

**ASX ANNOUNCEMENT**

27 November 2020

## Transformational \$10M Placement to Advance Potash Projects

- **Davenport completes a \$10 million share placement**
- **Strengthened balance sheet to allow Davenport to advance its German potash projects which host 5.3 billion tonnes of potash resource, including confirmatory drilling at the Ohmgebirge potash project**
- **An upgrade of Ohmgebirge's resource from Inferred to Measured and Indicated, and release of results from the project's economic study will follow**
- **Placement received strong support from existing shareholders, the Davenport Board and new sophisticated and institutional investors**

Davenport Resources Limited (ASX:DAV) ("**Davenport**" or "**the Company**") is pleased to announce it has received firm commitments for a placement of new securities (the "**Placement**") to a range of sophisticated and institutional investors, including existing shareholders, Directors and new investors to raise a total of \$10 million (before costs).

The capital raising places the Company in its strongest financial position to date, ensuring it is well funded to advance its portfolio of four standalone potash projects in the South Harz region of Germany which host a combined 5.3 billion tonnes of potash resource, the largest potash resource in western Europe. Specifically, funds raised will allow the Company to move forward with a confirmatory drilling program at the first of these projects, the Ohmgebirge project, to upgrade the classification of the 325Mt @ 13.14% K<sub>2</sub>O for 43Mt of K<sub>2</sub>O resource<sup>1</sup> from the Inferred category to Measured and Indicated and facilitate the release of its encouraging economic study. Work will also commence on Ohmgebirge's definitive feasibility study with the balance of funds raised to be used for working capital purposes.

Commenting on the success of the capital raising, Davenport CEO, Dr Chris Gilchrist, said:

*"This capital raising is transformational for Davenport and we are delighted that this ambitious raising, representing the top end of the Directors' target of \$8-10 million, has been so overwhelmingly successful.*

*Through the support of existing shareholders and the high level of interest shown by new sophisticated and institutional investors, we can now look forward to an exciting journey leading to the most significant work program we have undertaken to date to upgrade our resources at Ohmgebirge next year, the release of our compelling scoping study and the initiation of a definitive feasibility study for the project.*

*We have mapped out in detail the tasks ahead and we look forward to announcing our progress over the coming months."*

### Placement Details

The Placement will result in the issue of 222,388,897 new fully paid ordinary shares at an issue price of 4.5 cents per share to raise a total of \$10 million (before costs). Participants in the Placement will also be issued with one unlisted option for every two shares subscribed for in the Placement exercisable at 8 cents and expiring two years from their date of issue ("**Option**").

The Placement consists of two tranches, with the first tranche consisting of Davenport issuing 16,666,668 shares pursuant to its ASX Listing Rule 7.1A capacity and 8,333,334 Options pursuant to its ASX Listing Rule 7.1 capacity to raise \$750,000 ("**Tranche 1**"). In the second tranche, which is subject to shareholder approval at a meeting expected to be held in early January 2021, Davenport will issue a further 205,722,229 new shares and 102,111,114 Options to raise a further ~\$9,250,000 ("**Tranche 2**"). The Directors have agreed to subscribe for a total of 15,722,221 shares and 7,111,111 options as part of the Tranche 2, subject to shareholder approval. Tranche 2 will not continue if the minimum subscription condition (to complete a capital raising of a minimum of \$8 million) is not satisfied on the Tranche

<sup>1</sup> In accordance with ASX listing rule 5.23, the Company is not aware of any new information or data that materially affects the information included in the previous market announcement (ASX announcements 23 December 2019) and that all material assumptions and technical parameters underpinning the estimate in the previous market announcement continue to apply and have not materially changed.

**CONTACT DETAILS**

2 settlement date (or within 10 business days of that date), if the ASX All Ordinaries Index as published by ASX closes below 5,500 for two consecutive days, or if the ASX All Ordinaries Index closes below 5,500 on the day immediately prior to scheduled settlement of Tranche 2 or if Davenport becomes insolvent.

New shares under Tranche 1 of the Placement will be issued on or around 4 December 2020, with Tranche 2 expected to be issued in mid-January 2021.

Euroz Hartleys Limited in Perth, WA and Cenkos Securities plc in London acted as Joint Lead Managers to the Placement. As part of their fee, Euroz Hartleys Limited will be granted a total of 25,000,000 unlisted options (being one third at an exercise price of \$0.675, one third at an exercise price of \$0.09 and one third at an exercise price of \$0.1125 all expiring 3 years from issue date), which are subject to shareholder approval.

The Company would like to thank investors and its Directors for their participation in the successful Placement.

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

## Investor & Media Enquiries

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**197.1M** Ordinary Shares  
**14.2M** Unlisted Options  
**46.2M** Listed Options  
**5.1M** Performance Rights