Longford Resources LTD

ASX Release – 28 February 2018 **ASX: LFR**

PROPOSED NAME CHANGE TO "NEW WORLD COBALT LIMITED" AS NORTH AMERICAN COBALT STRATEGY GAINS MOMENTUM

Aggressive exploration programs well underway with strong news-flow imminent

Key Points:

- **New name reflects focus on exploring and developing high-grade cobalt deposits in Tier-1 jurisdictions**
- **Aggressive exploration programs underway at the Company's high-grade cobalt projects in the USA**
- **Permitting in progress for maiden drilling program at the Salmon Canyon Deposit within the Colson Cobalt-Copper Project in North America's premier cobalt belt in Idaho**
- **Extensive work programs underway in advance of drilling at the Goodsprings Copper-Cobalt Project in Nevada**
- **Option to acquire 80% of Keel Zinc Project in Ireland relinquished**

Longford Resources Limited (ASX: LFR; "Longford" or "the Company") is pleased to announce that it is seeking requisite approvals to change its name to "**New World Cobalt Limited**". The Company believes this will better reflect the Company's primary objective – which is to rapidly advance its high-grade cobalt projects, all of which are located in stable jurisdictions, through exploration and to production.

This will position the Company to capitalise on the rapid rise in cobalt prices, which is being driven by a significant global supply deficit due to soaring demand from the global lithium-ion battery sector combined with supply bottlenecks from traditional supply sources. The current global cobalt supply shortfall is forecast to continue in the medium-term.

This strategy will seek to put Longford in a strong position to meet surging demand for cobalt from the US and European auto industries and the fast-growing lithium-ion battery supply chain globally, where key end-users are urgently seeking reliable supplies of cobalt (approximately 60% of supply currently comes from the Democratic Republic of Congo).

Longford's Managing Director, Michael Haynes, said the Company had deliberately pursued the acquisition of highly prospective cobalt projects within stable jurisdictions to mitigate the risks associated with investing in less-stable geopolitical locations.

"Our proposed new name reflects this strategy, which is rapidly gaining momentum as exploration gets into full swing across our portfolio of North American cobalt assets. There is considerable potential to define JORC Resources at the previously mined Colson Cobalt-Copper Project in Idaho in the near-term. And at the Goodsprings Copper-Cobalt Project in Nevada, where historically there was production of cobalt at exceptionally high grades, to 29.2% cobalt, there is district-scale potential to make major discoveries.

"Shareholders can look forward to plenty of news-flow in the coming months, with an extensive sampling program already in progress at Goodsprings, where we recently tripled the size of our tenement holding, and, following the completion of a very successful soil sampling program earlier this month at the Colson Project, further sampling is to be undertaken in and around the Salmon Canyon Deposit in the coming months in advance of drilling which is scheduled to commence in the June quarter of 2018."

The Company will convene a shareholder meeting in early-April 2018 to seek approval for the proposed name change.

Further Information About the Company's Cobalt Projects

The Company currently holds a controlling interest in three very high-grade cobalt projects in North America, all of which host high-grade mineralisation and contain historic underground workings. It is now implementing fully-funded, aggressive, exploration and development programs at all three projects, as outlined below:

The Colson Cobalt-Copper Project, Idaho, USA

The Company holds an option to acquire 100% of the Salmon Canyon Copper-Cobalt Deposit, which is located at the northern end of North America's premier cobalt district – the 60km long Idaho Cobalt Belt ("ICB").

Between 1949 and 1960, approximately 5Mt of ore were mined from the Blackbird Deposit, 30km south of the Salmon Canyon Deposit in the central portion of the ICB, at grades averaging 0.6% Co and 1.5% Cu. eCobalt Solutions Inc. (TSX:ECS; market capitalisation circa $208m) is currently developing the fully-permitted Ram Deposit in the ICB, which is located immediately north of the Blackbird Mine. Resources there comprise 4.7Mt at 0.53% Co and 0.73% Cu.

Results returned previously from sampling the underground workings at the Company's Salmon Canyon Deposit 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; and**
- **1.8m @ 2.99% Cu, 0.31% Co, 3.48 g/t Au and 27.7 g/t Ag.**

Only 18 holes have been drilled to evaluate the mineralisation at the Salmon Canyon Deposit, which extends over a strike length of at least 300m and extends 600m down-dip. Mineralisation remains open in all directions. No modern exploration has been undertaken around the deposit previously.

Longford also holds a 100% interest in 142 Federal mining claims that are contiguous with and surround the Salmon Canyon Deposit, covering approximately 2,840 acres. Longford recently commenced a program of systematic exploration which has yielded immediate positive results with the delineation of a 1.5km long, strong, coincident cobalt-copper soil geochemistry anomaly immediately south of the Salmon Canyon Deposit. The anomalism remains open in all directions.

Additional mineral rights have recently been secured to cover the extensions of this anomalism, with exploration in these new areas to commence shortly.

The Company has applied for drilling permits with a view to commencing its inaugural drilling program at the Salmon Canyon Deposit in the second quarter of 2018. An underground re-sampling and mapping program is scheduled to be completed in March, with the acquisition of additional soil geochemistry samples scheduled to commence immediately thereafter.

The Goodsprings Copper-Cobalt Project, Nevada, USA

The Company holds a 100% interest in approximately 9,500 acres in the Goodsprings District of Nevada, USA. Extensive copper-cobalt-gold-silver-platinum-palladium-nickel-lead-zinc mineralisation is present across a large part of the District, including abundant shallow historical mines – demonstrating the District's considerable prospectivity.

Historical production of high-grade cobalt ore is recorded from a number of the former copper mines in the District, including two mines within the Company's Project area:

- **The Columbia Mine** – where three shipments of ore grading up to **29.2% cobalt** were recorded in 1921; and
- **The Blue Jay Mine** – where in 1922, ore that contained (on average) **6.37% cobalt** was recovered from a waste dump.

The Company has commenced systematic exploration across its Project area – applying modern exploration techniques for the first time over much of the Project area.

More than 2,000 soil samples are currently being collected on 200m x 50m sample spacings across the majority of the Project area. Induced polarisation ("IP") geophysical surveys will then be undertaken across highest priority targets in March and April 2018, in advance of the Company's inaugural drilling program scheduled to commence in mid-2018.

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

Longford has an agreement in place that provides it the right to acquire an initial 60% interest in the high-grade Hazelton Cobalt-Copper-Gold Project in British Columbia, Canada.

The Project covers 10km^2 and includes three historical mines that operated intermittently between 1918 and 1952, namely:

- **The Victoria Mine** – where ore grades averaged **123.4 g/t gold and 2.8% cobalt;**
- **The Rocher Deboule Mine** – where ore grades averaged **5.9% copper and 2.9 g/t gold;** and
- **The Highland Boy Mine** – where ore grades averaged **7.0% copper and 1.8 g/t gold.**

Only limited exploration has been undertaken subsequently, and most previous samples were not analysed for cobalt.

The Company is nearing completion of digitally compiling all historical information into a 3-dimensional database so it can formulate and implement a suitable work program in 2018.

Relinquishing Rights to the Keel Zinc Project, Ireland

Longford has elected not to exercise its option to acquire an 80% interest in the Keel Zinc Project in Ireland ("Keel Option") and has provided notice of termination to the vendor whereby it has relinquished all rights to the Keel Zinc Project, effective immediately. The decision not to exercise the Keel Option, which was to expire in March 2018, was made following consideration of:

(i) the substantial consideration payable to exercise the Keel Option, which comprised:
  - $1,000,000 in cash; and
  - the issue of a further 120,000,000 Longford shares;

(ii) the Company's focus on the exploration and development of its high-grade cobalt assets in North America;

(iii) an assessment of results returned from the Keel Zinc Project to date; and

(iv) the Company being unable to renegotiate suitable terms for the Keel Option.

Figure 1. Location of Longford's cobalt projects in North America.

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Qualified and Competent Person

The information in this announcement that relates to exploration results for the Colson, Goodsprings and Hazelton 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.

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.