

# Appendix 3B

## New issue announcement, application for quotation of additional securities and agreement

*Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.*

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Longford Resources Limited

ABN

23 108 456 444

We (the entity) give ASX the following information.

### Part 1 - All issues

*You must complete the relevant sections (attach sheets if there is not enough space).*

- |   |   |                                     |
|---|---|-------------------------------------|
| 1 | Class of securities issued or to be issued  | Fully paid ordinary shares (Shares) |
| 2 | Number of securities issued or to be issued (if known) or maximum number which may be issued  | 133,333                             |
| 3 | Principal terms of the securities (eg, if options, exercise price and expiry date; if partly paid securities, the amount outstanding and due dates for payment; if convertible securities, the conversion price and dates for conversion) | Fully paid                          |

4	<p>Do the securities rank equally in all respects from the date of allotment with an existing class of quoted securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> <li>the date from which they do</li> <li>the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment</li> <li>the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment</li> </ul>	<p>The Shares rank equally in all respects with existing quoted Shares</p>
5	Issue price or consideration	\$0.05 per Share
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)	Exercise of unlisted options, each of which was exercisable at \$0.05 on before 31 July 2018
6a	<p>Is the entity an eligible entity that has obtained security holder approval under rule 7.1A?</p> <p>If Yes, complete sections 6b – 6h <i>in relation to the securities the subject of this Appendix 3B</i>, and comply with section 6i</p>	Yes
6b	The date the security holder resolution under rule 7.1A was passed	30 November 2017
6c	Number of securities issued without security holder approval under rule 7.1	Nil
6d	Number of securities issued with security holder approval under rule 7.1A	Nil
6e	Number of securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting)	Nil
6f	Number of securities issued under an exception in rule 7.2	133,333 Shares issued under Exception 4

6g	If securities issued under rule 7.1A, was issue price at least 75% of 15-day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation.	Not Applicable																					
6h	If securities were issued under rule 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements	Not Applicable																					
6i	Calculate the entity's remaining issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements	<u>ASX Listing Rule 7.1</u> 65,172,919 Securities  <u>ASX Listing Rule 7.1A</u> 44,115,279 Shares																					
7	Dates of entering securities into uncertificated holdings or despatch of certificates	23 February 2018																					
8	Number and class of all securities quoted on ASX ( <i>including</i> the securities in section 2 if applicable)	<table><tr><th>Number</th><th>Class</th></tr><tr><td>441,402,798</td><td>Fully paid ordinary shares</td></tr></table>	Number	Class	441,402,798	Fully paid ordinary shares																	
Number	Class																						
441,402,798	Fully paid ordinary shares																						
9	Number and class of all securities not quoted on ASX ( <i>including</i> the securities in section 2 if applicable)	<table><tr><th>Number</th><th>Class</th></tr><tr><td>10,000,000</td><td>Unlisted Options exercisable at \$0.10 on or before 10 May 2020</td></tr><tr><td>53,600,910</td><td>Unlisted Options exercisable at \$0.05 on or before 31 July 2018</td></tr><tr><td>750,000</td><td>Unlisted Options exercisable at \$0.125 on or before 13 December 2019</td></tr><tr><td>833,334</td><td>Unlisted Options exercisable at \$0.12 on or before 22 September 2020</td></tr><tr><td>1,050,000</td><td>Unlisted Options exercisable at \$0.125, \$0.15, \$0.175, \$0.20 and \$0.225 on or before 13 December 2021</td></tr><tr><td>566,667</td><td>Class A Performance Shares</td></tr><tr><td>566,667</td><td>Class B Performance Shares</td></tr><tr><td>20,000,000</td><td>Performance Rights expiring 1 November 2018</td></tr><tr><td>1,875,000</td><td>Performance Rights expiring 30 November 2018 (vesting subject to conditions)</td></tr></table>	Number	Class	10,000,000	Unlisted Options exercisable at \$0.10 on or before 10 May 2020	53,600,910	Unlisted Options exercisable at \$0.05 on or before 31 July 2018	750,000	Unlisted Options exercisable at \$0.125 on or before 13 December 2019	833,334	Unlisted Options exercisable at \$0.12 on or before 22 September 2020	1,050,000	Unlisted Options exercisable at \$0.125, \$0.15, \$0.175, \$0.20 and \$0.225 on or before 13 December 2021	566,667	Class A Performance Shares	566,667	Class B Performance Shares	20,000,000	Performance Rights expiring 1 November 2018	1,875,000	Performance Rights expiring 30 November 2018 (vesting subject to conditions)	
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- 10 Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

N/A

## Part 2 - Bonus issue or pro rata issue

Questions 11 to 33 are not applicable

## Part 3 - Quotation of the Unlisted Options is not sought

*You need only complete this section if you are applying for quotation of securities*

- 34 Type of securities  
(tick one)

(a) ☒ Securities described in Part 1

(b) ☐ All other securities

Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

### Entities that have ticked box 34(a)

*Questions 35 to 42 are not applicable*

### Quotation agreement

- 1 Quotation of our additional securities is in ASX's absolute discretion. ASX may quote the securities on any conditions it decides.
- 2 We warrant the following to ASX.
  - The issue of the securities to be quoted complies with the law and is not for an illegal purpose.
  - There is no reason why those securities should not be granted quotation.
  - An offer of the securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
  - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any securities to be quoted and that no-one has any right to return any securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the securities be quoted.
  - If we are a trust, we warrant that no person has the right to return the securities to be quoted under section 1019B of the Corporations Act at the time that we request that the securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.

- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before quotation of the securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Ian Cunningham  
(Company Secretary)

Date: 23 February 2018

# Appendix 3B – Annexure 1

## Calculation of placement capacity under rule 7.1 and rule 7.1A for eligible entities

Introduced 01/08/12

### Part 1

Rule 7.1 – Issues exceeding 15% of capital	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>Insert</b> number of fully paid ordinary securities on issue 12 months before date of issue or agreement to issue	183,617,328
<b>Add</b> the following: <ul style="list-style-type: none"> <li>Number of fully paid ordinary securities issued in that 12 month period under an exception in rule 7.2</li> <li>Number of fully paid ordinary securities issued in that 12 month period with shareholder approval</li> <li>Number of partly paid ordinary securities that became fully paid in that 12 month period</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li>Include only ordinary securities here – other classes of equity securities cannot be added</li> <li>Include here (if applicable) the securities the subject of the Appendix 3B to which this form is annexed</li> <li>It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	80,852,145  93,164,557 Shares (02/05/2017 GM); 82,880,458 Shares (27/10/2017 GM); 638,310 Shares (30/11/2017 AGM)
<b>Subtract</b> the number of fully paid ordinary securities cancelled during that 12 month period	Nil
<b>“A”</b>	441,152,798

<b>Step 2: Calculate 15% of “A”</b>	
“B”	0.15 <i>[Note: this value cannot be changed]</i>
<b>Multiply “A” by 0.15</b>	66,172,919
<b>Step 3: Calculate “C”, the amount of placement capacity under rule 7.1 that has already been used</b>	
<p><b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period <i>not counting</i> those issued:</p> <ul style="list-style-type: none"> <li>Under an exception in rule 7.2</li> <li>Under rule 7.1A</li> <li>With security holder approval under rule 7.1 or rule 7.4</li> </ul> <p><i>Note:</i></p> <ul style="list-style-type: none"> <li><i>This applies to equity securities, unless specifically excluded – not just ordinary securities</i></li> <li><i>Include here (if applicable ) the securities the subject of the Appendix 3B to which this form is annexed</i></li> <li><i>It may be useful to set out issues of securities on different dates as separate line items</i></li> </ul>	<p>250,000 Shares (13/12/2017); and 750,000 Unlisted Options (13/12/2017)</p> <p>-</p> <p>-</p>
“C”	1,000,000
<b>Step 4: Subtract “C” from [“A” x “B”] to calculate remaining placement capacity under rule 7.1</b>	
<p>“A” x 0.15</p> <p><i>Note: number must be same as shown in Step 2</i></p>	66,172,919
<p><b>Subtract “C”</b></p> <p><i>Note: number must be same as shown in Step 3</i></p>	1,000,000
<b>Total [“A” x 0.15] – “C”</b>	<p><b>65,172,919</b></p> <p><i>[Note: this is the remaining placement capacity under rule 7.1]</i></p>

## Part 2

<b>Rule 7.1A – Additional placement capacity for eligible entities</b>	
<b>Step 1: Calculate “A”, the base figure from which the placement capacity is calculated</b>	
<b>“A”</b>  <i>Note: number must be same as shown in Step 1 of Part 1</i>	441,152,798
<b>Step 2: Calculate 10% of “A”</b>	
<b>“D”</b>	0.10  <i>Note: this value cannot be changed</i>
<b>Multiply “A” by 0.10</b>	44,115,279
<b>Step 3: Calculate “E”, the amount of placement capacity under rule 7.1A that has already been used</b>	
<b>Insert</b> number of equity securities issued or agreed to be issued in that 12 month period under rule 7.1A  <b>Notes:</b> <ul style="list-style-type: none"> <li>• This applies to equity securities – not just ordinary securities</li> <li>• Include here – if applicable – the securities the subject of the Appendix 3B to which this form is annexed</li> <li>• Do not include equity securities issued under rule 7.1 (they must be dealt with in Part 1), or for which specific security holder approval has been obtained</li> <li>• It may be useful to set out issues of securities on different dates as separate line items</li> </ul>	-
<b>“E”</b>	-



<b>Step 4: Subtract “E” from [“A” x “D”] to calculate remaining placement capacity under rule 7.1A</b>	
“A” x 0.10  <i>Note: number must be same as shown in Step 2</i>	44,115,279
<b>Subtract “E”</b>  <i>Note: number must be same as shown in Step 3</i>	-
<b>Total</b> [“A” x 0.10] – “E”	<b>44,115,279</b>  <i>Note: this is the remaining placement capacity under rule 7.1A</i>