

TORONTO, April 12, 2017 /CNW/ - [Largo Resources Ltd.](#) ("Largo" or the "Company") (TSX: LGO) (OTCQB: LGORF) is pleased to provide an operation update for its Maracás Menchen Mine ("the Mine") and to announce that it has entered into a term loan agreement.

The Company is pleased to report that it has now completed its 20-day shutdown which was required to replace the kiln refractory. The replacement was completed on time and on budget and production has already returned to normal levels. The Mine was able to stockpile sufficient intermediate feedstock such that production continued during the kiln shutdown (albeit at a lower than normal level) and Largo was able to meet its productions commitments during this time frame.

While the kiln refractory was being replaced, the Company was also able to incorporate several new improvements in the leaching and kiln sections of the plant to further increase recoveries. Improvements were also completed in the fusion area, which should increase production capacity. The Company anticipates that these efforts in improving overall recoveries will enable it to achieve monthly production of up to 840 tonnes per month starting as early as May 2017; which is 5% greater than original nameplate capacity.

Mr. Mark Smith, Chief Executive Officer to Largo, stated: "We are extremely pleased with the performance of our team during the replacement of the kiln refractory. In addition to completing this large project on budget and on time, we were also able to implement a number of other improvements during this shut down. As a result, we are anticipating even better production results moving forward. This anticipated increase in production coupled with an increase of approximately 10% in the price of V205 since the first week of January 2017 will result in significant improvement to cash flow at the operational level."

Largo is also pleased to announce the entering into of a US\$2 million six-month term loan at the Company level (the "Loan"). The Loan will help the parent company address its short term cash requirements while the Company continues to focus on restructuring its current capital structure. Pursuant to the terms of the Loan, the Company also issued 400,000 common share purchase warrants (the "Warrants") to the lenders with each such Warrant being exercisable to acquire one common share at a price of \$0.50 until December 31, 2020.

Mr. Mark Smith, stated: "This short term injection of capital at the parent level and our increasingly positive cash flow at the operating subsidiary level provides us with the flexibility to focus on completing our on-going capital restructuring."

#### About Largo

[Largo Resources Ltd.](#) is a growing strategic mineral company focused on the production of vanadium pentoxide 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. As trends in the steel industry now demand increasingly stronger and lighter products for advanced applications, the use of vanadium is expected to grow 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. For more information, please visit [www.largoresources.com](http://www.largoresources.com).

#### 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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