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## September 2017 Quarterly Activities Report

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### HIGHLIGHTS

- Agreed to acquire 100% of Liaz Pty Ltd, providing the Company the right to secure a 100% interest in two high grade Cobalt-Copper Projects in the USA:
  - the Colson Cobalt-Copper Project (Idaho); and
  - and the Goodsprings Cobalt-Copper Project (Nevada)
- Initial drilling results received from the Keel Zinc Project in Ireland, with better results including:
  - 6.8m at 11.4% Zn, 0.3% Pb and 40.7g/t Ag from 141.2m
  - 4.5m at 18.0% Zn, 0.3% Pb and 58.53g/t Ag from 145.5m
  - 4.0m at 14.7% Zn, 0.1% Pb and 43.6 g/t Ag from 212m
  - 4m at 11.6% Zn, 0.7% Pb and 17.0g/t Ag from 172m
- Experienced resource development and capital markets executives, Mike Haynes and Richard Hill to join the board as Managing Director and Non-Executive Chairman respectively on completion of the Liaz Transaction

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Longford Resources Limited (ASX: LFR; “Longford” or “the Company”) is pleased to provide the following review of activities for the quarter ended 30 September 2017.

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

During the September Quarter Longford announced its intention to acquire 100% of unlisted company Liaz Pty Ltd, thereby securing exposure to two high-grade cobalt projects in North America. Longford shareholders approved this transaction at a meeting held on 27 October 2017.

The projects comprise:

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



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

## **The Colson Copper-Cobalt Project, Idaho**

### ***The Idaho Cobalt Belt – Background***

The Colson Copper-Cobalt Project is located at the northwestern end of the Idaho Cobalt Belt, the premier cobalt district in the United States. The Idaho Cobalt Belt is a 60km long geological terrane that hosts the largest known high-grade cobalt resources in the United States (see Figure 2).

Between 1949 and 1961 more than 5Mt of ore was mined from the Blackbird Cobalt Deposit, which is located in the centre of the Idaho Cobalt Belt (not within Liaz's project area; see Figure 2), from a series of open pits and underground workings. Ore grades averaged 1.5% copper and 0.6% cobalt.

eCobalt Solutions Inc. (TSX:ECS) is currently developing the Ram Deposit that is located immediately north of the Blackbird Mine in the Idaho Cobalt Belt (also not within Liaz's project area; see Figure 2). This deposit hosts NI 43-101 compliant Measured and Indicated Resources of 3.16Mt @ 0.55% Co, 0.75% Cu and 0.53 g/T Au plus Inferred Resources of 1.52Mt @ 0.47% Co, 0.71% Cu and 0.40g/t Au (at a 0.2% Co cut-off; see TSX announcement dated 22 April 2015). The Ram Deposit is fully permitted for mining, with first production anticipated in 2019.

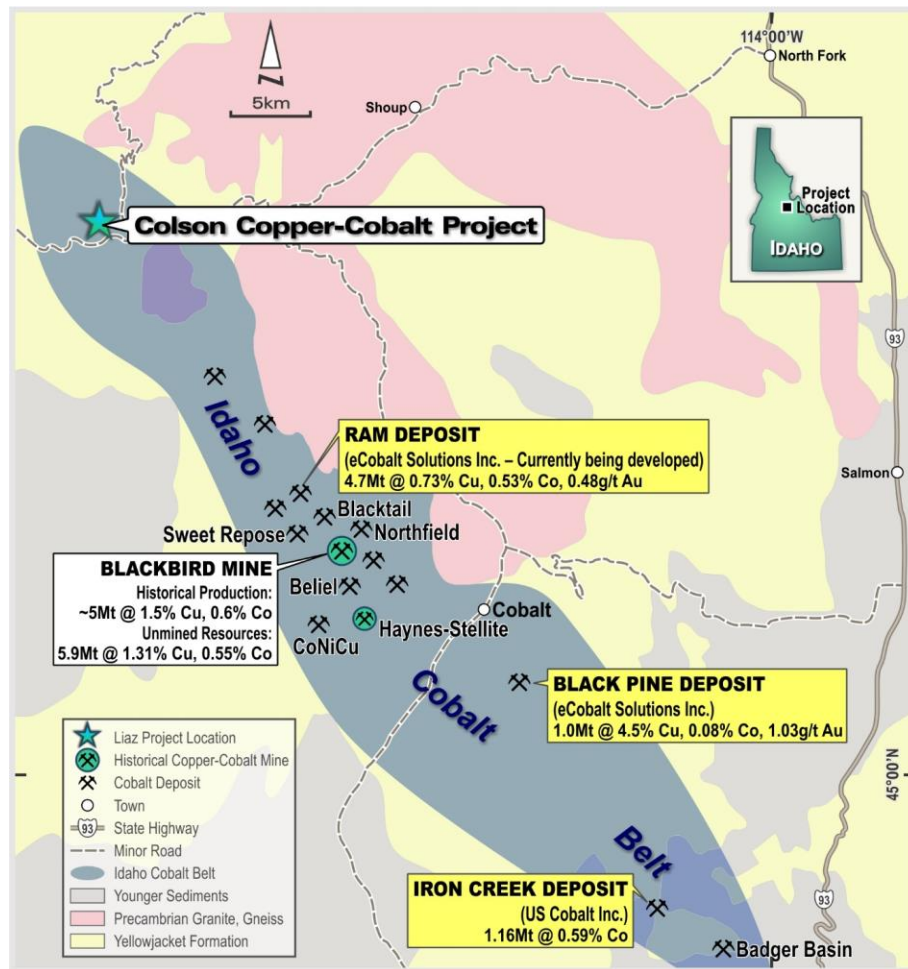


Figure 2. Location of Deposits in the Idaho Cobalt Belt, USA.

### Project Tenure

The Colson Copper-Cobalt Project comprises a 100% interest in 46 Federal mining claims (covering approximately 920 acres) that surround 10 additional Federal mining claims (~200 acres), within which the Salmon Canyon Copper-Cobalt Deposit is located (see Figure 3).

Longford has the right to acquire a 100% interest in the 10 mining claims encompassing the Salmon Canyon Deposit by making staged payments to the underlying claim owner that comprise:

1. US\$150,000 in cash and US\$250,000 in shares (or cash if share issue is not approved by Longford shareholders) on or before 31 October 2017;
2. US\$150,000 in cash and US\$250,000 in cash or shares (at Longford's election) on or before 30 April 2018;
3. US\$275,000 in cash and US\$300,000 in cash or shares (at Longford's election) on or before 30 August 2018; and
4. US\$300,000 in cash and US\$550,000 in cash or shares (at Longford's election) on or before 31 December 2018.

For each payment instalment, the number of shares to be issued will be based on the 10-day volume-weighted-average-price immediately prior to the date of each share issue.

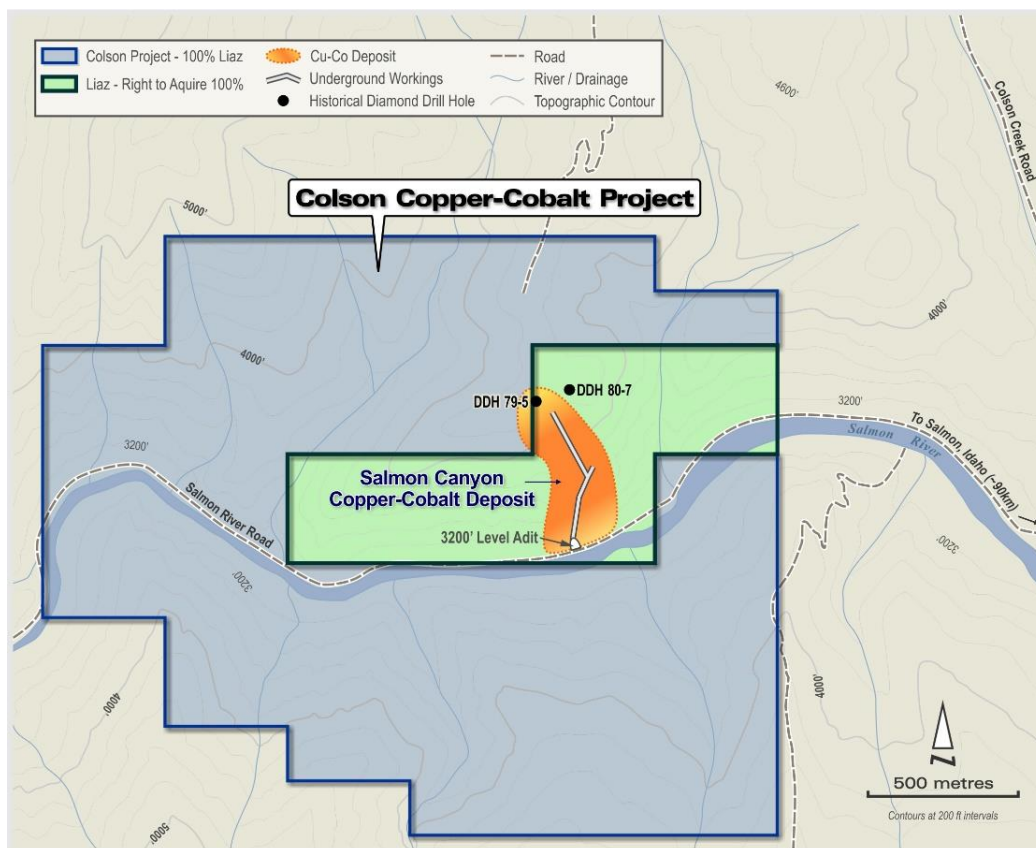


Figure 3. Liaz's tenure at the Colson Copper-Cobalt Project, Idaho, USA

### Project History and Previous Work

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

A 500m long adit and 3 raises (for about 200m) were installed to explore the mineralisation. Eighteen short diamond core holes were drilled from the adit, and a further two diamond core holes drilled from surface (see Figures 4 and 5). Many of the initial drill holes weren't assayed for cobalt.

Several hundred tonnes of ore were reportedly mined, milled and concentrated before being sent to a smelter in Montana.

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

Better results from previous underground sampling programs include:

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

Virtually no work has been undertaken since 1980.



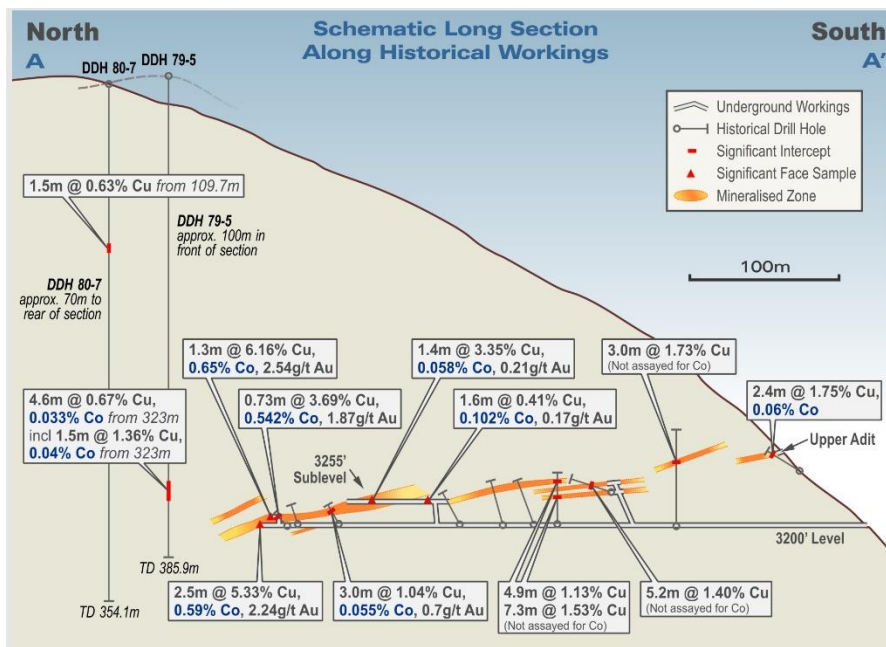


Figure 4. Long section illustrating mineralisation and historic underground workings at the Salmon Canyon Copper-Cobalt Deposit.

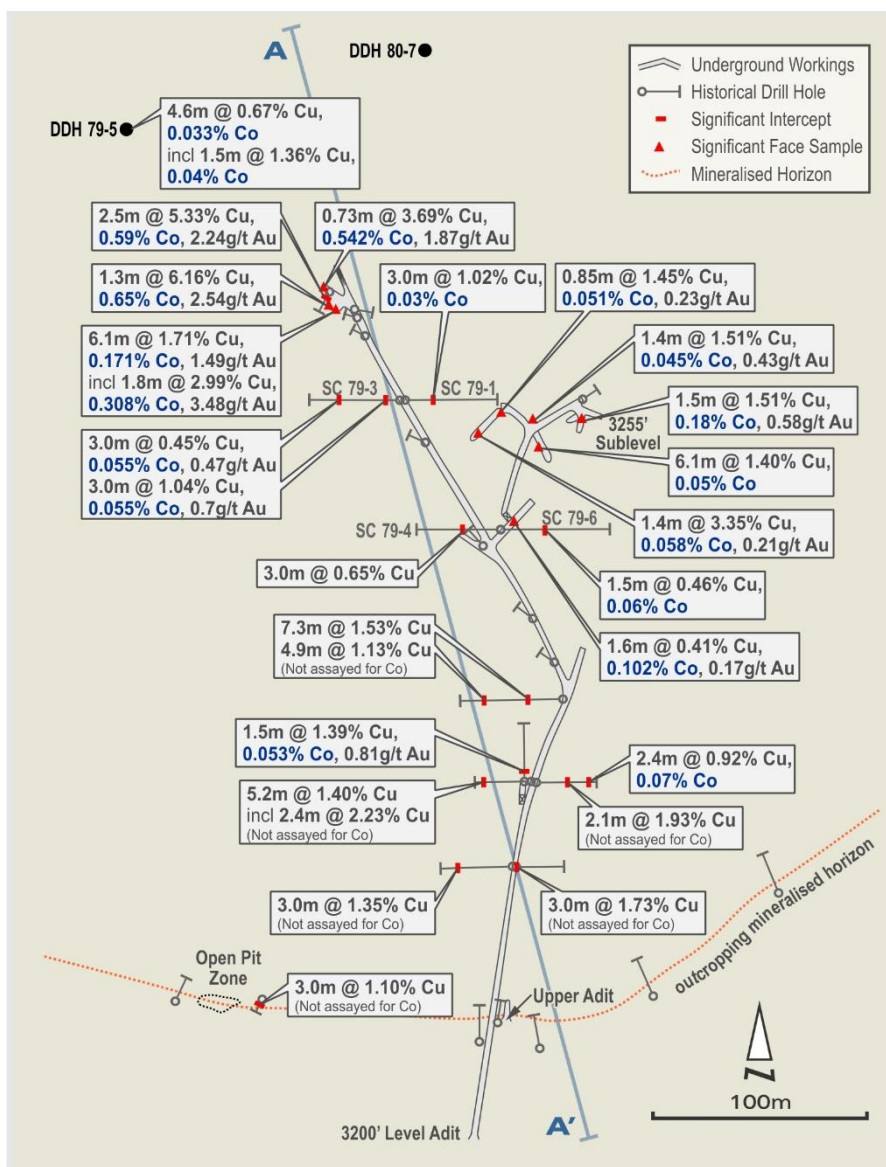


Figure 5. Plan view of the historic underground workings and location and results from previous drilling at the Salmon Canyon Copper-Cobalt Deposit.

## The Goodsprings Copper-Cobalt Project, Nevada

### ***Project History***

Numerous copper, zinc, gold and lead mines operated in the Goodsprings District of southern Nevada in the late 1800s and early 1900s. Most of these mines are hosted by a thick sequence of limestones that have been folded, faulted and intruded by dikes and sills of igneous rocks. Several of the larger copper deposits are located near intrusive masses of granite porphyry.

Cobalt oxide is found in the wall-rock of nearly every copper deposit in the district. Indeed historic reports commented that “locally, cobalt is abundant”; and in the early 1920s about 20 tons of cobalt-rich ore was shipped from 4 separate copper mines to processing facilities. **These shipments assayed between 6% and 29.18% cobalt.** Records indicate mining ceased in the district in 1921-22, and it appears that very little work has been undertaken in the Goodsprings district since then.

### ***Project Tenure***

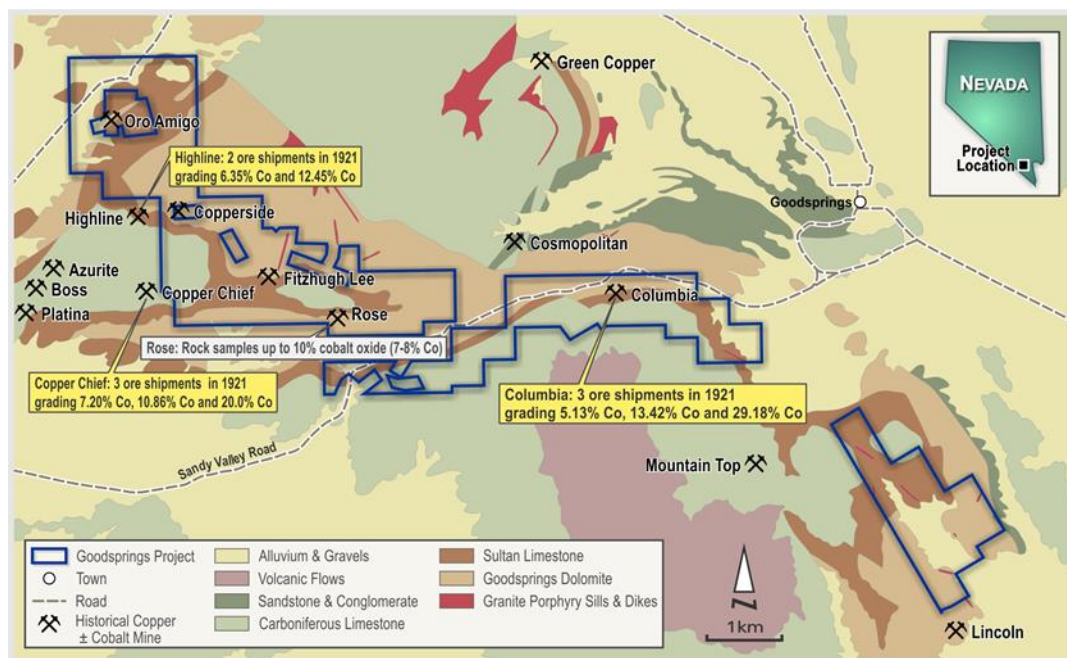
Longford has secured a 100% interest in 186 Federal mining claims covering approximately 3,500 acres in the Goodsprings District. These claims have been deliberately located to encompass several historic copper-cobalt deposits as well as extensions of the geological sequences that host those and other copper-cobalt deposits (see Figure 6).

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

Despite extensive searches, Liaz has been unable to locate any records of any mining activity at the Columbia Mine since 1928. Nor has it been able to identify any information that indicates any modern exploration has been undertaken around the Columbia Mine, or indeed around any of the other multiple historic copper-cobalt mines in the Goodsprings District.

The project tenure also includes a 100% interest in the historic Rose Mine, where rocks assaying **up to 10% cobalt oxide (7-8% Co)** have been reported previously. Liaz also holds a 100% interest in the Fitzhugh Lee Mine where **copper ore grading 21.5% Cu** was shipped in 1915-17 (but where there are no records of historic assays for Co).

There is no evidence of any modern exploration being undertaken in the district. Accordingly Longford intends implementing systematic soil geochemistry and electrical geophysical surveys that it anticipates will rapidly delineate drill targets.



**Figure 6.** Geology of the Goodsprings District, including the location of historic copper-cobalt deposits and the extents of Liaz's current mineral rights.

## Keel Zinc Project, Ireland

During the quarter, Longford completed its maiden drilling campaign at the Keel Zinc Project (**Keel**) in Ireland. Twelve diamond core holes were completed for 3,472 metres.

Assay results have been received for the first seven holes. Better results include:

- 6.8m at 11.4% Zn, 0.3% Pb and 40.7g/t Ag from 141.2m
- 4.5m at 18.0% Zn, 0.3% Pb and 58.53g/t Ag from 145.5m
- 4.0m at 14.7% Zn, 0.1% Pb and 43.6 g/t Ag from 212m
- 4m at 11.6% Zn, 0.7% Pb and 17.0g/t Ag from 172m

Assay results from the final five holes are expected in the coming month.

Inferred Resources at the Project currently comprise 6.9Mt at 5.6% Zn and 0.8% Pb (refer to Longford's ASX Announcement dated 7 March 2017). On receipt of the remaining assay results the Company will make further plans for the development of this Project.

## **CORPORATE**

Subsequent to the quarter end, on 27 October 2017 the Company held a general meeting of shareholders to approve the acquisition of Liaz Pty Ltd. All resolutions were approved.

At 30 September 2017 Longford had \$2.5 million cash at bank.

***For further information, please contact:***

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**Forward Looking Statements**

The announcement contains certain statements, which may constitute “forward –looking statements”. Such statements are only predictions and are subject to inherent risks and uncertainties, which could cause actual values, results, performance achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

**Competent Person Statements**

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

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



**Appendix 1 - Tenement Schedule**

<b>Tenement</b>	<b>Project</b>	<b>Location</b>	<b>Ownership</b>	<b>Change in Quarter</b>
PL 185 & 186 <sup>1</sup>	Keel Zinc Project	Ireland	Diversified Assets Holdings <sup>1</sup> 100% Longford has 12-month option to purchase 80%	Nil
E28/2209 <sup>2</sup>	Fraser Range	Fraser Range	100%	Nil
E28/2210 <sup>2</sup>	Fraser Range	Fraser Range	100%	Nil
E63/1528	Fraser Range	Fraser Range	100%	Nil
E04/2423	Western Kimberley	Kimberley	Fissure Exploratoion <sup>3</sup>	Nil
E04/1972	Western Kimberley	Kimberley	80%	Nil
E04/2314	Western Kimberley	Kimberley	Application <sup>4</sup>	Nil

## Note

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

**Mining Tenements Acquired and Disposed during the September 2017 Quarter:**

Nil

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

Nil

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

Nil