LONGFORD RESOURCES LIMITED
(FORMERLY RAM RESOURCES LIMITED)

ANNUAL REPORT
30 JUNE 2017

A.B.N. 23 108 456 444

CONTENTS **PAGE**

CORPORATE INFORMATION

Directors Neville Bassett (Non-Executive Chairman) Bill (Charles) Guy (Managing Director) Scott Mison (Interim Chief Executive Officer) **Company Secretary** Eryn Kestel **Registered Office & Principal Place of Business** Level 2, 100 Railway Road Subiaco W.A. 6008 Telephone: (08) 6268 2630 Facsimile: (08) 9486 1258 Website: www.longfordresources.com.au	**Country of Incorporation** Australia **Auditors** HLB Mann Judd Level 4, 130 Stirling Street Perth W.A. 6000 Telephone: (08) 9227 7500 Facsimile: (08) 9227 7533 **Share Registry** Automic Registry Services Pty Ltd Level 2 267 St Georges Terrace Perth W.A. 6000 Telephone: (08) 9324 2099 Facsimile: (08) 9321 2337 **Home Exchange** Australian Securities Exchange Central Park 152-158 St Georges Terrace Perth WA 6000 **ASX Codes: LFR**

DIRECTORS' REPORT

In accordance with the provisions of the Corporations Act 2001, the Directors submit the annual financial report of the consolidated entity consisting of Longford Resources Limited ("Longford" or the "Company"), formerly Ram Resources Limited, and the entities it controlled (collectively the "Group") for the financial year ended 30 June 2017.

Directors

The names of Directors who held office during or since the end of the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Neville Bassett (Non-Executive Chairman)	Appointed 22/03/2004
Bill (Charles) Guy (Managing Director)	Appointed 28/03/2013
Edward Mead (Non-Executive Director)	Resigned 2/11/2016
Scott Mison (Interim Chief Executive Officer)	Appointed 2/11/2016

Names, qualifications, experience and special responsibilities of Directors holding office during or since the end of the financial year:

Current Directors

Mr Neville Bassett, AM. B.Bus, FCA
Non-Executive Chairman

Mr Bassett provides corporate advisory and financial management services and is currently a director of or advisor to a number of public listed and unlisted companies across a diverse range of industry sectors.

Mr Basset has experience in company listings and capital raisings and his involvement in the corporate arena includes mergers and acquisitions. Through exposure in the Australian financial markets, Mr Bassett has a wealth of understanding of matters pertaining to the Corporations Act, ASX listing requirements, corporate taxation and finance.

In the three years immediately before the end of the financial year, Mr Bassett served as a Director of Exoma Energy Limited from 20 August 2014 to 13 May 2016 and Quantify Technology Holdings Limited from 5 February 2016 to 1 March 2017. Mr Bassett is currently serving as Director of Vector Resources Ltd, Meteoric Resources NL, Laconia Resources Ltd, and Pointerra Limited.

Mr Bill Guy, BSc Geology, AIG
Managing Director

Following his appointment as Non-Executive Director on 28 March 2013, Mr Guy was appointed to the position of Managing Director on 26 July 2013.

Mr Guy has more than 20 years of experience as a geologist, exploration manager and Director in the mining, exploration, and environmental industry including more than 10 years as a specialist consultant providing technical advice to the mining industry.

Mr Guy's career has encompassed both Australian and overseas projects including Cockatoo Island Iron Ore Mine (Kimberleys WA) Nickel Laterite (Romblon Philippines), Exploration of Mabuhay Epithermal Gold Project Philippines, and numerous mineral exploration projects within Western Australia.

Mr Guy is a former Exploration Manager for Jupiter Mines Limited. Jupiter Mines was part of the iron ore and manganese group chaired by Brian Gilbertson. At Jupiter Mines he implemented a management style and set of exploration protocols, which was instrumental in enabling the projects to progress from grass roots enterprise through to a viable development stage resource, resulting in the successful delineation of Mt Mason and Mt Ida (Mt Mason DSO Project (5.75 M Fe 59.9%), and Mt Ida (conceptual target 1.3 Billion tons) (Inferred Resource 1.85B tonnes @29.48% Fe).

Mr Guy (Bsc) is a member of the Australia Institute of Geologists (AIG).

In the three years immediately before the end of the financial year, Mr Guy served as a Director of Resource Star Limited from 9 April 2013 to 2 July 2014.

DIRECTORS' REPORT (continued)

Mr Edward Mead, BSc Geology, MAUSIMM
Non-Executive Director

Mr Mead is a qualified geologist and a member of the Australian Institute of Mining and Metallurgy. Mr Mead has substantial experience in the areas of mining, exploration and project development. He has worked in Mozambique, Cameroon, Democratic Republic of Congo, South Africa, Austria and Australia in a variety of commodities and projects at different stages, which is considered to bring a wealth of experience to the Company to assist it with its ongoing exploration operations and in assisting with the evaluation of new opportunities.

Mr Mead has over the last 20 years worked for the Geological Survey of Western Australia, Portman Mining, Western Mining Corporation, Sons of Gwalia and worked as a consultant to a number of other private companies. Mr Mead has also worked in oil and gas with Baker Hughes Inteq. Mr Mead was also the Geology Manager for Fox Resources Limited, Technical Director for Comdek Ltd (now Resource Generation Ltd) and Managing Director of Global Strategic Metals NL.

Directorships held in other listed companies over the last three years – Artemis Resources Limited since 31 December 2014.

Mr Scott Mison, B.Bus, CA, ACSA
Interim Chief Executive Officer

Following his appointment as Non-Executive Director on 2 November 2016, Mr Mison was appointed to the position of Interim Chief Executive Officer on 18 May 2017.

Mr Mison holds a Bachelor of Business degree, majoring in Accounting and Business Law, is a Member of the Chartered Accountants in Australia & New Zealand and Chartered Secretaries in Australia. Mr Mison has more than 18 years of corporate and operational experience across Australia, UK, Central Asia, Africa and the US.

In the three years immediately before the end of the financial year, Mr Mison served as a Director of 1 Page Limited, from 17 January 2013 to 30 June 2016. He is currently a Director of ASX-listed Jupiter Energy Limited and Company Secretary of Rift Valley Resources Limited. He is also a member of the board of Wheelchair Sports WA Inc.

Company Secretary

Ms Eryn Kestel, B.Bus, CPA

Ms Kestel has an established career in accounting and business over the last 20 years and holds the position of company secretary for several ASX listed entities. Ms Kestel's areas of competency are company secretary matters and company administration.

Ms Kestel has a Bachelor of Business majoring in Accounting and is a Certified Practicing Accountant.

Interests in the shares, options and rights of the Company and related bodies corporate

The following relevant interests in shares, options and rights of the Company or a related body corporate were held by the Directors as at the date of this report.

Directors	Number of options over ordinary shares	Number of performance rights	Number of fully paid ordinary shares
Neville Bassett	96,512	625,000	289,536
Bill Guy	2,097,407	1,250,000	6,292,224
Edward Mead	-	-	55,556
Scott Mison	666,666	-	2,000,000

DIRECTORS' REPORT (continued)

The following share options and performance rights of the Company were granted to Directors during or since the end of the financial year as part of their remuneration:

Directors	Number of performance rights	Number of options over ordinary shares	Number of performance rights over ordinary shares	Number of options over ordinary shares
	Granted during the year	Granted during the year	As at 30 June 2017	As at 30 June 2017
Neville Bassett	-	-	625,000	-
Bill Guy	-	-	1,250,000	-
Scott Mison	-	-	-	-

During the financial year 83,333 unlisted options previously issued to the Company's Non-Executive Director, Mr Mead expired on 2 November 2016.

10,000,000 ordinary shares were issued on 25 July 2017 by the Company since the end of the financial year as a result of the exercise of options.

At the date of this report, unissued ordinary shares of the Company under option are:

Expiry date	*Exercise price*	*Number of shares*
31 December 2017	2 cents	10,000,000
31 July 2018	5 cents	94,453,055
10 May 2020	10 cents	10,000,000
22 September 2020	12 cents	833,334

At the date of this report, performance rights under issue are:

Expiry date	*Number of shares*
30 November 2018	1,875,000
	1,875,000

Dividends

No dividends have been paid or declared since the start of the financial year and the Directors do not recommend the payment of a dividend in respect of the financial year.

Principal Activities

The principal activities of the entities within the consolidated entity during the year were exploration for mineral resources.

DIRECTORS' REPORT (continued)

Review of Operations

Highlights

- ***Longford secures exclusive twelve-month option to acquire an 80% interest in the advanced Keel Zinc Project located in Ireland***
- ***Completion of placement of $3.5m before costs with 70,000,000 fully paid ordinary shares issued at $0.05 per share to professional and sophisticated investors***
- **3,000m maiden drilling program commenced**
- ***Drilling aimed at growing and upgrading current Inferred Resource of 6.9Mt at 5.6% zinc and 0.8% lead (as announced on 7 March 2017)***
- ***Longford exercises option to acquire 80% of West Kimberley Project following encouraging results from preliminary field work***
- ***Best Diamond Drill results so far first 5 Holes include:***
  - ***4m at 14.80 Pb+Zn % and 43.0 Ag g/t from 212m (KD_2017_02)***
  - ***3m at 12.5 Pb+Zn % and 33.0 Ag g/t from 171m (KD_2017_01);***
  - ***2m at 10.00 Pb+Zn % and 39.0 Ag g/t from 203m (KD_2017_02);***
  - ***5m at 7.00 Pb+Zn % and 18.6 Ag g/tfrom 122m (KD_2017_01);***
  - ***3m at 7.20 Pb+Zn % and 31.0 Ag g/t from 156m (KD_2017_01);***
  - ***15m at 7.90 Pb+Zn % and 31.0 Ag g/t from 165m (KD_2017_02); and***
  - ***83m at 4.10 Pb+Zn % and 29 Ag g/t from 134m (KD_2017_02)***
  - ***4.5m at 18.27 Pb+Zn % and 58.53 Ag g/t from 145.5 m (KD_2017_012)***
  - ***4m at 12.3 Pb+Zn % and 9.2 Ag g/t from 172m (KD_2017_012);***
  - ***1m at 12.10 Pb+Zn % and 36.6 Ag g/t from 150.5m (KD_2017_010);***
  - ***4m at 5.7 Pb+Zn % and 27.1 Ag g/t from 154m (KD_2017_012);***
  - ***5.3m at 5.5 Pb+Zn % and 18.3 Ag g/t from 121.8m (KD_2017_012);***
  - ***3m at 3.7 Pb+Zn % and 19.3 Ag g/t from 123m (KD_2017_008); and***
  - ***80m at 3.1 Pb+Zn % and 30 Ag g/t from 102m (KD_2017_012)***
- **Highest grade individual assay was recorded in Hole KD_2017_012 with 30.0%+ Zinc and 125 Ag g/t from 146.5 m to 147m (Assay method Zn-OG62 upper limited is 30% Zinc)**
- ***Gravity survey at Keel Zinc Project completed***
  - ***Two key gravity anomalies identified, both adjacent to the current Inferred zinc mineralisation***
  - ***Key Keel Fault Structure continues to north and south of known zinc mineralisation***
- ***Four (T1-T4) potential extensional resource zones identified; Zones T1 and T4 are supported by the gravity anomalies and are along strike from known mineralisation***
- ***Company changed name to Longford Resources Limited***
- ***Appointment of Scott Mison as Interim CEO***
- ***Loyalty Option Issue***

The Directors of Longford Resources Limited (Longford or the Company) (ASX: LFR) are pleased to provide the following review of the activities of the Company for the 2017 year. In what proved to be a transformational period for the Company, Longford successfully secured an option to acquire a majority interest in the advanced Keel Zinc Project located in Ireland (Figure 1). After completing a successful due diligence, including announcement of a maiden JORC resource, Longford also successfully secured commitments for a $3.5M placement to fund immediate exploration at the project, including a maiden drilling program which commenced in late April 2017.

DIRECTORS' REPORT (continued)

Keel Project Location and Overview

Longford has entered into a binding option agreement with Diversified Asset Holdings Pty Ltd to acquire 80% of the Keel Zinc Project located in Keel. Keel is situated in Co. Longford, south of Longford Town in Ireland. The project area is formed by two Prospecting Licenses, PL 185 and PL 186, and covers an area of 66km^2. The area is covered mainly by agricultural land, much of which is poorly drained pasture, and minor forestry. The ground covered by the Prospecting Licences has been held by major mining companies since the 1960's, Prospect Rio Tinto Finance & Exploration Plc (1963-2001) and Lundin Mining (2006-2012). Historic diamond drilling by Rio Tinto, Boliden Group, Lundin Mining and others has delineated two main mineralised horizons over 1.3 km in length (Figure 2). Zinc, lead and silver grades from annual reports are high grade sitting within the Keel Fault system.

Longford is currently drilling a 3000m drill program at Keel expected to be completed in October. The maiden drill program test historical results and be used to upgrade the resource. During the twelve month option period Longford will also complete gravity survey, regional geophysical studies, soil sampling and project evolution to determine if the option will be exercised in March 2018.

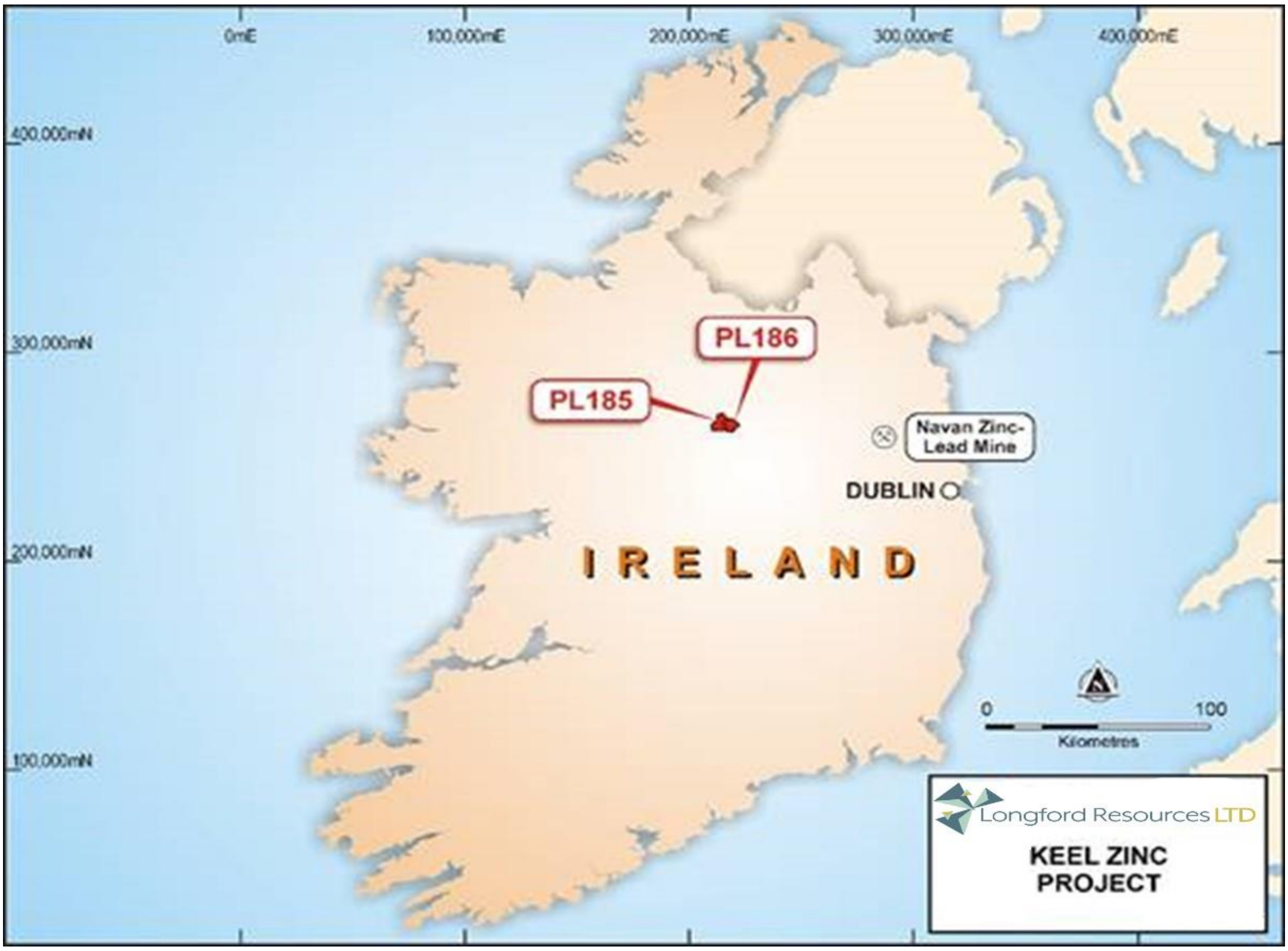

Figure 1: Location Map Keel Zinc Project

Keel Project

Resource Estimate

Longford completed a successful due diligence program included onsite inspections, legal ownership reviews and an assessment of over 40,000m of available drill data, which resulted in an initial Mineral Resource estimate. The estimate was completed by independent consulting firm CSA Global Pty Ltd ("CSA Global") and resulted in an initial Inferred Mineral Resource estimate of 6.9Mt at 6.4% Zn +Pb (Appendix 1).

DIRECTORS' REPORT (continued)

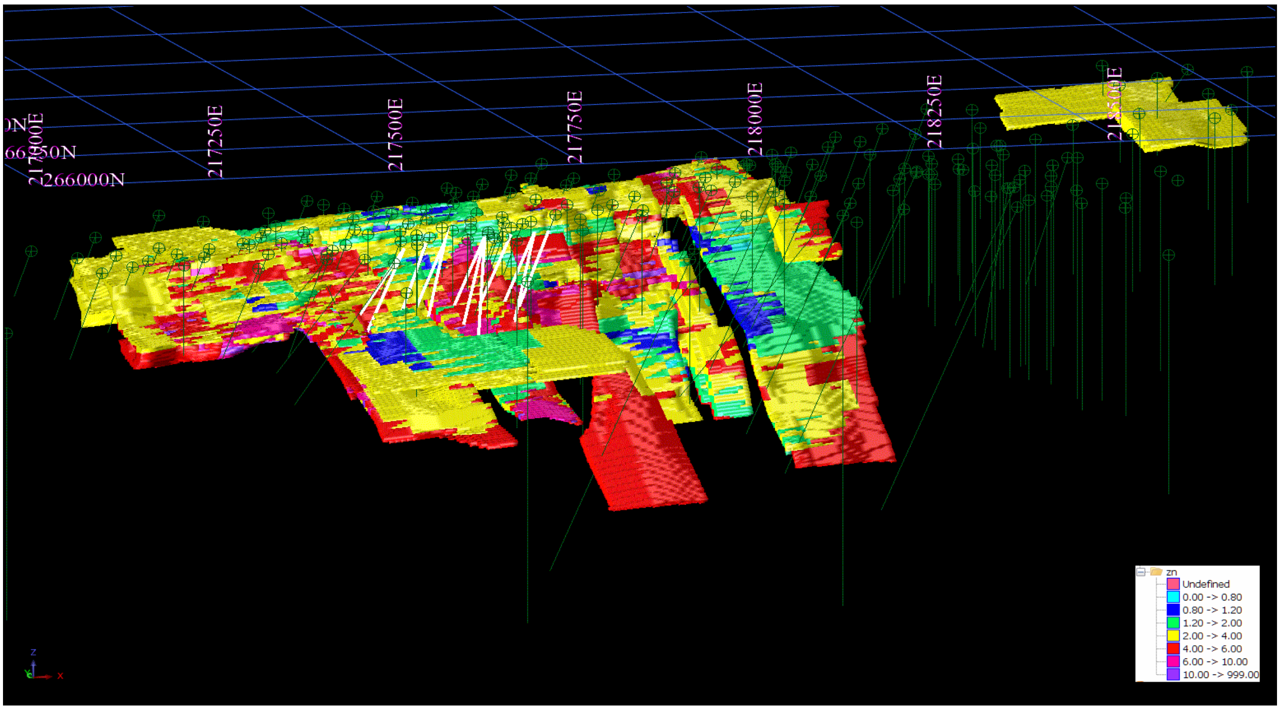

Figure 2: Oblique 1.3 km view of Main Keel Zinc Mineralisation Model (Excludes mineralisation to North)

CSA Global was engaged by Longford to undertake a Mineral Resource estimate at the Keel Zinc Project in Ireland. CSA Global have reported the Mineral Resource estimate in accordance with the JORC Code[1], which is summarised in Table 1. A summary report prepared by CSA Global also forms part of this ASX release (refer Appendix 1).

Table 1: Keel Zinc Deposit Mineral Resource Estimate, March 2017 (4% Zn cut-off)

JORC Classification	Cut-off grade	Density (t/m³)	Tonnes (Mt)	Zn (%)	Pb (%)
Inferred	4% Zn	2.85	6.9	5.6	0.8
Grand Total		**2.85**	**6.9**	**5.6**	**0.8**

*Note relating to Table 1. Due to effects of rounding the total may not represent the sum of all components.

Longford notes one of the most exciting realisations from the due diligence and Mineral Resource estimate was recognition of the large low grade mineralisation envelopes surrounding the higher-grade mineralisation (see Figure 2).

It is expected as drill density is increased around high grade zones, that segments of the low-grade halos can potentially experience increase in grade as definition is improved with a more selective model. Currently the drill hole spacing, while variable, averages around 80 m.

[1] Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

DIRECTORS' REPORT (continued)

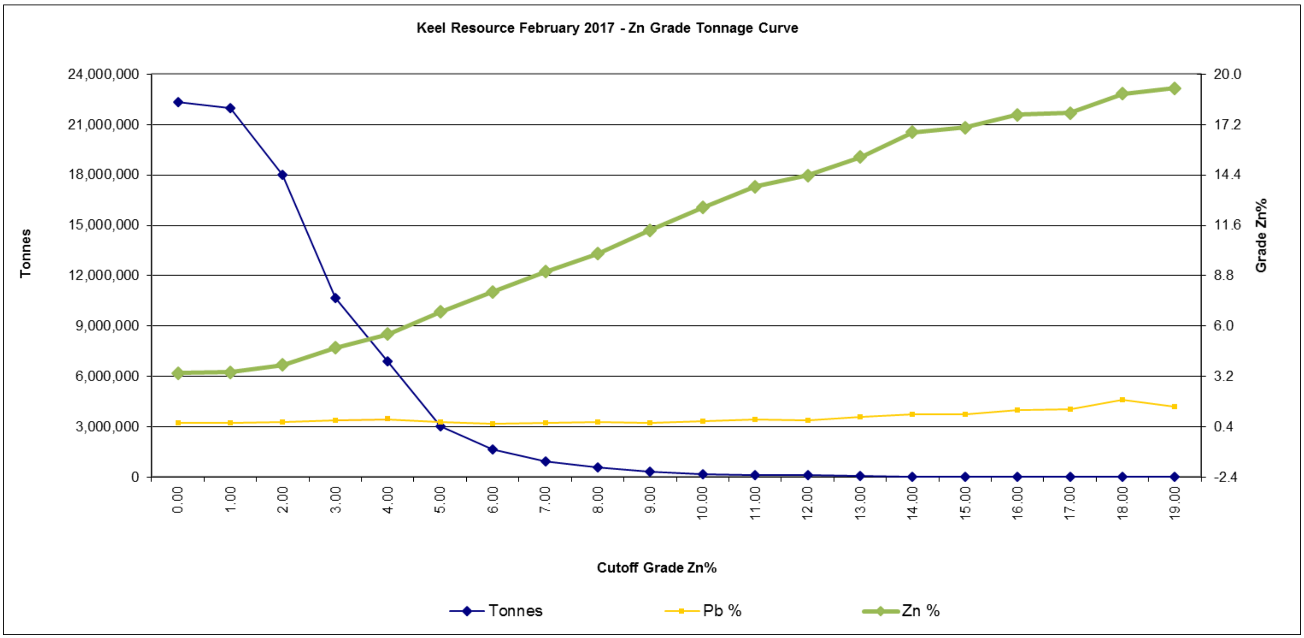

Figure 3: **Grade-tonnage plot for Keel Deposit for Zn and Pb**

Longford notes that high silver grades were returned from drilling by Lundin Mining in campaigns from 2005-2012, and had been reported in a historical resource estimate (American Smelting and Refining Company, 1971) at the project. Longford will assay for silver in the upcoming drill program.

Longford is now focused on designing an initial drill program aimed at upgrading the initial Mineral Resource estimate with drilling commence in late April 2017.

Regional Geology

Ireland has widespread carbonate formations that are favourable hosts for Zinc deposits. The main area of carbonate occurs in the world class ore field of the Central Ireland Basin mineral province. The Keel Zinc Project sits within Central Ireland Basin. The Central Ireland Basin is mainly formed by Navan Group(shallow water carbonates).

The Keel Zinc Project is underlain by the prospective Lower Carboniferous carbonates of the Navan Group. Both of the primary stratigraphic targets of the Irish carbonate orefield are present in the project area, the Waulsortian Limestone and the Navan Group. The Navan beds host the world class Navan zinc-lead mine, Europe's largest zinc mine.

The Waulsortian Limestone (up to 1,500m) hosts several base metal deposits including, Tynagh, Silvermines, Glamoy, Lisheen and Harberton Bridge deposit. The Waulsortian Limestone sits on the eastern side of project area and has not been a focus for historical exploration.

Historic Exploration Activity

Since exploration commenced in 1963, over 260 drill holes, predominantly diamond drilling, have been drilled at the Keel Zinc Project, including over 100 drill holes within the primary Keel Zinc mineralisation zone. Over 2700 assay results were collected from the drilling.

Rio Tinto built production scale infrastructure including a 5m wide shaft down to 175m with 3 main drives. Preliminary metallurgical test sampling was carried out using bulk samples from the shaft. Samples of the various ore types and ore grades were submitted to Warren Spring Laboratories to determine mineral dressing characteristics of the Keel mineralization. The Warren Spring tests indicated that the Keel ores were readily amenable to normal sulphide flotation techniques although the grind ability and flotation characteristics can vary within quite wide limits. Excellent concentrate grades were obtained and zinc-cadmium recoveries were consistently high.

Note: The above statement is adapted from the Rio Tinto Feasibility Study (FS) 1968.

DIRECTORS' REPORT (continued)

Mineralisation and Geology

The project area defined as PL 185 and PL 186 is dominated structurally by the Keel Inlier, a northeast-plunging anticline with Lower Palaeozoic (Silurian age) rocks at its core. The Lower Palaeozoic lithologies are uncomfortably overlain by the lower Carboniferous sandstones, conglomerates and carbonates of the Navan Group.

The Keel Inlier is an anticline structural "high" with beds dipping outwards to the Northwest and Southeast of the core. The core of the inlier is approximately situated on the eastern boundary between PL 185 and PL 186.

Mineralisation occurs as disseminations and as stockwork sulphide mineralisation in the carboniferous clastics units within faults zones and fractures. Within the project area, zinc mineralisation sits in two horizons which are spatially related to fractures between two branches of the Keel fault and stretch over 2 km in length. The high grade mineralisation occurs mainly as coarsely crystalline cavity-fills within the fault zone (Figure 4).

Diamond drilling so far in first five holes has confirm similar grades and mineralisation styles reported by historical reports see table 2.

Table 2: Highlights of Drill Hole Assay

Drillhole Number	Depth From	Depth to	Interval (downhole)	Combined Pb+Zn %	Zn %	Pb %	Ag g/t	Mineralisation
KD-2017-001	100	103	**3**	**3.16**	2.7	0.5	**29**	Quartz carbonate veins within limestones
	118	131	**13**	**3.88**	3.6	0.3	11.28	
Including	122	127	**5**	**7**	6.9	0.1	18.6	Limestone breccia with carbonate-sulphide matrix.
	142	147	**5**	**3.7**	3.6	0.1	6.3	Limestone breccia with carbonate-sulphide matrix.
	156	159	**3**	**7.2**	5	2.2	**31**	Fine grained disseminated sulphide within sandstone and quartz carbonate sulphide veining
	171	174	**3**	**12.5**	11.8	0.7	**33**	Fault Zone with quartz, carbonate and sulphide infill
KD-2017-002	105	130	**25**	**1.6**	1.4	0.2	5.6	Carbonate sulphide +/- quartz veins in limestone
	134	217	**83**	**4.1**	3.9	0.2	14	
Including	134	141	**7**	**3.9**	3.8	0.1	6.3	Limestone breccia with carbonate-sulphide matrix.
and	152	156	**4**	**4.3**	4	0.3	**26**	Massive sulphide veins and disseminated fine grained sulphide within intersticial voids in sandstone
and	165	180	**15**	**7.9**	7.1	0.8	**31**	1 to 5 cm massive sphalerite veins disseminated throughout the interval in sandstone
including	178	180	**2**	**14.2**	14	0.2	**31**	Massive sphalerite veins within sandstone
and	203	205	**2**	**10**	10	0	**39.4**	Sphalerite carbonate veins within siltstone, sandstone and conglomerates from basal sequence
and	210	217	**7**	**9.3**	9.3	0	**27.5**	Fault zone/breccia infill within siltstone and mudstones from the Palaeozoic basement.
including	212	216	**4**	**14.8**	14.7	0.1	**43.6**	Fault zone/breccia infill within siltstone and mudstone from the Palaeozoic basement
KD-2017-008	*96.5*	*98*	*1.5*	*4.65*	*4.35*	*0.3*	*23.05*	*Veins and vugs at tectonised contact between ABL and underlying Navan Beds equivalent*
	123	*126*	***3***	*3.7*	*3.3*	*0.4*	*23.5*	*Hydraulic breccia at base of a calcareous sandstone unit with carbonate sulphide matrix*

	137	*147*	*10*	*2.5*	*2.1*	*0.4*	*11.96*	*Hydraulic brecciation with sphalerite, dolomite, calcite matrix.*
Including	*137*	*139*	*2*	*3.97*	*3.86*	*0.11*	*8.39*	*Zone of more intense brecciation, more matrix supported hydraulic breccia.*
and	*141*	*142*	*1*	*5.7*	*3.8*	*1.9*	*47.8*	*Zone of more intense brecciation, more matrix supported hydraulic breccia.*
and	*144*	*145*	*1*	*5.4*	*4.7*	*0.7*	*14.95*	*Zone of more intense brecciation, more matrix supported hydraulic breccia.*
KD-2017-010	*104*	*105.5*	*1.5*	*3.57*	*3.1*	*0.47*	*13*	*Tectonic breccia at contact between sandstone and mudstone. Sulphide mineralisation in breccia matrix.*
	117	*118*	*1*	*1.93*	*1.03*	*0.9*	*53.5*	*Hydraulic breccia in sandstone with carbonate sulphide matrix.*
	130	*181*	*51*	*1.5*	*1.3*	*0.2*	*5.25*	*Hydraulic breccia matrix fill and brittle fracture fill.*
Including	*145*	*148*	*3*	*4.7*	*3.7*	*1*	*16.79*	*Hydraulic breccia in clacareous sandstone/siltstone with carbonate sulphide matrix.*
and	*150.5*	*154*	*3.5*	*4.36*	*4.35*	*0.01*	*12.2*	*Open cracks and vugs with euhedral sphalerite cristals fill - brittle fracture fill*
and including	*150.5*	*151.5*	*1*	*12.2*	*12.1*	*0.09*	*36.6*	*Open cracks and vugs with euhedral sphalerite cristals fill*
KD-2017-012	*102*	*182*	*80*	*3.1*	*2.8*	*0.3*	*12*	*Various styles of mineralisation within the broader interval. See after*
Including	*121.8*	*127.1*	*5.3*	*5.5*	*5.4*	*0.1*	*17.6*	*Hydraulic breccia with clacite, dolomite, quartz, sulphide matrix fill*
and	*145.5*	*150*	*4.5*	*18.27**	*17.97**	*0.3*	*58.5*	*Hydraulic brecciation of limestone. Sphalerite carbonate matrix fill plus limestone clasts dissolution with limestone replacement by sphalerite.*
and	*154*	*158*	*4*	*5.7*	*5.4*	*0.3*	*27.1*	*Several smaller zones of hydraulic brecciation with sulphide fill of breccia matrix.*
and	*172*	*176*	*4*	*12.3*	*11.6*	*0.7*	*17*	*Brittle fractures in competent sandstone unit with several generations of sphalerite infill.*
	250.5	*253.2*	*2.7*	*4.2*	*2.4*	*1.8*	*35.3*	*Hydraulic breccia in paleozoic basement. Mudstone/shale clasts with sulphide, calcite, quartz matrix*
** A 30% Zn top cut was applied de facto to sample A384 (from 146m to 146.5m) as the analysis method OG-62 for ore grade material has a maximum detection limit at 30% Zn. True zinc grade for this interval is not known and calculations have been done using a 30% Zn grade.*								

Note Table 2 : All samples dispatched to ALS Minerals Ireland for ME-S61 analysis. All sample over 1 % Zinc re-assayed using OG-62 -Ag, Pb, ZN. All samples collected at different seizes. Weighting based on sample intervals length used to calculated the average assay grade for the combined intervals. All samples used half core sample. Only sample over 1% Zinc are reported in this table.

Note that Holes KD_2017_008 and KD_2017_010 both intercepted historical workings. Hole KD_2017_008 was terminated at 164m in a stope. Expected mineralisation was between 164m to 180m. KD_2017_010 .

Note that the intercepts are not true widths but broadly conform to Inferred Mineralisation Resource see Figure 2.
It was noted in Hole KD_2017_012 (Figure 5) that mineralisation is a more traditional Irish style Zinc model with the low temperature replace of carbonate host rock. There may be a stratigraphic component to this mineralisation, that will require drill testing as project progress. The carbonate replacement mineralisation present in hole KD_2017-012 is traditional ore source for Irish Zinc.

DIRECTORS' REPORT (continued)

At present the Wilkinson and Hitzman Model (2014) (Figure 6) seem the best fit for Keel explaining the hydrothermal mineralisation in the drill core and the low temperature carbonate replacement. Keel has never been exposed to modern exploration this includes the use of modern day geological models.

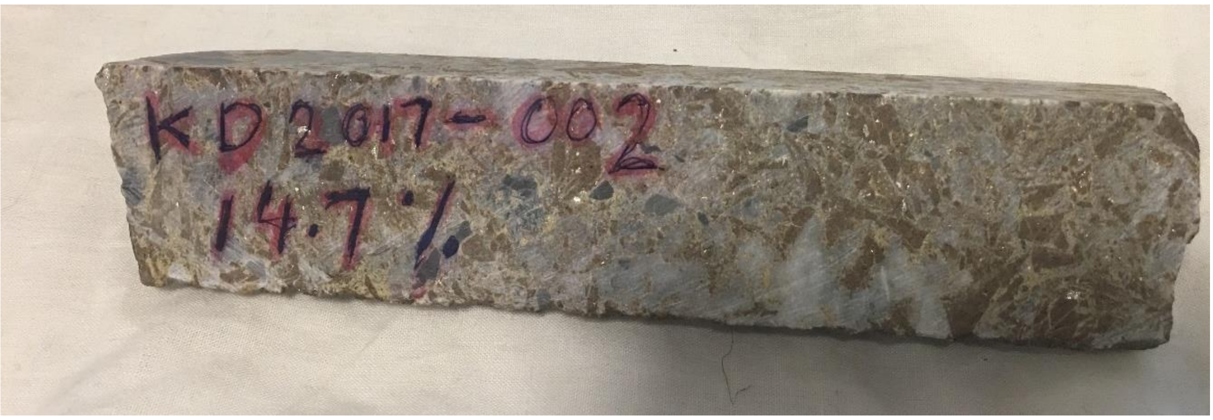

Figure 4 :High grade yellow sphalerite (14.7% Zn)in hydrothermal breccia

Figure 5: KD-2017-012 Mineralised Navan Limestone low temperature carbonate replacement with massive Zinc sulphide breccia 30% Zinc

DIRECTORS' REPORT (continued)

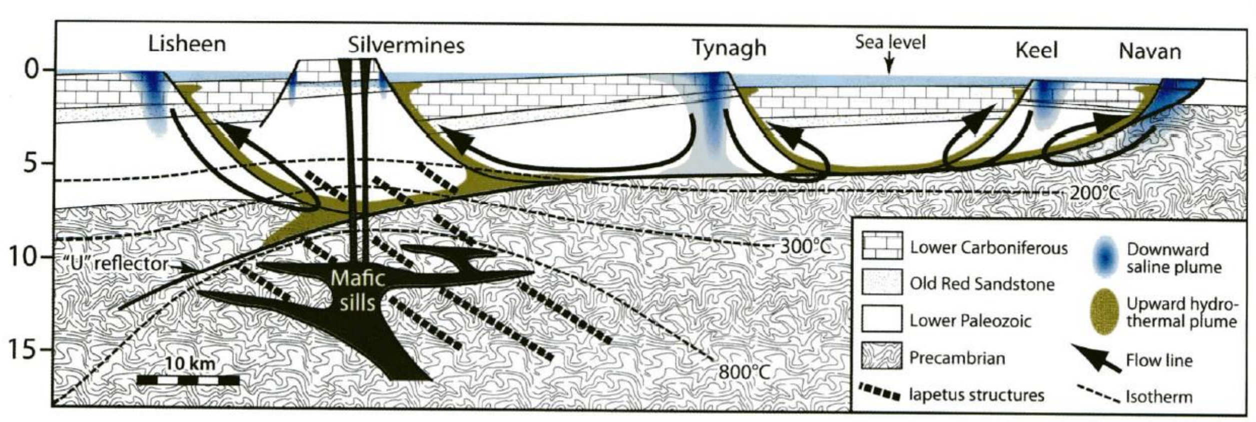

Figure 6 The Irish Zn-Pb Orefield: The View from 2014

The current drilling program consists of 12 holes (Figure 7), designed to test the spatial extent of the Keel Inferred Mineral Resource.

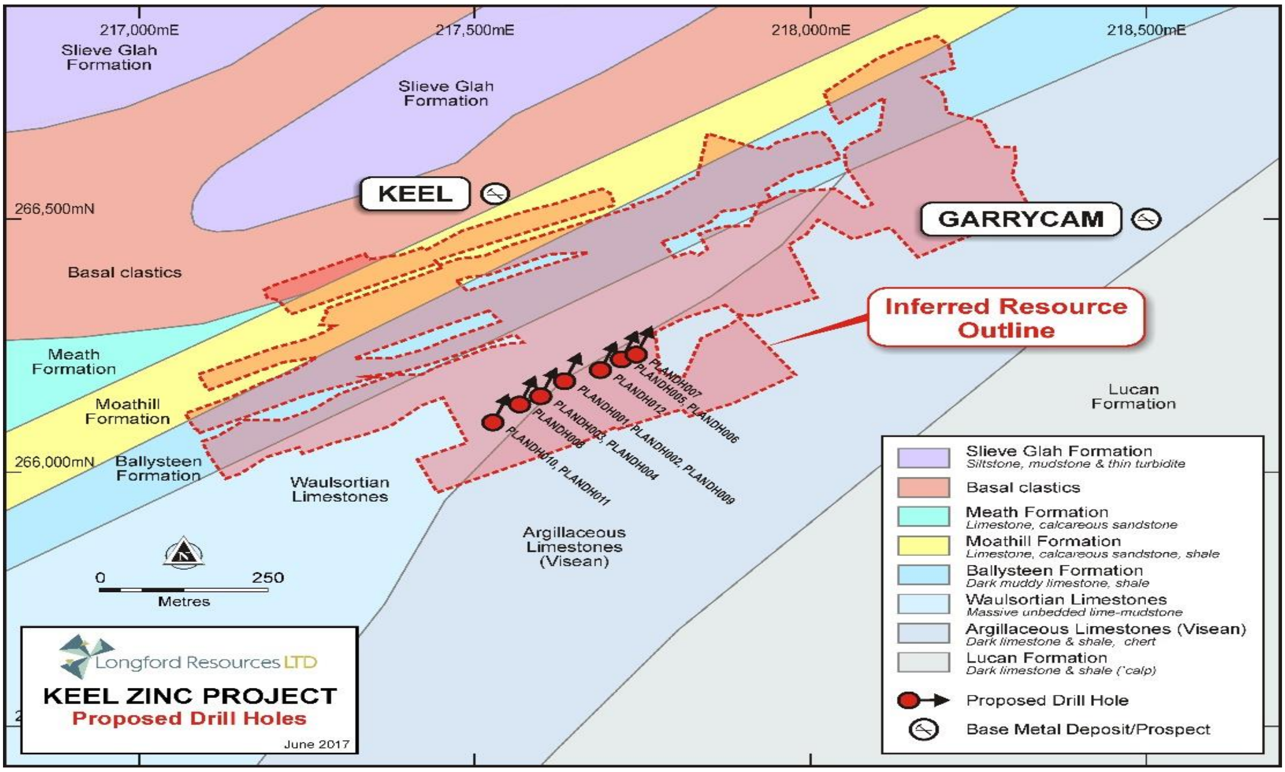

Figure 7: Drill Hole Location Plan

Gravity Survey Completed

During the year, the Company started the gravity survey. As announced on subsequent to year end (25th July 2017) the gravity survey identified two significant anomalies close to the existing Inferred Resource (6.9Mt at 6.4% zinc + lead). At the same time, the structural interpretation shows that the key fault structure which controls the mineralisation continues to the north and south of the known mineralisation, highlight the strong potential for grow the Resource.

DIRECTORS' REPORT (continued)

Preliminary Extensional Resource Zones

As part of its ongoing exploration efforts, Longford engaged CSA Global to delineate areas near the existing mineralised envelope that require further drilling. Four zones were identified. T1-T4. (see Figure 8) which have the potential to lift the existing inferred resource. CSA's first-pass targeting was focused on obvious gaps in drilling in the mineralised zone and areas with direct extension potential. This targeting is considered preliminary only with the understanding that it would be reviewed and re-designed based on drill results from the resource validation program.

Longford considers T1 and T4 as key areas of interest. Both areas have significant scale and coincident gravity anomalies (Figure 9) supporting the geological interpretation. Longford intends to drill a stratigraphic drill hole into T4 to test the geological interpretation and fault position.

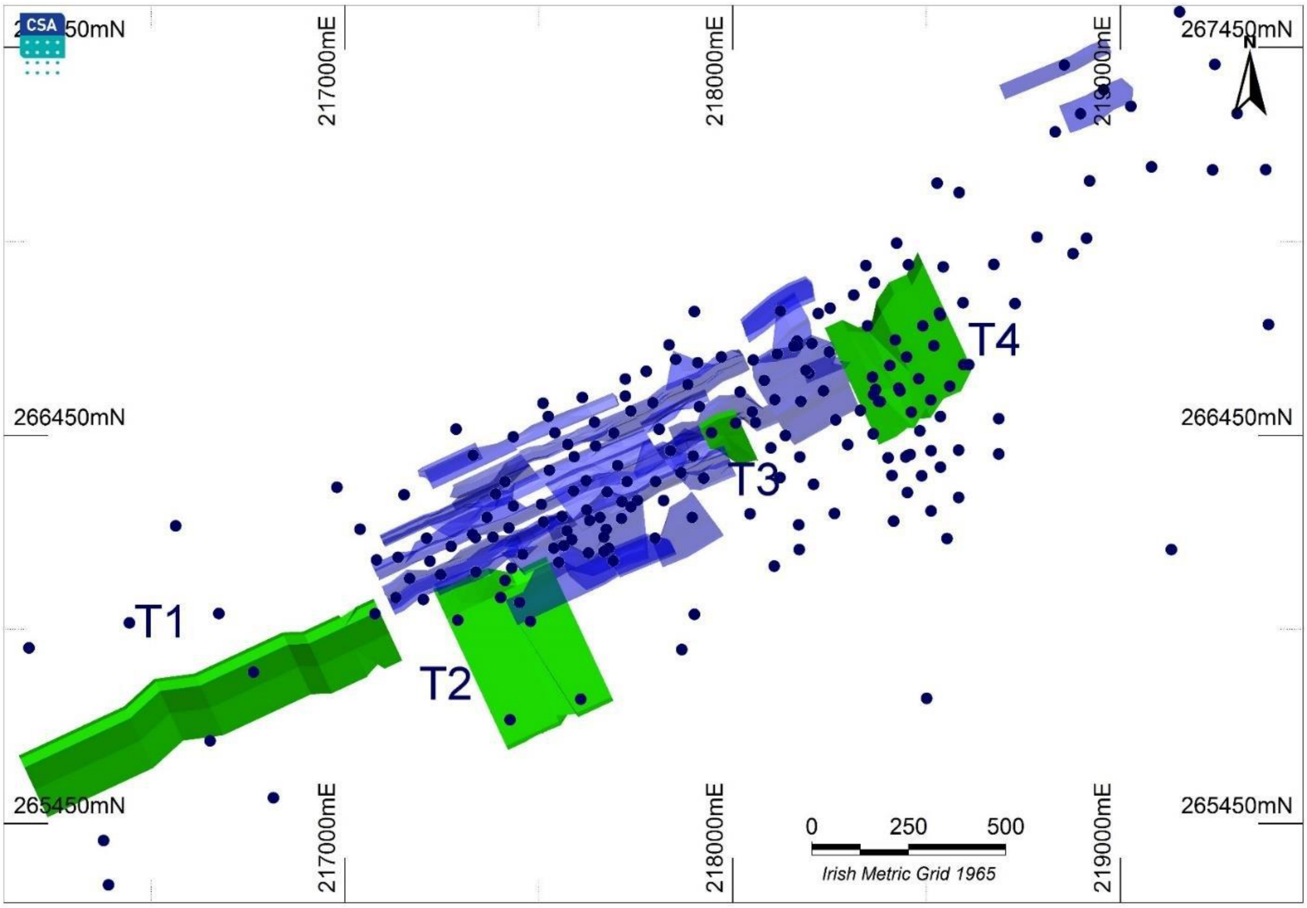

Figure 8: Plan view showing existing Mineral Resource wireframes (blue) and target wireframes (green)

Hole KD-2017-06 Massive Zinc Sulphide in fault gouge

DIRECTORS' REPORT (continued)

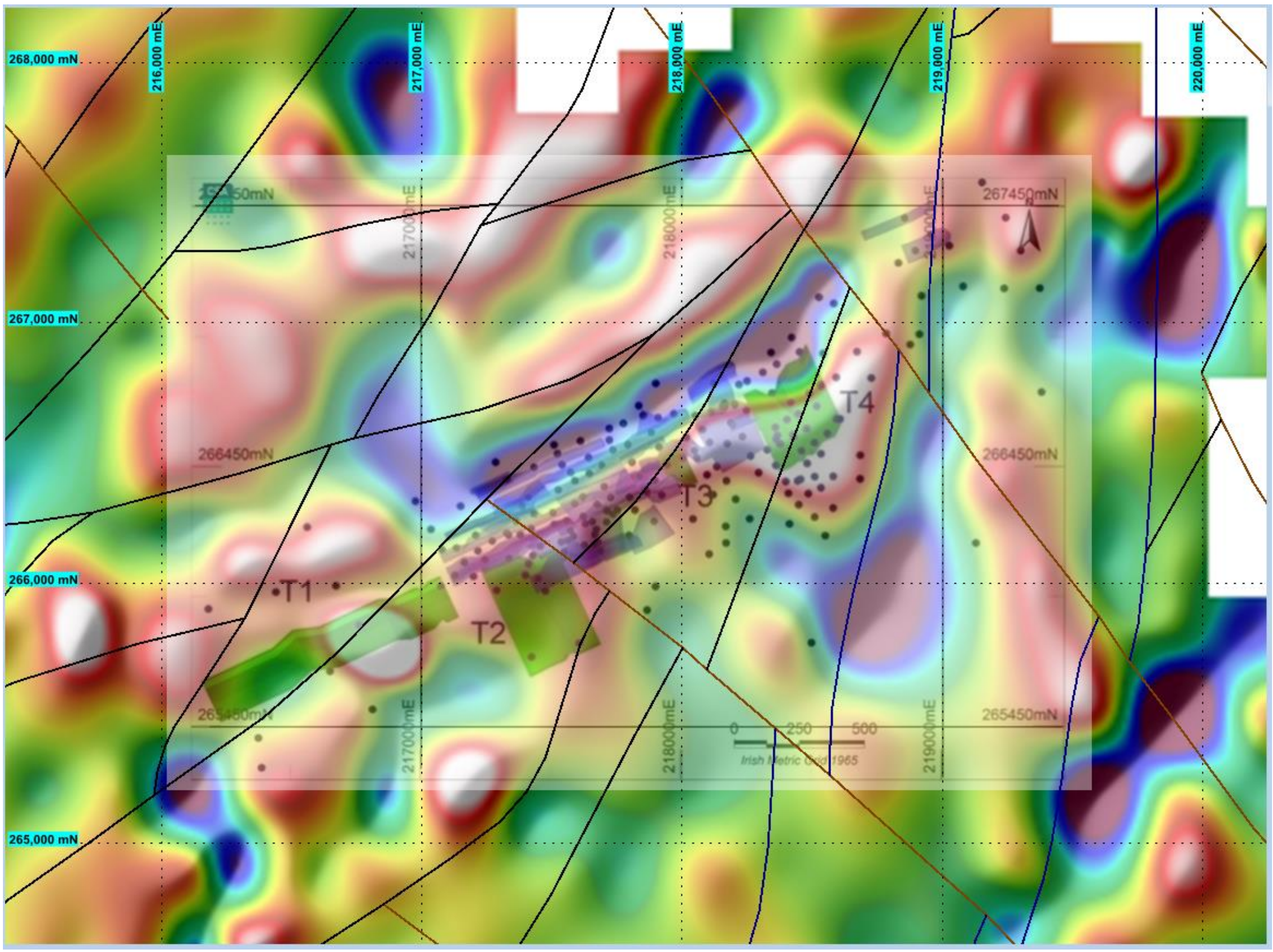

Figure 9: Gravity Image overlay Structural Inpreation and the Extension Resource Zones T1-T4

Description of the Four Prospective Zones Identified by CSA

T1 zone is along strike of the Keel Main Fault in the direct southwest continuation of the main zone mineralisation. Although mineralization has been partly closed off at the southwest end of the resource, the area further southwest is poorly tested and mostly by shallow holes. There is also surface geochemical anomalism, especially in Zn, over the Navan Beds and Basal Clastics; this may represent up-dip leakage anomalism. Note discrete gravity anomaly over T1.

T2 zone is down dip of the Keel Main Fault, in a similar position as KA167. This position is previously untested to the southwest of KA167. KA165 which is 225 m northeast of KA167 only intersected very weak mineralisation, however the zone could strengthen to the southwest related to a fault relay. (Fault relay are main structural host of the zinc).

T3 zone is up dip of Keel Main Fault. There is a 100m of strike here that has not been tested previously. The upside tonnage potential from this hole is limited and it is considered low priority.

T4 zone is along strike of Keel Fault, below the Garrycam barite mineralisation which occurs in the basal Waulsortian limestone. The Garrycam mineralisation is also variably anomalous in Zn (approx. 2.5% Zn) and is considered part of the same mineralising system, similar to the situation at Silvermines/Ballynow where massive barite occurs peripherally to the massive sulphide orebodies. Note gravity anomaly over T4. The Garrycam barite mineralisation was closely drilled, but the holes were not deep enough to test the Keel Fault position close to the Lower Palaeozoic contact in Navan beds below ABL Unit.

DIRECTORS' REPORT (continued)

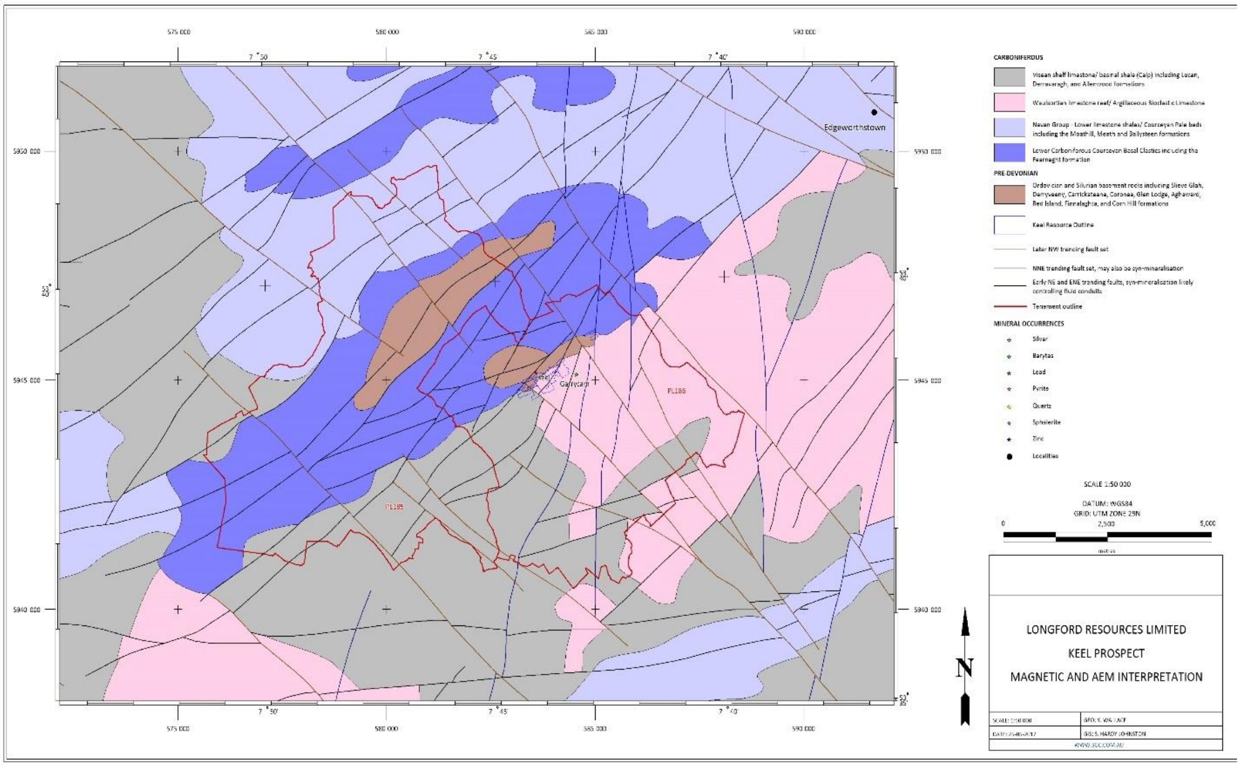

Figure 10: Geophysical interpretation of Keel Zinc Project.

Kimberley West Project

During the quarter, Longford announced the exercise of its option to acquire 80% of the Kimberley West Project (Figure 11). The option was exercised following the receipt of encouraging preliminary field work results. The field work program included a maiden drilling program which revealed the presence of strong sulphide mineralization and rockchip sampling which returned positive gold assays. Geochemical analysis indicates that Longford's drilling may have intersected the distal part of a zoned exhalative sedimentary (SEDEX) style mineralization. Longford completed the acquisition of 80% of the Kimberley West Project by issuing the vendor with $200,000 of fully paid shares at (6.32cents)

DIRECTORS' REPORT (continued)

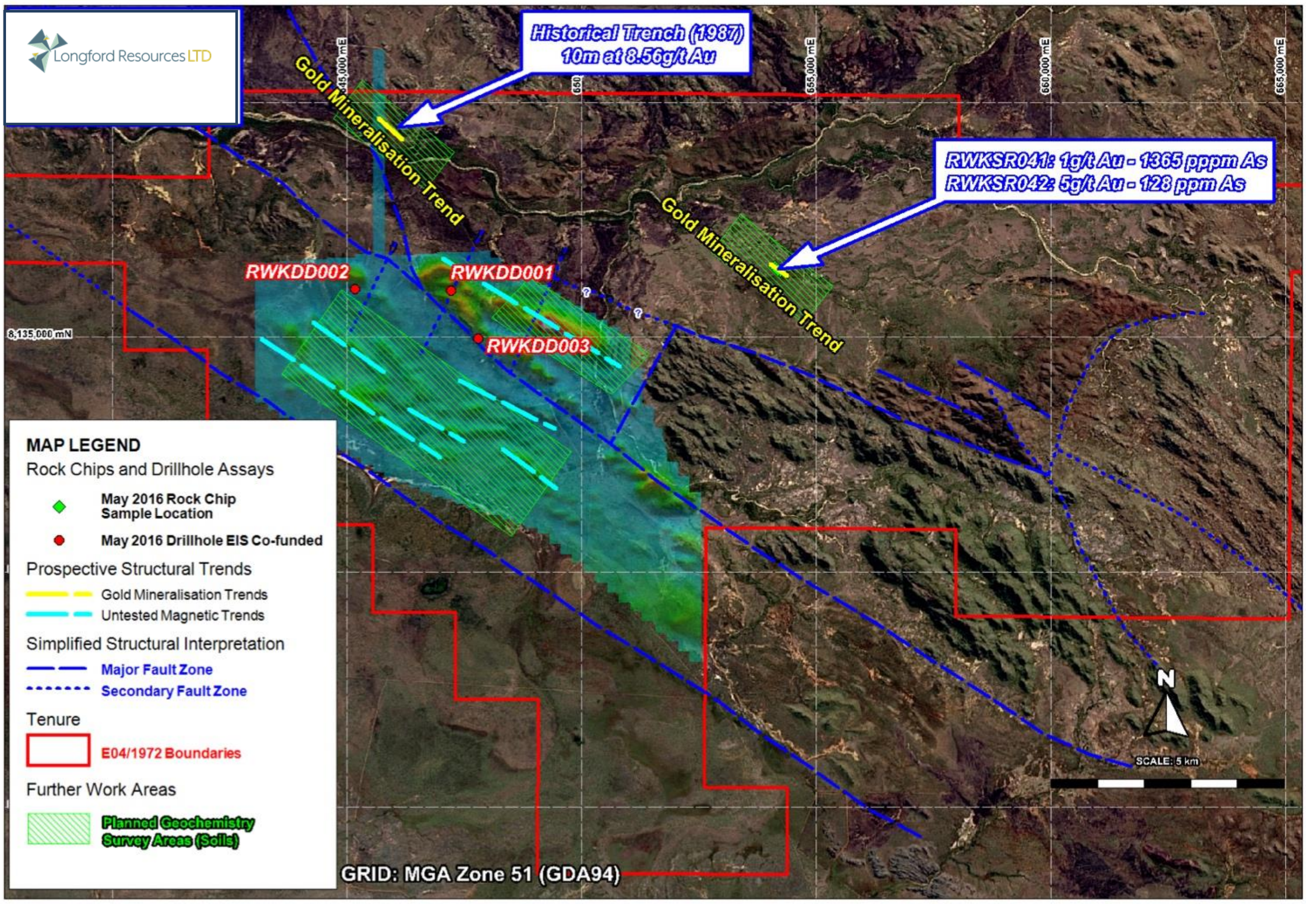

Figure 11: Kimberley West Project Drill holes location map and gold prospects location

FRASER RANGE PROJECT

The Company continues to review the viability of the Fraser Range Project. Work completed during the year included desk top studies and an ongoing review of the regional structural analysis. Longford holds a 100% ownership interest in the Fraser Range Project.

Post balance date, the Fraser Range Tenements will expire this year after their normal 5-year license period. Extension term applications will be required, which are subject to ministerial approval. Longford cannot predict the outcome of the request and tenement extension for 2 years may not be granted.

Subsequent Events

Longford announced it has entered into an agreement that provides it the right to acquire 100% of unlisted company Liaz Pty Ltd ("Liaz" and "the Acquisition"). The Acquisition provides Longford the opportunity to acquire a 100% interest in two advanced, underexplored, high-grade cobalt projects in the USA:

- The Colson Copper-Cobalt Project in Idaho; and
- The Goodsprings Copper-Cobalt Project in Nevada (see Figure 1).

Upon completion of the Acquisition it is proposed that Liaz's directors, Mike Haynes and Richard Hill, be appointed to the board of Longford. 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 Longford's asset portfolio through the pursuit of additional North American cobalt opportunities.

The Company also issued a pro rate bonus issue of Options. The record date was 31 July 2017 for eligible shareholders of the Company who held shares at the record date and where granted one (1) free Bonus Option for no consideration for every three (3) shares held in the Company. The Bonus Options is exercisable at a price of 5 cents ($0.05) and will expire on the date that is twelve (12) months from the date of issue.

DIRECTORS' REPORT (continued)

References

American Smelting and Refining Company. (1971). *Report of Exploration Completed by the American Smelting and Refining Company on the Rio Tinto Finance and Exploration Ltd Prospecting Licence Nos 183 to 186 incl, 580 to 582 incl and 664, 666 and 667 between May 1 1970 and October 19 1971.* Company Report.

Dawes, A. (2016). *Summary Exploration Report and Further Exploration Potential for PL185 and PL186.* Consultant Report.

Slowey, E. (1986). The Zinc-Lead and Barite Deposits at Keel, County Longford. *Geology and Genesis of Mineral Deposits in Ireland*, 319-330.

Appendix 1 Keel Mineral Resource

CSA Global was engaged by Longford to undertake a Mineral Resource estimate at the Keel Zinc Project in Ireland. CSA Global have reported the Mineral Resource estimate in accordance with the JORC Code[2], which is summarised in Table 1.

Table 2: Keel Zinc Deposit Mineral Resource Estimate, March 2017 (4% Zn cut-off)

JORC Classification	***Cut-off grade***	***Density (t/m³)***	***Tonnes (Mt)***	***Zn (%)***	***Pb (%)***
Inferred	*4% Zn*	*2.85*	*6.9*	*5.6*	*0.8*
Grand Total		***2.85***	***6.9***	***5.6***	***0.8***

**Note relating to Table 1. Due to effects of rounding the total may not represent the sum of all components.*

The Mineral Resource estimate is based on historic drilling results obtained between 1963 and 2012. The Mineral Resource estimate has been classified as Inferred, reflecting risk relating to:

- The assignment of assumed average density values, based on data from similar deposit types;
- A paucity of QAQC data pertaining to the input data;
- A wide spacing between drillholes, negatively impacting estimation quality;
- The use of an assumed collar elevation for most input drillholes;
- The assumption of straight drillhole paths, due to the absence of downhole survey data;
- The geology model being based on sectional interpretations drawn from published papers; and
- The absence of core photography for the input drillholes.

Competent Persons Statements

The information in this table that relates to Mineral Resources 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 full-time employee of 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. Mr Charles Guy, is a director of Longford Resource and currently holds securities in the Company.

[2]Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. The JORC Code, 2012 Edition. Prepared by: The Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia (JORC).

DIRECTORS' REPORT (continued)

Corporate

During the year, the Company:

- announced the first Share Placement for the year to raise $1,190,000 through the issue of 2,380,000,000 fully paid ordinary shares at an issue price of $0.0005 per share to sophisticated and professional investors on 23 September 2016. The Share Placement was completed in two tranches. An initial tranche of 141,333,247 shares issued under the Company's current 15% placement capacity raised $70,667, and the remaining 2,238,666,753 shares were issued following shareholder approval obtained at the shareholders' meeting held on 2 November 2016.
- announced on 23 September 2016 that in conjunction with the Share Placement noted above, the Company's Securities would be consolidated on a 1:20 basis. Issued Capital was consolidated on a 1 for 20 basis after a resolution was passed at the shareholders' meeting on 2 November 2016.
- issued 6,000,000 post consolidation new shares to Managing Director Mr Bill Guy in lieu of $60,000 of unpaid salary and directors' fees owing to Mr Guy.
- issued 5,950,000 post consolidation new shares to parties responsible for arranging the Share Placement in lieu of capital raising costs of $59,500 owing.
- held a general meeting on 2 May 2017 whereby the Company name was changed to Longford Resources Limited. Also at the meeting 20,000,000 new shares previously issued to Diversified Asset Holdings being part-consideration for the 80% interest in the new Keel Zinc Project were approved. In addition, a further 3,164,557 new shares previously issued to Mr Timothy Tatterson being consideration for the 80% interest in the West Kimberley Project were approved.
- announced it had received commitments for a second Share Placement, in two tranches, to sophisticated and institutional investors to raise a total of $3,500,000 through the issue of 70,000,000 shares at an issue price of $0.05 per share on 23 March 2017.
- issued 22,739,000 new shares being Tranche 1 of the second Share Placement completed on 30 March 2017 and subsequently approved by shareholders on the 2 May 2017.
- issued the remaining 47,261,000 shares being Tranche 2 of the second Share Placement approved by shareholders on the 2 May 2017 and subsequently issued on 10 May 2017.
- issued 10,000,000 Unlisted Adviser Options to Hartleys Limited in lieu of their costs involved in acting as lead broker for the second Share Placement exercisable at $0.10 on or before 10 May 2020.
- issued 20,000,000 post-consolidated Unlisted Adviser Options, exercisable at $0.02 on or before 31 December 2017 to parties responsible for arranging the second Share Placement, at an issue price of $0.0002 per Unlisted Adviser Option to raise a total of $4,000.
- entered into a Purchase and Sale Agreement with Regency Mines Australasia Pty Ltd for the acquisition of the remaining 4% relevant interest of the Fraser Range tenements for a total consideration comprised of $100,000 cash and 833,333 post-consolidated Unlisted Options at an exercise price of $0.12 on or before 22 September 2020.

Operating results for the year

The consolidated loss of the consolidated entity for the financial year after providing for income tax amounted to $3,485,703 (2016: $1,087,303). The consolidated loss includes an impairment of exploration expenditure of $443,597 (2016: $598,983) and a loss from discontinued operation (on winding up of Greenland Resources Limited) of $2,280,385.

Review of financial conditions

The Company is dependent upon equity markets to raise capital to fund its activities. As the Company intends carrying out exploration activities it is considered a speculative investment by most potential investors.

The Company may need to raise further capital during the 2018 financial year in order to continue with its exploration activities and to cover corporate costs. The ability to access this capital will depend upon the state of financial markets at the time. The Directors of the Company believe that they have the ability to raise additional capital leading in to 2018 through further placements to professional and sophisticated investors.

Risk management

The Company has a policy for the oversight and management of material business risks, which is available on the Company's website.

DIRECTORS' REPORT (continued)

Corporate (continued)

Management determines the Company's risk profile and is responsible for overseeing and approving risk management strategy and policies, internal compliance and internal control. The Board oversees an ongoing assessment of the effectiveness of risk management and internal compliance and control, requiring management to appraise the Board of changing circumstances within the Company and within the international business environment.

Significant changes in the state of affairs

Significant changes in the state of affairs of the company during the financial year are detailed in the Review of Operations.

In the opinion of the directors, there were no other significant changes in the state of affairs of the company that occurred during the financial year under review not otherwise disclosed in this report or in the financial report.

Significant events after balance date

On 25 July 2017 10,000,000 unlisted options were exercised to raise $200,000.

On 14 August 2017 the Company issued 94,453,055 bonus unlisted options to all Australian and NZ shareholder exercisable at 0.05 on or before the 31 July 2018.

On 21 September 2017 the Company announced it was acquiring two high grade cobalt-copper projects located in Idaho, USA (The Colson) & The Goodsprings in Nevada, USA. This is subject to due diligence and subsequent shareholder approval. Refer to Review of Operations for further details.

Likely developments and expected results

The Company will continue with its strategic strategy of exploring for nickel, base metal sulphides and precious metals. The Company has been reducing its ground holding in the Fraser Range and diversifying its land position. This process is expected to continue during the coming financial year.

Longford will also consider all exploration and mining opportunities as they arise with each opportunity being assessed on its merits. The Company will impose no arbitrary limits on viable opportunities.

Environmental legislation

Other than legislation and regulations governing its exploration licences, the consolidated entity is not subject to any significant environmental legislation.

Indemnification and insurance of Directors and Officers

The Company has agreed to indemnify all the Directors of the Company for any liabilities to another person (other than the Company or related body corporate) that may arise from their position as Directors of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith.

During the financial year the Company paid a premium of $9,050 in respect of a policy insuring the Directors and officers of the Company and its controlled entities against any liability incurred in the course of their duties to the extent permitted by the Corporations Act 2001.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the consolidated entity, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities.

DIRECTORS' REPORT (continued)

Remuneration report (Audited)

This report outlines the remuneration arrangements in place for the key management personnel of the Company for the financial year ended 30 June 2017. The information provided in this remuneration report has been audited as required by Section 308(3C) of the Corporations Act 2001.

The remuneration report details the remuneration arrangements for key management personnel ("KMP") who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company and the consolidated entity, directly or indirectly, including any Director (whether executive or otherwise) of the parent company, and certain executives.

Key Management Personnel

Directors

Neville Bassett (Non-Executive Chairman)	Appointed 22/03/2004
Bill Guy (Managing Director)	Appointed 28/03/2013
Edward Mead (Non-Executive Director)	Resigned 2/11/2016
Scott Mison (Interim Chief Executive Officer)	Appointed 2/11/2016

Remuneration philosophy
The performance of the Company depends upon the quality of the Directors and executives. The philosophy of the Company in determining remuneration levels is to:

- set competitive remuneration packages to attract and retain high calibre employees;
- link executive rewards to shareholder value creation; and
- establish appropriate, demanding performance hurdles for variable executive remuneration.

Remuneration committee
While the Company does not currently have a formal Remuneration Committee, the Board has adopted a Remuneration Committee Charter, which determines payments to the Non-Executive Directors and reviews their remuneration annually, based on market practice, duties and accountability. Independent external advice is sought when required. The company did not employ a remuneration consultant during the year ended 30 June 2017.

Remuneration structure
In accordance with best practice Corporate Governance, the structure of Non-Executive Director and Executive remuneration is separate and distinct.

Non-executive Director remuneration
The Board seeks to set aggregate remuneration at a level that provides the Company with the ability to attract and retain Directors of the highest calibre, whilst incurring a cost that is acceptable to shareholders.

The ASX Listing Rules specify that the aggregate remuneration of Non-Executive Directors shall be as determined from time to time by a general meeting. The latest determination was at the meeting held on 22 March 2004 when shareholders approved an aggregate remuneration of $200,000 per annum.

The amount of aggregate remuneration sought to be approved by shareholders and the manner in which it is apportioned amongst Directors is reviewed annually. The Board considers advice from external consultants as well as the fees paid to non-Executive Directors of comparable companies when undertaking the annual review process.

The remuneration of Non-Executive Directors for the year ended 30 June 2017 is detailed on page 23 of this report.

Senior manager and Executive Director remuneration
Remuneration consists of fixed remuneration and variable remuneration (comprising short-term and long-term incentive schemes).

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Fixed remuneration
Fixed remuneration is reviewed annually by the Board of Directors. The process consists of a review of relevant comparative remuneration in the market and internally and where appropriate, external advice on policies and practices. The Board of Directors has access to external, independent advice where necessary.

Senior managers are given the opportunity to receive their fixed (primary) remuneration in a variety of forms including cash and fringe benefits such as motor vehicles and expense payment plans. It is intended that the manner of payment chosen will be optimal for the recipient without creating undue cost for the Company.

The fixed remuneration component of key management personnel of the Company is detailed in Table 1.

Variable remuneration
The objective of the short term incentive program is to link the achievement of the Company's operational targets with the remuneration received by the executives charged with meeting those targets. The total potential short term incentive available is set at a level so as to provide sufficient incentive to the senior manager to achieve the operational targets and such that the cost to the consolidated entity is reasonable in the circumstances.

Executive Directors and executives may also be paid performance based bonuses based on set monetary figures, rather than proportions of their salary. This has led to the proportions of remuneration related to performance varying between individuals. These bonuses will generally be set to encourage achievement of specific goals that have been given a high level of importance in relation to the future growth and profitability of the consolidated entity.

The Board will review the performance bonuses to gauge their effectiveness against achievement of the set goals, and adjust future years' incentives as they see fit to ensure use of the most cost effective and efficient methods.

Employment Contracts
Mr Bill Guy was appointed Managing Director on 26 July 2014 and receives a fixed remuneration package of $180,000 per annum. Termination notice period is three months or without notice in the event of serious misconduct or breach of consultancy agreement.

Mr Scott Mison was appointed Interim Chief Executive Officer on 18 May 2017 and receives a fixed remuneration package of $120,000 per annum. Termination notice period is three months or without notice in the event of serious misconduct or breach of services agreement.

Other than Mr Bill Guy & Mr Scott Mison's employment contracts, there are no employment contracts currently in place for any of the directors.

Remuneration of Directors
Table 1: Directors' remuneration for the years ended 30 June 2017 and 30 June 2016

		Short-term employee benefits			Equity			
		Salary and fees $	Salary and fees written off $	Share options $	Share options forfeited $	Performance rights $	Total $	Fixed Remuneration %
Neville Bassett	2017	30,000	-	-	-	-	30,000	100
	2016	30,000	-	-	-	-	30,000	100
Bill Guy	2017	133,846	-	60,000	-	-	193,846	100
	2016	190,384	-	-	-	-	190,384	100
Edward Mead	2017	12,500	-	-	-	-	12,500	100
	2016	30,000	-	1,210	-	-	31,210	100
Scott Mison	2017	32,266	-	-	-	-	32,266	100
	2016	-	-	-	-	-	-	100

Scott Mison was appointed director on 2nd November 2016.
Edward Mead resigned as director on 2nd November 2016.

DIRECTORS' REPORT (continued).

Remuneration Report (continued)

Table 2: Performance rights compensation to key management personnel during the current financial year

Name	No. held at the beginning of the year (i)	Date granted	FV per right at grant date $	No. vested during the year	% of grant vested	% of grant lapsed	% compensation for year consisting of performance rights	Expiry date
Bill Guy	1,250,000	30/11/15	25,000	-	-	-	-	30/11/18
Neville Bassett	625,000	30/11/15	12,500	-	-	-	-	30/11/18

(i) Issued Capital was consolidated on a 1 for 20 basis after a resolution was passed at the shareholders' meeting on 2 November 2016.

Each Performance Right will automatically convert into one Share:

(a) In respect to 50% of the Performance Rights:

(i) upon the Company releasing a Mineral Resource Statement containing a JORC 2012 Compliant Resource; and

(ii) the Company's Shares trading at a volume weighted average market price of greater than 16 cents per share calculated over 20 consecutive trading days on which the Company's shares have actually traded; and

(b) In respect to 50% of the Performance Rights:

(i) upon the Company releasing a Mineral Resource Statement containing a JORC 2012 Compliant Resource that includes Resources in the Indicated or Measured Category; and

(ii) the Company's Shares trading at a volume weighted average market price of greater than 24 cents per share calculated over 20 consecutive trading days on which the Company's shares have actually traded.

Option holdings of Key Management Personnel Granted as Remuneration

						Vested as at end of period		
	Balance at beginning of period	Capital Consolidation (1 for 20) (i)	Options expired	Allotment of Options	Balance at end of period	Total	Exercisable	Not Exercisable
30 June 2017 Directors								
Neville Bassett	2,000,000	(1,900,000)	(100,000)	-	-	-	-	-
Bill Guy	2,000,000	(1,900,000)	(100,000)	-	-	-	-	-
Edward Mead	83,330	(79,163)	(4,167)	-	-	-	-	-
Scott Mison	-	-	-	-	-	-	-	-
Total	4,083,330	(3,879,163)	(204,167)	-	-	-	-	-

(i) Issued Capital was consolidated on a 1 for 20 basis after a resolution was passed at the shareholders' meeting on 2 November 2016.

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

	Balance at beginning of period	Capital Consolidation (1 for 20) (i)	Options expired	Allotment of Options	Balance at end of period	Total	Vested as at end of period Exercisable	Not Exercisable
30 June 2016 Directors								
Neville Bassett	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Bill Guy	2,000,000	-	-	-	2,000,000	2,000,000	2,000,000	-
Edward Mead	166,666	-	(83,336)	-	83,330	-	-	-
Total	4,166,666	-	(83,336)	-	4,083,330	4,000,000	4,000,000	-

Shareholdings of Key Management Personnel

	Balance at beginning of period	Granted as remuneration (ii)	Net change other (iii)	Capital Consolidation (1 for 20) (i)	Balance at end of period
30 June 2017					
Directors					
Neville Bassett	5,790,695	-	-	(5,501,159)	289,536
Bill Guy	5,844,472	120,000,000	-	(119,552,248)	6,292,224
Edward Mead	1,111,111	-	-	(1,055,555)	55,556
Scott Mison	-	-	40,000,000	(38,000,000)	2,000,000
30 June 2017	12,746,278	120,000,000	40,000,000	(164,108,962)	8,637,316

(i) Issued Capital was consolidated on a 1 for 20 basis after a resolution was passed at the shareholders' meeting on 2 November 2016.

(ii) The Company issued 6,000,000 post consolidation fully paid ordinary shares in November 2016 to Executive Director Charles Guy as consideration for unpaid salaries as approved by Shareholders at the General Meeting on 2 November 2016.

(iii) Scott Mison participated in Tranche 1 of the first Share Placement conducted on 2 November 2016.

	Balance at beginning of period	Granted as remuneration	Net change other (ii)	Capital Consolidation (1 for 20) (i)	Balance at end of period
30 June 2016					
Directors					
Neville Bassett	5,790,695	-	-	-	5,790,695
Bill Guy	5,844,472	-	-	-	5,844,472
Edward Mead	1,111,111	-	-	-	1,111,111
Scott Mison	-	-	-	-	-
30 June 2016	12,746,278	-	-	-	12,746,278

DIRECTORS' REPORT (continued)

Remuneration Report (continued)

Other transactions and balances with Key Management Personnel (included in remuneration Table 1)

	2017 $	2016 $
Directors' fees paid to Mandevilla Pty Ltd, a company in which Neville Bassett is a director	30,000	30,000
Directors' fees paid to Mineral Rock Pty Ltd, a company in which Bill Guy is a director	120,000	180,000
Ordinary shares issued in lieu of Directors' fees to Mineral Rock Pty Ltd, a company in which Bill Guy is a director	60,000	-
Unpaid accrued annual leave for Director fees that have been accrued by Mineral Rock Pty Ltd, a company in which Bill Guy is a director	13,846	10,384
Directors' fees paid to Doraleda Pty Ltd, a company in which Edward Mead is a director	12,500	30,000
Value of unlisted options to Edward Mead	-	1,210
Directors' fees paid to Scott Mison	30,887	-
Superannuation contributions paid on behalf of Scott Mison	1,379	-

All equity transactions with key management personnel other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Voting and comments made at the Company's 2016 Annual General Meeting

At the Company's 2016 AGM, the Company received approximately 71% of 'Yes' votes on its remuneration report for the 2016 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

There have been no other transactions with key management personnel.

End of Remuneration Report.

DIRECTORS' REPORT (continued)

Directors' meetings

The number of meetings of Directors' held during the year and the number of meetings attended by each Director was as follows:

Director	Board Meetings	
	Number Attended	Number eligible to attend
Neville Bassett	5	5
Bill Guy	5	5
Edward Mead	1	1
Scott Mison	4	4

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

Auditor independence and non-audit services

Section 307C of the Corporations Act 2001 requires the Company's auditors, HLB Mann Judd, to provide the Directors of the Company with an Independence Declaration in relation to the audit of the Annual Report. This Independence Declaration is set out on page 28 and forms part of this Directors' Report for the year ended 30 June 2017.

Non-audit services

The Company may decide to employ the auditors on assignments additional to their statutory duties where the auditors' expertise and experience with the Company are important.

During the financial year ended 30 June 2017, there were no non-audit services provided by the Company's auditors.

Corporate Governance Statement

The Company's 2017 Corporate Governance Statement has been released as a separate document and is located on our website at: www.longfordresources.com

Signed in accordance with a resolution of the Directors.

Neville Bassett
Non-xecutive Chairman

Dated this 30th day of September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the consolidated financial report of Longford Resources Limited for the year ended 30 June 2017, I declare that to the best of my knowledge and belief, there have been no contraventions of:

a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
30 September 2017

L Di Giallonardo
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4 130 Stirling Street Perth WA 6000 | PO Box 8124 Perth BC WA 6849 | Telephone +61 (08) 9227 7500 | Fax +61 (08) 9227 7533
Email: mailbox@hlbwa.com.au | Website: www.hlb.com.au

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
Revenue	2(a)	1,906	29,297
Finance costs	2(b)	-	(20)
Depreciation expense	8	(1,429)	(3,074)
Impairment of exploration expenditure	9	(443,597)	(598,983)
Other expenses	2(b)	(762,198)	(617,384)
Loss before income tax expense		**(1,205,318)**	**(1,190,164)**
Income tax benefit	3	-	102,861
Loss for the year from continuing operations		**(1,205,318)**	**(1,087,303)**
Discontinued Operations			
Loss from discontinued operation	25	(2,280,385)	-
Net loss for the year		**(3,485,703)**	**(1,087,303)**
Items which may subsequently be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		-	57,385
Foreign exchange reserve reclassified on disposal of subsidiary		(365,698)	-
Total comprehensive loss for the year		**(3,851,401)**	**(1,029,918)**
Loss attributable to:			
Owners of the parent		(3,485,703)	(1,087,303)
Non-controlling interest		-	-
Total loss for the year		**(3,485,703)**	**(1,087,303)**
Other comprehensive loss attributable to:			
Owners of the parent		(3,851,401)	(1,058,037)
Non-controlling interest		-	28,119
Total comprehensive loss for the year		**(3,851,401)**	**(1,029,918)**
Basic and diluted loss per share (cents per share) from continuing operations	5	(0.76)	(2.07)
Basic and diluted loss per share (cents per share) from discontinued operations	5	(1.44)	-

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
Current Assets			
Cash and cash equivalents	6	3,215,840	164,410
Trade and other receivables	7	102,307	169,161
Total Current Assets		**3,318,147**	**333,571**
Non-Current Assets			
Property, plant and equipment	8	177	1,606
Exploration and evaluation expenditure	9	7,252,332	5,482,873
Total Non-Current Assets		**7,252,509**	**5,484,479**
Total Assets		**10,570,656**	**5,818,050**
Current Liabilities			
Trade and other payables	10	253,383	418,169
Total Current Liabilities		**253,383**	**418,169**
Total Liabilities		**253,383**	**418,169**
Net Assets		**10,317,273**	**5,399,881**
Equity			
Issued capital	11	61,419,547	55,642,962
Reserves	12	9,316,409	9,500,040
Accumulated losses	12	(60,418,683)	(56,932,980)
Total equity attributable to the owners of the parent		10,317,273	8,210,022
Non-controlling interests		-	(2,810,141)
Total Equity		**10,317,273**	**5,399,881**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2017

Consolidated	Issued Capital $	Accumulated Losses $	Option Reserve $	Share Based Payment Reserve $	Performance Rights Reserve $	Foreign exchange Reserve $	Attributable to owners of the parent $	Non-controlling interests $	Total $
Balance as at 1 July 2015	**55,408,962**	**(55,845,677)**	**8,378,799**	**695,473**	**58,860**	**336,431**	**9,032,848**	**(2,838,259)**	**6,194,589**
Loss for the year	-	(1,087,303)	-	-	-	-	(1,087,303)	-	(1,087,303)
Exchange differences arising on translation of foreign operations	-	-	-	-	-	29,267	29,267	28,118	57,385
Total Comprehensive income for the year	-	**(1,087,303)**	-	-	-	**29,267**	**(1,058,036)**	**28,118**	**(1,029,918)**
Shares issued during the year	234,000	-	-	-	-	-	234,000	-	234,000
Revaluation of options during the year	-		-	1,210	-	-	1,210	-	1,210
Balance as at 30 June 2016	**55,642,962**	**(56,932,980)**	**8,378,799**	**696,683**	**58,860**	**365,698**	**8,210,022**	**(2,810,141)**	**5,399,881**
Balance as at 1 July 2016	**55,642,962**	**(56,932,980)**	**8,378,799**	**696,683**	**58,860**	**365,698**	**8,210,022**	**(2,810,141)**	**5,399,881**
Loss for the year	-	(3,485,703)	-	-	-	-	(3,485,703)	-	(3,485,703)
Reclassification of foreign exchange reserve on disposal of subsidiary	-	-	-	-	-	(365,698)	(365,698)	-	(365,698)
Total Comprehensive income for the year	-	**(3,485,703)**	-	-	-	**(365,698)**	**(3,851,401)**	**-**	**(3,851,401)**
Derecognition of non-controlling interest upon disposal of subsidiary	-	-	-	-	-	-	-	2,810,141	2,810,141
Options issued during the year	-	-	-	182,067	-	-	182,067	-	182,067
Shares issued during the year	6,207,485	-	-	-	-	-	6,207,485	-	6,207,485
Share issue costs	(430,900)	-	-	-	-	-	(430,900)	-	(430,900)
Balance as at 30 June 2017	**61,419,547**	**(60,418,683)**	**8,378,799**	**878,750**	**58,860**	**-**	**10,317,273**	**-**	**10,317,273**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Consolidated 2017 $	Consolidated 2016 $
Cash Flows from Operating Activities			
Option fee		-	10,000
Payments to suppliers and employees		(624,046)	(585,979)
R & D Rebate received		103,201	-
Interest received		1,356	19,297
Net cash used in operating activities	6(ii)	(519,489)	(556,682)
Cash Flows from Investing Activities			
Payments for exploration and evaluation		(813,066)	(816,542)
Payment for acquisition of Fraser Range		(100,000)	-
Payment for acquisition of West Kimberley		-	(100,000)
Net cash used in investing activities		(913,066)	(916,542)
Cash Flows from Financing Activities			
Proceeds from issue of shares		4,689,985	(67,980)
Proceeds from issue of share options		4,000	-
Proceeds from borrowings		100,000	-
Repayment of borrowings		(100,000)	-
Payment for share issue costs		(210,000)	-
Net cash provided by/(used in) financing activities		4,483,985	(67,980)
Net increase/(decrease) in cash and cash equivalents		3,051,430	(1,541,204)
Cash and cash equivalents at the beginning of the year		164,410	1,705,614
Effects of exchange rate fluctuations on cash held		-	-
Cash and Cash Equivalents at the End of the Year	6(i)	**3,215,840**	**164,410**

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the Corporations Act 2001, Accounting Standards and Interpretations and complies with other requirements of the law.

The financial statements comprise the consolidated financial statements for the Group. For the purposes of preparing the consolidated financial statements, the Company is a for-profit entity.

The financial report has also been prepared on an historical cost basis. Cost is based on the fair values of the consideration given in exchange for assets.

The accounting policies detailed below have been consistently applied to all years presented unless otherwise stated. The financial statements are for the consolidated entity ("Group") consisting of Longford Resources Ltd and its subsidiaries.
The financial report is presented in Australian dollars.

The Company is a listed public company, incorporated in Australia and operating in Australia. The entity's principal activities are exploration of mineral resources.

(b) Adoption of new and revised standards
Changes in accounting policies on initial application of Accounting Standards

Standards and Interpretations applicable to 30 June 2017
In the year ended 30 June 2017, the directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the group's operations and effective for the current annual reporting period.

It has been determined by the directors that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and therefore no change is necessary to Group Accounting policies.

Standards and Interpretations in issue not yet adopted
The directors have also reviewed all new Standards and Interpretations that have been issued but are not yet effective for the year ended 30 June 2017. As a result of this review the directors have determined that there is no impact, material or otherwise, of the new and revised Standards and Interpretations on the Group and, therefore, no change necessary to Group accounting policies.

(c) Statement of compliance

The financial report was authorised for issue on 30 September 2017.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(d) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group consisting of the Company and its subsidiaries as at 30 June 2017 and the results of all subsidiaries for the year then ended.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies.

In preparing the consolidated financial statements, all intercompany balances and transactions, income and expenses and profit and losses resulting from intra-group transactions have been eliminated in full.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Control exists where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing when the Group controls another entity.

Business combinations have been accounted for using the acquisition method of accounting.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Basis of consolidation (continued)

Non-controlling interests represent the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position. Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Longford.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 139 'Financial Instruments: Recognition and Measurement' or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

(e) Critical accounting judgements and key sources of estimation uncertainty

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Share-based payment transactions
The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by an external valuer using a Black and Scholes model, using the assumptions detailed in Note 12.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted, as discussed in Note 12.

Exploration and evaluation costs carried forward
In accordance with accounting policy note 1(y), management determines when an area of interest should be abandoned. When a decision is made that an area is not commercially viable, all costs that have been capitalised in respect of those areas of interest are written off. In determining this, certain assumptions including the maintenance of title, ongoing expenditure and prospectivity are made.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Going concern

The financial report has been prepared on the basis of accounting principles applicable to a going concern, which assumes the commercial realisation of the future potential of Longford's assets and the discharge of its liabilities in the normal course of business.

As at 30 June 2017, the Group had cash and cash equivalents of $3,215,840, a loss for the year of $3,851,401 and a net cash inflow from operating, investing and financing activities of $3,051,430. The Group has a working capital surplus of $3,064,764.

The Board considers that Longford is a going concern and recognises that additional funding maybe required to ensure that it can continue to fund its operations and further develop its mineral exploration and evaluation assets during the twelve month period from the date of this report. Such additional funding as occurred during the year ended 30 June 2017, as disclosed in Note 11, can be derived from either one or a combination of the following:

- Raising additional equity capital to fund the Group's ongoing exploration and development program and working capital requirements, as and when required;
- Alliance with institutional brokers for raising additional capital;
- The farm-down or sale of its mineral interests; or
- The successful commercial exploitation of the Group's mineral interests.

Accordingly, the Directors believe that subject to prevailing equity market conditions, Longford will obtain sufficient funding to enable it to continue as a going concern and that it is appropriate to adopt that basis of accounting in the preparation of the financial report.

(g) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Longford Resources Limited.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Foreign currency translation

Both the functional and presentation currency of the Company and its Australian subsidiaries is Australian dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at balance date.

All exchange differences in the consolidated financial report are taken to profit or loss with the exception of differences on foreign currency borrowings that provide a hedge against a net investment in a foreign entity. These are taken directly to equity until the disposal of the net investment, at which time they are recognised in profit or loss.

Tax charges and credits attributable to exchange differences on those borrowings are also recognised in equity.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

In addition, in relation to the partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

(i) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest income
Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(j) Borrowing costs

Borrowing costs are capitalised that are directly attributable to the acquisition, construction or production of qualifying assets where the borrowing cost is added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(k) Income tax

The income tax expense or benefit for the period is the tax payable on the current period’s taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary difference and to unused tax losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax (continued)

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance date.

Deferred income tax is provided on all temporary differences at the balance date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- when the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- when the deductible temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each balance date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Income tax (continued)

Tax consolidation legislation
Longford Resources Limited and its 100% owned Australian resident subsidiaries have implemented the tax consolidation legislation. Current and deferred tax amounts are accounted for in each individual entity as if each entity continued to act as a taxpayer on its own.

The Company recognises both its own current and deferred tax amounts and those current tax liabilities, current tax assets and deferred tax assets arising from unused tax credits and unused tax losses which it has assumed from its controlled entities within the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax-consolidated entities are recognised as amounts payable or receivable from or payable to other entities in the Group. Any difference between the amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) controlled entities in the tax consolidated group.

(l) Other taxes

Revenues, expenses and assets are recognised net of the amount of GST and VAT except:

- when the GST or VAT incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST or VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST and VAT included.

The net amount of GST and VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST and VAT component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST or VAT recoverable from, or payable to, the taxation authority.

(m) Impairment of assets

The Group assesses at each balance date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's value in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

An assessment is also made at each balance date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

(n) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(o) Trade and other receivables

Trade receivables are measured on initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment. Trade receivables are generally due for settlement within periods ranging from 15 days to 30 days.

Impairment of trade receivables is continually reviewed and those that are considered to be uncollectible are written off by reducing the carrying amount directly. An allowance account is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original contractual terms. Factors considered by the Group in making this determination include known significant financial difficulties of the debtor, reviews of financial information and significant delinquency in making contractual payments to the Group. The impairment allowance is set equal to the difference between the carrying amount of the receivable and the present value of estimated future cash flows, discounted at the original effective interest rate. Where receivables are short-term discounting is not applied in determining the allowance.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

(p) Financial assets

Financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale investments, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, when allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets under contracts that require delivery of the assets within the period established generally by regulation or convention in the marketplace.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(p) Financial assets (continued)

(i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on investments held for trading are recognised in profit or loss.

(ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in profit or loss when the investments are derecognised or impaired, as well as through the amortisation process.

If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale.

(iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Available-for-sale investments

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified as any of the three preceding categories. After initial recognition available-for sale investments are measured at fair value with gains or losses being recognised as a separate component of equity until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in equity is recognised in profit or loss.

The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance date. For investments with no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Derecognition of financial assets and financial liabilities

(i) Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either:

(a) has transferred substantially all the risks and rewards of the asset, or
(b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Group could be required to repay.

When continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(r) Impairment of financial assets

The Group assesses at each balance date whether a financial asset or group of financial assets is impaired.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account. The amount of the loss is recognised in profit or loss.

The Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

(ii) Financial assets carried at cost

If there is objective evidence that an impairment loss has been incurred on an unquoted equity instrument that is not carried at fair value (because its fair value cannot be reliably measured), or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for a similar financial asset. Such impairment loss shall not be reversed in subsequent periods.

(iii) Available-for-sale investments

If there is objective evidence that an available-for-sale investment is impaired, an amount comprising the difference between its cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to the statement of comprehensive income. Reversals of impairment losses for equity instruments classified as available-for-sale are not recognised in profit. Reversals of impairment losses for debt instruments are reversed through profit or loss if the increase in an instrument's fair value can be objectively related to an event occurring after the impairment loss was recognised in profit or loss.

(s) Property, plant and equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement only if it is eligible for capitalisation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the assets as follows:

Plant and equipment	2.5 years to 8 years

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted if appropriate, at each financial year end.

(i) Impairment

The carrying values of plant and equipment are reviewed for impairment at each balance date, with recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of plant and equipment is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, recoverable amount is determined for the cash-generating unit to which the asset belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of an asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Property, plant and equipment (continued)

(iii) Derecognition and disposal
An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognised.

(t) Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months.

(u) Interest bearing loans and borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(v) Share-based payment transactions

(i) Equity settled transactions:
The Group provides benefits to employees (including senior executives) of the Group in the form of share-based payments, whereby employees render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of equity-settled transactions with employees is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black and Scholes model or the binomial option valuation model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Longford Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Share-based payment transactions (continued)

The cumulative expense recognised for equity-settled transactions at each balance date until vesting date reflects:

(i) the extent to which the vesting period has expired; and
(ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date. The statement of comprehensive income charge or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

If the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee, as measured at the date of modification.

If an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings per share.

(w) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(x) Earnings per share

Basic earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit or loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Exploration and evaluation

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(i) the rights to tenure of the area of interest are current; and
(ii) at least one of the following conditions is also met:
  (a) the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or
  (b) exploration and evaluation activities in the area of interest have not at the balance date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortisation of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

(z) Parent Entity Financial Information

The financial information for the parent entity Longford Resources Limited, disclosed in Note 21 has been prepared on the same basis as the consolidated financial statements, except as below;

(i) Investments in subsidiaries, associates and joint ventures
Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the parent entity's financial statements. Dividends received from associates are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments.

(ii) Share-based payments
The grant by the company of options over its equity instruments to the employees of subsidiary undertakings in the group is treated as a capital contribution to that subsidiary undertaking. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 2: REVENUE AND EXPENSES

	Consolidated 2017 $	Consolidated 2016 $
(a) Revenue		
Interest revenue	1,356	19,297
Other	550	10,000
	1,906	29,297
(b) Expenses		
Finance costs	-	20
Net loss/(gain) on foreign exchange	-	-
Options issued to directors	-	1,210
Administration costs	158,947	200,965
Auditor's remuneration – HLB Mann Judd	39,500	38,800
Marketing and travel costs	181,841	88,616
Other	381,910	287,793
	762,198	617,384

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 3: INCOME TAX

	Consolidated 2017 $	2016 $
The major components of tax benefit for the years ended 30 June 2017 and 30 June 2016 are:		
R & D tax incentive	-	102,861
Income tax benefit reported in the statement of comprehensive income	-	102,861

A reconciliation of income tax benefit applicable to accounting loss before income tax at the statutory income tax rate to income tax benefit at the Company's effective income tax rate for the years ended 30 June 2017 and 30 June 2016 is as follows:

	2017 $	2016 $
Accounting (loss) before tax from continuing operations	(1,205,318)	(1,190,164)
Accounting loss before income tax	(1,205,318)	(1,190,164)
At the statutory income tax rate of 27.5% (2016: 30%)	(331,462)	(357,049)
Add:		
R&D tax incentive	-	102,861
Non-deductible expenses/(Non-assessable income)	4,478	1,746
Temporary differences not recognised	32,211	(762,871)
Current year tax loss not brought to account as a deferred tax asset	219,508	1,118,174
Change in tax rate	268,700	-
Adjustments in respect of current income tax of previous years	(193,435)	-
Income tax benefit reported in the statement of comprehensive income	-	102,861

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items:

	2017 $	2016 $
Business related expenses	-	40
Capital raising costs	232,873	254,803
Trade and other payables	14,574	22,707
Tax losses (current year excludes carried forward tax losses in relation to Greenland project)	3,735,207	3,516,012
	3,982,654	3,793,562

Unrecognised deferred tax liabilities

Deferred tax liabilities have not been recognised in respect of the following items:

	2017 $	2016 $
Capitalised exploration costs	506,132	555,371
Other deferred tax liabilities	398	13,474
	506,530	568,845

The tax losses do not expire under current legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilise the benefits.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 4: SEGMENT REPORTING

Description of segments

During the year, the consolidated entity operated predominantly in Australia (2016 Australia and Greenland) and in one business segment being, mineral mining and exploration and substantially all of the entity's resources are deployed for this purpose.

Reporting segments disclosed are Australia and Greenland. Reporting segments were determined based on areas of operation.

Segment information

The following tables present revenue and loss information and certain asset and liability information regarding business segments for the years ended 30 June 2017 and 30 June 2016.

	Australia $	Greenland $	Consolidated $
Year ended **30 June 2017**			
Revenue			
Other revenue	1,906	-	1,906
Total segment revenue	**1,906**	**-**	**1,906**
Segment net operating (loss) after tax	**(1,205,318)**	**-**	**(1,205,318)**
Depreciation	(1,429)	-	(1,429)
Impairment of exploration expenditure	(443,597)	-	(443,597)
Segment assets	**10,570,656**	**-**	**10,570,656**
Segment liabilities	**(253,383)**	**-**	**(253,383)**
Acquisition of non-current assets	2,213,056	-	2,213,056

	Australia $	Greenland $	Consolidated $
Year ended **30 June 2016**			
Revenue			
Other revenue	29,297	-	29,297
Total segment revenue	**29,297**	**-**	**29,297**
Segment net operating (loss) after tax	**(1,087,303)**	**-**	**(1,087,303)**
Depreciation	(3,074)	-	(3,074)
Impairment of exploration expenditure	(598,983)	-	(598,983)
Segment assets	**5,816,999**	**1,051**	**5,818,050**
Segment liabilities	**(253,059)**	**(165,110)**	**(418,169)**
Acquisition of non-current assets	1,161,490	-	1,161,490

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 5: LOSS PER SHARE

	Consolidated	
	2017 cents per share	2016 cents per share
Basic loss per share:		
Continuing operations	(0.76)	(2.07)
Discontinued operations	(1.44)	-
Total basic loss per share	(2.20)	(2.07)

	2017	2016
Basic earnings per share	$	$
The loss and weighted average number of ordinary shares used in the calculation of basic loss per share is as follows:		
Loss from continuing operations	(1,205,318)	(1,087,303)
Loss from discontinued operations	(2,280,385)	(1,087,303)
	No.	No.
Weighted average number of ordinary shares for the purposes of basic loss per share	158,450,211	52,480,162

NOTE 6: CASH AND CASH EQUIVALENTS

	Consolidated	
	2017 $	2016 $
Cash at bank and on hand	3,215,840	164,410
	3,215,840	164,410

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(i) Reconciliation to Statement of Cash Flows
For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand and at bank net of outstanding bank overdrafts.

Cash and cash equivalents as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated	
	2017 $	2016 $
Cash and cash equivalents	3,215,840	164,410

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 6: CASH AND CASH EQUIVALENTS (continued)

(ii) Reconciliation of loss for the year to net cash flows from operating activities

	Consolidated 2017 $	2016 $
Loss after income tax	(3,485,703)	(1,087,303)
Depreciation	1,429	3,074
Option based payments	-	1,210
Write off of exploration expenditure	443,597	598,983
Loss from discontinued operations	2,280,385	-
Share based payments	242,067	-
(Increase)/Decrease in trade and other receivables	66,854	(90,158)
Increase/(Decrease) in trade and other payables	(68,118)	17,512
Net cash flows used in operating activities	(519,489)	(556,682)

(iii) Non-cash financing and investment activities

	2017 $	2016 $
Acquisition of exploration interests	1,398,000	234,000
Capital raising fees	60,000	-

NOTE 7: CURRENT TRADE AND OTHER RECEIVABLES

	Consolidated 2017 $	2016 $
Other receivables		
- GST recoverable	80,857	41,242
- Other debtors	21,450	127,919
	102,307	169,161

Due to nature of the above receivables an aging is not presented. The receivables are not past their contractual terms or past due.

NOTE 8: PROPERTY, PLANT AND EQUIPMENT

	Consolidated Plant and equipment $	Total $
Year ended 30 June 2017		
At 1 July 2016, net of accumulated depreciation	1,606	1,606
Additions	-	-
Disposals	-	-
Exchange differences	-	-
Depreciation charge for the year	(1,429)	(1,429)
At 30 June 2017, net of accumulated depreciation and impairment	177	177
At 30 June 2017		
Cost	62,212	62,212
Accumulated depreciation	(62,035)	(62,035)
Net carrying amount	177	177

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 8: PROPERTY, PLANT AND EQUIPMENT (continued)

	Consolidated	
	Plant and equipment $	Total $
Year ended 30 June 2016		
At 1 July 2015, net of accumulated depreciation	4,680	4,680
Additions	-	-
Disposals	-	-
Exchange differences	-	-
Depreciation charge for the year	(3,074)	(3,074)
At 30 June 2015, net of accumulated depreciation and impairment	1,606	1,606
At 30 June 2016		
Cost	62,212	62,212
Accumulated depreciation	(60,606)	(60,606)
Net carrying amount	1,606	1,606

The useful lives of the assets were estimated as follows for both 2017 and 2016:
Plant and equipment 2.5 to 8 years

NOTE 9: EXPLORATION AND EVALUATION EXPENDITURE

	Consolidated	
	2017 $	2016 $
Costs carried forward in respect of:		
Exploration and evaluation phase - at cost		
Balance at beginning of the year	5,482,873	4,920,366
Expenditure incurred	367,146	823,995
Exploration expenditure on acquisition of asset	1,845,910	337,495
Expenditure written off (i)	(443,597)	(598,983)
Total exploration expenditure	7,252,332	5,482,873

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phases is dependent on the successful development and commercial exploitation or sale of the respective areas.

(i) As part of it review of its Fraser Range tenement package, Longford has terminated the option held over the Fraser Range North Project. The Sheoak project was also terminated and the costs written off.

NOTE 10: CURRENT TRADE AND OTHER PAYABLES

	Consolidated	
	2017 $	2016 $
Trade and other payables (i)	229,883	340,559
Sundry payables and accrued expenses	23,500	77,610
	253,383	418,169

(i) Trade payables are non-interest bearing and are normally settled on 30 day terms.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11: ISSUED CAPITAL AND UNISSUED CAPITAL

Issued Capital
Movements in issued capital were as follows:

	Consolidated	
	2017	2016
	$	$
276,781,885 (2016: 1,053,332,751) ordinary shares issued and fully paid	64,329,649	58,122,165
Share issue costs	(2,910,102)	(2,479,203)
	61,419,547	55,642,962

	2017		2016	
Movement in ordinary shares on issue	No.	$	No.	$
Balance at beginning of financial year	**1,053,332,751**	**58,122,165**	**1,014,332,751**	**57,888,165**
Fraser Range – increase in interest from 92.1% to 96% (ii)	-	-	39,000,000	234,000
Share Placement for cash	141,333,247	70,666	-	-
Share Placement for cash	2,238,666,753	1,119,333	-	-
Shares issued in lieu of capital raising fees	119,000,000	59,500	-	-
Shares issued in lieu of unpaid salary (iii)	120,000,000	60,000	-	-
	3,672,332,751	59,431,664	1,053,332,751	58,122,165
Capital consolidation (1 for 20) (i)	(3,488,715,423)	-	-	-
	188,617,328	59,431,664	1,053,332,751	58,122,165
Keel Project – options for 80% interest (iv)	20,000,000	1,198,000	-	-
West Kimberley Project – options for 80% interest (v)	3,164,557	200,000	-	-
Share Placement for cash	22,739,000	1,136,950	-	-
Share Placement for cash	47,261,000	2,363,035	-	-
Balance at end of the financial year	**276,781,885**	**64,329,649**	**1,053,332,751**	**58,122,165**

(i) Issued Capital was consolidated on a 1 for 20 basis after a resolution was passed at the shareholders' meeting on 2 November 2016.
(ii) The Company issued 1,950,000 post consolidation fully paid ordinary shares in August 2015 to Regency Mines Australasia Pty Ltd as consideration for a further 3.9% interest in the Fraser Range Project in accordance with the Acquisition Agreement and as approved by Shareholders at the 16 June 2015 General Meeting
(iii) The Company issued 6,000,000 post consolidation fully paid ordinary shares in November 2016 to Executive Director Charles Guy as consideration for unpaid salaries as approved by Shareholders at the General Meeting on 2 November 2016.
(iv) The Company issued 20,000,000 fully paid ordinary shares in March 2017 being an option for 80% interest in the new Keel Zinc Project.
(v) The Company issued 3,164,557 fully paid ordinary shares in March 2017 being an option for 80% interest in the West Kimberley Project.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the company in proportion to the number of and amounts paid on the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value and the company does not have a limited amount of authorised capital.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 11: ISSUED CAPITAL AND UNISSUED CAPITAL (continued)

Performance Shares
Movements in performance shares were as follows:

	Consolidated 2017 $	Consolidated 2016 $
1,133,333 (2016: 22,666,668) performance shares issued and fully paid	-	-
	-	-

Movement in ordinary shares that are unissued	2017 No.	2017 $	2016 No.	2016 $
Balance at beginning of financial year	**22,666,668**	**-**	**22,666,668**	**-**
Class A Performance Shares (i)	-	-	-	-
Class B Performance Shares (ii)	-	-	-	-
Capital consolidation (1 for 20) (iii)	(21,533,335)			
Balance at end of the financial year	**1,133,333**	**-**	**22,666,668**	**-**

(i) Conversion of the Class A Performance Shares will occur on the delineation of a JORC code compliance inferred resource of 300,000 ounce gold equivalent from the Fraser Range tenements with shares expiring after 4 years.

(ii) Conversion of the Class B Performance Shares will occur with a decision to mine on the Fraser Range tenements with shares expiring after 5 years.

(iii)Issued Capital was consolidated on a 1 for 20 basis after a resolution was passed at the shareholders' meeting on 2 November 2016.

As the Company is still in the process of progressing its activities on the Fraser Range tenements, no value is currently attributed to these Performance Shares.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: ACCUMULATED LOSSES AND RESERVES

Accumulated Losses
Movements in accumulated losses were as follows:

	Consolidated 2017 $	Consolidated 2016 $
Balance at the beginning of the financial year	(56,932,980)	(55,845,677)
Net loss for the year	(3,485,703)	(1,087,303)
Balance at the end of the financial year	(60,418,683)	(56,932,980)

	Consolidated 2017 No.	Consolidated 2016 No.
Option Reserve		
Movement in options over ordinary shares on issue		
Balance at the beginning of the financial year	375,356,409	375,439,743
Director options expired	-	(83,334)
Issue of options as consideration for the remaining 4% interest in the Fraser Range Project	16,666,666	-
Issue of adviser options	400,000,000	-
	792,023,075	375,356,409
Capital consolidation (1 for 20)	(752,421,921)	-
	39,601,154	-
Director options expired	(4,167)	-
Issue of adviser options	10,000,000	-
Balance at the end of the financial year	49,596,987	375,356,409

	Consolidated 2017 $	Consolidated 2016 $
Option Reserve		
Balance at the beginning of the financial year	8,378,799	8,378,799
Balance at the end of the financial year	8,378,799	8,378,799

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: ACCUMULATED LOSSES AND RESERVES (continued)

	Consolidated 2017 $	Consolidated 2016 $
Share Based Payments Reserve		
Balance at the beginning of the financial year	696,683	695,473
83,334 director unlisted options exercisable at 90 cents on or before 30 November 2015 pro-rata adjustment at year end.	-	435
83,334 director unlisted options exercisable at 90 cents on or before 30 November 2016 pro-rata adjustment at year end.	-	775
20,000,000 post-consolidation unlisted adviser options exercisable at 0.02 cents on or before 31 December 2017	4,000	-
10,000,000 post-consolidation unlisted adviser options exercisable at 10 cents on or before 10 May 2020	161,400	-
833,333 post-consolidation unlisted options exercisable at 0.12 cents on or before 22 September 2020	16,667	-
Balance at the end of the financial year	878,750	696,683
Foreign Currency Translation Reserve		
Balance at the beginning of the financial year	365,698	336,431
Currency translation differences	-	29,267
Reclassification of foreign exchange reserve on disposal of subsidiaries	(365,698)	-
Balance at the end of the financial year	-	365,698
Performance Rights Reserve		
Balance at the beginning of the financial year	58,860	58,860
Performance rights lapsed	-	-
Performance rights issued	-	-
Balance at the end of the financial year	58,860	58,860
Total Reserves	9,316,409	9,500,040

Nature and purpose of reserves

Share based payments reserve

This reserve is used to record the value of equity benefits provided to third parties, employees and directors in consideration for the acquisition of assets or services.

Option reserve

This reserve is used to record the amounts received from option holders when the options are issued.

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations. It is also used to record the effect of foreign exchange variations or net investments in foreign operations on consolidation.

Performance rights reserve

This reserve is used to record the value of performance rights benefits provided to third parties, employees and directors in consideration for the acquisition of assets or services.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: ACCUMULATED LOSSES AND RESERVES (continued)

The following share based payment arrangements were in place during the current and prior periods:

	Number	Grant date	Expiry date	Exercise price $	Fair value at grant date
Class I unlisted options	83,334	30 November 2012	30 November 2016	0.90	$1,655

(i) Class I unlisted options expired during the financial year unexercised.

The above options were issued as consideration for Directors' fees and not under an Employee Share Option Plan.

The fair value of the equity settled share options granted is estimated as at the date of grant using the Black and Scholes option valuation method taking into account the terms and conditions upon which the options were granted.

2017
The following share options were issued during the year:
- 20,000,000 post-consolidation unlisted advisor options were issued at 2 cents exercisable on or before the 31 December 2017.
- 10,000,000 post-consolidation unlisted advisor options were issued at 10 cents exercisable on or before the 10 May 2020.
- 833,333 post-consolidation unlisted options for additional Fraser Range Project acquisition were issued at 12 cents exercisable on or before the 22 September 2020

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. The options were valued using the Black and Scholes option valuation method with the following inputs:
- Expected volatility 100%
- Risk free interest rate 1.65%

All other inputs relate to the Company's share price at the date of grant and the expiry date of the options.

The following table illustrates the number (No.) and weighted average exercise prices of and movements in share options issued during the year:

	2017 No.	2017 average exercise price	2016 No.	2016 Weighted average exercise price
Outstanding at the beginning of the year	83,334	90 cents	166,668	90 cents
Granted during the year	30,833,333	4.86 cents	-	-
Forfeited during the year	-	-	-	-
Expired during the year	(83,334)	90 cents	(83,334)	90 cents
Outstanding at the end of the year	30,833,333	4.86 cents	83,334	90 cents

The weighted average remaining contractual life for the share options outstanding as at 30 June 2017 is nil years (2016: 0.42 years).

No options were exercised during the year (2016: nil).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: ACCUMULATED LOSSES AND RESERVES (continued)

The following table illustrates the number (No.) and movements in performance rights during the current and prior periods:

	2017 No.	2016 No.
Outstanding at the beginning of the year	50,000,000	6,000,000
Granted during the year	-	50,000,000
Lapsed during the year	(12,500,000)	(6,000,000)
Capital consolidation (1 for 20) (i)	(35,625,000)	-
Outstanding at the end of the year	1,875,000	50,000,000

(i) Issued Capital was consolidated on a 1 for 20 basis after a resolution was passed at the shareholders' meeting on 2 November 2016.

12,500,000 performance rights (2016: 6,000,000) lapsed on 2 November 2016. These performance rights had been issued to a non-executive Director as part of his remuneration package following Shareholder approval at the November 2014 Annual General Meeting.

	Number	Deemed grant date	Expiry date	Fair value at grant date
Managing Director performance rights	1,250,000	30 November 2015	18 November 2018	$25,000
Non-Executive Director performance rights	625,000	30 November 2015	18 November 2018	$12,500

Each Performance Right will automatically convert into one Share:

(a) In respect to 50% of the Performance Rights:

- (i) upon the Company releasing a Mineral Resource Statement containing a JORC 2012 Compliant Resource; and
- (ii) the Company's Shares trading at a volume weighted average market price of greater than 16 cents per share calculated over 20 consecutive trading days on which the Company's shares have actually traded; and

(b) In respect to 50% of the Performance Rights:

- (i) upon the Company releasing a Mineral Resource Statement containing a JORC 2012 Compliant Resource that includes Resources in the Indicated or Measured Category; and
- (ii) the Company's Shares trading at a volume weighted average market price of greater than 24 cents per share calculated over 20 consecutive trading days on which the Company's shares have actually traded.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 12: ACCUMULATED LOSSES AND RESERVES (continued)

The following table illustrates the number (No.) and movements in performance rights issued during the year:

	2017		2016	
Movement in performance rights	No.	$	No.	$
Balance at beginning of financial year	**50,000,000**	**58,860**	**6,000,000**	**58,860**
Performance rights lapsed	(12,500,000)	-	(6,000,000)	-
Managing Director performance rights issued	-	-	25,000,000	-
Non-Executive Director performance rights issued	-	-	12,500,000	-
Non-Executive Director performance rights issued	-	-	12,500,000	-
Capital consolidation (1 for 20) (i)	(35,625,000)	-	-	-
Balance at end of the financial year	**1,875,000**	**58,860**	**50,000,000**	**58,860**

(i) Issued Capital was consolidated on a 1 for 20 basis after a resolution was passed at the shareholders' meeting on 2 November 2016.

NOTE 13: FINANCIAL INSTRUMENTS

(a) Capital risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from 2016.

The capital structure of the Group consists of debt, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

None of the Group's entities are subject to externally imposed capital requirements.

Operating cash flows are used to maintain and expand operations, as well as to make routine expenditures such as tax and general administrative outgoings.

Gearing levels are reviewed by the Board on a regular basis in line with its target gearing ratio, the cost of capital and the risks associated with each class of capital.

(b) Categories of financial instruments

	Consolidated	
	2017	2016
	$	$
Financial assets		
Cash and cash equivalents	3,215,840	164,410
Receivables	102,307	169,161
Financial liabilities		
Trade and other payables	253,383	418,169

At the balance date there are no significant concentrations of credit risk relating to loans and receivables at fair value through profit or loss.

(c) Financial risk management objectives

The Group is exposed to market risk (including currency risk and fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. Due to the size of the operations, the Group does not enter into derivative financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: FINANCIAL INSTRUMENTS (continued)

(d) Market risk

The Group's activities expose it to the financial risks of changes in foreign currency exchange rates.

Due to the size of the operations, the Group does not enter into derivative financial instruments to manage its exposure to foreign currency risk. The foreign currency risk is immaterial in terms of possible impact on profit and loss and total equity and as such a sensitivity analysis has not been completed.

There has been no change to the Group's exposure to market risks or the manner in which it manages and measures the risk from the previous period.

(i) Foreign currency risk management

The Group undertakes certain transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Due to the size of the operations, the Group does not enter into derivative financial instruments to manage its exposure to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the balance date expressed in Australian dollars are as follows:

	Liabilities		Assets	
	2017 $	2016 $	2017 $	2016 $
UK Pounds	-	-	-	-
Danish Kroner	-	163,191	-	1,051
US Dollars	-	-	-	-

The foreign currency risk is immaterial in terms of possible impact on profit and loss and total equity and as such a sensitivity analysis has not been completed.

(ii) Interest rate risk management

The Company and the Group are exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates.

The Company and Group's exposures to interest rate on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

Interest rate risk sensitivity analysis

The sensitivity analyses below have been determined based upon the exposure to interest rates for non-derivative financial instruments at the balance date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the change in interest rates.

At balance date, if interest rates had been 50 basis points higher or lower and all other variables were held constant, there would be an immaterial impact on equity and profit or loss.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

NOTE 13: FINANCIAL INSTRUMENTS (continued)

(e) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and as such, collateral is not requested nor is it the Group's policy to securitise its trade and other receivables.

The carrying amount of financial assets recorded in the financial statements, net of any allowance for losses, represents the Group's maximum exposure to credit risk without taking account of any collateral obtained.

(f) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The following table details the Company's and the Group's expected maturity for its non-derivative financial liabilities. These have been drawn up based on undiscounted contractual maturities of the financial liabilities based on the earliest date the Group can be required to repay. The tables include both interest and principal cash flows.

Consolidated

2017	Less than one month $	1 – 3 months $	3 months – 1 year $	1 year – 5 years $	5 + years $
Fixed interest rate loan	-	-	-	-	_
Non-interest bearing	253,383	-	-	-	-
	253,383	-	-	-	-

2016	Less than one month $	1 – 3 months $	3 months – 1 year $	1 year – 5 years $	5 + years $
Fixed interest rate loan	-	-	-	-	-
Non-interest bearing	418,169	-	-	-	-
	418,169	-	-	-	-

(g) Fair value of financial instruments

The Group does not have any financial instruments measured subsequent to initial recognition at fair value. Therefore, the fair value disclosure required by AASB 7 Financial Instruments: Disclosures have not been presented.

The carrying amount of financial assets and liabilities recognised in the financial statements approximates their fair values.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 14: ACQUISITION OF FRASER RANGE PROJECT

Pursuant to an Acquisition Agreement (the Agreement) entered into in July 2013, Longford acquired an 80% interest in three granted exploration licences comprising the Fraser Range Project.

Pursuant to the terms of the Agreement, Longford had the right to acquire the remaining 20% interest on the following terms:

(i) The vendor is to be free carried for the period it holds an equity interest in the Fraser Range Project up to a Decision to Mine;
(ii) The vendor, at its election has the right to convert all or part of their retained interest into shares, subject to such conversion not resulting in a breach of section 606 of the Corporations Act, at the same time and price as any future new issue of shares at the rate of A$50,000 per percentage point up to the time of the Resource Milestone; and
(iii) Following satisfaction of the Resource Milestone, Longford shall have the right to acquire the remaining interest (if any) at a fair market value.

The vendor retains a 1% gross revenue royalty over all the tenements of the Fraser Range Project.

At 30 June 2017, the company holds a 100% interest in the Fraser Range Project, comprising the following consideration:

1. In October 2013, Longford acquired a 70% interest (bringing its total interest up to 80%) in the Fraser Range Project by issuing 54,771,768 shares, 11,333,334 Class A performance shares and 11,333,334 Class B performance shares;

2. In May 2014, Longford issued 40,625,000 shares to increase its interest in the Fraser Range Project by a further 6.5% to 86.5% pursuant to (ii) above;

3. In February 2015, Longford issued 35,000,000 shares to increase its interest in the Fraser Range Project by a further 5.6% to 92.1% pursuant to (ii) above;

4. In August 2015, Longford issued 39,000,000 shares to increase its interest in the Fraser Range Project by a further 3.9% to 96% pursuant to (ii) above;

5. In September 2016, Longford issued 833,333 unlisted options, and paid $100,000, to increase its interest in the Fraser Range Project by a further 4% to 100% pursuant to (ii) above.

NOTE 15: ACQUISITION OF FRASER RANGE NORTH PROJECT

On 17 February 2014, Longford secured an option to acquire five tenements in the Fraser Range nickel-copper belt.

During the financial year, these five least prospective tenements were impaired in the accounts as they have been relinquished or deemed not worthy of further exploration as a result of negative forecasts towards some commodity prices. Relinquishment of these tenements allows Longford to focus its resources on the more prospective tenements and to evaluate other opportunities in the resources sector that may arise.

NOTE 16: ACQUISITION OF SHEOAK PROJECT

On 2 June 2015 Longford announced that it had entered into an option agreement to purchase 70% of the Sheoak Project totalling 28 km2 along strike from Mt Ridley.

During the financial year, this tenement was impaired in the accounts as it has been relinquished or deemed not worthy of further exploration as a result of negative forecasts towards some commodity prices. Relinquishment of this tenement allows Longford to focus its resources on the more prospective tenements and to evaluate other opportunities in the resources sector that may arise.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 17: ACQUISITION OF WEST KIMBERLEY PROJECT

During the previous financial year, The Company entered into a Binding Term Sheet for the option for the acquisition of the West Kimberley Project being 80% of E04/1972 and E04/2314.

The principle terms of the agreement were as follows.
Under the terms Longford paid an option fee of $40,000 in September 2015 for a six-month option to acquire an 80 per cent interest in the Project, which was extended by an additional 12 months through the payment of a further $60,000.

NOTE 18: ACQUISITION OF KEEL ZINC PROJECT

On 5 March 2017 Longford completed an inclusive due diligence investigation on the Keel Zinc Project in Ireland and resolved to proceed with the option agreement to acquire a majority interest in the project. The Company signed a binding option agreement that provides a twelve month period in which to exercise the option to acquire 80% of the project.

In accordance with the option agreement the key acquisition terms were as follows:

- Longford has secured an exclusive due diligence period, expiring on 5 March 2017, in which to assess the project and decide whether to proceed with the option agreement. In exchange, Longford has completed payment of a non-refundable fee of $A50,000;
- Upon satisfactory completion of due diligence, Longford may acquire a twelve-month option to acquire an 80% interest in the Keel Zinc Project by making a payment of $A200,000 cash and issuing 20,000,000 Ram shares. Shares will be subject to a voluntary escrow period of 6 months;
- During the option period, Longford will be required to incur expenditures of at least $A1,000,000 for the exploration and development of the project;
- To exercise the Option and complete the project acquisition, Longford will be required to make an additional payment of $A1,000,000 cash and issue the vendors with an additional 120,000,000 Longford shares. Completion of the acquisition on exercise of the Option will be conditional on Longford shareholders approving the issue of those Longford shares. The shares will be subject to a voluntary escrow period of 6 months;
- Upon completion of the acquisition, the project will be held in a newly formed joint venture company of which Ram will hold an 80% interest. The remaining 20% interest in the project will be free-carried up to a decision to mine. Longford is expected to spend $A5 Million on exploration over a 10-year period. Following a decision to mine, if the holder/s of the remaining 20% are not able to self-fund their share of expenditure contributions, Longford agrees to fund the contribution of the 20% holder/s as a loan to be repaid from profits from mining operations.

NOTE 19: COMMITMENTS AND CONTINGENCIES

In order to maintain rights of tenure over its exploration licences, the consolidated entity is required to outlay amounts in respect of rent and to meet minimum expenditure requirements for its exploration licences in Australia. The future exploration commitment of the consolidated entity relating to tenements to their expiry is as follows:

	Consolidated	
	2017	2016
	$	$
Exploration expenditure commitments		
Within one year	123,000	324,500
After one year but not more than five years	246,000	975,500
Later than five years	-	-
	369,000	1,300,000

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 20: RELATED PARTY DISCLOSURE

The consolidated financial statements include the financial statements of Longford Resources Limited and the subsidiaries listed in the following table.

Name	*Country of Incorporation*	*% Equity Interest*		*Investment ($)*	
		2017	*2016*	*2017*	*2016*
Acebell Holdings Pty Ltd	Australia	100	100	-	-
Fissure Exploration Pty Ltd	Australia	100	100	-	-
Contact Uranium Peru SAC	Peru	100	100	-	-
Contact Energy Peru SAC	Peru	100	100	-	-
Greenland Resources Ltd	United Kingdom	-	51	-	-

Greenland Resources Ltd was deregistered during the financial year.

Longford Resources Limited is the ultimate Australian parent entity and ultimate parent of the Group.

NOTE 21: PARENT ENTITY DISCLOSURES

Financial position

	30 June 2017 $	30 June 2016 $
Assets		
Current assets	3,318,147	332,517
Non-current assets	7,252,509	5,465,382
Total assets	10,570,656	5,797,899
Liabilities		
Current liabilities	253,383	253,059
Non-current liabilities	-	-
Total liabilities	253,383	253,059
Equity		
Issued capital	61,419,547	55,642,962
Accumulated losses	(60,418,683)	(59,232,463)
Reserves		
Share-based payments	695,473	695,473
Option reserve	8,562,076	8,380,008
Performance rights reserve	58,860	58,860
Total equity	10,317,273	5,544,840

Financial performance

Loss for the year	(1,205,318)	(1,144,689)
Other comprehensive income	-	-
Total comprehensive income	(1,205,318)	(1,144,689)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

There are no matters or circumstances that have arisen since the end of June 2017 which significantly affected or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years except as follows:

On 25 July 2017 10,000,000 unlisted options were exercised to raise $200,000.

On 14 August 2017 the Company issued 94,453,055 bonus unlisted options to all Australian and NZ shareholder exercisable at 5 cents on or before the 31 July 2018.

On 21 September 2017 the Company announced it has entered into an agreement that provides it the right to acquire 100% of unlisted company Liaz Pty Ltd ("Liaz" and "the Acquisition"). The Acquisition provides Longford the opportunity to acquire a 100% interest in two advanced, underexplored, high-grade cobalt projects in the USA:

- The Colson Copper-Cobalt Project in Idaho; and
- The Goodsprings Copper-Cobalt Project in Nevada (see Figure 1).

Upon completion of the Acquisition it is proposed that Liaz's directors, Mike Haynes and Richard Hill, be appointed to the board of Longford. 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 Longford's asset portfolio through the pursuit of additional North American cobalt opportunities.

NOTE 23: AUDITOR'S REMUNERATION

The auditor of Longford Resources Limited is HLB Mann Judd.

	Consolidated		Parent	
	2017 $	2016 $	2017 $	2016 $
Amounts received or due and receivable by HLB Mann Judd for:				
An audit or review of the financial report of the entity and any other entity in the Group	39,500	36,800	39,500	36,800
Non audit services – EDI Application	-	2,000	-	2,000
Amounts received or due and receivable by Menzies LLP for:				
Audit of Greenland Resources Ltd	-	-	-	-

NOTE 24: DIRECTORS AND EXECUTIVES DISCLOSURE

(a) Details of Key Management Personnel

Directors

Neville Bassett (Non-Executive Chairman)	Appointed 22/03/2004
Bill Guy (Managing Director)	Appointed 28/03/2013 (Appointed Managing Director 26/07/13)
Edward Mead (Non-Executive Director)	Resigned 2/11/2016
Scott Mison (Non-Executive Director)	Appointed 2/11/2016 (Appointed Interim Chief Executive Officer 18/5/2017)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017

NOTE 24: DIRECTORS AND EXECUTIVES DISCLOSURE (continued)

(b) Summary of remuneration paid

The totals of remuneration paid to Key Management Personnel of the company and the Group during the year are as follows:

	2017 $	2016 $
Short term employee benefits	208,612	250,384
Share-based payments	60,000	1,210
Performance rights based payments	-	-
Total Key Management Personnel compensation	**268,612**	**251,594**

Key management personnel remuneration has been included in the Remuneration Report section of the Directors' Report.

NOTE 25: DISCONTINUED OPERATIONS

At 30 June 2016, the Company held a 51% interest in subsidiary Greenland Resources Limited. During the current period this entity was wound up, and as a result, the total of the non-controlling interest balance, and foreign exchange reserve balance, at the date the company was wound up (total of $2,280,385) has been shown as a loss from discontinued operation in the consolidated statement of comprehensive income.

DIRECTORS' DECLARATION

1. In the opinion of the Directors of Longford Resources Limited, formerly Ram Resources Limited, (the 'Company'):

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Group's financial position as at 30 June 2017 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2017.

This declaration is signed in accordance with a resolution of the Board of Directors.

Neville Bassett
Non Executive Chairman

Dated this 30th day of September 2017

HLB Mann Judd

Accountants | Business and Financial Advisers

INDEPENDENT AUDITOR'S REPORT
To the members of Longford Resources Limited (formerly Ram Resources Limited)

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Longford Resources Limited ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flow for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Group's financial position as at 30 June 2017 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report**.**

HLB Mann Judd

Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Refer to note 9 in the financial statements	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group capitalises all exploration and evaluation expenditure, including acquisition costs and applies the cost model after recognition. Our audit focussed on the Group's assessment of the carrying amount of the capitalised exploration and evaluation expenditure, because this is one of the most significant assets of the Group. There is a risk that the capitalised expenditure no longer meets the recognition criteria of the standard. In addition, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of the exploration and evaluation expenditure may exceed its recoverable amount.	Our procedures included but were not limited to the following: • We obtained an understanding of the key processes associated with management's review of the carrying value of the exploration and evaluation expenditure; • We considered the Directors' assessment of potential indicators of impairment; • We obtained evidence that the Group has current rights to tenure of its areas of interest; • We examined the exploration budget for the year ending 30 June 2018 and discussed with management the nature of planned ongoing activities; • We substantiated a sample of additions to exploration expenditure during the year; • We enquired with management, reviewed ASX announcements and minutes of Directors' meetings to ensure that the Group had not decided to discontinue exploration and evaluation at any area of interest; and • We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2017, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2017.

In our opinion, the remuneration report of Longford Resources Limited for the year ended 30 June 2017 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

L Di Giallonardo
Partner

Perth, Western Australia
30 September 2017

DETAILS OF INTERESTS IN MINING TENEMENTS

Tenement	Project	Location	Ownership
PL 185 &186[1]	Keel Zinc Project	Ireland	Diversified Assets Holdings[1] 100% Longford has 12-month option to purchase 80%
E28/2209[2]	Fraser Range	Fraser Range	100%
E28/2210[2]	Fraser Range	Fraser Range	100%
E63/1528	Fraser Range	Fraser Range	100%
E04/2423	Western Kimberley	Kimberley	Fissure Exploration[3]
E04/1972	Western Kimberley	Kimberley	80%
E04/2314	Western Kimberley	Kimberley	Application [4]

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

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Ltd, and not shown elsewhere in this report is as follows. The information is current as at 25 September 2017.

(a) Distribution of equity securities

(i) Share capital

- 286,781,885 fully paid shares held by 2,435 shareholders

Analysis of numbers of equity security holders by size of holding are:

	Number of Holders	Fully Paid Ordinary Shares
1 – 1,000	1,118	169,506
1,001 – 5,000	416	1,305,436
5,001 – 10,000	176	1,352,891
10,001 – 100,000	493	18,361,966
100,001 and over	232	265,592,086
	2,435	**286,781.885**

The number of holders with an unmarketable holding is 1,630 holders with a total of 2,090,631 ordinary shares.

(b) Twenty largest holders of quoted equity securities (fully paid ordinary shares)

		Number Held	Percentage %
1	Mahsor Holdings Pty Ltd <Rosham Family S/F No2 A/c>	30,694,093	10.70
2	Mycatmax Pty Ltd <The Viking S/F A/c>	29,500,000	10.29
3	Diversified Asset Holdings Pty Ltd <Diversified Asset S/F A/c>	17,700,000	6.17
4	Holdrey Pty Ltd <Don Mathieson Family A/c>	11,525,892	4.02
5	National Nominees Limited <DB A/c>	9,000,250	3.14
6	Mineral Rock Pty Ltd <SEBC Family A/c>	6,200,000	2.16
7	Mrs Sara Jacob	6,000,000	2.09
8	Mr Geoffrey Kevin Cammell <Cammell Discretionary A/c>	4,000,000	1.39
9	Byrne Holdings Pty Ltd	4,000,000	1.39
10	J P Morgan Nominees Australia Limited	3,835,158	1.34
11	Mr Timothy Vincent Tatterson	3,689,557	1.29
12	Macsnr Pty Ltd <DSM A/c>	3,000,000	1.05
13	Mr Dale Allan Bryan & Mrs Tracy Tzu-Lei Bryan <Bryan Investment A/c>	3,000,000	1.05
14	Rojul Nominees Pty Ltd <RR Martin Super Fund A/c>	3,000,000	1.05
15	Zenix Nominees Pty Ltd	2,975,000	1.04
16	Pershing Australia Nominees Pty Ltd <Accum A/c>	2,900,000	1.01
17	Comsec Nominees Pty Limited	2,812,500	0.98
18	North Gate Capital Pty Ltd <North Gate Capital A/c>	2,500,000	0.87
19	Greenlink Pty Ltd <The Debsage A/c>	2,499,990	0.87
20	Brispot Nominees Pty Ltd <House Head Nominee A/c>	2,433,052	0.85
		151,265,492	**52.75**

C. Substantial holders

Substantial holders in the company are set out below:

	Number held	Percentage	
Ordinary shares			
Mahsor Holdings Pty Ltd <Rosham Family S/F No2 A/c>	30,694,093	10.70%	119,999,874
Mycatmax Pty Ltd <The Viking S/F A/c>	29,500,000	10.29%	44,662,389

(c) On-market buy-back

There is no current on-market buy-back