**ASX Release 3 November 2017** **ASX: LFR**

# LONGFORD ACQUIRES ADDITIONAL HIGH-GRADE COBALT PROJECT

***HIGH-GRADE, NORTH AMERICAN COBALT STRATEGY CONTINUES TO BUILD***

## HIGHLIGHTS

- **Longford has entered into an agreement providing it the right to earn an initial 60% interest in the high-grade Hazelton Cobalt-Copper-Gold Project in British Columbia, Canada**
- **The Hazelton Project includes 3 historic mines:**
  - **Victoria Mine – where ore grades averaged 123.4 g/t gold and 2.8% cobalt**
  - **Rocher Deboule Mine – where ore grades averaged 5.9% copper and 2.9 g/t gold**
  - **Highland Boy Mine – where ore grades averaged 7.0% copper and 1.8 g/t gold**
- **Last mined in 1952; very limited exploration since**
- **Considerable potential to delineate additional high-grade cobalt-copper-gold mineralisation with modern exploration**
- **Attractive acquisition terms – primarily an earn-in over 4 years**
- **Longford is well funded, with a cash position of A$2.5 million and is well placed to immediately commence exploration following completion of the acquisition**

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Longford Resources Limited (ASX:LFR; "Longford" and "the Company") is very pleased to advise it has reached agreement to earn an initial 60% interest in the high-grade Hazelton Cobalt-Copper-Gold Project in British Columbia, Canada ("the Hazelton Project") from American Manganese Inc. ("AmMang").

The Hazelton Project covers 10km$^2$ and includes the historic Victoria Mine that operated intermittently between 1918 and 1941. During this period **ore grades averaged 123.4 g/t gold and 2.8% cobalt**. The Project also includes the historic Rocher Deboule and Highland Boy Mines, where substantial high-grade copper-gold mineralisation was recovered.

Mining in the Project area ceased in 1952. Only limited exploration has been undertaken subsequently.

The Hazelton Project complements and builds on Longford's two other high-grade North American cobalt projects – the Colson Cobalt-Copper Project in Idaho and the Goodsprings Copper-Cobalt Project in Nevada. It is another high-grade, underexplored cobalt project that provides the Company an exceptional opportunity to discover additional high-grade cobalt mineralisation in the near-term.

## The Hazelton Cobalt-Copper-Gold Project

### *Location and Access*

The Hazelton Project comprises two contiguous mining claims, covering 998 hectares (10km$^2$), located approximately 10km south of Hazelton in highly prospective northwestern British Columbia, Canada (see Figure 1).

A 15km long unmaintained 4-wheel drive road that extends from Provincial Highway 16 provides access to the underground workings at the historic Rocher Deboule and Highland Boy Mines and the southern parts of the Project.

The Victoria Mine site, located about 400m north of the Rocher Deboule Mine, is best reached from the west via an unmaintained 4-wheel drive road that leaves Highway 16 just southwest of Seeley Lake Provincial Park and climbs on the western slopes of the Rocher Deboule Range to approximately 400m below the lowest adit of the Victoria mine site (see Figure 2).


**Figure 1. Location of the Hazelton Cobalt-Copper-Gold Project, British Columbia, Canada.**

***Geology***

Mineralisation at the Project comprises a series of precious- and base-metal quartz-sulphide veins that transect a Late Cretaceous granodiorite pluton that has intruded upper Jurassic sediments and upper Cretaceous volcanics (see Figure 2).

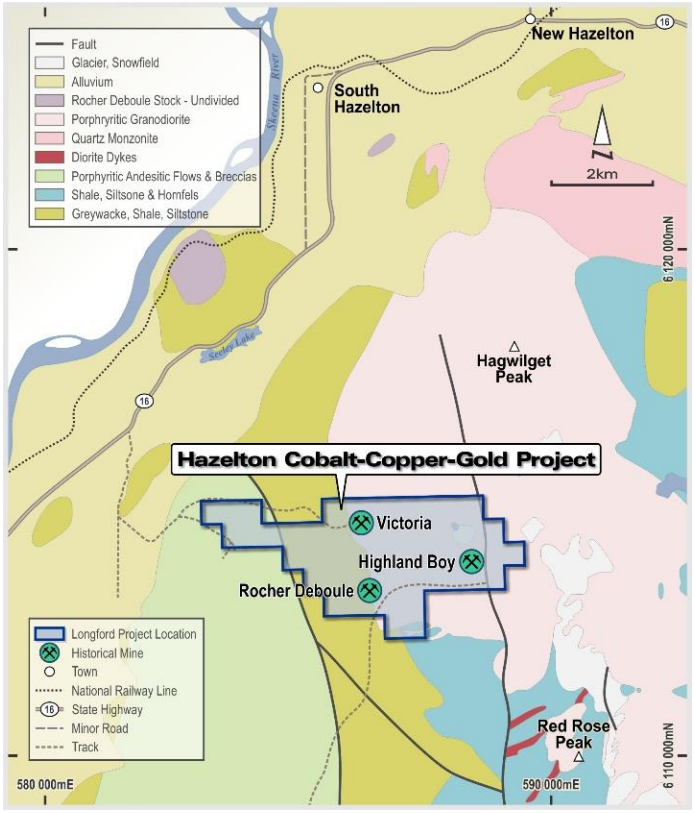


**Figure 2. Regional Geology of the Hazelton Cobalt-Copper-Gold Project, British Columbia, Canada.**

The mineralised veins are typically found within shear zones on the margins of the Rocher Deboule intrusive stock. These veins all strike in an easterly direction and dip approximately 55° to the north (see Figure 3). The veins are up to 1,500m in length and extend more than 200m deep. They are locally of very high-grade.

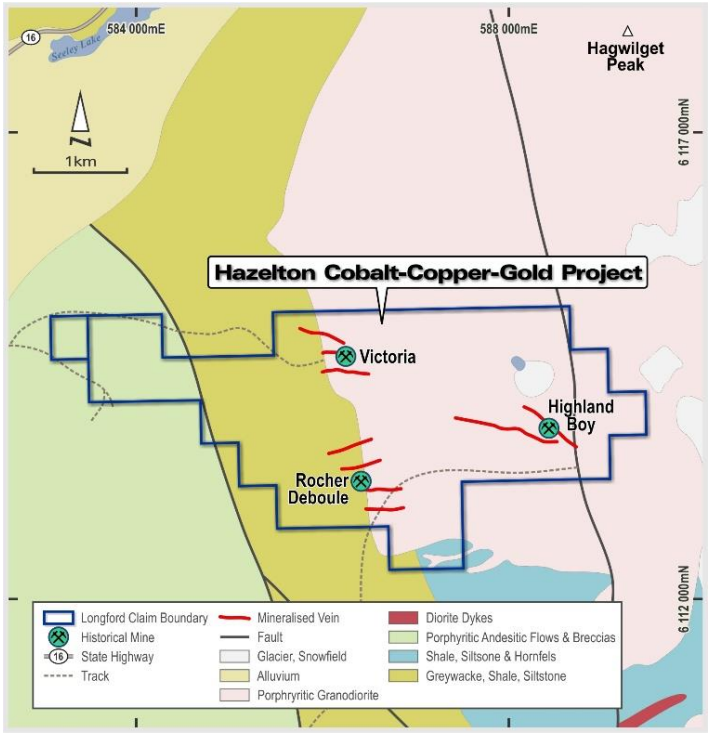


**Figure 3. Location of mineralised veins at the historic Victoria, Rocher Deboule and Highland Boy mines at the Hazelton Cobalt-Copper-Gold Project, British Columbia, Canada.**

***Past Production***

*Victoria Mine*

Mineralisation at the Victoria Mine comprises three parallel veins and one small cross-vein. The main veins strike 85° east and dip about 60° north. The No. 1 vein is well exposed. The No. 2 vein is located about 300m south of the No. 1 vein and is intermittently exposed. The No. 3 vein lies about 200m south of the No. 2 vein and 300m north of the No. 4 vein of the Rocher Deboule Mine.

Historic workings consist of five adits, one raise and sub-level, and a number of open cuts. All of the underground workings are on the No. 1 vein. The lowest adit, No. 3 is at an elevation of 1,576m and the highest adit, No. 00, is at about 1,799m. The No. 1 open cut is at 1,860m.

The Victoria Mine was first developed and mined by New Hazelton Gold-Cobalt Mines Ltd between 1917 and 1926. Parcels of hand-sorted ore were shipped from the Project in 1918, 1926 and 1928. Three further shipments were made in 1940-41. Production from the Victoria Mine is summarised in Table 1.

**Table 1. Historic production from the Victoria Mine, Hazelton Cobalt-Copper-Gold Project, British Columbia.**

| Year | Tonnes | Au (g/t) | Ag (g/t) | Co (%) |
|---|---|---|---|---|
| 1918 | 24.1 | 42.5 | - | 1.2% |
| 1926 | 20.0 | 159.4 | - | 4.6% |
| 1928 | 20.9 | 214.3 | - | 3.8% |
| 1940 | 7.0 | 74.7 | 6.9 | 2.6% |
| 1941 | 6.6 | 69.2 | 6.9 | 1.4% |
| 1941 | 3.1 | 134.4 | 10.3 | - |
| **Total** | **81.6** | **123.4** | **-** | **2.8%** |

An underground sampling program on the No. 1 vein in the Victoria Mine in 1949 returned exceptionally high gold and cobalt results, including:

- 0.5m @ 51.0 g/t gold and 1.08% cobalt (No. 3 adit; 1,576m rL)
- 0.25m @ 68.4 g/t gold and 0.83% cobalt (No. 3 adit)
- 0.4m @ 188.5 g/t gold and 2.72% cobalt (No. 2 adit; 1,606m rL)
- 0.3m @ 63.4 g/t gold and 1.81% cobalt (No. 2 adit)
- 0.2m @ 115.1 g/t gold and 2.5% cobalt (No. 1 adit; 1,679m rL)
- 0.25m @ 32.3 g/t gold and 1.9% cobalt (No. 1 adit)
- 0.15m @ 241.0 g/t gold and 3.3% cobalt (No. 1 adit)
- 0.35m @ 56.0 g/t gold and 0.25% cobalt (No. 0 adit; 1,755m rL)
- 0.25m @ 87.1 g/t gold and 3.2% cobalt (No. 00 adit; 1,799m rL)
- 0.2m @ 158.3 g/t gold and 3.8% cobalt (No. 00 adit)

There are reports of "limited surface sampling" being undertaken subsequently around the No. 2 adit area in 1990, with results including 2.44m @ 30.5 g/t gold and 0.35% cobalt. But there doesn't appear to have been any drilling undertaken to further evaluate this mineralisation.

Longford intends spending considerable time compiling historic data from the Victoria Mine during its due diligence period (see below) to help determine the best way to further evaluate this very high grade target area.

*Rocher Deboule Mine*

The Rocher Deboule Mine consists of at least five main sub parallel structures that host veins. They strike 75° and dip at between 35° and 65° to the north, within a 750 metre thick package of rock. The veins (numbered No. 1 to No. 5) are up to 700 metres in length and generally 0.5 to 2.5 metres wide. The veins are described as *"being remarkably uniform in overall attitude".*

Ore was mined and shipped from the upper part of the No. 4 vein from April 1915 until February 1916. By 1917 a 945m long drive had been developed from the bottom of the valley of Juniper Creek to intersect all known veins. Production in 1917-18 was primarily from the No. 2 vein. The mine was closed in 1918 because of a lack of developed ore and a drop in the copper price.

There was minor production in 1929, then the mine remained inactive until 1950 when it was acquired by Western Uranium Cobalt Mines Ltd. A slide that blocked the portal on the 1200 level was cleared and the upper levels rehabilitated. Operations through a 100 ton/day mill resumed in May 1952 but were shut down in November 1952. No mining has been undertaken since. Production from the Rocher Deboule Mine is summarised in Table 2.

**Table 2. Historic production from the Rocher Deboule Mine, Hazelton Cobalt-Copper-Gold Project, British Columbia.**

| Year | Tonnes | Au (g/t) | Ag (g/t) | Cu (%) |
|---|---|---|---|---|
| 1915 | 15,422.4 | 2.86 | 44.1 | 8.2% |
| 1916 | 15,204.7 | 2.42 | 34.2 | 5.2% |
| 1917 | 2,620.9 | 9.27 | 94.8 | 12.4% |
| 1918 | 2,888.5 | 8.96 | 174.9 | 10.0% |
| 1929 | 65.3 | 4.76 | 1415.1 | 4.3% |
| 1952 | 11,624.9 | 0.71 | 49.9 | 1.2% |
| **Total** | **47,826.7** | **2.92** | **54.9** | **5.9%** |

*Highland Boy Mine*
The Highland Boy Mine is located 2km east of thee Rocher Deboule veins. Two quartz-sulphide fissure veins are present between 1,768 and 1,980m altitude.

In 1917 the Delta Company of Edmonton shipped 68 tonnes of ore that graded 7.0% Cu, 1.82 g/t Au and 16.0 g/t Ag.

***Exploration Completed Since 1952***
From the Project data reviewed to date, it appears that only one drilling program has been undertaken at the Project since mining ceased in 1952. This comprised an underground diamond drilling program at the Rocher Deboule No. 2 vein in 1988, comprising 14 holes from the 1,200 level for 894m. These holes evaluated an 80m x 100m panel of the No. 2 vein. Very encouraging results included:

- 5.55m at 3.07% Cu, 7.51g/t Au and 264.7 g/t Ag
- 2.78m @ 3.77% Cu, 13.06 g/t Au and 138.5 g/t Ag
- 1.13m @ 3.4% Cu, 0.72 g/t Au and 1229.8 g/t Ag
- 1.16m @ 4.51% Cu, 1.41 g/t Au and 27.8 g/t Ag
- 0.7m @ 4.17% Cu, 1.41 g/t Au and 1259 g/t Ag

To date Longford has not yet been able to determine whether samples from this drilling program were assayed for cobalt. Further investigation will be undertaken during Longford's due diligence period (see below).

Considerable surface sampling has been completed since mining ceased in 1952. Extensive copper-cobalt-gold-silver mineralisation is evident across the Project area. Some underground sampling has also been completed. This data has not been collated into a readily accessible database. Longford intends doing so during its due diligence period. Following such, Longford anticipates it will be able to provide a more detailed summary of work completed previously.

***Acquisition Terms***

Longford has entered into an agreement with AmMang that provides Longford the exclusive right and option to initially earn a 60% interest in the Project ("the Agreement") by:

1. paying AmMang CDN$10,000 in cash by 10 November 2017;
2. paying AmMang CDN$10,000 in cash and issuing AmMang 50,000 shares in Longford once Longford has completed due diligence on the Project (at its absolute discretion) by 24 December 2017;
3. expending CDN$2,000,000 in Qualifying Expenditures on the Project over 4 years; with at least:
   (i) CDN$100,000 to be expended within 12 months of executing the Agreement; and
   (ii) CDN$200,000 (cumulative) to be expended within 24 months of executing the Agreement; and
4. paying AmMang CDN$10,000 in cash and issuing AmMang 50,000 shares in Longford on or before each annual anniversary of the Agreement until such time as Longford has earned its 60% equity interest.

Upon Longford earning a 60% equity interest in the Project Longford and AmMang shall establish a joint venture and contribute to subsequent expenditure on a pro-rata basis, or AmMang's equity interest in the Project will be diluted by 1.0% for every CDN$100,000 Longford spends on the Project. In the event AmMang's equity interest in the Project is diluted below 5.0%, its interest in the Project will convert to a 2.0% NSR royalty interest.

In addition, Longford has agreed to pay a Finder's Fee to the party that introduced this opportunity to Longford that will comprise:

(i) An up-front payment of 200,000 shares in Longford;
(ii) The issue of a further 200,000 shares in Longford once Longford has expended CDN$200,000 on the Project; and
(iii) The issue of a further 300,000 shares in Longford if it earns a 60% equity interest in the Project.

***Forward Plans***

Longford has a 60-day exclusivity period during which it can conduct due diligence on the Hazelton Project. A site visit has already been completed. The Company intends compiling all historic information from the Project during the due diligence period. It will use this information to help determine an appropriate forward work program and schedule.

**Mike Haynes**
**Managing Director/CEO**

**Qualified and Competent Person**

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

**Forward Looking Statements**

Any forward-looking information contained in this news release is made as of the date of this news release. Except as required under applicable securities legislation, Longford does not intend, and does not assume any obligation, to update this forward-looking information.

Any forward-looking information contained in this news release is based on numerous assumptions and is subject to all of the risks and uncertainties inherent in the Company's business, including risks inherent in resource exploration and development. As a result, actual results may vary materially from those described in the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information due to the inherent uncertainty thereof.

**APPENDIX 1 –**

**JORC CODE 2012 EDITION, TABLE 1 REPORT**

**JORC Code, 2012 Edition – Table 1**
**Section 1: Sampling Techniques and Data**
(Criteria in this section applies to all succeeding sections)

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Sampling Techniques | • Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.<br>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.<br>• Aspects of the determination of mineralisation that are Material to the Public Report.<br>• In cases where 'industry standard' work has been done, this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases, more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information | • All sampling discussed was undertaken by previous operators. While results of previous sampling programs have been documented in formal (historic) reports, the details of sampling and assay procedures is not recorded in these reports, hence is unknown. |
| Drilling Techniques | • Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.). | • The Company has not yet located reports detailing historic drilling methods. |

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Drill Sample Recovery | • Method of recording and assessing core and chip sample recoveries and results assessed.<br>• Measures taken to maximise sample recovery and ensure representative nature of the samples.<br>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material | • The Company has not yet located reports detailing core recoveries during previous drilling. Given a considerable amount of work was undertaken many years ago, it is uncertain whether this information will be located. |
| Logging | • Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.<br>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.<br>• The total length and percentage of the relevant intersections logged | • The Company has not yet located logs recorded during previous drilling. Given a considerable amount of work was undertaken many years ago, it is uncertain whether this information will be located. |
| Sub-Sampling techniques and sample preparation | • If core, whether cut or sawn and whether quarter, half or all core taken.<br>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.<br>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.<br>• Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.<br>• Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.<br>• Whether sample sizes are appropriate to the grain size of the material being sampled. | • Historic production records from the Victoria, Rocher Deboule and Highland Boy Mines, as announced, were documented in a Technical Report prepared in 2007. |

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Quality of assay data and laboratory tests | • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.<br>• For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.<br>• Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established | • Unknown; and as the previous work was in the early-mid 1900s details of assays and laboratory techniques utilised are unlikely to be determined. |
| Verification of sampling and assaying | • The verification of significant intersections by either independent or alternative company personnel.<br>• The use of twinned holes.<br>• Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.<br>• Discuss any adjustment to assay data | • The Company has not yet located any records of verification and check assays. It will endeavour to locate such information during its due diligence period. |
| Location of data points | • Accuracy and quality of surveys used to locate drillholes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.<br>• Specification of the grid system used.<br>• Quality and adequacy of topographic control. | • To date locational information has been derived from written reports detailing work undertaken previously at the Hazelton Project. Much of this work is summarised on maps in local coordinates. The Company will endeavour to translate this information to standard coordinate systems during its due diligence period. |
| Data Spacing and distribution | • Data spacing for reporting of Exploration Results.<br>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.<br>• Whether sample compositing has been applied. | • Results reported in this announcement have primarily been obtained from written reports that summarise previous work on the project. The data spacing and distribution will be better understood once the Company completes further work during its due diligence period. |

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Orientation of data in relation to geological structure | • Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.<br>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. | • From the information assessed to date it appears that data were acquired in a systematic and representative manner relative to the mineralised trends. Further assessment will be made during the Company's due diligence period. |
| Sample Security | • The measures taken to ensure sample security | • It is not known what sample security measures were adopted historically, and as the previous work was completed in the early-mid 1900s details of sample security are unlikely to be determined. |
| Audits or reviews | • The results of any audits or reviews of sampling techniques and data | • Not undertaken. |

**Section 2: Reporting of Exploration Results**
(Criteria listed in section 1 also apply to this section)

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Mineral tenement and land tenure status | • Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.<br>• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area | • The Hazelton Project comprises two mining claims in the Omineca Mining Division of British Columbia. Longford has undertaken initial evaluations to determine the registered owner of these mining claims. Further investigations will be undertaken during Longford's due diligence period. |
| Exploration done by other parties | • Acknowledgment and appraisal of exploration by other parties. | • AmMang has recently provided Longford copies of the assessment work reports it has filed with the British Columbia government since 2007, which includes some records of historic exploration undertaken on the Project. Longford intends reviewing these reports during its due diligence period. |

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Geology | • Deposit type, geological setting and style of mineralisation | • Mineralisation within the Hazelton Project appears to be high-sulphidation epithermal-type and/or associated with an iron-oxide copper gold system. |
| Drillhole Information | • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes:<br>  • easting and northing of the drillhole collar<br>  • elevation or RL (Reduced Level elevation above sea level in metres) of the drillhole collar<br>  • dip and azimuth of the hole<br>  • downhole length and interception depth<br>  • hole length.<br>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case | • The location of previous drilling has, to date, been identified from summary plans and cross sections. The Company will endeavour to determine the accurate locations and orientations of this drilling during its due diligence period. |
| Data aggregation methods | • In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.<br>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.<br>• The assumptions used for any reporting of metal equivalent values should be clearly stated | • Significant assay results reported in this announcement have been derived from written reports that summarise previous work on the project. The Company will endeavour to determine how samples were taken and results aggregated during its due diligence period. |

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Relationship between mineralisation widths and intercept lengths | • These relationships are particularly important in the reporting of Exploration Results.<br>• If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported.<br>• If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known'). | • From the information reviewed to date it is understood that results reported in this announcement are representative of true widths and lengths. The Company will endeavour to gain greater confidence in this during its due diligence period. |
| Diagrams | • Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drillhole collar locations and appropriate sectional views. | • During its due diligence period the Company will endeavour to prepare maps and cross sections that accurately represent work completed to date. Until a full review of previous data has been completed it is not possible to prepare such. |
| Balanced reporting | • Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results | • Results of all significant historical work assessed to date have been summarised and reported in this announcement. |
| Other substantive exploration data | • Other exploration data, if meaningful and material, should be reported including (but not limited to) geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. | • Not applicable at this time. |

| Criteria | JORC Code Explanation | Commentary |
|---|---|---|
| Further Work | • The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).<br>• Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. | • Longford has a 60-day exclusivity period during which it can conduct due diligence on the Hazelton Project. The Company intends compiling all historic information from the Project during the due diligence period. It will use this information to help determine an appropriate forward work program and schedule. |