

27 November 2020

Belinda Giles  
 Australian Securities Exchange Limited  
 Level 40, Central Park  
 152-158 St Georges Terrace  
 Perth WA 6000

**Via e-mail correspondence: [belinda.giles@asx.com.au](mailto:belinda.giles@asx.com.au)**

Dear Belinda

**Davenport Resources Limited – Response to ASX Query on Appendix 5B**

We respond to your queries as set out in your letter using your numbering and providing the query and our response in this letter.

**Request for Information**

**1. Please provide a breakdown of the amounts paid for staff costs and corporate and administration costs.**

A breakdown of the staff and corporate and administration costs for the three months 1<sup>st</sup> July, 2020 to 30<sup>th</sup> September, 2020 is set out in the tables below:

<b>Staff Costs</b>	<b>Amount</b>
Director Fees	\$83,665
Other Staff	\$58,824
<b>Total</b>	<b>\$142,489</b>

<b>Corporate and Administration Costs</b>	<b>Amount</b>
Tax, Audit & Accounting Fees	\$42,846
Investor Relations	\$5,500
Occupancy Costs	\$2,376
ASX/Share Registry Fees	\$23,417
Company Secretary Fees	\$16,852
Other Administration	\$9,946
Recruitment Costs	\$27,460
Legal Costs	\$25,533
Consulting Fees	\$65,131
GST/VAT Refund	(\$12,909)
<b>Total</b>	<b>\$206,152</b>

**PRINCIPAL AND REGISTERED OFFICE**

Davenport Resources Limited  
 Level 1, 677 Murray St.  
 West Perth WA 6005

**2. Please clarify whether DAV expects to have the current level of net operating cash flows for the time being or whether it intends to reduce expenditure to ensure it has operating capital.**

It is the present intention of the Company to continue the current level of net operating cash flows.

It was noted in the Company's recent quarterly report that Davenport would continue discussions with potential investors and strategic partners to progress development of its project portfolio. This work includes the sinking of twin confirmatory drill holes at the Ohmgebirge project to upgrade the current inferred resource to the indicated category and to complete further cost and market studies.

The Company has been successful in raising capital as required in the past in order to fund its operations and has announced a successful new capital raising today. This is discussed further under Question 3 below.

**3. What options for strategic investment has DAV explored?**

The Company mandated Euroz Hartley and Cenkos in the UK to successfully raise A\$10 million finance as announced today. This includes an A\$0.75 million unconditional first tranche commitment by an existing shareholder that will place the Company in funds by mid-December 2020. The second tranche of A\$9.25 million will be the subject of an EGM expected to take place in January 2021.

**4. What steps has DAV taken to explore options for strategic investment?**

See above answer to questions 2 and 3 above.

**5. Please confirm that DAV is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.**

The Company confirms that it is in compliance with Listing Rule 3.1.

**6. Please confirm that DAV's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DAV with delegated authority from the board to respond to ASX on disclosure matters.**

We confirm that the responses to the questions have been authorised by the board.

Yours faithfully



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**Chris Gilchrist**  
**Managing Director**

**PRINCIPAL AND REGISTERED OFFICE**

Davenport Resources Limited  
Level 1, 677 Murray St.  
West Perth WA 6005



19 November 2020

Reference: 28063

Ms Amanda Wilton-Heald  
Company Secretary  
Davenport Resources Limited

By email

Dear Ms Wilton-Heald

**Davenport Resources Limited ('DAV'): Appendix 5B - Query**

ASX refers to DAV's Appendix 5B quarterly report for the period ended 30 September 2020 lodged with ASX's Market Announcements Platform on 29 October 2020 (the 'Appendix 5B') and notes that:

- A. DAV has reported that it has less than 2 quarters of estimated funding available.
- B. DAV reported \$96,000 in expenditure for exploration activities, comprised of the final payment for scoping studies conducted on DAV's mining licence areas (as clarified in DAV's supplementary announcement titled 'Quarterly Report Correction' lodged with MAP on 17 November 2020).
- C. DAV also reported \$142,000 in staff costs and \$206,000 in corporate and administration costs (of which \$84,000 was paid to related parties).
- D. In its answers to part 8.8 of the Appendix 5B, DAV disclosed that:
  - I. it expects that it will continue to have the current level of net operating cash flows for the time being;
  - II. it continues to explore options for strategic investment and further reduce expenditure to ensure it has operating capital until this is secured; and
  - III. it expects to secure investment to ensure its continued operation.

**Request for Information**

In view of that, ASX asks DAV to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market under Listing Rule 18.7A:

1. Please provide a breakdown of the amounts paid for staff costs and corporate and administration costs.
2. Please clarify whether DAV expects to have the current level of net operating cash flows for the time being or whether it intends to reduce expenditure to ensure it has operating capital.
3. What options for strategic investment has DAV explored?
4. What steps has DAV taken to explore options for strategic investment?
5. Please confirm that DAV is complying with Listing Rule 3.1 and that there is no information about its financial condition that should be given to ASX in accordance with that rule that has not already been released to the market.
6. Please confirm that DAV's responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of DAV with delegated authority from the board to respond to ASX on disclosure matters.

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Please also provide any other information that DAV considers may be relevant to ASX forming an opinion on whether DAV is complying with Listing Rule 12.2 that a listed entity's financial condition must, in ASX's opinion, be adequate to warrant the continued quotation of its securities and its continued listing.

### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Tuesday, 24 November 2020**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, DAV's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require DAV to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in DAV's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in DAV's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to DAV's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that DAV's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

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## Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours faithfully

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**Belinda Giles**

Adviser, Listings Compliance (Perth)