

Good morning shareholders,

It gives me great pleasure to address you at this, Davenport Resources' first annual general meeting as a publicly listed company.

Following much hard work by our executive team and advisers, Davenport began trading on the Australian Securities Exchange on 20 January this year, having raised \$5.1 million through an initial public offering.

This was an achievement worth celebrating. The ultimate goal, however, is to develop Davenport into a potash producer of global significance.

The focus for the Company, as you will be aware, is a portfolio of exploration and mining licences covering more than 650km² in the South Harz basin in central Germany, a part of the world that is considered the birthplace of potash mining.

The South Harz basin has produced more than 180 million tonnes of potash historically and at one time, accounted for a large proportion of global supply of the crop fertiliser.

At the reunification of Germany in the early 1990s, the region suffered considerable retraction and now hosts only two operating mines. But it remains highly prospective for premium Potash and the provincial government of Thuringen is supportive of efforts by Davenport to reinvigorate what was once a thriving industry.

In addition to the Kullstedt and Grafentonna Exploration Licences, which were the main assets when we listed, we have recently purchased a portfolio of Mining Licences in the area that have been extensively explored and contain historic resources of potash from the German government.

This acquisition has put us in a commanding position in the South Harz and we believe it will significantly reduce the timeline to delineating a JORC resource and completing a feasibility study for potash extraction.

To properly oversee exploration and development on the South Harz licences, Davenport has established a European-based technical team with a wealth of potash experience. The technical team includes Non-Executive Director Chris Gilchrist, who has run major potash mining operations, managed feasibility studies on potash projects and worked extensively in the potash industry and Project Director, Jason Wilkinson, who has managed exploration and feasibility studies for significant potash projects. Chris is here today and will be happy to chat after the meeting for those of you who would like to get to know him better.

Davenport's rationale for focusing on potash relates to the role the commodity will play in helping to feed the world's growing population. Potash's ability to vastly improve crop yields will be vital as demand for food rises and the amount of arable land available worldwide falls. The

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combination of these factors is forecast to result in the global potash market growing by as much as 3% per annum. There is an expectation that the supply-side response will ensure potash prices remain soft, at least in the short-term. But this view fails to take into account that many of the world's potash mines have been operating for decades and capacity will come out of the market over time. Western Europe is typically a net importer of potash, and is likely to remain so.

In addition to our main asset, the South Harz Project, we also have a promising Copper/Gold project, Southern Cross Bore, in the Northern Territory which shows some good early-stage indicators for mineralisation.

In finishing, I would like to thank you, the shareholders, for all your support in Davenport's early days as a listed company. I urge you to maintain it as we look to begin drilling in the South Harz basin and build a meaningful German potash business.

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