Davenport Resources Limited

ABN 64 153 414 852

Financial Report - 30 June 2020

Corporate directory

Directors	Dr Chris Gilchrist Managing Director Rory Luff Non-Executive Director Dr Reinout Koopmans Non-Executive Director Hansjoerg Plaggemars Non-Executive Director Ian Farmer Non-Executive Chairman Robert Van der Laan Non-Executive Director
Company secretary	Amanda Wilton-Heald
Registered office	Level 1 675 Murray Street West Perth WA 6005 (08) 6145 0291
Principal place of business	Level 1 675 Murray Street West Perth WA 6005 (08) 6145 0291
Auditor	Walker Wayland Advantage Audit Partnership Level 7 114 William Street Melbourne, VIC 3000
Stock exchange listing	Davenport Resources Limited shares are listed on the Australian Securities Exchange (ASX code: DAV)
Share registry	Automic Registry Services Pty Ltd Level 2 267 St Georges Terrace Perth WA 6000 +61 8 9324 2099
Website address	www.davenportresources.com.au

Chairman's letter

Dear Shareholder,

It gives me great pleasure to present the 2020 Annual Report for Davenport Resources Limited (ASX: DAV).

As we reflect on progress made, the past year has seen an important validation of the economic and technical potential of our portfolio of assets. Having established the largest inventory of potash assets in Western Europe with a JORC Inferred Resource of 5.3 billion tonnes containing 567 Mt K2O, the focus of the current stage of development of Davenport has been to identify profitable opportunities and bring these to feasibility level.

Despite the effects of the global COVID-19 pandemic, which has restricted travel related to project development, we have nevertheless completed several important steps towards the development of our assets.

We have identified four separate potential projects that can be developed independently within our asset base. We completed technical studies for potential construction of mines for three of those, for the Mühlhausen-Nohra, Ohmgebirge and Nohra-Elende areas respectively. Each of these studies had positive results, as announced at the time. The studies also identified the economic potential for each of the projects, providing an important basis for the Board to assess the sequencing of the development of these projects, depending on potential project partners and available funding in general.

We regret that under current ASX rules, the detailed results from the studies cannot be publicly released at the current time. Only once the resource has been upgraded to a JORC Measured and Indicated level a public release of the production and financial details will be possible.

The abovementioned technical studies have nevertheless assisted to further validate the attractiveness of our projects, which lie in the South Harz region of Germany. On a resource level there were very few surprises, as the region has been mined for decades and, frankly, the license areas are well understood based on extensive drilling activities in the 1970s and 80s. Extensive data available to the Company results in a much better understanding of the resource than a typical Inferred Resource.

The resource is a highly differentiated one, containing not only potash, but also Kieserite. This provides further potential to produce not only MOP like many junior potash projects globally, but premium fertiliser products such as Magnesium Sulphate or SOP as well.

But the key to the attractiveness of the assets is their strategic location of close proximity to important end-markets such as Germany and France. The high transportation costs to deep sea harbours eliminates any mining cost advantage that large operators in the industry have in their Canadian or Russian operations.

In the various communications over the past year we have laid out the path to pre-feasibility for our projects. This includes confirmatory drilling in order to upgrade the resource to a JORC Measured and Indicated level. We have considered various funding options for the drilling, including the initiation of a global search for project partners with Deloitte Corporate Finance Inc. While it would ordinarily be early for project partners to join the development at this stage, the Board considered this warranted given the degree of transparency we have on the nature of the resource and its potential.

To further strengthen our capital markets footprint at the same time, we have appointed Cenkos as our European/UK Corporate Broker. Cenkos has considerable experience in the mineral resource capital markets and I look forward to a long and fruitful relationship with them as the Company grows. In the Australian market we continue to work with our trusted partners at Hartley's.

Davenport undertook several fundraising efforts during the year to ensure adequate working capital, raising a total of $1.3m. I thank our shareholders, both new and existing, for their support and continued belief in Davenport's Board and management to unlock the value of our South Harz project portfolio.

The Board focussed on containing its operating costs, also given the COVID-19 pandemic. We balanced drastic cuts with the need to continue to progress the development of the projects. The technical studies and the deep expertise of the executive team provide an important basis for the further development of the Company. The deep expertise within the executive team distinguishes Davenport from many other early stage companies in the potash space, allowing deeper technical insight, faster development and provision of a stronger proposition to potential project partners. The Board is conscious of the fact that the resulting level of operating costs needs continuous attention to prevent any further increase. The stock-based Salary Sacrifice for Board and Senior Management was established to contain the cash flow position of the Company further.

We have made a number of changes in the Board of Directors. Pat McManus has stepped down as Chair of the Board. On behalf of the Board I would like to thank Pat for his contributions to the development of the Company over the past few years. Pat has remained on the Board as a Non-executive Director until 25 September 2020 and the Company appointed Mr Robert Van der Laan as his replacement.

Having taken over as Interim Chair from Pat, I am pleased that we have recently announced the appointment of Ian Farmer as our new Chairman. Ian brings a wealth of experience to Davenport, having been at Lonmin (and Lonrho) for 26 years. His track record and his strategic and financial expertise in the mining sector will make a critical difference in the development of Davenport going forward. I wish him every success as he adopts his new role.

I would like to thank my fellow Board members for their support during the four months that I chaired the Board and commend our management team, led by our Managing Director Dr Chris Gilchrist for their continued efforts in developing our exciting projects.

I look forward to continue the dialogue on our progress as a Non-executive Director.

Dr Reinout Koopmans

Non-Executive Director/ex-Interim Chairman

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Review of Activities

Davenport Resources Ltd (ASX: DAV, "Davenport", "The Company") is pleased to report on its activities for the 2020 financial year in developing its portfolio of potash projects in Germany.

GERMANY – SOUTH HARZ PROJECTS

Davenport continued to evaluate and develop its extensive suite of potash projects within the 650km2 which it holds under licence in the central German state of Thüringia.

Davenport owns three perpetual mining licences and two exploration licences and during the year, the Company declared JORC 2012 compliant Inferred Resources based on historic drill data from the former GDR state potash mining company, modelled by consultancy Micon International Co Ltd ("Micon"). The total Inferred Resources held by Davenport stands at approximately 5.3 billion tonnes containing 567 million tonnes K2O (refer ASX release 23rd December 2019), which is the largest known potash resource in western Europe.

During the financial year, the Company commissioned renowned potash and salt consultant, K- Utec Salt Technologies ("K-Utec"), based in Sondershausen, Thüringia, to conduct preliminary conceptual and scoping studies on the potential projects within Davenport's portfolio. Studies were completed on the potential construction of mines in the Mühlhausen-Nöhra, Ohmgebirge and Nöhra-Elende areas respectively.

Mühlhausen-Nöhra study

In mid-2018, Davenport appointed Micon to create a geological resource model based upon results from historic drillholes which Davenport acquired as part of the mining licence purchases. Micon initially modelled the data from the Mühlhausen-Keula sub-area which represents approximately 50% of the area of the entire Mühlhausen licence, covering 54.4km2. Davenport subsequently announced an existing Inferred Resource of more than 1.1 billion tonnes grading at 11.1% K2O, of which the predominant mineral was sylvinite, a total of 834 million tonnes grading 12.1% K2O.

Davenport commissioned K-Utec to conduct a conceptual technical study which would facilitate an assessment of the potential of this resource, as well as identify the optimal mining and processing methods and a range of aspirational project costs. Due to their similarities in resource type and depth, the results of the conceptual study were deemed to be equally applicable to the nearby Ebeleben mining licence area.

As the majority of the Mühlhausen-Keula resource lies at a depth of approximately 800m-900m below surface, K-Utec recommended twin vertical shafts and an industry-standard, room and pillar mining method using continuous miners and shuttle cars. Processing would be by a hot leach of the raw salts followed by brine clarification and conventional cooling crystallization to yield 1 million tonnes per annum of high-grade muriate of potash (MOP). A high-purity NaCl by-product would be produced for sale from the operation while the other waste streams, comprising solid clay and anhydrite together with the magnesium chloride brine, would be backfilled to voids within the underground mine. The deposit is also known to contain appreciable amounts of magnesium sulphate minerals and the Company is currently investigating the production of valuable K+Mg fertilizers, Mg compounds and the combination of Mg and K salts to produce SOP (potassium sulphate, a valuable fertilizer).

K-Utec concluded the project was technically feasible and recommended that Davenport would be justified in moving to the next phase, which is to establish Measured and Indicated resources through some limited, additional exploration drilling followed by constructing a reportable technical and financial study.

Review of Activities

Sub-area	Horizon	Bulk Density (t/m3)	Geol Loss (%)	Tonnage (Mt)	K2O (%)	K2O (Mt)	Mg (%)	SO4 (%)
Mühlhausen-Keula	Upper Sylvinite	2.26	20	660	12.69	84	1.32	16
	Lower Sylvinite	2.21	20	174	9.76	17	0.95	12.31
	Sub-Total Sylvinite			**834**	**12.08**	**101**	**1.24**	**15.23**
	Upper Carnallite	1.88	20	233	8.53	20	4.89	6.52
	Lower Carnallite	1.88	20	63	6.88	4	3.55	5.27
	Sub-Total Carnallite			**296**	**8.18**	**24**	**4.6**	**6.25**
Total Mühlhausen-Keula Sub-Area				**1,130**	**11.06**	**125**	**2.12**	**12.88**

Table 1: JORC 2012 Inferred Mineral Resource Estimate for Mühlhausen-Keula, Micon, October 2019.

Ohmgebirge study

Davenport commissioned K-Utec to conduct a preliminary technical study for the production of MOP (muriate of potash) from the Ohmgebirge licence area. This work was completed in September 2019.

Mining would be by industry-standard room and pillar methods and the processing route would be a hot leach as the polymineralic hard salts are not readily amenable to flotation. The raw salt would be digested in hot brine at elevated temperatures, the resultant brine clarified and subsequently introduced to a multistage, vacuum crystallizer train from which high-purity MOP and NaCl would be extracted. All solid and liquid wastes would be backfilled into void spaces within the mine, achieving a zero-effluent status.

The study identified target locations for the processing plant. These comprise redundant areas which are already designated for industrial activities, hence the permitting process for these areas is anticipated to be straightforward. Furthermore, much of the infrastructure required for the project eg. Roads, rail, water, power is already available in the chosen area which will have an extremely favourable effect on development capex.

Davenport has met with elected officials and community members in the region, and these are generally supportive of the renewal of mining in order to create employment opportunities. Furthermore, Davenport maintains an ongoing dialogue with the permitting authority, TLBA.

Horizon	Bulk Density (t/m^3)	Geol Loss (%)	Tonnage (Mt)	K_2O (%)	K_2O (Mt)
Sylvinite	2.23	15	261	13.96	36
Carnallitite	1.89	15	64	9.81	6
Total Ohmgebirge			**325**	**13.14**	**43**

Table 2: JORC 2012 Inferred Mineral Resource Estimate for Ohmgebirge, Micon, December 2019.

Review of Activities

Nöhra-Elende study

Davenport appointed Micon in mid-2018 to create a geological resource model based upon the results from 92 historic drillholes which Davenport acquired as part of the mining licence purchases. Micon modelled the data from the Nöhra-Elende sub-area (Figure 1) which covers an area of 54.4km^2 and subsequently announced an Inferred Resource of more than 1.7 billion tonnes grading containing 164 Mt K_2O of which the predominant mineral is carnallitite (1.6 billion tonnes), with substantial high-grade sylvinite (101 million tonnes) (Table 3) and a high proportion of Kieserite (a magnesium sulphate mineral) contained within both predominant mineral types. A JORC 2012 inferred resource for Kieserite within this licence area is currently in preparation. The Nöhra-Elende resource area is shallow, starting at 401m below surface with an average carnallitite thickness of 26m.

Davenport further commissioned K-Utec to conduct a preliminary technical study to assess the potential of developing the Nöhra-Elende resource. In particular, the K-Utec study aimed to identify the optimal mining and processing methods and indicate aspirational target cost values for a subsequent feasibility study.

For mining, the majority of the resource lies at a depth of approximately 400-820m below surface, for which K-Utec recommended one new 750m vertical shaft to be used for raw-ore haulage, the rehabilitation of one nearby shaft located in the adjacent Söllstedt mine for ventilation, and an industry-standard room and pillar mining method using continuous miners and shuttle cars.

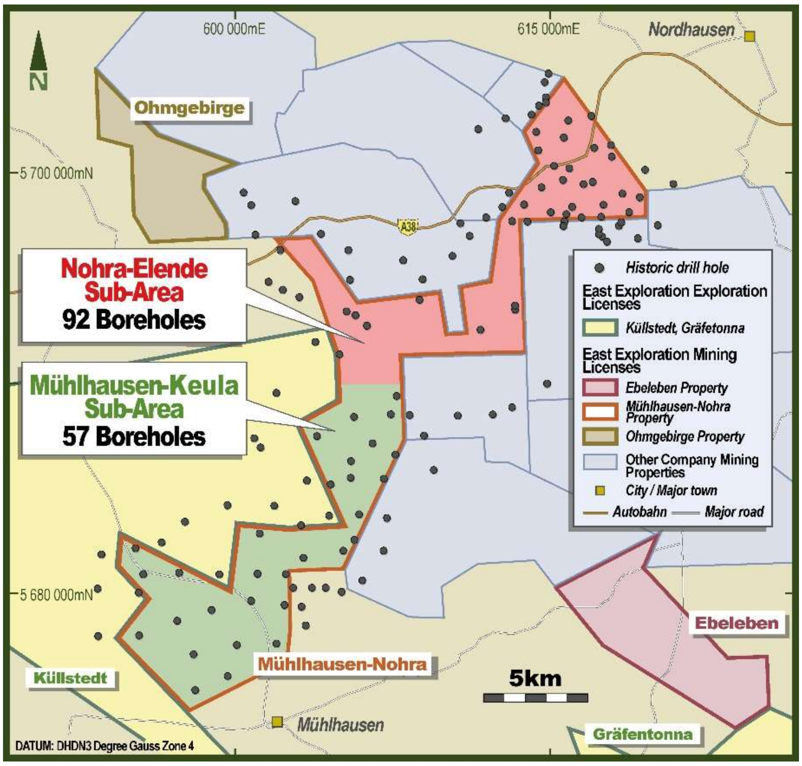


Figure 1: Nöhra-Elende Sub-Area (red) comprises the northern part of the Mühlhausen-Nöhra Mining Licence. The approximate position of the 92 historic boreholes (1960's – 1980's) is shown.

Review of Activities

Sub-area	Horizon	Bulk Density (t/m3)	Geol Loss (%)	Tonnage (Mt)	K_2O (%)	K_2O (Mt)	Mg (%)	SO_4 (%)
Nöhra-Elende	Upper Sylvinite	2.17	20	87	14.75	13	3.5	9.94
	Lower Sylvinite	2.3	20	14	10.67	1	1.81	10.39
	Sub-Total Sylvinite			**101**	**14.19**	**14**	**3.27**	**10.01**
	Carnallitite	1.9	20	1,597	9.41	150	6.01	8.29
	Sub-Total Carnallitite			**1,597**	**9.41**	**150**	**6.01**	**8.29**
Total Nöhra-Elende Sub-Area				**1,698**	**9.69**	**165**	**5.85**	**8.4**

Table 3: JORC 2012 Inferred Mineral Resource Estimate for Nöhra-Elende, Micon, October 2019.

Ongoing & Future Work

Davenport plans to commence work to upgrade the Ohmgebirge Scoping Study to a Pre-Feasibility Study which, subject to funding in Q4 of 2020, can be completed by the end of 2021.

Davenport has identified two potential drill sites at its Ohmgebirge mining licence area and has engaged with the landowners and the local permitting authority, both of whom have been supportive. Davenport's intention is to upgrade this resource to the JORC Indicated category by twinning two historic drillholes, thus confirming the validity of the data from the remaining historic drillholes in this licence area. This work is being conducted under the supervision of the Independent Competent Person from Micon.

Subject to partner discussions and subsequent funding, Davenport expects to drill these two twin holes during 2021. The results from these holes and the physical demonstration of the existence of potash (from core inspection) will allow the Competent Person, Micon, to confirm an Indicated Resource within the Ohmgebirge area. In turn, under ASX rules, the Company will be able to announce the results of its recent scoping studies.

AUSTRALIAN PROJECTS

DAV's exploration permits for the Southern Cross Bore project were surrendered during the first half of FY2020.

POTASH MARKET

The potash market was slightly depressed during the first half of 2020 due the combined effects of poor weather conditions in both North and South America as well as the effects of the COVID-19 pandemic, however restocking of customer inventories have improved during the second half of the year, especially in China, SE Asia and Europe. Potash prices and volumes are therefore expected to recover in 2020 back to the rising, long-term trends previously forecast.

COVID-19

In response to the COVID-19 and the uncertain economic and market conditions, the Company implemented a number of cost reduction strategies and published a COVID-19 policy.

Review of Activities

CORPORATE

Capital Raising activities
In April 2020, Davenport announced it had received firm commitments from sophisticated investors for a placement of 5.75 million shares at 5 cents per share – representing a 33% premium to Davenport's last traded price of 3.5 cents per share on 6 April 2020 and a 22% premium to the 10-day VWAP. The placement raised $287,500 before costs. As part of the Placement, Davenport issued one option for every two shares issued. The options have an exercise price of 7.5 cents and an expiry date of 31 July 2023.

Funds raised through the placement allowed Davenport to continue engagement with potential partners to develop its world-class potash deposits.
In June, the Company announced a Share Purchase Plan ("SPP"). The SPP gave eligible shareholders the opportunity to each acquire up to $30,000 worth of Davenport shares at A$0.04 per share, representing an 18% discount to the volume weighted average market price ("VWAP") of DAV's Shares quoted on the ASX during the five trading days immediately prior to announcement of the SPP.
While the SPP was due to close on 29 June 2020, coinciding with the end of the financial year, the Directors extended the deadline to the close of business on 1 July 2020. Funds raised totalled $547,000. The new shares issued under the SPP were allotted on 3 July 2020, with holding statements dispatched to participating shareholders
Davenport raised a further $297,500 through a placement in July, allotted within Davenport's entitlement under ASX Listing Rule 7.1.

Davenport is using the funds raised for advisory services, resource consultancy, investor relations and working capital costs whilst it seeks to progress its attractive potash projects in Germany.

Board Changes
In May, Davenport announced it had appointed Dr Reinout Koopmans to replace Patrick McManus as interim Non-Executive Chairman as it progresses the development of its European potash projects. Dr Koopmans' appointment is part of a Board restructure to ensure the Company has the necessary skills and experience to attract a development partner for its projects.
The Company completed a global search for a permanent Chairman in September 2020 and expects to make further changes to its Board composition in the coming months to ensure the progression of the South Harz projects.

In September 2020, the Company announced that it had appointed Mr Ian Farmer as Non-Executive Chairman and Mr Robert Van der Laan as a Non-Executive Director.

Appointment of Deloitte
Davenport announced the appointment of Deloitte Corporate Finance Inc. ("Deloitte") as its financial advisor in June (ASX announcement 9 June 2020). Davenport executed an agreement with Deloitte to act as its financial advisor for a six-month term, during which Deloitte will provide support in partnership discussions with assessment, planning and strategy; marketing; and negotiation, due diligence and closing of any transaction.

Appointment of UK Broker
Davenport appointed Cenkos Securities plc, a leading, independent securities firm in the UK focused on small and mid-cap companies, as its UK corporate broker, as it progresses development of its European potash projects. Davenport appointed Cenkos to assist in broadening its investor base, in particular to increase its exposure to the UK and continental European institutional investors.

Approvals
This report has been approved by Dr ICR Gilchrist, Managing Director and Mr R Van Der Laan, Chief Financial Officer.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Davenport Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled for the year ended 30 June 2020.

Directors
The following persons were directors of Davenport Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Patrick McManus (resigned 25 September 2020)
Dr Chris Gilchrist
Mr Rory Luff
Dr Reinout Koopmans (appointed as Chairman 5 May 2020)
Mr Hansjorg Plaggemars (appointed 1 October 2019)
Mr Ian Farmer (appointed 7 September 2020)
Mr Robert Van der Laan (appointed 25 September 2020)

Company Secretary
Amanda Wilton-Heald

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of development of mineral exploration assets:

Dividends
There were no dividends paid or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to 1,924,188 (30 June 2019: $1,909,930).

A review of the Company's activities is provided in the activities report that directly precedes this Directors' Report. In response to the Covid-19 and the uncertain economic and market conditions, the Company implemented a number of cost reduction strategies and published a COVID-19 policy.

Significant changes in the state of affairs

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
Subsequent to the financial year ended 30 June 2020, the Company raised the total of $844,500 through share purchase plan $547,000 and placement $297,500 respectively.

The company also issued the directors and management salary sacrificed shares on 30 July 2020, the issue of those shares was approved by shareholders at the general meeting held on 20 July 2020.

No other matter or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
In future financial years the Directors expect to continue the principal activities of the consolidated entity consisting of development of mineral exploration assets.

Environmental regulation
The consolidated entity is subject to significant environmental regulation both in Australia and Germany. There have been no known breaches of regulations.

Directors' Report

Information on directors (continued)

Name:	Mr Ian Farmer
Title:	Non-Executive Chairman
Appointment Date:	07 September 2020
Experience and expertise:	Mr Farmer is UK based, highly experienced mining executive. He served as CEO of Lonmin, the third largest platinum miner globally, between 2008 and 2012, where he oversaw a period of significant transformation, both operationally and financially. During his 26 years at Lonmin and its parent company Lonrho, Mr Farmer held various other financial and strategic positions. Mr Farmer led the acquisition of various junior mining projects and integrated them into the group.
Other current directorships:	None
Former directorships (in the last 3 years):	VVTTI Energy Partners LP (2014 -2017)

Name:	Dr Chris Gilchrist
Title:	Managing Director, appointed 01 March 2018
Appointment Date:	28 February 2017, Non-Executive Director up to 01 March 2018.
Experience and expertise:	Chris Gilchrist is a highly experienced international mining executive with over 35 years mining management and director level experience. He has successfully built and managed large mining operations in Europe and Africa. Dr Gilchrist has significant experience in potash mining, processing and marketing. He was General Manager and Operations Director for Cleveland Potash Limited (UK) now part of the Israel Chemicals group. From 2011 to 2014, he was a Non-Executive Director of South Boulder Mines (now Danakali Ltd) managing feasibility work on the Colluli potash project in Eritrea. More recently he has acted as Project Manager and adviser to Circum Minerals on their Ethiopian potash project.
Other current directorships:	None
Former directorships (in the last 3 years):	None

Name:	Mr Rory Luff
Title:	Non-Executive Director
Appointment Date:	03 June 2016
Experience and expertise:	Rory Luff is the founder of BW Equities, a specialist Melbourne equities advisory firm and has over 15 years' experience in the financial services industry. Rory has spent most of his career in the financial markets advising resources companies on capital raisings and financial markets strategy.
Other current directorships:	None
Former directorships (in the last 3 years):	None

Directors' Report

Information on directors (continued)

Name:	Dr Reinout Koopmans
Title:	Non-Executive Chairman, appointed 05 May 2020 and resigned 07 September 2020
Appointment Date:	01 January 2019, Non-Executive Director up to 05 May 2020.
Experience and expertise:	Dr Koopmans spent 15 years in investment banking, based in London. He was responsible globally for public equity raising for natural resource companies at Deutsche Bank and he led the European equity capital markets team at Jefferies International. In the 1990's, Reinout was a management consultant with McKinsey & Co in Germany and South-East Asia. He has significant business experience in Germany. Reinout has a PhD and Master's degree from the London School of Economics, and a degree from Erasmus University, Rotterdam.
Former directorships (in the last 3 years):	None

Name:	Mr Hanjoerg Plaggemars
Title:	Non-Executive Director
Appointment Date:	01 October 2019
Experience and expertise:	Mr Plaggemars is an experienced company director with a deep background in corporate finance, corporate strategy and governance. He has served on the Board of Directors of many listed and unlisted companies in a variety of industries including retail, mining, agriculture, shipping, construction and investments. This includes the Board of Deutsche Balaton AG and Delphi Unternehmensberatung AG, which has become a substantial shareholder in the Company.
Other current directorships:	Altech Advanced Materials AG Decheng Technology AG i.I MARNA Beteiligungen AG Ming Le Sports AG S&O Beteiligungen AG Snowbird AG i.I Azure Minerals Limited CARUS AG 4basebio AG Kin Mining NL The Grounds Real Estate Development AG Altech Chemicals Limited
Former directorships (in the last 3 years):	Deutsche Balaton AG Biofrontera AG Stellar Diamonds PLC

Directors' Report

Name:	Mr Patrick McManus
Title:	Non-Executive Director, resigned 25 September 2020
Appointment Date:	09 January 2017, Non-Executive Chairman up to 05 May 2020.
Experience and expertise:	Patrick McManus has a degree in mineral processing and an MBA. A mining professional for more than 30 years, his work has taken him to many sites within Australia and overseas, including Eneabba and the Murray Basin in Australia, and Madagascar, Indonesia and the United States. During that time, Patrick has worked in operational, technical and corporate roles for RioTinto, RGC Limited and Bemax Resources Limited. He was a founding director and, from January 2007 to March 2010, managing director of ASX-listed Corvette Resources Limited. Patrick McManus was the Managing Director of Parkway Minerals NL.
Former directorships (in the last 3 years):	Parkway Minerals NL (2012-2020)

Name:	Mr Robert Van der Laan
Title:	Non-Executive Director
Appointment Date:	25 September 2020
Experience and expertise:	Mr Robert Van der Laan is a qualified accountant with more than 30 years' experience in the management of financial and risk management systems of public and private companies, in the resources and engineering sectors.
Former directorships (in the last 3 years):	None

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Information on company secretary

Amanda Wilton-Heald – B Com (Acct), CA (Aust) (appointed 1 January 2019)

Amanda is a Chartered Accountant with over 20 years of accounting, auditing (of both listed and non-listed companies) and company secretarial experience within Australia and the UK. Amanda has been involved in the listing of junior explorer companies on the ASX and has experience in corporate advisory and company secretarial services.

Directors' Meetings

	Board	
	Attended	**Held**
Mr Patrick McManus	7	7
Dr Chris Gilchrist	7	6
Mr Hanjoerg Plaggemars	6	5
Mr Reinout Koopmans	7	6
Mr Rory Luff	7	7

Held: represents the number of meetings held during the time the director held office.

Directors' Report

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

The remuneration report is set out under the following main headings:

A Principles used to determine the nature and amount of remuneration
B Details of remuneration
C Service agreements
D Share-based compensation
E Additional information

A Principles used to determine the nature and amount of remuneration

Remuneration philosophy
The performance of the company depends upon the quality of its directors and executive officers. To prosper, the company must attract, motivate and retain highly skilled directors and executive officers.

The directors' remuneration is comparable to similar sized companies in the junior mining industry. There is no formal link between the consolidated entity's performance and the Directors' remuneration.

Remuneration Committee Responsibilities
The Committee assesses the appropriateness of the nature and amount of remuneration of directors and senior executives on a periodic basis by reference to relevant employment market conditions, with the overall objective of ensuring maximum stakeholder benefit from the retention of a high-quality Board and executive team.

Incentive Plans
Ultimately the shareholders approve any incentive plans however the Committee is to:

(a) review and make recommendations concerning long-term incentive compensation plans, including the use of share options and other equity-based plans. Except as otherwise delegated, the Committee will administer equity-based and employee benefit plans, and as such will discharge any responsibilities under those plans, including making and authorising issues of equity, in accordance with the terms of those plans;
(b) ensure that incentive plans are designed around appropriate and realistic performance targets, either at an individual or company level, that measure relative performance and provide rewards when they are achieved; and
(c) continually review and if necessary, improve any existing benefit programs established for employees.

Authority and Resources
The Committee may seek input from individuals on remuneration policies, but no individual should be directly involved in deciding their own remuneration. The Committee may, when it considers it necessary or appropriate, obtain advice from external consultants or specialists in relation to remuneration related matters.

In accordance with best practice corporate governance, the structure of non-executive directors and executive remunerations are separate.

Non-executive directors' remuneration
The constitution of the Company provides for a maximum aggregate amount that may be paid to non-executive directors (referred to as a "non-executive director's remuneration pool") to be determined by shareholders at a general meeting. ASX requires the non- executive director's remuneration pool amount to be specified.

Directors' Report

Remuneration report (continued)
A maximum non-executive director's remuneration pool amount of $500,000 per annum was adopted at the 2016 General Meeting.

The non-executive director's remuneration pool is a maximum and does not mean that non-executive directors will be paid a total of $500,000 per annum. In the first two years following listing the non-executive directors' remuneration pool is limited to no more than $160,000 per annum. The amount of each non-executive director's remuneration and allocations among non-executive directors within the pool limit are determined by the Committee, and the process of determining non-executive director's remuneration is subject to compliance with corporate governance policies.

Payment to non-executive directors for specific services beyond the ordinary role of a non-executive director, such as consulting or professional services, are excluded from the total pool amount, as is reimbursement of expense.

Any future change to the non-executive director's remuneration pool will require a further shareholder approval.

Non-executive directors are eligible to participate in the Company's Employee Security Ownership Plan, upon obtaining shareholder approval. During the financial year, non-executive directors were granted
s as detailed in the table below.

Executive remuneration
The company aims to reward its executives with a level and mix of remuneration commensurate with their position and responsibilities within the consolidated entity, so as to reward executives for meeting or exceeding targets set by reference to appropriate benchmarks; align the interests of executives with those of shareholders; and ensure remuneration is competitive by market standards.

It is the Company's remuneration policy that employment contracts must be entered into with the Chief Executive Officer and senior executives. Remuneration presently consists only of fixed remuneration. The level of fixed remuneration is set so as to provide a base level of remuneration which is both appropriate to the position and competitive in the market. Fixed remuneration is reviewed annually by the Committee as part of an assessment on that executive's performance. Although the Committee has access to external independent advice if necessary, no such advice was sought during the year.

Employee Security Ownership Plan
An employee incentive scheme ("the Employee Security Ownership Plan" or "the plan") was adopted at the 2016 General Meeting. The purpose of the Employee Security Ownership Plan is to enable eligible directors, officers and employees (including executive and non-executive directors of the Company or its subsidiaries) to receive shares, options to acquire shares in the Company or other securities or interests such as performance rights.

The objects of the Plan are to:

- provide participants (eligible persons within the meaning of the Plan) with an additional incentive to work to improve the performance of the company;
- attracting and retaining eligible persons essential for the continued growth and development of the Company;
- to promote and foster loyalty and support amongst eligible persons for the benefit of the Company; and
- to enhance the relationship between the Company and eligible persons for the long-term mutual benefit of all parties.

No directors or their associates can or will participate in the Plan or receive any shares, options, other securities or interests such as performance rights unless and until further shareholder approval of specific issues to them is obtained.

During the previous year, non-executive directors and the managing director were granted C-K classes of Performance Rights as detailed in the table D below, upon obtaining shareholder approval at a general meeting held on AGM.

Directors' Report

Remuneration report (audited)

B Details of remuneration

Amounts of remuneration

Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) and specified executives of Davenport Resources Limited are set out in the following tables.

2020	**Short-term Benefits**			**Post-employment Benefits**	**Share-based Payments**		
Name	**Fees and salary $**	**Consulting Fees $**	**Non-monetary $**	**Super-annuation $**	**Performance rights [A] $**	**Shares [B] $**	**Total $**
Directors							
P McManus	14,891	-	-	-	3,942	27,810	46,643
C Gilchrist	297,500	-	-	-	11,262	52,500	361,262
R Koopmans	17,609	-	-	-	3,942	14,689	36,240
R Luff	16,000	-	-	-	3,942	14,000	33,942
H Plaggemars *	3,500	-	-	-	3,942	19,000	26,442
Other							
R Van der Laan	45,807	-	-	-	-	20,818	66,625
J Wilkinson	197,518	-	-	-	-	33,664	231,182
	592,825	-	-	-	27,030	182,481	802,336

* Appointed 01 October 2019.

A Share based payment performance rights issued to directors and officers.
B Shares issued to directors and executives as part of salary sacrifice share plan.

2019	**Short-term Benefits**			**Post-employment Benefits**	**Share-based Payments**		
Name	**Fees and salary $**	**Consulting Fees $**	**Non-monetary $**	**Super-annuation $**	**Performance rights [A] $**	**Shares [B] $**	**Total $**
Directors							
P McManus	45,000	-	-	-	-	-	45,000
C Gilchrist	350,000	-	-	-	-	-	350,000
C Bain *	12,500	30,219	-	-	-	-	42,719
R Luff	30,000	-	-	-	-	-	30,000
R Koopmans **	15,000	-	-	-	-	-	15,000
Other							
R Van der Laan**	36,465	-	-	-	-	-	36,465
J Wilkinson	257,494	-	-	-	-	-	257,494
	746,459	30,219	-	-	-	-	776,678

* Resigned as a Non-executive director on 08 January 2019.
** Appointed 01 January 2019.

Directors' Report

Remuneration report (audited)

C Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Non-executive Director
As per the announcement on 08 January 2019, the Company announced the appointment of independent Non-executive Director Dr Reinout Koopmans.
Dr Koopmans is entitled to an all-inclusive annual salary of A$30,000, subject to re-election at the general meeting of the Company. On 5 May 2020, Dr Koopmans appointed as interim Chairman and his annual salary has increased to A$45,000.

Chief Financial Officer
Mr Robert Van der Laan was appointed as Chief Financial Officer, effective on 01 January 2019. The agreement involves the payment to the Company associated with Robert Van der Laan of an hourly fee of $130 and reimbursement of expenses. Transaction is considered to be on normal commercial terms and conditions no more favourable than those available to the other parties.

D Share-based compensation

Issue of Shares
No shares issued during this period under the Employee Securities Option Plan as part of compensation.

Issue of Performance Rights
During the previous financial year, the Company issued series C-K of Performance Rights to directors and officers under the Employee Security Ownership Plan.

The terms and conditions of each grant of Rights over ordinary shares affecting remuneration of directors and key management personnel in the current financial year and future reporting years are as follows:

Name	Number of Rights Granted	Grant Date	Class	Fair value per Right at grant date (cents)	Value of Rights Granted $
P McManus	112,613	20 December 2019	Series C	1.9	2,162
P McManus	60,637	20 December 2019	Series D	1.0	582
P McManus	86,625	20 December 2019	Series E	1.0	832
P McManus	86,625	20 December 2019	Series F	0.5	416
P McManus	173,250	20 December 2019	Series G	2.4	4,158
P McManus	86,625	20 December 2019	Series H	1.9	1,663
P McManus	43,313	20 December 2019	Series I	1.0	416
P McManus	129,937	20 December 2019	Series J	0.5	624
P McManus	86,625	20 December 2019	Series K	0.5	416
C Gilchrist	321,750	20 December 2019	Series C	1.9	6,177
C Gilchrist	173,250	20 December 2019	Series D	1.0	1,662
C Gilchrist	247,500	20 December 2019	Series E	1.0	2,375
C Gilchrist	247,500	20 December 2019	Series F	0.5	1,188
C Gilchrist	495,000	20 December 2019	Series G	2.4	11,880
C Gilchrist	247,500	20 December 2019	Series H	1.9	4,752
C Gilchrist	123,750	20 December 2019	Series I	1.0	1,188
C Gilchrist	371,250	20 December 2019	Series J	0.5	1,782
C Gilchrist	247,500	20 December 2019	Series K	0.5	1,188

Directors' Report

Remuneration report (audited)

Name	Number of Rights Granted	Grant Date	Class	Fair value per Right at grant date (cents)	Value of Rights Granted $
R Luff	112,613	20 December 2019	Series C	1.9	2,162
R Luff	60,637	20 December 2019	Series D	1.0	582
R Luff	86,625	20 December 2019	Series E	1.0	832
R Luff	86,625	20 December 2019	Series F	0.5	416
R Luff	173,250	20 December 2019	Series G	2.4	4,158
R Luff	86,625	20 December 2019	Series H	1.9	1,663
R Luff	43,313	20 December 2019	Series I	1.0	416
R Luff	129,937	20 December 2019	Series J	0.5	624
R Luff	86,625	20 December 2019	Series K	0.5	416
R Koopmans	112,613	20 December 2019	Series C	1.9	2,162
R Koopmans	60,637	20 December 2019	Series D	1.0	582
R Koopmans	86,625	20 December 2019	Series E	1.0	832
R Koopmans	86,625	20 December 2019	Series F	0.5	416
R Koopmans	173,250	20 December 2019	Series G	2.4	4,158
R Koopmans	86,625	20 December 2019	Series H	1.9	1,663
R Koopmans	43,313	20 December 2019	Series I	1.0	416
R Koopmans	129,937	20 December 2019	Series J	0.5	624
R Koopmans	86,625	20 December 2019	Series K	0.5	416
H Plaggemars	112,613	20 December 2019	Series C	1.9	2,162
H Plaggemars	60,637	20 December 2019	Series D	1.0	582
H Plaggemars	86,625	20 December 2019	Series E	1.0	832
H Plaggemars	86,625	20 December 2019	Series F	0.5	416
H Plaggemars	173,250	20 December 2019	Series G	2.4	4,158
H Plaggemars	86,625	20 December 2019	Series H	1.9	1,663
H Plaggemars	43,313	20 December 2019	Series I	1.0	416
H Plaggemars	129,937	20 December 2019	Series J	0.5	624
H Plaggemars	86,625	20 December 2019	Series K	0.5	416
TOTAL	**5,940,000**				**77,271**

All Rights were granted over unissued fully paid ordinary shares in the Company. Rights vest based on the following performance conditions:

Series C:
- The Company, within 24 months of date of issue, announces a JORC compliant measured/indicated resource of minimum 100Mt of at least 12% K2O

Series D:
- The Company, within 24 months of date of issue, announces a second JORC compliant measured/indicated resource of minimum 100Mt of at least 12% K2O

Series E:
- The Company, within 24 months of date of issue, announces a positive scoping study with an IRR of at least 25%

Series F:
- The Company, within 24 months of date of issue, announces a second positive scoping study with an IRR of at least 25%

Series G:
- The Company's share price reaches a 20-day VWAP of at least $0.10 within 12 months of date of issue

Series H:
- The Company's share price reaches a 20-day VWAP of at least $0.25 within 24 months of date of issue

Series I:
- The Company's share price reaches a 20-day VWAP of at least $0.50 within 36 months of date of issue

Directors' Report

Remuneration report (audited)

Series J:
- The Company, within 36 months of date of issue, announces the completion of a preliminary feasibility study with an IRR of at least 25%

Series K:
- The Company, within 36 months of date of issue, announces the completion of a preliminary feasibility study with an IRR of at least 25%

These performance rights were issued on 23 December 2019, during this financial year, the total value of $27,030 were expensed as part of equity-based payment.

The performance rights in each series above convert automatically upon achievement of the Hurdle applicable to that series any without payment of any consideration.

The Performance Rights lapse upon the recipient ceasing to be an officer or executive, subject to the discretion of the Board.

In addition, the Performance Rights will convert automatically to shares upon the occurrence of:
- An offeror under a takeover offer in respect of the Company's shares announcing that it has achieved acceptances in respect of more than 50% of the Company's shares and that takeover bid becoming conditional;
- A person (alone or in conjunction with their associates) acquiring voting power (within the meaning of section 610 of the Corporations Act) of more than 50% of the ordinary shares in the Company;
- The Company disposes of all or a substantial part of its assets or undertaking; or
- A Court granting orders approving a compromise or arrangement for the purposes of or in connection with a scheme or arrangement for the reconstruction of the Company or its amalgamation with any other company or companies.

There has not been any alteration to the terms or conditions of the grant since the grant date. There are no amounts paid or payable by the recipient in relation to the granting of such Rights.

Shareholdings
The number of shares in the parent entity held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

2020 *Ordinary shares*	**Balance at the start of the year**	**Received as part of remuneration**	**Additions**	**Disposals/ Other**	**Balance at the send of the year**
P McManus	-	-	-	-	-
C Gilchrist	-	-	1,175,000	-	1,175,000
R Luff	13,136,044	-	595,238	-	13,731,282
R Koopmans	-	-	-	-	-
H Plaggemars	-	-	-	-	-
R Van der Laan	-	-	3,101,702	-	3,101,702
J Wilkinson	500,000	-	595,238	-	1,095,238
	13,636,044	**-**	**5,467,178**	**-**	**19,103,222**

Directors' Report

Remuneration report (audited)

2020 *Options*	**Balance at the start of the year**	**Received as part of remuneration**	**Additions**	**Disposals/ Other**	**Balance at the send of the year**
P McManus	-	-	-	-	-
C Gilchrist	-	-	587,500	-	587,500
R Luff	1,428,571	-	297,619	-	1,726,190
R Koopmans	-	-	-	-	-
H Plaggemars	-	-	-	-	-
R Van der Laan	-	-	571,430	-	571,430
J Wilkinson	-	-	297,619	-	297,619
	1,428,571	**-**	**1,754,168**	**-**	**3,182,739**

2019 *Ordinary shares*	**Balance at the start of the year**	**Received as part of remuneration**	**Additions**	**Disposals/ Other**	**Balance at the send of the year**
P McManus	-	-	-	-	-
C Gilchrist	-	-	-	-	-
R Luff	11,707,473	-	1,428,571	-	13,136,044
J Wilkinson	500,000	-	-	-	500,000
	12,207,473	**-**	**1,428,571**	**-**	**13,636,044**

2019 *Options*	**Balance at the start of the year**	**Received as part of remuneration**	**Additions**	**Disposals/ Other**	**Balance at the send of the year**
P McManus	-	-	-	-	-
C Gilchrist	-	-	-	-	-
R Luff	-	-	1,428,571	-	1,428,571
J Wilkinson	-	-	-	-	-
	-	**-**	**1,428,571**	**-**	**1,428,571**

Performance Rights – Series B

2020	**Balance at the start of the year**	**Received as part of remuneration**	**Value of rights vested during the year**	**Value of rights lapsed during the year**	**Balance at the end of the year**
P McManus	500,000	-	-	(500,000)	-
C Gilchrist	1,000,000	-	-	(1,000,000)	-
C Bain	-	-	-	-	-
R Luff	375,000	-	-	(375,000)	-
J Wilkinson	1,000,000	-	-	(1,000,000)	-
R Narayanasamy	250,000	-	-	(250,000)	-
	3,125,000	**-**	**-**	**(3,125,000)**	**-**

Performance Rights – Series C

2020	**Balance at the start of the year**	**Received as part of remuneration**	**Value of rights vested during the year**	**Value of rights lapsed during the year**	**Balance at the end of the year**
P McManus	-	112,613	-	-	112,613
C Gilchrist	-	321,750	-	-	321,750
R Luff	-	112,613	-	-	112,613
R Koopmans	-	112,613	-	-	112,613
H Plaggemars	-	112,613	-	-	112,613
	-	**772,202**	-	-	**772,202**

Directors' report

Remuneration report (continued)

Performance Rights – Series D

2020	Balance at the start of the year	Received as part of remuneration	Value of rights vested during the year	Value of rights lapsed during the year	Balance at the end of the year
P McManus	-	60,637	-	-	60,637
C Gilchrist	-	173,250	-	-	173,250
R Luff	-	60,637	-	-	60,637
R Koopmans	-	60,637	-	-	60,637
H Plaggemars	-	60,637	-	-	60,637
	-	**415,798**	-	-	**415,798**

Performance Rights – Series E

2020	Balance at the start of the year	Received as part of remuneration	Value of rights vested during the year	Value of rights lapsed during the year	Balance at the end of the year
P McManus	-	86,625	-	-	86,625
C Gilchrist	-	247,500	-	-	247,500
R Luff	-	86,625	-	-	86,625
R Koopmans	-	86,625	-	-	86,625
H Plaggemars	-	86,625	-	-	86,625
	-	**594,000**	-	-	**594,000**

Performance Rights – Series F

2020	Balance at the start of the year	Received as part of remuneration	Value of rights vested during the year	Value of rights lapsed during the year	Balance at the end of the year
P McManus	-	86,625	-	-	86,625
C Gilchrist	-	247,500	-	-	247,500
R Luff	-	86,625	-	-	86,625
R Koopmans	-	86,625	-	-	86,625
H Plaggemars	-	86,625	-	-	86,625
	-	**594,000**	-	-	**594,000**

Performance Rights – Series G

2020	Balance at the start of the year	Received as part of remuneration	Value of rights vested during the year	Value of rights lapsed during the year	Balance at the end of the year
P McManus	-	173,250	-	-	173,250
C Gilchrist	-	495,000	-	-	495,000
R Luff	-	173,250	-	-	173,250
R Koopmans	-	173,250	-	-	173,250
H Plaggemars	-	173,250	-	-	173,250
	-	**1,188,000**	-	-	**1,188,000**

Performance Rights – Series H

2020	Balance at the start of the year	Received as part of remuneration	Value of rights vested during the year	Value of rights lapsed during the year	Balance at the end of the year
P McManus	-	86,625	-	-	86,625
C Gilchrist	-	247,500	-	-	247,500
R Luff	-	86,625	-	-	86,625
R Koopmans	-	86,625	-	-	86,625
H Plaggemars	-	86,625	-	-	86,625
	-	**594,000**	-	-	**594,000**

Directors' report

Remuneration report (continued)

Performance Rights – Series I

2020	Balance at the start of the year	Received as part of remuneration	Value of rights vested during the year	Value of rights lapsed during the year	Balance at the end of the year
P McManus	-	43,313	-	-	43,313
C Gilchrist	-	123,750	-	-	123,750
R Luff	-	43,313	-	-	43,313
R Koopmans	-	43,313	-	-	43,313
H Plaggemars	-	43,313	-	-	43,313
	-	**297,002**	-	-	**297,002**

Performance Rights – Series J

2020	Balance at the start of the year	Received as part of remuneration	Value of rights vested during the year	Value of rights lapsed during the year	Balance at the end of the year
P McManus	-	129,937	-	-	129,937
C Gilchrist	-	371,250	-	-	371,250
R Luff	-	129,937	-	-	129,937
R Koopmans	-	129,937	-	-	129,937
H Plaggemars	-	129,937	-	-	129,937
	-	**890,998**	-	-	**890,998**

Performance Rights – Series K

2020	Balance at the start of the year	Received as part of remuneration	Value of rights vested during the year	Value of rights lapsed during the year	Balance at the end of the year
P McManus	-	86,625	-	-	86,625
C Gilchrist	-	247,500	-	-	247,500
R Luff	-	86,625	-	-	86,625
R Koopmans	-	86,625	-	-	86,625
H Plaggemars	-	86,625	-	-	86,625
	-	**594,000**	-	-	**594,000**

There were no options issued to key management personnel as part of compensation during the years ended 30 June 2020 or 30 June 2019.

Shares under option

Unissued ordinary shares of Davenport Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
11 September 2018	31 July 2023	$0.20	33,221,680
11 September 2018	11 September 2023	$0.20	7,500,000
01 October 2018	05 September 2021	$0.081	3,000,000
20 December 2018	31 July 2023	$0.20	1,142,857
24 April 2020*	31 July 2023	$0.075	2,875,000*

* Options issued as free-attaching options to the placement as announced on 14 April 2020.

Shares issued on the exercise of options

No shares of Davenport Resources Limited were issued on the exercise of options during the year ended 30 June 2020.

Directors' report

Indemnity and insurance of officers
The company has indemnified the directors of the Company for costs incurred, in their capacity as a director, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not otherwise, during or since the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor. During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

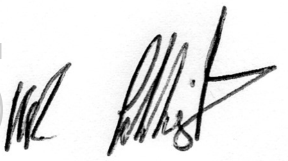
Non-audit services
There were no non-audit services provided during the financial year by the auditor aside from as disclosed in Note 16 to the financial statements.

Officers of the company who are former audit partners of Walker Wayland Advantage.
There are no officers of the company who are former audit partners of Walker Wayland Advantage.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors:



Chris Gilchrist
30 September 2020
Perth

walker wayland Advantage

Chartered Accountants & Advisors

Walker Wayland Advantage Audit Partnership

Audit & Assurance Services

Level 7, 114 William Street
Melbourne VIC 3000
Australia

ABN 47 075 804 075

T +61 3 9274 0600

F +61 3 9274 0660

audit@wwadvantage.com.au

wwadvantage.com.au

AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF DAVENPORT RESOURCES LIMITED

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020, there have been:

a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

b) no contraventions of any applicable code of professional conduct in relation to the audit.

Walker Wayland Advantage

WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

AWAIS UR REHMAN
PARTNER

Dated in Melbourne on this 30th day of September 2020

Financial report

General information

The financial report covers Davenport Resources Limited as a consolidated entity consisting of Davenport Resources Limited and the entities it controlled. The financial report is presented in Australian dollars, which is Davenport Resources Limited's functional and presentation currency.

The financial report consists of the financial statements, notes to the financial statements and the directors' declaration.

Davenport Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 1
675 Murray Street
Perth WA 6005

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial report.

Statement of profit or loss and other comprehensive income
For the year ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Revenue from continuing operations			
Other income	4	616	27,013
Expenses			
Administration and corporate expenses		(530,081)	(526,758)
Capitalised exploration expenditure written off	9	(160,228)	-
Director fees and consulting		(366,010)	(452,500)
Depreciation and amortisation expense		(745)	(2,913)
Investor relations		(74,334)	(132,858)
Foreign exchange loss		(44,652)	(27,457)
Consulting expenses		(263,237)	(580,984)
Occupancy costs		(29,400)	(40,890)
Remuneration (excluding share-based payment)		(246,605)	(257,494)
Share-based payment		(209,512)	84,911
Loss before income tax expense		(1,924,188)	(1,909,930)
Income tax expense	5	-	-
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss:			
Foreign exchange translation reserve		23,548	102,437
Other comprehensive income for the year, net of tax		23,548	102,437
Total comprehensive loss for the year		**(1,900,640)**	**(1,807,493)**

	Note	Consolidated 2020 Cents	Consolidated 2019 Cents
Earnings per share for loss attributable to the owners of Davenport Resources Limited			
Basic earnings per share	23	(1.18)	(1.35)
Diluted earnings per share	23	(1.18)	(1.35)

The financial statements should be read in conjunction with the accompanying notes.

Statement of financial position
As at 30 June 2020

	Note	Consolidated 2020 $	2019 $
Assets			
Current assets			
Cash and cash equivalents	6	142,069	694,429
Trade and other receivables	7	82,626	8,255
Monies held in trust - share application proceeds before cost	8 (b)	100,000	-
Prepayments		22,090	37,418
Total current assets		346,785	740,102
Non-current assets			
Trade and other receivables	7	-	67,290
Property, plant and equipment		-	745
Exploration and evaluation	9	3,182,060	3,003,863
Total non-current assets		3,182,060	3,071,898
Total assets		3,528,845	3,812,000
Liabilities			
Current liabilities			
Trade and other payables	8 (a)	269,919	170,631
Share application funds	8 (b)	100,000	-
Total current liabilities		369,919	170,631
Total liabilities		369,919	170,631
Net assets		3,158,926	3,641,369
Equity			
Issued capital	10	11,129,234	9,738,067
Reserves	11	281,430	230,852
Accumulated losses		(8,251,738)	(6,327,550)
Total equity		3,158,926	3,641,369

The financial statements should be read in conjunction with the accompanying notes.

Statement of changes in equity
For the year ended 30 June 2020

	Contributed Equity	Performance Rights Reserves	Currency Translation Reserves	Accumulated losses	Total Equity
	$	$	$	$	$
Balance as 1 July 2019	9,738,067	-	230,852	(6,327,550)	3,641,369
Loss after income tax expenses for the year	-	-	-	(1,924,188)	(1,924,188)
Other comprehensive income for the year, net of tax	-	-	23,548		23,548
Total comprehensive income/(loss) for the year	-	-	23,548	(1,924,188)	(1,900,640)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	1,208,685	-	-	-	1,208,685
Share-based payments	182,482	27,030	-	-	209,512
Balance at 30 June 2020	11,129,234	27,030	254,400	(8,251,738)	3,158,926
Balance as 1 July 2018	7,526,504	84,911	128,415	(4,417,620)	3,322,210
Loss after income tax expenses for the year	-	-	-	(1,909,930)	(1,909,930)
Other comprehensive income for the year, net of tax	-	-	102,437		102,437
Total comprehensive income/(loss) for the year	-	-	102,437	(1,909,930)	(1,807,493)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	2,211,563	-	-	-	2,211,563
Share-based payments	-	(84,911)	-	-	(84,911)
Balance at 30 June 2019	9,738,067	-	230,852	(6,327,550)	3,641,369

The financial statements should be read in conjunction with the accompanying notes.

Statement of cash flows
For the year ended 30 June 2020

	Note	Consolidated 2020 $	Consolidated 2019 $
Cash flows from operating activities			
Interest received		616	17,013
Receipts from customers		-	9,922
Payments to suppliers and employees		(1,416,501)	(1,817,797)
Net cash (used in)/provided by operating activities	22	(1,415,885)	(1,790,862)
Cash flows from investing activities			
Payments for exploration and evaluation		(338,425)	(449,158)
Net cash from/ (used in) investing activities		(338,425)	(449,158)
Cash flows from financing activities			
Proceeds from issue of shares		1,255,645	2,410,519
Payments for capital raising costs		(46,960)	(198,956)
Net cash from financing activities		1,208,685	2,211,563
Net increase in cash and cash equivalents		(545,625)	(28,457)
Cash and cash equivalents at the beginning of the financial year		694,429	721,862
Effects of foreign exchange cash movements		(6,735)	1,024
Cash and cash equivalents at the end of the financial year	6	142,069	694,429

The financial statements should be read in conjunction with the accompanying notes.

Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation
These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss and certain classes of property, plant and equipment.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

Material uncertainty related to going concern
The financial report has been prepared on the going-concern basis, which contemplates the continuity of normal business activity and the realisation of assets and settlement of liabilities in the ordinary course of business.

The Consolidated Entity incurred an operating loss of $1,924,188 and incurred negative cash flows from operations of $1,415,885.

The ability of the Consolidated Entity to continue as a going concern is principally dependent upon the ability of the Company to secure funds by raising capital from equity markets and managing cash flow in line with available funds. These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Consolidated Entity to continue as a going concern.

Based on the cash-flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate, given the following;
• The Consolidated entity has the ability to defer discretionary costs as and when required.
• The Consolidated entity has successfully raised $ 844,500 as described in note 21.
• The Company's ability to attract a strong replacement, Mr Ian Farmer, for Patrick McManus as Chairman.
• In particular, given the Company's history of raising capital to date, the directors are confident of the Company's ability to raise additional funds as and when they are required.

Should the Consolidated Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Company be unable to continue as a going concern and meet its debts as and when they fall due.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 19.

Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Davenport Resources Limited ('company' or 'parent entity') as at 30 June 2020 and the results of all subsidiaries for the year then ended. Davenport Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The effects of potential exercisable voting rights are considered when assessing whether control exists. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Foreign Currency Translation
Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

The functional currencies of the Group are European Dollars (EURO) and Australian Dollars (AUD). The presentation currency is Australian Dollars (AUD).

As at reporting date the assets and liabilities of the subsidiaries are translated into the presentation currency of Davenport Resources at the rate of exchange ruling at the end of the reporting period and income and expenses are translated at the weighted average exchange rate for the year.

The exchange differences arising on the translation are taken directly to a separate component of equity, being recognised in the foreign currency translation reserve.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entity's which intend to settle simultaneously.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Property, plant and equipment

Plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a diminishing value basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3 – 5 years
Leasehold improvements	10 years

Residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

Employee Benefits
Wages and salaries, annual leave and sick leave
Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Equity settled compensation
Employees (including senior executives) of the Company receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is recognised, together with a corresponding increase capital in equity, over the period in which the performance and/or service conditions are provided. The cumulative expense recognised for equity-settled transactions at each reporting and the Company's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in equity based payments expense.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploration of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

Issued Capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Davenport Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Comparative figures
When required by Accounting Standards, comparative figures have been restated or repositioned to conform to changes in presentation for the current period.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New and amended standards adopted by the Group

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019.
This standard:
- replaces AASB 117 Leases and some lease-related Interpretations;
- requires all leases to be accounted for 'on-balance sheet' by lessees, other than short-term and low value asset leases;
- provides new guidance on the application of the definition of lease and on sale and lease back accounting;
- largely retains the existing lessor accounting requirements in AASB 117;
- requires new and different disclosures about leases.

The consolidated entity adopted this standard from 1 July 2019. The Group considered AASB 16 and determined that there is no impact on the financial statements as the Group does not have lease agreement.

Notes to the financial statements
30 June 2020

Note 1. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

Reference	Title	Summary	Application date of standard	Application date for Group
AASB 101 and AASB 108	Amendments to Australian Accounting Standards: *Definition of Material*	Amendments are issued to AASB 101 *Presentation of Financial Statements* and AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.	1 January 2020	1 July 2020
AASB 16	Amendments to Australian Accounting Standards: *COVID-19-Related Rent Concessions*	AASB 16 *Leases* has been amended to provide relief to lessees from applying the AASB 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment does not apply to lessors. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under AASB 16, if the change were not a lease modification. The amendment is not expected to have a significant impact on the Group's consolidated financial statements.	1 June 2020	1 July 2020
AASB 101	Amendments to Australian Accounting Standards – *Classification of Liabilities as Current or Non-current*	This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. The meaning of settlement of a liability is also clarified. The amendment is not expected to have a significant impact on the Group's consolidated financial statements.	1 January 2022	1 July 2022

Notes to the financial statements
30 June 2020

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Income tax
The consolidated entity is subject to income taxes in the jurisdictions in which it operates. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The consolidated entity recognises liabilities for anticipated tax audit issues based on the consolidated entity's current understanding of the tax law. Where the final tax outcome of these matters is different from the carrying amounts, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Exploration and evaluation assets
The consolidated entity has recognised an asset for exploration and evaluation work conducted on projects in Germany and the Northern Territory. The directors have determined that the activities of the projects have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. The expenditure incurred has therefore been carried forward as an asset in accordance with the consolidated entity's accounting policy.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one operating segment being exploration operations. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 4. Revenue

	Consolidated	
	2020	**2019**
	$	**$**
From continuing operations		
Other revenue		
Interest	616	17,361
Rent income	-	9,652
Revenue from continuing operations	**616**	**27,013**

Notes to the financial statements
30 June 2020

Note 5. Income tax expense

	2020 $	2019 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Loss before income tax expense from continuing operations		
Prima facie tax benefit at the Australian tax rate of 27.5% (2019:27.5%)	529,152	525,231
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	(22)	(334)
Share based payments	57,616	23,350
Tax losses not brought into account	(586,746)	(548,247)
Income tax expense	-	-
Current tax expense	(586,746)	(548,247)
Deferred tax expense	586,746	548,247
Income tax expense	-	-
Tax assets not recognised at 27.5% (2019: 27.5%)		
Unused tax losses for which no deferred tax asset has been recognised	1,075,189	913,718
Temporary differences	110,960	161,471
Potential tax benefit	1,186,149	1,075,189

The above potential tax benefit for tax losses and temporary differences has not been recognised in the statement of financial position. Tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. The above potential tax benefit not recognised relates to activities from the Australian operations only.

Note 6. Current assets - cash and cash equivalents

	Consolidated	
	2020 $	2019 $
Cash at bank	142,069	694,429

Note 7. Trade and other receivables

	Consolidated	
Current	2020 $	2019 $
Rental bond	46,298	-
Other receivables	36,328	8,255
	82,626	**8,255**

Notes to the financial statements
30 June 2020

Note 7. Trade and other receivables (continued)

Non-Current

	Consolidated	
	2020	**2019**
	$	**$**
Rental bond	-	46,297
Other receivables	-	20,993
	-	67,290

Note 8 (a). Trade and other payables

Current	Consolidated	
	2020	**2019**
	$	**$**
Trade and other payables	239,560	128,988
Accruals	30,359	41,643
	269,919	170,631

Note 8 (b). Monies held in trust - share application proceeds before cost
The placement fund of $100,000 were held as of 30 June 2020, these shares was issued on 30 July 2020 and this was approved by shareholder at general meeting held on 20 July 2020.

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	2020	**2019**
	$	**$**
Exploration and evaluation - at cost	3,182,060	3,003,863

Reconciliations at the beginning and end of the current and previous financial year are set out below:

	Exploration	**Total**
	$	**$**
Consolidated		
Balance at 1 July 2019	3,003,863	3,003,863
Additions	338,425	338,425
Expenditure written off	(160,228)	(160,228)
Balance at 30 June 2020	3,182,060	3,182,060
Balance at 1 July 2018	2,706,033	2,706,033
Additions	297,830	297,830
Balance at 30 June 2019	3,003,863	3,003,863

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest. At the date of report, given the resources estimation on the projects, the managements are confident that they will be able to recover the capitalised exploration costs and no impairment required.

During this financial year, the Company expensed capitalised expenditure as the area of interest is abandoned, accordingly $160,228 of the capitalised expenditure has been expensed. All liabilities were paid and the Company is not liable to any further liabilities from this area of interest.

Notes to the financial statements
30 June 2020

Note 10. Equity - issued capital

	Consolidated		Consolidated	
	2020 Shares	2019 Shares	2020 $	2019 $
Ordinary shares - fully paid	172,509,917	143,137,413	11,129,234	9,738,067

Ordinary share capital

Details	Date	No of shares	Issue price	$
Balance	1 July 2019	143,137,413	-	9,738,067
Issue of share placement	11 September 2019	21,280,838	0.042	893,795
Issue of share-based payment*	11 September 2019	571,428	0.042	24,000
Issue of share placement director shares**	11 December 2019	1,770,238	0.042	74,350
Issue of share placement	24 April 2020	5,750,000	0.050	287,500
Shares to be issued***	30 June 2020	-	-	182,482
Cost of capital raising				(70,960)
Balance	30 June 2020	172,509,917	-	11,129,234
Balance	1 July 2018	108,701,449		7,526,504
Issue of share placement	5 July 2018	26,496,700	$0.07	1,854,769
Issue of share purchase plan	27 July 2018	4,085,693	$0.07	286,000
Issue of second share placement	11 September 2018	3,853,571	$0.07	269,750
Costs of capital raising		-	-	(198,956)
Balance	30 June 2019	143,137,413	-	9,738,067

* 571,428 ordinary fully paid shares issued to DELPHI Unternehmensberatung, the Company's corporate advisor, in lieu of payment for the services provided.
** 1,770,238 ordinary fully paid shares issued to the directors who participated share placement, these were approved by shareholder at the AGM.
*** Directors and executives were participated salary sacrifice share plan. Under this plan, directors and executives sacrifice 30% of their fee toward shares each month. The share price is determined by market using 5 days VWAP calculation from the service date. The above-mentioned shares were issued on 30 July 2020 and issue of these shares was approved by shareholders at general meeting held on 20 July 2020.

Note 11. Equity - reserves

	Consolidated	
	2020 $	2019 $
Foreign currency translation reserve	254,400	230,852
Performance rights reserve	27,030	-
	281,430	230,852

Notes to the financial statements
30 June 2020

Note 11. Equity – reserves (continued)

Foreign currency reserve
The reserve is used to recognise exchange differences arising on translation of the financial statements of foreign subsidiaries recorded in their functional currency (EURO) into presentation currency at balance date.

Performance rights reserve
The reserve is to recognise the fair value of share-based remuneration granted under the Company's Employee Security Ownership Plan. For the previous financial year, the Company revised and concluded that the vesting condition of Series B rights is not considered probable and previously recorded expenses were reversed accordingly.

On 23 December 2019, the Company issued Series C to K performance rights and recorded expense of $27,030 to equity-based payment.

Note 12. Equity - Options

Set out below are details of options on issue:

2020

Grant date	Expiry date	Exercise price	Balance at the start of the year	Other	Issued on IPO costs	Expired	Balance at the end of the year
19/01/2017	20/01/2020	$0.25	6,158,000	-	-	(6,158,000)	-
11/09/2018	31/07/2023	$0.20	-	33,221,680	-	-	33,221,680 *
11/09/2018	11/09/2023	$0.20	-	7,500,000	-	-	7,500,000 **
01/10/2018	05/09/2021	$0.081	-	3,000,000			3,000,000 ***
20/12/2018	31/07/2023	$0.20	-	1,142,857	-	-	1,142,857 *
24/04/2020	31/07/2023	$0.075	-	2,875,000	-	-	2,875,000 *

* Free attaching options
** Options issued to lead manager (unlisted)
***Options issued to consultant for in lieu of services

These options were approved by shareholders at the annual general meeting held on 14 November 2018.

Note 13. Share-based payments

Performance Rights

An Employee Security Ownership Plan was established by the Company and approved by shareholders at a general meeting held in September 2016, whereby the Company may grant rights over ordinary shares in the Company to Directors and Officers of the consolidated entity.

Set out below are summaries of Performance Rights granted, reversed and expired under the plan:

Notes to the financial statements
30 June 2020

Note 13. Share-based payments (continued)

Type	Expiry date	Balance 30 Jun 19	Expired	Balance 30 Jun 20	Fair Value $	Probability of Vesting	Expensed $
Series B	Expired	3,125,000	(3,125,000)	-	-	-	-
Series C	20/12/2021	-	-	772,202	14,826	40%	3,915
Series D	20/12/2021	-	-	415,798	3,992	20%	1,054
Series E	20/12/2021	-	-	594,000	5,702	20%	1,505
Series F	20/12/2021	-	-	594,000	2,851	10%	753
Series G	20/12/2020	-	-	1,188,000	28,512	50%	15,035
Series H	20/12/2021	-	-	594,000	11,405	40%	3,011
Series I	20/12/2022	-	-	297,002	2,851	20%	502
Series J	20/12/2022	-	-	890,998	4,277	10%	753
Series K	20/12/2022	-	-	594,000	2,851	10%	502
		3,125,000	(3,125,000)	5,940,000	77,267		27,030

All Rights were granted over unissued fully paid ordinary shares in the company. Rights vest based on the following performance conditions:

Series B (expired)
- The Company, within 24 months of the date of issue and subject to satisfaction of the First Hurdle, completing drilling of two (2) holes intersecting the potash horizon of the South Harz project (Second Hurdle)

Series C:
- The Company, within 24 months of date of issue, announces a JORC compliant measured/indicated resource of minimum 100Mt of at least 12% K2O

Series D:
- The Company, within 24 months of date of issue, announces a second JORC compliant measured/indicated resource of minimum 100Mt of at least 12% K2O

Series E:
- The Company, within 24 months of date of issue, announces a positive scoping study with an IRR of at least 25%

Series F:
- The Company, within 24 months of date of issue, announces a second positive scoping study with an IRR of at least 25%

Series G:
- The Company's share price reaches a 20-day VWAP of at least $0.10 within 12 months of date of issue

Series H:
- The Company's share price reaches a 20-day VWAP of at least $0.25 within 24 months of date of issue

Series I:
- The Company's share price reaches a 20-day VWAP of at least $0.50 within 36 months of date of issue

Series J:
- The Company, within 36 months of date of issue, announces the completion of a preliminary feasibility study with an IRR of at least 25%

Series K:
- The Company, within 36 months of date of issue, announces the completion of a preliminary feasibility study with an IRR of at least 25%

Notes to the financial statements
30 June 2020

Note 13. Share-based payments (continued)

The performance rights in each series above convert automatically upon achievement of the Hurdle applicable to that series without payment of any consideration.

The Performance Rights lapse upon the recipient ceasing to be an officer or executive, subject to the discretion of the Board.

In addition, the Performance Rights will convert automatically to shares upon the occurrence of prescribed events.
For the Performance Rights granted during the current financial year, the fair value at the grant date per Right was based on the volume weighted average share price (VWAP) for the 5 business days prior to the grant date.

Note 14. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. Derivatives are not used as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks, ageing analysis for credit risk.

Risk management is carried out under policies approved by the Board of Directors ('Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value. The carrying amounts of trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

Foreign currency risk
Exposure to foreign currency risk may result in the fair value or future cash flows of a financial instrument fluctuating due to movement in foreign exchange rates of currencies in which the consolidated entity holds financial instruments which are other than the AUD functional currency of the Group.
The consolidated entity is not subject to foreign currency risk as they have foreign currency account. We do not expect significant impact to the consolidated entity.

Notes to the financial statements
30 June 2020

Note 14. Financial instruments (continued)

Consolidated Group	Note	2020 Carrying Amount $	2020 Fair Value $	2019 Carrying Amount $	2019 Fair Value $
Financial assets					
Financial assets at amortised cost:					
Cash and cash equivalents	6	142,069	142,069	694,429	694,429
Trade and other receivables:	7	82,626	82,626	75,545	75,545
Monies held in trust	8 (b)	100,000	100,000	-	-
Exploration and evaluation	9	3,182,060	3,182,060	3,003,863	3,003,863
Total financial assets		3,506,755	3,506,755	3,773,837	3,773,837
Financial liabilities at amortised costs:					
Trade and other payables	8 (a)	269,919	269,919	170,631	170,631
Share application funds	8 (b)	100,000	100,000	-	-
Total financial liabilities		369,919	369,919	170,631	170,631

Note 15. Key management personnel disclosures

Directors
The following persons were directors of Davenport Resources Limited during the financial year:
Mr Patrick McManus – resigned 25 September 2020.
Dr Chris Gilchrist
Mr Rory Luff
Mr Reinout Koopmans – appointed as Chairman 07 May 2020 and resigned as Chairman 07 September 2020.
Mr Hansjoerg Plaggemars – appointed 01 October 2019.
Mr Ian Farmer – appointed 07 September 2020.
Mr Robert Van der Laan – appointed 25 September 2020.

Other key management personnel
The following persons also had the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity, directly or indirectly, during the 2020 financial year:
Mr Robert Van der Laan
Mr Jason Wilkinson

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2020 $	Consolidated 2019 $
Short-term employee benefits	592,825	740,213
Post-employment benefits	-	-
Share-based payments	209,511	-
	802,336	740,213

Notes to the financial statements
30 June 2020

Note 16. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by the auditor of the company:

	Consolidated 2020 $	Consolidated 2019 $
Audit or review of the financial statements	31,950	30,050
Other audit services	-	-
	31,950	30,050

Note 17. Contingent liabilities

There are no contingent liabilities as at 30 June 2020.

Note 18. Commitments

	Consolidated 2019 $	Consolidated 2019 $
Exploration expenditure		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	47,150
	-	47,150
Operating leases		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	-
One to five years	-	-
	-	-

If the consolidated entity decides to relinquish certain exploration leases and/or does not meet its obligations, assets recognised in the statement of financial position may require review to determine the appropriateness of the carrying values. The sale, transfer and/or farm-out of explorations rights to third parties will reduce or extinguish these obligations.

Note 19. Legal parent entity information

Set out below is the supplementary information about the parent entity:

Statement of profit or loss and other comprehensive income

	Parent 2020 $	Parent 2019 $
Loss after income tax	1,442,871	1,391,725
Total comprehensive loss	1,442,871	1,391,725

Notes to the financial statements
30 June 2020

Note 19. Legal parent entity information (continued)

Statement of financial position

Total current assets	322,553	630,010
Total assets	4,581,549	4,583,194
Total current liabilities	251,168	228,139
Total liabilities	251,168	228,139
Equity		
Issued capital	9,346,217	7,955,050
Reserves	27,030	-
Accumulated losses	(5,042,866)	(3,599,995)
Total equity	4,330,381	4,355,055

Contingent liabilities
The parent entity contingent liabilities as at 30 June 2020 are disclosed in Note 17.

Commitments
Commitments of the parent are identical to those of the consolidated entity as disclosed in Note 18.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 1, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment

Note 20. Subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries i accordance with the accounting policy described in note 1:

		Equity holding	
Name of entity	**Country of incorporation**	**2020 %**	**2019 %**
East Exploration Pty Ltd	Australia	100.00	100.00
Südharz Kali GmbH	Germany	100.00	100.00

Effective 9 January 2017, the Company acquired 100% of the issued capital of East Exploration Pty Ltd ("East Exploration"), completed a capital raising of $5.11 million (before costs) at 20 cents per share and listed on the Australian Stock Exchange ("ASX") on 20 January 2017. East Exploration holds two exploration licences in Germany, together with three mining licences, in the region referred to as the South Harz Project through a wholly owned and controlled German subsidiary.

On 28 May 2020, East Exploration GmbH changed its name to Südharz Kali GmbH.

Notes to the financial statements
30 June 2020

Note 21. Events after the reporting period

Subsequent to the financial year ended 30 June 2020, the Company raised the total of $844,500 through share purchase plan $547,000 and placement $297,500 respectively.

The company also issued the directors and management salary sacrificed shares on 30 July 2020, the issue of those shares was approved by shareholders at the general meeting held on 20 July 2020.

Other than above, no other matters or circumstance has arisen since 30 June 2020 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 22. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated	
	2020 $	2019 $
Loss after income tax expense for the year	(1,924,188)	(1,909,930)
Adjustments for:		
Depreciation and amortisation	745	1,772
Capitalised expenditure written off	160,228	-
Share based payment – other	209,512	(84,911)
FX loss/(gain) on currency translation	16,121	252,739
Change in operating assets and liabilities:		
Decrease in trade and other receivables	7,081	140,086
(Increase) in prepayments	15,328	(6,609)
Increase in trade and other payables	99,288	(122,009)
(Decrease) in provisions	-	(62,000)
Net cash used in operating activities	(1,415,885)	(1,790,862)

Note 23. Earnings per share

	Consolidated	
	2020 $	2019 $
Earnings per share from continuing operations		
Loss after income tax attributable to the owners of Davenport Resources Limited	(1,924,188)	(1,909,930)
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	162,794,740	141,795,846
Basic earnings per share	(1.18)	(1.35)
Diluted earnings per share	(1.18)	(1.35)

Notes to the financial statements
30 June 2020

Note 24. Related party transactions

	2020 $	2019 $
Fees were paid to Horn Resources Pty Ltd, a company of which Robert Van der Laan is a director and shareholder. Fees included accounting staff and disbursements.	60,460	31,146
Fees were paid to Parkway Minerals NL, a company of which Patrick McManus is a director and shareholder. Fees included office accommodation and disbursements.	31,510	68,281
	91,970	99,427

Note 25. Other matters

During the financial year, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

In response to the COVID-19 and the uncertain economic and market conditions, the Company implemented a number of cost reduction strategies and published a COVID-19 policy. The details of COVID-19 policy and disclosure may include the following:

Operations – the Company acknowledges that travel restrictions and isolation measures may impact on operations, particularly with regard to face to face meetings. The Company has stipulated that, wherever possible, Company employees must remain at home, not travel and conduct meetings by telephone or other media.

AGM's and Financial Reporting – Quarterly reporting will continue as normal. The Company will assess the situation for the proposed November 2020 AGM closer to the time and will conduct it by telephone or internet conferencing if deemed necessary.

Directors' declaration

1. In accordance with a resolution of the directors of Davenport Resources Limited, the directors of the Company declare that:

(a) the consolidated financial statements and notes, as set out on pages 26 to 48 and the Remuneration report in on pages 14 to 22 in the Directors' report, are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the Consolidated Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

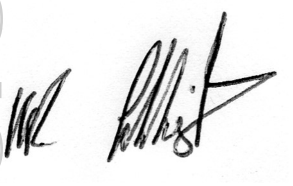
(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. the directors have been given the declarations required by s 295A of the Corporations Act 2001 from the Chief Financial Officer.

3. The directors draw attention to Note 1 to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the directors



Chris Gilchrist
30 September 2020
Perth

walkerwaylandAdvantage

Chartered Accountants & Advisors

Walker Wayland Advantage Audit Partnership

Audit & Assurance Services

Level 7, 114 William Street
Melbourne VIC 3000
Australia

ABN 47 075 804 075

T +61 3 9274 0600

F +61 3 9274 0660

audit@wwadvantage.com.au

wwadvantage.com.au

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVENPORT RESOURCES LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Davenport Resources Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2020 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including independence standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 'Material uncertainty related to going concern' in the financial report, which indicates that the Group incurred an operating loss and incurred negative cash flows from operations during the year ended 30 June 2020. These events and conditions, along with other matters as set forth in Note 1 'Material uncertainty related to going concern', indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVENPORT RESOURCES LIMITED (Continued)

Key Audit Matters
Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

Key audit matter	
Capitalisation of exploration expenditures	
Why significant: • The Group has incurred significant exploration and evaluation expenditures which have been capitalised. As the carrying value of exploration and evaluation expenditures represents a significant asset of the Group, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, the asset was required to be assessed for impairment in accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*. *Refer to Note 1 and Note 9 "Non-current Assets"*	**How our audit addressed the key audit matter** Our procedures included, amongst others: • Obtained schedules of the areas of interest held by the Group and assessing whether the rights to tenure remain current at balance date; • Reviewed the Group's capitalisation of exploration expenditures in the current year, ensuring that it is consistent with the criteria as stated under AASB 6. This included discussions with management, reviewing Group exploration budgets, ASX announcements and director's minutes • Reviewed and noted details of exploration costs and ensure that these costs are allowed to be capitalised in accordance with AASB 6 and consider whether any facts or circumstances existed to suggest impairment testing was required. • Enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the company's areas of interest were planned. • Enquired with management, reviewed announcements made and reviewed minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest. • Enquired with management to ensure that the company had not decided to proceed with development of a specific area of interest, yet the carrying amount of the exploration and evaluation asset was unlikely to be recovered in full from successful development or sale.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVENPORT RESOURCES LIMITED (Continued)

Other Information
The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2020, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report
The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report
Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

walkerwaylandAdvantage

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVENPORT RESOURCES LIMITED (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF DAVENPORT RESOURCES LIMITED (Continued)

Report on the Audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 22 of the directors' report for the year ended 30 June 2020.

In our opinion, the Remuneration Report of Davenport Resources Limited, for the year ended 30 June 2020, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Walker Wayland Advantage

WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS

AWAIS REHMAN
PARTNER

Dated in Melbourne on this 30th day of September 2020.

Tenements

Tenement	Location	Beneficial Holding
Ebeleben	South Harz, Thüringen, Germany	100%
Mühlhausen-Nohra	South Harz, Thüringen, Germany	100%
Ohmgebirge	South Harz, Thüringen, Germany	100%
Küllstedt	South Harz, Thüringen, Germany	100%
Gräfentonna	South Harz, Thüringen, Germany	100%

Shareholder information

The following additional information was applicable as at 23rd September 2020.

QUOTED SECURITIES

A. ORDINARY SHARES (ASX: DAV)

Substantial Shareholders

Holder	Securities	% of Ordinary Shares Issued
Parkway Minerals NL	34,267,700	17.39%
DELPHI Unternehmensberatung	17,195,238	8.73%
Rory Luff	15,117,281	7.67%
Lions Bay Capital Inc	10,150,000	5.15%

Distribution of Shareholders

Range	Holders	Securities	% of Ordinary Shares Issued
1 - 1,000	211	35,883	0.02%
1,001 - 5,000	115	281,443	0.14%
5,001 - 10,000	94	811.831	0.41%
10,001 - 100,000	148	6,614,279	3.36%
Over 100,000	115	189,309,113	96.07%
Total	**683**	**197,052,549**	**100.00%**

Shareholder information (continued)

20 Largest Fully Paid Ordinary Share holders

	Holder	Securities	% of Ordinary Shares Issued
1	EAST EXPLORATION HOLDINGS PTY LTD	34,267,700	17.39%
2	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	17,195,238	8.73%
3	LUFGAN NOMINEES PTY LTD	14,579,967	7.40%
4	LIONS BAY CAPITAL INC	10,150,000	5.15%
5	ITA NOMINEES PTY LTD	7,169,869	3.64%
6	R L HOLDINGS PTY LTD <AIRLIE A/C>	6,585,984	3.34%
7	OCEANIC CAPITAL PTY LTD	5,634,850	2.86%
8	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	5,280,000	2.68%
9	GTGF AUSTRALIA LIMITED	4,999,195	2.54%
10	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,049,119	2.05%
11	AWD CONSULTANTS PTY LTD	3,350,000	1.70%
12	NSW MINERAL (AUSTRALIA) PTY LTD	3,075,140	1.56%
13	REDLAND PLAINS PTY LTD <BRIAN BERNARD RODAN S/F A/C>	2,778,600	1.41%
14	GILCHRIST MINING LIMITED	2,646,380	1.34%
15	MR DAVID IAN RAYMOND HALL & MRS DENISE ALLISON HALL	2,535,000	1.29%
16	DIXTRU PTY LIMITED	2,475,000	1.26%
17	HORN NOMINEES PTY LTD <HORN SUPER FUND A/C>	2,391,702	1.21%
18	MR WILLIAM HENRY HERNSTADT	2,250,000	1.14%
19	MR JASON DAWKINS	2,000,000	1.02%
20	MR DANNY MURPHY & MRS SUSAN MURPHY <DANNY MURPHY SUPER FUND A/C>	1,900,000	0.96%
	20 Largest Holders	**135,313,744**	**68.67%**

Voting Rights

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

B. OPTIONS (ASX: DAVO) – exercisable at $0.20 each, expiring 31st July 2023

Distribution of Option holders

Range	Holders	Securities	% of Options Issued
1 - 1,000	0	0	0.00%
1,001 - 5,000	0	0	0.00%
5,001 - 10,000	1	7,139	0.02%
10,001 - 100,000	27	1,389,313	3.01%
Over 100,000	56	44,779,337	96.98%
Total	**84**	**46,175,789**	**100.00%**

Shareholder information (continued)

20 Largest Option Holders

	Holder	Securities	% of Options Issued
1	DELPHI UNTERNEHMENSBERATUNG AKTIENGESELLSCHAFT	10,047,619	21.76%
2	EAST EXPLORATION HOLDINGS PTY LTD	7,142,850	15.47%
3	EQUITY TRUSTEES LIMITED <LOWELL RESOURCES FUND A/C>	3,442,500	7.46%
4	OCEANIC CAPITAL PTY LTD	1,875,000	4.06%
5	REDLAND PLAINS PTY LTD <BRIAN BERNARD RODAN S/F A/C>	1,428,600	3.09%
6	ITA NOMINEES PTY LTD	1,428,571	3.09%
7	MR JOHN CAMPBELL SMYTH & DR ANN NOVELLO HOGARTH <SMYTH SUPER A/C>	1,000,000	2.17%
7	DIXTRU PTY LIMITED	1,000,000	2.17%
8	MR MARK ANDREW TKOCZ	923,070	2.00%
9	MR LUKE JAMES CUNNINGHAM	720,000	1.56%
10	PAYZONE PTY LTD <ST BARNABAS SUPER A/C>	700,000	1.52%
11	MR DAVID IAN RAYMOND HALL & MRS DENISE ALLISON HALL	675,000	1.46%
12	POOKY CORPORATION PTY LTD <K L CHRISTENSEN SUPER A/C>	647,500	1.40%
13	AWD CONSULTANTS PTY LTD	614,285	1.33%
14	CLARIDEN CAPITAL PTY LTD	600,000	1.30%
15	GILCHRIST MINING LIMITED	587,500	1.27%
16	ARBOR SUPER PTY LTD <ARBOR CENTRE SUPER FUND A/C>	550,000	1.19%
17	MR WILLIAM HENRY HERNSTADT	500,000	1.08%
17	MR PETER DAVID SHEPPEARD <SHEPPEARD FAMILY A/C>	500,000	1.08%
17	CAVES ROAD INVESTMENTS PTY LTD	500,000	1.08%
17	MR THOMAS FRANCIS CORR	500,000	1.08%
17	MRS ADEL ALBERTA MICHAEL	500,000	1.08%
18	BUCKMINSTER INVESTMENTS PTY LTD <BUCKMINSTER SUPER FUND A/C>	457,000	0.99%
19	MR DANNY MURPHY & MRS SUSAN MURPHY <DANNY MURPHY SUPER FUND A/C>	437,500	0.95%
20	HIGHSCENE INVESTMENTS PTY LTD <STALTARI SUPER FUND A/C>	400,000	0.87%
20	MR OWEN BARRY MERRETT & MRS JOANNE ROSS MERRETT <MERRETT SUPER FUND A/C>	400,000	0.87%
20	MR OLIVER NIKOLOVSKI <THE NIKOLOVSKI FAMILY A/C>	400,000	0.87%
	20 Largest option holders	**37,976,995**	**82.24%**

The options have no voting rights.

Shareholder information (continued)

UNQUOTED SECURITIES

A. Options expiring 11th September 2023

i. There are 7,500,000 options on issue, exercisable at 20 cents per share and expiring on 11th September 2023. The options have no voting rights.
ii. Zenix Nominees Pty Ltd holds all the options in this class.

B. Options expiring 5th September 2021

i. There are 3,000,000 options on issue, exercisable at 8.1 cents per share and expiring on 5th September 2021. The options have no voting rights.
ii. Bacchus Capital Advisers Limited holds all the options in this class.

C. Options expiring 31st July 2023

iii. There are 3,700,000 options on issue, exercisable at 7.5 cents per share and expiring on 31st July 2023. The options have no voting rights.
iv. Free-attaching options to the placement.

D. Performance Rights

1) Series C-K Performance Rights issued on 20th December 2019.

   i. There are total of 5,073,750 Series C-K Performance Rights on issue. The Performance Rights have no voting rights.
   ii. The Performance Rights were granted under the Company's Employee Security Ownership Plan.

2) Distribution of Performance Rights holders

Range	Holders	Securities	% of C-K Performance Rights Issued
Over 100,000	4	5,073,750	100.00%
Total	**4**	**5,073,750**	**100.00%**

OTHER ASX LISTING RULES INFORMATION

i. The name of the Company Secretary is Amanda Wilton-Heald.
ii. The registered office and principal place of business is:
    Level 1, 675 Murray Street, West Perth, WA 6005
    Tel: +61 (8) 6145 0291
iii. The Company's registers of securities are held at:
    Automic Registry Services Pty Ltd
    Level 2, 267 St Georges Terrace, Perth, WA 6000
    Tel: +61 (8) 9324 2099
iv. There is no current on-market buy-back.
v. The Company's Corporate Governance Statement is available on the Company's website at: www.davenportresources.com.au.

ASX LISTING RULE 4.10.19

The Company states that it has used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives.