



NOTICE OF MEETING
and
MANAGEMENT INFORMATION CIRCULAR
in respect of the
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on June 29, 2017

Dated as of May 30, 2017

LARGO RESOURCES LTD.
55 University Avenue, Suite 1101
Toronto, Ontario
M5J 2H7

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual and special meeting (the "**Meeting**") of the shareholders (the "**Shareholders**") of common shares ("**Common Shares**") of Largo Resources Ltd. (the "**Corporation**") will be held at the offices of Gowling WLG (Canada) LLP, 100 King Street West, Suite 1600, Toronto, Ontario, M5X 1G5 on June 29, 2017, at 2:00 P.M. (Toronto time) for the following purposes:

1. to receive and consider the audited financial statements of the Corporation as at and for the fiscal year ended December 31, 2016, together with the report of the auditor thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to re-appoint PricewaterhouseCoopers LLP, Chartered Accountants as auditor of the Corporation and authorize the directors to fix their remuneration;
4. to consider, and if thought fit, to pass, with or without variation, an ordinary resolution to approve the Corporation's new share compensation plan (the "**Share Compensation Plan**") as more particularly described in the Information Circular, and;
5. to transact such further or other business as may properly come before the Meeting or any postponement(s) or adjournment(s) thereof.

Shareholders should refer to the accompanying Information Circular for more detailed information with respect to the matters to be considered at the Meeting.

If you are a registered Shareholder of the Corporation and are unable to attend the Meeting in person, please date and execute the accompanying form of proxy and return it in the envelope provided to TMX Equity Transfer Services, the registrar and transfer agent of the Corporation, at 200 University Avenue, Suite 400, Toronto, Ontario M5H 4H1 by no later than 2:00 P.M. (Toronto time) on June 27, 2017.

If you are not a registered Shareholder of the Corporation and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary.

The directors of the Corporation have fixed May 23, 2017 as the record date. Holders of Common Shares of record at the close of business on May 23, 2017 are entitled to notice of the Meeting and to vote thereat or at any adjournment(s) thereof. The transfer books will not be closed.

By order of the Board of Directors

DATED at Toronto, Ontario as of the 30th day of May, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) *"Mark Smith"*

Director, President and Chief Executive Officer



LARGO RESOURCES LTD.
MANAGEMENT INFORMATION CIRCULAR
DATED MAY 30, 2017
FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 29, 2017

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SOLICITATION OF PROXIES

This management information circular ("Circular") is furnished in connection with the solicitation by the management of Largo Resources Ltd. (the "Corporation" or "Largo") of proxies to be used at the annual and special meeting (the "Meeting") of holders of common shares ("Common Shares") of the Corporation to be held on June 29, 2017 and at any postponement(s) or adjournment(s) thereof for the purposes set forth in the accompanying notice of meeting ("Notice of Meeting"). References in this Circular to the "Meeting" include references to any postponement(s) or adjournment(s) thereof. It is expected that the solicitation will be primarily by mail but proxies may also be solicited through other means by employees, consultants and agents of the Corporation. The cost of solicitation by management will be borne by the Corporation.

The board of directors of the Corporation (the "**Board of Directors**") has by resolution fixed the close of business on May 23, 2017 as the record date for the meeting (the "**Record Date**") being the date for the determination of the registered holders of Common Shares entitled to notice of and to vote at the Meeting and any adjournment(s) thereof (the "**Shareholders**"). The Board of Directors has by resolution fixed 2:00 P.M. (Toronto time) on June 27, 2017 or 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment(s) of the Meeting, as the time by which proxies to be used or acted upon at the Meeting or any adjournment(s) thereof shall be deposited with the Corporation's transfer agent.

The Corporation shall make a list of all persons who are registered holders of Common Shares on the Record Date and the number of Common Shares registered in the name of each person on that date. Each Shareholder is entitled to one vote on each matter to be acted on at the Meeting for each Common Share registered in his name as it appears on the list.

Unless otherwise stated, the information contained in this Circular is as of May 30, 2017. This Circular contains references to United States dollars and Canadian dollars. All dollar amount references, unless otherwise indicated, are expressed in Canadian dollars and United States dollars are referred to as "United States dollars" or "US\$".

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. **A Shareholder desiring to appoint some other person or corporation to represent him at the Meeting may do so** by inserting such person's name in the blank space provided in that form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent of the Corporation indicated on the enclosed envelope not later than the times set out above.

In addition to revocation in any other manner permitted by law, a Shareholder may revoke a proxy given pursuant to this solicitation by depositing an instrument in writing (including another proxy bearing a later date) executed by the Shareholder, or by an attorney authorized in writing, at 55 University Avenue, Suite

1101, Toronto, Ontario M5J 2H7 at any time up to and including the last business day preceding the day of the Meeting or with the Chairman of the Meeting not later than the times set out above.

VOTING OF PROXIES

Common Shares of the Corporation represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed form of proxy **will be voted for each of the matters to be voted on by Shareholders as described in this circular or withheld from voting or voted against if so indicated on the form of proxy and in accordance with the instructions of the Shareholder on any ballot that may be called for. In the absence of such election, the proxy will confer discretionary authority to be voted in favour of each matter set out in the form of proxy for which no choice has been specified.** The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting or other matters which may properly come before the Meeting. At the time of printing this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgement of the named proxies.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

Only registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Common Shares beneficially owned by a holder who is not a registered Shareholder (a "**Non-Registered Holder**") are registered either: (i) in the name of an intermediary with whom the Non-Registered Holder deals in respect of the Common Shares such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans (an "**Intermediary**"); or (ii) in the name of a clearing agency (such as The Canadian Depository for Securities Limited of which the Intermediary is a participant). In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation will distribute copies of the Notice of Meeting, form of proxy and this Circular to the clearing agencies and Intermediaries which are required to distribute them in turn to the appropriate Non-Registered Holders.

Intermediaries are then required to forward the materials to the appropriate Non-Registered Holders. Non-Registered Holders will be given, in substitution for the proxy otherwise contained in proxy-related materials, a request for voting instructions (the "**Voting Instructions Form**") which, when properly completed and signed by the Non-Registered Holder and returned to the Intermediary, will constitute a Non-Registered Holder's Voting instructions which the Intermediary must follow.

The purpose of this procedure is to permit Non-Registered Holders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Holder who receives the voting instructions form wish to vote at the Meeting in person (or have another person attend and vote on behalf of the Non-Registered Holder), the Non-Registered Holder should so indicate in the place provided for that purpose in the Voting Instructions Form and a form of legal proxy will be sent to the Non-Registered Holder. In any

event, Non-Registered Holders should carefully follow the instructions of their Intermediary set out in the Voting Instructions Form.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Corporation consists of an unlimited number of Common Shares. As of May 30, 2017, the Corporation had 459,779,269 Common Shares issued and outstanding and no preferred shares issued and outstanding. The Corporation effected in October 2014 a consolidation of its issued and outstanding Common Shares on the basis of one post-consolidation Common Share for every ten (10) pre-consolidation Common Shares. For the purpose of this Circular, all Common Share (and securities convertible into Common Shares such as stock options) numbers are shown on a post-consolidation basis.

To the knowledge of the directors and officers of the Corporation, as at the Record Date, no person beneficially owned, directly or indirectly, or exercises control or direction over securities carrying more than 10% of the voting rights attached to the Common Shares other than (i) Arias Resource Capital Fund L.P., Arias Resource Capital Fund II L.P. and Arias Resource Capital Fund II (Mexico) L.P. (collectively, the "**ARC Funds**") which collectively hold 268,057,865 Common Shares, representing approximately 59% of the issued and outstanding Common Shares; and (ii) The Cranley Trust and Cranley Investments Holdings LCC (collectively, the "**Cranley Entities**") which collectively hold 47,471,124 Common Shares, representing approximately 10% of the issued and outstanding Common Shares.

INTEREST OF PERSONS IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation (nor any person who had held such a position since the beginning of the last completed financial year end of the Corporation), no Nominee (as that term is later defined) nor any respective associates or affiliates of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon at this Meeting other than the election of directors and the approval of the Corporation's share compensation plan (the "**Share Compensation Plan**").

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Effective June 30, 2005, National Instrument 58-101 – Disclosure of Corporate Governance Practices ("**NI 58-101**") was adopted in each of the provinces and territories of Canada. NI 58-101 requires issuers to disclose the corporate governance practices that they have adopted. The corporate governance practices adopted by the Corporation are set out in Schedule "A" attached to this Information Circular.

Majority Voting Policy

The Corporation has not adopted a majority voting policy as it is exempt from the majority voting requirements of the Toronto Stock Exchange. This exemption is available to listed issuers that are controlled by a shareholder that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying

50% or more of the voting rights for the election of directors as of the applicable record date. The ARC Funds' holdings represent approximately 59% of the issued and outstanding Common Shares in the Corporation as of the Record Date and, as such, a majority voting policy would not have a meaningful effect on the election of the Corporation's directors as the ARC Funds can affect the election of directors with its votes alone.

STATEMENT OF EXECUTIVE COMPENSATION

The Corporation's Statement of Executive Compensation, in accordance with the requirements of Form 51-102F6 – *Statement of Executive Compensation*, is set forth below. For the remainder of this Statement of Executive Compensation, each of Mark Smith, Chief Executive Officer of the Corporation, Mr. Ernest Cleave, Chief Financial Officer of the Corporation, Mr. Michael Mutchler, former Chief Operating Officer of the Corporation, Mr. Paulo Misk, President of Operations, Brazil, and Mr. Nilson Chaves, Vice President of Finance and Administration, Brazil, is a "Named Executive Officer" or "NEO" of the Corporation, unless otherwise indicated.

Compensation Discussion and Analysis

Compensation of Named Executive Officers

For the financial year ended December 31, 2016, the objective of the Corporation's compensation strategy was to ensure that compensation for its executive officers (including NEOs) was sufficiently attractive to recruit, retain and motivate high performing individuals to assist the Corporation in achieving its goals. The Corporation also tried to ensure that compensation was also fair, balanced and linked to the performance of the Corporation and the individual Named Executive Officer.

Compensation for the Corporation's NEOs is composed primarily of three components: base salary, cash performance bonuses and stock option-based compensation. In establishing the levels of base salary, cash performance bonuses and the stock option awards, the Corporation informally takes into consideration a variety of factors, including the financial and operating performance of the Corporation, and each NEO's individual performance and contribution towards meeting corporate objectives, responsibilities and length of service.

The Board of Directors established the Compensation Committee to assist the Board of Directors in fulfilling its obligations relating to human resource and compensation matters of the Corporation and its subsidiaries and to establish a plan for senior management continuity and development of senior management. The members of the Compensation Committee are Messrs. Alberto Arias and David Brace and Ms. Yamamoto, each being independent for the purpose of NI 58-101. For additional information with respect to the Compensation Committee see the information under the headings "***Statement of Executive Compensation – Compensation Discussion and Analysis – Compensation Governance***" and "***Corporate Governance - Determination of Compensation***".

Risk of Compensation Policies and Practices

The Board of Directors and the Compensation Committee have not formally considered the implications of the risks associated with the Corporation's compensation policies and practices. The discretionary nature

of stock option grants under the Existing Plan (as hereinafter defined) or the Share Compensation Plan are significant elements of the Corporation's compensation plans and provide the Board of Directors and the Compensation Committee with the ability to reward historical performance and behaviour that the Board of Directors and the Compensation Committee consider to be aligned with the Corporation's best interests.

The Board of Directors believes that the executive compensation program of the Corporation should not raise its overall risk profile. Accordingly, the Corporation's executive compensation program includes safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- stock option vesting and option terms of 5 years discourage excessive risk taking to achieve short-term goals;
- recommendation of discretionary bonus payments to the Board of Directors by the Compensation Committee who are specifically tasked with determining allocation; and
- implementation of trading blackouts to limit the ability of officers of the Corporation to trade in securities of the Corporation.

Inappropriate and excessive risks by executives are also mitigated by review of the Board of Directors, at which, activity by the executives must be approved by the Board of Directors if such activity is outside previously Board of Director-approved actions and/or as set out in a Board of Director-approved budget. Given the current composition of the Corporation's executive management team, the Board of Directors and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Corporation's compensation practices. Risks, may also be identified and mitigated through regular Board of Director meetings during which financial and other information of the Corporation is reviewed, including executive compensation.

The Corporation does not have a specific policy which would prohibit an NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, the Board of Directors and management are not aware of any NEO or director having purchased such an instrument.

Share-Based and Option-Based Awards

Long Term Incentive Plan

The stock option component of the executive compensation package is provided to focus management's attention on corporate performance over a period of time longer than one year in recognition of long term horizons for return on investments and strategic decisions. The level of stock option awards given to each Named Executive Officer is determined by his or her position, his or her potential future contributions to the Corporation and the number and terms of stock option awards previously granted to the Named Executive Officer. All stock option awards are reviewed by the Compensation Committee and the Board of Directors. The Compensation Committee and the Board of Directors determine a meaningful level of award for employees ranging from key employees to the Chief Executive Officer. The level of stock option awards is also influenced by the number of executives and key employees in the current year and the likelihood of grants in future years to executives and key employees since the total number of stock options available under the Corporation's stock option plan (the "**Existing Plan**") is limited.

The Corporation is proposing to adopt the Share Compensation Plan which, if adopted, will govern all future awards of incentive stock options, as summarized below under the heading "***Equity Compensation Plan Information – Share Compensation Plan***".

Other than the Corporation's Existing Plan, the Corporation does not have any other long term incentive plans, pursuant to which cash or non-cash compensation intended to serve as an incentive for performance over a period greater than one financial year (whereby performance is measured by reference to financial performance or the price of the Corporation's securities).

Compensation Governance

The Corporation's overall policy regarding compensation of the Corporation's Named Executive Officers is structured to provide competitive salary levels and compensation incentives that support both the short-term and long-term goals of the Corporation, attract and retain suitable and qualified executive management, and establish a compensation framework which is industry competitive.

The Compensation Committee is responsible for reviewing the performance, compensation, professional development, recruitment and succession planning of the directors and executive officers of the Corporation as well as employee benefits programs. The Board of Directors, as a whole, ultimately determines compensation for the directors, its Chief Executive Officer, Chief Financial Officer and other officers (including NEOs) on the advice of the Compensation Committee. In performing its duties, the Compensation Committee has the authority to engage such advisors, including executive compensation consultants, as it considers necessary. Since the beginning of the year ended December 31, 2016, the Board of Directors has not engaged the services of an independent compensation consultant.

For details concerning the composition of the Compensation Committee see below under the section entitled "*Corporate Governance - Determination of Compensation*".

Summary Compensation Table

The following table summarizes the compensation paid during the three financial years ended December 31, 2016, 2015 and 2014 in respect of the Named Executive Officers, being the individuals who were carrying out the role of the Chief Executive Officer ("**CEO**") of the Corporation, the Chief Financial Officer ("**CFO**") of the Corporation and each of the three most highly compensated executive officers of the Corporation or any of its subsidiaries, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was individually more than \$150,000 for that financial year.

Financial Years Ended December 31, 2016, 2015, and 2014

NEO Name and principal position	Year Ended	Salary (\$) ⁽¹⁾	Share awards (\$)	Option awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁴⁾	Total compensation (\$)
					Annual incentive plans ⁽³⁾	Long-term incentive plans			
Mark Smith President & Chief Executive Officer ⁽⁵⁾	2016	668,210	NIL	654,100	NIL	NIL	NIL	NIL	1,976,410
	2015	340,987	NIL	261,385	NIL	NIL	NIL	NIL	602,372
	2014	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ernest Cleave Chief Financial Officer	2016	300,000	NIL	316,888	NIL	NIL	NIL	NIL	616,888
	2015	279,167	NIL	251,857	125,000	NIL	NIL	NIL	656,024
	2014	237,500	NIL	80,400	60,000	NIL	NIL	NIL	377,900
Michael Mutchler Chief Operating Officer ⁽⁶⁾	2016	754,861	NIL	NIL	NIL	NIL	NIL	NIL	754,861
	2015	317,500	NIL	278,038	150,000	NIL	NIL	NIL	745,538
	2014	300,000	NIL	40,200	50,000	NIL	NIL	NIL	390,200
Paulo Misk President of Operations, Brazil	2016	311,688	NIL	233,587	NIL	NIL	NIL	NIL	545,275
	2015	233,229	NIL	130,331	44,851	NIL	NIL	NIL	408,411
	2014	21,168	NIL	NIL	NIL	NIL	NIL	NIL	21,168
Nilson Chaves Vice President Finance and Administration, Brazil	2016	285,714	NIL	187,830	NIL	NIL	NIL	NIL	473,544
	2015	228,455	NIL	156,050	74,949	NIL	NIL	NIL	459,454
	2014	191,141	NIL	91,865	95,072	NIL	NIL	NIL	378,078

Notes:

- (1) Beginning February 2013, compensation paid to all NEOs listed, other than Mr. Chaves (Mr. Chaves was paid as an independent contractor in Brazil up to June 2015), has been paid under executive employment agreements between the Corporation (or its operating subsidiary) and each such NEO as more particularly described under the heading **"Statement of Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts"** of this Circular.
- (2) The grant date fair value is a theoretical value determined using the Black Scholes pricing model for stock options granted during the year. Under Black Scholes, the stock options on the date of grant have no intrinsic value as the exercise price is the closing price of the Common Shares on the preceding date. Each NEO does not receive any value until each of the following occur: (i) the stock options vest and (ii) and they are exercised. Generally, the stock options will only be exercised where the exercise price is less than the trading price. Stock options are priced under the provisions of the Existing Plan which provide that such options are to be priced at the weighted average trading price of the Common Shares on any exchange in Canada where the Common Shares are listed (including the TSX) for the last five trading days prior to the date of grant.
- (3) Compensation paid in the form of discretionary performance-based bonuses.
- (4) Any other benefits received by any NEO did not exceed the lesser of \$50,000 and 10% of the total annual compensation for such Named Executive Officer.
- (5) Mr. Smith was appointed President and Chief Executive Officer of the Corporation effective April 1, 2015.
- (6) Mr. Mutchler left the Corporation effective April 8, 2016.

Incentive Plan Awards

The following table provides information regarding those incentive plan awards for each Named Executive Officer outstanding as of December 31, 2016 which have also not expired as of the date of this Circular.

Outstanding Share-Based Awards and Option-Based Awards

Name	Option Awards				Share Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Mark Smith President, Chief Executive Officer and a Director ⁽²⁾	2,832,000	722,000 at \$0.70 2,110,000 at \$0.455	June 16, 2017 Sept. 16, 2021	NIL 73,850	N/A	N/A	N/A
Ernest Cleave Chief Financial Officer	1,749,221	33,333 at \$2.20 33,333 at \$2.40 33,333 at \$2.60 40,000 at \$2.80 587,000 at \$0.70 1,022,222 at \$0.455	Sept. 3, 2018 Sept. 3, 2018 Sept. 3, 2018 Aug. 4, 2019 June 17, 2020 Sept. 16, 2021	NIL NIL NIL NIL NIL 35,778	N/A	N/A	N/A
Michael Mutchler Chief Operating Officer ⁽³⁾	NIL	N/A	N/A	N/A	N/A	N/A	N/A
Paulo Misk President of Operations, Brazil	1,113,506	360,000 at \$0.70 753,506 at \$0.455	June 16, 2017 Sept. 16, 2021	NIL 26,373	N/A	N/A	N/A
Nilson Chaves Vice President of Finance and Administration, Brazil	1,061,904	31,250 at \$2.60 20,833 at \$2.40 20,833 at \$2.40 31,250 at \$2.20 10,417 at \$2.20 10,417 at \$2.60 72,000 at \$2.80 259,000 at \$0.70 605,904 at \$0.455	Jan. 23, 2018 Jan. 23, 2018 Jan. 23, 2018 Jan. 23, 2018 Jan. 23, 2018 Jan. 23, 2018 Aug. 4, 2019 June 17, 2020 Sept. 16, 2021	NIL NIL NIL NIL NIL NIL NIL NIL 21,207	N/A	N/A	N/A

Notes:

- (1) Calculated using the closing price of Common Shares on the TSX on December 31, 2016 of \$0.49 per Common Share, less the exercise price of the stock options granted.
- (2) Mr. Smith was appointed President and Chief Executive Officer of the Corporation effective April 1, 2015.
- (3) Mr. Mutchler left the Corporation effective April 8, 2016.

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the financial year ended December 31, 2016.

Value Vested or Earned During the Financial Year Ended December 31, 2016

Name	Option awards – Value during the year on vesting (\$) ⁽¹⁾	Share awards – Value during the year on vesting (\$)	Non-equity incentive plan compensation – Pay-out during the year (\$)
Mark Smith President, Chief Executive Officer and a Director ⁽²⁾	NIL	N/A	N/A
Ernest Cleave Chief Financial Officer	NIL	N/A	N/A
Michael Mutchler Chief Operating Officer ⁽³⁾	NIL	N/A	N/A
Paulo Misk President of Operations, Brazil	NIL	N/A	N/A
Nilson Chaves Vice President of Finance and Administration, Brazil	NIL	N/A	N/A

Notes:

(1) Calculated using the closing price of Common Shares on the applicable vesting dates and the applicable exercise prices.

(2) Mr. Smith was appointed President and Chief Executive Officer of the Corporation effective April 1, 2015.

(3) Mr. Mutchler left the company effective April 8, 2016.

Pension Plan Benefits

The Corporation does not currently have a defined benefit or actuarial plan under which benefits are determined primarily by final compensation (or average final compensation) and years of services.

Directors' and Officers' Insurance and Indemnification

The Corporation maintains insurance for the benefit of its directors and officers against liability in their respective capacities as directors and officers. The Corporation has purchased in respect of directors and officers an aggregate of \$30,000,000 in coverage. The approximate amount of premiums paid by the Corporation in 2016 in respect of such insurance was \$87,226.

Termination of Employment, Change in Responsibilities and Employment Contracts

The following describes the respective consulting agreements entered into by the Corporation and the NEOs.

As used herein, "**Change of Control**" shall be defined as the acquisition by any person (person being defined as an individual, a corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Business Corporations Act* (Ontario) of: (1) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such persons would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation; (2) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the

completion of such acquisition such persons would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the material subsidiary; or (3) more than 50% of the material assets of the Corporation, including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation.

Mark Smith

The Corporation entered into an executive employment contract with Mark Smith effective April 1, 2015. Under this contract Mr. Smith is entitled to compensation of US\$400,000 per annum, subject to review by the Board of Directors, plus any such increments thereto, bonuses and grants of options under the Share Compensation Plan as the Board may from time to time determine. This agreement can be terminated at any time for cause without notice or payment in lieu of notice. In the event of termination without cause, Mr. Smith is entitled to the equivalent to two (2) times his effective annual salary in the form of a lump sum payment within 30 days of the termination date. In the event that there is a Change of Control of the Corporation (as defined below), and the Corporation within one year from the date of such Change of Control elects to have Mr. Smith's appointment terminated then the Corporation shall pay Mr. Smith three (3) times his effective annual salary. Mr. Smith will also receive three (3) times his effective annual salary if on a Change of Control his duties are materially changed or there is a material reduction in Mr. Smith's salary or material adverse change in work location or work conditions and Mr. Smith elects to terminate the agreement.

Ernest Cleave

The Corporation entered into an executive employment contract with Ernest Cleave effective July 10, 2015. Under this contract Mr. Cleave is entitled to compensation of \$300,000 per annum, subject to review by the Board of Directors, plus any such increments thereto, bonuses and grants of options under the Share Compensation Plan as the Board may from time to time determine. This agreement can be terminated at any time for cause without notice or payment in lieu of notice. This agreement can be terminated at any time for cause without notice or payment in lieu of notice. In the event of termination without cause, Mr. Cleave is entitled to the equivalent to two (2) times his effective annual salary in the form of a lump sum payment within 30 days of the termination date. In the event that there is a Change of Control of the Corporation (as defined below), and the Corporation within one year from the date of such Change of Control elects to have Mr. Cleave's appointment terminated then the Corporation shall pay Mr. Cleave three (3) times his effective annual salary. Mr. Cleave will also receive three (3) times his effective annual salary if on a Change of Control his duties are materially changed or there is a material reduction in Mr. Smith's salary or material adverse change in work location or work conditions and Mr. Cleave elects to terminate the agreement.

Michael Mutchler

Mr. Mutchler, former Chief Operating Officer, left the Corporation effective April 8, 2016. Pursuant to the terms of Mr. Mutchler's employment agreement, Mr. Mutchler received \$660,000 as a lump sum termination payment, being twenty four months' base salary.

Other Arrangements

Other than as disclosed above, the Corporation has no compensatory plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers in the Corporation's most recently completed or current fiscal year to compensate such executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change of control.

Change of Control Payment Chart

The estimated incremental payments, payables and benefits that might be paid to the NEOs pursuant to the above noted agreements (those that have not resigned or been terminated as of the date of this Circular) in the event of termination without cause or after a change of control is detailed below:

Named Executive Officer	Termination not for Cause	Termination on a Change of Control
Mark Smith		
Salary	US\$800,000	US\$1,200,000
Bonus	0	0
Total	US\$800,000	US\$1,200,000
Ernest Cleave		
Salary	\$600,000	\$900,000
Bonus	0	0
Total	\$600,000	\$900,000

Compensation of Directors

Compensation of directors in the financial period ended December 31, 2016 was determined on a case-by-case basis with reference to the role that each director provides to the Corporation. The following information details compensation paid in the recently completed financial year.

In addition, directors are entitled to participate in the Existing Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of an individual's current and expected future performance, level of responsibilities and the importance of his/her position and contribution to the Corporation.

Executive officers who also act as directors of the Corporation do not receive any additional compensation for services rendered in their capacity as directors.

During the financial year ended December 31, 2016, directors were granted the fees, options and bonuses in their capacity as directors of the Corporation as is set out in the table below (for information on Mr. Smith please refer to summary under the heading "**Statement of Executive Compensation**" above).

Director Compensation Table

The following table provides information regarding compensation paid to the Corporation's directors during the financial year ended December 31, 2016, other than Mr. Smith whose compensation was included above under the section entitled "**Summary Compensation Table**".

Name	Fees earned (\$) ⁽¹⁾	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)	All other compensation (\$)	Total (\$)
Alberto Arias	72,500	N/A	62,000	N/A	N/A	134,500
Sam Abraham	46,250	N/A	62,000	N/A	N/A	108,250
Alberto Beeck	21,250	N/A	62,000	N/A	N/A	83,250
David Brace	61,250	N/A	62,000	N/A	N/A	123,250
Koko Yamamoto	65,000	N/A	62,000	N/A	N/A	127,000
Daniel Tellechea	61,250	N/A	62,000	N/A	N/A	123,250
Wayne Egan ⁽³⁾	32,500	N/A	NIL	N/A	N/A	32,500
TOTALS	360,000	N/A	372,000	N/A	N/A	732,000

Notes:

- (1) The Compensation Committee of the Corporation has set fees to be payable to non-executive directors (all directors other than Mr. Smith) at \$35,000 per annum. In addition, it was determined that the Chairs of Board committees be paid \$15,000 per annum and that committee members be paid \$7,500 per annum.
- (2) The grant date fair value is a theoretical value determined using the Black Scholes pricing model for stock options granted during the year. Under Black Scholes, the stock options on the date of grant have no intrinsic value as the exercise price is the closing price of the Common Shares on the preceding date. Each director does not receive any value until each of the following occur: (i) the Stock options vest and (ii) they are exercised. Generally, the stock options will only be exercised where the exercise price is less than the trading price. Stock options are priced under the provisions of the Existing Plan which provided that such options are to be priced to the last closing price of the Common Shares on the TXSV immediately preceding the date of grant. All of the options granted to directors in 2016 had exercise prices of 0.455.
- (3) During the year-ended December 31, 2016, an amount in legal fees of approximately \$541,552.05 was billed and due under normal payment terms to the law firm of WeirFoulds, LLP, a law firm in which Mr. Egan is a partner. None of these fees billed by or paid to WeirFoulds LLP were in respect of Mr. Egan's services as a director of the Corporation.

Incentive Plan Awards

The following table provides information regarding the incentive plan awards for each non-executive director outstanding as of December 31, 2016. Information regarding outstanding share-based awards and option-based awards received by Mr. Smith for his services as an executive is disclosed in the sections above under the heading "**Statement of Executive Compensation**".

Outstanding Share-Based Awards and Option-Based Awards

Name	Option Awards				Share Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share awards that have not vested (\$)	Market or payout valued of vested share-based awards not paid out or distributed (\$)
Alberto Arias	100,000 98,000 200,000	2.80 0.70 0.455	Aug. 4, 2019 June 17, 2020 September 16, 2021	7,000	N/A	N/A	N/A
Sam Abraham	200,000	0.455	September 16, 2021	7,000	N/A	N/A	N/A
Koko Yamamoto	200,000	0.455	September 16, 2021	7,000	N/A	N/A	N/A
Daniel Tellechea	200,000	0.455	September 16, 2021	7,000	N/A	N/A	N/A
David Brace	100,000 98,000 200,000	2.80 0.70 0.455	Aug. 4, 2019 June 17, 2020 September 16, 2021	7,000	N/A	N/A	N/A
Alberto Beeck	200,000	0.455	September 16, 2021	7,000	N/A	N/A	N/A

Notes:

⁽¹⁾ Calculated using the closing price of Common Shares on the TSX on December 31, 2016 of \$0.49 per Common Share, less the exercise price of the stock options granted.

The following table provides information regarding the value vested or earned of incentive plan awards for each non-executive director for the financial year ended December 31, 2016.

Value Vested or Earned During the Financial Year Ended December 31, 2016

Name	Option-based awards – Value during the year on vesting (\$) ⁽¹⁾	Share-based awards – Value during the year on vesting (\$)	Non-equity incentive plan compensation – Pay-out during the year (\$)
Alberto Arias	NIL	N/A	N/A
Sam Abraham	NIL	N/A	N/A
Koko Yamamoto	NIL	N/A	N/A
Daniel Tellechea	NIL	N/A	N/A
Alberto Beeck	NIL	N/A	N/A
David Brace	NIL	N/A	N/A

Notes:

⁽¹⁾ Value, if any, of any options which vested during 2016 was calculated by multiplying the number of vested options by the difference between the market price at the time of vesting and the exercise price.

Other Arrangements

Other than as disclosed elsewhere in this Circular, none of the directors of the Corporation were compensated by the Corporation during the financial year ended December 31, 2016 pursuant to any other arrangement or in lieu of any standard compensation arrangement.

EQUITY COMPENSATION PLAN INFORMATION

Securities Authorized for Issuance under Equity Compensation Plans

The table below sets out the outstanding options under the Existing Plan, being the Corporation's only compensation plan under which Common Shares are authorized for issuance, as of December 31, 2016.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	13,367,814	0.85	32,610,113
Equity compensation plans not approved by security holders	N/A	N/A	N/A
TOTAL	13,367,814	0.85	32,610,113

The Existing Plan

Below is a description of the Existing Plan. If the Share Compensation Plan is adopted, the Existing Plan will continue to exist but only for the purpose of governing the terms of all outstanding options that have already been issued under the Existing Plan before the adoption of the Share Compensation Plan.

The Existing Plan was approved by the shareholders of the Corporation at its last annual meeting on June 29, 2016. The following is a summary of the terms of the Existing Plan, as amended, which is qualified in its entirety by the provisions of the Existing Plan.

The Existing Plan is a "rolling" stock option plan under TSX Venture Exchange – Corporate Finance Manual – Policy 4.4 – Incentive Stock Options (the "**Exchange Policy**"). Pursuant to the Existing Plan, the Corporation may grant up to that number of stock options that equals 10% of the number of issued and outstanding Common Shares at the time of the stock option grant, from time to time. This percentage is consistent with the historically approved stock option plans of the Corporation and the Corporation believes that it is competitive with industry peers. As of the Record Date, there are an aggregate of 13,367,814 stock options outstanding under the Existing Plan, which represents approximately 2.9% of the outstanding Common Shares. The Existing Plan provides that the Corporation cannot grant stock options to any one person representing more than 5% of the outstanding Common Shares. The aggregate number of Common Shares reserved for issuance pursuant to stock options granted to all non-executive directors, when combined with any other share compensation arrangement, may not exceed 1% of the outstanding Common Shares (on a non-diluted basis).

Under the Existing Plan, stock options may be granted to employees, officers and certain consultants of the Corporation and designated affiliates. The Existing Plan is designed to advance the interests of the Corporation by encouraging employees, officers and eligible consultants to have equity participation in the Corporation through the acquisition of Common Shares. In determining the terms of each grant of stock options, consideration is given to the participant's present and potential contribution to the success of the Corporation.

The terms and conditions of each option granted under the Existing Plan will be determined by the Board of Directors. Options will be priced in the context of the market and in compliance with applicable securities laws and Exchange guidelines. Consequently, the exercise price for any stock option shall not be lower than the market price of the underlying Common Shares at the time of grant. Vesting terms will be determined at the discretion of the Board of Directors. The Board of Directors shall also determine the term of stock options granted under the Existing Plan, provided that no stock option shall be outstanding for a period greater than five years.

The Existing Plan provides for amendment procedures that specify the kind of amendments requiring shareholder approval. The Board of Directors believes that except for certain material changes to the Existing Plan it is important that the Board of Directors has the flexibility to make changes to the Existing Plan without shareholder approval. Such amendments could include making appropriate adjustments to outstanding options in the event of certain corporate transactions, the addition of provisions requiring forfeiture of options in certain circumstances, specifying practices with respect to applicable tax withholdings and changes to enhance clarity or correct ambiguous provisions.

The following amendments to the Existing Plan require shareholder approval: (a) increasing the maximum number of Common Shares which may be issued under the Existing Plan; (b) materially modify the requirements as to eligibility for participation in the Existing Plan; (c) materially increase the benefits accruing to participants under the Existing Plan and (d) amending the Existing Plan amendment provision. These amendments include amending options issued under the Existing Plan, including with respect to the option period, subscription price and method of determining the subscription price and assignability of Options and any extension of eligibility to participate in the Existing Plan to non-executive directors of the Corporation, including any amendments which may increase the limits imposed on non-executive directors' participation in the Existing Plan and extending the expiration date of any option.

The Existing Plan does not provide for the transformation of granted stock options granted into stock appreciation right involving the issuance of securities from the treasury of the Corporation.

Directors, officers, employees and certain consultants shall be eligible to receive stock options under the Share Compensation Plan. Upon the termination of an optionholder's engagement with the Corporation, the cancellation or early vesting of any stock option shall be in the discretion of the Board of Directors. In general, the Corporation expects that stock options will be cancelled 90 days following an optionholder's termination from the Corporation. Stock options granted under the Existing Plan shall not be assignable.

The Corporation will not provide financial assistance to any optionholder to facilitate the exercise of options under the Existing Plan.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and during the financial year ended December 31, 2016, no director or executive officer of the Corporation or Nominee (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) the Corporation or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended December

31, 2016, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (as such term is defined under applicable securities laws) of the Corporation or Nominee (and each of their associates or affiliates) has had any direct or indirect material interest in any transaction involving the Corporation since January 1, 2016 or in any proposed transaction which has materially affected or would materially affect the Corporation or its subsidiaries other than as disclosed herein and as described below.

On March 13, 2015, the Corporation entered into a \$12,000,000 non-revolving, convertible term loan facility with the ARC Funds (the "**Bridge Loan**"). The loan was drawn down in tranches and as at May 8, 2015 the full amount of this facility had been disbursed. The Bridge Loan had an interest rate of 20% per annum and a 6 month term. The loan was secured by a pledge of securities over and guaranteed by the Corporation's wholly-owned subsidiary, Mineração Campo Alegre de Lourdes Ltda. The Bridge Loan was repaid in full upon closing of the May 2015 Financing.

The Corporation completed a private placement financing in May 2015 resulting in proceeds to the Corporation of \$75,200,000 (the "**May 2015 Financing**"). The ARC Funds purchased an aggregate of 63,312,498 units in the May 2015 Financing for gross proceeds to the Corporation of \$50,650,000. Each unit consisted of one Common Share and half of one Common Share purchase warrant. Each purchase warrant entitles the holder to acquire one further Common Share at a price of \$1.50 per Common Share for a period of one year from the date of issuance. The ARC Funds were a "Control Person" of the Corporation (as defined in the TSX Venture Exchange Corporate Finance Manual) by virtue of their ownership prior to the closing of the May 2015 Financing of approximately 28.2% of the Corporation's issued and outstanding Common Shares. At closing of the May 2015 Financing, the ARC Funds owned 46.3% of the Corporation's issued and outstanding Common Shares.

Mr. Mark Smith, President and Chief Executive Officer of the Corporation, and Mr. Michael Mutchler, former Chief Operating Officer of the Corporation, purchased an aggregate of 770,125 units of the Corporation in the May 2015 Financing.

On January 14, 2016 the Corporation announced that it had entered into a short-term secured loan agreement with Mr. Mark Smith, pursuant to which Mr. Smith has advanced a US\$1 million non-revolving term loan bearing an interest rate of 12% per annum (the "**Smith Bridge Loan**"). The proceeds of the Smith Bridge Loan were used for ongoing working capital requirements at the Corporation's Maracás Menchen Mine for the period prior to the Corporation's restructuring of its existing credit facilities with its consortium of Brazilian lenders. The Smith Bridge Loan was secured by a general security agreement over the assets of the Corporation. As consideration for entering into the Smith Bridge Loan, the Corporation paid Mr. Smith a loan establishment fee in the amount of US\$40,000. This loan was repaid upon closing of the first tranche of the 2016 Financing (as defined below).

In January and March of 2016, the Corporation announced the closing of a non-brokered private placement (the "**2016 Financing**") of an aggregate of 209,392,178 units of the Corporation at a price of \$0.175 per

unit for aggregate gross proceeds of \$36,643,631. This private placement closed in two tranches and each unit was comprised of one Common Share and one half of one Common Share purchase warrant. Each warrant entitled the holder to acquire one further Common Share at a price of \$0.29 per Common Share for a period of five years from the date of issuance. Certain ARC Funds participated in the private placement and acquired an aggregate of 153,333,485 2016 Units. Mr. Mark Smith purchased an aggregate of 4,218,000 units in the 2016 Financing.

The Corporation announced the closing of the first, second, and third tranches of a non-brokered private placement (the "**September 2016 Financing**") of units (the "**September 2016 Units**") of the Corporation on September 7th, September 12th, and October 4th respectively. The closing of the first, second, and third tranches resulted in gross proceeds of (i) \$3,359,499 from the sale of 7,465,555 September 2016 Units, (ii) \$1,092,800 from the sale of 2,428,442 September 2016 Units, and (iii) \$547,701 from the sale of 1,217,114 September Units respectively, resulting in aggregate gross proceeds of \$5,000,000 from the sale of 11,111,111 September Units. Each September 2016 Unit was sold at a price of \$0.45 and consists of one Common Share of the Corporation and one-half of one Common Share purchase warrant (a "**September 2016 Warrant**"). Each September 2016 Warrant is exercisable to acquire one Common Share at a price of \$0.65 per share for a period of three years from the date of issuance. As part of the September/October 2016 Financing, the ARC Funds purchased 6,228,232 September 2016 Units and Cranley Investments Holdings LCC ("**CIH**") acquired 555,555 September 2016 Units.

On December 28, 2016, the Corporation announced a non-brokered private placement (the "**2017 Financing**") of up to 52,400,000 units (the "**2017 Units**") of the Corporation at a price of \$0.45 for aggregate gross proceeds of up to \$23,580,000. Each 2017 Unit consists of one Common Share and one Common Share purchase warrant exercisable into one Common Share at the price of \$0.65 per share for a period ending three years from the date of issuance. As part of the 2017 Financing, the ARC Funds purchased 14,395,675 2017 Units and CIH acquired 10,450,000 2017 Units.

AUDIT COMMITTEE DISCLOSURE

Under National Instrument 52-110 – Audit Committees ("**NI 52-110**"), companies are required to provide certain disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. Please refer to the Corporation's Annual Information Form dated March 31, 2017 (the "**2016 AIF**") with respect to the fiscal year ended December 31, 2016 under the heading "Audit Committee Disclosure" and Schedule "A" attached thereto. A copy of the 2016 AIF has been filed on the Corporation's profile on the SEDAR website (www.sedar.com) and the Corporation will, upon request from a shareholder, provide a copy of the 2016 AIF free of charge.

MATTERS TO BE ACTED ON

1. Receipt of Financial Statements

The financial statements for the fiscal year ended December 31, 2016, together with the auditor's report thereon, will be presented to Shareholders for review at the Meeting. These financial statements are available on request, on the Corporation's website or at www.SEDAR.com. No vote by the Shareholders is required with respect to this matter.

2. Election of Directors

The Corporation has nominated seven persons (the "**Nominees**") for election to the Board of Directors at the Meeting. Shareholders can vote for all of the proposed directors set forth herein, vote for some of them and withhold for others, or withhold for all of them. The following table provides the names of the Nominees and information concerning such Nominees.

Voting for the election of the below named directors will be conducted on an individual, and not a slate basis. Unless a choice is otherwise specified, it is intended that the Common Shares represented by the proxies hereby solicited will be voted by the persons named therein for the election of the Nominees (whose names are set forth below). If, prior to the Meeting, any vacancies occur in the slate of proposed Nominees set forth below, the persons named in the enclosed form of proxy intend to vote "for" the election of any substitute Nominee or Nominees recommended by management of Largo and "for" the remaining proposed Nominees.

Each Nominee elected will hold office until his successor is elected at the next annual meeting of the Corporation, or any postponement(s) or adjournment(s) thereof, or until his successor is elected or appointed.

Information in the table below, regarding the number of Common Shares of the Corporation beneficially owned, directly or indirectly, or over which control or direction is exercised by the Nominees, is based upon information furnished by the respective Nominee and is as at May 30, 2017.

Name and Province or State of Residence	Principal Occupation	Director Since	Number of Common Shares Beneficially Owned or Over which Control is Exercised⁽¹⁾
Mark Smith Colorado, United States	President and Chief Executive Officer of the Corporation since April 1, 2015; CEO , Niocorp Developments Ltd. since September 23, 2013; Director of IBC Advanced Alloys Corp. since May, 2016; President & CEO, MolyCorp Inc. from October 8, 2008 to December 12, 2012.	April 1, 2015	5,555,555
Daniel R. Tellechea ⁽²⁾⁽³⁾⁽⁵⁾ Arizona, United States	President & CEO of Sierra Metals, Inc. Toronto, from 2007 to 2014. From 2003 to 2005 Mr. Tellechea was President and CEO of Asarco LLC. He served as the Managing Director of Finance and Administration for Asarco's parent, Grupo Mexico (1994-2003) and also served as Asarco's Chief Financial Officer and Vice-president of finance for Southern Copper Corporation, which was majority owned by Grupo Mexico.	July 9, 2015	Nil
Sam Abraham ⁽⁵⁾ New York United States	Director with the private equity firm Arias Resource Capital Management LP.	July 9, 2015	200,000
Koko Yamamoto ⁽²⁾⁽⁴⁾ Ontario, Canada	Partner, UHY McGovern Hurley LLP	July 9, 2015	Nil
Alberto Arias ⁽³⁾⁽⁴⁾ New York, United States	Founder and Portfolio Manager, Arias Resources Capital Management L.P. since 2007	April 11, 2011	268,057,865 ⁽⁶⁾
Alberto Beeck ⁽³⁾ Florida, United States	Managing Partner of VH Properties and Director of Virgin Hotels. He is the Chairman of Lumni Inc. and of Sin Limites. Mr. Beeck also serves on the boards of WE Family Offices Holdings, Andean Tower Partners, and Endeavor Miami.	N/A	47,471,124 ⁽⁷⁾
David Brace ⁽²⁾⁽⁴⁾⁽⁵⁾ Ontario, Canada	Chief Executive Officer of Karmin Explorations Inc.	June 26, 2012	42,727

Notes:

- (1) The Corporation has relied exclusively on the respective Nominee for this information.
- (2) Member of the Audit Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Member of the Compensation Committee.
- (5) Member of the Operations Committee.
- (6) Mr. Arias is the sole director of each of the general partners of the ARC Funds and indirectly controls Arias Resource Capital Management LP, the investment manager of the ARC Funds, which collectively own 268,057,865 Common Shares.
- (7) Mr. Beeck manages the Cranley Entities which own an aggregate of 47,471,124 Common Shares.

Cease Trade Orders or Bankruptcies

Except as set out below, (a) no proposed director of the Corporation is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that, (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; (b) no proposed director of the

Corporation (i) is, or within ten years prior to the date hereof has been, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; and (c) no proposed director has been subject to (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

From March 28, 2013 until January 21, 2014, Mr. Arias served as a director on the board of Colossus Minerals Inc. ("**Colossus**"). On January 14, 2014, Colossus filed a notice of intention to make a proposal under the Canadian Bankruptcy and Insolvency Act. Colossus was delisted from the Toronto Stock Exchange effective February 21, 2014.

Mr. Tellechea was a director of Asarco LLC ("**Asarco**"), a Delaware limited liability company, when it filed for protection under chapter 11 of the United States Bankruptcy code on August 9, 2005. Asarco is a wholly-owned subsidiary of Grupo Mexico, a Mexican mining company. Mr. Tellechea resigned as a director of Asarco on November 14, 2005. As at the date hereof, Asarco is out of chapter 11. Mr. Tellechea was a director of Mercator Minerals, Ltd. ("**Mercator**") until September 4, 2014. Mercator filed a notice of intention to make a proposal under the Canadian Bankruptcy and Insolvency Act on August 26, 2014.

3. Appointment of Auditors

Unless authority to do so is withheld, the persons named in the accompanying proxy intend to vote for the appointment of PricewaterhouseCoopers LLP, Chartered Accountants of Toronto, Ontario as auditors of the Corporation until the close of the next annual meeting of Shareholders and to authorize the directors to fix their remuneration. PricewaterhouseCoopers LLP, Chartered Accountants have been the auditors of the Corporation since March 18, 2015.

4. Approval of the new Share Compensation Plan

Background

The Corporation is proposing to adopt a new share compensation plan (the "**Share Compensation Plan**") that will govern all future grants of restricted share units (the "**RSUs**") and options to purchase Common Shares (the "**Options**"). If the Share Compensation Plan is adopted, the Existing Plan will continue to exist but only for the purpose of governing the terms of all outstanding options that have already been issued under the Existing Plan before the adoption of the Share Compensation Plan. See "*SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATIONS PLANS - Information Concerning the Existing Plan*" for a description of the Existing Plan.

The Share Compensation Plan will be a 10% “rolling” plan pursuant to which the number of Common Shares which may be issuable pursuant to RSUs and Options granted under the Share Compensation Plan, options previously granted under the Existing Plan, together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Corporation or its subsidiaries, is a maximum of 10% of the issued and outstanding Common Shares at the time of the grant.

The Share Compensation Plan will provide participants (each, an “**SCP Participant**”), who may include participants who are citizens or residents of the United States (each, a “**US-SCP Participant**”), with the opportunity, through RSUs and Options, to acquire an ownership interest in the Corporation. The RSUs will rise and fall in value based on the value of the Common Shares. Unlike the Options, the RSUs will not require the payment of any monetary consideration to the Corporation. Instead, each RSU represents a right to receive one Common Share following the attainment of vesting criteria determined at the time of the award. See “Restricted Share Units – Vesting Provisions” below. The Options, on the other hand, are rights to acquire Common Shares upon payment of monetary consideration (*i.e.*, the exercise price), subject also to vesting criteria determined at the time of the grant. See “Options – Vesting Provisions” below.

If the Share Compensation Plan is approved by shareholders at the Meeting, no new options will be granted under the Existing Plan. The Existing Plan will continue to govern the terms of all outstanding options issued under the Existing Plan and the total number of outstanding options issued (but not exercised) under the Existing Plan will count towards the maximum number of Options and RSUs issuable under the Share Compensation Plan.

If the Share Compensation Plan is not approved by shareholders at the Meeting, the Existing Plan will continue pursuant to its terms (*i.e.*, as a 10% “rolling plan”).

The following description of the Share Compensation Plan assumes that the Share Compensation Plan, as presented to shareholders, is approved at the Meeting. A copy of the proposed Share Compensation Plan is attached to this Information Circular as Schedule “B”.

Purpose of the Share Compensation Plan

The stated purpose of the Share Compensation Plan is to advance the interests of the Corporation and its subsidiaries, and its shareholders by: (a) ensuring that the interests of SCP Participants and US-SCP Participants are aligned with the success of the Corporation and its subsidiaries; (b) encouraging stock ownership by such persons; and (c) providing compensation opportunities to attract, retain and motivate such persons.

The following people will be eligible to participate in the Share Compensation Plan: any officer or employee of the Corporation or any officer or employee of any subsidiary of the Corporation and, solely for purposes of the grant of Options, any non-employee director of the Corporation or any non-employee director of any subsidiary of the Corporation, and any consultant (defined under the Share Compensation Plan as a consultant that (x) is an individual that provides *bona fide* services to the Corporation pursuant to a written contract for services with the Corporation and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Corporation’s securities, or (y) otherwise satisfies the requirements to participate in an “employee benefit plan” as defined in Rule 405 under the United States Securities Act of 1933, as amended (the “**1933**

Act") registered by the Corporation on Form S-8). Non-employee directors of the Corporation will not be eligible to participate in the Share Compensation Plan in respect of RSUs. Under the Share Compensation Plan, non-employee directors of the Corporation will continue to be eligible to participate in respect of Options, however, only on a limited basis. See "Restrictions on the Award of RSUs and Grant of Options" below. Under the Existing Plan, directors of the Corporation have been technically eligible to participate on a discretionary basis without any limits on participation.

Administration of the Share Compensation Plan

The Share Compensation Plan will be administered by the Board or such other persons as may be designated by the Board (the "**SCP Administrators**") based on the recommendation of the compensation committee of the Board (the "**Compensation Committee**"). The SCP Administrators will determine the eligibility of persons to participate in the Share Compensation Plan, when RSUs and Options will be awarded or granted, the number of RSUs and Options to be awarded or granted, the vesting criteria for each award of RSUs and grant of Options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and stock exchange requirements.

Number of Common Shares Available for Issuance under the Share Compensation Plan

The number of Common Shares that will be available for issuance upon the vesting of RSUs awarded and Options granted under the Share Compensation Plan will be limited to 10% of the issued and outstanding Common Shares at the time of any grant, as reduced by the number of Common Shares that may be issuable pursuant to options outstanding under the Existing Plan.

Under the Existing Plan, the number of Common Shares available for issuance pursuant to options granted thereunder may not exceed 10% of the issued and outstanding number of Common Shares at the time of the grant (*i.e.*, on a "rolling" basis) unless approved by a majority of the shareholders of the Corporation. As of the date of this Information Circular, the Corporation has 459,779,269 Common Shares issued and outstanding and the aggregate number of Common Shares that may be issuable pursuant to options outstanding under the Existing Plan is 13,367,814 Common Shares (being approximately 2.9% of the issued and outstanding Common Shares and approximately 29.1% of the total Common Shares that may be issuable under the Existing Plan). The Common Shares that may be issuable pursuant to options outstanding under the Existing Plan will be included in the calculation of, and therefore will reduce, the total number of Common Shares that will be issuable pursuant to RSUs or Options under the Share Compensation Plan.

Restrictions on the Award of RSUs and Grant of Options

Certain restrictions on awards of RSUs and grants of Options will apply as follows:

- (a) the number of Common Shares issuable under the Share Compensation Plan to any one SCP Participant (together with those Common Shares issuable pursuant to any other security-based compensation arrangements of the Corporation or its subsidiaries) cannot exceed 5% of the Common Shares then issued and outstanding;

- (b) the total number of Common Shares reserved and available for grant and issuance pursuant to the Share Compensation Plan (together with those Common Shares issuable pursuant to any other security-based compensation arrangements of the Corporation or its subsidiaries) cannot exceed 10% of the Common Shares then issued and outstanding (together with those Common Shares issuable pursuant to any other security-based compensation arrangements of the Corporation or its subsidiaries);
- (c) the number of Common Shares issuable to insiders under the Share Compensation Plan (together with those Common Shares issuable pursuant to any other security-based compensation arrangements of the Corporation or its subsidiaries) cannot exceed 10% of the Common Shares then issued and outstanding;
- (d) the number of Common Shares issued to insiders under the Share Compensation Plan within a one-year period (together with those Common Shares that are issued pursuant to any other security-based compensation arrangements of the Corporation or its subsidiaries) cannot exceed 10% of the Common Shares then issued and outstanding; and
- (e) the number of Common Shares reserved for issuance to SCP Participants who are non-employee directors pursuant to Options under the Share Compensation Plan shall be limited to the lesser of:
 - (i) 1% of the Common Shares then issued and outstanding; and
 - (ii) \$1,000,000 in total value of grants that each director receives over the life of the Share Compensation Plan from the effective date thereof or an annual grant value of \$100,000 per director, in both cases based on a valuation determined using the Black-Scholes formula or any other formula which is widely accepted by the business community as a method for the valuation of options.

Restricted Share Units

The total number of RSUs that may be awarded shall not exceed 2.5% of the issued and outstanding Common Shares from time to time.

(a) Mechanics for RSUs

RSUs awarded to SCP Participants under the Share Compensation Plan will be credited to an account that will be established on their behalf and maintained in accordance with the Share Compensation Plan. Each RSU awarded will conditionally entitle the holder thereof to the issuance of one Common Share upon achievement of the vesting criteria. It is currently anticipated that RSUs awarded under the Share Compensation Plan will be redeemed for Common Shares issued from treasury once the vesting criteria established by the SCP Administrators at the time of the award have been satisfied. However, the Corporation will continue to retain the flexibility through the amendment provisions in the Share Compensation Plan to satisfy its obligation to issue Common Shares by purchasing Common Shares in the open market or by making a lump sum cash payment of equivalent value.

(b) Vesting Provisions

The Share Compensation Plan provides that: (i) at the time of the award of RSUs, the SCP Administrators will determine the vesting criteria applicable to the awarded RSUs; (ii) vesting of RSUs may include criteria such as performance vesting; (iii) each RSU shall be subject to vesting in accordance with the terms set out in an agreement evidencing the award of the RSU attached as Exhibit A to the Share Compensation Plan (or in such form as the SCP Administrators may approve from time to time) (each an “**RSU Agreement**”); and (iv) all vesting and issuances or payments in respect of an RSU shall be completed no later than December 15 of the third calendar year commencing after the award date for such RSU.

It is the SCP Administrators’ current intention that RSUs may be awarded with both time-based vesting provisions as a component of the Corporation’s annual incentive compensation program, and performance-based vesting provisions as a component of the Corporation’s long-term incentive compensation program.

Under the Share Compensation Plan, should the date of vesting of an RSU fall within a blackout period or within nine business days following the expiration of a blackout period, the date of vesting will be automatically extended to the tenth business day after the end of the blackout period. For US-SCP Participants, a blackout period shall not operate to issue shares later than December 31st of the calendar year in which the shares would have been issued absent the blackout period.

(c) Termination, Retirement and Other Cessation of Employment in connection with RSUs

A person participating in the Share Compensation Plan will cease to be eligible to participate in the following circumstances: (i) receipt of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause); (ii) retirement; and (iii) any cessation of employment or service for any reason whatsoever, including disability and death (an “**Event of Termination**”). In such circumstances, any and all Common Shares corresponding to any vested RSUs will be issued (and with respect to each RSU of a US-SCP Participant, such RSU will be settled and shares issued as soon as practicable following the date of vesting of such RSU as set forth in the applicable RSU Agreement, but in all cases within 60 days following such date of vesting); and unless otherwise determined by the SCP Administrators in their discretion, any unvested RSUs will automatically be forfeited and cancelled (and with respect to any RSU of a US-SCP Participant, if the SCP Administrators determine, in their discretion, to waive vesting conditions applicable to an RSU that is unvested at the time of an Event of Termination, such RSU shall not be forfeited or cancelled, but instead will be deemed to be vested and settled and shares delivered following the date of vesting of such Restricted Share Unit as set forth in the applicable RSU Agreement.) Notwithstanding the above, if a person retires in accordance with the Corporation’s retirement policy at such time, any unvested performance-based RSUs will not be forfeited or cancelled and instead shall be eligible to become vested in accordance with the vesting conditions set forth in the applicable RSU Agreement after such retirement (as if retirement had not occurred), but only if the performance vesting criteria, if any, have been met on the applicable date. For greater certainty, if a person is terminated for just cause, all unvested RSUs will be forfeited and cancelled.

Options

The total number of Common Shares that may be issuable on exercise of Options shall not exceed 7.5% of the number of issued and outstanding Common Shares from time to time.

(a) *Mechanics for Options*

Each Option granted pursuant to the Share Compensation Plan will entitle the holder thereof to the issuance of one Common Share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the Share Compensation Plan will be exercisable for Common Shares issued from treasury once the vesting criteria established by the SCP Administrators at the time of the grant have been satisfied. However, the Corporation will continue to retain the flexibility through the amendment provisions in the Share Compensation Plan to satisfy its obligation to issue Common Shares by making a lump sum cash payment of equivalent value (*i.e.*, pursuant to a cashless exercise), provided there is a full deduction of the number of underlying Common Shares from the Share Compensation Plan's reserve.

(b) *Vesting Provisions*

The Share Compensation Plan provides that unless otherwise determined by the SCP Administrators, Options shall vest and become exercisable in respect of 33 1/3% of the Common Shares subject to such Options on the first day after each of the first three anniversaries of the grant date of such Options.

(c) *Termination, Retirement and Other Cessation of Employment in connection with Options*

A person participating in the Share Compensation Plan will cease to be eligible to participate where there is an Event of Termination. In such circumstances, unless otherwise determined by the SCP Administrators in their discretion, any unvested Options will be automatically cancelled, terminated and not available for exercise and any vested Options may be exercised only before the earlier of: (i) the expiry of the Option; and (ii) six months after the date of the Event of Termination. If a person is terminated for just cause, all Options will be (whether or not then exercisable) automatically cancelled.

(d) *Other Terms*

Cashless exercise of Options shall only be available to an SCP Participant who was granted and is exercising such Options outside the United States in compliance with Regulation S under the 1933 Act at a time when the Common Shares are listed and posted for trading on a stock exchange or market in Canada, the SCP Participant intends to immediately sell the Common Shares issuable upon exercise of such Options in Canada and the proceeds of sale will be sufficient to satisfy the exercise price of the Options. If an eligible SCP Participant elects to exercise the Options through cashless exercise and complies with any relevant protocols approved by the Administrators, a sufficient number of the Common Shares issued upon exercise of the Options will be sold in Canada by a designated broker on behalf of the SCP Participant to satisfy the exercise price of the Options, the exercise price of the Options will be delivered to the Corporation and the SCP Participant will receive only the remaining unsold Common Shares from the exercise of the Options and the net proceeds of the sale after deducting the exercise price of the Options, applicable taxes and any applicable fees and commissions, all as determined by the Administrators from time to time. The Corporation may not deliver the Common Shares issuable upon a cashless exercise of Options until receipt of the exercise price therefor, whether by a designated broker selling the Common Shares issuable upon exercise of such Options through a short position or such other method determined by the Administrators in compliance with applicable laws.

The SCP Administrators will determine the exercise price and term/expiration date of each Option, provided that the exercise price in respect of that Option shall not be less than the **"Fair Market Value"** of a Common Share (defined in the Share Compensation Plan as the weighted average trading price of a Common Share on any exchange in Canada for the last five trading days or, if the Common Shares are not listed for trading on an exchange, the fair market value per Common Share on such day will be determined by the SCP Administrators with reference to such factors or such information as the SCP Administrators in their discretion deem appropriate) on the date the Option is granted. The exercise price of Options granted to US-SCP Participants shall not be less than the greater of (i) the Fair Market Value of a Common Share on the grant date and (ii) the closing price of the Common Shares on any exchange in Canada where Common Shares are listed on the last trading day prior to the date the Option is granted.

No options granted to US-SCP Participants are intended to be "incentive stock options" within the meaning of the U.S. Internal Revenue Code of 1986, as amended.

No Option shall be exercisable after ten years from the date the Option is granted. Under the Share Compensation Plan, should the term of an Option expire on a date that falls within a blackout period or within nine business days following the expiration of a blackout period, such expiration date will be automatically extended to the tenth business day after the end of the blackout period.

The Share Compensation Plan provides that any unvested Options will vest at such time as determined by the SCP Administrators such that SCP Participants will be able to participate in a Change of Control, as defined in the Share Compensation Plan, including by surrendering such Options to the Corporation or a third party or exchanging such Options, for consideration in the form of cash or other securities. Additionally, any exchange, substitution or amendment of Options of US-SCP Participants will occur only to the extent and in a manner that is permitted under the Code and the 1933 Act.

Unless otherwise determined by the Board, in the event of a Change of Control, any surviving or acquiring corporation shall assume any Option outstanding under the Share Compensation Plan on substantially the same economic terms and conditions or substitute or replace similar options for those Options outstanding under the Share Compensation Plan on substantially the same economic terms and conditions.

Transferability

RSUs awarded and Options granted under the Share Compensation Plan or any rights of an SCP Participant cannot be transferred, assigned, charged, pledged or hypothecated, or otherwise alienated, whether by operation of law or otherwise.

Reorganization and Change of Control Adjustments

In the event of any declaration by the Corporation of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of Common Shares, reclassification or conversion of the Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Corporation, distribution (other than normal course cash dividends) of Corporation assets to holders of Common Shares, or any other corporate transaction or event involving the Corporation or the Common Shares, the SCP Administrators may make such changes

or adjustments, if any, as they consider fair or equitable, to reflect such change or event including adjusting the number of Options and RSUs outstanding under the Share Compensation Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Share Compensation Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto. Changes or adjustments to Options and RSUs of US-SCP Participants will be in accordance with the requirements of the Code and will comply with the vesting provisions of the Share Compensation Plan. The SCP Administrators will adopt rules, regulations, policies, guidelines or conditions with respect to the exercise of the power or authority to make changes or adjustments pursuant to reorganizations.

If there is a Change of Control transaction, the SCP Administrators may, in their sole discretion, determine that any or all unvested RSUs and any or all Options shall vest or become exercisable, as applicable, at such time and in such manner as determined by the SCP Administrators in their sole discretion such that SCP Participants will be able to participate in the Change of Control transaction, including, at the election of the holder thereof, by surrendering such RSUs and Options to the Corporation or a third party or exchanging such RSUs or Options, for consideration in the form of cash and/or securities, to be determined by the SCP Administrators, subject, in the case of a US-SCP Participant, to the applicable requirements of Section 409A of the Code.

Amendment Provisions in the Share Compensation Plan

The Board may amend the Share Compensation Plan or any RSU or Option at any time without receiving the consent of any SCP Participant or approval of the shareholders of the Corporation provided that any such amendment will:

- (a) not adversely alter or impair any RSU previously awarded or any Option previously granted, except as permitted by the adjustment provisions of the Share Compensation Plan and, with respect to RSUs and Options of US-SCP Participants, such amendment will not create adverse tax consequences;
- (b) be subject to any regulatory approvals including, where required, the approval of the Toronto Stock Exchange; and
- (c) be subject to shareholder approval, where required, by the requirements of the Toronto Stock Exchange, provided that for greater certainty, shareholder approval will not be required for the following amendments:
 - (i) amendments of a "housekeeping nature", including any amendment to the Share Compensation Plan or a RSU or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the Share Compensation Plan or an RSU or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (ii) amendments that are necessary or desirable for RSUs or Options to qualify for favourable treatment under any applicable tax law;

- (iii) a change to the vesting provisions of any RSU or any Option (including any alteration, extension or acceleration thereof);
- (iv) a change to the termination provisions of any Option or RSU (*e.g.*, relating to termination of employment, resignation, retirement or death) that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of a blackout period);
- (v) the introduction of features to the Share Compensation Plan that would permit the Corporation to retain a broker and make payments for the benefit of SCP Participants to such broker who would purchase Common Shares in the open market for such persons, instead of issuing Common Shares from treasury upon the vesting of the RSUs;
- (vi) the introduction of features to the Share Compensation Plan that would permit the Corporation to make lump sum cash payments to SCP Participants, instead of issuing Common Shares from treasury upon the vesting of the RSUs;
- (vii) the introduction of a cashless exercise feature (payable in cash or securities), which would provide for up to the full deduction of the number of underlying securities from the Share Compensation Plan reserve; and
- (viii) change the application of Reorganization Adjustments provisions in section 6.3 or the Change of Control provisions in section 6.2).

Notwithstanding the foregoing, shareholder approval will be required in circumstances where an amendment to the Share Compensation Plan would:

- (a) change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;
- (b) increase the limits referred to above under "Restrictions on the Award of RSUs and Grant of Options";
- (c) permit the award of RSUs to non-employee directors of the Corporation or a change in the limitations on grants of Options to non-employee directors;
- (d) permit RSUs or Options to be transferable or assignable other than for normal estate settlement purposes;
- (e) reduce the exercise price of any Option (including any cancellation of an Option for the purpose of reissuance of a new Option at a lower exercise price to the same person);
- (f) extend the term of any Option beyond the original term (except if such period is being extend by virtue of a blackout period); or
- (g) amend the amendment provisions in Section 6.4 of the Share Compensation Plan.

Ordinary Resolution

Shareholders will be asked at the Meeting to consider, and if deemed advisable, to pass the following ordinary resolution approving the Share Compensation Plan

"WHEREAS:

- A. the Corporation became an issuer on the Toronto Stock Exchange (the "**TSX**") during the 2016 financial year;
- B. the Board of Directors of the Corporation have adopted a new share compensation plan (the "**Share Compensation Plan**") as more fully described in this Circular and in the form attached as Schedule "B" hereto, which Share Compensation Plan does not have a fixed maximum number of Common Shares issuable; and
- C. the rules of the TSX provide that all unallocated options, rights or other entitlements under a security-based compensation arrangement that does not have a fixed number of maximum securities issuable be approved by the shareholders of the Corporation every three years.

BE IT RESOLVED as an ordinary resolution of the shareholders of the Corporation that:

- 1. the Share Compensation Plan as described in the management information circular of the Corporation dated May 30, 2017, and all unallocated options, rights, and other entitlements issuable under the Share Compensation Plan, is hereby approved, subject to the Corporation obtaining all required approvals from the TSX;
- 2. the Corporation be and is hereby authorized to grant stock options and restricted share units pursuant to the terms and conditions of the Share Compensation Plan and all unallocated stock options and restricted share units issuable pursuant to the Share Compensation Plan be and are hereby specifically authorized and approved until June 29, 2020, a date that is three (3) years from the date of these resolutions; and
- 3. the directors of the Corporation are hereby authorized to make such amendments to the Share Compensation Plan as the directors of the Corporation may, in their sole discretion, determine are necessary, desirable or useful to the extent permitted under the Share Compensation Plan, including, without limiting the generality thereof, authority, from time to time, to make amendments to the Share Compensation Plan without the approval of or further authority from the shareholders of the Corporation, but only as specifically permitted in the Share Compensation Plan and such other amendments as may be acceptable to the TSX."

The resolutions must be approved by a simple majority approval of the votes cast by the Shareholders at the Meeting. If the Share Compensation Plan is not approved by the Shareholders, the Corporation will have to consider other methods of compensating and providing incentives to directors, officers, employees and consultants.

Management recommends that Shareholders vote FOR the adoption of the ordinary resolution approving the Share Compensation Plan.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE SHARE COMPENSATION PLAN UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE COMMON SHARES ARE TO BE VOTED AGAINST SUCH ORDINARY RESOLUTION.

MANAGEMENT CONTRACTS

No management functions of the Corporation are to any substantial degree performed by any other person or company other than by the directors or officers of the Corporation.

OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found under the profile of the Corporation on SEDAR at www.sedar.com. Additional financial information is provided in the Corporation's audited financial statements and related management's discussion and analysis for the financial year ended December 31, 2016, which can be found under the profile of the Corporation on SEDAR. Shareholders may also request these documents from the Chief Executive Officer of the Corporation by email at msmith@largoresources.com or by telephone at (416) 861-9797.

BOARD OF DIRECTORS APPROVAL

The contents of this Circular and the sending thereof to the shareholders of the Corporation have been approved by the Board of Directors.

BY ORDER OF THE BOARD OF DIRECTORS

(Signed) *"Mark Smith"*

Director, President and Chief Executive Officer

Toronto, Ontario
May 30, 2017

SCHEDULE "A"

LARGO RESOURCES LTD.

CORPORATE GOVERNANCE PRACTICES

The following table addresses the disclosure requirements set out in Form 58-101F1 Corporate Governance Disclosure:

Corporate Governance Disclosure Requirement	The Corporation's Approach
1. Board of Directors –	
(a) Disclose identity of directors who are independent.	(a) The following directors have been determined by the Board to be independent, as defined in National Instrument 58-101, as they are not members of management and are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with the best interests of the Corporation, other than interests and relationships arising from shareholding: Messrs. Alberto Arias, Sam Abraham, Alberto Beeck, David Brace, Daniel Tellechea and Ms. Koko Yamamoto.
(b) Disclose identity of directors who are not independent and describe the basis for that determination.	(b) For the purposes of NI 58-101, the Corporation's one non-independent director is Mr. Mark Smith, the Corporation's President/CEO. Mr. Smith is non-independent insofar as he has a material relationship with the Corporation by virtue of his position as CEO of the Corporation.
(c) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board does to facilitate its exercise of independent judgment in carrying out its responsibilities.	(c) A majority of the Board is independent under NI 58-101.
(d) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	(d) The following directors are currently also directors of other issuers as listed: Mark Smith is also a director of Niocorp Developments, Ltd. (TSX) and IBC Advanced Alloys Corp. (TSX Venture Exchange (" TSXV ")); David Brace is also a director of Karmin Exploration Inc. (TSXV);

Corporate Governance Disclosure Requirement	The Corporation's Approach														
	and Alberto Arias is also a director of Sierra Metals Inc. (TSX) and Sociedad Minera El Brocal S.A.A. (Peru) (Lima Stock Exchange).														
(e) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer's most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	(e) The independent directors of the Board do not hold meetings at which non-independent directors and members of management are not in attendance. However, they have the opportunity to and do hold <i>ad hoc</i> meetings that are not attended by the non-independent directors and members of management and they avail themselves of this opportunity, at their entire discretion, whenever they deem necessary. The Corporation holds regular quarterly meetings and other meetings as required, at which time the independent directors meet in camera. The opinion of the independent directors is sought and duly acted upon for all material matters related to the Corporation.														
(f) Disclose whether or not the chair of the Board is an independent director. If the Board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors. (g) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer's most recently completed financial year.	(f) There is currently no chair of the Board. As the Board does not have an independent chair or a lead director, the Board relies on the advice of external legal and financial advisors to provide leadership for its independent directors. (g) Director attendance at Board meetings held during the financial year ended December 31, 2016 is as follows: <table border="1" data-bbox="758 1529 1428 1837"> <thead> <tr> <th>Name</th><th>Board Meetings Attended/Held</th></tr> </thead> <tbody> <tr> <td>Mark Smith</td><td>7/7</td></tr> <tr> <td>Alberto Arias</td><td>7/7</td></tr> <tr> <td>Alberto Beeck</td><td>6/7</td></tr> <tr> <td>David Brace</td><td>7/7</td></tr> <tr> <td>Daniel Tellechea</td><td>7/7</td></tr> <tr> <td>Sam Abraham</td><td>7/7</td></tr> </tbody> </table>	Name	Board Meetings Attended/Held	Mark Smith	7/7	Alberto Arias	7/7	Alberto Beeck	6/7	David Brace	7/7	Daniel Tellechea	7/7	Sam Abraham	7/7
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Sam Abraham	7/7														

Corporate Governance Disclosure Requirement	The Corporation's Approach	
	Koko Yamamoto	7/7
2. Board Mandate – Disclose the text of the Board's written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.	The mandate of the Board is to supervise the management of the Corporation and to act in the best interests of the Corporation. The Board acts in accordance with the <i>Business Corporations Act</i> (Ontario); the Corporation's Articles of Incorporation; the Corporation's Code of Business Conduct and Ethics; the Mandate of the Board and the charters of the Board's committees and other applicable laws and policies. A majority of the members of the Board shall be independent within the meaning of all applicable Canadian and U.S. securities laws and the rules of the Toronto Stock Exchange, unless exempted thereunder. The Board approves significant decisions that affect the Corporation before they are implemented. As a part of its overall responsibility for the stewardship of the Corporation, the Board assumes responsibility for the following: <i>a. Stewardship</i> The Board sets and supervises standards of corporate governance that create a culture of integrity throughout the Corporation, and guides the operations of the Corporation and management in compliance with the Corporation's constating documents and Ontario corporate law, securities legislation in each jurisdiction in which the Corporation is a reporting issuer, and other applicable laws. <i>b. Strategic Planning</i> The Board is actively involved in the Corporation's strategic planning process. Management discusses and reviews materials relating to the strategic plan with the Board. The Board is responsible for reviewing and approving the strategic plan, which takes into account the opportunities and risks of the business. Following the completion of each year, the Board undertakes a review of the strategic	

Corporate Governance Disclosure Requirement	The Corporation's Approach
	plan to assess the strengths, weaknesses and overall results of the plan. The Board also receives reports from management throughout the year on the current and proposed operations of the Corporation and reviews opportunities and assesses risks so that the plan can be adjusted. <i>c. Dealing with Risks</i> The Board, in its annual assessment of the strategic plan, reviews principal risks and considers management's plans to monitor and manage risk. The principal risks to the Corporation have been identified as risks relating to the environment, safety, securities markets, commodity prices, currency fluctuations, legislative and title issues arising from operations and the fact that mineral exploration and development activities are inherently risky. The Board has instructed management to assist the Board in identifying risks and to promptly alert the Board when a risk has materialized or materially changed. The Board may from time to time, appoint management, board members or advisors to assist in assessing different risks. <i>d. Succession Planning</i> The Board, through the Compensation Committee, annually identifies key individuals of the Corporation and, in consultation with management, determines how to replace such individuals should the need arise. Management is assigned the responsibility of training and advising new persons of the Corporation's policies and practices. The CEO has primary responsibility for supervising and reviewing the performance of other senior management. <i>e. Disclosure Policy</i> The Timely Disclosure, Confidentiality and Insider Trading Policy governs communication with shareholders and others and reflects the Corporation's commitment to timely, effective and accurate corporate disclosure in accordance with all applicable laws and with a view to

Corporate Governance Disclosure Requirement	The Corporation's Approach
	enhancing the Corporation's relationship with its shareholders. <i>f. Internal Control and Management Information Systems</i> The effectiveness and integrity of the Corporation's internal control and management information systems contribute to the effectiveness of the Board and the Corporation. To maintain the effectiveness and integrity of the Corporation's financial controls, the Board, through the audit committee which consists solely of independent directors, provides oversight and monitors internal control and management information systems. <i>g. Approach to Corporate Governance</i> The Board has overall responsibility for developing the Corporation's approach to corporate governance including keeping informed of legal requirements and trends regarding corporate governance, monitoring and assessing the functioning of the Board and committees of the Board, and for developing, implementing and monitoring good corporate governance practices in the form of the Corporation's Guide to Corporate Governance. The Board is also responsible for identifying individuals qualified to become new board members and recommending the new director nominees for the next annual meeting of shareholders. Individual directors may engage an outside adviser at the expense of the Corporation in appropriate circumstances, subject to the approval of the Board. <i>h. Feedback</i> The Corporation's website facilitates feedback from shareholders by permitting requests for information and sending messages directly to the Corporation. <i>i. Expectations and Responsibilities of Directors</i> The Board is responsible for determining the committees of the Board that are required to effectively manage

Corporate Governance Disclosure Requirement	The Corporation's Approach
	certain aspects of the Board's duties, and for ensuring that the committees have the requisite independence, competency and skill. The Board approves and annually reviews the charters of the committees, and conducts annual reviews of the performance of the committees. Directors are responsible for attending Board meetings as well as meetings of committees of which the director is a member. Directors are responsible for reviewing meeting materials in advance of the meeting. Directors are responsible for fulfilling the Board's expectations of Directors, as set out in the Position Description - Directors, in respect of: Board Activity; Preparation and Attendance; Communication; Committee Work; and Business, Community and Industry Knowledge. <i>j. Meetings</i> The Board shall meet on at least a quarterly basis. In addition, the independent directors shall meet on a regular basis as often as necessary to fulfill their responsibilities, including at least annually in executive session without the presence of non-independent directors and management.
3. Position Descriptions – (a) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board committee. If the Board has not developed written position descriptions for the chair and/or the chair of each Board committee, briefly describe how the Board delineates the role and responsibilities of each such position. (b) Disclose whether or not the Board and CEO have developed a written position description for the CEO. If the Board and CEO have not developed such a position description, briefly describe how the Board	(a) Other than in the by-laws of the Corporation, there are no written position descriptions for the roles listed below. Each of these position descriptions continue to evolve and are being developed over time. (b) There is no written position description for the CEO, other than as described in the Corporation's by-laws, and this role continues to evolve over time. The CEO is in charge of the day to day operations of the Corporation.

Corporate Governance Disclosure Requirement	The Corporation's Approach
delineates the role and responsibilities of the CEO.	
4. Orientation and Continuing Education – (a) Briefly describe what measures the Board takes to orient new directors regarding i. The role of the Board, its committees and its directors, and ii. The nature and operation of the issuer's business. (b) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.	(a) The Board of Directors will be responsible for ensuring that new directors are provided with an orientation and education program, which will include written information about the duties and obligations of directors, the business and operations of the Corporation, documents from recent Board of Directors meetings, and opportunities for meetings and discussion with senior management and other directors. Directors are expected to attend all meetings of the Board of Directors and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions. (b) The Board of Directors recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. The Board of Directors notes that it has benefited from the experience and knowledge of individual members of the Board of Directors in respect of the evolving governance regime and principles. The Board of Directors ensures that all directors are apprised of changes in the Corporation's operations and business.
5. Ethical Business Conduct – (a) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code: i. Disclose how a person or company may obtain a copy of the code; ii. Describe how the Board monitors compliance with its code, or if the Board does not monitor compliance, explain whether and	(a) The Board does not have a written code of ethics and conduct for the directors and officers. All of the directors are required to act and carry out their duties honestly and in good faith with a view to the best interest of the Corporation. The Corporation requests that all its directors act according to the laws and rules where they are governed.

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how the Board satisfies itself regarding compliance with its code; and iii. Provide a cross-reference to any material change report filed since the beginning of the issuer's most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	
(b) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.	(b) Directors with an interest in a material transaction are required to declare their interest and not participate in, and not vote as a director on, any decision or resolution touching on such transactions. In addition, the Code requires all directors to obtain the specific permission of the Corporation's Audit Committee or Governance and Nomination Committee (or the Board as a whole, if the potential conflict involves a member of the Audit Committee or the Governance and Nomination Committee) prior to becoming involved in certain activities that create or gives the appearance of a conflict of interest. A thorough discussion of the documentation related to material transaction is required for review by the Board, particularly independent directors.
(c) Describe any other steps that Board takes to encourage and promote a culture of ethical business conduct.	(c) The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.
6. Nomination of Directors - (a) Describe the process by which the Board identifies new candidates for Board nomination	(a) Management of the Corporation is largely responsible for identifying new candidates for nomination to the Board of Directors. Subject to the requirements of the Governance Agreement and Director Nominee Agreement (each as defined below), the process by which candidates are identified is through recommendations of

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	management presented to the Board of Directors, which establishes and discusses qualifications based on corporate law and regulatory requirements as well as education and experience related to the business of the Corporation. In connection with a private placement completed in April 2011 (the "Private Placement"), in which the lead orders and a significant portion of the securities offered were subscribed for or are now held by each of the ARC Funds, Ashmore Cayman SPC No. 2 Limited on behalf of and for the account of Largo Resources Segregated Portfolio ("Ashmore") and Eton Park Master Fund, Ltd. and EP Cayman, Ltd. (collectively, the "Eton Park Funds"), with each of the ARC Funds, Ashmore and the Eton Park Funds being a "Lead Investor", and collectively, the "Lead Investors", the Corporation entered into an investor nomination rights and governance agreement (the "Governance Agreement"), as amended, pursuant to which each of the Lead Investors is entitled to nominate one director to the Board of Directors for so long as that Lead Investor holds at least 10% of the Corporation's issued share capital. Since the closing of the May 2015 Financing (as defined below), of the Lead Investors, only the ARC Funds continued to hold the required percentage to nominate a director and, as a result, neither the Eton Park Funds nor Ashmore continues to hold a right to nominate a director to the Board of Directors. Of the directors standing for election at the Meeting, Mr. Arias is the nominee of the ARC Funds under the Governance Agreement. Additionally, pursuant to the Governance Agreement, certain decisions in respect of Largo and its subsidiaries (collectively, the "Group") require the approval of six of Largo's seven directors. Such matters include (a) certain amendments to the articles or by-laws of any member of the Group; (b) approving or amending an annual business plan for Largo; (c) changing the number of directors of the Corporation; (d) appointing, changing or removing senior officers of Largo or any of its affiliates as well as

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	determining certain aspects of their compensation; (e) approving any material transactions of any member of the Group; (f) approving use of any proceeds of the Private Placement for any purpose other than the development of the Corporation's Maracás Menchen Mine; and (g) decisions in respect of, inter alia, dividends, distributions and issuing any security of any member of the Group (except Largo) other than to another member of the Group. The Governance Agreement will automatically terminate: (a) after the first continuous 45 day period during which the aggregate ownership of Common Shares by the Lead Investors, collectively, is reduced to less than 10% of the issued and outstanding Common Shares; or (b) if at any time one person (or group of persons acting jointly or in concert) acquires that number of Common Shares which would grant such person (or group of persons acting jointly or in concert) the right to exercise votes representing not less than 66 2/3% of the Common Shares. In addition to the Governance Agreement and as a condition precedent to the participation by the ARC Funds in the May 2015 Financing and the 2016 Financing (as defined below), the Corporation entered into a director nomination agreement with ARC Funds on May 22, 2015, as amended effective January 28, 2016 (the "Director Nominee Agreement"). Pursuant to the Director Nominee Agreement, the ARC Funds are permitted to designate (a) three additional persons to be nominated for election to the Board of Directors for so long as the ARC Funds, whether individually or together, own at least 50% of the issued and outstanding Common Shares; (b) to designate two additional person to be nominated for election to the Board of Directors for so long as the ARC Funds, whether individually or together, own less than 50% but not less than 40% of the issued and outstanding Common Shares, and (c) to designate one additional person to be nominated for election to the Board of Directors for so long as the ARC Funds, whether

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	individually or together, own less than 40% but not less than 20% of the issued and outstanding Common Shares. These nomination rights are in addition to the ARC Funds' existing right to nominate one director under the Governance Agreement. As a result of the Director Nominee Agreement, Messrs. Abraham, Tellechea and Brace are also included as nominees of the ARC Funds in this Information Circular.
(b) Disclose whether or not the Board has a nominating committee composed entirely of independent directors. If the Board does not have a nominating committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process. (c) If the Board has a nominating committee, describe the responsibilities, powers and operation of the nominating committee.	(b) The Board has a Corporate Governance Committee (the "Governance Committee") composed entirely of independent directors that is tasked with identifying individuals qualified to be nominated as members of the Board. (c) The purpose of the Governance Committee includes assisting the Board of Directors in fulfilling its oversight responsibilities with respect to developing corporate governance guidelines and principles for the Corporation, identifying individuals qualified to be nominated as members of the Board of Directors and the structure and composition of Board of Director committees, evaluating the performance and effectiveness of the Board of Directors executive management succession and development.

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7. Compensation – (a) Describe the process by which the Board determines the compensation for the issuer's directors and officers. (b) Disclose whether or not the Board has a compensation committee composed entirely of independent directors. (c) If the Board has a compensation committee, describe the responsibilities, powers and operation of the compensation committee.	(a) The process by which compensation is determined includes the review of the achievement of informal goals typical for development and early production stage companies such as strategic acquisitions, advancement of exploration and development, equity and debt financings and other transactions and developments that serve to increase the Corporation's valuation. Precise goals or milestones are not pre-set by the Compensation Committee. The Board of Directors then reviews and discusses the recommendations of the Compensation Committee regarding the compensation of management and the directors. No specific benchmarking policy is in place for determining compensation or any element of compensation. However, in determining appropriate compensation applicable in 2016, the Board of Directors considered a prior report of a third party compensation consultant (though the Corporation did not engage any compensation consultant in respect of 2016) and other publicly available information, including a peer group that consisted of comparably-sized base and precious metals companies based on: (a) market capitalization and total assets from 1/2 to 2 times that of the Corporation in order to approximate the Corporation at the median of the group; (b) companies that are not in commercial production; and (c) where possible originations with international operations and multiple sites that also meet market cap, asset and revenue sizing criteria. (b) The Board has a Compensation Committee composed entirely of independent directors. (c) The Compensation Committee is responsible for reviewing the Corporation's compensation and incentive programs. The Compensation Committee is responsible for assessing senior management's performance and recommending senior management compensation to the Board of Directors. The Compensation Committee is responsible for reviewing the adequacy and form of

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	directors' compensation and making recommendations designed to ensure that directors' compensation adequately reflects the responsibilities of the Board of Directors. The Compensation Committee also administers the Option Plan and makes recommendations to the Board of Directors respecting grants of options thereunder.
8. Other Board Committees – If the Board has standing committees other than the audit and compensation committees, identify the committees and describe their function.	The Corporation has a Governance Committee.
9. Assessments – Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees and its individual directors are performing effectively.	The Board of Directors and its individual directors are assessed on an informal basis continually as to their effectiveness and contribution. The Board of Directors encourages discussion among members as to evaluation of its effectiveness as a whole and of each individual director. All directors are free to make suggestions for improvement of the Board of Directors' practice at any time and are encouraged to do so.
10. Director Term Limits and Other Mechanisms of Board Renewal – Disclose whether or not the issuer has adopted term limits for the directors on its board or other mechanisms of board renewal and, if so, include a description of those director term limits or other mechanisms of board renewal. If the issuer has not adopted director term limits or other mechanisms of board renewal, disclose why it has not done so.	The Corporation has not adopted term limits for its directors as the Corporation is of the view that director term limits reduce continuity and experience on the Board and that term limits force valuable, experienced and knowledgeable directors to leave. As such, the Corporation views term limits as not in the Corporation's best interests. To ensure adequate board renewal, the Governance Committee is responsible for conducting regular director, Board and committee assessments. These assessments will evaluate the tenure and performance of individual directors and review the composition and effectiveness of

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	the Board and its committees. The results of these assessments will be reported to the Board and the Chair, together with recommendations, if any, from the Governance Committee comprising the composition of the Board.
11. Policies Regarding the Representation of Women on the Board — (a) Disclose whether the issuer has adopted a written policy relating to the identification and nomination of women directors. If the issuer has not adopted such a policy, disclose why it has not done so. (b) If an issuer has adopted a policy referred to in (a), disclose the following in respect of the policy: (i) a short summary of its objectives and key provisions, (ii) the measures taken to ensure that the policy has been effectively implemented,	In identifying suitable candidates for nomination to the Board, the Governance Committee and the Board do not consider the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, but rather makes their nomination and appointment decisions based on merit, regardless of gender, by assessing whether a person's skills and experience are appropriate for a Board position. The Corporation has determined that, due to its current stage of development and the fact that the current nomination and appointment procedures have yielded appropriate candidates for nomination to the Board, it is unnecessary at this time to adopt a written policy regarding the identification and nomination of female directors. The Board also considers the Canadian Charter of Rights and Freedoms in connection with its nomination and appointment procedures. N/A

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(iii) annual and cumulative progress by the issuer in achieving the objectives of the policy, and (iv) whether and, if so, how the board or its nominating committee measures the effectiveness of the policy.	
12. Consideration of the Representation of Women in the Director Identification and Selection Process – Disclose whether and, if so, how the board or nominating committee considers the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board. If the issuer does not consider the level of representation of women on the board in identifying and nominating candidates for election or re-election to the board, disclose the issuer's reasons for not doing so.	See item 11 above.
13. Consideration Given to the Representation of Women in Executive Officer Appointments – Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the issuer does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the issuer's reasons for not doing so.	See item 11 above.

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14. Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions – (a) For purposes of this Item, a "target" means a number or percentage, or a range of numbers or percentages, adopted by the issuer of women on the issuer's board or in executive officer positions of the issuer by a specific date. (b) Disclose whether the issuer has adopted a target regarding women on the issuer's board. If the issuer has not adopted a target, disclose why it has not done so. (c) Disclose whether the issuer has adopted a target regarding women in executive officer positions of the issuer. If the issuer has not adopted a target, disclose why it has not done so. (d) If the issuer has adopted a target referred to in either (b) or (c), disclose: (i) the target, and (ii) the annual and cumulative progress of the issuer in achieving the target.	See item 11 above.
15. Number of Women on the Board and in Executive Officer Positions (a) Disclose the number and proportion (in percentage terms) of directors on the issuer's board who are women. (b) Disclose the number and proportion (in percentage terms) of executive officers of the issuer, including all major subsidiaries of the issuer, who are women.	(a) There is one woman on the Board representing 14% of the directors of the Corporation. (b) None.

SCHEDULE "B"

LARGO RESOURCES LTD.

SHARE COMPENSATION PLAN

LARGO RESOURCES LTD.

SHARE COMPENSATION PLAN

1. DEFINITIONS AND INTERPRETATION

1.1 **Definitions:** For purposes of the Plan, unless the context requires otherwise, the following words and terms shall have the following meanings:

- (a) **"1933 Act"** means the United States Securities Act of 1933, as amended;
- (b) **"Account"** has the meaning attributed to that term in section 4.8;
- (c) **"Administrators"** means the Board or such other persons as may be designated by the Board from time to time;
- (d) **"Associate"** has the meaning attributed to that term in the *Securities Act* (Ontario);
- (e) **"Award Date"** means the date or dates on which an award of Restricted Share Units is made to a Participant in accordance with section 4.1;
- (f) **"Blackout Period"** means the period during which designated directors, officers and employees of the Corporation cannot trade the Common Shares pursuant to the Corporation's policy respecting restrictions on directors', officers' and employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an insider, that insider is subject);
- (g) **"Board"** means the board of directors of the Corporation from time to time;
- (h) **"Business Day"** means each day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, Canada;
- (i) **"Change of Control"** means:
 - (i) the acceptance of an Offer by a sufficient number of holders of voting shares in the capital of the Corporation to constitute the offeror, together with persons acting jointly or in concert with the offeror, a shareholder of the Corporation being entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Corporation (provided that prior to the Offer, the offeror together with its affiliates and related parties was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Corporation),
 - (ii) the completion of a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting shares of the consolidated, merged or amalgamated corporation or any parent entity, or
 - (iii) the completion of a sale whereby all or substantially all of the Corporation's undertakings and assets become the property of any other entity and the voting shareholders of the Corporation immediately prior to that sale hold less than 50%

of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale;

- (j) **"Clawback Policy"** means the clawback policy of the Corporation as determined by the Board, and as it may be amended, replaced, or restated from time to time;
- (k) **"Code"** means the U.S. Internal Revenue Code of 1986, as amended;
- (l) **"Common Shares"** means the common shares of the Corporation;
- (m) **"Consultant"** means a consultant that (i) is an individual that provides bona fide services to the Corporation pursuant to a written contract for services with the Corporation and such services are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation's securities, or (ii) otherwise satisfies the requirements to participate in an "employee benefit plan" as defined in Rule 405 under the 1933 Act registered by the Corporation on Form S-8;
- (n) **"Corporation"** means Largo Resources Ltd., a company existing under the *Business Corporations Act* (Ontario) and the successors thereof;
- (o) **"Effective Date"** means June 29, 2017;
- (p) **"Eligible Person"** means:
 - (i) any officer or employee of the Corporation and/or any officer or employee of any Subsidiary of the Corporation and, solely for purposes of the grant of Options, any non-employee director of the Corporation and/or any non-employee director of any Subsidiary of the Corporation; and
 - (ii) a Consultant;
- (q) **"Event of Termination"** means an event whereby a Participant ceases to be an Eligible Person and shall be deemed to have occurred by the giving of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause), retirement, or any cessation of employment or service for any reason whatsoever, including disability or death;
- (r) **"Fair Market Value"** of a Common Share on a day means the weighted average trading price of the Common Shares on any exchange in Canada where the Common Shares are listed (including the TSX) for the last five trading days prior to such day or, on a day during any period when the Common Shares are not listed for trading on an exchange, the fair market value per Common Share on such day as determined by the Administrators in their sole discretion with reference to such factors or such information as the Administrators in their discretion deem appropriate;
- (s) **"Grant Date"** means the date on which a grant of Options is made to a Participant in accordance with section 5.1;
- (t) **"insider"** has the meaning attributed to that term in the TSX Company Manual;
- (u) **"Insider Participant"** means a Participant who is (i) an insider of the Corporation or any of its Subsidiaries, and (ii) an associate of any person who is an insider by virtue of (i);

- (v) **"Offer"** means a bona fide arm's length offer made to all holders of voting shares in the capital of the Corporation to purchase, directly or indirectly, voting shares in the capital of the Corporation;
 - (w) **"Option"** means an option granted to an Eligible Person under the Plan to purchase Common Shares;
 - (x) **"Option Agreement"** has the meaning ascribed to that term in section 3.2;
 - (y) **"Participant"** means an Eligible Person selected by the Administrators to participate in the Plan in accordance with section 3.1 hereof;
 - (z) **"Plan"** means this share compensation plan, as amended, replaced or restated from time to time;
 - (aa) **"Reserved for Issuance"** refers to Common Shares that may be issued in the future upon the vesting of Restricted Share Units which have been awarded and upon the exercise of Options which have been granted;
 - (bb) **"Restricted Share Unit"** means a right granted in accordance with section 4.1 hereof to receive a Common Share that becomes vested in accordance with section 4.3;
 - (cc) **"Restricted Share Unit Agreement"** has the meaning ascribed to that term in section 3.2;
 - (dd) **"Share Compensation Arrangement"** means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to directors, officers and employees of the Corporation and any of its Subsidiaries or to consultants, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;
 - (ee) **"Subsidiary"** has the meaning ascribed thereto in the *Securities Act* (Ontario) and **"Subsidiaries"** shall have a corresponding meaning;
 - (ff) **"TSX"** means the Toronto Stock Exchange;
 - (gg) **"U.S. Participant"** means a Participant who is a citizen of the United States or a resident of the United States, as defined in section 7701(a)(30)(A) and section 7701(b)(1) of the Code and any other Participant who is subject to tax under the Code with respect to compensatory awards granted pursuant to the Plan; and
 - (hh) **"Withholding Obligations"** has the meaning ascribed to that term in section 4.6.
- 1.2 **Headings:** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.
- 1.3 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.
- 1.4 **References to this Plan:** The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.

- 1.5 **Currency:** All references in this Plan or in any agreement entered into under this Plan to "dollars", "\$" or lawful currency shall be references to Canadian dollars, unless the context otherwise requires.

2. PURPOSE AND ADMINISTRATION OF THE PLAN

- 2.1 **Purpose:** The purpose of the Plan is to advance the interests of the Corporation and its Subsidiaries, and its shareholders by: (i) ensuring that the interests of Eligible Persons are aligned with the success of the Corporation and its Subsidiaries; (ii) encouraging stock ownership by Eligible Persons; and (iii) providing compensation opportunities to attract, retain and motivate Eligible Persons.

2.2 Common Shares Subject to the Plan:

- (a) The total number of Common Shares reserved and available for grant and issuance pursuant to this Plan shall not exceed 10% of the issued and outstanding Common Shares from time to time (together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Corporation or its Subsidiaries);
- (b) The number of Common Shares issuable under the Plan to any one Eligible Person (together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Corporation or its Subsidiaries) shall not exceed 5% of the issued and outstanding Common Shares from time to time;
- (c) The number of Common Shares issuable to insiders under the Plan (together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Corporation or its Subsidiaries) shall not, at any time, exceed 10% of the issued and outstanding Common Shares;
- (d) The number of Common Shares issued to insiders under the Plan within a one-year period (together with those Common Shares that are issued pursuant to any other security based compensation arrangements of the Corporation or its Subsidiaries) shall not, at any time, exceed 10% of the issued and outstanding Common Shares; and
- (e) The number of Common Shares reserved for issuance to Participants who are non-employee directors pursuant to Options shall be limited to the lesser of: (i) 1% of the Common Shares then issued and outstanding; and (ii) \$1,000,000 in total value of grants of Options that each director receives over the life of the Plan from the Effective Date or an annual grant value of \$100,000 per director, in both cases based on a valuation determined using the Black-Scholes formula or any other formula which is widely accepted by the business community as a method for the valuation of options.

- 2.3 **Administration of the Plan:** The Plan shall be administered by the Administrators, through the recommendation of the Compensation Committee of the Board. Subject to any limitations of the Plan, the Administrators shall have the power and authority to:

- (a) adopt rules and regulations for implementing the Plan;
- (b) determine the eligibility of persons to participate in the Plan, when Restricted Share Units and Options to Eligible Persons shall be awarded or granted, the number of Restricted Share Units and Options to be awarded or granted, the vesting criteria for each award of Restricted Share Units and the vesting period for each grant of Options;

- (c) interpret and construe the provisions of the Plan and any agreement or instrument under the Plan;
- (d) subject to regulatory requirements, make exceptions to the Plan in circumstances which they determine to be exceptional; and
- (e) make all other determinations and take all other actions as they determine to be necessary or desirable to implement, administer and give effect to the Plan.

3. ELIGIBILITY AND PARTICIPATION IN PLAN

- 3.1 **The Plan and Participation:** The Plan is hereby established for Eligible Persons. Restricted Share Units may be awarded and Options may be granted to any Eligible Person as determined by the Administrators in accordance with the provisions hereof; provided, however, that Restricted Share Units shall not be awarded to non-employee directors of the Corporation in any circumstance.
- 3.2 **Agreements:** All Restricted Share Units awarded hereunder shall be evidenced by a restricted share unit agreement ("**Restricted Share Unit Agreement**") between the Corporation and the Participant, substantially in the form set out in Exhibit A or in such other form as the Administrators may approve from time to time. All Options granted hereunder shall be evidenced by an option agreement ("**Option Agreement**") between the Corporation and the Participant, substantially in the form as set out in Exhibit A or in such other form as the Administrators may approve from time to time.

4. AWARD OF RESTRICTED SHARE UNITS

- 4.1 **Award of Restricted Share Units:** Subject to section 2.2, the total number of Restricted Share Units that may be awarded pursuant to this section shall not exceed 2.5% of the issued and outstanding Common Shares from time to time.

The Administrators may, at any time and from time to time, award Restricted Share Units to Eligible Persons. In awarding any Restricted Share Units, the Administrators shall determine:

- (a) to whom Restricted Share Units pursuant to the Plan will be awarded;
- (b) the number of Restricted Share Units to be awarded and credited to each Participant's Account;
- (c) the Award Date; and
- (d) subject to section 4.3 hereof, the applicable vesting criteria.

Upon the award of Restricted Share Units, the number of Restricted Share Units awarded to a Participant shall be credited to the Participant's Account effective as of the Award Date.

- 4.2 **Restricted Share Unit Agreement:** Upon the award of each Restricted Share Unit to a Participant, a Restricted Share Unit Agreement shall be delivered by the Administrators to the Participant.

4.3 **Vesting:**

- (a) Subject to subsections (c) and (d) below, at the time of the award of Restricted Share Units, the Administrators shall determine in their sole discretion the vesting criteria applicable to such Restricted Share Units.
- (b) For greater certainty, the vesting of Restricted Share Units may be determined by the Administrators to include criteria such as performance vesting, in which the number of Common Shares to be delivered to a Participant for each Restricted Share Unit that vests may fluctuate based upon the Corporation's performance and/or the market price of the Common Shares, in such manner as determined by the Administrators in their sole discretion.
- (c) Each Restricted Share Unit shall be subject to vesting in accordance with the terms set out in the Restricted Share Unit Agreement.
- (d) Notwithstanding anything to the contrary in this Plan, all vesting and issuances or payments, as applicable, in respect of a Restricted Share Unit shall be completed no later than December 15 of the third calendar year commencing after the Award Date for such Restricted Share Unit.

4.4 **Blackout Periods:** Should the date of vesting of a Restricted Share Unit fall within a Blackout Period or within nine Business Days following the expiration of a Blackout Period, such date of vesting shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the date of vesting for such Restricted Share Unit for all purposes under the Plan. Notwithstanding section 6.4(a) hereof, the ten Business Day period referred to in this section 4.4 may not be extended by the Board. For U.S. Participants, this section 4.4 shall not operate to issue shares later than December 31st of the calendar year in which the shares would have been issued absent this section 4.4.

4.5 **Common Shares Issued by the Corporation on Vesting:** As soon as practicable after the relevant date of vesting of any Restricted Share Units awarded under the Plan (and for U.S. Participants, no later than March 15th of the year following the calendar year in which the Restricted Share Units vest), but subject to subsection 4.3(d), the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's Restricted Share Units in the Participant's Account will be duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares. No person or entity shall enjoy any part of the rights or privileges of a holder of Common Shares issuable pursuant to Restricted Share Units until that person or entity becomes the holder of record of those Common Shares.

4.6 **Taxes and Source Deductions:** The Corporation or an affiliate of the Corporation may take such reasonable steps for the deduction and withholding of any taxes and other required source deductions which the Corporation or the affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit in connection with this Plan, any Restricted Share Units or any issuance of Common Shares ("**Withholding Obligations**"). Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit pursuant to the Withholding Obligations from any cash remuneration or other amount payable to the Participant, whether or not related to the Plan, the vesting of any Restricted Share Units or the issue of any Common Shares; (ii) allow the Participant to make a cash payment to the Corporation equal to the amount required to be remitted, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the

appropriate governmental authority for the account of the Participant; or (iii) settle a portion of vested Restricted Share Units of a Participant in cash equal to the amount the Corporation is required to remit, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Participant. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant on vesting of any Restricted Share Units may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment to it in a timely manner of all taxes required to be remitted, pursuant to the Withholding Obligations, for the account of the Participant.

4.7 **Rights Upon an Event of Termination:**

- (a) If an Event of Termination has occurred in respect of any Participant, any and all Common Shares corresponding to any vested Restricted Share Units in the Participant's Account shall be issued as soon as practicable after the Event of Termination to the former Participant in accordance with section 4.5 hereof. With respect to each Restricted Share Unit of a U.S. Participant, such Restricted Share Unit will be settled and shares issued as soon as practicable following the date of vesting of such Restricted Share Unit as set forth in the applicable Restricted Share Unit Agreement, but in all cases within 60 days following such date of vesting.
- (b) If an Event of Termination has occurred in respect of any Participant, any unvested Restricted Share Units in the Participant's Account shall, unless otherwise determined by the Administrators in their discretion, forthwith and automatically be forfeited by the Participant and cancelled. With respect to any Restricted Share Unit of a U.S. Participant, if the Administrators determine, in their discretion, to waive vesting conditions applicable to a Restricted Share Unit that is unvested at the time of an Event of Termination, such Restricted Share Unit shall not be forfeited or cancelled, but instead will be deemed to be vested and settled and shares delivered following the date of vesting of such Restricted Share Unit as set forth in the applicable Restricted Share Unit Agreement.
- (c) Notwithstanding the foregoing subsection 4.7(b), if a Participant retires in accordance with the Corporation's retirement policy, at such time, any unvested performance-based Restricted Share Units in the Participant's Account shall not be forfeited by the Participant or cancelled and instead shall be eligible to become vested in accordance with the vesting conditions set forth in the applicable Restricted Share Unit Agreement after such retirement (as if retirement had not occurred), but only if the performance vesting criteria, if any, are met on the applicable date.
- (d) For greater certainty, if a Participant's employment is terminated for just cause, each unvested Restricted Share Unit in the Participant's Account shall forthwith and automatically be forfeited by the Participant and cancelled.
- (e) For the purposes of this Plan and all matters relating to the Restricted Share Units, the date of the Event of Termination shall be determined without regard to any applicable severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

4.8 **Restricted Share Unit Accounts:** A separate notional account for Restricted Share Units shall be maintained for each Participant (an "**Account**"). Each Account will be credited with Restricted Share Units awarded to the Participant from time to time pursuant to section 4.1 hereof by way of a bookkeeping entry in the books of the Corporation. On the vesting of the Restricted Share Units

pursuant to section 4.3 hereof and the corresponding issuance of Common Shares to the Participant pursuant to section 4.5 hereof, or on the forfeiture and cancellation of the Restricted Share Units pursuant to section 4.7 hereof, the applicable Restricted Share Units credited to the Participant's Account will be cancelled.

4.9 **Record Keeping:** The Corporation shall maintain records in which shall be recorded:

- (a) the name and address of each Participant;
- (b) the number of Restricted Share Units credited to each Participant's Account;
- (c) any and all adjustments made to Restricted Share Units recorded in each Participant's Account; and
- (d) any other information which the Corporation considers appropriate to record in such records.

5. GRANT OF OPTIONS

5.1 **Grant of Options:** Subject to section 2.2, the total number of Common Shares reserved and available for grant pursuant to this section on exercise of Options shall not exceed 7.5% of the number of issued and outstanding Common Shares from time to time.

The Administrators may at any time and from time to time grant Options to Eligible Persons. In granting any Options, the Administrators shall determine:

- (a) to whom Options pursuant to the Plan will be granted;
- (b) the number of Options to be granted, the Grant Date and the exercise price of each Option;
- (c) the expiration date of each Option; and
- (d) subject to section 5.3 hereof, the applicable vesting criteria,

provided, however that the exercise price for a Common Share pursuant to any Option shall not be less than the Fair Market Value of a Common Share on the Grant Date in respect of that Option, and with respect to Options granted to U.S. Participants, the exercise price shall not be less than the greater of (i) Fair Market Value of a Common Share on the Grant Date and (ii) the closing price of the Common Shares on any exchange in Canada where Common Shares are listed on the last trading day prior to the Grant Date. No options granted to U.S. Participants are intended to be "incentive stock options" within the meaning of the Code.

5.2 **Option Agreement:** Upon each grant of Options to a Participant, an Option Agreement shall be delivered by the Administrators to the Participant.

5.3 **Vesting:**

- (a) Subject to subsection 5.3(b) below, at the time of the grant of any Options, the Administrators shall determine in their sole discretion the vesting criteria applicable to such Options.

- (b) Unless otherwise determined by the Administrators, Options shall vest and become exercisable in respect of 33-1/3% of the Common Shares subject to such Options on the first day after each of the first three anniversaries of the Grant Date of such Options.

5.4 **Term of Option/Blackout Periods:** The term of each Option shall be determined by the Administrators; provided that no Option shall be exercisable after ten years from the date on which it is granted. Should the term of an Option expire on a date that falls within a Blackout Period or within nine Business Days following the expiration of a Blackout Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan. Notwithstanding section 6.4(a) hereof, the ten Business Day period referred to in this section 5.4 may not be extended by the Board.

5.5 **Exercise of Option:**

Options that have vested in accordance with the provisions of this Plan and the applicable Option Agreement may be exercised at any time, or from time to time, during their term as to any number of whole Common Shares that are then available for purchase thereunder; provided that no partial exercise may be for less than 100 whole Common Shares. Options may be exercised by delivery of a written notice of exercise to the Administrators, substantially in the form attached to this Plan as Exhibit C, with respect to the Options, or by any other form or method of exercise acceptable to the Administrators.

5.6 **Payment and Issuance:**

- (a) Upon actual receipt by the Corporation or its agent of the materials required by subsection 5.5 and receipt by the Corporation of a cheque or other form of acceptable payment for the aggregate exercise price, which may include compliance with any protocol for cashless exercise of Options as is approved by the Administrators from time to time, the number of Common Shares in respect of which the Options are exercised will be issued as fully paid and non-assessable shares and the Participant exercising the Options shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares. No person or entity shall enjoy any part of the rights or privileges of a holder of Common Shares which are subject to Options until that person or entity becomes the holder of record of those Common Shares. No Common Shares will be issued by the Corporation prior to the receipt of payment by the Corporation for the aggregate exercise price for the Options being exercised.
- (b) Without limiting the foregoing, and unless otherwise determined by the Administrators or not compliant with any applicable laws, (i) cashless exercise of Options shall only be available to a Participant who was granted and is exercising such Options outside the United States in compliance with Regulation S under the 1933 Act at a time when the Common Shares are listed and posted for trading on a stock exchange or market in Canada, the Participant intends to immediately sell the Common Shares issuable upon exercise of such Options in Canada and the proceeds of sale will be sufficient to satisfy the exercise price of the Options, and (ii) if an eligible Participant elects to exercise the Options through cashless exercise and complies with any relevant protocols approved by the Administrators, a sufficient number of the Common Shares issued upon exercise of the Options will be sold in Canada by a designated broker on behalf of the Participant to satisfy the exercise price of the Options, the exercise price of the Options will be delivered to the Corporation and the Participant will receive only the remaining unsold Common Shares from the exercise of the Options and the net proceeds of the sale after deducting the exercise price of the

Options, applicable taxes and any applicable fees and commissions, all as determined by the Administrators from time to time. The Corporation shall not deliver the Common Shares issuable upon a cashless exercise of Options until receipt of the exercise price therefor, whether by a designated broker selling the Common Shares issuable upon exercise of such Options through a short position or such other method determined by the Administrators in compliance with applicable laws.

- 5.7 **Taxes and Source Deductions:** The Corporation or an affiliate of the Corporation may take such reasonable steps for the deduction and withholding of any taxes and other required source deductions which the Corporation or the affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit pursuant to the Withholding Obligations in connection with this Plan, any Options or any issuance of Common Shares. Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit, pursuant to the Withholding Obligations, from any cash remuneration or other amount payable to the Participant, whether or not related to the Plan, the exercise of any Options or the issue of any Common Shares; or (ii) allow the Participant to make a cash payment to the Corporation equal to the amount required to be remitted, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Participant. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant on the exercise of Options may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment in a timely manner of all taxes required to be remitted, pursuant to the Withholding Obligations, for the account of the Participant.

5.8 **Rights Upon an Event of Termination:**

- (a) If an Event of Termination has occurred in respect of a Participant, any unvested Options, to the extent not available for exercise as of the date of the Event of Termination, shall, unless otherwise determined by the Administrators in their discretion, forthwith and automatically be cancelled, terminated and not available for exercise without further consideration or payment to the Participant.
- (b) Except as otherwise stated herein or otherwise determined by the Administrators in their discretion, upon the occurrence of an Event of Termination in respect of a Participant, any vested Options granted to the Participant that are available for exercise may be exercised only before the earlier of:
 - (i) the expiry of the Option; and
 - (ii) six months after the date of the Event of Termination.
- (c) Notwithstanding the foregoing subsections 5.8(a) and (b), if a Participant's employment is terminated for just cause, each Option held by the Participant, whether or not then exercisable, shall forthwith and automatically be cancelled and may not be exercised by the Participant.
- (d) For the purposes of this Plan and all matters relating to the Options, the date of the Event of Termination shall be determined without regard to any applicable severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

5.9 **Record Keeping:** The Corporation shall maintain an Option register in which shall be recorded:

- (a) the name and address of each holder of Options;
- (b) the number of Common Shares subject to Options granted to each holder of Options;
- (c) the term of the Option and exercise price, including adjustments for each Option granted; and
- (d) any other information which the Corporation considers appropriate to record in such register.

6. GENERAL

6.1 **Effective Date of Plan:** The Plan shall be effective as of the Effective Date.

6.2 **Change of Control:** If there is a Change of Control transaction then, notwithstanding any other provision of this Plan except subsection 4.3(d) which will continue to apply in all circumstances, the Administrators may, in their sole discretion, determine that any or all unvested Restricted Share Units and any or all Options (whether or not currently exercisable) shall vest or become exercisable, as applicable, at such time and in such manner as may be determined by the Administrators in their sole discretion such that Participants under the Plan shall be able to participate in the Change of Control transaction, including, at the election of the holder thereof, by surrendering such Restricted Share Units and Options to the Corporation or a third party or exchanging such Restricted Share Units or Options, for consideration in the form of cash and/or securities, to be determined by the Administrators in their sole discretion. Notwithstanding the foregoing, with respect to Options of U.S. Participants, any exchange, substitution or amendment of such Options will occur only to the extent and in a manner that is permitted under Section 409A of the Code, and with respect to Restricted Share Units of U.S. Participants, any surrender or other modification of Restricted Share Units will occur only consistent with the requirements of Section 409A of the Code, to the extent applicable.

6.3 **Reorganization Adjustments:**

- (a) In the event of any declaration by the Corporation of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of Common Shares, reclassification or conversion of Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Corporation, distribution (other than normal course cash dividends) of Corporation assets to holders of Common Shares, or any other corporate transaction or event involving the Corporation or the Common Shares, the Administrators, in the Administrators' sole discretion, may, subject to any relevant resolutions of the Board, and without liability to any person, make such changes or adjustments, if any, as the Administrators consider fair or equitable, in such manner as the Administrators may determine, to reflect such change or event including, without limitation, adjusting the number of Options and Restricted Share Units outstanding under this Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under this Plan, provided that the value of any Option or Restricted Share Unit immediately after such an adjustment, as determined by the Administrators, shall not exceed the value of such Option or Restricted Share Unit prior thereto, as determined by the Administrators.

- (b) Notwithstanding the foregoing, with respect to Options and Restricted Share Units of U.S. Participants, such changes or adjustments will be in accordance with the requirements of Section 409A of the Code to the extent applicable and will comply with the requirements in subsection 4.3(d).
- (c) The Corporation shall give notice to each Participant in the manner determined, specified or approved by the Administrators of any change or adjustment made pursuant to this section and, upon such notice, such adjustment shall be conclusive and binding for all purposes.
- (d) The Administrators may from time to time adopt rules, regulations, policies, guidelines or conditions with respect to the exercise of the power or authority to make changes or adjustments pursuant to section 6.2 or section 6.3(a). The Administrators, in making any determination with respect to changes or adjustments pursuant to section 6.2 or section 6.3(a) shall be entitled to impose such conditions as the Administrators consider or determine necessary in the circumstances, including conditions with respect to satisfaction or payment of all applicable taxes (including, but not limited to, withholding taxes).

6.4 **Amendment or Termination of Plan:**

- (a) Subject to Section 6.4(b), the Board may amend this Plan or any Restricted Share Unit or any Option at any time without receiving the consent of Participants or approval of the shareholders of the Corporation provided that any such amendment will:
 - (i) not adversely alter or impair any Restricted Share Unit previously awarded or any Option previously granted except as permitted by the provisions of section 6.3 hereof, and, with respect to Restricted Share Units and Options of U.S. Participants, such amendment will not create adverse tax consequences under Section 409A;
 - (ii) be subject to any regulatory approvals including, where required, the approval of the TSX; and
 - (iii) be subject to shareholder approval, where required by the requirements of the TSX, provided that for greater certainty, shareholder approval will not be required for the following amendments:
 - (A) amendments of a "housekeeping nature", including any amendment to the Plan or a Restricted Share Unit or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or a Restricted Share Unit or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
 - (B) amendments that are necessary or desirable for Restricted Share Units or Options to qualify for favourable treatment under any applicable tax law;
 - (C) a change to the vesting provisions of any Restricted Share Unit or any Option (including any alteration, extension or acceleration thereof);
 - (D) a change to the termination provisions of any Option or Restricted Share Units (for example, relating to termination of employment, resignation,

retirement or death) that does not entail an extension beyond the original expiration date (as such date may be extended by virtue of section 5.4);

- (E) the introduction of features to the Plan that would permit the Corporation to, instead of issuing Common Shares from treasury upon the vesting of the Restricted Share Units, retain a broker and make payments for the benefit of Participants to such broker who would purchase Common Shares in the open market for such Participants;
 - (F) the introduction of features to the Plan that would permit the Corporation to, instead of issuing Common Shares from treasury upon the vesting of the Restricted Share Units, make lump sum cash payments to Participants;
 - (G) the introduction of a cashless exercise feature payable in cash or securities, which provides for a full deduction of the number of underlying securities from the Plan reserve; and
 - (H) change the application of section 6.3 hereof (Reorganization Adjustments) and section 6.2 (Change of Control).
- (b) Notwithstanding the foregoing, shareholder approval will be required in circumstances where an amendment to the Plan would:
- (i) change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;
 - (ii) increase the limits in section 2.2;
 - (iii) permit the award of Restricted Share Units to non-employee directors of the Corporation or change in the limitations on grants of Options to non-employee directors;
 - (iv) permit Restricted Share Units or Options to be transferable or assignable other than for normal estate settlement purposes;
 - (v) reduce the exercise price of any Option (including any cancellation of an Option for the purpose of reissuance of a new Option at a lower exercise price to the same person);
 - (vi) extend the term of any Option beyond the original term (except if such period is being extended by virtue of section 5.4 hereof); or
 - (vii) amend this section 6.4.

6.5 **Clawback Provision:** Notwithstanding any other provision of this Plan, any Restricted Share Unit or Option issued, granted, or awarded to any Participant, and any Common Shares issued thereunder, and any amount received by any Participant with respect to any such Restricted Share Unit, Option, or Common Shares, shall be subject to cancellation, rescission, forfeiture, recovery, or other action in accordance with the terms of the Corporation's Clawback Policy. The Corporation will have a right to cancel, rescind, or otherwise recover from such Participant for the benefit of the Corporation, and such Participant will be required to forfeit or repay to the Corporation the amount determined by the Administrators in accordance with the Clawback Policy.

- 6.6 **Termination:** The Administrators may terminate this Plan at any time in their absolute discretion. If the Plan is so terminated, no further Restricted Share Units shall be awarded and no further Options shall be granted, but the Restricted Shares Units then outstanding and credited to Participants' Accounts and the Options then outstanding shall continue in full force and effect in accordance with the provisions of this Plan.
- 6.7 **Transferability:** A Participant shall not be entitled to transfer, assign, charge, pledge or hypothecate, or otherwise alienate, whether by operation of law or otherwise, the Participant's Restricted Share Units or Options or any rights the Participant has under the Plan.
- 6.8 **Rights as a Shareholder:** Under no circumstances shall the Restricted Share Units or Options be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares (including, but not limited to, the right to dividend equivalent payments).
- 6.9 **No Effect on Employment, Rights or Benefits:**
- (a) The terms of employment shall not be affected by participation in the Plan.
 - (b) Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue as a director, officer, employee or Consultant nor interfere or be deemed to interfere in any way with any right of the Corporation, the Board or the shareholders of the Corporation to remove any Participant from the Board or of the Corporation or any Subsidiary to terminate any Participant's employment or agreement with a Consultant at any time for any reason whatsoever.
 - (c) Under no circumstances shall any person who is or has at any time been a Participant be able to claim from the Corporation or any Subsidiary any sum or other benefit to compensate for the loss of any rights or benefits under or in connection with this Plan or by reason of participation in this Plan.
- 6.10 **Market Value of Common Shares:** The Corporation makes no representation or warranty as to the future market value of any Common Shares. No Participant shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted to or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the market value of the shares of the Corporation or a corporation related thereto.
- 6.11 **Compliance with Applicable Law:**
- (a) If any provision of the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith. Notwithstanding the foregoing, the Corporation shall have no obligation to register any securities provided for in this Plan under the 1933 Act.
 - (b) The award of Restricted Share Units, the grant of Options and the issuance of Common Shares under this Plan shall be carried out in compliance with applicable statutes and with the regulations of governmental authorities and the TSX. If the Administrators determine in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with the award of a Restricted Share Unit, the grant of an Option or the issue of a Common Share upon the vesting of a Restricted Share Unit or exercise of an Option, as applicable, that Restricted Share Unit may not vest in whole or in part and that Option may not be exercised in whole

or in part, as applicable, unless that action shall have been completed in a manner satisfactory to the Administrators. In addition, unless the Restricted Share Units, the Options and the Common Shares issuable pursuant to the Restricted Share Units and Options, as applicable, have been registered under the 1933 Act, all rights of a Participant under this Plan shall be subject to and conditioned upon the availability of exemptions or exclusions from the registration requirements of the 1933 Act, as determined by the Corporation in its sole discretion.

- 6.12 **Governing Law:** This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
- 6.13 **Subject to Approval:** The Plan is adopted subject to the approval of the TSX and any other required regulatory approval. To the extent a provision of the Plan requires regulatory approval which is not received, such provision shall be severed from the remainder of the Plan until the approval is received and the remainder of the Plan shall remain in effect.
- 6.14 **Special Terms and Conditions Applicable to U.S. Participants:** Options issued to U.S. Participants are intended to be exempt from Section 409A of the Code pursuant to Treas. Reg. Section 1.409A-1(b)(5)(i)(A) and the Plan and such Options will be construed and administered accordingly. Restricted Share Units awarded to U.S. Participants are intended to be exempt or to comply with Section 409A of the Code, to the extent it is applicable, and the Plan and Restricted Share Unit Agreements will be construed and administered accordingly. Although the Corporation intends Options and Restricted Share Units granted to U.S. Participants either to be exempt from Section 409A or to comply with it, the Corporation makes no representation or guaranty as to the tax treatment of such Options and Restricted Share Units. Each U.S. Participant (and any beneficiary or the estate of the Participant, as applicable) is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with this Plan. Neither the Corporation nor any affiliate, nor any employee or director of the Corporation or an affiliate, shall have any obligation to indemnify or otherwise hold such U.S. Participant, beneficiary or estate harmless from any or all such taxes or penalties.

ADOPTED the 29th day of June, 2017

EXHIBIT A

THE RESTRICTED SHARE UNITS AND THE UNDERLYING COMMON SHARES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE 1933 ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT ARE AVAILABLE. THE TERMS "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE 1933 ACT.

RESTRICTED SHARE UNIT AGREEMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the "**Restricted Share Grant Date**") Largo Resources Ltd. (the "**Corporation**") has granted to _____ (the "**Participant**"), _____ Restricted Share Units pursuant to the Corporation's Share Compensation Plan (the "**Plan**"), a copy of which has been provided to the Participant.

Restricted Share Units are subject to the following terms:

- (a) Pursuant to the Plan and as compensation to the Participant, the Corporation hereby grants to the Participant, as of the Restricted Share Grant Date, the number of Restricted Share Units set forth above.
- (b) The granting and vesting of the Restricted Share Units and the payment by the Corporation of any payout in respect of any Vested Restricted Share Units (as defined below) are subject to the terms and conditions of the Plan, all of which are incorporated into and form an integral part of this Restricted Share Unit Agreement.
- (c) **[NTD: Vesting schedule is subject to change at the sole discretion of the Administrators]** The Restricted Share Units shall become vested restricted share units (the "**Vested Restricted Share Units**") in accordance with the following schedule:
 - (i) ● on the 6 month anniversary of the Restricted Share Grant Date;
 - (ii) ● on the 12 month anniversary of the Restricted Share Grant Date;
 - (iii) ● on the 18 month anniversary of the Restricted Share Grant Date; and
 - (iv) ● on the 24 month anniversary of the Restricted Share Grant Date (each a "**Vesting Date**").
- (d) As soon as reasonably practicable following the Vesting Date (but no later than 60 days thereafter for U.S. Participants), or, if the Participant is not a U.S. Participant (as defined in the Plan), such later date mutually agreed to by the Corporation and the Participant, the Participant shall be entitled to receive, and the Corporation shall issue or provide, a payout with respect to those Vested Restricted Share Units in the Participant's Account to which the Vesting Date relates (each a "**Payout Date**") in the form of one (1) Common Share issued from treasury for each Vested Restricted Share Unit, subject to any applicable Withholding Obligations.
- (e) The Participant acknowledges that:
 - (i) he or she has received and reviewed a copy of the Plan; and

- (ii) the Restricted Share Units have been granted to the Participant under the Plan and are subject to all of the terms and conditions of the Plan to the same effect as if all of such terms and conditions were set forth in this Restricted Share Unit Agreement, including with respect to termination and forfeiture as set out in Section 4.7 of the Plan.

Notwithstanding anything to the contrary in this Restricted Share Unit Agreement:

- (a) all vesting and issuances or payments, as applicable, in respect of a Restricted Share Unit evidenced hereby shall be completed no later than December 15 of the third calendar year commencing after the Restricted Share Grant Date;
- (b) any Restricted Share Unit issued, granted, or awarded to the Participant, and any shares issued thereunder, and any amount received by the Participant with respect to any such Restricted Share Unit or shares, shall be subject to cancellation, rescission, forfeiture, recovery, or other action in accordance with the terms of the clawback policy of the Corporation as it may be amended, replaced, or restated from time to time (the "**Clawback Policy**"). The Corporation will have a right to cancel, rescind, or otherwise recover from the Participant for the benefit of the Corporation, and the Participant will forfeit or repay to the Corporation the amount determined by the Administrators in accordance with the Clawback Policy. The Participant agrees and consents to the Corporation's application, implementation and enforcement of (a) the Clawback Policy or any similar policy established by the Corporation that may apply to the Participant and (b) any provision of applicable law relating to cancellation, rescission, forfeiture, recovery, or other action, and expressly agrees that the Corporation may take such actions as are necessary to effectuate the Clawback Policy, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant. To the extent that the terms of this Restricted Share Unit Agreement and the Clawback Policy or any similar policy conflict, then the terms of such policy shall prevail.

The grant of the Restricted Share Units evidenced hereby is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Restricted Share Units and the vesting of the Restricted Share Units. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

The Participant represents and warrants to the Corporation that under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) entitled to receive Restricted Share Units. The Corporation may condition awards and elections under the Plan upon receiving from the undersigned such representations and warranties and such evidence of registration or exemption under the 1933 Act as is satisfactory to the Corporation, acting in its sole discretion.

In the event of any inconsistency between the terms of this Restricted Share Unit Agreement and the Plan, the terms of the Plan shall prevail unless otherwise determined in the Plan.

LARGO RESOURCES LTD.

Authorized Signatory

Signature of Participant

Name of Participant

EXHIBIT B

THE OPTIONS AND THE OPTIONED SHARES HAVE NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "1933 ACT"), AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO U.S. PERSONS UNLESS SUCH SECURITIES ARE REGISTERED UNDER THE 1933 ACT, OR AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE 1933 ACT ARE AVAILABLE. THE TERMS "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE 1933 ACT.

OPTION AGREEMENT

Notice is hereby given that, effective this _____ day of _____, _____ (the "**Effective Date**") Largo Resources Ltd. (the "**Corporation**") has granted to _____ (the "**Participant**"), Options to acquire _____ Common Shares (the "**Optioned Shares**") up to 4:30 p.m. Pacific Time on the _____ day of _____, _____ (the "**Option Expiry Date**") at an exercise price of Cdn\$ _____ per Optioned Share pursuant to the Corporation's Share Compensation Plan (the "**Plan**"), a copy of which is attached hereto.

Optioned Shares may be acquired as follows:

- (a) **[insert vesting provisions]; and**
- (b) **[insert hold period when required]. [NTD: Partially populate these sections consistent with the Plan and the anticipated online option exercise system]**

The grant of the Options evidenced hereby and the Option Expiry Date thereof, is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Optioned Shares. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

Notwithstanding anything to the contrary in this Option Agreement, any Option granted to the Participant, and any Optioned Shares issued thereunder, and any amount received by the Participant with respect to any such Option or Optioned Shares, shall be subject to cancellation, rescission, forfeiture, recovery, or other action in accordance with the terms of the clawback policy of the Corporation as it may be amended, replaced, or restated from time to time (the "**Clawback Policy**"). The Corporation will have a right to cancel, rescind, or otherwise recover from such Participant for the benefit of the Corporation, and such Participant will be required to forfeit or repay to the Corporation the amount determined by the Administrators in accordance with the Clawback Policy. The Participant agrees and consents to the Corporation's application, implementation and enforcement of (a) the Clawback Policy or any similar policy established by the Corporation that may apply to the Participant and (b) any provision of applicable law relating to cancellation, rescission, forfeiture, recovery, or other action, and expressly agrees that the Corporation may take such actions as are necessary to effectuate the Clawback Policy, any similar policy (as applicable to the Participant) or applicable law without further consent or action being required by the Participant. To the extent that the terms of this Option Agreement and the Clawback Policy or any similar policy conflict, then the terms of such policy shall prevail.

The Participant represents and warrants that under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) entitled to receive Options. The Participant understands that the Options may not be exercised in the United States or by or on behalf of a U.S. person unless the Options and the Option Shares have been registered under the 1933 Act or are exempt from registration thereunder. The Corporation may condition the exercise of the Options upon receiving from the Participant

such representations and warranties and such evidence of registration or exemption under the 1933 Act as is satisfactory to the Corporation, acting in its sole discretion.

In the event of any inconsistency between the terms of this Option Agreement and the Plan, the terms of the Plan shall prevail.

LARGO RESOURCES LTD.

Authorized Signatory

Signature of Participant

Name of Participant

EXHIBIT C

NOTICE OF OPTION EXERCISE

TO: Largo Resources Ltd.. (the "**Corporation**")

FROM: _____

DATE: _____

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's Share Compensation Plan (the "**Plan**"), of the exercise of the Options to acquire and hereby subscribes for:

[check one]

- ☐ (a) all of the Optioned Shares; or
- ☐ (b) _____ of the Optioned Shares,

which are the subject of the Option Agreement attached hereto.

Calculation of total Exercise Price:

- | | | |
|---|--|-----------------|
| (i) | number of Optioned Shares to be acquired on exercise | _____ |
| | | Optioned Shares |
| (ii) | multiplied by the Exercise Price per Optioned Share: | \$ _____ |
| TOTAL EXERCISE PRICE, enclosed herewith (unless this is a cashless exercise): | | \$ _____ |

Unless this exercise form is accompanied by a written opinion of U.S. legal counsel or other evidence (each of which must be satisfactory to the Corporation, in its sole discretion) to the effect that the exercise of the Options and the issuance of the Optioned Shares upon such exercise is registered under or exempt from the registration requirements of the United States Securities Act of 1933, as amended (the "**1933 Act**"), I hereby represent and warrant to the Corporation that I am not in the United States or a U.S. person, and I am not acquiring the Optioned Shares for the account or benefit of a U.S. person or a person in the United States. The terms "United States" and "U.S. person" are as defined in Regulation S under the 1933 Act.

I hereby:

- ☐ (a) unless this is a cashless exercise, enclose a cheque payable to "Largo Resources Ltd." for the aggregate Exercise Price plus the amount of the estimated Withholding Obligations and agree that I will reimburse the Corporation for any amount by which the actual Withholding Obligations exceed the estimated Withholding Obligations; or
- ☐ (b) advise the Corporation that I am exercising the above Options on a cashless exercise basis, in compliance with the procedures established from time to time by the Administrators for cashless exercises of Options under the Plan. I will consult with the Corporation to determine what additional documentation, if any, is required in connection with my cashless exercise of the above Options. I agree to comply with the procedures established by the Corporation for cashless exercises and all terms and conditions of the Plan. Please

prepare the Optioned Shares certificates, if any, issuable in connection with this exercise in the following name(s):

Signature of Participant

Name of Participant

Letter and consideration/direction received on _____, 20 _____.

LARGO RESOURCES LTD.

By: _____
[Name]
[Title]



LARGO
RESOURCES