
LONGFORD RESOURCES LIMITED

ACN 108 456 444

NOTICE OF GENERAL MEETING

A General Meeting of the Company will be held at The Boardroom, NKH Knight Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008 on Friday, 27 October 2017 at 2.00pm (AWST).

This Notice of General Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant, solicitor or other professional adviser prior to voting.

Should you wish to discuss any matter please do not hesitate to contact the Company Secretary by telephone on +61 435 905 770.

LONGFORD RESOURCES LIMITED

ACN 108 456 444

NOTICE OF GENERAL MEETING

Notice is hereby given that a general meeting of Shareholders of Longford Resources Limited (**Company**) will be held at The Boardroom NKH Knight, Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008 on Friday, 27 October 2017 at 2.00pm (AWST) (**Meeting**).

The Explanatory Memorandum to this Notice provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and the Proxy Form forms part of this Notice.

The Directors have determined pursuant to regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders on 25 October 2017 at 4pm (AWST).

Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in Section 8.

AGENDA

1. Resolution 1 - Approval of Acquisition of Liaz Pty Ltd

To consider, and if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to each of the other Resolutions being passed, for the purposes of Listing Rule 7.1, and for all other purposes, Shareholders approve the issue of up to 80,000,000 Shares (**Vendor Shares**) to the Vendors (or their nominees) as consideration for the Acquisition, on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Vendors and their nominees and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

2. Resolution 2 - Authority to issue Tranche 1 Salmon Canyon Shares

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to each of the other Resolutions being passed, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to issue the Tranche 1 Salmon Canyon Shares under the terms of the Salmon Canyon Option Agreement to the Salmon Canyon Vendor (or its nominees) on the terms and conditions set out in the Explanatory Memorandum."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Salmon Canyon Vendor and its nominees and a person might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

3. Resolution 3 – Appointment of Mr Michael Haynes as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to each of the other Resolutions being passed, Mr Michael Haynes, being eligible and offering himself for election, be elected as a Director."

4. Resolution 4 – Appointment of Mr Richard Hill as a Director

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to each of the other Resolutions being passed, Mr Richard Hill, being eligible and offering himself for election, be elected as a Director."

5. Resolution 5 – Approval of grant of Performance Rights

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

"That, subject to each of the other Resolutions being passed, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to grant 20,000,000 Performance Rights to the Incoming Directors (or their nominees) on the terms and conditions set out in the Explanatory Statement."

Voting Exclusion

The Company will disregard any votes cast on this Resolution by the Incoming Directors (and their nominees) and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed, and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chairman as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. Resolution 6 – Authority to grant Adviser Options

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

*"That, subject to each of the other Resolutions being passed, for the purpose of Listing Rule 7.1 and for all other purposes, Shareholders approve and authorise the Directors to grant up to 20,000,000 Options each exercisable at \$0.05 on or before 31 July 2018 (**Adviser Options**) to Cygnet Capital (or its nominees) on the terms and conditions set out in the Explanatory Memorandum."*

Voting Exclusion

The Company will disregard any votes cast on this Resolution by Cygnet Capital and its nominees and a person who might obtain a benefit (except a benefit solely in their capacity as holder of ordinary securities) if the Resolution is passed and any associates of those persons.

However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with directions on the Proxy Form; or
- (b) it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Dated 27 September 2017

BY ORDER OF THE BOARD



Scott Mison
Director

EXPLANATORY MEMORANDUM

1. Introduction

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at The Boardroom, NKH Knight, Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008 on Friday, 27 October 2017 at 2.00pm (AWST).

This Explanatory Memorandum should be read in conjunction with, and forms part of, the accompanying Notice. The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding whether or not to pass the Resolutions set out in the Notice.

A Proxy Form is located at the end of the Explanatory Memorandum.

2. Action to be taken by Shareholders

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

A Proxy Form is attached to the Notice. This is to be used by Shareholders if they wish to appoint a representative (a 'proxy') to vote in their place. All Shareholders are invited and encouraged to attend the Meeting or, if they are unable to attend in person, sign and return the Proxy Form to the Company in accordance with the instructions thereon. Lodgment of a Proxy Form will not preclude a Shareholder from attending and voting at the Meeting in person.

Please note that:

- (a) a member of the Company entitled to attend and vote at the Meeting is entitled to appoint a proxy;
- (b) a proxy need not be a member of the Company; and
- (c) a member of the Company entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half of the votes.

The enclosed Proxy Form provides further details on appointing proxies and lodging Proxy Forms.

2.2 Voting Prohibition by Proxy Holders

In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote on the basis of that appointment on Resolution 5:

- (a) the person is either:

- (i) a member of the Key Management Personnel of the Company; or
 - (ii) a Closely Related Party of such a member, and
- (b) the appointment does not specify the way the proxy is to vote on Resolution 5.

However, the prohibition does not apply if:

- (a) the proxy is the Chairman; and
- (b) the appointment expressly authorises the Chairman to exercise the proxy even if Resolution 5 is connected directly or indirectly with remuneration of a member of the Key Management Personnel of the Company.

3. Resolution 1 - Approval of Acquisition of Liaz Pty Ltd

3.1 Background

The Company is a mineral exploration company with interests in prospecting licences prospective for zinc and lead in Longford County, Ireland, and exploration licences prospective for base and precious metals in Western Australia.

The Company announced on 21 September 2017 that it had entered into a conditional agreement (**Acquisition Agreement**) to acquire 100% of Liaz (**Acquisition**).

Liaz is an Australian proprietary company which holds two advanced, underexplored, high-grade cobalt projects in the USA (See Figure 1) (the **Projects**):

- (a) the **Colson Cobalt-Copper Project**, located in Idaho; and
- (b) the **Goodsprings Cobalt-Copper Project**, located in Nevada.



Figure 1. Location of the Colson and Goodsprings Copper-Cobalt Projects in the USA.

Upon completion of the Acquisition (**Completion**), it is proposed that Liaz's directors, Messrs Mike Haynes and Richard Hill (the **Incoming Directors**), be appointed to the Company's Board.

In addition to managing the planning and implementation of exploration work programs at the Colson and Goodsprings Copper-Cobalt Projects, the Incoming Directors are committed to expanding the Company's asset portfolio through the pursuit of additional North American cobalt opportunities.

See below for further information about the Projects.

Colson Copper-Cobalt Project, Idaho

- Located in the USA's premier high-grade cobalt district, the Idaho Cobalt Belt
- Project located 30km along strike from eCobalt Solutions Inc.'s, fully permitted, Ram Cobalt-Copper Deposit where first production is targeted for Q2, 2019
- Historic exploration delineated mineralisation over 300m x 600m, with mineralisation open in all directions. Limited work completed since 1980.
- Project area includes the Salmon Canyon Deposit; previous results from sampling underground workings there 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

Goodsprings Copper-Cobalt Project, Nevada

- Extremely high-grade cobalt ore, assaying up to 29.18% Co, shipped from shallow copper mines in the Goodsprings district in the early 1900s
- Project area selectively comprises extensions of the geological sequence that hosts known copper-cobalt deposits
- ~3,500 acre landholding includes several historic copper-cobalt deposits, including:
 - The Rose Mine with reported assays up to 10% cobalt oxide (7-8% Co); and
 - The Fitzhugh Lee Mine – from which copper ore grading 21.5% Cu was shipped in 1915-17

See the Company's announcement to the ASX of 21 September 2017 for further information about the Projects.

The material terms of the Acquisition are set out in Section 3.2.

The Company has undertaken a due diligence process prior to the date of this Notice and will conduct further due diligence on Liaz and its Projects pending Completion. While this process is undertaken to identify any material risks specific to Liaz and its Projects, it should be noted that the usual risks associated with a company with a small market capitalization undertaking business in any industries, including the resource industry, are expected to remain after the completion of due diligence.

Shareholders and investors should also be aware that the Acquisition is conditional on a number of events (refer to Section 3.2 below). Accordingly, there is a risk that the Acquisition may not be completed.

Under the Acquisition Agreement, the Company has agreed to issue the Vendor Shares as consideration to the Vendors.

This Meeting has been called by the Board to seek the necessary approvals required to effect the Acquisition.

3.2 Commercial Terms

Under the Acquisition Agreement, the Company will acquire 100% ownership of Liaz for total consideration of 80,000,000 Shares (the **Vendor Shares**).

Resolution 1 seeks Shareholder approval for the issue of the Vendor Shares to the Vendors (or their nominees) (refer to Section 3.3 for further details).

Completion under the Acquisition Agreement is subject to certain conditions which must be satisfied or waived by 31 October 2017 (unless extended by agreement between the parties). These conditions have been satisfied with the exception of the following conditions which remain outstanding at the date of this Notice:

- (a) the Company completing its due diligence on Liaz and its Projects and being satisfied with the results on or before 21 October 2017; and
- (b) the Company obtaining all necessary shareholder approvals as are required to give effect to the Acquisition by 27 October 2017.

The Acquisition Agreement contains standard commercial warranties about Liaz and its assets and limits of vendor liability that are usual for a transaction of this type. The Acquisition Agreement also includes standard pre-Completion restrictions on Liaz and the Vendors.

The Acquisition Agreement provides that, with effect from Completion, Messrs Mike Haynes and Richard Hill, will be appointed to the Company's Board (see Section 5 for more details).

Messrs Haynes and Hill are both Vendors (through indirect holdings in Liaz) and have agreed that the 24,667,305 and 13,451,682 Vendor Shares they will receive (respectively) on Completion as consideration under the Acquisition will be subject to 12 months' voluntary escrow.

As a term of the Acquisition Agreement, the Company has agreed to issue 10,000,000 Performance Rights to each of the Incoming Directors (or their nominees) (20,000,000 Performance Rights in total).

Under the Acquisition Agreement, the parties have agreed that the Company will also grant 20,000,000 Adviser Options to Cygnet Capital (or its nominees) as a fee for introducing the Acquisition to the Company (see Section 7).

3.3 Approval to issue Vendor Shares

Listing Rule 7.1 provides that a company must not (subject to specified exceptions), without the approval of shareholders, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of fully paid ordinary securities on issue at the commencement of that 12 month period.

Given the Vendor Shares to be issued under Resolution 1 will exceed the Company's 15% threshold and none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is required in accordance with Listing Rule 7.1.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Vendor Shares to the Vendors.

Resolution 1 is an ordinary Resolution and is subject to each of the other Resolutions being passed.

3.4 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3 information regarding the issue of the Vendor Shares is provided as follows:

- (a) The maximum number of Shares the Company will issue to the Vendors is 80,000,000 Shares on Completion.
- (b) The Vendor Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (c) The Vendor Shares will be issued as consideration for the Acquisition and accordingly no funds will be raised from the issue of the Vendor Shares.
- (d) The Vendor Shares will be issued to the Vendors (or their nominees), none of whom is a related party of the Company. No Vendor (whether alone, or together with any of its associates) will hold more than 20% of the Shares in the Company following completion of the Acquisition.
- (e) The Shares to be issued are ordinary shares and rank equally with the Company's existing Shares.
- (f) It is expected that the Vendor Shares will be issued on one date, on Completion.
- (g) A voting exclusion statement is included in the Notice.

4. Resolution 2 - Authority to issue Tranche 1 Salmon Canyon Shares

4.1 Background

As noted in the Company's announcement to the ASX of 21 September 2017, Liaz's Colson Copper-Cobalt Project comprises a 100% interest in 46 Federal mining claims (covering approximately 920 acres) that surround 10 additional Federal mining claims (~200 acres), within which the Salmon Canyon Copper-Cobalt Deposit is located (see Figure 2).

Under an option agreement dated on or about 31 March 2017 (**Salmon Canyon Option Agreement**), Liaz has the right to acquire a 100% interest in the 10 mining claims encompassing the Salmon Canyon Deposit by making staged payments to the underlying claim owner, Salmon Canyon Copper Company (the **Salmon Canyon Vendor**), that comprise:

- (a) US\$150,000 in cash and US\$250,000 in Shares (the **Tranche 1 Salmon Canyon Shares**) (or cash if the issue is not approved by Longford Shareholders) on or before 31 October 2017;
- (b) US\$150,000 in cash and US\$250,000 in cash or Shares (at Longford's election) on or before 30 April 2018;
- (c) US\$275,000 in cash and US\$300,000 in cash or Shares (at Longford's election) on or before 30 August 2018; and

- (d) US\$300,000 in cash and US\$550,000 in cash or Shares (at Longford's election) on or before 31 December 2018.

For each payment instalment, the number of Shares to be issued will be based on the 10-day volume weighted average price for Shares immediately prior to the date of each Share issue, using the prevailing exchange rate at that date.

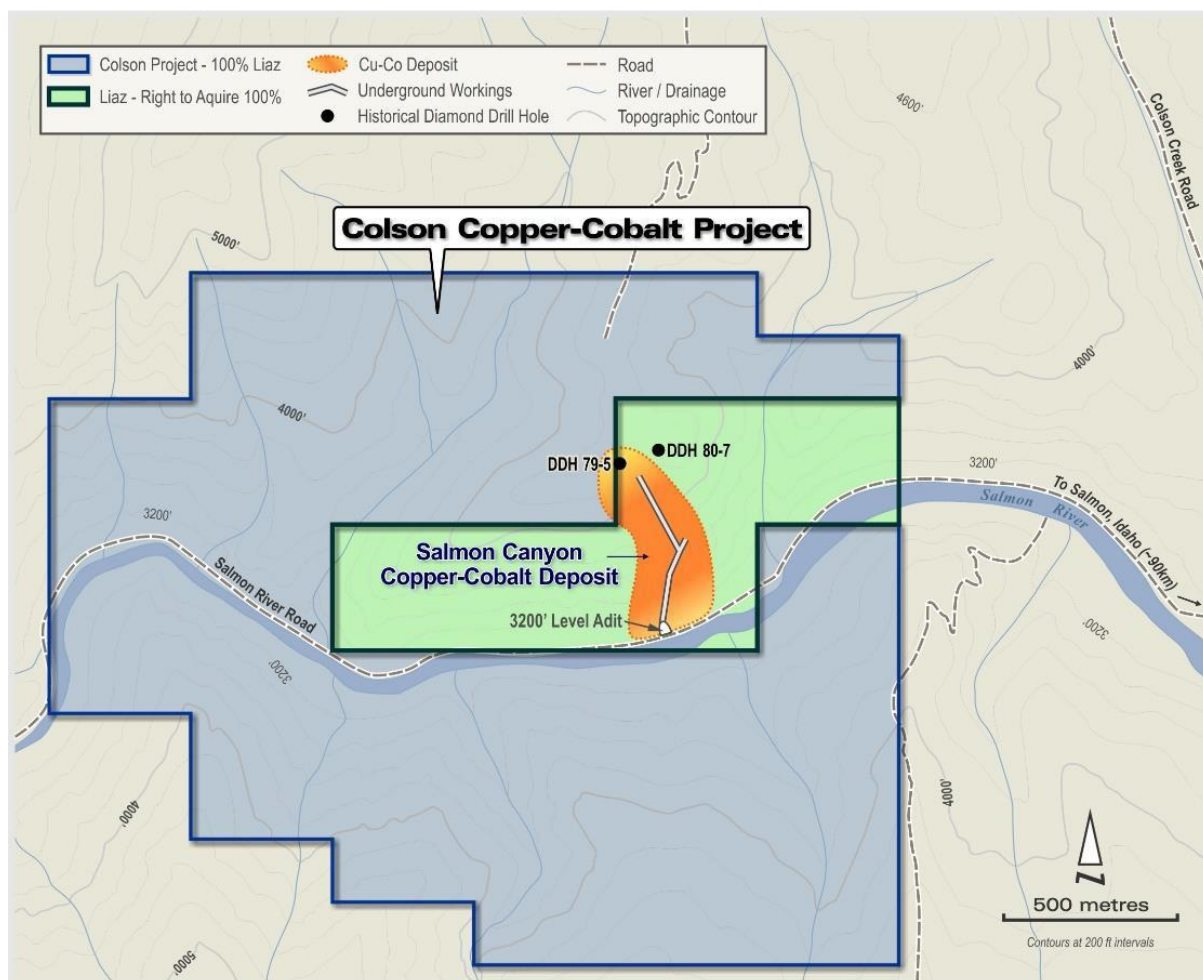


Figure 2. Liaz's tenure at the Colson Copper-Cobalt Project, Idaho, USA

Given that none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is being sought under Listing Rule 7.1 to issue the Tranche 1 Salmon Canyon Shares under Resolution 2 to preserve the Company's 15% capacity under Listing Rule 7.1. A summary of Listing Rule 7.1 is provided in Section 3.3.

Resolution 2 is an ordinary resolution and is subject to each of the other Resolutions being passed.

4.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the issue of the Tranche 1 Salmon Canyon Shares is provided as follows:

- (a) The number of Shares to be issued under Resolution 2 will be determined by dividing US\$250,000 by the 10-day volume weighted average price for Shares immediately prior to the date of issue, using the prevailing exchange rate at that date. The table below sets out indicative numbers of Shares which may be issued under Resolution 2, depending on the prevailing price for Shares at the time of issue (in each case using

the exchange rate of 1AUD:0.7966USD, being the AUD:USD exchange rate published on the website of the Reserve Bank of Australia for 25 September 2017):

	25% discount to 10-day VWAP for Shares to 25 Sept 17 (\$0.032 per Share)	10-day VWAP for Shares to 25 Sept 17 (\$0.042 per Share)	25% increase to 10-day VWAP for Shares to 25 Sept 17 (\$0.053 per Share)
Number of Tranche 1 Salmon Canyon Shares to be issued	9,807,306	7,472,233	5,921,392

- (b) The Tranche 1 Salmon Canyon Shares may be issued no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules) and it is intended that all of the Tranche 1 Salmon Canyon Shares will be issued on the same date (on or about Completion).
- (c) The Tranche 1 Salmon Canyon Shares are being issued for nil cash consideration as part of the consideration under the Salmon Canyon Option Agreement. Accordingly, no funds will be raised from the issue of the Tranche 1 Salmon Canyon Shares. As noted above, the deemed issue price for the Tranche 1 Salmon Canyon Shares will be US\$250,000 in total (the actual deemed issue price per Share in A\$ will depend on the prevailing price for Shares and the prevailing exchange rate at the time of issue).
- (d) The Tranche 1 Salmon Canyon Shares will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (e) The Tranche 1 Salmon Canyon Shares will be issued to the Salmon Creek Vendor (or its nominees) who is not a related party of the Company.
- (f) A voting exclusion statement is included in the Notice.

5. Resolutions 3 and 4 – Appointment of Directors

5.1 General

As announced to the ASX on 21 September 2017, on completion of the Acquisition, it is proposed to appoint Liaz's directors Messrs Michael Haynes and Richard Hill to the Company's Board. It is proposed that Messrs Haynes and Hill will assume the roles of Managing Director and Non-Executive Chairman respectively.

Resolutions 3 and 4 seek the election of Messrs Haynes and Hill, respectively, as Directors.

Brief profiles for each of the Incoming Directors are set out below.

The Board unanimously supports the election of Messrs Haynes and Hill.

Each of Resolutions 3 and 4 is an ordinary resolution and is subject to each of the other Resolutions being passed.

5.2 Candidate Director's Profile – Mr Michael Haynes (Resolution 3)

Mike Haynes B.Sc (Hons)

Mr Haynes has more than 25 years' experience in the international resources industry. He graduated from the University of Western Australia with an honours degree in geology and geophysics and has explored for a wide variety of ore deposit styles throughout Australia and extensively in Southeast and Central Asia, Africa, Europe, South and North America.

Mr Haynes has held technical positions with both BHP Minerals and Billiton plc. He has worked extensively on project generation and acquisition throughout his career. During the past 13 years he has been intimately involved in the incorporation and initial public offerings of numerous resources companies, and in the ongoing financing and management of those and other companies. In the past 3 years, Mr Haynes has been a director of the following ASX-listed companies: Coventry Resources Limited (reappointed 20 May 2014; resigned 13 December 2016), Overland Resources Limited (appointed 9 May 2005; resigned 23 June 2017) and Black Range Minerals Limited (appointed 27 June 2005; resigned 16 September 2015).

5.3 Candidate Director's Profile – Mr Richard Hill (Resolution 4)

Richard Hill B.Juris, LL.B, B.Sc (Hons), FFin

Mr Hill is a geologist and solicitor with 25 years' experience in the resources industry. He has performed roles as commercial manager and geologist for several mid cap Australian mining companies and as founding director for a series of successful ASX-listed companies. Mr Hill has practical geological experience as a mine based and exploration geologist in a range of commodities. He currently holds directorships in the following ASX listed companies: Genesis Minerals Limited (appointed Chairman February 2013) and Strandline Resources Limited (Managing Director from 23 October 2014 to 31 December 2015; Executive Director from 1 January 2016 to 1 June 2017; Non-Executive Director from 2 June 2017).

6. Resolution 5 – Approval of grant of Performance Rights

6.1 General

As outlined in Section 3.2, the Company intends to grant 10,000,000 Performance Rights to each of the Incoming Directors, Messrs Michael Haynes and Richard Hill (or their nominees) (20,000,000 Performance Rights in total).

The Performance Rights will be granted as a term of the Acquisition as long term incentives in connection with the appointment of the Incoming Directors from Completion.

The Performance Rights will each automatically convert into a Share for no consideration once vested. Each Performance Right will vest on the date that is 12 months from Completion, subject to Mr Haynes or Mr Hill (as applicable) providing services to the Company from Completion up until that date under the applicable services agreement entered into upon becoming a Director.

Upon the occurrence of a Change of Control Event (as that term is defined in Schedule 1), the Performance Rights will vest at a time to be determined by the Board acting bona fide so as to permit the holder to participate in the relevant change of control transaction.

If a Performance Right has not become vested by 5.00pm (Perth time) on the date that is 12 months and 1 day from of grant, the Performance Right shall immediately lapse.

The Performance Rights will otherwise have the terms and conditions set out in Schedule 1.

Resolution 5 seeks Shareholder approval pursuant to Listing Rule 7.1 to grant the Performance Rights.

A summary of Listing Rule 7.1 is provided in Section 3.3.

Given that none of the exceptions contained in Listing Rule 7.2 apply, Shareholder approval is being sought under Listing Rule 7.1 to issue the Performance Rights under Resolution 5 to preserve the Company's 15% capacity under Listing Rule 7.1.

Shareholder approval is not required under Listing Rule 10.11 to issue Performance Rights to Incoming Directors Messrs Haynes and Hill as Exception 6 under Listing Rule 10.12 applies (on the basis that their appointment as Directors and the issue of the Performance Rights are both terms of the Acquisition as noted in Section 3.2).

Resolution 5 is an ordinary resolution and is subject to each of the other Resolutions being passed.

6.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Performance Rights constitutes giving a financial benefit and Messrs Haynes and Hill are related parties of the Company by virtue of being proposed Directors.

After a review of publicly available information relating to the remuneration structures of several of its ASX listed peer companies, the Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of the Performance Rights to the Incoming Directors Messrs Haynes and Hill because the grant of the Performance Rights is considered reasonable remuneration in the circumstances.

6.3 Specific information required by Listing Rule 7.3

The following information is provided for the purposes of Listing Rule 7.3:

- (a) As noted above, the maximum number of Securities the Company may grant under Resolution 5 is 20,000,000 Performance Rights, comprising:
 - (i) 10,000,000 Performance Rights to be granted to Mr Michael Haynes (or his nominees); and
 - (ii) 10,000,000 Performance Rights to be granted to Mr Richard Hill (or his nominees).
- (b) The Company will grant the Performance Rights no later than three months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules) and it is intended that all of the Performance Rights will be granted on the same date, being the date of Completion.

- (c) The vesting conditions and expiry date of the Performance Rights to be granted pursuant to Resolution 5 are set out in Section 6.1. The full terms and conditions of the Performance Rights are set out in Schedule 1.
- (d) The Performance Rights will be granted for nil consideration under the terms of the Acquisition as long term incentives in connection with the appointments of the Incoming Directors from Completion. Accordingly, no funds will be raised from the grant of the Performance Rights.
- (e) Shares issued on conversion of the Performance Rights will be fully paid ordinary shares in the capital of the Company ranking equally in all respects with the Company's existing Shares on issue.
- (f) A voting exclusion statement is included in the Notice.

7. Resolution 6 – Authority to grant Adviser Options

7.1 General

As noted in the Company's announcement to ASX on 21 September 2017, the Company has agreed, subject to Shareholder approval, to grant up to 20,000,000 Adviser Options to Cygnet Capital (or its nominees) on successful completion of the Acquisition as a fee for introducing the Acquisition to the Company.

The Adviser Options will each be exercisable at \$0.05 on or before 31 July 2018. Further terms and conditions of the Adviser Options are set out in Schedule 2.

Shareholder approval of the grant of the Adviser Options means that this grant will not reduce the Company's 15% placement capacity under Listing Rule 7.1. A summary of Listing Rule 7.1 is provided in Section 3.3.

Resolution 6 is an ordinary resolution and is subject to each of the other Resolutions being passed.

7.2 Information required by Listing Rule 7.3

For the purposes of Listing Rule 7.3, information regarding the grant of the Adviser Options is provided as follows:

- (a) The maximum number of Adviser Options that the Company may issue under Resolution 6 is 20,000,000.
- (b) The Adviser Options may be granted no later than three months after the date of the Meeting (or such later date to the extent permitted by an ASX waiver or modification of the Listing Rules).
- (c) The Adviser Options will be granted for nil cash consideration as they will be issued as a fee for introducing the Acquisition to the Company.
- (d) The Adviser Options will be granted to Cygnet Capital (or its nominees), each of whom is not a related party of the Company.
- (e) The Adviser Options are each exercisable at \$0.05 on or before 31 July 2018. Further terms and conditions of the Adviser Options are set out in Schedule 2.

- (f) The Shares issued on exercise of the Adviser Options will comprise fully paid ordinary shares of the Company ranking equally with all other fully paid ordinary shares of the Company.
- (g) It is expected that the Adviser Options will be issued on one date, simultaneous with Completion.
- (h) A voting exclusion statement is included in the Notice.

8. Definitions

\$ means Australian Dollars.

Acquisition has the meaning in Section 3.1.

Agreement has the meaning in Section 3.1.

Adviser Options has the meaning in Resolution 6.

AWST means Australian Western Standard Time, being the time in Perth, Western Australia.

ASX means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX.

Board means the board of Directors.

Chairman means the chairman of this Meeting.

Closely Related Party means has the meaning in section 9 of the Corporations Act.

Company or **Longford** means Longford Resources Limited ACN 108 456 444.

Completion has the meaning in Section 3.1.

Corporations Act means the *Corporations Act 2001* (Cth).

Cygnnet Capital means Cygnnet Capital Pty Ltd ACN 103 488 606.

Director means a director of the Company.

Explanatory Memorandum means the explanatory memorandum attached to the Notice.

Incoming Directors has the meaning in Section 3.1.

Liaz means Liaz Pty Ltd ACN 612 108 433.

Listing Rules means the listing rules of ASX.

Meeting has the meaning in the introductory paragraph of the Notice.

Notice means this notice of meeting.

Option means an option to acquire a Share.

Performance Right means a performance right on the terms and conditions in Schedule 1.

Projects has the meaning in Section 3.1.

Proxy Form means the proxy form attached to this Notice.

Resolution means a resolution contained in this Notice.

Salmon Canyon Option Agreement has the meaning in Section 4.1.

Salmon Canyon Vendor has the meaning in Section 4.1.

Section means a section contained in this Explanatory Memorandum.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a shareholder of the Company.

Tranche 1 Salmon Canyon Shares has the meaning in Section 4.1.

Vendors means the shareholders of Liaz.

Vendor Shares has the meaning in Resolution 1.

In this Notice, words importing the singular include the plural and vice versa.

Schedule 1 – Terms and Conditions of Performance Rights

1. Conversion on vesting

Each Performance Right will be satisfied by the issuance of one Share on vesting.

Each Performance Right will vest on the date that is 12 months from Completion, subject to Michael Haynes or Richard Hill (as applicable) providing services to the Company from Completion up until that date under the applicable services agreement entered into upon becoming a Director.

2. Change of Control

Upon the occurrence of a Change of Control Event, the Performance Rights will vest at a time to be determined by the Board acting bona fide so as to permit the holder to participate in any change of control arising from a Change of Control Event.

A **Change of Control Event** means:

- (a) the offeror under a takeover bid in respect of all Shares has achieved acceptances in respect of more than 50.01% of Shares and that Takeover Bid has become unconditional (except any condition in relation to the cancellation or vesting of the Performance Rights);
- (b) the announcement by the Company that its Shareholders have, at a Court convened meeting of Shareholders, voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all securities of the Company are to be either:
 - (i) cancelled; or
 - (ii) transferred to a third party,and the Court, by order, approves the proposed scheme of arrangement; or
- (c) any person, individually or together with their Associates, acquires a relevant interest (as defined in the Corporations Act) in 50.01% or more of the total number of Shares on issue by any other means.

3. Expiry Date

If the Performance Rights have not become vested by 5.00pm (Perth time) on the date that is 12 months and 1 day from the date of grant of the relevant Performance Right, the Performance Rights shall immediately lapse.

4. Shares issued on satisfaction of Performance Criteria

Shares issued upon satisfaction of a Performance Criteria rank equally with the then Shares.

5. Reconstruction

In the event of any reconstruction, consolidation or division of the issued capital of the Company, the Performance Rights and their terms of satisfaction through the issuance of Shares in exchange therefor will be reconstructed, consolidated or divided in the same manner such that no additional benefits are conferred on the holder by virtue of such reconstruction, consolidation or division.

6. Winding up

If the Company is wound up before satisfaction of all of the Performance Rights by the issuance of Shares in exchange therefor, the holders will have no right to participate in surplus assets or profits of the Company on winding up in respect of their Performance Rights.

7. Dividends

Holders of Performance Rights are not entitled to receive any dividends on their Performance Rights.

8. Non-Transferable and No Quotation

The Performance Rights are non-transferable and are unquoted securities.

9. Voting Rights

Holders of the Performance Rights will have no right to vote in respect of their Performance Rights.

10. Participation in new issue

There are no participation rights or entitlements inherent in the Performance Rights and holders of the Performance Rights will not, in respect of their Performance Rights, be entitled to participate in new issues of capital offered to Shareholders.

Schedule 2 – Terms and Conditions of Adviser Options

1. Entitlement

Each Adviser Option (**Option**) entitles the holder to subscribe for one Share upon exercise of the Option.

2. Exercise Price and Expiry Date

The Options have an exercise price of \$0.05 (**Exercise Price**) and an expiry date of 31 July 2018 (**Expiry Date**).

3. Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date.

4. Notice of Exercise

The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised. Any Notice of Exercise of an Option received by the Company will be deemed to be a notice of the exercise of that Option as at the date of receipt.

5. Shares issued on exercise

Shares issued on exercise of the Options will rank equally with the then shares of the Company.

6. Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

7. Timing of issue of Shares

After an Option is validly exercised, the Company must, within, 15 Business Days of the notice of exercise and receipt of cleared funds equal to the sum payable on the exercise of the Option:

- (a) issue the Share; and
- (b) do all such acts, matters and things to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Shares.

8. Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will give holders of the Options notice of the proposed issue prior to the date for determining entitlements to participate in any such issue.

9. Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (a) the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Optionholder would have received if the Optionholder had exercised the Option before the record date for the bonus issue; and
- (b) no change will be made to the Exercise Price.

10. Adjustment for entitlement issue

If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of an Option will be reduced according to the following formula:

$$\text{New exercise price} = O - \frac{E[P-(S+D)]}{N+1}$$

Where:

O = the old Exercise Price of the Option.

E = the number of underlying Shares into which one Option is exercisable.

P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.

S = the subscription price of a Share under the pro rata issue.

D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).

N = the number of Shares with rights or entitlements that must be held to receive a right to one Share.

11. Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the Optionholders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

12. Options not quoted

The Company will not apply to ASX for quotation of the Options.

13. Options transferable

The Options are transferable.

14. Lodgement Instructions

Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Options with the appropriate remittance should be lodged at the Company's share registry.

LONGFORD RESOURCES LIMITED

ACN 108 456 444

PROXY FORM

The Company Secretary
Longford Resources Limited

By post

PO Box 1592
Booragoon WA 6954

By delivery:

Level 2, Spectrum
100 Railway Road
Subiaco WA 6008

By facsimile:

+61 8 9367 8812

Step 1 – Appoint a Proxy to Vote on Your Behalf

I/We ¹ _____

of _____

being a Shareholder/Shareholders of the Company and entitled to _____
votes in the Company, hereby appoint:

The Chairman of the Meeting (mark box)

☐

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name and address of the person or body corporate (excluding the registered shareholder) you are appointing as your proxy

or failing the person/body corporate named, or if no person/body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Meeting of the Company to be held at The Boardroom NKH Knight, Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008 on Friday, 27 October 2017 at 2.00pm (AWST) and at any adjournment or postponement of the Meeting and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law as the proxy sees fit).

Proxy appointments will only be valid and accepted by the Company if they are made and received no later than 48 hours before the meeting.

Important – If the Chairman of the Meeting is your proxy or is appointed your proxy by default

The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions. If the Chairman of the Meeting is your proxy or is appointed your proxy by default, unless you indicate otherwise by ticking either the 'for', 'against' or 'abstain' box in relation to a Resolution, you will be authorising the Chairman to vote in accordance with the Chairman's voting intentions on each Resolution even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

Please read the voting instructions overleaf before marking any boxes with an ☒.

Step 2 - Instructions as to Voting on Resolutions

The proxy is to vote for or against the Resolutions referred to in the Notice as follows:

	For	Against	Abstain
Resolution 1 - Approval of Acquisition of Liaz Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Authority to issue Tranche 1 Salmon Canyon Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Appointment of Mr Michael Haynes as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Appointment of Mr Richard Hill as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of grant of Performance Rights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Authority to grant Adviser Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

Authorised signature/s

This section **must** be signed in accordance with the instructions below to enable your voting instructions to be implemented.

Individual or Shareholder 1	Shareholder 2	Shareholder 3
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

_____	_____	_____
Contact Name	Contact Daytime Telephone	Date

¹Insert name and address of Shareholder² Insert name and address of proxy

*Omit if not applicable

Proxy Notes:

A Shareholder entitled to attend and vote at the Meeting may appoint a natural person as the Shareholder's proxy to attend and vote for the Shareholder at the Meeting. If the Shareholder is entitled to cast 2 or more votes at the Meeting the Shareholder may appoint not more than 2 proxies. Where the Shareholder appoints more than one proxy the Shareholder may specify the proportion or number of votes each proxy is appointed to exercise. If such proportion or number of votes is not specified each proxy may exercise half of the Shareholder's votes. A proxy may, but need not be, a Shareholder of the Company.

If a Shareholder appoints a body corporate as the Shareholder's proxy to attend and vote for the Shareholder at that Meeting, the representative of the body corporate to attend the Meeting must produce the Certificate of Appointment of Representative prior to admission. A form of the certificate may be obtained from the Company's share registry.

You must sign this form as follows in the spaces provided:

Joint Holding: where the holding is in more than one name all of the holders should sign.

Power of Attorney: if signed under a Power of Attorney, you must have already lodged it with the registry, or alternatively, attach a certified photocopy of the Power of Attorney to this Proxy Form when you return it.

Companies: a Director can sign jointly with another Director or a Company Secretary. A sole Director who is also a sole Company Secretary can also sign. Please indicate the office held by signing in the appropriate space.

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Representative" should be produced prior to admission. A form of the certificate may be obtained from the Company's Share Registry.

Proxy Forms (and the power of attorney or other authority, if any, under which the Proxy Form is signed) or a copy or facsimile which appears on its face to be an authentic copy of the Proxy Form (and the power of attorney or other authority) must be deposited at or received by facsimile transmission at the address below no later than 48 hours prior to the time of commencement of the Meeting (AWST).

Postal address: PO Box 1592, BOORAGOON WA 6954

Delivery address: Level 2 Spectrum, 100 Railway Road, SUBIACO WA 6008

Facsimile: 08 9367 8812 if faxed from within Australia or +61 8 9367 8812 if faxed from outside Australia.