



ASX Release
9 October 2017

ASX: LFR

AGREEMENT TO LEASE THE HIGH-GRADE COLUMBIA COPPER-COBALT MINE IN NEVADA

Highlights

- Liaz Pty Ltd, to be acquired by Longford, has executed an agreement to lease the historic high-grade Columbia Copper-Cobalt Mine in the Goodsprings District of Nevada
- The lease provides the right to explore and mine within six patented mining claims covering 120 acres of land contiguous with and surrounded by Liaz's other ~3,500 acre landholding in the Goodsprings District
- Historic records from the Columbia Copper-Cobalt Mine indicate:
 - Shallow mining was undertaken intermittently between 1880 and 1928
 - During 1921, **3 parcels of cobalt ore were mined and sold – grading 29.18%, 13.42% and 5.13% cobalt**
 - **The average grade of the copper ore mined was 12.8% copper**
- Historic workings extend over >500 metres of strike
- No evidence of any mining or modern exploration since 1928
- Excellent opportunity to apply modern exploration techniques, for the first time, with a view to rapidly delineating drill targets
- Systematic soil sampling and ground geophysics programs to commence in the near term as part of an initial project-wide exploration program
- This lease further enhances the prospectivity of the two high-grade cobalt projects in the USA Longford will secure by acquiring Liaz

Longford Resources Limited (ASX:LFR and "Longford") is pleased to announce that Liaz Pty Ltd ("Liaz"), has executed a lease agreement that provides Liaz the right to explore and mine minerals (including cobalt and copper) within six patented mining claims that encompass the historic high-grade Columbia Copper-Cobalt Mine ("Columbia Mine") in the Goodsprings District of Nevada, USA. Liaz is an unlisted company with a portfolio of high-grade cobalt projects in Idaho and Nevada in the USA that Longford has agreed to acquire (see Longford's *ASX Announcement on 21 September 2017*) subject to Longford shareholders' approval on 27 October 2017.

This 120 acre leased area is contiguous with, and complements, Liaz's adjacent ~3,500 acre landholding in the Goodsprings District that includes two other historic high-grade copper-cobalt mines – the Rose Mine and the Fitzhugh Lee Mine (see Figure 1). Rock samples assaying up to **7-8% cobalt** have been reported from the Rose Mine which is located approximately 3.7km from the Columbia Mine. Ore grading **21.5% copper** was shipped from the Fitzhugh Lee Mine between 1915 and 1917.

The 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, where Liaz has now assembled a portfolio of mineral rights covering approximately 3,600 acres (see Figure 1).

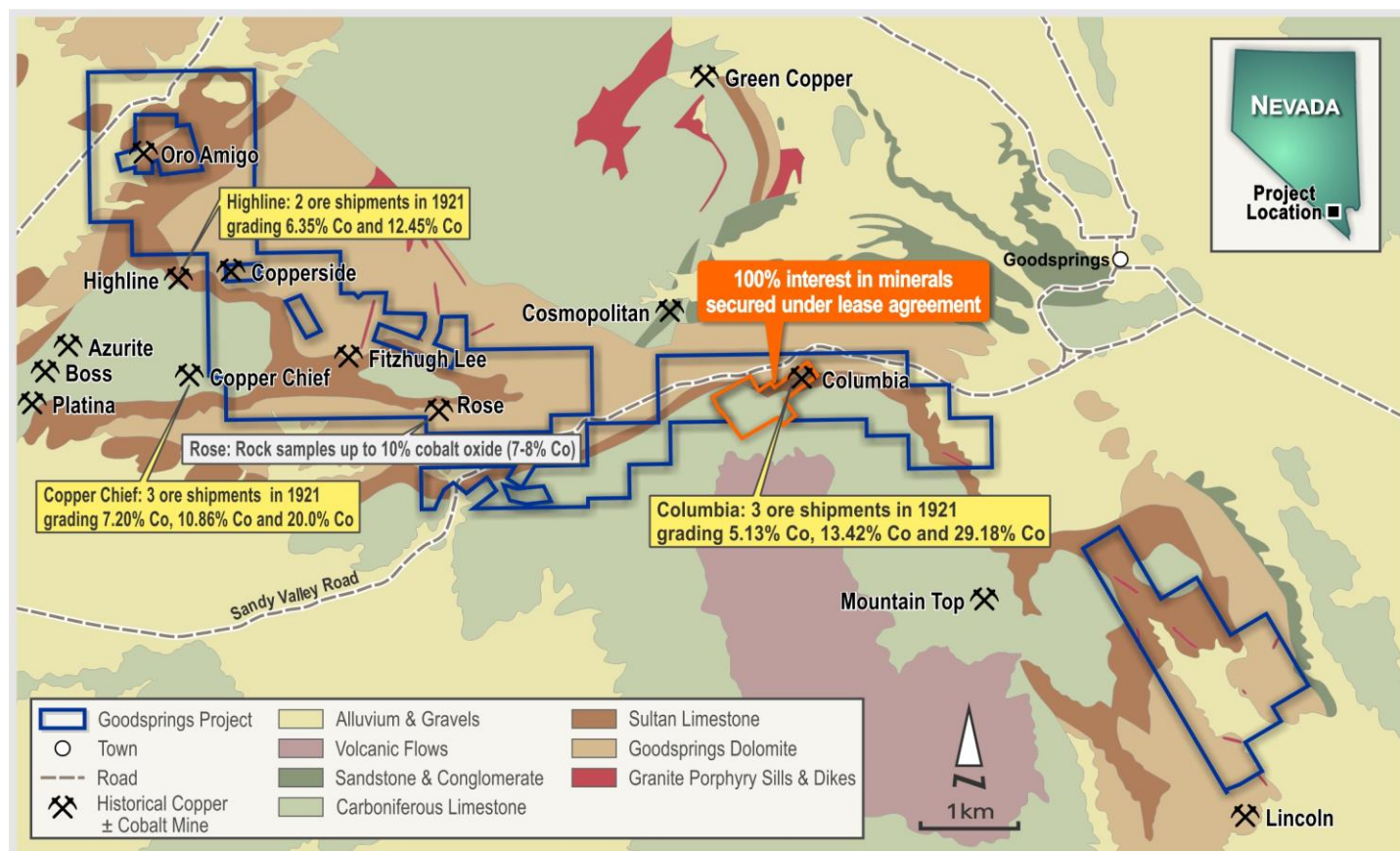


Figure 1. Geology of the Goodsprings District of Nevada, highlighting: (i) the recently leased area over and around the historic high-grade Columbia Copper-Cobalt Mine, and (ii) Liaz’s other mineral rights in the area that deliberately encompass extensions of the prospective geological sequences that host most of the known copper-cobalt deposits in the District.

Longford’s Initial Exploration Plans for the Goodsprings Project

Copper-cobalt mineralisation in the Goodsprings District is:

- Very high-grade;
- Widespread;
- Readily accessible; and
- Located within a pro-mining jurisdiction

Liaz has found no evidence that any modern or systematic exploration has been undertaken in the Goodsprings District. Accordingly Liaz and Longford consider the Goodsprings Project has considerable exploration potential and provides an excellent opportunity to apply modern exploration techniques, for the first time, with a view to rapidly delineating drill targets. A program of:

- Systematic soil sampling; to be followed by
- Ground geophysics surveying

will commence in the near-term. These surveys will be undertaken over the Columbia Mine as well as the majority of Liaz’s adjoining project area.

Terms of the Agreement to Lease the Columbia Mine and Surrounds

The key commercial terms by which Columbia Summit LLC (“Columbia Summit”) has agreed to lease its six patented (privately-owned) mining claims that encompass the Columbia Mine (“the Claims”) to a 100%-owned subsidiary of Liaz (the “Columbia Mine Lease”) are summarised below:

- Within 21 days of execution of the Columbia Mine Lease, Liaz will pay Columbia Summit US\$40,000 in cash
- Within 45 days of Liaz (or its parent company) listing on the ASX, Liaz will issue Columbia Summit US\$50,000 worth of shares in Liaz’s (listed) parent company (based on the 10-day VWAP at the date of issue)
- Liaz is required to complete a soil sampling program and a ground geophysics survey on the Claims within 12 months of execution of the Columbia Mine Lease
- Liaz is required to complete sufficient work to be able to estimate JORC-Code compliant Inferred Resources on the Claims within 24 months of execution of the Columbia Mine Lease
- Liaz is required to reduce its area of interest from 120 acres to 20 acres within 24 months of execution of the Columbia Mine Lease and focus all subsequent work on the reduced area of interest
- Liaz is required to apply for mine permits within 5 years of the execution of the Columbia Mine Lease
- Liaz is required to commence mining activities as quickly as practicable following receipt of all mine permit approvals
- Liaz will have 10 years from receipt of mine permit approvals to complete mining activities
- Prior to submittal of mine permit applications, on or before each annual anniversary of the execution of the Columbia Mine Lease (“the Anniversary Date”), in order to extend the Columbia Mine Lease for a further 12 months, Liaz is required to pay Columbia Summit an annual lease payment of US\$20,000 per annum
- Once mine permit applications are submitted, the annual lease payment will be increased to US\$100,000 per annum
- On the earlier of (i) approval of all mine permit applications, or (ii) 24 months from the making of such applications (the “Commencement Date”), Liaz is required to pay Columbia Summit a one off payment of US\$250,000
- Liaz is required to pay Columbia Summit a 2.0% net smelter return royalty on all production from the Claims
- From the Commencement Date, the annual lease payment will be increased to US\$250,000 per annum (including the royalty payments; if royalty payments exceed US\$250,000 the full royalty amount will be payable, but Liaz wouldn’t be required to pay any additional amounts)

Implications for Longford If Longford Shareholders Approve the Acquisition of 100% of Liaz

A meeting of Longford’s shareholders has been scheduled for 27 October 2017 to seek approval for Longford to acquire 100% of Liaz’s shares (“the Liaz Acquisition”). If Longford’s Shareholders approve the Liaz Acquisition, Longford would be required to meet all of the obligations under the Columbia Mine Lease, with the exception of the initial US\$40,000 cash payment due to Columbia Summit, which will be paid from Liaz’s current cash reserves (prior to Longford’s Shareholder meeting on 27 October 2017).

Following completion of the Liaz Acquisition, it is anticipated that Longford would be able to issue Columbia Summit the initial tranche of US\$50,000 worth of Longford shares under its LR 7.1 15% Placement capacity, without needing to seek shareholder approval.

Longford would then be obliged to complete the agreed exploration programs and development activities within defined timelines. The results of these programs would have considerable bearing on Longford’s decision to make any further payments to Columbia Summit. Once such results are obtained, Longford’s Board would be expected to determine whether results from exploration and development activities warrant making further payments under the Columbia Mine Lease, and if so, how these payments would be made (including seeking Longford Shareholder approval if required).

The Acquisition of Liaz Pty Ltd 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

The execution of this new lease agreement further enhances the prospectivity of the Goodsprings Project, and indeed the whole portfolio of cobalt projects Longford will secure by acquiring Liaz.

Qualified and Competent Person

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

Forward Looking Statements

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

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	<ul style="list-style-type: none">• 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.• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.• Aspects of the determination of mineralisation that are Material to the Public Report.• 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	<ul style="list-style-type: none">• All sampling discussed was undertaken by previous operators. While results of previous sampling programs have been documented in formal (historic) reports, including reports published by the United States government, the details of sampling and assay procedures is not recorded in these reports, hence is unknown.
Drilling Techniques	<ul style="list-style-type: none">• 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.).	<ul style="list-style-type: none">• The Company has no knowledge of any drilling having been completed anywhere previously on its Goodsprings Project, including at the historic Columbia Mine.

Criteria	JORC Code Explanation	Commentary
Drill Sample Recovery	<ul style="list-style-type: none"> • Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximise sample recovery and ensure representative nature of the samples. • 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 	<ul style="list-style-type: none"> • Not applicable.
Logging	<ul style="list-style-type: none"> • 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. • Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography. • The total length and percentage of the relevant intersections logged 	<ul style="list-style-type: none"> • Not applicable.
Sub-Sampling techniques and sample preparation	<ul style="list-style-type: none"> • If core, whether cut or sawn and whether quarter, half or all core taken. • If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry. • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. • 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. • Whether sample sizes are appropriate to the grain size of the material being sampled. 	<ul style="list-style-type: none"> • Historic production records from the Columbia Mine, as announced, were documented in historic reports prepared by the United States government.

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • 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. • 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 	<ul style="list-style-type: none"> • Unknown; and as the previous work was undertaken in the late 1880s/early 1900s details of assays and laboratory techniques utilised are unlikely to be determined.
Verification of sampling and assaying	<ul style="list-style-type: none"> • The verification of significant intersections by either independent or alternative company personnel. • The use of twinned holes. • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. • Discuss any adjustment to assay data 	<ul style="list-style-type: none"> • Not applicable.
Location of data points	<ul style="list-style-type: none"> • 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. • Specification of the grid system used. • Quality and adequacy of topographic control. 	<ul style="list-style-type: none"> • Historic production records from the Columbia Mine, as announced, were documented in historic reports prepared by the United States government.
Data Spacing and distribution	<ul style="list-style-type: none"> • Data spacing for reporting of Exploration Results. • 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. • Whether sample compositing has been applied. 	<ul style="list-style-type: none"> • Historic production records from the Columbia Mine, as announced, were documented in historic reports prepared by the United States government.

Criteria	JORC Code Explanation	Commentary
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 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. 	<ul style="list-style-type: none"> Not applicable.
Sample Security	<ul style="list-style-type: none"> The measures taken to ensure sample security 	<ul style="list-style-type: none"> It is not known what sample security measures were adopted historically, and as the previous work was in the late 1880s/early 1900s details of sample security are unlikely to be determined.
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 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 	<ul style="list-style-type: none"> The recently leased lands at the Columbia Mine comprise six patented (privately owned) mining claims. A registered, independent "Land Man" in the United States has undertaken investigations into the chain of title for these patented mining claims, determining that Columbia Summit LLC is the registered owner. Local county records confirm such. Liaz has a formal lease agreement in place with Columbia Summit LLC. Longford and/or Liaz will be required to obtain local, state and/or federal permits to undertake ground disturbing activities on the recently leased patented mining claims. There is a long history of exploration and mining in the jurisdiction within which these mining claims are located, so it is considered likely requisite permits will be obtained as and when they are required.

Criteria	JORC Code Explanation	Commentary
Exploration done by other parties	<ul style="list-style-type: none"> • Acknowledgment and appraisal of exploration by other parties. 	<ul style="list-style-type: none"> • Historic records of previous mining activities in the Goodsprings District have been located. However to date 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 this mine, or indeed around any of the other multiple historic copper-cobalt mines in the Goodsprings District.
Geology	<ul style="list-style-type: none"> • Deposit type, geological setting and style of mineralisation 	<ul style="list-style-type: none"> • Mineralisation within the Goodsprings Project appears to be closely associated with limestones, while also appearing to have strong structural controls. A spatial relationship between intrusive granite-porphyrys and mineralisation is apparent. But the importance of this association is not yet known.
Drillhole Information	<ul style="list-style-type: none"> • A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drillholes: <ul style="list-style-type: none"> • easting and northing of the drillhole collar • elevation or RL (Reduced Level elevation above sea level in metres) of the drillhole collar • dip and azimuth of the hole • downhole length and interception depth • hole length. • 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 	<ul style="list-style-type: none"> • Not applicable as no drilling results are reported.

Criteria	JORC Code Explanation	Commentary
Data aggregation methods	<ul style="list-style-type: none"> • 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. • 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. • The assumptions used for any reporting of metal equivalent values should be clearly stated 	<ul style="list-style-type: none"> • Not applicable.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> • These relationships are particularly important in the reporting of Exploration Results. • If the geometry of the mineralisation with respect to the drillhole angle is known, its nature should be reported. • 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'). 	<ul style="list-style-type: none"> • Not applicable.
Diagrams	<ul style="list-style-type: none"> • 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 	<ul style="list-style-type: none"> • Not applicable.

Criteria	JORC Code Explanation	Commentary
Balanced reporting	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Results of all significant historical work have been summarised and reported in this announcement.
Other substantive exploration data	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Not applicable at this time.
Further Work	<ul style="list-style-type: none"> The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	<ul style="list-style-type: none"> Liaz and Longford intend undertaking surface geochemistry and geophysical surveys across the new project area. Sampling in and around the historic mine workings will also be undertaken, providing ground conditions permit. Once results from this work are assessed and integrated with historic results, drilling programs will be planned as appropriate.