

TORONTO, Jan. 19, 2016 /CNW/ - [Largo Resources Ltd.](#) ("Largo" or the "Company") is pleased to announce that the Company has arranged a non-brokered private placement offering for expected aggregate gross proceeds of up to US\$26,500,000 (approximately CDN\$39,000,000) (the "Offering").

Pursuant to the Offering, the Company will issue an aggregate of up to 222,857,143 units (the "Units") at a price of CDN\$0.175 per Unit. Each Unit will consist of one common share of the Company (each, a "Common Share"), and one-half of one common share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable into one Common Share at a price of CDN\$0.29 per share for a period of five years from closing of the Offering. Largo intends to use the proceeds from the Offering for ongoing working capital requirements at the Company's Maracás Menchen Mine which is a condition of the Company's restructuring of its existing credit facilities with its consortium of Brazilian lenders as disclosed in its press release of December 17, 2015, and for general corporate and working capital purposes.

The Common Shares and Warrants (and any shares issued upon the exercise of any Warrants) issued to subscribers resident in Canada in the Offering will be subject to a statutory four-month hold period. The Offering is expected to close on or about January 22, 2016 and is subject to certain closing conditions, including, but not limited to, the receipt of applicable regulatory approvals (including the approval of the TSX Venture Exchange) and the completion of the required regulatory filings with the TSX Venture Exchange. The Company anticipates that insiders of the Company may purchase up to all of the Units issued in the Offering.

About Largo

Largo (TSX-V: LGO) is a growing strategic mineral company focused on the production of vanadium at its Vanadio de Maracás Menchen Mine.

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 also has interests in a portfolio of other projects, including: a 100% interest in the Currais Novos Tungsten Tailings Project in Brazil; a 100% interest in the Campo Alegre de Lourdes Iron-Vanadium Project in Brazil; and a 100% interest in the Northern Dancer Tungsten-Molybdenum property in the Yukon Territory, Canada.

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

For more information please refer to Largo's website: www.largoresources.com

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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.

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

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