- 40% increase in Mineral Reserves to 18.3618.4 million tonnes Proven and Probable Mineral Reserves with an average grade of 1.17% V2O5
- Retrospective 51% increase in aggregate tonnage when factoring in tonnage milled to date

TORONTO, May 26, 2016 /CNW/ - Largo Resources Ltd. (TSX-V:LGO) (OTCQB: LGORF) ("Largo" or the "Company") is pleased to announce a 40% increase in the mineral reserves for the Campbell Pit at its Maracás Menchen Vanadium Mine in Bahia, Brazil (the "Maracás Project") and a new mine plan for the Maracás Project. The update, prepared by Whittle Consulting ("Whittle"), Micon International ("Micon") and RungePincockMinarco (Canada) Ltd. ("RPM"), has increased the proven and probable mineral reserves for the Maracás Project to 18.4 million tonnes from the 13.1 million tonnes established previously in the 2008 definitive feasibility study (the "Feasibility Study") for the project (updated in 2009) by Aker Metals, a division of Aker Solutions Canada Inc. ("Aker") (see Largo news release dated August 12, 2008). The new mine plan, based on the production of vanadium pentoxide (" V_2O_5 ") and larger mineral reserves, results in an operating life of the Maracás Project and process plant of 15 years at a 9,600 tonnes V_2O_5 per annum production rate.

Highlights of the Updated Maracás Project Mine Plan and Mineral Reserves:

- 40% increase in Proven and Probable Mineral Reserves to 18.4 million tonnes, at a grade of 1.17% V₂O₅.
- Retrospective increase of 51% in aggregate tonnage when factoring in tonnage mined to date.
- Mine life of 15 years.
- The ore averages 29.5% magnetics (magnetite) which yields an average concentrate grade of 3.32% V₂O₅.
- New mine plan to produce V₂O₅ flakes rather than ferrovanadium ("FeV") to improve project economics and allow faster ramp-up of production.

Mr. Mark A. Smith, President and Chief Executive Officer of Largo stated: "We are very pleased with the updated reserve as it continues to demonstrate the robust nature of the project. The reserve supports the high performance of our operation." He further stated: "The reserve is the result of our greater understanding and knowledge of the orebody, and the next phase of our work will be to systematically upgrade the resources in the satellite deposits in order that they may contribute to the expansion of the project."

A technical report under National Instrument 43-101 – Standards of Disclosure for Mineral Projects ("NI 43-101") which will incorporate the updated mine plan and mineral recovery estimate is being prepared by Whittle, Micon and RPM and will be filed on SEDAR at www.sedar.com and on Largo's website at www.largoresources.com within 45 days from the date of this press release.

Maracás Project Mineral Reserves:

The table below provides a summary of the fully diluted mineral reserve for the Gulcari A deposit with an effective date of March 31st, 2016. The details are as follows:

Campbell Pit

Reserve Category	Tonnage (tonnes)	%V₂O₅ Head	%Magnetics ¹	%V2O5 con ¹	Mag V ₂ O ₅ Content (kt)
Proven	17,149,000	1.17	29.6	3.33	168.8
Probable	1,243,000	1.13	29.0	3.19	11.5
Total Reserve	18,392,000	1.17	29.5	3.32	180.3
Waste	62,005,000				
Total in-Pit	80,397,000	Strip Ratio = 3.37			

¹ Grades as determined by Davis Tube and XRF Analyses, reported from a fully diluted reserve block model.

The mineral reserves for the Maracás Project were updated in compliance with NI 43-101 and CIM guidelines by Micon. Micon has created a regularized (and diluted) reserve model from the GEMS resource model for which Robert Campbell, P.Geo., Vice President, Exploration for Largo Resources Ltd., Largo QP, is responsible.

This mineral reserve estimate for the Maracás Project is based solely on the measured and indicated resources from within the redesigned Campbell Pit (Gulcari A deposit). The inferred resources for Gulcari A and the resources of the satellite deposits are

not included. These resources have been outlined in a press release dated January 18, 2013 and in a technical report dated March 4, 2013.

The V₂O₅ price used for this mineral reserve is US\$5.00 per pound of V₂O₅ and the application of an overall recovery of 66.5% from the magnetic V₂O₅ content, which results in proven and probable reserves of 18.4 million tonnes at 1.17% V₂O₅. This represents a 40% increase in tonnage and 13% decrease in average grade compared to the Feasibility Study. The lower average reserve grade is due in part to the use of dry magnetic separators which make lower grade material economic by rejecting up to 30% of the mass while raising the V₂O₅ grade of mill feed.

A total of 2,283,829 tonnes of ore at an average grade of 1.24% V₂O₅ have been mined at the Maracás Project from commencement in September 1st, 2013 to March 31st, 2016. Of this, 1,336,829 tonnes was sent to the crusher, 717,000 tonnes was stockpiled to be blended later and 230,000 tonnes was moved to waste. Incorporating only the tonnage sent to the crusher to date demonstrates a retrospective 51% increase in the tonnage over the Feasibility Study production plan.

The ore on average contains approximately 29.5% magnetics yielding an average concentrate grade of $3.32\% V_2O_5$ as determined by Davis Tube and XRF analyses. All samples from the exploration programs have been analyzed by Davis Tube and XRF allowing for more detailed mine planning and enhancing the reliability of production forecasts.

The base case price of US\$5.00/lb V₂O₅ used in the updated mineral reserves equates to the three year trailing average pricing from Metal Bulletin (www.MetalBulletin.com), a widely accepted reference source for minor metals pricing and industry information.

Chris Jacobs, CEng, MIMMM, MBA, Vice President & Mining Economist and Dayan Anderson, B.Sc., MMSA, Senior Mining Engineer, Micon International Limited and Kevin Tanas, P. Eng., Principal Mining Consultant, RungePincockMinarco (Canada) Ltd, are the Qualified Persons responsible for the updated mineral reserves as defined by NI 43-101. Robert Campbell, P.Geo., Vice President, Exploration for Largo Resources Ltd., is the Qualified Persons responsible for the Resources.

Revised Mine Plan:

The updated mineral reserves can support a 15-year mine life with annual mill throughput of 1,118,880 tonnes to produce up to 9,600 tonnes of V_2O_5 per year. These represent increases of 90% and 92%, respectively, over the mill throughput and production in the Feasibility Study. The revised mine plan demonstrates a 15-year V_2O_5 production case and requires no additional capex. This approach provides the existing plant a great deal of flexibility to accommodate additional resources that Largo expects will become available in the areas of the satellite deposits identified by the 2011/2012-drill program and outlined in the 2013 preliminary economic assessment for the project by RungePinockMinarco (see Largo's news releases dated January 18, 2013).

Quality Assurance Quality Control:

The scientific and technical information in this press release has been reviewed and approved by Robert Campbell, P.Geo., Vice President, Exploration for Largo Resources Ltd., Dayan Anderson, B.Sc., MMSA, Senior Mining Engineer, Micon International Limited, Chris Jacobs, CEng, MIMMM, MBA, Vice President & Mining Economist, Micon International Limited and Kevin Tanas, P. Eng., Principal Mining Consultant, RungePincockMinarco (Canada) Ltd., all of whom are Qualified Persons as defined by NI 43-101.

About Largo

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

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 consumption increasing at a compound annual growth rate of over 8% for the past several years (Roskill, 2015), vanadium is a bourgeoning 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

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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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