



Davenport Resources Limited and Controlled entities
ABN 64 153 414 852

Half-year Financial Report - 31 December 2020

Davenport Resources Limited and Controlled entities
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31 December 2020

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Davenport Resources Limited and Controlled entities
Directors' report
31 December 2020

The directors present their report, together with the financial statements, of the Company for the half-year ended 31 December 2020.

Directors

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

Mr Ian Farmer (appointed 7 September 2020)
Dr Chris Gilchrist
Mr Len Jubber (appointed 01 March 2021)
Mr Rory Luff
Mr Reinout Koopmans
Mr Hansjorg Plaggemars
Mr Robert Van der Laan (appointed 24 September 2020 & resigned 01 March 2021)
Mr Patrick McManus (resigned 25 September 2020)

Principal activities

During the financial period the principal continuing activities of the Company consisted of investment in and development of mineral exploration assets.

Results of Operations

Total comprehensive loss for the six months ended 31 December 2020 was \$1,098,345 (half-year ended 31 December 2019: \$1,204,465).

On 23 December 2020, the Company issued 16,666,668 fully paid ordinary shares at an issue price of \$0.045 each and successfully raised \$750,000 via s708 placement (Tranche 1). The placement shares were issued with free attaching unlisted options on a 1:2 basis, with an exercise price of \$0.08 and expiring 24 months from the date of issue. Funds in treasury at 31st December 2020 amounted to \$1,021,634.

Davenport is developing a portfolio of potash projects in the South Harz region of Germany, encompassing 659km², with an inferred resource of 5.3 billion tonnes (grading 10.8% K₂O) within the JORC Inferred category 1. It is contained within a well-defined potash basin which has been mined for fertiliser salts for over 100 years and Davenport has identified at least four standalone projects within its portfolio. Its initial development focus is the Ohmgebirge project, as described later.

The six-month period to 31st December 2020 saw the Company continue to evaluate its extensive suite of potential potash projects within the portfolio it holds under licence in the central German state of Thüringia. Davenport holds three perpetual mining licences, Ohmgebirge, Mühlhausen-Nohra and Ebeleben as well as two exploration licences Küllstedt and Gräfentonna (Figure 1).



The Company conducted an extensive evaluation of the three areas held under perpetual mining licences and identified four potential projects, viz. Ohmgebirge, Ebeleben, Mulhausen-Nohra (Figure 1, in blue) and Nohra-Elende (Figure 1, red hatching).

Ohmgebirge

Following a detailed review of these four potential projects, the Company selected Ohmgebirge as the spearhead project owing to its relative shallowness (from 450m below surface), tonnage, grade (325 Mt grading 13.1% K₂O)¹, the licence area's proximity to infrastructure including abandoned mines for future tailings disposal and to derelict industrial land from adjacent former potash mines. With the combination of these attributes, the Company has identified Ohmgebirge as the preferred location from which to initiate the development of its extensive South Harz potash field.

In accordance with the Competent Person recommendations 1,2, the Company is planning to conduct the drilling of twin confirmatory holes within the Ohmgebirge area in order to verify the results from the historic drillholes used to calculate the Inferred resource already declared. It is intended that this will lead to a revised mineral resource estimate ("MRE") where the majority of the inferred resource is upgraded to the Indicated category. This, in turn, will permit the completion of a technical and economic study by calendar year-end 2021 and open the way for a definitive feasibility study in 2022.

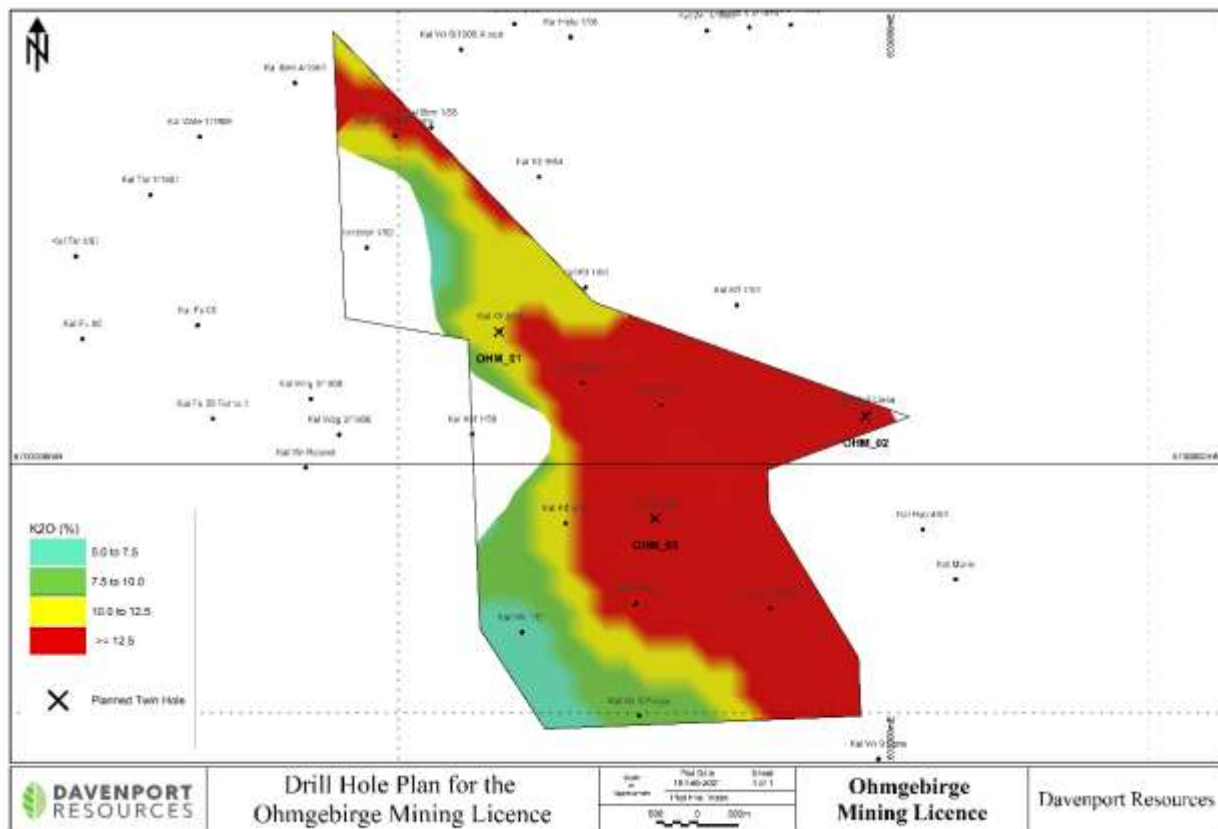


Figure 2: Ohmgebirge mining licence area showing K₂O grade distribution and location of drill holes.

² ASX announcement 23rd December 2019, Appendix 1, JORC Table 1 "Further Work".

At time of writing, the Company is on track with a communication campaign in Germany and is well-advanced in its preparations to obtain drilling permission at the selected sites within the Ohmgebirge property.

Nohra-Elende

Re-modelling of historic drillhole results within the Nohra-Elende area led to the discovery of a large kieserite ($\text{MgSO}_4 \cdot n\text{H}_2\text{O}$ – magnesium sulphate) resource containing 768Mt at an average grade of 8.1% MgSO_4 with intersections containing up to 20% MgSO_4 (ASX announcement 23rd September 2020)¹. The resource area contains approximately 72 million tonnes of kieserite, which is a valuable fertiliser nutrient. It provides a source of both readily water-soluble magnesium and sulphur, which are commonly depleted from soils in Europe and around the world.

The production of kieserite would enable the Company to produce magnesium-containing fertilizer components which retail at higher values than potash alone. Further technical and market investigations will be conducted during 2021.

Aside from kieserite in the case of Nohra-Elende, resources in all the mining licence areas comprise chiefly potash, anhydrite (CaSO_4) and salt (NaCl) with minor amounts of clay and other insolubles. As has been advised by world-renowned potash processing consultant, K-Utec AG, a leaching process is preferred to the alternative of froth flotation in order to separate chloridic and sulphatic minerals prior to refining each process stream. While the anhydrite and other insolubles are placed back into the mine as waste, the salt resulting from the recrystallising process is expected by K-Utec AG to be of industrial grade (> 99% NaCl) and could be sold. A European salt marketing study was commissioned and potential opportunities were identified. The possibility of marketing a high-grade salt from the Ohmgebirge property will be further investigated as part of the scoping study discussed above.

The exploration licences for the Küllstedt and Gräfentonna areas were extended by the Thüringian licencing authority TLBUN during 2019 and will remain available to the Company until 2023 at which time they may be further extended by three years upon application. An annual report of exploration activities was submitted to the licencing authority in January 2021.

General Activities

The Company's activities at present are mostly office-based and will remain so until drilling commences in the second Quarter of the year. All Company personnel are working from home and communicating via internet-based conferencing platforms. The Company has implemented and briefed a COVID-19 policy to staff, however current risk to personnel is considered negligible.

Investor Relations consultancy, NWR Communications, based in Melbourne has implemented a focused IR strategy which has been modified to increase the utilisation of social media and internet-based solutions due to the COVID-19 crisis.

Management of the Company website and social media platforms has been assigned to NWR Communications and the construction of a new bilingual website is underway.

The name of the mining and exploration licence holder in Germany, 100% owned Davenport subsidiary East Exploration, has been formally changed to SüdHarzKali GmbH. Following a media campaign in Germany, there has been a significant increase in the level of interest in the Company.

During the period Ian Farmer and Robert Van Der Laan joined the board and Patrick McManus stepped down. The board would like to thank Patrick for his valuable contribution over 5 years of service.

Davenport Resources Limited and Controlled entities
Directors' report
31 December 2020

Matters subsequent to the end of the financial period

Subsequent to the reporting period, the Company issued 205,722,223 fully paid ordinary shares at an issue price of \$0.045 each and successfully raised \$9,250,000 via s708 placement (Tranche 2). The placement shares were issued with free attaching unlisted options on a 1:2 basis, with an exercise price of \$0.08 and expiring 24 months from the date of issue.

The Company also issued 1,718,986 fully paid ordinary shares to the directors and senior management under the management fee and remuneration sacrifice share plan.

On 1 March 2021, Robert Van der Laan resigned as a non-executive director and Len Jubber, an engineer was appointed to the board as a non-executive director.

No other matter or circumstance has arisen since 31st December 2020 that has significantly affected, or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future financial years.

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

On behalf of the directors:



Chris Gilchrist
Director

15 March 2021
Perth

Walker Wayland Advantage Audit Partnership

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**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 half-year ended 31 December 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 *15th* day of March 2021.

Independent Member

B K R
INTERNATIONAL

Independent Member of Walker Wayland Australasia Limited,
a network of independent accounting firms.

Liability limited by a scheme approved under professional standards legislation.

Davenport Resources Limited and Controlled entities
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

		Consolidated	
		Half-year ended	
	Note	31-Dec-20	31-Dec-19
		\$	\$
Revenue from continuing operations	4	104	497
Expenses			
Administration, legal and corporate expenses		(302,776)	(574,952)
Director remuneration and consulting		(350,010)	(246,500)
Salaries and related expenses		(144,855)	(162,251)
Foreign exchange gain/(loss)		-	17,880
Occupancy costs		(4,200)	(15,000)
Capitalised expenditure written off		-	(160,228)
Share based payments	9	(204,368)	(1,541)
Depreciation		-	(745)
Loss before income tax expense from continuing operations		<u>(1,006,105)</u>	<u>(1,142,840)</u>
Income tax expense		-	-
Loss after income tax expense for the half-year		<u>(1,006,105)</u>	<u>(1,142,840)</u>
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Foreign exchange translation reserve		(92,240)	(61,625)
Other comprehensive loss for the year, net of tax		<u>(92,240)</u>	<u>(61,625)</u>
Total comprehensive loss for the half-year		<u>(1,098,345)</u>	<u>(1,204,465)</u>
Basic loss per share (cents per share)	7	(0.51)	(0.73)
Diluted loss per share (cents per share)	7	(0.51)	(0.73)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Davenport Resources Limited and Controlled entities
Statement of financial position
As at 31 December 2020

		Consolidated	
	Note	31-Dec-20	30-Jun-20
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		841,634	142,069
Trade and other receivables		13,286	82,626
Funds held in trust – share application proceeds before cost		180,000	100,000
Prepayments		41,179	22,090
Total current assets		1,076,099	346,785
Non-current assets			
Exploration and evaluation	5	3,121,472	3,182,060
Total non-current assets		3,121,472	3,182,060
Total assets		4,197,571	3,528,845
Liabilities			
Current liabilities			
Trade and other payables	6	302,362	269,919
Share application funds		180,000	100,000
Total current liabilities		482,362	369,919
Total liabilities		482,362	369,919
Net assets		3,715,209	3,158,926
Equity			
Issued capital	8	12,685,884	11,129,234
Reserves		287,168	281,430
Accumulated losses		(9,257,843)	(8,251,738)
Total equity		3,715,209	3,158,926

The above statement of financial position should be read in conjunction with the accompanying notes.

Davenport Resources Limited and Controlled entities
Statement of changes in equity
As at 31 December 2020

	Contributed Equity \$	Option based Payments Reserves \$	Performance Rights Reserves \$	Currency Translation Reserves \$	Accumulated losses \$	Total Equity \$
Consolidated						
Balance at 1 July 2020	11,129,234	-	27,030	254,400	(8,251,738)	3,158,926
Loss after income tax expense for the half-year	-	-	-	-	(1,006,105)	(1,006,105)
Other comprehensive income for the half-year, net of tax	-	-	-	(92,240)	-	(92,240)
Total comprehensive income/(loss) for the half-year	-	-	-	(92,240)	(1,006,105)	(1,098,345)
<i>Transactions with owners in their capacity as owners:</i>						
Contributions of equity, net of transaction costs	1,450,260	-	-	-	-	1,450,260
Share-based payments	106,390	80,640	17,338	-	-	204,368
Balance at 31 December 2020	12,685,884	80,640	44,368	162,160	(9,257,843)	3,715,209

The above statement of change in equity should be read in conjunction with the accompanying notes.

Davenport Resources Limited and Controlled entities
Statement of changes in equity
As at 31 December 2020

Consolidated	Contributed Equity \$	Performance Rights Reserves \$	Currency Translation Reserves \$	Accumulated losses \$	Total Equity \$
Balance at 1 July 2019	9,738,067	-	230,852	(6,327,550)	3,641,369
Loss after income tax expense for the half-year	-	-	-	(1,142,840)	(1,142,840)
Other comprehensive income for the half-year, net of tax	-	-	(61,625)	-	(61,625)
Total comprehensive income/(loss) for the half-year	-	-	(61,625)	(1,142,840)	(1,204,465)
<i>Transactions with owners in their capacity as owners:</i>					
Contributions of equity, net of transaction costs	926,851	-	-	-	926,851
Share-based payments	-	1,541	-	-	1,541
Balance at 31 December 2019	10,664,918	1,541	169,227	(7,402,070)	3,365,296

The above statement of change in equity should be read in conjunction with the accompanying notes.

Davenport Resources Limited and Controlled entities
Statement of cash flows
For the half-year ended 31 December 2020

	Consolidated	
	Half-year ended	
	31-Dec-2020	31-Dec-2019
	\$	\$
Cash flows from operating activities		
Interest received	104	497
Other receipts	16,298	66,098
Payments to suppliers and employees	(634,445)	(1,054,179)
Net cash provided by/ (used in) operating activities	(618,043)	(987,584)
Cash flows from investing activities		
Payments for exploration and evaluation	(117,033)	(155,201)
Net cash provided by/ (used in) investing activities	(117,033)	(155,201)
Cash flows from financing activities		
Proceeds from issue of shares	1,564,501	968,145
Payments for capital raising costs	(48,504)	(38,448)
Net cash provided by/ (used in) financing activities	1,515,997	929,697
Net increase/(decrease) in cash and cash equivalents	780,921	(213,088)
Cash and cash equivalents at the beginning of the period	142,069	694,429
Effects of foreign exchange cash movements	(81,356)	(219)
Cash and cash equivalents at the end of the period	841,634	481,122

The above statement of cash flows should be read in conjunction with the accompanying notes.

Davenport Resources Limited and Controlled entities
Notes to the financial statements
31 December 2020

Note 1. Significant accounting policies

Basis of Preparation

These general purpose interim financial statements for half-year reporting period ended 31 December 2020 have been prepared in accordance with requirements of the Corporations Act 2001 and Australian Accounting Standard AASB 134: Interim Financial Reporting. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Davenport Resources Limited and its controlled entities (referred to as the "Consolidated Group" or "Group"). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2020, together with any public announcements made during the following half-year.

These interim financial statements were authorised for issue on 11 March 2021.

New, revised or amending Accounting Standards and Interpretations adopted

The Company has applied the amendments to the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

Note 2. Segment reporting

The consolidated entity has based its operating segment on the internal reports that are reviewed and used by the executive management team ("Chief Operating Decision Makers") in assessing performance and in determining the allocation of resources.

The consolidated entity currently does not have production and is only involved in exploration. As a consequence, activities in the operating segment are identified by management based on the manner in which resources are allocated, the nature of the resources provided and the identify of manger and country of expenditure. Information is reviewed on a whole of entity basis.

Based on these criteria, the consolidated entity only has one operating segment, being exploration, and the segment operations and results are reported internally based on the accounting policies as described in note 1 for the computation of the consolidated entity's results presented in this set of financial statements.

Note 3. Going concern

For the half-year ended 31 December 2020, the consolidated entity incurred a total comprehensive loss of \$1,098,345 (half-year ended 31 December 2019: \$1,204,465) and incurred cash outflows from operations of \$618,043 (half-year ended 31 December 2019: \$987,584). As at 31 December 2020, the consolidated entity had accumulated losses of \$9,257,843 (half-year ended 31 December 2019: \$7,470,390).

Davenport Resources Limited and Controlled entities
Notes to the financial statements
31 December 2020

Note 3. Going concern (continued)

On 23 December 2020, the Company issued 16,666,668 fully paid ordinary shares at an issue price of \$0.045 each and successfully raised \$750,000 via s708 placement (Tranche 1). Funds in treasury at 31st December amounted to \$1,021,634.

Also, subsequent to the reporting period, the Company issued 205,722,223 fully paid ordinary shares at an issue price of \$0.045 each and successfully raised \$9,250,000 via s708 placement (Tranche 2).

Directors are aware that additional capital would be required to meet operational costs and to advance the exploration projects. Having carefully assessed the uncertainties relating to the likelihood of securing additional funding and the consolidated entity's ability to effectively manage its operations and working capital requirements, the directors believe that the consolidated entity will continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business.

The half-year financial report does not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 4. Revenue

	31-Dec-20 \$	31-Dec-19 \$
From continuing operations:		
Interest	104	497
Revenue from continuing operations	104	497

Note 5. Non-current assets - exploration and evaluation

	31-Dec-20 \$	30-Jun-20 \$
Exploration and evaluation – at cost	3,121,472	3,182,060

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

	31-Dec-20 \$	30-Jun-20 \$
Balance at beginning of financial period	3,182,060	3,003,863
Additions	20,768	338,425
Expenditure written off	-	(160,228)
Currency fluctuations	(81,356)	-
Balance at end of financial period	3,121,472	3,182,060

Davenport Resources Limited and Controlled entities
Notes to the financial statements
31 December 2020

Note 5. Non-current assets - exploration and evaluation(continued)

Exploration programs in each area of interest continue but have not reached a stage which permits a reasonable assessment of economically recoverable reserves. The ultimate recoupment of these costs is dependent on the successful development and exploration of the respective areas of interest for which additional capital will be needed.

During the reporting period, the Company accounted additional \$20,768 to the capitalised expenditure and recognised \$81,356 of currency movement in the capitalised expenditure.

Note 6. Trade and Other Payables

	31-Dec-20	30-Jun-2020
	\$	\$
Trade payables	276,682	269,919
Other payables	4,746	-
Accruals	20,934	-
	<u>302,362</u>	<u>269,919</u>

Note 7. Loss per Share

	31-Dec-20	31-Dec-19
	\$	\$
Basic loss per share (cents per share)	(0.51)	(0.73)
Loss used in the calculation of loss per share	(1,006,105)	(1,142,840)
	Number of Shares	
Weighted average number of ordinary shares outstanding during the reporting period used in calculation of basic and diluted loss per share:	198,525,474	156,640,830

Note 8. Equity – Issued Capital

	Consolidated		Consolidated	
	31-Dec-20	30-Jun-20	31-Dec-20	30-Jun-20
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>214,594,217</u>	<u>172,509,917</u>	<u>12,685,884</u>	<u>11,129,234</u>

Davenport Resources Limited and Controlled entities
Notes to the financial statements
31 December 2020

Note 8. Equity – Issued Capital(continued)

Movements in ordinary share capital

Details	Date	No of shares	\$
Balance	01 Jul 2020	172,509,917	11,129,234
Shares issued – share purchase plan	6 Jul 2020	13,675,000	547,000
Shares issued – placement	30 Jul 2020	5,975,269	262,500
Shares issued – share based payment	30 Jul 2020	4,610,436	8,006
Share issued – share based payment	30 Jul 2020	281,927	12,125
Share issued – placement	02 Dec 2020	16,666,668	750,000
Share issued – directors placement shares	02 Dec 2020	875,000	35,000
Shares to be issued	31 Dec 2020	-	86,259
Capital raising costs		-	(144,240)
Balance	31 Dec 2020	214,594,217	12,685,884

Performance Shares

On 23 December 2019, the company has issued various classes of performance rights to the directors under employee incentive scheme. The performance rights in each series convert automatically upon the achievement of the vesting condition applicable to that series with nil consideration.

Details of the performance right conditions are below;

SERIES	Vesting Condition
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% K ₂ O
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% K ₂ O
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%

During the reporting period, the Company's 1,014,750 Series G performance rights have expired as the relevant performance hurdles have not been satisfied in order for performance rights to vest.

Davenport Resources Limited and Controlled entities
Notes to the financial statements
31 December 2020

Note 9. Share based payments

Expenses arising from share-based payment and option-based payment transactions

Total expenses arising from share-based payment transactions recognised during the reporting period as follows:

	31-Dec-2020	31-Dec-2019
	\$	\$
Shares issued/ shares to be issued under the salary sacrifice share plan	106,390	-
Options issued to director	80,640	-
Performance rights	17,338	1,541
	204,368	1,541

Note 10. Subsidiaries

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

Name of entity	Country of incorporation	Equity holding 31-Dec-2020 %
East Exploration Pty Ltd	Australia	100.00
Sudharz Kali GmbH	Germany	100.00

Note 11. Contingent Liabilities

There have been no changes in contingent liabilities since the last annual reporting period.

Note 12. Events after the reporting period

Subsequent to the reporting period, the Company issued 205,722,223 fully paid ordinary shares at an issue price of \$0.045 each and successfully raised \$9,250,000 via s708 placement (Tranche 2). The placement shares were issued with free attaching unlisted options on a 1:2 basis, with an exercise price of \$0.08 and expiring 24 months from the date of issue.

The Company also issued 1,718,986 fully paid ordinary shares to the directors and senior management under the management fee and remuneration sacrifice share plan.

On 1 March 2021, Robert Van der Laan resigned as a non-executive director and Len Jubber, an engineer was appointed to the board as a non-executive director.

There have not been any other matters that have arisen after balance date that have significantly affected, or may significantly affect, the operations and activities of the Company, the results of those operations or the state of affairs of the Company in future financial years other than disclosed elsewhere in this half-year report.

Davenport Resources Limited and Controlled entities
Directors' declaration
31 December 2020

In the directors' opinion:

- the attached financial statements and notes thereto comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes thereto give a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5) of the Corporations Act 2001.

On behalf of the directors



Chris Gilchrist
Director

15 March 2021
Perth

Walker Wayland Advantage Audit Partnership

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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Davenport Resources Limited (the Company) and Controlled Entities (collectively 'the Group'), which comprises the consolidated statement of financial position as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year consolidated financial report of Davenport Resources Limited and Controlled Entities is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with *ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review 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 annual 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 review report.

Material Uncertainty Related to Going Concern

We draw attention to Note 3: Going Concern in the financial report which indicates that the Group incurred a net loss and incurred negative cash flows from operations during the half-year ended 31 December 2020. These conditions, along with other matters as set forth in Note 3: Going Concern, indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

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

Responsibility of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures.

A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Walker Wayland Advantage

**WALKER WAYLAND ADVANTAGE AUDIT PARTNERSHIP
CHARTERED ACCOUNTANTS**



**AWAIS UR REHMAN
PARTNER**

Dated in Melbourne on this ^{15th} day of March 2021.