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**DAVENPORT RESOURCES LIMITED****ACN 153 414 852****NOTICE OF GENERAL MEETING**

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Notice is given that the Meeting will be held at:

**TIME:** 3:00 pm AWST  
**DATE:** Monday 18 January 2021  
**PLACE:** Level 1, 677 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 3pm AWST on 16 January 2021.***

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## BUSINESS OF THE MEETING

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### AGENDA

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1. **RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF OPTIONS UNDER TRANCHE 1 (LR 7.1)**

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 8,333,334 Options on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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2. **RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER TRANCHE 1 – (LR 7.1A)**

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

*“That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 16,666,668 Shares on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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3. **RESOLUTION 3 – APPROVAL TO ISSUE SHARES AND OPTIONS UNDER TRANCHE 2**

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

*“That, for the purposes of Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 190,000,002 Shares, together with 95,000,001 free attaching Options for every 2 Shares subscribed for and issued on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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4. **RESOLUTION 4 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY - 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 Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 222,222 Shares, together with 111,111 free attaching Options for every 2 Shares subscribed for and issued to Chris Gilchrist (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**5. RESOLUTION 5 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY – 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 purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 11,111,111 Shares, together with 5,555,556 free attaching Options for every two Shares subscribed for and issued to Rory Luff (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**6. RESOLUTION 6 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY – 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 purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 444,444 Shares, together with 222,222 free attaching Options for every two Shares subscribed for and issued to Hansjoerg Plaggemars (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**7. RESOLUTION 7 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY – MR IAN FARMER**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 444,444 Shares, together with 222,222 free attaching Options for every two Shares subscribed for and issued under to Ian Farmer (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**8. RESOLUTION 8 – ISSUE OF SHARES AND OPTIONS TO RELATED PARTY - MR ROBERT VAN DER LAAN**

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

*“That, for the purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 2,000,000 Shares, together with 1,000,000 free attaching Options for every two Shares subscribed for and issued to Robert Van der Laan (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**9. RESOLUTION 9 – ISSUE OF SHARES TO RELATED PARTY - 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 purposes of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 1,500,000 Shares to Reinout Koopmans (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

A voting exclusion statement applies to this Resolution. Please see below.

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**Dated 11 December 2020**

**By order of the Board**

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

## Voting Exclusion Statements

In accordance with Listing Rule 14.11, the Company will disregard any votes cast in favour of the resolution set out below by or on behalf of the following persons:

<b>Resolution 1 – Ratification of prior issue of Placement Options – Tranche 1 (LR7.1)</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely the T1 Placement Participants) or an associate of that person or those persons.
<b>Resolution 2– Ratification of prior issue of Placement Shares – Tranche 1 (LR7.1A)</b>	A person who participated in the issue or is a counterparty to the agreement being approved (namely the T1 Placement Participants) or an associate of that person or those persons.
<b>Resolution 3 – Approval to issue Shares and Options</b>	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) (namely the T2 Placement Participants) or an associate of that person (or those persons).
<b>Resolution 4 – Issue of Shares and Options to Related Party to Dr Chris Gilchrist</b>	Dr Chris Gilchrist (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (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.
<b>Resolution 5 – Issue of Shares and Options to Related Party to Mr Rory Luff</b>	Mr Rory Luff (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (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.
<b>Resolution 6 – Issue of Shares and Options to Related Party to Dr Reinout Koopmans</b>	Dr Reinout Koopmans (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (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.
<b>Resolution 7 – Issue of Shares and Options to Related Party to Mr Hansjoerg Plaggemars</b>	Mr Hansjoerg Plaggemars (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (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.
<b>Resolution 8 – Issue of Shares and Options to Related Party to Mr Ian Farmer</b>	Mr Ian Farmer (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (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.
<b>Resolution 9 – Issue of Shares to Related Party to Mr Robert Van der Laan</b>	Mr Robert Van der Laan (or their nominee) and any other person who will obtain a material benefit as a result of the issue of the securities (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, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as a proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:

- (i) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the resolution; and
- (ii) the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

### **Voting by proxy**

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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 two (2) or more votes may appoint two (2) proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints two (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:

- 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.

### **Voting in person**

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

### **Voting online via Virtual Meeting**

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The Company invites shareholders to attend and participate in a virtual Meeting through its share registry Automic's online meeting facility (**Virtual Meeting**). Shareholders who attend the Virtual Meeting will be able to watch, listen, submit written questions and participate in all poll votes put to the Meeting. To access and vote online at the Virtual Meeting, follow the details on the letter accompanying this Notice on the date and time set out in this Notice, being Monday 18 January 2021 at 3pm WST. Further details of the Virtual Meeting and online voting are also set out in the accompanying letter.

***Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 8 6145 0291.***

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## EXPLANATORY STATEMENT

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This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions.

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### 1. BACKGROUND TO RESOLUTIONS 1 – 3

#### 1.1 Background

On 27 November 2020, the Company secured commitments for up to \$10,000,000 through the issue of up to 222,388,891 Shares (**Placement Shares**) to sophisticated and professional investors at an issue price of \$0.045 per Share together with up to 110,444,446 free attaching Options (**Placement Options**) for every 2 Shares subscribed for and issued (**Placement**).

The Placement consists of two tranches as follows:

(a) **Tranche 1**

A total of 16,666,668 Placement Shares and 8,333,334 Placement Options issued on 2 December 2020 under the Company's available placement capacity comprising:

- (i) 8,333,334 Options (**T1 Placement Options**) issued pursuant to Listing Rule 7.1 (being the subject of Resolution 1); and
- (ii) 16,666,668 Shares (**T1 Placement Shares**) issued pursuant to Listing Rule 7.1A (being the subject of Resolution 2).

(b) **Tranche 2**

A total of up to 205,722,223 Placement Shares and up to 102,111,112 Placement Options to be issued subject to the Company obtaining Shareholder approval for the issue (approval of which is being considered under Resolution 3) (**T2 Placement Securities**).

#### 1.2 Joint Lead Managers

(a) **Euroz Hartleys' Limited**

The Company has engaged the services of Euroz Hartleys Limited (ACN 104 195 057) (**Euroz Hartleys**) by way of a mandate letter (**Euroz Hartleys Placement Mandate Letter**) to act as joint lead manager and corporate adviser in relation to the capital. A summary of the material terms of the Euroz Hartleys Placement Mandate Letter is set out in Schedule 2.

(b) **Cenkos Securities PLC**

The Company has engaged the services of Cenkos Securities PL (**Cenkos**) by way of a mandate letter (**Cenkos Placement Mandate Letter**) to act as joint lead manager and corporate adviser in relation to the capital raising under the Placement. A summary of the material terms of the Cenkos Placement Mandate Letter is set out in Schedule 2.



### 1.3 Director Participation

The following Directors intend to participate in the Placement as set out in Section 1.1 (above) on the same terms as the unrelated placement participants as follows:

- (a) Dr Chris Gilchrist will be issued up to 222,222 Shares together with 111,111 free attaching Options under the Placement to raise approximately \$10,000 (subject to Shareholder approval sought pursuant to Resolution 4);
- (b) Mr Rory Luff will be issued up to 11,111,111 Shares together with 5,555,556 free attaching Options under the Placement to raise approximately \$500,000 (subject to Shareholder approval sought pursuant to Resolution 5);
- (c) Mr Hansjoerg Plaggemars will be issued up to 444,444 Shares together with 222,222 free attaching Options under the Placement to raise approximately \$20,000 (subject to Shareholder approval sought pursuant to Resolution 6);
- (d) Mr Ian Farmer will be issued up to 444,444 Shares together with 222,222 free attaching Options under the Placement to raise approximately \$20,000 (subject to Shareholder approval sought pursuant to Resolution 7); and
- (e) Mr Robert Van der Laan will be issued up to 2,000,000 Shares together with 1,000,000 free attaching Options under the Placement to raise approximately \$90,000 (subject to Shareholder approval sought pursuant to Resolution 8).

Dr Reinout Koopmans intends to participate in the Placement on varied terms in that he will not be issued Placement Options and will only be issued Placement Shares at a slightly reduced rate to raise approximately \$60,000 through the issue of up to 1,500,000 Shares (subject to Shareholder approval sought pursuant to Resolution 9). Under the Placement on varied terms in Dr Reinout Koopmans will not be issued Placement Options and will only be issued the Placement Shares at a slightly reduced rate to raise approximately \$60,000.

### 1.4 Summary of the Placement Resolutions

Resolutions 1 and 2 seeks Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the Tranche 1 Placement Shares and Tranche 1 Placement Options issued on 2 December 2020.

Pursuant to this Meeting, the Company is seeking Shareholder ratification of the following issues to refresh its placement capacity:

- (a) the prior issue of Placement Shares and Placement Options to the T1 Placement Participants under the Tranche 1 of the Placement (being the subject of Resolutions 1 and 2).

The Company is also seeking Shareholder approval for:

- (a) the issue of Tranche 2 of the Placement Shares and Placement Options to the T2 Placement Participants (being the subject of Resolution 3); and

- (b) the Director Participation and Koopmans Participation (being the subject of Resolutions 4 to 9).

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## **2. RESOLUTIONS 1 AND 2 – RATIFICATION OF PRIOR ISSUE OF PLACEMENT SHARES AND PLACEMENT OPTIONS – TRANCHE 1 (LISTING RULES 7.1 AND 7.1A)**

### **2.1 General**

On 2 December 2020, the Company issued 16,666,668 Shares at an issue price of \$0.045 per Share together with one free attaching Option for every two Shares subscribed for and issued to raise approximately \$750,000 (**T1 Placement Securities**).

The T1 Placement Securities were issued as follows:

- (a) 8,333,334 T1 Placement Options were issued pursuant to the Company's capacity under Listing Rule 7.1 (being, the subject of Resolution 1); and
- (b) 16,666,668 T1 Placement Shares were issued pursuant to the Company's 7.1A mandate which was approved by Shareholders at the annual general meeting held on 27 November 2020 (being, the subject to Resolution 2).

As detailed in Section 1.2 above, the Company engaged the services of Euroz Hartleys and Cenkos as joint lead managers to the Placement. Euroz Hartleys has agreed to provide these services in part consideration for the amounts set out in Section 1.2 above. A summary of the material terms of the Placement Mandate Letters are set out in Schedule 2.

### **2.2 Listing Rules 7.1 and 7.1A**

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary securities it had on issue at the start of that 12 month period.

Under Listing Rule 7.1A however, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase this 15% limit by an extra 10% to 25%.

The Company obtained approval to increase its limit to 25% at the annual general meeting held on 27 November 2020.

The issue of the T1 Placement Securities does not fit within any of the exceptions set out in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 25% limit in Listing Rules 7.1 and 7.1A, reducing the Company's capacity to issue further equity securities without Shareholder approval under Listing Rule 7.1 and 7.1A for the 12 month period following the date of issue of the T1 Placement Securities .

### **2.3 Listing Rule 7.4**

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of equity securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 and so does not reduce the company's capacity to issue further equity securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional equity securities in the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. Accordingly, the Company is seeking Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the T1 Placement Securities.

Resolutions 1 and 2 seek Shareholder ratification pursuant to Listing Rule 7.4 for the issue of the T1 Placement Securities.

#### **2.4 Technical information required by Listing Rule 14.1A**

If Resolutions 1 and 2 are passed, the T1 Placement Securities will be excluded in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively increasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the T1 Placement Securities.

If Resolutions 1 and 2 are not passed, the T1 Placement Securities will be included in calculating the Company's combined 25% limit in Listing Rules 7.1 and 7.1A, effectively decreasing the number of equity securities the Company can issue without Shareholder approval over the 12 month period following the date of issue of the T1 Placement Securities.

#### **2.5 Technical 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 Resolutions 1 and 2:

- (a) the T1 Placement Securities were issued to Delphi Unternehmensberatung Aktiengesellschaft (**T1 Placement Participants**), and
- (b) 16,666,668 Shares were issued and 8,333,334 Options were issued on the following basis:
  - (i) 8,333,334 Options issued pursuant to Listing Rule 7.1 (ratification of which is sought under Resolution 1); and
  - (ii) 16,666,668 Shares issued pursuant to Listing Rule 7.1A (ratification of which is sought under Resolution 2);
- (c) the T1 Placement Shares issued to participants in the Placement 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;
- (d) the T1 Placement Options issued to participants in the Placement were issued on the terms and conditions set out in Schedule 1;
- (e) the T1 Placement Securities were issued on 2 December 2020;
- (f) the issue price per Share was \$0.045 per T1 Placement Share and the issue price of the T1 Placement Options was nil as they were issued free attaching with the Shares on a one for two basis. The Company has not and will not receive any other consideration for the issue of the T1 Placement Securities (other than in respect of funds received on exercise of the T1 Placement Options);

- (g) the purpose of the issue of the T1 Placement Securities was to raise \$750,000, which will be applied towards advancing 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 existing resource from the Inferred category to Measured and Indicated and facilitate the release of its 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; and
- (h) the T1 Placement Securities were issued to the T1 Placement Participants under the Euroz Hartleys Placement Mandate Letter and Cenkos Placement Mandate Letter. A summary of the material terms of each is set out in Schedule 2.

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### **3. RESOLUTION 3 – APPROVAL TO ISSUE PLACEMENT SHARES AND OPTIONS – TRANCHE 2**

#### **3.1 General**

As detailed in Section 1.1 above, the Company is proposing to issue the T2 Placement Securities.

As summarised in Section 2.2 above, Listing Rule 7.1 limits the amount of equity securities that a listed company can issue without the approval of its shareholders over any 12 month period to 15% of the fully paid ordinary shares it had on issue at the start of that period.

The proposed issue of the T2 Placement Securities does not fall within any of the exceptions set out in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

#### **3.2 Technical information required by Listing Rule 14.1A**

If Resolution 3 is passed, the Company will be able to proceed with the issue of the T2 Placement Securities. In addition, the issue of the T2 Placement Securities will be excluded from the calculation of the number of equity securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If this Resolution is not passed, the Company will not be able to proceed with the issue of the T2 Placement Securities.

Resolution 3 seeks Shareholder approval for the purposes of Listing Rule 7.1 for the issue of the T2 Placement Securities.

#### **3.3 Technical information required by Listing Rule 7.1**

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

- (a) the T2 Placement Securities will be issued to professional and sophisticated investors who are clients of Euroz Hartleys and Cenkos (**T2 Placement Participants**). The recipients will be identified through a bookbuild process, which will involve Euroz Hartleys and Cenkos seeking

expressions of interest to participate in the capital raising from non-related parties of the Company;

- (b) in accordance with paragraph 7.2 of ASX Guidance Note 21, the Company confirms that none of the recipients will be:
  - (i) related parties of the Company, members of the Company's Key Management Personnel, substantial holders of the Company, advisers of the Company or an associate of any of these parties; and
  - (ii) issued more than 1% of the issued capital of the Company;
- (c) the maximum number of Shares to be issued is 205,722,223 (inclusive of the securities to be issued under the Participation and Koopmans Participation, the subject of Resolutions 4 to 9) and the maximum number of Options to be issued is equal to 50% of the number of Shares to be issued (rounded up for fractional entitlements) (being approximately 102,111,112 Options) as the Options will be issued free attaching with the Shares on a one for two basis;
- (d) the 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;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1;
- (f) the T2 Placement Securities will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that issue of the T2 Placement Participants will occur on the same date;
- (g) the issue price will be \$0.045 per Share and nil per Option as the Options will be issued free attaching with the Shares on a one for two basis. The Company will not receive any other consideration for the issue of the Shares and Options (other than in respect of funds received on exercise of the Options);
- (h) the purpose of the issue of the T2 Placement Securities is to raise approximately \$8,550,000. The Company intends to apply the funds raised from the issue towards advancing 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 existing resource from the Inferred category to Measured and Indicated and facilitate the release of its 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.;
- (i) the T2 Placement Securities are being issued to the T2 Placement Participants under the Euroz Hartleys Placement Mandate Letter and the Cenkos Placement Mandate Letter. A summary of the material terms of the Schedule 2; and

- (j) the T2 Placement Securities are not being issued under, or to fund, a reverse takeover.

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## 4. RESOLUTIONS 4 TO 9 – DIRECTOR PARTICIPATION IN PLACEMENT

### 4.1 General

The background to the Placement is set out in Section 1.3 above, Directors Dr Chris Gilchrist, Mr Rory Luff, Dr Reinout Koopmans, Mr Hansjoerg Plaggemars, Mr Ian Farmer and Mr Robert Van der Laan each intend to participate in the Placement on the same terms as unrelated participants in the Placement (**Participation**).

Resolutions 4 to 8 seeks Shareholder approval for the issue of:

- (a) 222,222 Shares together with 111,111 free attaching Options to Dr Chris Gilchrist (or his nominee);
- (b) 11,111,111 Shares together with 5,555,556 free attaching Options to Mr Rory Luff (or his nominee);
- (c) 444,444 Shares together with 222,222 free attaching Options to Mr Hansjoerg Plaggemars (or his nominee);
- (d) 444,444 Shares together with 222,222 free attaching Options to Mr Ian Farmer (or his nominee); and
- (e) 2,000,000 Shares together with 1,000,000 free attaching Options to Mr Robert Van der Laan (or his nominee).

Director Dr Reinout Koopmans intends to also participate in the Placement, however on varied terms to the other investors (**Koopmans Participation**).

Resolution 9 seeks Shareholder approval for the issue of 1,500,000 Shares to Dr Reinout Koopmans.

### 4.2 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 and the Koopmans Participation will result in the issue of securities which constitutes giving a financial benefit and Messrs Gilchrist, Luff, Koopmans, Plaggemars, Farmer and Van der Laan are related parties of the Company by virtue of being Directors.

In respect of Resolutions 4 to 8, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Participation because the Shares will be issued to Messrs Gilchrist, Luff,

Plaggemars, Farmer and Van der Laan (or their nominees) on the same terms as Shares issued to non-related party participants in the Placement and as such the giving of the financial benefit is on arm's length terms.

In respect of Resolution 9, the Directors (other than Dr Reinout Koopmans) who has a material personal interest in Resolution 9) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the Koopmans Participation because the Shares will be issued to Dr Reinout Koopmans (or their nominee) on varied terms in that Dr Reinout Koopmans will not be issued any Placement Options and shall only be issued Placement Shares at a marginally discounted price (and as more particularly described below) however otherwise on the same terms and conditions as those issued to non-related party participants, notwithstanding the varied terms being offered, the Directors are of the belief giving of the financial benefit is on arm's length terms.

### **4.3 Listing Rule 10.11**

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue equity securities to:

- 10.11.1 a related party;
- 10.11.2 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- 10.11.3 a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- 10.11.4 an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- 10.11.5 a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The Participation and Koopmans Participation falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 4 to 9 seek Shareholder approval for the Participation and Koopmans Participation under and for the purposes of Listing Rule 10.11.

### **4.4 Technical information required by Listing Rule 14.1A**

If Resolutions 4 to 9 are passed, the Company will be able to proceed with the issue of the securities under the Participation and the Shares in the case of the Koopmans Participation within one month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the Listing Rules) and will raise additional funds which will be used in the manner set out in Section 4.5(f) below. As approval pursuant to Listing Rule 7.1 is not required for the issue of the securities in respect of the Participation and Shares in respect of the Koopmans Participation (because approval is being obtained under Listing Rule

10.11), the issue of the relevant securities will not use up any of the Company's 15% annual placement capacity.

If Resolutions 4 to 9 are not passed, the Company will not be able to proceed with the issue of the securities under the Participation and or the Koopmans Participation and no further funds will be raised in respect of the Placement.

#### **4.5 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 Resolutions 4 to 9:

- (a) the Participation securities and the Koopman Participation Shares will be issued to Messrs Gilchrist, Luff, Koopmans, Plaggemars, Farmer and Van der Laan (or their nominee), who falls within the category set out in Listing Rule 10.11.1, as Messrs Gilchrist, Luff, Koopmans, Plaggemars, Farmer and Van der Laan are each a related party of the Company by virtue of being a Director;
- (b) the maximum number of securities to be issued to the Directors (or their nominees) under the Participation is as follows:
  - (i) 222,222 Shares together with 111,111 free attaching Options - Dr Chris Gilchrist (or his nominee);
  - (ii) 11,111,111 Shares together with 5,555,556 free attaching Options - Mr Rory Luff (or his nominee);
  - (iii) 444,444 Shares together with 222,222 free attaching Options - Mr Hansjoerg Plaggemars (or his nominee);
  - (iv) 444,444 Shares together with 222,222 free attaching Options - Mr Ian Farmer (or his nominee); and
  - (v) 2,000,000 Shares together with 1,000,000 free attaching Options - Mr Robert Van der Laan (or his nominee);
- (c) the maximum number of Shares to be issued to Dr Reinout Koopmans (or his nominee) under the Koopman Participation is 1,500,000 Shares;
- (d) the 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;
- (e) the Options will be issued on the terms and conditions set out in Schedule 1;
- (f) the Participation securities and the Koopman Participation Shares 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 Listing Rules) and it is anticipated the Participation securities and the Koopmans Shares will be issued on the same date;
- (g) the issue price will be \$0.045 per Share being the same issue price as Shares issued to other participants in the Placement and nil for the Options as the Options will be issued free attaching with the Shares on a one for two basis. The Company will not receive any other consideration for the issue of the Shares;



- (h) the issue price will be \$0.04 per Koopmans Participation Share being offered at a marginal discount of \$0.005 on account of Dr Reinout Koopmans not being offered the Placement Options. The Company will not receive any consideration for the issue of the Shares;
- (i) the purpose of the issue of Shares under the Participation is to raise capital, which the Company intends to apply the towards in the manner set out in Section 3.3(h) above;
- (j) the securities to be issued under the Participation and Koopmans Participation are not intended to remunerate or incentivise the Directors;
- (k) the Shares are not being issued under an agreement; and
- (l) a voting exclusion statements is included in Resolutions 4 to 9 of the Notice.

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## GLOSSARY

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**\$** means Australian dollars.

**ASIC** means the Australian Securities & Investments Commission.

**ASX** means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Chair** means the chair of the Meeting.

**Company** means Davenport Resources Limited (ACN 153 414 852).

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

**Notice** or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

**Option** means an option to acquire a Share.

**Optionholder** means a holder of an Option.

**Proxy Form** means the proxy form accompanying the Notice.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Section** means a section of the Explanatory Statement.

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

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (i), the amount payable upon exercise of each Option will be \$0.08 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on the date that is two years from the date of issue (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within five Business Days after the Exercise Date, the Company will:

- (i) issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company

must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Option holder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

(j) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(k) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(l) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

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## SCHEDULE 2 – MATERIAL TERMS OF MANDATE LETTERS

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### 1. Euroz Hartleys Placement Mandate Letter – Placement

The Company also engaged Euroz Hartleys by way of a mandate letter (**Euroz Hartleys Placement Mandate Letter**) to act as joint lead manager and corporate advisor in relation to a capital raising to raise a minimum of \$8,000,000 (**Initial Placement**) to be conducted in two tranches with the second tranche being subject to the Company obtaining Shareholder approval for the tranche. The material terms of the Euroz Hartleys Placement Mandate Letter are set out below:

(a) **Fees**

The Company agrees to pay the following fees to Euroz Hartleys:

(i) **Success Fee**

On completion of the Initial Placement, the Company will pay:

- (A) **Transaction Management Fee:** a transaction management fee of \$100,000 (with up to \$50,000 being payable in Shares);
- (B) **Capital Raising Fee:** a capital raising fee of approximately \$510,000 (plus GST) being 6% of the gross proceeds subscribed for through Euroz Hartleys; and
- (C) **Option Fee:** the issue of 25,000,000 Options to Euroz Hartleys (or its nominees),

(together, the **Success Fee**).

(b) **Expenses**

The Company agrees to reimburse Euroz Hartleys for all reasonable costs and expenses incurred in connection with performing its services under this Euroz Hartleys Placement Mandate Letter, Euroz Hartleys is required to seek approval from the Company prior to incurring expenses in excess of \$2,000.

(c) **Term**

The term of Euroz Hartleys' appointment is for a period of 12 months. In the event that a capital raising occurs (or is expected to occur) with the period that is two months prior to the expiry of the term (or after the expiry of the term), the term will automatically be extended by an additional 6 months.

(d) **First Right of Refusal**

Euroz Hartleys will be offered a first right of refusal to act as adviser/in such capacity as Euroz Hartleys elects on any subsequent transaction (being any corporate activity including (but not limited to) a capital raising from Australian-based investors.

The Euroz Hartleys Placement Mandate Letter also contains such other terms as are considered standard for an agreement of this nature (including representations and warranties, indemnities, and confidentiality provisions).

## **2. Cenkos Placement Mandate Letter – Placement**

The Company engaged Cenkos by way of a mandate letter (**Cenkos Placement Mandate Letter**) to act as joint lead manager in relation to the capital raising under the Placement. The Company agrees to pay an introducer fee of approximately \$66,000 being 6% of the gross proceeds subscribed from Cenkos introduced investors.

The Cenkos Placement Mandate Letter also contains such other terms as are considered standard for an agreement of this nature (including representations and warranties, indemnities, and confidentiality provisions).

# Proxy Voting Form

If you are attending the virtual Meeting  
please retain this Proxy Voting Form  
for online Securityholder registration.

[EntityRegistrationDetailsLine1Envelope]  
[EntityRegistrationDetailsLine2Envelope]  
[EntityRegistrationDetailsLine3Envelope]  
[EntityRegistrationDetailsLine4Envelope]  
[EntityRegistrationDetailsLine5Envelope]  
[EntityRegistrationDetailsLine6Envelope]

## [HolderNumber]

Holder Number:  
[HolderNumber]

Your proxy voting instruction must be received by **3.00pm (AWST) on Saturday, 16 January 2021**, being **not later than 48 hours** before the commencement of the Meeting. Any Proxy Voting instructions received after that time will not be valid for the scheduled Meeting.

## SUBMIT YOUR PROXY

Complete the form overleaf in accordance with the instructions set out below.

### YOUR NAME AND ADDRESS

The name and address shown above is as it appears on the Company's share register. If this information is incorrect, and you have an Issuer Sponsored holding, you can update your address through the investor portal: <https://investor.automic.com.au/#/home> Shareholders sponsored by a broker should advise their broker of any changes.

### STEP 1 – APPOINT A PROXY

If you wish to appoint someone other than the Chair of the Meeting as your proxy, please write the name of that Individual or body corporate. A proxy need not be a Shareholder of the Company. Otherwise if you leave this box blank, the Chair of the Meeting will be appointed as your proxy by default.

### DEFAULT TO THE CHAIR OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chair of the Meeting, who is required to vote these proxies as directed. Any undirected proxies that default to the Chair of the Meeting will be voted according to the instructions set out in this Proxy Voting Form, including where the Resolutions are connected directly or indirectly with the remuneration of KMP.

### STEP 2 - VOTES ON ITEMS OF BUSINESS

You may direct your proxy how to vote by marking one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF SECOND PROXY

You may appoint up to two proxies. If you appoint two proxies, you should complete two separate Proxy Voting Forms and specify the percentage or number each proxy may exercise. If you do not specify a percentage or number, each proxy may exercise half the votes. You must return both Proxy Voting Forms together. If you require an additional Proxy Voting Form, contact Automic Registry Services.

### 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 Shareholders should sign.

**Power of attorney:** If you have not already lodged the power of attorney with the registry, please attach a certified photocopy of the power of attorney to this Proxy Voting Form when you return it.

**Companies:** To be signed in accordance with your Constitution. Please sign in the appropriate box which indicates the office held by you.

**Email Address:** Please provide your email address in the space provided.

**By providing your email address, you elect to receive all communications despatched by the Company electronically (where legally permissible) such as a Notice of Meeting, Proxy Voting Form and Annual Report via email.**

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate 'Appointment of Corporate Representative' should be produced prior to admission. A form may be obtained from the Company's share registry online at <https://automic.com.au>.

### Lodging your Proxy Voting Form:

#### Online:

Use your computer or smartphone to appoint a proxy at

<https://investor.automic.com.au/#/login>

or scan the QR code below using your smartphone

**Login & Click on 'Meetings'. Use the Holder Number as shown at the top of this Proxy Voting Form.**



#### BY MAIL:

Automic  
GPO Box 5193  
Sydney NSW 2001

#### IN PERSON:

Automic  
Level 5, 126 Phillip Street  
Sydney NSW 2000

#### BY EMAIL:

[meetings@automicgroup.com.au](mailto:meetings@automicgroup.com.au)

#### BY FACSIMILE:

+61 2 8583 3040

**All enquiries to Automic:**

**WEBCHAT:** <https://automicgroup.com.au/>

**PHONE:** 1300 288 664 (Within Australia)  
+61 2 9698 5414 (Overseas)

## STEP 1 – How to vote

### APPOINT A PROXY:

I/We being a Shareholder entitled to attend and vote at the General Meeting of Davenport Resources Limited, to be held virtually at **3.00pm (AWST) on Monday, 18 January 2021 at Level 1, 677 Murray Street, West Perth WA 6005** hereby:

**Appoint the Chair of the Meeting (Chair)** OR if you are not appointing the Chair of the Meeting as your proxy, please write in the box provided below the name of the person or body corporate you are appointing as your proxy or failing the person so named or, if no person is named, the Chair, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, and subject to the relevant laws as the proxy sees fit and at any adjournment thereof.

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**The Chair intends to vote undirected proxies in favour of all Resolutions in which the Chair is entitled to vote.**

Unless indicated otherwise by ticking the "for," "against" or "abstain" box you will be authorising the Chair to vote in accordance with the Chair's voting intention.

### VIRTUAL PARTICIPATION AT THE AGM:

The company is pleased to provide shareholders with the opportunity to attend and participate in a virtual Meeting through an online meeting platform powered by Automic, where shareholders will be able to watch, listen, and vote online.

To access the virtual meeting:

1. Open your internet browser and go to **investor.automic.com.au**
2. Login with your username and password or click "register" if you haven't already created an account. **Shareholders are encouraged to create an account prior to the start of the meeting to ensure there is no delay in attending the virtual meeting**

Further information on how to do this is set out in the Notice of Meeting. The Explanatory Notes that accompany and form part of the Notice of Meeting describe the various matters to be considered.

## STEP 2 – Your voting direction

Resolutions	For	Against	Abstain
1. Ratification of prior issue of Options under tranche 1 (LR 7.1)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Ratification of prior issue of Shares under tranche 2 (LR 7.1A)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Approval to issue Shares and Options under tranche 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Issue of Shares and Options to related party – Dr Chris Gilchrist	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Issue of Shares and Options to related party- Mr Rory Luff	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Issue of Shares and Options to related party – Dr Reinout Koopmans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Issue of Shares and Options to related party – Mr Hansjoerg Plaggemars	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Issue of Shares and Options to related party – Mr Ian Farmer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Issue of Shares and Options to related party – Mr Robert Van Der Laan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## STEP 3 – Signatures and contact details

Individual or Securityholder 1	Securityholder 2	Securityholder 3
<input type="text"/>	<input type="text"/>	<input type="text"/>
Sole Director and Sole Company Secretary	Director	Director / Company Secretary
Contact Name:		
<input type="text"/>		
Email Address:		
<input type="text"/>		
Contact Daytime Telephone	Date (DD/MM/YY)	
<input type="text"/>	<input type="text"/> / <input type="text"/> / <input type="text"/>	
By providing your email address, you elect to receive all of your communications despatched by the Company electronically (where legally permissible).		