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## DECEMBER 2017 QUARTERLY ACTIVITIES REPORT

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### HIGHLIGHTS

- Acquisition of 100% of Liaz Pty Ltd completed – providing the Company rights to three high-grade cobalt-copper projects in North America:
  - The Colson Cobalt-Copper Project in Idaho, USA
  - The Goodsprings Copper-Cobalt Project in Nevada, USA
  - The Hazelton Cobalt-Copper-Gold Project in British Columbia, Canada
- New executive management team installed – Mike Haynes, Managing Director and Richard Hill, Chairman
- Fieldwork programs commenced at the Colson and Goodsprings Cobalt Projects
- Due diligence on the Hazelton Cobalt Project completed satisfactorily and compilation of historic data nearing completion
- Further drilling results received from the high-grade Keel Zinc Project in Ireland
- Concerted work programs now well underway at the Company's North American cobalt projects and to continue throughout 2018

Longford Resources Limited (ASX:LFR; “Longford” and “the Company”) is pleased to provide the following review of activities for the quarter ended 31 December 2017.

### Completion of Acquisition of 100% of Liaz Pty Ltd

The Company completed the acquisition of 100% of Liaz Pty Ltd, following receipt of shareholder approval at a General Meeting (“the Meeting”) held on 27 October 2017.

Immediately following the Meeting, experienced resource development and capital market executives, Mike Haynes and Richard Hill, were appointed Managing Director and Non-Executive Chairman, respectively.

The acquisition of Liaz Pty Ltd provides Longford Shareholders exposure to three high-grade cobalt projects in North America:

- The Colson Cobalt-Copper Project in Idaho, USA
- The Goodsprings Copper-Cobalt Project in Nevada, USA; and
- The Hazelton Cobalt-Copper-Gold Project in British Columbia, Canada

This comprises a highly prospective portfolio of high-grade cobalt projects all located in stable, pro-mining jurisdictions. Historical small-scale production has been recorded at all three projects, with ore grades up to 29% cobalt reported (at the Goodsprings Project). Yet very little modern exploration has been undertaken at any of the projects. Accordingly, there is considerable potential to realise exploration success at all of the projects, which provides the Company the opportunity to help fill the current and forecast medium-term supply shortfall for cobalt, as demand for cobalt, particularly that produced in the developed

world, rapidly increases in line with the expansion of the use of batteries in industries such as the electric vehicle sector.

### The Colson Cobalt-Copper Project, Idaho

The Colson Cobalt-Copper Project comprises 56 Federal mining claims covering approximately 1,120 acres at the northern end of the premier cobalt terrane in the USA – the 60km long Idaho Cobalt Belt (see Figures 1 and 2).

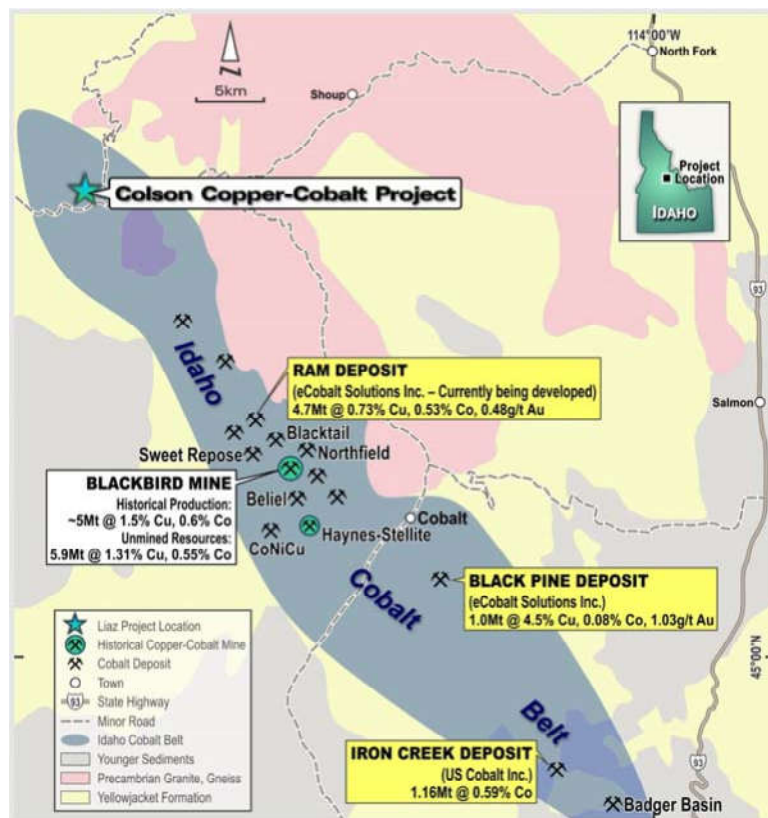


Figure 1. Location of Deposits in the Idaho Cobalt Belt, USA.

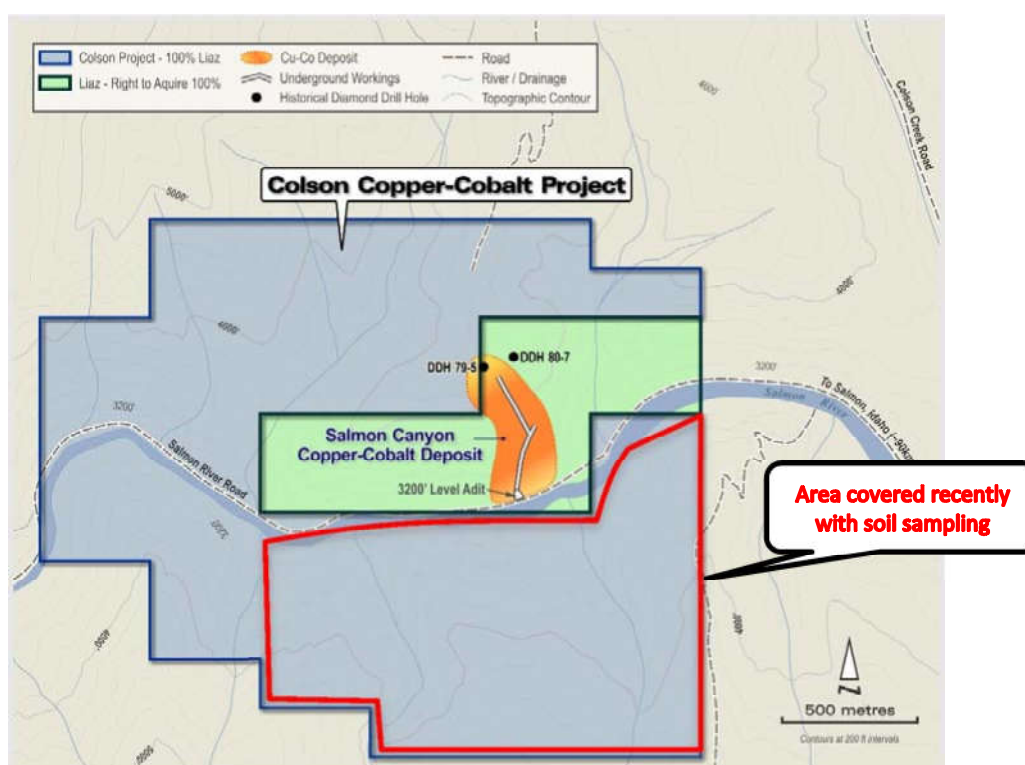


Figure 2. Longford's tenure at the Colson Copper-Cobalt Project, Idaho, USA

Outcropping copper-cobalt mineralisation was discovered at the Salmon Canyon Copper-Cobalt Deposit in the early 1960s.

A 500m long adit and 3 raises (for about 200m) were installed to explore the mineralisation. Eighteen short diamond core holes were drilled from the adit, and a further two diamond core holes drilled from surface (see Figure 2). Many of the initial drill holes weren't assayed for cobalt.

The underground exploration, in conjunction with surface mapping, delineated two parallel, sub-horizontal horizons of stratiform copper-cobalt mineralisation (chalcopyrite, cobaltite, arsenopyrite and pyrite) within metamorphosed sediments (garnet gneiss). These mineralised horizons extend over >300m of strike and >600m down-dip and average 7-10m in thickness. Mineralisation remains open in both directions along strike and down dip, with historic reports suggesting grade increases to the north and west.

Better results from previous underground sampling programs include:

- **2.5m @ 5.33% Cu, 0.59% Co, 2.24 g/t Au**
- **1.3m @ 6.16% Cu, 0.65% Co, 2.54 g/t Au**
- **1.8m @ 2.99% Cu, 0.31% Co, 3.48 g/t Au and 27.7 g/t Ag**

Prior to Longford's involvement, virtually no work had been undertaken since 1980.

### ***Underground Mapping and Resampling Program***

During the December quarter Longford commenced a program of mapping and resampling the underground workings to help determine the location and possible projections of thicker and/or higher grade portions of the mineralisation.

The lower levels of the underground workings have now been resampled and mapped. While conducting this work the (original) ladders in the raises were found to be unsafe. Over the coming weeks these will be replaced so the upper levels of the underground workings can be accessed safely. These areas will then also be systematically resampled and mapped. This program will help refine drill targets for the Company's inaugural drilling program.

### ***Permits for Drilling Program***

During the December quarter the Company continued to advance its application to undertake a surface drilling program to evaluate the extensions of the Salmon Canyon Copper Deposit. It is anticipated that permits will be received during the June quarter of 2018. Drilling will commence shortly thereafter.

### ***Soil Sampling***

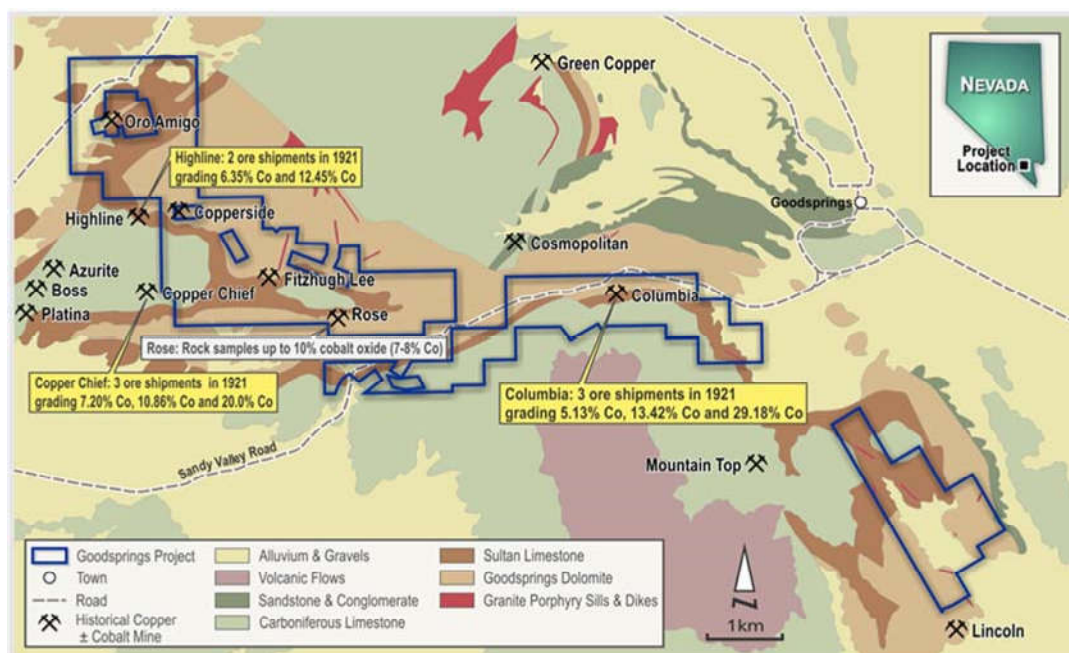
During the December quarter the Company systematically collected soil samples over a 2km x 1.2km area in the southern portion of the Colson Project; immediately south of the Salmon Canyon Deposit (see Figure 2). There is no record of any systematic exploration being undertaken in this area previously, but the Company considers there to be considerable potential to discover the southern extension of the Salmon Canyon Deposit in this area. 216 samples were collected on a nominal 200m x 50m grid. It is anticipated that results will be available to report in early February.

### **The Goodsprings Cobalt-Copper Project, Nevada**

The Goodsprings Project currently comprises:

- (i) A 100% interest in 186 Federal mining claims, covering approximately 3,500 acres, that encompass and include several historic copper-cobalt deposits as well as extensions of the geological sequences that host those and other copper-cobalt deposits (see Figure 3); and

- (ii) The rights to explore and develop a privately-owned 120 acre parcel of land that includes and encompasses the high-grade Columbia Mine. Historic records indicate that shallow mining was undertaken intermittently at the Columbia Mine between 1880 and 1928. Ore was mined predominantly from two inclined shafts located approximately 250 metres apart. These shafts were developed to around 30 metres depth, with stopes up to 6 metres high. **The average grade of the mined ore was 12.8% copper.** During 1921, **3 parcels of cobalt ore were mined and sold – with individual ore parcels grading 29.18% Co, 13.42% Co and 5.13% Co** (weighing 249kg, 1,720kg and 2,190 kg respectively). Historic workings at the Columbia mine extend over more than 500 metres of strike.



**Figure 3.** Geology of the Goodsprings District, including the location of historic copper-cobalt deposits and the extents of Longford's current mineral rights.

During the December quarter the Company conducted a reconnaissance visit to the Goodsprings Project as part of planning for a concerted program of fieldwork scheduled to commence in early 2018.

Plans are now well advanced to undertake an extensive soil sampling program across much of the Goodsprings Project area in early February. The Company intends conducting an induced polarisation ("IP") ground geophysics survey shortly thereafter.

### The Hazelton Cobalt-Copper-Gold Project, British Columbia

On 3 November 2017 Longford announced it had entered into an agreement that provides it the right to earn an initial 60% interest in the high-grade Hazelton Cobalt-Copper-Gold Project in British Columbia (see Figure 4).

The Hazelton Project covers 10km<sup>2</sup> and includes the historic Victoria Mine that operated intermittently between 1918 and 1941. During this period **ore grades averaged 123.4 g/t gold and 2.8% cobalt.** The Hazelton Project also includes the historic Rocher Debole and Highland Boy Mines, where substantial high-grade copper-gold mineralisation was recovered.

Mining at the Hazelton Project area ceased in 1952. Only limited exploration has been undertaken subsequently.

On 22 December 2017 the Company announced it had satisfactorily completed due diligence on the Hazelton Project.



The Company is currently completing the compilation of historic technical information from the Hazelton Project area. Once completed (during the first quarter of 2018) the Company will use this information to help determine an appropriate forward work program and schedule. Details of this will be announced in due course.



Figure 4. Location of the Hazelton Cobalt-Copper-Gold Project, British Columbia, Canada.

### Keel Zinc Project, Ireland

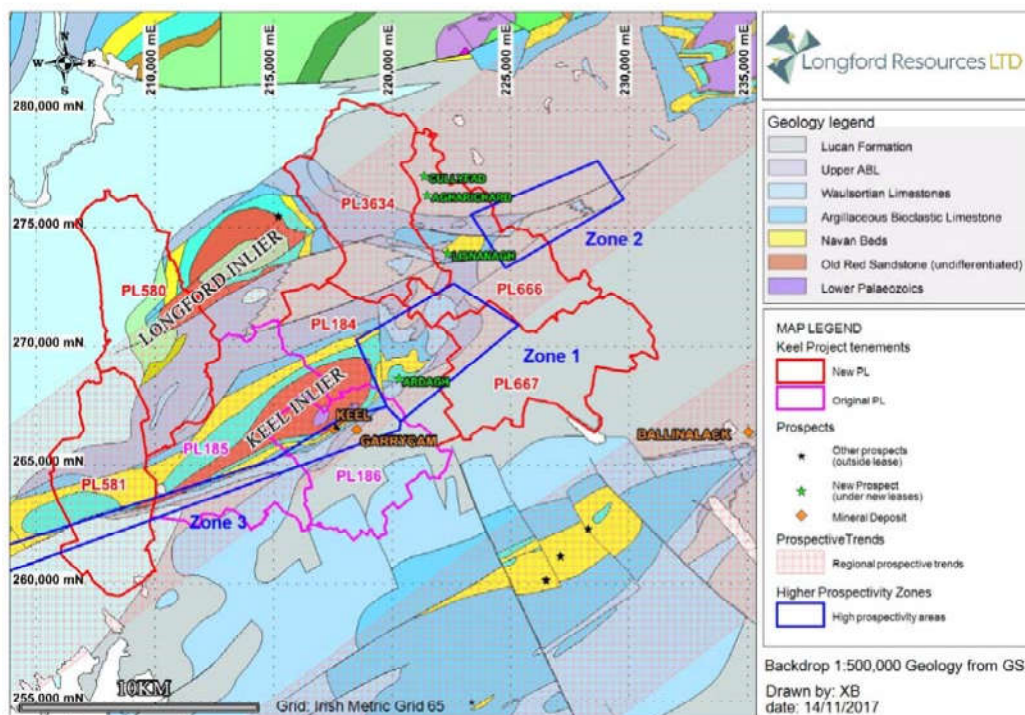
During the December quarter Longford received final assay results for the last five holes (KD-2017-003, 004, 006, 007 and 013) completed during the Company's inaugural drilling program at the Keel Zinc Project in Ireland.

The 12-hole diamond core drilling program was undertaken to improve the confidence in the Inferred Resource at the Keel Project, which currently comprises **6.9Mt at 5.6% Zn and 0.8% Pb**.

Multiple intersections of shallow, high-grade zinc-silver mineralisation were returned in all twelve holes drilled during the Company's inaugural program. Better results from the final five holes included:

- **5.0m at 11.9% Zn, 0.9% Pb and 59.7 g/t Ag from 191.0m (KD-2017-006)**
- **9.0m at 5.0% Zn, 0.1% Pb and 19.9 g/t Ag from 139.0m (KD-2017-004)**
- **6.0m at 6.2% Zn, 0.1% Pb and 35.8 g/t Ag from 167.0m (KD-2017-006)**
- **3.0m at 11.6% Zn, 1.0% Pb and 39.5 g/t Ag from 139.0m (KD-2017-006)**
- **5.0m at 6.2% Zn, 0.4% Pb and 17.7 g/t Ag from 157.0m (KD-2017-003)**

During 2017 Longford applied for six additional prospecting licenses that surround the two licenses (PL185 and PL186; 66 km<sup>2</sup>) that currently comprise the Keel Project (see Figure 5). Longford has recently been advised that these applications are likely to be successful (would be owned 100% by Longford; approval subject to final public comment), which would bring the total project area to approximately 250 km<sup>2</sup>.



**Figure 5.** Recent applications for additional prospecting licenses at the Keel Zinc Project

With all assay results now received the Company is determining an appropriate strategy to further advance the Keel Project.

## **CORPORATE**

At 31 December 2017 Longford had \$3.94million cash at bank.

Subsequent to 31 December 2017 16,805,294 unlisted \$0.05 options were exercised for net proceeds of \$0.84million.

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### Qualified and Competent Person

The information in this announcement that relates to exploration results for the Colson Cobalt-Copper, Goodsprings Copper-Cobalt and Hazelton Cobalt-Copper-Gold Projects is based on information compiled by Mr Ben Vallerine, who is a consultant to the Company. Mr Vallerine is a Member of the Australian Institute of Geoscientists. Mr Vallerine has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results (JORC Code). Mr Vallerine consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to Exploration Results at the Keel Project is based on information compiled by Mr Charles Guy who is a consultant to the Company, and fairly represents this information. Mr Guy is a Member of The Australian Institute of Geoscientists. Mr Guy has sufficient experience which is relevant to style of mineralisation and type of deposit under consideration and to the activity being undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Charles Guy consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Guy currently holds securities in the Company.

The information in this table that relates to Mineral Resources for the Keel Project is based on information compiled by Mr Steve Rose and Mr Charles (Bill) Guy. Mr Steve Rose is a full-time employee of CSA Global Pty Ltd and is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Charles Guy is a consultant to Longford Resources Limited and is a Member of the Australian Institute of Geoscientists. Mr Steve Rose and Mr Charles Guy have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 edition of the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Steve Rose and Mr Charles Guy consent to the disclosure of the information in this report in the form and context in which it appears.

### Forward Looking Statements

Any forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, Longford does not intend, and does not assume any obligation, to update this forward-looking information.

## Appendix 1 - Tenement Schedule

Tenement	Project	Location	Ownership	Change in Quarter
10 x BLM claims: Jeep #1 Jeep #10	Colson Cobalt-Copper	Idaho, USA	Longford (through Liaz Pty Ltd) has the right to acquire 100% from the Salmon Canyon Copper Company	Acquired
46 x BLM claims: Codaho 1 Codaho 46	Colson Cobalt-Copper	Idaho, USA	100% (through Liaz Pty Ltd)	Acquired
186 x BLM claims: GS 1 GS 9 ; GS 16 GS 64 ; GS66 GS138 ; GS 151 - GS185 ; GS 197 GS 199 ; and GS 214 GS 230	Goodsprings Copper- Cobalt Project	Nevada, USA	100% (through Liaz Pty Ltd)	Acquired
6 x Patented Mineral Claims: Columbia , St Anthony , St Patrick , Commercial , Frederickson and Dividend	Goodsprings Copper- Cobalt Project	Nevada, USA	Longford (through Liaz Pty Ltd) has the right to earn a 100% interest in mineral rights	Acquired
2 x Mining claims: 510469 and 856170	Hazleton Cobalt-Copper- Gold Project	British Columbia, Canada	Longford (through Liaz Pty Ltd) has the right to earn a 60% interest	Acquired
PL 185 & 186 <sup>1</sup>	Keel Zinc Project	Ireland	Diversified Assets Holdings <sup>1</sup> 100% Longford has 12- month option to purchase 80%	Nil
E28/2209 <sup>2</sup>	Fraser Range	Fraser Range, WA	100%	Nil
E28/2210 <sup>2</sup>	Fraser Range	Fraser Range, WA	100%	Nil
E63/1528	Fraser Range	Fraser Range, WA	100%	Nil
E04/2423	Western Kimberley	Kimberley, WA	Fissure Exploration <sup>3</sup>	Nil
E04/1972	Western Kimberley	Kimberley, WA	80%	Nil
E04/2314	Western Kimberley	Kimberley, WA	Application <sup>4</sup>	Nil

### Notes:

- 1 12-month option to purchase Keel Zinc Project expires 5 March 2018
- 2 Application for extension of term to be submitted (subject to ministerial approval)
- 3 Fissure Exploration Pty Ltd is 100% owned by Longford Resources Ltd
- 4 Longford has an option to acquire 80% of Application E04/2314



**Mining Tenements Acquired and Disposed during the December 2017 Quarter**

Nil

**Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements during the December 2017 Quarter**

Nil

**Beneficial Percentage Interests Held in Farm-In or Farm-Out Agreements Acquired or Disposed of during the December 2017 Quarter**

Acquired interests in the (i) Colson Cobalt-Copper Project in Idaho, USA; (ii) Goodsprings Copper-Cobalt Project in Nevada, USA; and (iii) the Hazelton Cobalt-Copper-Gold Project in British Columbia, Canada as outlined above in the Tenement Schedule.