL28045	100	-	0	G	23
EL30090	100	-	0	G	138

### GERMANY

East Exploration GmbH ("EE GmbH"), the company's 100% controlled entity, holds the South Harz Project located in the northern part of the Federal State of Thuringia. Details of the licences held are:

#### Perpetual Mining Licences

- Mühlhausen-Nohra mining licence covering an area of 141km<sup>2</sup>,
- Ebeleben mining licence covering an area of 37km<sup>2</sup>, and
- Ohmgebirge mining licence covering an area of 25km<sup>2</sup>,

#### Exploration Licences

- Küllstedt licence granted on 12 January 2015 covering an area of 241 km<sup>2</sup>
- Gräfenonna licence granted on 12 January 2015 covering an area of 216 km<sup>2</sup>

Under the German Mining Law the exploration licences are granted for a term of 5 years with an option to renew for a further 3 years.