

- July's production record is a 25% increase over its prior monthly record production
- Achieves full capacity production rate over single day in July
- Revises 2015 production guidance

Symbol: LGO (TSX.V)  
www.largoresources.com

TORONTO, Aug. 4, 2015 /CNW/ - [Largo Resources Ltd.](#) ("Largo" or the "Company") is pleased to provide an update on recent production as well as an overview of its operational outlook and goals for its Maracas Menchen Mine ("the Plant" or "the Mine") in Bahia, Brazil.

#### Production Update:

The Company is pleased to report that it has produced 607 tonnes of vanadium pentoxide during the month of July, surpassing its previous record for monthly production of approximately 487 tonnes set in May, 2015, or by 25%.

Overall production rates have improved dramatically averaging approximately 19.6 tonnes per day, or approximately 74% of the Plant's capacity during the month of July. The Plant has also recently demonstrated its ability to produce at higher rates more consistently. For example, it produced at or above 20 tonnes per day, or approximately 75% of the plant's capacity, for a total of 18 days in July and of those, a total of 11 days were at or above 23 tonnes per day, which represents approximately 87% of the plant's capacity.

Largo is additionally extremely pleased to report that during the month of July the Company achieved its full capacity production rate of 26 tonnes over the course of a single day which is a significant milestone for the Company as it demonstrates the Plant's ability to produce at its intended name plate capacity.

#### Operational Outlook:

The Company is extremely encouraged by recent production success and believes that production rates will continue to improve as it moves forward with its ongoing ramp-up optimization efforts, including operational and engineering improvements.

As the Plant has now demonstrated its ability to produce at or near its full design capacity rates (at or above 90%) over significant periods of time, the focus will now be to stabilize at these higher production levels on a constant daily basis.

In order to achieve this, Largo continues advancing several engineering optimization projects all of which will further improve the Plant's ability to produce consistently (see press release dated June 8, 2015).

Mr. Michael Mutchler, Chief Operating Officer to Largo, stated: "We are extremely excited to report our production of 607 tonnes of vanadium produced in the month of July, which represents approximately 74% of the Plant's design capacity and the strongest month of production to date. Additionally, we have demonstrated the Plant's ability to produce at its full capacity levels over the course of a single day and have also maintained stability at levels above 87% for a total of 11 days which are both tremendous operational milestones for the Project. "

He continued: "We continue to aggressively pursue every opportunity to further enhance the Plant's stability at these record production levels through several ongoing engineering optimization projects. We are greatly looking forward to achieving increases in our daily and monthly production rates from here."

#### Revised Production Guidance:

The majority of the Company's engineering optimization projects are already in the process of being implemented, however, due to long lead times (including engineering, construction and delivery) of several key items, the majority will not be commissioned and operational until the end of the third quarter 2015.

Although Largo believes it will continue to achieve full capacity rates over periods of time, and that production rates will continue to improve in general during the third quarter, it now anticipates that it will achieve nameplate capacity rates on a stable and continuous basis during the fourth quarter of 2015 following the completion and commissioning of all its ongoing optimization projects.

As such, Largo is revising its previously disclosed production guidance (see press release dated February 2, 2015) to reflect this

amendment to its ramp-up schedule.

	Average Annual Production	Estimated Average Annual Average US\$ Operating Cost Per Tonne(i)	Estimated Average US\$ Operating Cost Per Pound(i)	Targeted Year- End Exit US\$ Costs Per Pound(i)
2015 Revised	6,500 tonnes  ~ 14.3 million lbs	\$9,916	\$4.50	\$3.60
2015 Previous	7,850 tonnes  ~17.3 million lbs	\$9,150	\$4.15	\$3.21

(i) Reported operating costs for the Maracas Mine include all royalties, SG&A, sales commissions but excludes CAPEX. The operating costs reported are on a non-GAAP basis. Operating costs reflected are based on the average of the high/low production rates and on a BRL/US exchange rate of 3.20.

The Company's revised production guidance for 2015 takes into account production-to-date as well as a forecast based on the amended ramp-up schedule. Although projected production for 2015 is lower than previously anticipated, projected cash costs have increased only marginally as a result of successful ongoing optimization efforts by the Company versus increased costs beyond its control (e.g., power cost increases and changes to foreign exchange rates).

#### Quality Assurance/Quality Control:

Mr. Michael Mutchler, Chief Operating Officer to Largo, and a Qualified Person as defined by NI 43-101, has reviewed and approved the contents of this press release.

#### About Largo

Largo (TSX-V: LGO) is a growing strategic mineral company focused on continuing to ramp-up production at its Vanadio de Maracás Menchen Mine.

Largo's Maracás Menchen Mine boasts the highest grade vanadium deposit yet discovered and is expected to be a low cost producer. With an off-take in place with Glencore, Largo is well positioned to become a leading producer of vanadium globally and is expected to generate substantial cash-flows.

Vanadium is primarily used as an alloy to strengthen steel and reduce its weight. Vanadium enhanced steels are used in a vast and growing range of products that are used and encountered every day; including, rebar, automobiles, transport infrastructure etc. With a compound annual growth rate of over 6% for the past several years (Roskill, 2013), vanadium is a burgeoning commodity which lacks opportunities for investment in the wider market place. As trends in the steel industry now demand increasingly stronger and lighter products for advanced applications, the use of vanadium is expected to continue this growth over the medium and long term.

Largo is listed on the TSX Venture Exchange under the symbol "LGO".

For more information please refer to Largo's website: [www.largoresources.com](http://www.largoresources.com)

Join our mailing list: [www.largoresources.com/English/about-us/contact/default.aspx](http://www.largoresources.com/English/about-us/contact/default.aspx)

#### Disclaimer

This press release contains forward-looking information under Canadian securities legislation. Forward-looking information

includes, but is not limited to, statements with respect to completion of any financings; Largo's development potential and timetable of its operating, development and exploration assets; Largo's ability to raise additional funds necessary; the future price of vanadium, tungsten and molybdenum; the estimation of mineral reserves and mineral resources; conclusions of economic evaluation; the realization of mineral reserve estimates; the timing and amount of estimated future production, development and exploration; costs of future activities; capital and operating expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All information contained in this news release, other than statements of current and historical fact, is forward looking information. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Largo to be materially different from those expressed or implied by such forward-looking statements, including but not limited to those risks described in the annual information form of Largo and in its public documents filed on SEDAR from time to time.

Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Although management of Largo has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Largo does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. Readers should also review the risks and uncertainties sections of Largo's annual and interim MD&As.

Continue to Follow, Like and Watch our progress!

Web: [www.largoresources.com](http://www.largoresources.com)

Twitter: @LargoResources1

Facebook: Largo Resources

Youtube: LargoResources

NEITHER THE TSX VENTURE EXCHANGE (NOR ITS REGULATORY SERVICE PROVIDER) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE

SOURCE [Largo Resources Ltd.](http://www.largoresources.com)

Contact

Darcie Ladd, Vice President, Investor Relations, 416-861-9406, [dladd@largoresources.com](mailto:dladd@largoresources.com)