

LONGFORD RESOURCES LTD

ACN 108 456 444

PROSPECTUS

For a bonus issue of one Bonus Option for every three Shares held at the Record Date. No funds will be raised as a result of the Offer.

THIS IS AN IMPORTANT DOCUMENT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT SHOULD BE READ IN ITS ENTIRETY.

IF YOU ARE IN DOUBT ABOUT WHAT TO DO, YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER WITHOUT DELAY.

THE BONUS OPTIONS OFFERED BY THIS PROSPECTUS ARE OF A SPECULATIVE NATURE.

CORPORATE DIRECTORY

Directors and Management Mr Neville Bassett (Non Exec. Chairman) Mr Charles Bill Guy (Managing Director) Mr Scott Mison (Non Exec. Director and interim Chief Executive Officer)
Company Secretary Ms Eryn Kestel
Registered and Corporate Office Level 2 Spectrum 100 Railway Road Subiaco WA 6008 Australia Telephone: (08) 9316 1016 Facsimile: (08) 9367 8812
Stock Exchange Listing Australian Securities Exchange ASX Code for Shares: LFR
Company Website www.longfordresources.com
Share Registry* Automic Registry Services Level 2 267 St Georges Terrace Perth WA 6000 Telephone: (08) 9324 2099

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*This entity is included for information purposes only. It has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

IMPORTANT NOTICES

This Prospectus is dated 25 July 2017 and was lodged with ASIC on that date. ASIC and ASX take no responsibility for the contents of this Prospectus.

No Bonus Options will be issued on the basis of this Prospectus any later than 13 months after the date of this Prospectus, being the expiry date of this Prospectus.

A copy of this Prospectus is available for inspection at the registered office of the Company at Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008, Australia, during normal business hours. The Company will provide a copy of this Prospectus to any person on request. The Company will also provide copies of other documents on request (see Section 4.4).

As this is a bonus issue of Options, Shareholders are not required to apply for Bonus Options.

No person is authorised to give any information or to make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with the Offer.

No action has been taken to permit the offer of Bonus Options under this Prospectus in any jurisdiction other than Australia and New Zealand.

The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and therefore persons into whose possession this document comes should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws. This Prospectus does not constitute an offer of Bonus Options in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

Potential investors should be aware that an investment in Bonus Options in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 3 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Bonus Options in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers in relation to the issue of Bonus Options pursuant to this Prospectus.

PROPOSED TIMETABLE

Lodgement of Prospectus with ASIC and provision of copies to ASX Appendix 3B given to ASX	25 July 2017
Existing Shares quoted on an "ex" basis	28 July 2017
Record Date	31 July 2017
Prospectus sent to Eligible Shareholders	3 August 2017
Anticipated date for the issue of the Bonus Options*	14 August 2017
Bonus Options Expire*	31 July 2018

* Indicative date only. The expiry date of the Bonus Options will be the date that is one year from the date of issue.

1. Details of the Offer

1.1 The Offer

The Company is making a pro rata bonus issue to Eligible Shareholders of one Bonus Option for every three Shares held at 5.00pm (WST) on the Record Date, to be issued for nil consideration (**Offer**).

Based on the capital structure of the Company as at the date of this Prospectus, and the number of Shareholders located in Australia and New Zealand to whom the Offer is made, approximately 94,453,913 Bonus Options will be issued pursuant to this Offer. No funds will be raised as a result of the Offer.

Where the determination of the entitlement of Eligible Shareholders results in a fraction of a Bonus Option, such fraction will be rounded down to the nearest whole Bonus Option.

All of the Bonus Options offered under this Prospectus will be issued on the terms and conditions set out in Section 4.1 of this Prospectus.

All of the Shares issued upon the future exercise of the Bonus Options offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 4.2 for a summary of the rights attaching to the Shares.

1.2 Purpose of the Offer

The purpose of the Offer is to reward Shareholders for supporting the Company and to provide the Company with a potential source of additional capital if Bonus Options are exercised.

No funds will be raised through the issue of the Bonus Options pursuant to this Prospectus, however if all the Bonus Options are exercised, the Company will receive approximately \$4,722,696.

1.3 No minimum subscription

There is no minimum subscription for the Offer.

1.4 Issue

Eligible Shareholders are not required to do anything to be issued Bonus Options. All Bonus Options offered by this Prospectus are expected to be issued, and security holder statements sent, on or before the date specified in the timetable set out at the Commencement of this Prospectus.

1.5 Overseas Shareholders

The Prospectus does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

The Company is of the view that it is unreasonable to make the Offer to shareholders outside Australia and New Zealand, having regard to:

- (a) the number of those Shareholders;
- (b) the number and value of the Bonus Options to be offered to those persons; and
- (c) the cost of complying with overseas legal requirements.

Accordingly, the Offer is not being extended to any Shareholders whose registered address is outside Australia or New Zealand. The Company is not required to make offers under the Prospectus to Shareholders other than in Australia and New Zealand.

The Offer is being made in New Zealand in reliance on the New Zealand Securities Act (Overseas Companies) Exemption Notice 2013. This document is not a prospectus or investment statement under New Zealand law and has not been registered or filed with, or approved by, any New Zealand regulatory authority under or in accordance with the New Zealand Securities Act 1978 or any other relevant law in New Zealand. This document may not contain all the information that an investment statement, or a prospectus under New Zealand law is required to contain.

1.6 Taxation implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of receiving Bonus Options under this Prospectus.

The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to Shareholders. As a result, Shareholders should consult their professional tax adviser in connection with receiving Bonus Options under this Prospectus.

1.7 Enquiries concerning Prospectus

Enquiries concerning the Entitlement and Acceptance Form can be obtained by contacting Automatic Registry Services by telephone on (08) 9324 2099.

Enquiries relating to this Prospectus should be directed to the Company Secretary by telephone on (08) 9316 1016.

2. Risk Factors

Activities in the Company and its controlled entities, as in any business, are subject to risks, which may impact on the Company's future performance. The Company and its controlled entities have implemented appropriate strategies, actions, systems and safeguards for known risks, however, some are outside its control.

The Directors consider that the following summary, which is not exhaustive, represents some of the major risk factors which Shareholders need to be aware of in evaluating the Company's business and risks of increasing your investment in the Company. Shareholders should carefully consider the following factors in addition to the other information presented in this Prospectus.

The principal risks include, but are not limited to, the following:

2.1 Mining Industry Risks

The Company operates in the mining sector and is subject to risks relating to exploration, drilling and production of metals and minerals which may not generally be associated with other sectors. The exploitation of reserves and successful project development is considered to be of a high risk nature and contains inherent risks including, but not limited to:

(a) Exploration and development risks

Mineral and metal exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration of the mineral interests currently held by the Company, or any other projects that may be acquired in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

(b) Operating Risk

The Company's operations may be disrupted by a number of events that are beyond the control of the Company. These include but are not limited to:

- (i) failure to locate or identify mineral deposits;
- (ii) failure to achieve predicted grades in exploration or mining;
- (iii) operational and technical difficulties, including underground mining conditions and geological, geotechnical and seismic factors;
- (iv) access issues, including land access and access to power and water; and
- (v) industrial, mechanical, equipment and environmental hazards and difficulties.

It cannot be guaranteed that the further exploration to be carried out will bring about any new commercial or profitable mining operations. If a decision is made to

commence operations on the project, the risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability for the Company. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) Permits and other Regulatory Consents

The Company's mining and exploration activities are dependent upon the grant and subsequently the maintenance of relevant licences, leases, permits and regulatory consents which may be withdrawn or made subject to limitations. The maintaining of the consents, obtaining renewals, or getting licences granted, typically depends on the Company's success in obtaining required approvals for its proposed activities and that its licences, leases, permits or consents will be kept in good order and renewed as and when required.

There is no assurance that such grants and renewals will be given as a matter of course and there is no assurance that new conditions will not be imposed.

(d) Future Capital requirements

The Company's growth through expansion of its drilling and exploration campaigns will require substantial expenditure. There can be no guarantees that the Company's cash reserves together with any additional funds raised will be sufficient to successfully achieve all the objectives of the Company's overall business strategy.

If the Company is unable to use debt or equity to fund expansion after the substantial exhaustion of existing working capital, there can be no assurance that the Company will have sufficient capital resources for that purpose, or other purposes, or that it will be able to obtain additional resources on terms acceptable to the Company or if at all.

Any additional equity financing may be dilutive to the Company's existing Shareholders and any debt financing if available, may involve restrictive covenants, which limit the Company's operations and business strategy. The Company's failure to raise capital if and when needed could delay or suspend the Company's business strategy and could have a material adverse effect on the Company's activities.

(e) Commodity Price Volatility and Foreign Exchange Risk

In the event that the Company achieves exploration success leading to production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for zinc and related minerals, forward selling by producers, and production cost levels in major metal-producing regions.

Commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States Dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian and Irish currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar the Australian Dollar and the Euro as determined in international markets.

(f) Resource and Reserve Estimates

Resource and reserve estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates that are valid when made may change significantly when new information becomes available through drilling, sampling and similar examinations.

In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisations or formations different from those predicted, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(g) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

- (i) Identifying a metallurgical process through test work to produce a saleable metal and/or concentrate;
- (ii) Developing an economic process route to produce a metal and/or concentrate; and
- (iii) Changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(h) Payment obligations

Under the exploration tenements and certain other contractual agreements to which the Company is or may in the future become a party, the Company is or may become subject to payment and other obligations. Failure to meet these work commitments will render the tenement or licence liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of interest held by the Company.

(i) Environmental Risk

The minerals and mining industry has become subject to increasing environmental regulations and liability. The potential for liability is an ever present risk.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments in such respect which could have a material adverse effect on the Company's business, financial condition and results of operations.

(j) Reliance on key personnel

The company is reliant on a number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the business of the Company.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relatively small size of the Company, compared with other industry participants.

2.2 General Risks

(a) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and technology stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(b) Economic and government risks

The future viability of the Company is also dependent on a number of other factors affecting performance of all industries and not just the resources industry including, but not limited to, the following:

- (i) general economic conditions in jurisdictions in which the Company operates;

- (ii) changes in government policies, taxation and other laws in jurisdictions in which the Company operates;
- (iii) the strength of the equity and share markets in Australia and throughout the world, and in particular investor sentiment towards the resources sector;
- (iv) movement in, or outlook on, interest rates and inflation rates in jurisdictions in which the Company operates; and
- (v) natural disasters, social upheaval or war in jurisdictions in which the Company operates.

(c) Litigation

The Company is exposed to the risk of actual or threatened litigation or legal disputes in the form of customer claims, intellectual property claims, personal injury claims, employee claims and other litigation and disputes. If any claim was successfully pursued it may adversely impact the financial performance, financial position, cash flow and share price of the Company.

(d) Taxation

Any current rates of taxes imposed on the Company is likely to affect returns to Shareholders. An interpretation of taxation laws by the relevant tax authority that is contrary to the Company's view of those laws may increase the amount of tax to be paid. In addition, an investment in securities involves tax considerations which may differ for each Shareholder. Investors are encouraged to obtain professional tax advice in connection with any investment in the Company.

2.3 Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Bonus Options offered under this Prospectus. Therefore, the Bonus Options to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Bonus Options.

Potential investors should consider that an investment in the Company is highly speculative and should consult their professional advisers.

3. Effect of the Offer

3.1 Effect of the Offer

The principal effect of the Offer, assuming all Bonus Options offered under the Prospectus are issued, will be to increase the number of Options on issue from 20,833,334 prior to the date of this Prospectus to approximately 115,287,247 following completion of the Offer.

3.2 Effect on Balance Sheet

The Bonus Options to be issued pursuant to this Prospectus will be issued for no consideration. Accordingly, the Offer will have no effect on the Company's balance sheet.

3.3 Capital Structure on completion of the Offer

The effect of the Offer on the capital structure of the Company, assuming 94,453,913 Bonus Options are issued, is set out below.

	No. of Shares	No. of Options	No. of Performance Rights	No. of Performance Shares
Balance at the date of this Prospectus	286,781,885 ⁽¹⁾	20,833,334 ^{(2), (3)}	1,875,000 ⁽⁴⁾	1,133,334 ⁽⁵⁾
To be issued under the Offer	-	94,453,913	-	-
Balance after the Offer	286,781,885	115,287,247	1,875,000	1,133,334

(1) 20,000,000 Shares are subject to voluntary escrow for 6 months.

(2) Comprises:

(a) 10,000,000 unlisted Options each exercisable at \$0.02 on or before 31 December 2017.

(b) 10,000,000 unlisted Options each exercisable at \$0.10 on or before 10 May 2020

(c) 833,334 unlisted Options each exercisable at \$0.12 on or before 22 September 2020.

(3) If any of these Options are exercised before the expiry date of the Bonus Options (being 31 July 2018) the holder will receive the same number of Bonus Options which the holder would have received under the Offer if the Options that are exercised had been exercised before the Record Date.

(4) Expiring 30 November 2018 and subject to various vesting conditions.

(5) Comprises 566,667 Class A Performance Shares and 566,667 Class B Performance Shares.

3.4 Market price of Shares

The highest and lowest market sale prices of the Company's Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with ASIC and the respective dates of those sales were:

Highest: \$0.07 per Share on 8 May 2017

Lowest: \$0.025 per Share on 17 July 2017

The latest available market sale price of the Company's Shares on ASX prior to the date of lodgement of this Prospectus with ASIC was \$0.031 per Share on 19 July 2017.

3.5 Dividend policy

The Directors are not able to say when and if dividends will be paid in the future, as the payment of any dividends will depend on the future profitability, financial position and cash requirements of the Company.

4. Additional information

4.1 Terms and Conditions of Bonus Options

- (a) **(Entitlement)** The Bonus Options (**Bonus Options**) entitle the holder to subscribe for one Share upon the exercise of each Bonus Option.
- (b) **(Exercise price)** The exercise price of each Bonus Option is \$0.05.
- (c) **(Expiry date)** 31 July 2018.
- (d) **(Exercise period)** The Bonus Options are exercisable at any time from the date of issue to the Expiry Date.
- (e) **(Notice of exercise)** The Bonus Options may be exercised by notice in writing to the Company and payment of the Exercise Price for each Bonus Option being exercised. Any notice of exercise of a Bonus Option received by the Company will be deemed to be a notice of the exercise of that Bonus Option as at the date of receipt.
- (f) **(Shares issued on exercise)** Shares issued on exercise of the Bonus Options rank equally with the Shares of the Company.
- (g) **(Timing of issue of Shares)** After a Bonus Option is validly exercised the Company must as soon as possible following receipt of cleared funds equal to the sum payable on the exercise of the Bonus Options:
 - (i) issue the Share; and
 - (ii) do all such acts matters and things to obtain the grant of quotation for the Share on ASX no later than 10 days from the date of exercise of the Bonus Option.
- (h) **(Participation in new issues)** There are no participation rights or entitlements inherent in the Bonus Options and a holder will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Bonus Options.
- (i) **(Adjustment for bonus issues of Shares)** If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction, of dividends or by way of dividend reinvestment):
 - (i) the number of Shares which must be issued on the exercise of a Bonus Option will be increased by the number of Shares which the Bonus Option holder would have received if the Bonus Option holder had exercised the Bonus Option before the record date for the bonus issue; and
 - (ii) no change will be made to the Exercise Price.
- (j) **(Adjustment for rights issue)** If the Company makes an issue of Shares pro rata to existing Shareholders (other than an issue in lieu of or in satisfaction of dividends or by way of dividend reinvestment) the Exercise Price of a Bonus Option will be reduced according to the following formula:

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

- O = the old Exercise Price of the Bonus Option.
- E = the number of underlying Shares into which one (1) Bonus Option is exercisable.
- P = average market price per Share weighted by reference to volume of the underlying Shares during the 5 trading days ending on the day before the ex rights date or ex entitlements date.
- S = the subscription price of a Share under the pro rata issue.
- D = the dividend due but not yet paid on the existing underlying Shares (except those to be issued under the pro rata issue).
- N = the number of Shares with rights or entitlements that must be held to receive a right to one (1) new share.
- (k) **(Adjustments for reorganisation)** If there is any reconstruction of the issued share capital of the Company, the rights of the Bonus Option holder may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) **(Bonus Options transferable)** The Bonus Options are transferable subject to compliance with the Corporations Act.
- (m) **(Lodgement Instructions)** Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable". The application for shares on exercise of the Bonus Options with the appropriate remittance should be lodged with the Company's Share Registry.

4.2 Rights attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

The Shares to be issued under this Prospectus will rank equally with the existing Shares.

(a) General meeting and notices

Each member is entitled to receive notice of, and to attend and vote at, general meetings of the Company and to receive all notices, accounts and other documents required to be sent to members under the Constitution, the Corporations Act or the Listing Rules.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at a general meeting of the Company every holder of fully paid ordinary Shares present in person or by an attorney, representative or proxy has one vote on a show of hands (unless a member has appointed 2 attorneys, representatives or proxies) and one vote per Share on a poll.

A person who holds a share which is not fully paid is entitled, on a poll, to a fraction of a vote equal to the proportion which the amount paid bears to the total amount paid and payable on the share.

Where there are 2 or more joint holders of a share and more than one of them is present at a meeting and tenders a vote in respect of the share, the Company will count only the vote cast by the member whose name appears first in the Company's register of members.

(c) Issues of further Shares

The Directors may, on behalf of the Company, issue, grant options over or otherwise dispose of unissued shares to any person on the terms, with the rights, and at the times that the Directors decide. However, the Directors must act in accordance with the restrictions imposed by the Constitution, Listing Rules, the Corporations Act and any rights for the time being attached to the shares in any special class of those shares.

(d) Variation of Rights

Unless otherwise provided by the Constitution or by the terms of issue of a class of shares, the rights attached to the shares in any class may be varied or cancelled only with the written consent of the holders of at least three-quarters of the issued shares of the affected class, or by special resolution passed at a separate meeting of the holders of the issued shares of the affected class.

(e) Transfer of Shares

Subject to the Constitution, the Corporations Act and Listing Rules, Shares are freely transferable.

The Shares may be transferred by a proper transfer effected in accordance with the ASX Settlement Operating Rules, by any other method of transferring or dealing with Shares introduced by the ASX and as otherwise permitted by the Corporations Act or by a written instrument of transfer in any usual form or in any other form approved by either the Directors or the ASX that is permitted by the Corporations Act.

The Directors may decline to register a transfer of Shares (other than a proper transfer in accordance with the ASTC Business Rules) where permitted to do so under the Listing Rules or the Corporations Act. If the Directors decline to register a transfer, the Company must, within 5 business days after the transfer is delivered to the Company, give the party lodging the transfer written notice of the refusal and the reason for the refusal. The Directors must decline to register a transfer of Shares when required by law, by the Listing Rules or by the ASX Settlement Operating Rules.

(f) Partly paid Shares

The Directors may, subject to compliance with the Constitution, the Corporations Act and Listing Rules, issue partly paid shares upon which there are outstanding amounts payable. These shares will have limited rights to vote and to receive dividends.

(g) Dividends

The Directors may from time to time determine dividends to be distributed to members according to their rights and interests. The Directors may fix the time for distribution and the methods of distribution. Subject to the terms of issue of shares,

the Company may pay a dividend on one class of shares to the exclusion of another class.

Subject to the rights of persons (if any) entitled to shares with special rights as to dividends, each share carries the right to participate in the dividend in the same proportion that the amount for the time being paid or credited as being paid on the share bears to the total issue price of the share.

(h) Winding up

Subject to the rights of holders of shares with special rights in a winding-up, if the Company is wound up, members will be entitled to participate in any surplus assets of the Company in proportion to the shares held by them respectively irrespective of the amount paid-up or credited as paid up on the shares when the winding up begins provided that the distribution of assets to holders of securities that are escrowed by the ASX will rank in priority after all other shares.

(i) Dividend reinvestment and Share plans

Subject to the requirements in the Corporations Act and the Listing Rules, the Directors may implement and maintain dividend reinvestment plans (under which any member holding fully paid shares may elect that dividends payable by the Company be reinvested by way of subscription for fully paid shares in the Company) and any other share plans (under which any member may elect to forego any dividends that may be payable on all or some of the shares held by that member and to receive instead some other entitlement, including the issue of fully paid shares).

(j) Directors

The Constitution states that the minimum number of Directors is 3 and the maximum number is 10.

(k) Powers of the Board

Except as otherwise required by the Corporations Act, any other law, the Listing Rules or the Constitution, the Directors have the power to manage the business of the Company and may exercise every right, power or capacity of the Company.

(l) Share buy backs

Subject to the provisions of the Corporations Act and the Listing Rules, the Company may buy back shares in itself on the terms and at times determined by Directors.

(m) Capitalisation of profits

Subject to the Listing Rules, the Company may capitalise profits. Subject to the Constitution and the terms of the issue of shares, members are entitled to participate in a capital distribution in the same proportions in which they are entitled to participate in dividends.

(n) Capital reduction

Subject to the Corporations Act and Listing Rules, the Company may reduce its share capital.

(o) Preference Shares

The Company may issue preference shares including preference shares that are liable to be redeemed.

4.3 Company is a disclosing entity

The Company is a disclosing entity under the Corporations Act. It is subject to regular reporting and disclosure obligations under both the Corporations Act and the Listing Rules of ASX.

Copies of documents lodged with ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office (see Section 4.4 below).

4.4 Copies of documents

Copies of documents lodged by the Company in connection with its reporting and disclosure obligations may be obtained from, or inspected at, an office of ASIC. The Company will provide free of charge to any person who requests it during the period of the issue, a copy of:

- (a) the Annual Financial Report of the Company for the year ended 30 June 2016, being the last financial year for which an annual financial report has been lodged with ASIC in relation to the Company before the issue of this Prospectus, lodged with ASX on 30 September 2016;
- (b) the interim financial report for the half-year ended 31 December 2016 lodged by the Company with the ASX on 16 March 2017; and
- (c) the following continuous disclosure notices given by the Company to notify the ASX of information relating to the Company during the period from the date of lodgement of the Annual Financial Report referred to in paragraph (a) and before the date of issue of this Prospectus are as follows:

Date Lodged	Subject of Announcement
25/07/2017	Appendix 3B
25/07/2017	Keel Project Gravity Survey shows Highly Promising Results
10/07/2017	Keel Maiden Drilling Shows Shallow High Grade Mineralisation
06/07/2017	Trading Halt
27/06/2017	Exploration Update
25/06/2017	Terms of Employment of Interim CEO
18/05/2017	Bonus Option Issue and Interim CEO Appointment
15/05/2017	Appendix 3B
10/05/2017	Appendix 3B
10/05/2017	2nd Tranche Placement Completed

04/05/2017	Change of Company Name
03/05/2017	Drilling Commences at the Keel Zinc Project in Ireland
02/05/2017	Results of May 2017 General Meeting
27/04/2017	Activities Report for March 2017 Quarter
27/04/2017	Cashflow Report for March 2017 Quarter
26/04/2017	Drilling to Commence at Keel Zinc Project in Ireland
31/03/2017	Notice of General Meeting and Proxy Form
31/03/2017	Appendix 3B
31/03/2017	Issue of Tranche 1 Placement Shares
27/03/2017	Appendix 3B
23/03/2017	\$3.5 million Placement to advance Keel Zinc Project
21/03/2017	Trading Halt
16/03/2017	December 2016 Interim Financial Report
16/03/2017	Diversified Asset Holdings becomes a Substantial Holder
14/03/2017	Exercises Option to acquire 80% of Kimberley West Project
10/03/2017	Appendix 3B
07/03/2017	DD on Keel Zinc Completed and Option Agreement Proceeds
06/03/2017	Trading Halt
17/02/2017	Due Diligence Site Visit and Tenement Update
08/02/2017	Investor Presentation of Keel Zinc Project
07/02/2017	Option to Acquire an Advanced Irish Zinc Project
03/02/2017	Trading Halt
27/01/2017	Activities Report for December 2016 Quarter
27/01/2017	Cashflow Report for December 2016 Quarter

23/01/2017	Expiry of Listed Options - Clarification
23/01/2017	Expiry of Listed Options - Waiver from ASX Listing Rule 6.24
16/01/2017	Change of Contact Detail
09/12/2016	Change of Share Registry Address
30/11/2016	Results of the 2016 Annual General Meeting
07/11/2016	Final Director's Interest Notice for Mr Mead
07/11/2016	Change of Director's Interest Notice for Mr Guy
07/11/2016	Initial Director's Interest Notice for Mr Mison
04/11/2016	Placement Completed and Accompanying Appendix 3B
02/11/2016	Results of General Meeting
28/10/2016	Activities Report for September 2016 Quarter
28/10/2016	Cashflow Report for September 2016 Quarter
27/10/2016	Notice of 2016 Annual General Meeting
03/10/2016	Notice of General Meeting
03/10/2016	Appendix 3B
30/09/2016	2016 Appenidx 4G and Corporate Governance Statement

The following documents are available for inspection throughout the application period of this Prospectus during normal business hours at the registered office of the Company at Level 2 Spectrum, 100 Railway Road, Subiaco WA 6008, Australia,

- (i) this Prospectus;
- (ii) Constitution; and
- (iii) the consents provided by the Directors to the issue of this Prospectus.

4.5 Information excluded from continuous disclosure notices

Other than as disclosed in this Prospectus, there is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules, and which is required to be set out in this Prospectus.

4.6 Determination by ASIC

ASIC has not made a determination which would prevent the Company from relying on section 713 of the Corporations Act in issuing the Options under this Prospectus.

4.7 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

4.8 Directors' interests

(a) Interests

Except as disclosed in this Prospectus, no Director, and no firm in which a Director has an interest:

- (i) has any interest, nor has had any interest in the last two years prior to the date of this Prospectus, in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (ii) has been paid or given, or will be paid or given, any amount or benefit to induce him or her to become, or to qualify as, a Director, or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

(b) Directors' Holdings

Set out in the table below are details of the Directors' relevant interests in securities of the Company at the date of this Prospectus and their entitlement to Bonus Options under the Offer.

Director	No. of Shares Held ⁽¹⁾	No. of Options Held ⁽¹⁾	No. of Performance Rights Held ⁽¹⁾	No. of Performance Shares Held	Entitlement to Bonus Options ⁽²⁾
Neville Bassett	289,536	-	625,000	-	96,512
Charles Bill Guy	6,292,224	-	1,250,000	-	2,097,408
Scott Mison	2,000,000	-	-	-	666,667

(1) Held directly or indirectly by the Director or a related party of the Director.

(2) Entitlement to Bonus Options that will be held directly or indirectly.

(c) Remuneration of Directors

In accordance with the Constitution, the Shareholders have approved an aggregate amount of up to \$200,000 per annum to be paid as non-executive Directors' fees.

It is currently resolved that each non-executive Director is entitled to receive fees of \$30,000 per annum (inclusive of superannuation), and the non-executive Chairman is entitled to receive fees of \$30,000 per annum (inclusive of superannuation). Payments of Director's fees will be in addition to any payments to Directors in any employment or consultancy capacity.

Directors have received the following remuneration for the preceding two financial years (including the financial year up to 30 June 2017):

Directors	Year	Salary & Fees \$	Superannuation \$	Share Based Payments \$	Total
Neville Bassett	2016/2017	30,000	-	-	30,000
	2015/2016	30,000	-	-	30,000
Charles Bill Guy	2016/2017	113,847	-	60,000	173,847
	2015/2016	190,384	-	-	190,384
Scott Mison ⁽¹⁾	2016/2017	30,887	1,210	-	31,210
	2015/2016	0	0	0	0

(1) Appointed as a Director on 2 November 2016.

4.9 Substantial Shareholders

Based on publically available information, there are no Shareholders holding 5% or more of the Shares on issue as at the date of this Prospectus

4.10 Interests of Named Persons

Except as disclosed in this Prospectus, no expert, promoter or other person named in this Prospectus as performing a function in a professional, advisory or other capacity:

- (a) has any interest nor has had any interest in the last two years prior to the date of this Prospectus in the formation or promotion of the Company, the Offer or property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or
- (b) has been paid or given or will be paid or given any amount or benefit in connection with the formation or promotion of the Company or the Offer.

4.11 Expenses of issue

The estimated expenses of the issue are as follows:


	\$
ASIC lodgement fee	2,400

Legal expenses	5,000
Printing, mailing and other expenses	5,000
Share registry expenses	1,000
Total	13,400

5. Authorisation

This Prospectus is authorised by each of the Directors of the Company.

This Prospectus is signed for and on behalf of Company by:

A handwritten signature in black ink, appearing to read "S. Mison".

Scott Mison

Non Executive Director

Dated: 25 July 2017

6. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

\$ means Australian dollars.

Annual Financial Report means the financial report lodged by the Company with ASIC in respect to the year ended 30 June 2016 and includes the corporate directory, Shareholder information, Directors' declaration, financial statements and the notes thereto, of the Company and its controlled entities, together with a Directors' report and the auditor's report in relation to that financial year.

ASIC means Australian Securities and Investments Commission.

ASTC means ASX Settlement Pty Ltd ACN 008 504 532.

ASX means ASX Limited ACN 008 624 691.

Automic Registry Services means Automic Pty Ltd ACN 152 260 814

Board means the Directors meeting as a board.

Bonus Option means an Option on the terms and conditions in Section 4.1.

Business Day means Monday to Friday inclusive, other than a day that ASX declares is not a business day.

CHESS means ASX Clearing House Electronic Subregister System.

Company means Longford Resources Ltd ACN 108 456 444.

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means Corporations Act (Cth) 2001.

Directors mean the directors of the Company as at the date of this Prospectus.

Eligible Shareholder means a person registered as the holder of Shares at 5.00pm WST on the Record Date whose registered address is in Australia or New Zealand.

Entitlement means an Eligible Shareholder's entitlement to Bonus Options under the Offer as determined on the Record Date.

Issuer Sponsored means securities issued by an issuer that are held in uncertificated form without the holder entering into a sponsorship agreement with a broker or without the holder being admitted as an institutional participant in CHESS.

Listing Rules means the Listing Rules of the ASX.

Offer means as defined in Section 1.1.

Official Quotation means quotation of Shares on the official list of the ASX.

Option means an option to acquire a Share.

Prospectus means this prospectus.

Record Date means the date specified as such in the timetable set out at the commencement of this Prospectus.

Section means a section of this Prospectus.

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

Shareholder means a holder of Shares.

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