

DAVENPORT RESOURCES LTD
SHARE PURCHASE PLAN – June 2020
TERMS AND CONDITIONS

This document sets the terms and conditions (**Terms and Conditions**) of the Share Purchase Plan (**Plan or Offer**) of Davenport Resources NL (**DAV or the Company**) that have been approved by the Board of DAV.

1. Offer

Under the Plan, Eligible Shareholders (defined below) are offered the opportunity to participate in the Plan to apply for parcels valued at \$1,000, \$2,000, \$5,000, \$10,000, \$15,000, \$20,000, \$25,000 or \$30,000 of fully paid ordinary shares in the capital of DAV (**Shares**) at an issue price of \$0.04 per Share (Offer Price). The issue price represents a discount of 18.39% to the 5 day volume weighted average market price (**VWAP**) of \$0.049 prior to the announcement of the Plan. Please read these Terms and Conditions carefully, as Eligible Shareholders will be bound by them by participating in the Plan. All Shares issued under the Offer will rank equally with existing Shares from the date of issue, and carry the same voting rights, dividend rights and other entitlements as existing Shares. All amounts referred to in these Terms and Conditions are in Australian dollars.

2. Participation in the Plan

Shareholders who are entered in the register of members at 5.00pm (WST) on 5 June 2020 (**Record Date**) with an Australian or New Zealand address at the Record Date are eligible shareholders (**Eligible Shareholders**) may apply to participate in the Offer in accordance with this Plan. The following rules apply to participation by Eligible Shareholders in the Plan, unless such registered shareholder holds Shares on behalf of another person who resides outside Australia or New Zealand:

- (a) **Single holders** – If you are the registered holder of Shares, but you receive more than one Offer under the Plan (for example, due to multiple registered holdings), you may only apply for up to a maximum amount of \$30,000 worth of Shares.
- (b) **Joint holders** – If you are recorded with one or more persons as the joint holder of a holding of Shares, that joint holding is considered to be a single registered holding for the purpose of the Plan. Joint holders are only entitled to participate in the Plan in respect of that single holding. If the same joint holders receive more than one Offer under the Plan due to multiple identical holdings, the joint holders may only apply for up to one maximum amount of \$30,000 worth of Shares.
- (c) **Custodians and nominees** – If you are an Eligible Shareholder who holds Shares as a custodian, trustee or nominee (within the definition of 'custodian' in ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547) (**Custodian**) or in any more specific relief granted to DAV in relation to this Offer and hold Shares on behalf of one or more persons (**beneficiaries**), this Offer is made to you and you have the discretion whether to extend this Offer to the beneficiaries on whose behalf you hold Shares. If you apply for Shares on behalf of a beneficiary, DAV will not issue Shares to you unless you certify the following in writing to DAV:
 - (i) that you hold the Shares on behalf of one or more persons (each a **participating beneficiary**) on the Record Date who have subsequently instructed you to apply for Shares on their behalf under the Plan;
 - (ii) the number of participating beneficiaries;
 - (iii) the name and address of each participating beneficiary;
 - (iv) the number of Shares that you hold on behalf of each participating beneficiary;
 - (v) the number and dollar amount of Shares which each participating beneficiary has instructed you to apply for on their behalf;
 - (vi) there are no participating beneficiaries in respect of which the total of the aggregate application price for the following exceeds A\$30,000:
 - (A) the Shares applied for by you on behalf of a participating beneficiary under the Plan; and
 - (B) any Shares issued to you in the 12 months before the application as a result of an instruction given by a participating beneficiary to you to apply for Shares on their behalf under an arrangement similar to the Plan;

- (vii) that a copy of the Plan was given to each beneficiary; and
- (viii) where you hold Shares on behalf of a beneficiary indirectly, through one or more interposed custodians, the name and address of each interposed Custodian.

Custodians should request a custodian certificate when making an application on behalf of participating beneficiaries (**Custodian Certificate**). To request a Custodian Certificate, and if you would like further information on how to apply, you should contact our share registry Automic Registry Services Pty Ltd (**Share Registry**) on (02) 9698 5414 between 8.30am to 5.00pm (AEST) Monday to Friday

(d) **Participation** – Applications under the Plan may only be made in the following amounts:

Total \$	\$1,000	\$2,000	\$5,000	\$10,000	\$15,000	\$20,000	\$25,000	\$30,000
No. of Shares	25,000	50,000	125,000	250,000	375,000	500,000	625,000	750,000

Eligible Shareholders are not permitted to acquire more than \$30,000 worth of Shares in aggregate, even if an Eligible Shareholder received more than one Application Form or hold Shares in more than one capacity, e.g. if an Eligible Shareholder is both a sole and joint holder of Shares.

Participation in the Plan is entirely optional and the Offer of Shares under the Plan is not a recommendation. You should seek independent advice if you are unsure whether you should participate in the Plan. The Offer of Shares under the Plan is non-renounceable which means that Eligible Shareholders cannot transfer their entitlement to purchase Shares under the Plan to another person.

The application form attached to these Terms and Conditions (**Application Form**) specifies a minimum (\$1,000) and maximum (\$30,000) value of Shares for which applications may be made and applications may not be made for a value of Shares less than the minimum or greater than the maximum. If an Eligible Shareholder applies for:

- (i) a value of Shares greater than the maximum that is provided for in the Application Form, the maximum number of Shares under the Plan will be issued and the excess amount paid will be refunded without interest; or
- (ii) a value of Shares less than the minimum that is provided for in the Application Form, no Shares will be issued under the Plan and any amount paid will be refunded without interest.

If an Application Form is not completed correctly or if the accompanying payment is for the wrong amount, it may still be treated by the Company as valid. The Company's decision as to whether to treat an application as valid and how to construe, amend or complete an Application Form is final.

(e) **Limit** – If total applications exceed the \$750,000 to be raised under the Plan, the directors of DAV may, in their absolute discretion, accept or scale-back any applications.

3. Foreign Investor Restrictions

The offer of Shares under this Plan does not constitute an offer in any jurisdiction outside Australia and New Zealand. This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in any other country. In particular, any securities described in this document have not been, and will not be, registered under the US Securities Act of 1933 (as amended) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, registration under the US Securities Act and applicable US state securities laws.

4. New Zealand Shareholders

The Shares offered under the Plan are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand and to whom the offer is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (as amended) (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not an investment statement or

prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

5. Application

Unless payment is made by using the BPAY® facility, applications to participate in the Plan must be made on the enclosed Application Form and must be received by the Share Registry (with the correct payment) no later than 5.00pm (Perth time) on 29 June 2020. DAV reserves the right to return any payment and not issue any Shares if payment is received after that time. By returning the enclosed Application Form or by making a BPAY® payment, you agree to be bound by the Terms and Conditions of this Plan and certify that the aggregate of the application price paid by you for the Shares the subject of the Application Form or BPAY® payment, and any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf, under the Plan or under any similar arrangement operated by DAV in the 12 months prior to the date of issue under the Plan, does not exceed \$30,000. Applications and payments under the Plan may not be withdrawn once they have been received. Any payment made to DAV pursuant to an application to participate in the Plan will not bear interest under any circumstances.

The return of an Application Form or otherwise applying for Shares under the Offer will be taken by the Company to constitute a representation by the applicant that it complies with the Terms and Conditions, the Corporations Act 2001 (Cth) and any applicable foreign jurisdiction laws.

If payment is made using the BPAY® facility (Australian bank accounts only), there is no requirement for the Application Form to be returned. Payment must be received by no later than 5.00pm (Perth time) on 29 June 2020. Eligible Shareholders must ensure that funds submitted through BPAY® are received by this time as their own financial institutions may implement earlier cut off times with regards to electronic payment.

Applicants should be aware that their own financial institution may implement earlier cut off times for electronic payments and should take this into consideration when making a payment via BPAY®. You may also have your own limit on the amount that can be paid by BPAY®. It is your responsibility to ensure that the amount you wish to pay via BPAY® does not exceed your limit and is received by the Share Registry prior to the close of the Offer. If you have multiple holdings you will have multiple customer reference numbers. To ensure you receive your Shares in respect of that holding, you must use the customer reference number shown on each personalised Application Form when paying for any new Shares that you wish to apply for in respect of that holding. Shareholders who have multiple holdings must ensure they comply with the requirements in section 2. Applications can only be made for Shares in the amounts specified on the Application Form. Please do not forward cash. Receipts for payment will not be issued. Application Forms returned by fax will not be accepted. Payments made pursuant to an application for Shares will only be accepted if your cheque or money order is drawn, or your BPAY payment is made, in Australian currency. Cheques must be drawn on an Australian financial institution. Payments made pursuant to an application for Shares will not bear interest as against DAV under any circumstances.

6. Offer Price

The price for Shares under the Plan is \$0.04 per Share, representing a 18.39% discount to the VWAP of DAV's Shares quoted on the ASX during the 5 trading days immediately prior to the announcement of this Plan.

By making an application under this Plan and applying for Shares under the Plan, each Eligible Shareholder will be acknowledging that although the Price is at a discount. The Shares of DAV are a speculative investment, and the price of the Shares might rise or fall between the date of this Offer and the date the Shares are issued. This means that the price paid for a Share under the Plan may be greater or less than the price of Shares at the time they are issued to Eligible Shareholders.

Shareholders should note that an investment in the Shares offered under the Plan should be regarded as speculative. In addition to the general risks applicable to all listed securities, there are specific risks associated with an investment in the Company, including the risk of failure to raise adequate future funding, failure to achieve successful design and engineering of the South Harz Potash project in central Germany and processing facility, exploration, development, mining and processing risks, resource estimation risks, contractual risks and environmental risks. This non-exhaustive list of risks could potentially have an adverse impact on the price of Shares on ASX.

This Plan is not a prospectus and does not require the types of disclosures required under the Corporations Act. You must rely on your own knowledge of the Company, previous disclosures made by the Company to ASX, and, if necessary, consult your professional advisor when deciding whether or not to participate in the Offer.

7. Shares to be Issued

Shares issued under the Plan will rank equally in all respects with existing Shares of DAV. Promptly after issue, application will be made by for Shares issued under the Plan to be listed for quotation on the official list of the Australian Securities Exchange. Holding Statements will be despatched to the Issuer Sponsored and CHES participants for Shares issued under the Plan. No brokerage, commissions, stamp duty or other transaction costs will be payable by Eligible Shareholders for their application for, or issue of, Shares under the Plan. This Offer of Shares under the Plan is made in accordance with ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547, which grants relief from the requirement to prepare a prospectus for the offer of shares under a share purchase plan.

8. Variations, Waivers and Resolution of Disputes

The Plan is governed by the law in force in Western Australia and DAV reserves the right to:

- (a) vary the Closing Date and Issue Date for Shares under the Plan;
- (b) waive compliance with any of these Terms and Conditions;
- (c) refuse to issue Shares where it believes there has been a breach of the Terms and Conditions of this Plan;
- (d) amend or vary these Terms and Conditions or suspend or terminate the Plan at any time;
- (e) scale back applications; and
- (f) settle in any manner it thinks fit any disputes or anomalies which may arise in connection with the Plan. Any determinations by DAV will be binding on all Eligible Shareholders and other persons to whom the determination relates.

DAV's rights may be exercised by the board of DAV or any delegate thereof.

9. Raising Amount and Scale Back

DAV seeks to raise a maximum of \$750,000 pursuant to the Plan.

In the event of an oversubscription by the Closing Date the directors of DAV may, in their absolute discretion, accept or scale-back any applications. If DAV rejects or scales-back an application or purported application, DAV will promptly return to the shareholder the relevant application monies, without interest.

The Company seeks to raise a maximum of \$750,000 under the Plan. However, the maximum number of Shares that can be issued in accordance with the ASX Listing Rules is 51,752,975. The Company reserves absolute discretion regarding the final amount raised under the Plan.

10. Indicative Timetable

Event	Date
Record Date (5.00pm WST)	5 June 2020
Announcement of the Plan	9 June 2020
Despatch of Plan Documentation to Eligible Shareholders and release of Offer Letter on the ASX	10 June 2020
Opening Date	15 June 2020
Closing Date (5.00pm WST)	29 June 2020
Plan results announced to the ASX	30 June 2020
Issue Date of securities under Plan	1 July 2020

Dispatch of holding statements	2 July 2020
New Shares commence trading on ASX	2 July 2020

These dates are indicative only. DAV may vary the dates and times of the Offer without notice. Accordingly, Eligible Shareholders wishing to subscribe under the Offer are encouraged to submit their Application Forms as early as possible.

11. Significance of applying for Shares

If you apply to participate in the Plan:

- (a) You confirm that you are an Eligible Shareholder and that you are lawfully permitted to accept the offer under the Plan and participate in the Plan in accordance with these Terms and Conditions and any applicable laws
- (b) you certify that, even if you have received more than one offer under the Plan or received offers in more than one capacity, the total of the application price for the following does not exceed \$30,000:
 - i. the Shares the subject of this application;
 - ii. any other Shares applied for under this Plan, or Shares or interests in the class issued under a similar arrangement in the 12 months before this application;
 - iii. any other Shares or interests in the class which you have instructed a Custodian to acquire on your behalf under this Plan; and
 - iv. any other Shares or interests in the class issued to a Custodian under an arrangement similar to this Plan in the 12 months before this application as a result of you instructing the Custodian or another custodian, which resulted in you holding a beneficial interest in the Shares or interests;
- (c) if you are a Custodian and are applying for Shares with a total application price exceeding \$30,000, subject to you providing a notice in writing to the Company certifying the matters required by ASIC Corporations (Share and Interest Purchase Plans) Instrument 2019/547 condition 9 (Custodian Certificate). Custodians should request a pro forma Custodian Certificate when making an application on behalf of Participating Beneficiaries. To request a Custodian Certificate or if you would like further information on how to apply, you should contact the Share Registry;
- (d) you agree to these Terms and Conditions and you agree not to do anything which would be contrary to the spirit, intention or purpose of the Plan;
- (e) you agree to be bound by the Constitution of the Company;
- (f) you authorise the Company (and its officers or agents) to correct any error or omission in your Application Form and to complete the Application Form by inserting missing details if the Company elects to do so.
- (g) you agree that the Company may determine that your Application Form is valid and in accordance with these Terms and Conditions, even if it is incomplete, contains errors or is otherwise defective;
- (h) you agree that your application is only effective when received by, or on behalf of, the Company and not when posted;
- (i) you accept the risk associated with any refund that may be sent to you by direct credit to your account as nominated to the Share Registry or cheque to your address shown on the Company's register;
- (j) you agree that you are responsible for any dishonour fees or other costs which the Company may incur if your cheque for payment is dishonoured;
- (k) you agree that the Company and the Share Registry have not provided you with investment or financial product advice, and that they have no obligation to provide advice to you about your decision to apply for and buy Shares; and
- (l) you agree that the Company is not liable for any exercise of its discretions referred to in these Terms and Conditions.

12. Questions

If you have any questions, please contact the Company on (08) 6145 0291 between the hours of 8.30am and 5.00pm, Monday to Friday. For details regarding how your personal shareholder information is used, please refer to the enclosed Application Form.