UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 40-F

(Check One)

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13(a) OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended: December 31, 2021 Commission File Number: 001-40333

Largo Inc.

(Exact name of Registrant as specified in its charter)

Not Applicable
(Translation of Registrant's name into English (if applicable))

Ontario, Canada
(Province or other jurisdiction of incorporation or organization)

1400
(Primary Standard Industrial Classification Code Number (if applicable))

Not Applicable
(I.R.S. Employer Identification Number (if applicable))

55 University Avenue
Suite 1105
Toronto, Ontario M5J 2H7
Canada
(416) 861-9797
(Address and telephone number of Registrant's principal executive offices)

C T Corporation System
1015 15th Street, N.W., Suite 1000
Washington, DC 20005
(202) 572-3111
(Name, address (including zip code) and telephone number (including area code) of agent for service in the United States)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Ticker Symbol(s)	Name of each exchange on which registered
Common Shares	**LGO**	**The NASDAQ Stock Market LLC**

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None
(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

For annual reports, indicate by check mark the information filed with this Form:

☒ Annual information form ☒ Audited annual financial statements

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report: 64,726,390

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

YES ☒ NO ☐

Indicate by check mark whether the registrant is an emerging growth company, as defined in Rule 12b-2 of the Exchange Act.

Emerging growth company ☒

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards† provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

Largo Inc.

EXPLANATORY NOTE

Largo Inc. (the "**Registrant**") is a Canadian corporation eligible to file its Annual Report pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended (the "**Exchange Act**"), on Form 40-F. The Registrant is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act. Equity securities of the Registrant are accordingly exempt from Sections 14(a), 14(b), 14(c), 14(f) and 16 of the Exchange Act pursuant to Rule 3a12-3 thereunder.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Certain statements in this Annual Report on Form 40-F are forward-looking statements within the meaning of Section 21E of the Exchange Act and Section 27A of the Securities Act of 1933, as amended (the "**Securities Act**"). Additionally, the safe harbor provided in Section 21E of the Exchange Act and Section 27A of the Securities Act applies to any forward-looking information provided pursuant to "Off-Balance Sheet Arrangements" and "Disclosure of Contractual Obligations" in this Annual Report on Form 40-F. Please see "Cautionary Statement Regarding Forward-Looking Statements" beginning on page 21 of the Management's Discussion and Analysis for the fiscal year ended December 31, 2021 of the Registrant, attached as Exhibit 99.3 to this Annual Report on Form 40-F, and "Cautionary Note Regarding Forward-Looking Information" beginning on page 1 of the Annual Information Form for the fiscal year ended December 31, 2021 of the Registrant, attached as Exhibit 99.1 to this Annual Report on Form 40-F.

DIFFERENCES IN UNITED STATES AND CANADIAN REPORTING PRACTICES

The Registrant is permitted, under a multijurisdictional disclosure system adopted by the United States, to prepare this Annual Report on Form 40-F in accordance with Canadian disclosure requirements, which are different from those of the United States.

The Registrant prepares its consolidated financial statements, which are filed with this Annual Report on Form 40-F, in accordance with International Financial Reporting Standards, as issued by the International Accounting Standards Board ("**IFRS**"). Such financial statements may not be comparable to financial statements prepared in accordance with United States generally accepted accounting principles.

Unless otherwise indicated, all dollar amounts in this Annual Report on Form 40-F are in United States dollars. The exchange rate of Canadian dollars into United States dollars, on December 30, 2021, based upon historical rates published by the U.S. Federal Reserve, was U.S.$1.00 = C$1.2777. The exchange rate of Brazilian Real into United States dollars, on December 30, 2021, based upon historical rates published by the U.S. Federal Reserve, was U.S.$1.00 = R$5.5749. The exchange rate of European Euro into United States dollars, on December 30, 2021, based upon historical rates published by the U.S. Federal Reserve, was U.S.$1.00 = €$1.1318.

Purchasing, holding, or disposing of securities of the Registrant may have tax consequences under the laws of the United States and Canada that are not described in this Annual Report on Form 40-F.

PRINCIPAL DOCUMENTS

Annual Information Form

The Registrant's Annual Information Form for the fiscal year ended December 31, 2021 is filed as Exhibit 99.1 and incorporated by reference in this Annual Report on Form 40-F.

Audited Annual Financial Statements

The audited consolidated financial statements of the Registrant for the fiscal year ended December 31, 2021, including the Independent Auditor's Report with respect thereto, are filed as Exhibit 99.2 and incorporated by reference in this Annual Report on Form 40-F.

Management's Discussion and Analysis

The Registrant's Management's Discussion and Analysis for the fiscal year ended December 31, 2021 is filed as Exhibit 99.3 and incorporated by reference in this Annual Report on Form 40-F.

CONTROLS AND PROCEDURES

Certifications

The required certifications are included in Exhibits 99.4, 99.5, 99.6 and 99.7 of this Annual Report on Form 40-F.

Disclosure Controls and Procedures

At the end of the period covered by this report, an evaluation of the effectiveness of the design and operation of the Registrant's "disclosure controls and procedures" (as such term is defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act) was carried out by the Registrant's principal executive officer (the "**CEO**") and principal financial officer (the " **CFO**"). Based upon that evaluation, the Registrant's CEO and CFO have concluded that, as of the end of the period covered by this report, the design and operation of the Registrant's disclosure controls and procedures are effective to ensure that (i) information required to be disclosed in reports that the Registrant files or submits to regulatory authorities is recorded, processed, summarized and reported within the time periods specified by regulation, and (ii) is accumulated and communicated to management, including the Registrant's CEO and CFO, to allow timely decisions regarding required disclosure.

It should be noted that while the Registrant's CEO and CFO believe that the Registrant's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the Registrant's disclosure controls and procedures will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

Management Report on Internal Control Over Financial Reporting & Auditor Attestation

This annual report does not include a report of management's assessment regarding internal control over financial reporting or an attestation report of the Registrant's registered public accounting firm due to a transition period established by rules of the Commission for newly public companies.

Changes in Internal Control over Financial Reporting

During the year ended December 31, 2021, there were no changes in the Registrant's internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the Registrant's internal control over financial reporting.

NOTICES PURSUANT TO REGULATION BTR

There were no notices required by Rule 104 of Regulation BTR that the Registrant sent during the year ended December 31, 2021 concerning any equity security subject to a blackout period under Rule 101 of Regulation BTR.

AUDIT COMMITTEE AND AUDIT COMMITTEE FINANCIAL EXPERT

Audit Committee

The Board of Directors has a separately-designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act for the purpose of overseeing the accounting and financial reporting processes of the Registrant and audits of the Registrant's annual financial statements. As of the date of this Annual Report on Form 40-F, the members of the Audit Committee are Koko Yamamoto, Daniel Tellechea and David Brace.

The Board of Directors of the Registrant has determined that all members of the Audit Committee are "independent," as such term is defined under the rules of The NASDAQ Stock Market LLC ("**NASDAQ**"). Further, the Registrant has determined that all members of the Audit Committee are financially literate, meaning that they must be able to read and understand fundamental financial statements.

Audit Committee Financial Expert

The Board of Directors of the Registrant has determined that the Chair of the Audit Committee, Koko Yamamoto is an "audit committee financial expert," as defined in General Instruction B(8)(b) of Form 40-F. The U.S. Securities and Exchange Commission (the "**Commission**") has indicated that the designation of Koko Yamamoto, as an audit committee financial expert does not make her an "expert" for any purpose, impose any duties, obligations or liability on her that are greater than those imposed on members of the audit committee and board of directors who do not carry this designation or affect the duties, obligations or liability of any other member of the audit committee.

CODE OF ETHICS

The Registrant has adopted a written code of ethics for its directors, officers and employees entitled "Code of Business Conduct and Ethics" (the "**Code**") that complies with Section 406 of the Sarbanes-Oxley Act of 2002 and with NASDAQ Listing Rule 5610. The Code includes, among other things, written standards for the Registrant's CEO, CFO and principal accounting officer or controller, or persons performing similar functions, which are required by the Commission for a code of ethics applicable to such officers. A copy of the Code is posted on the Registrant's website at www.largoinc.com under "About Us/Governance".

No substantive amendments to the Code were adopted during the year ended December 31, 2021. No "waiver" or "implicit waiver," as such terms are defined in Note 6 to General Instruction B(9) of Form 40-F, was granted relating to any provision of the Code during the year ended December 31, 2021.

PRINCIPAL ACCOUNTANT FEES AND SERVICES

PricewaterhouseCoopers LLP, Chartered Professional Accountants, serves as the Registrant's auditing firm. Aggregate fees billed to the Registrant for professional services rendered by PricewaterhouseCoopers LLP and its affiliates during the fiscal years ended December 31, 2021 and December 31, 2020 are detailed below.

Audit Fees

PricewaterhouseCoopers LLP agreed upon fees, excluding expenses, in each of the last two fiscal years for audit services were C$240,000 in 2021, and C$133,000 in 2020.

PricewaterhouseCoopers Brazil, external auditors of Largo Vanádio S.A. in Brazil agreed upon fees, excluding expenses, in each of the last two fiscal years were R$586,000 in 2021 and R$468,940 in 2020.

PricewaterhouseCoopers agreed upon fees were €70,000 for the fiscal year ended December 31, 2021 relating to PricewaterhouseCoopers Ireland, external auditors of Largo Commodities Trading Limited, in Ireland and €35,000 for the fiscal year ended December 31, 2020.

Audit-Related Fees

PricewaterhouseCoopers LLP fees incurred in each of the last two fiscal years for assurance and related services related to the performance of the auditor's review for the Registrant's financial statements not included in audit fees above were C$55,000 in 2021 and C$45,000 in 2020.

Tax Fees

PricewaterhouseCoopers LLP fees incurred in each of the last two fiscal years for professional tax services rendered were C$nil in 2021 and C$79,393 in 2020. The professional tax services related to corporate tax compliance, tax planning and other related tax services.

PricewaterhouseCoopers Brazil billed Largo Vanádio S.A. R$nil in the fiscal year ended December 31, 2021 and R$138,667 in the fiscal year ended December 31, 2020 for tax compliance in Brazil.

PricewaterhouseCoopers Ireland billed Largo Commodities Trading Limited €76,826 in the fiscal year ended December 31, 2021 for tax advisory services in Ireland and €113,386 for the fiscal year ended December 31, 2020.

All Other Fees

PricewaterhouseCoopers LLP fees incurred in each of the last two fiscal years for other advisory services rendered were C$62,769 in 2021 and $nil in 2020.

Pre-Approval Policies and Procedures

All audit and non-audit services performed by the Registrant's auditor must be pre-approved by the Audit Committee of the Registrant. For the fiscal year ended December 31, 2021, all audit and non-audit services performed by the Registrant's auditor were pre-approved by the Audit Committee of the Registrant, pursuant to Rule 2-01(c)(7)(i) of Regulation S-X.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2021, the Registrant does not have any "off-balance sheet arrangements" (as that term is defined in paragraph 11(ii) of General Instruction B to Form 40-F) that have or are reasonably likely to have a current or future effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

DISCLOSURE OF CONTRACTUAL OBLIGATIONS

The following table lists, as of December 31, 2021, information with respect to the Registrant's known contractual obligations:

	Payments Due by Period (All amounts in thousands of United States dollars)				
Contractual Obligations	**Less than 1 year**	**1-3 years**	**3-5 years**	**More than 5 years**	**Total**
Accounts payable and accrued liabilities	19,723	--	--	--	19,723
Long-term debt	15,000	--	--	--	15,000
Capital lease	563	1,799	366	--	2,728
Operating lease	229	143	--	--	372
Purchase obligations	--	--	--	-- --	
Management obligations	--	--	--	--	--
Other long-term liabilities	--	--	--	--	--
Total	35,515	1,942	366	--	37,823

INTERACTIVE DATA FILE

The Registrant will submit by amendment Exhibits 101 and 104 to this Annual Report on Form 40-F its Interactive Data Files. The amendment will be filed within the 30-day grace period provided by Rule 405(a)(2)(ii) of Regulation S-T.

MINE SAFETY DISCLOSURE

Pursuant to Section 1503(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 ("Dodd-Frank Act"), issuers that are operators, or that have a subsidiary that is an operator, of a coal or other mine in the United States are required to disclose in their periodic reports filed with the Commission information regarding specified health and safety violations, orders and citations, related assessments and legal actions, and mining-related fatalities under the regulation of the Federal Mine Safety and Health Administration ("MSHA") under the Federal Mine Safety and Health Act of 1977 (the "Mine Act"). During the fiscal year ended December 31, 2021, the Registrant had no mines in the United States subject to regulation by MSHA under the Mine Act.

CORPORATE GOVERNANCE

The Registrant is a "foreign private issuer" as defined in Rule 3b-4 under the Exchange Act and its common shares are listed on NASDAQ. NASDAQ Marketplace Rule 5615(a)(3) permits a foreign private issuer to follow its home country practices in lieu of certain requirements in the NASDAQ Listing Rules. A foreign private issuer that follows home country practices in lieu of certain corporate governance provisions of the NASDAQ Listing Rules must disclose each NASDAQ corporate governance requirement that it does not follow and include a brief statement of the home country practice the issuer follows in lieu of the NASDAQ corporate governance requirement(s), either on its website or in its annual filings with the Commission. A description of the significant ways in which the Registrant's corporate governance practices differ from those followed by domestic companies pursuant to the applicable NASDAQ Listing Rules is disclosed on the Registrant's website at www.largoinc.com under "About Us/Governance /Statement of Differences - Nasdaq ".

UNDERTAKING

The Registrant undertakes to make available, in person or by telephone, representatives to respond to inquiries made by the Commission staff, and to furnish promptly, when requested to do so by the Commission staff, information relating to: the securities registered pursuant to Form 40-F; the securities in relation to which the obligation to file an Annual Report on Form 40-F arises; or transactions in said securities.

CONSENT TO SERVICE OF PROCESS

The Registrant filed an Appointment of Agent for Service of Process and Undertaking on Form F-X with the Commission on May 19, 2021 with respect to the class of securities in relation to which the obligation to file this Annual Report on Form 40-F arises.

Any change to the name or address of the Registrant's agent for service of process shall be communicated promptly to the Commission by an amendment to the Form F-X referencing the file number of the Registrant.

EXHIBIT INDEX

Exhibit No.	Title of Exhibit
99.1	Annual Information Form of the Registrant for the year ended December 31, 2021
99.2	Audited Consolidated Financial Statements of the Registrant for the year ended December 31, 2021, together with the Auditors' Report thereon
99.3	Management's Discussion and Analysis of the Registrant for the year ended December 31, 2021
99.4	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the United States Securities Exchange Act of 1934
99.5	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the United States Securities Exchange Act of 1934
99.6	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the United States Sarbanes Oxley Act of 2002
99.7	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the United States Sarbanes Oxley Act of 2002
99.8	Consent of Independent Registered Public Accounting Firm - PricewaterhouseCoopers LLP (PCAOB ID: 271)
101*	XBRL Document
104*	Cover Page Interactive Data File

*To be filed by amendment within the 30-day grace period provided by Rule 405(a)(2)(ii) of Regulation S-T.

SIGNATURES

Pursuant to the requirements of the Exchange Act, the Registrant certifies that it meets all of the requirements for filing on Form 40-F and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Largo Inc.

By: /s/ Ernest Cleave
Name: Ernest Cleave
Title: Chief Financial Officer

Date: March 16, 2022

Exhibit 99.1



ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 31, 2021

Dated as of March 15, 2022

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This AIF, including documents incorporated by reference herein, contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities laws (together, "**forward-looking information**") concerning the Company's projects, capital, anticipated financial performance, business prospects and strategies and other general matters. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those included in the forward-looking information. The use of words such as "intend", "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward-looking information. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance are not statements of historical fact and may constitute forward-looking information. Statements relating to Mineral Resources are also forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the Mineral Resources described can be profitably produced in the future. There is no certainty that it will be commercially viable to produce any portion of the Mineral Resources.

Forward-looking information includes statements with respect to:

- the Company's sales operations and anticipated sales of vanadium products, ilmenite and TiO_2 and vanadium redox flow battery ("**VRFB**") products;
- the Company's goals regarding development of its projects, including, without limitation, further exploration and development of its properties, VRFB products, the construction of the ilmenite and titanium facilities;
- the Company's proposed plans for advancing its projects, including, without limitation potential future exploration and development projects and the continued development and commercialization of its VRFB products;
- the Company's expectations and proposed plans for Largo Clean Energy and its ability to vertically integrate its mining operations and its VRFB business;
- the competitiveness of the Company's VRFB products in the long duration energy storage (" **LDES**") systems market;
- the Company's expectations regarding its ability to profitability produce, market and sell ilmenite and TiO_2;
- expectations regarding the continuity of mineral deposits;
- the cost of producing and implementing the VRFB products;
- future prices of V_2O_5, V_2O_3, TiO2 and ilmenite;
- future production at our Maracás Menchen Mine;
- the extent and overall impact of the COVID-19 pandemic;
- the extent and overall impact of global supply chain delays;
- the results in the Technical Report including resource estimates;
- expectations regarding any environmental issues that may affect planned or future exploration and development programs and the potential impact of complying with existing and proposed environmental laws and regulations;
- receipt and timing of third party approvals;
- government regulation of mineral exploration and development operations in Brazil;
- expectations regarding any social or local community issues in Brazil that may affect planned or future exploration and development programs; and
- statements in respect of V_2O_5, V_2O_3, TiO_2, Ilmenite, and LDES systems demand and supply.

These statements and information are only predictions based on current information and knowledge, some of which may be attributed to third party industry sources. Actual future events or results may differ materially. Undue reliance should not be placed on such forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking information will not be realized.

The following are some of the assumptions upon which forward-looking information is based:

- that general business and economic conditions will not change in a material adverse manner;
- the continued and growing demand for LDES systems and the movement towards a low-carbon future;
- demand for, and stable or improving price of, V_2O_5, V_2O_3, FeV, ilmenite and TiO_2;
- that the Company will enter into agreements for the sales of vanadium, ilmenite and TiO_2 products on favourable terms and for the sale of substantially all of its annual production capacity;
- that the Company will enter into agreements for the sale and long-term maintenance of its VRFB products on favourable terms and at a sufficient volume to be profitable;
- the Company's ability to protect and maintain its intellectual property underlying its VRFB technology;
- the benefit of Largo Physical Vanadium Corp. ("**LPV**") to Largo's VRFB business and the vanadium market generally;
- receipt of regulatory and governmental approvals, permits and renewals in a timely manner;
- that the Company will not experience any material accident, labour dispute or failure of plant or equipment or other material disruption in the Company's operations at the Maracás Menchen Mine;
- the availability of financing for operations and development;
- the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis;
- that the estimates of the Mineral Resources and Mineral Reserves at the Maracás Menchen Mine are within reasonable bounds of accuracy (including with respect to size, grade and recovery);
- the Company's ability to attract and retain skilled personnel and directors; and
- the accuracy of the Company's Mineral Reserves and Mineral Resource estimates (including size, grade and recoverability) and the geological, operational and price assumptions on which these are based.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risks and uncertainties including, without limitation:

- volatility in prices of, and demand for, V_2O_5, V_2O_3,FeV, ilmenite and TiO_2;
- uncertainties regarding the rate of inflation and its effect on the profitability of long-term contracts;
- risks inherent in mineral exploration and development;
- uncertainties associated with estimating Mineral Resources and Mineral Reserves;
- uncertainties related to title to the Company's mineral projects;
- revocation of government approvals;
- the introduction of new LDES technology which "disrupts" the current market and impacts the competitive position of the Company's VRFB business;
- projecting costs of VRFB products given nascent LDES market and limited operating history of the Company's VRFB business
- tightening of the credit markets, global economic uncertainty and counterparty risk;
- failure of plant, equipment or processes to operate as anticipated;
- unexpected events and delays during construction and development;
- competition for, among other things, capital and skilled personnel;
- geological, technical and drilling problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- rising costs of labour and equipment;
- disruption caused by labour actions;
- risks associated with political and/or economic instability in Brazil;
- inherent uncertainties involved in the legal dispute resolution process, including in foreign jurisdictions;
- our ability to build, finance and operate our VRFB business;
- changes in income tax and other laws of foreign jurisdictions; and
- other factors discussed under "*Risk Factors*" in this AIF.

Assumptions relating to the potential mineralization of the Maracás Menchen Mine are discussed in the Technical Report which is available under the Company's profile on SEDAR and available on www.sec.gov.

Additional risks and uncertainties not currently known to the Company, or that the Company currently deems to be immaterial, may also materially and adversely affect the Company's business and prospects. Should one or more of these risks and uncertainties materialize, or should any of the underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking information.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. The reader is cautioned not to place undue reliance on forward-looking information.

The forward-looking information is presented for the purpose of assisting investors in understanding the Company's plans, objectives and expectations in making an investment decision and may not be appropriate for other purposes. This forward-looking information is expressly qualified in its entirety by this cautionary statement. Forward-looking information contained in this AIF or documents incorporated herein by reference are made as of the date of this AIF or the document incorporated herein by reference, as applicable, and are accordingly subject to change after such date. The Company disclaims any obligation to update any such forward-looking information to reflect events or circumstances after the date of such information, or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

CAUTIONARY NOTE TO UNITED STATES INVESTORS

Disclosure regarding the Company's mineral properties, including with respect to mineral reserve and mineral resource estimates included in this AIF, was prepared in accordance with NI 43-101. NI 43-101 is a rule developed by the Canadian Securities Administrators that establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects.

In accordance with NI 43-101, the terms "mineral reserve", "proven mineral reserve" and "probable mineral reserve" are Canadian mining terms as defined in accordance with NI 43-101 and the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM") - CIM Definition Standards on Mineral Resources and Mineral Reserves (the "**CIM Definition Standards**"), adopted by the CIM Council, as amended.

The United States Securities and Exchange Commission (" **SEC**") adopted amendments to its disclosure rules (the " **SEC Modernization Rules**") to modernize the mineral property disclosure requirements for issuers whose securities are registered with the SEC under the U.S. Securities Exchange Act of 1934 (the "**U.S. Exchange Act**"), which are codified in Regulation S-K subpart 1300. Under the SEC Modernization Rules, the historical property disclosure requirements for mining registrants included in SEC Industry Guide 7 have been replaced. As a foreign private issuer under United States securities laws that files its annual report on Form 40-F with the SEC pursuant to the multi-jurisdictional disclosure system ("**MJDS**"), the Company is not required to provide disclosure on its mineral properties under the SEC Modernization Rules and will continue to provide disclosure under NI 43-101 and the CIM Definition Standards.

The SEC Modernization Rules include the adoption of terms describing mineral reserves and mineral resources that are substantially similar to the corresponding terms under the CIM Definition Standards. As a result of the adoption of the SEC Modernization Rules, the SEC now recognizes estimates of "measured mineral resources", "indicated mineral resources" and "inferred mineral resources". In addition, the SEC has amended its definitions of "proven mineral reserves" and "probable mineral reserves" to be substantially similar to the corresponding CIM Definition Standards.

Shareholders resident in the United States are cautioned that while terms are substantially similar to CIM Definition Standards, there are differences in the definitions and standards under the SEC Modernization Rules and the CIM Definition Standards. Accordingly, there is no assurance any mineral reserves or mineral resources that the Company may report as "proven reserves", "probable reserves", "measured mineral resources", "indicated mineral resources" and "inferred mineral resources" under NI 43-101 will be the same as the reserve or resource estimates prepared under the standards adopted under the SEC Modernization Rules.

Shareholders resident in the United States are also cautioned that while the SEC now recognizes "measured mineral resources", "indicated mineral resources" and "inferred mineral resources", investors should not assume that any part or all of the mineralization in these categories will ever be converted into a higher category of mineral resources or into mineral reserves. Mineralization described using these terms has a greater amount of uncertainty as to their existence and feasibility than mineralization that has been characterized as reserves. Accordingly, investors are cautioned not to assume that any "measured mineral resources", "indicated mineral resources" or "inferred mineral resources" on the Company's projects are or will be economically or legally mineable.

Further, "inferred resources" have a greater amount of uncertainty as to their existence and as to whether they can be mined legally or economically. Therefore, shareholders resident in the United States are also cautioned not to assume that all or any part of the inferred resources exist. In accordance with Canadian rules, estimates of "inferred mineral resources" cannot form the basis of feasibility or other economic studies, except in limited circumstances where permitted under NI 43-101.

Accordingly, information contained in this AIF containing descriptions of mineral deposits may not be comparable to similar information made public by United States companies subject to the reporting and disclosure requirements under the United States federal securities laws and the rules and regulations thereunder. Shareholders resident in the United States are urged to consider closely the disclosure on technical terminology under the "Glossary" in this AIF.

MARKET AND INDUSTRY DATA

Market and industry data contained and incorporated by reference in this AIF concerning economic and industry trends is based upon good faith estimates of our management or derived from information provided by industry sources. The Company believes that such market and industry data is accurate and that the sources from which it has been obtained are reliable. However, we cannot guarantee the accuracy of such information and we have not independently verified the assumptions upon which projections of future trends are based.

OTHER INFORMATION

In this annual information form, references to "**Largo**", the "**Company**" and "**we**" mean Largo Inc. (formerly known as Largo Resources Ltd.) and its subsidiaries as applicable (unless the context otherwise requires). Unless stated otherwise, the share numbers, securities and price per security stated give effect to the 2021 Share Consolidation (as defined herein) of the Company's Common Shares on a ten (10) for one (1) basis effective March 4, 2021, notwithstanding that such amounts may relate to a period preceding the consolidation. The Common Shares began trading on a post-consolidation basis on March 8, 2021.

The disclosure in this AIF is supplemented throughout the year by, and is to be read in context with, subsequent continuous disclosure filings including news releases, material change reports, financial statements, management discussion and analysis and technical reports filed under NI 43-101. This AIF contains information which the Company believes, in context and in exercising its judgement, to be material. Information which the Company, in exercising its judgement, believes, in context, is not material (or, due to the passage of time, is no longer material), has not been included in this AIF.

QUALIFIED PERSON

Except as otherwise noted in this AIF, Mr. Paul Sarjeant, B.Sc. P. Geo is the Qualified Person (as that term is defined under NI 43-101) who has reviewed and approved the technical disclosure in this AIF. Mr. Sarjeant is the Manager, Geology of the Company. Mr. Guilherme Gomides Ferreira, BSc. (Min Eng), MAIG. an independent Qualified Person (as that term in defined under NI 43-101) and, is associated with GE21 Consultoria Mineral Ltda. ("**GE21**") and one of the authors of the Technical Report, has reviewed and approved the section entitled "Mineral Resource and Reserve Estimates" herein and the reconciliation of the Mineral Resource Estimate as of December 31, 2021. For a description of key assumptions, parameters and methods used to estimate Mineral Reserves and Resources, as well as data verification procedures and a general discussion of the extent to which the estimates may be affected by any known environmental, permitting, legal title, taxation, sociopolitical, marketing or other relevant factors, please see the Technical Report for our material property as filed by us on SEDAR at www.sedar.com and available on www.sec.gov .

CURRENCY PRESENTATION AND DATE OF INFORMATION

This AIF contains references to United States dollars, Canadian dollars, Brazilian reals and to the European Euro. All dollar amounts referenced herein, unless otherwise indicated, are expressed in United States dollars "$". Canadian dollars may be referred to as "Canadian dollars" or "C$". Brazilian reals may be referred to as "Brazilian reals" or "R$", and the European Euro may be referred to as "Euro" or "€".

The following tables set out the average annual exchange rates according to information published by the Bank of Canada and the resulting currency conversion if one US$, one Brazilian real and one € were exchanged for the equivalent in Canadian dollar(s).

	Year Ended December 31		
One US Dollar	**2021**	**2020**	**2019**
Closing in Cdn Dollar(s)	$1.2535	$1.3415	$1.3269
	Year Ended December 31		
One Brazilian Real	**2021**	**2020**	**2019**
Closing in Cdn Dollar(s)	$0.2325	$0.2625	$0.3371
	Year Ended December 31		
One Euro Dollar	**2021**	**2020**	**2019**
Closing in Cdn Dollar(s)	$1.4828	$1.5298	$1.4856

Based on information published by the Bank of Canada, (i) the value of one United States dollar, if exchanged for one Canadian dollar, would have been C$1.2794 for the month of December of 2021, (ii) the value of one Brazilian real, if exchanged for one Canadian dollar, would have been C$0.2263 for the month of December of 2021, and (iii) the value of one Euro dollar, if exchanged for one Canadian dollar, would have been C$1.4462 for the month of December of 2021.

On March 14, 2022, the indicative exchange rate for Canadian dollars in terms of the United States dollar, as quoted by the Bank of Canada, was $1.00 = C$1.2777, the exchange rate into R$, was 1 real = C$0.2511, and the exchange rate into €, was €1 = C$1.4010.

The information in this AIF is presented as of December 31, 2021, unless otherwise indicated. Statements relating to the currency of information without reference to a date and references to information being current as of "the date hereof" or "as of the date of this AIF" are current as of the filing date of March 15, 2022.

CORPORATE STRUCTURE

Incorporation and Registered Office

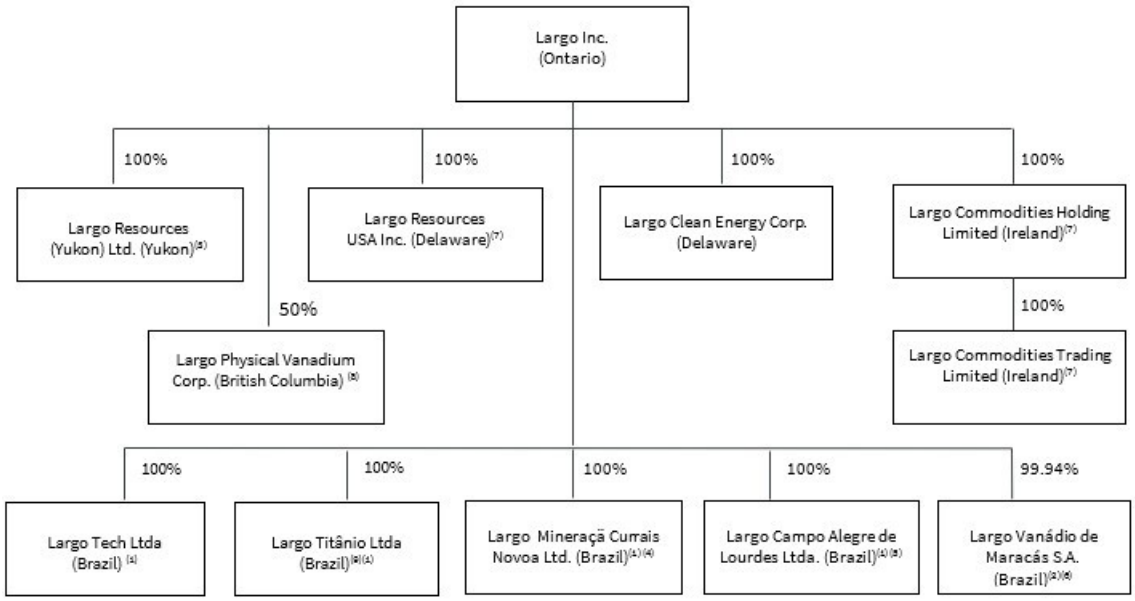
Largo is a company continued under the *Business Corporations Act* (Ontario). On November 8, 2021, the Company changed its name from Largo Resources Ltd. to Largo Inc.

The Company was originally incorporated under the name Kaitone Holdings Ltd. in the province of British Columbia on April 18, 1988. On September 3, 1991, the Company changed its name to Consolidated Kaitone Holdings Ltd. On May 8, 2003, the Company changed its name to Largo Resources Ltd. On June 10, 2004, the Company continued to the Province of Ontario and filed articles of amendment to amend its authorized share capital to an unlimited number of Common Shares. On October 17, 2014, the Company completed a consolidation of its Common Shares on the basis of one (1) post-consolidation Common Share for each ten (10) pre-consolidation Common Shares. On March 4, 2021, the Company completed a consolidation of its Common Shares on the basis of one (1) post-consolidation Common share for each ten (10) pre-consolidation Common Shares (the "**2021 Share Consolidation**").

The head office and registered office of the Company is located at 55 University Avenue, Suite 1105, Toronto, Ontario, Canada M5J 2H7.

Intercorporate Relationships

The following chart shows our principal subsidiaries, their jurisdiction of incorporation and the percentage of voting securities we beneficially own or over which we have control or direction:



Notes:

(1) Under Brazilian law, a corporation must have at least two shareholders or quotaholders, as applicable. Shareholders or quotaholders, as applicable, can be individuals or legal entities. Accordingly, Mr. Paulo Guimaraes Misk, President of the Brazilian operations of the Company, holds an interest of <0.001% (101 shares) and <0.017% (2 quotas) in the capital stock of Largo Mineração Currais Novos Ltda. and Largo Campo Alegre de Lourdes Ltda., respectively.

(2) The remaining shares of Largo Vanádio S.A. (" **VMSA**") are owned by Companhia Baiana de Pesquisa Mineral, an entity controlled by the Brazilian State of Bahia, see also "*Description of the Business - Material Project - Maracás Menchen Mine - Project Description, Location and Access*".

(3) Holds a 100% interest in the tungsten-molybdenum Northern Dancer Project in the Yukon, Canada.

(4) Holds a 100% interest in the tungsten tailings Currais Novos Project, in Brazil.

(5) Holds explorations rights and an option to lease the iron-vanadium Campo Alegre Project in Brazil pursuant to an agreement with CPBM**.**

(6) Holds a 100% interest in our Maracás Menchen Mine.

(7) These entities facilitate the Company's sales and distribution capabilities, see also *"Description of the Business - Marketing and Distribution"*.

(8) Incorporated on January 20, 2022. The remaining 50% interest is held by Term Oil Inc., LPV's Seed Investor, and currently in the process of completing a qualifying transaction (as defined in the TSXV Company Manual) with Column Capital Corp. ("**CCC**".) See "*Three-Year History*" for further details.

(9) Incorporated to hold the Company's titanium-related assets in Brazil.

GENERAL DEVELOPMENT OF THE BUSINESS

Largo is a Canadian natural resource and battery energy storage system company listed on the TSX (LGO), and NASDAQ (LGO).

We are one of the world's preferred vanadium companies focused on the production of vanadium pentoxide (V_2O_5) at our Maracás Menchen Project located in Bahia, Brazil, being the Company's sole material project for the purposes of NI 43-101. The Maracás Menchen Project consists of the currently operating Maracás Menchen Mine (Campbell Pit) and includes a number of other deposits being explored throughout the project area. The two most advanced projects are the Novo Amparo Norte ("**NAN**") and the Gulçari A North (" **GAN**") deposits. The Maracás Menchen Mine is our principal operating asset and has accounted for substantially all of our revenues since commencing operations in 2014. The Company is in the process of developing additional potential revenue streams from the deposit, including ilmenite and TiO_2 pigment.

Vanadium is primarily used as an alloy to strengthen steel and reduce its weight. Vanadium enhanced steels are currently used in a vast range of products including, rebar, automobiles, transport infrastructure and is increasingly being adopted in other products and applications that demand stronger and lighter steel.

We also have a portfolio of secondary projects consisting of (i) the Campo Alegre de Lourdes project, an iron vanadium property in Bahia, Brazil, (ii) the Northern Dancer project, a tungsten and molybdenum property in Yukon, Canada, and (iii) Currais Novos, a tungsten project. As of the date of this AIF, none of these projects are operational, and we do not consider any of these projects to be material properties.

Following the acquisition of VRFB technology in 2020, we began a strategic transformation to vertically integrate our vanadium products with our VCHARGE vanadium battery technology. Our VCHARGE batteries support improved reliability and grid stability and are an efficient, safe and ESG-aligned long duration solution that is fully recyclable at the end of its 25+ year lifespan. Uses of our VCHARGE batteries include, but not limited to, renewable integration, grid optimization, microgrid enablement, commercial and industrial energy independence and EV charging integration. The uses of the VCHARGE system are discussed in further detail in section entitled "*Description of the Business - Energy Storage*".

Three Year History

The following is a summary of the general development of the Company's business.

Equity Financings

On February 6, 2019, the Company filed a base shelf prospectus qualifying the distribution of up to C$750 million of securities of the Company. This base shelf was effective for a 25-month period which ended on March 6, 2021.

On June 4, 2021, the Company announced that it had obtained a receipt from the securities regulatory authorities in each of the provinces of Canada for a final short form base shelf prospectus qualifying the distribution of up to C$750 million of securities of the Company to replace the base shelf prospectus which expired on March 6, 2021. This base-shelf will be effective for a 25-month period which will end on July 4, 2023. A corresponding registration statement on Form F-10 was filed with the SEC under MJDS.

Senior Secured Notes

Between September 2018 and July 2019, the Company repurchased and retired all outstanding 9.25% senior secured notes issued on May 22, 2018 ("**Notes**") at redemption prices ranging between 103% and 105.625% of the principal amount of the Notes, plus accrued and unpaid interest due on the Notes. The final payment for the redemption of all outstanding Notes was made on July 7, 2019.

Debt Facilities

On March 18, 2020, the Company secured a $13.0 million credit facility with a bank in Brazil. This facility was fully drawn down and proceeds of R$65.96 million (13.0 million) were received on March 20, 2020. This facility was due to be repaid as a lump sum payment on March 12, 2021, together with accrued interest at a rate of 3.35% per annum. On January 29, 2021, the Company repaid in full the amounts owing under this facility

On March 24, 2020, the Company secured a $11.788 million credit facility with a second bank in Brazil. This facility was fully drawn down and proceeds of R$60.0 million ($11.788 million) were received on March 24, 2020. This facility was due to be repaid as a lump sum payment on March 18, 2021, together with accrued interest at a rate of 6.29% per annum. On February 3, 2021, the Company repaid in full the amounts owing under this facility.

Operations

On June 11, 2019, the Company announced the results of its 2019 exploration program returning a significant increase to the overall resource bases at its NAN deposit in Maracás, Brazil. The exploration program resulted in the conversion of Inferred Mineral Resources to Measured and Indicated categories, in addition to increasing the overall Inferred Mineral Resources. See *"Description of the Business - Material Projects - Exploration, Development, and Production".*

On June 19, 2019, the Company announced that, effective September 2019, Mr. Paul Vollant would be joining as Director of Sales and Trading with Largo Commodities Trading Limited ("**Largo Ireland**"). Mr. Vollant is tasked with leading the development of the Company's sales and trading business and building out the Company's presence in the global vanadium market. Mr. Vollant was promoted to the role of Vice-President, Commercial on April 1, 2022.

On August 20, 2019, the Company provided notice to Glencore International AG of the nonrenewal of its Offtake Agreement, terminating effective April 30, 2020, see *"Description of the Business - Marketing and Distribution"* .

On September 8, 2019, Paulo Misk, formerly Chief Operating Officer of the Company, was promoted to President and Chief Executive Officer, replacing the vacancy created by Mr. Mark Smith's departure from the Company. Concurrently, Mr. Alberto Arias was named non-executive Chairman of the Company's Board of Directors.

On October 21, 2019, Mr. Francesco D'Alessio joined Largo Resources USA Inc. (" **Largo USA**") as Head of Sales, Americas. Mr. D'Alessio will be supporting the Company's vanadium sales and trading business with a particular focus on North and South American markets.

In December 2019, the Company completed the Expansion of the Maracás Menchen Mine.

On January 22, 2020, the Company announced the launch of VPURE and VPURE+, newly developed brands for the Company's industry preferred line of vanadium products.

In April 2020, the Company constructed a chemical pilot plant to test the ability to further upgrade its potential ilmenite product to TiO_2 pigment. Test work to further understand and evaluate the Company's TiO_2 project remains on-going.

On April 30, 2020, the Company's Offtake Agreement with Glencore was terminated, and on May 14, 2020, the Company completed its first independent sales shipment of vanadium from Brazil outside of the Offtake Agreement.

In July 2020, the Company began construction of a vanadium trioxide processing plant at the Maracás Menchen Mine (the " **Vanadium Trioxide Plant**") which was completed in Q3, 2021, with ramp up in Q4 2021. The Vanadium Trioxide Plant is anticipated is expected to increase sales for the high-purity aerospace market, the chemical industry and for vanadium electrolyte used for vanadium redox flow batteries.

In June 2020, the Company's 2020 drill program recommenced following delays caused by the COVID-19 pandemic. All drilling personnel have followed the prescribed COVID-19 quarantine procedures before beginning work on site and Largo does not anticipate any further disruptions to the overall plan going forward. Additional drill equipment and crews were mobilised in July and August 2020 to increase the production of total meters drilled in order to maintain the planned drilling timeframes at the various targets. The Company completed 24,771 meters of drilling on the Near Mine Targets ("**NMT**") and within the Campbell Pit in 2020.

On December 8, 2020, the Company announced the launch of Largo Clean Energy Corp. (" **Largo Clean Energy**" or "**LCE**"), a newly formed subsidiary in Delaware (U.S.), following its acquisition on December 8, 2020, of the certain assets, primarily consisting of 12 patent families (the "**VionX Assets**") of VionX Energy Corporation ("**VionX**") from VXE (ABC) LLC, in its capacity as assignee for the benefit of the creditors of VionX. Concurrently, Largo also hired certain key team members who had previously been employed by VionX. VionX had been involved in the development and production of VRFB primarily for use in large scale energy grid storage solutions since 2002. Largo Clean Energy was launched so that the Company could develop a clean energy storage business with a goal of providing safe and sustainable VRFB systems to the fast-growing renewable energy market.

The VionX Assets were acquired for deemed net consideration equal to $4.366 million that was satisfied through the issuance of 251,845 Common Shares at a deemed price per Common Share of C$10.35 (2,518,453 Common Shares and $1.035, respectively, on a pre-2021 Share Consolidation basis) and warrants to acquire 362,201 Common Share exercisable at C$13.00 per Common Share (3,622,007 Common Shares and C$1.30, respectively, on a pre-2021 Share Consolidation basis) for period of five (5) years ending December 8, 2025. In connection with the transaction, Largo Clean Energy also entered into a non-exclusive license agreement with Raytheon Technologies Corporation in respect of certain technology to be used by Largo Clean Energy.

On January 11, 2021, the Company began a planned shutdown of its Maracás Menchen Mine to replace the kiln and cooler refractories. The shutdown resulted in approximately 20 days of downtime. The Company utilized this downtime to perform feed rate improvements on the kiln which increased the nameplate production capacity to 1,100 tonnes of V_2O_5 per month from 1,000 tonnes. The Company also conducted a preventative maintenance program downstream of the kiln and cooler during this time.

On June 9, 2021, the Company hosted an investor-oriented virtual 'Battery Day', during which the Company detailed a transformational strategic shift to the development and production of vanadium based electrical energy storage systems. The Company believes that vertically integrating its VRFB technology with its vanadium production operations creates a unique competitive advantage in the rapidly growing long duration energy storage market.

On July 20, 2021, the Company announced that LCE had entered into its first VCHARGE VRFB sales contract with Enel Green Power España ("**EGPE**"). Under the contract, LCE is obligated to deliver a five-hour, 6.1 MWh VCHARGE system for a project in Spain with expected commissioning in Q4 2022, subject to receipt of the notice to proceed from EGPE. On July 30, 2021, the Company announced that it had received the notice to proceed.

On August 19, 2021, the Company announced the release of its 2020 sustainability report, highlighting significant progress made by the Company with its environmental, social and governance priorities in furthering vanadium's role in the global green economy.

On September 23, 2021, the United States Department of Energy (" **DOE**") announced funding for research and development projects to scale up American manufacturing of flow battery and long duration storage systems. LCE is expected to receive $4.2 million of this funding to develop and demonstrate highly efficient manufacturing processes for affordable, grid-scale flow batteries. The receipt of funds is subject to the completion of the award negotiation with the DOE, which is expected to be completed within 60 days of the date of announcement.

On November 3, 2021, the Company announced the results of an updated mining plan for its Maracás Menchen Mine to provide enhanced access to the vanadium needed for the Company to continue to execute on its energy storage transition strategy. The mining plan also includes new cash flow generation from the production and sale of titanium dioxide pigment. An independent technical report has been prepared in respect of the Company's Maracás Menchen Mine in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects, which has been filed on SEDAR (www.sedar.com) and is available on EDGAR (www.sec.gov).

In November 2021, the Company's subsidiary, Largo Resources USA Inc., signed a 10-year exclusive off-take agreement with Gladieux Metals Recycling ("**GMR**") for the purchase of all standard and high purity grade vanadium products from GMR's recycling facility located in Freeport, Texas.

On January 18, 2022, the Company announced the appointment of Mr. Stephen Prince as President of LCE.

On February 3, 2022, the Company announced the creation of Largo Physical Vanadium Corp. and a proposed qualifying transaction pursuant to the policies of the TSX Venture Exchange with Column Capital Corp. (the "**CCC**"), a capital pool company, the terms of which are set out in a non-binding letter of intent dated February 1, 2022 (the "**LOI**"). Upon completion of the proposed qualifying transaction and associated regulatory approvals and subsequent financing, it is anticipated that the resulting entity will be named "Largo Physical Vanadium Corp." and will become a publicly listed physical vanadium holding company that will purchase and hold physical vanadium, amongst other things, for use in the Company's VCHARGE batteries.

COVID-19

The Company's Maracás Menchen Mine continued operations during the year ended December 31, 2021. The Company continues to monitor the evolving COVID-19 pandemic and has taken preventative measures at its mine site, LCE site and corporate offices to mitigate potential risks. Although there have been some challenges with logistics, there continues to be no significant impact on the Company's production or on the shipment of products out of Maracás. To date, there continues to be no significant disruption to the Company's supply chain for its operations and the level of critical consumables continues to be at normal levels. In addition, the restrictions imposed by the government in Brazil have not significantly impacted operations. The Company continues to follow the recommendations provided by health authorities.

The Company's 2022 guidance continues to be presented on a "business as usual" basis. The Company continues to monitor measures being imposed globally to reduce the spread of COVID-19, together with global supply chain disruptions and the impact that this may have on the Company's operations, sales and guidance for 2022. Although these restrictions have not, to date, had a material impact on the Company's operations and sales, the potential future impact of COVID-19 and supply chain disruptions could have a significant impact on the Company's operations, sales efforts and logistics. The Company is continuing to monitor the impacts of the COVID-19 pandemic and supply chain issues and will take all possible actions to help minimize the impact on the Company and its people. However, these actions may significantly change the guidance and forecasts presented and will, if and when necessary, update its guidance accordingly.

DESCRIPTION OF THE BUSINESS

General

On November 8, 2021, the Company changed its legal name from Largo Resources Ltd. to Largo Inc.

Largo is a Canadian domiciled company that has historically been solely committed to the production and supply of high-quality vanadium products. The Company recently announced its belief that the development and sale of vanadium based electrical energy storage systems to support the planet's on-going transition to renewable energy presents both an attractive economic opportunity for the use of the Company's vanadium products and an opportunity to enhance the Company's sustainability. Consequently, the Company is in the process of vertically integrating its highly efficient vanadium production operation with its vanadium-based energy technology to create a unique competitive advantage in the rapidly growing long duration energy storage market. The Company is confident that using its VPURE and VPURE+ products, which are sourced from one of the world's highest-grade vanadium deposits at the Company's Maracás Menchen Mine in Brazil, in its VCHARGE VRFB technology results in a competitive and practical long duration energy stage product.

The Maracás Menchen Project is the Company's sole material project for the purposes of NI 43-101. The Maracás Menchen Project consists of the currently operating Maracás Menchen Mine (Campbell Pit) and includes a number of other deposits being explored throughout the project area. The two most advanced projects are the NAN and the GAN deposits. The Maracás Menchen Mine is our principal operating asset and has accounted for substantially all of our revenues since commencing operations in 2014. The Company is in the process of developing additional potential revenue streams from the deposit, including ilmenite and TiO_2 pigment. The Company is organized and exists under the Business Corporations Act (Ontario) and its common shares are listed on the TSX under the symbol "LGO" and on the NASDAQ under the symbol "LGO".

Our VCHARGE batteries support improved reliability and grid stability and are an efficient, safe and ESG-aligned long duration solution that is fully recyclable at the end of its 25+ year lifespan. Uses of our VCHARGE batteries include, but not limited to, renewable integration, grid optimization, microgrid enablement, commercial and industrial energy independence and EV charging integration.

The current Technical Report, effective as of October 10, 2021, describes the Maracás Menchen Mine (Campbell Pit) as one of the world's highest-grade vanadium deposits with Proven Mineral Reserves of 15.64 million tonnes at an average grade of 1.22% V_2O_5 and 8.02% TiO_2 and with Probable Mineral Reserves of 2.21 million tonnes with an average grade of 1.02% V_2O_5 and 8.22% TiO_2. The GAN deposit has Proven Mineral Reserves of 12.10 million tonnes at an average grade of 0.49% V_2O_5 and 7.57% TiO_2 and Probable Mineral Reserves of 8.06 million tonnes with an average grade of 0.57 V_2O_5 and 8.33% TiO_2. The NAN deposit reports Proven Mineral Reserves of 17.43 million tonnes at an average grade of 0.70% V_2O_5 and 8.71% TiO_2 and Probable Mineral Reserves of 4.92 million tonnes with an average grade of 0.72% V_2O_5 and 8.76% TiO_2. The Maracás Menchen Project currently produces V_2O_5 products from the Campbell Pit and effective as of October 10, 2021 had an estimated mine life of over 11 years. Based on the current mine plan and the successful development of the NAN and GAN deposits mining is planned begin in 2032, at the conclusion of mining at Campbell. The GAN and NAN deposits are estimated to add an additional 10 years of mine life to the project based on Proven and Probable Mineral Reserves as set forth in the Technical Report.

Largo is currently one of the lowest cost producers of V_2O_5 in the world due to the characteristics of the Maracás Menchen Mine's ore body and our operating efficiency. Since the termination of our Offtake Agreement with Glencore effective April 30, 2020, Largo has been solely responsible for the sales, distribution and marketing of its vanadium products. The Company has an established team of sales professionals that lead global sales of its vanadium products, see "*General Development of the Business - Three Year History - Operations* ", and "*Description of the Business - Marketing and Distribution".*

The Company also has a portfolio of secondary projects consisting of (i) the Campo Alegre de Lourdes project, vanadiferous titano-magnetite property in Bahia, Brazil, (ii) the Northern Dancer project, a tungsten and molybdenum property in Yukon, Canada and (iii) Currais Novos, a tungsten project in Rio Grande do Norte, Brazil. As of the date of this AIF, none of these projects are operational and the Company does not consider any of these projects to be material properties.

The Vanadium Industry

Vanadium is a naturally-occurring, silvery-grey element with an atomic number of 23. It is not typically found as a free-form element in nature, but rather exists in an oxidation state as part of mineral deposits, including vanadinite, carnotite and magnetite ores, or within fossil fuels. Vanadium is harder than most metals, while retaining malleable and ductile features, and is corrosion-resistant to various chemicals, including alkalis, hydrochloric and sulfuric acids and salt water. Vanadium also has high melting and boiling points of 1910°C and 3407°C, respectively, enabling it to retain its solid form in a variety of external conditions.

These key properties make vanadium ideal for use in metal and steel alloying as it helps reinforce the level of strength, toughness and heat and chemical resistance required for various industry applications such as construction, aerospace and automobiles.

Vanadium consumption is mainly driven by its use in steel applications, which, as of 2021 is estimated to account for approximately 92.6% of total global consumption. Within this application, the use of vanadium can be further distinguished between the use of vanadium in high-strength low-alloy ("**HSLA**") steel, full alloy steel, carbon steel and other steels. HSLAs include small amounts of vanadium, niobium or titanium, or a combination of these microalloying elements, to induce higher strength and a finer-grained structure. The higher strength enables the use of smaller quantities of raw materials in many applications. HSLAs are considered to be a strong substitute for carbon manganese steel which has lower tensile strength.

The balance of global vanadium consumption, approximately 7.5% in total, is used for aerospace alloys, chemical catalysts and other specialty applications such as renewable energy. These industries and applications most often require high purity vanadium which command premium pricing.

Vanadium Demand Drivers

Reinforcing Steel Bars

In the construction industry, vanadium is used to achieve a certain level of tensile strength in reinforcing bars (" **rebar**") and other steel components used in the construction of bridges, tunnels and buildings. Historically, a significant portion of vanadium demand had been driven by "Grade-3" rebar standards in the western world. This end market experienced significant growth starting in 2004 when China adopted "Grade-3" rebar standards aimed at improving structural performance during seismic events. However, in recent years, demand in this application in China has been degraded by the illegal utilization of the quench and temper method (the "**Q&T method**"), which allows the steel to meet the "Grade 3" tensile strength requirements but not the critical elongation requirements that assure good performance in seismic activity. However, China responded to this trend and is aiming to prevent the use of the Q&T method through the introduction of new rebar specifications made effective November 1, 2018 that cannot be achieved with the Q&T method. This is currently causing Chinese producers of rebar to revert back to employing the use of vanadium alloyed steels. The revised standard also eliminates grade 2 rebar which is lower strength and can be produced without any microalloy.

Shifts in consumer preferences and government fuel efficiency standards requiring more fuel-efficient vehicles are encouraging automobile manufacturers to adopt HSLA steel in automotive applications. Vanadium-containing HSLAs and other high-strength steels provide the desirable physical properties required to meet crucial automotive standards, including stiffness, crash performance and forming characteristics, while remaining competitive with other lightweight alternatives, such as carbon fiber reinforced polymers. We anticipate this optimal cost-weight-strength ratio will drive vanadium demand in automotive end market uses.

High Performance Alloys

Vanadium is also used in the production of high performance alloys, specifically titanium alloys primarily used in the aerospace industry. Titanium-vanadium alloys' low density, high strength and excellent fatigue properties make it a key input to aerospace engines, gas turbines and airframes. Titanium-vanadium alloys accounted for approximately 2.0% of global vanadium consumption in the first three quarters of 2021. The aerospace industry was severely impacted in 2020 due to the COVID pandemic. A gradual recovery of demand for this sector started in 2021 and is expected to accelerate in 2022 to recover to pre-COVID levels by 2025.

Chemicals & Catalysts

Vanadium is used in catalysts for production of sulfuric acid and synthetic rubber as well as a wide range of small volumes applications in chemicals, such as corrosion inhibitors, medicine, dyes, and glass. These industries accounted for approximately 3.2% of global vanadium consumption in the first three quarters of 2021 and consumption remained strong throughout the year.

Energy Storage Systems

Over the long term, we expect new applications in the Energy Storage industry to drive incremental demand for vanadium use. These applications demand high purity vanadium content. While these sources of demand only account for approximately 2.9% of existing consumption as of Q3, 2021, we expect the ongoing fast growth for long duration energy storage to spur additional long-term demand for vanadium. Global climate change trends are also encouraging the research and implementation of battery systems to support renewable energy sources. VRFB, which use vanadium ~~ions~~ in different oxidation states to store ł energy, are considered to be a cost competitive alternative to lithium-ion technology for large scale, long duration energy storage. We believe our high purity products are well positioned to take advantage of this fast growing market.

Vanadium Supply Trends

Vanadium supply dynamics are primarily driven by both the nature of production methods and the location of vanadium sources. Because vanadium exists naturally in an oxidized form, it is typically derived from the processing of vanadium-bearing ores, slag or residues and then converted into an intermediate vanadium oxide product. The majority of vanadium is extracted from vanadium-bearing slag, a by-product of the steel making process in regions where vanadium-rich titaniferous magnetite ("**VTM**") deposits are present. VTM ores are processed in steel mills, with the vanadium-bearing slag subsequently processed for vanadium extraction. Due to its by-product nature, vanadium supply from steel production is generally price-inelastic with supply driven by underlying trends in the steel industry and competitiveness of the specific iron ore mines and steel mills utilizing VTM ore, rather than by output from primary mining operations. For example, significant growth in steel production in China from 2004 to 2014 resulted in an eightfold increase in vanadium slag production derived from steel making. In 2021, steel mills in China, Russia and New Zealand supplied approximately 70% of vanadium through their slag by-product.

The cost competitiveness of these sources is greatly influenced by the initial cost of the primary products, rather than the cost of extracting vanadium from the slag. This has meaningful implications on slag-sourced vanadium globally. While Chinese and Russian steel mills are the major sources of vanadium as a by-product from steel production, these sources are becoming less competitive in the global steel market since the locally sourced VTM ores used in these steel mills are typically high in titanium and low in iron. In particular, the uneconomic nature of these select VTM ores relative to seaborne iron ores that do not contain vanadium has led to diminished use of VTM ores in steel production at some vanadium producing mills. This has in turn led to a meaningful reduction in supply of vanadium from slag. Examples of such significant shutdowns include the liquidation of the Mapochs Mine following closure of Highveld Steel and Vanchem Vanadium Products in South Africa and discontinuation of the use of VTM ore at the Jianlong Steel Group's Heilongjiang steel mill. The continued growth in Chinese seaborne iron ore imports (which contain no vanadium) partially replacing locally mined VTM ore is expected to further limit vanadium supply from slag processing.

The next largest source of vanadium supply is from mining operations where vanadium is the primary commodity produced. Primary producers based in South Africa, Brazil and China extract vanadium directly from VTM ores, which accounts for 18% of supply. Because these projects are not associated with any steel processing, their relative cost competitiveness is largely influenced by mine-specific factors, most importantly ore grade. Primary production of vanadium in China is sourced from a carbonaceous shale known as stone coal, which contains a relatively low grade of 0.2% to 1.0% of vanadium. The Company's Maracás Menchen Mine is one of only three large-scale primary vanadium mines globally.

The remainder of global vanadium supply is derived from secondary vanadium sources. Secondary sources are derived from residues, ashes and spent catalysts that are a by-product of the burning or refining of vanadium-bearing carboniferous materials, including coal and oils. Similar to vanadium produced in the steel making process, the economic viability of these secondary sources depends largely on the underlying trends in the markets for other materials.

Owing to the inexpensive, but highly constrained quantity of vanadium supply from the steel making processes, and the challenging and often expensive processes of sourcing vanadium from primary and secondary sources, the cost curve is less responsive to changes in demand levels.

New primary sources of vanadium are expected to be relatively limited in the next few years due to the limited number, and stage of advancement of, projects expected to come online.

Vanadium Prices

According to the Fastmarkets Metal Bulletin, price of V_2O_5 in Europe increased significantly in 2021, starting the year at $5.40 per pound of V_2O_5 and ending the year at $8.75 per pound V_2O_5, averaging $8.24 per pound of V_2O_5 throughout the year as compared to $5.71 in 2020. From January 2022 to March 2022, the price of V_2O_5 has increased significantly and as of March 11, 2022, V_2O_5 was trading in the range of $12.00 to $12.50 per pound of V_2O_5 in Europe.

Energy Storage Business

The Company's energy storage business is run through its wholly-owned subsidiary, LCE, based in Wilmington, Massachusetts. LCE's business focuses on the manufacturing, sale, installation, and operation and maintenance of Largo's VRFB LDES. The product name VCHARGE denotes the scale, configuration, and services the battery renders to a customer.

LCE's systems allow for the storage of energy in chemical form and then convert the electrolyte into electric energy when needed. The VCHARGE battery system is most economical when the power system design requires repeated cycling for durations between 6 hours to 12 hours. The systems are frequently paired with renewable energy resources that require optimization via the VRFB due to the intermittency or insufficient durations of renewable energy production when reconciled with contracted supply agreements. LCE's VRFB systems are configured and enabled with embedded control systems that allow for a multitude of ancillary services as well as peak shaving and power shifting.

The Company's VCHARGE system uses patented battery technology and vanadium electrolyte processing and purification methods to provide a fully integrated renewable energy storage system comprised of power conditioning, system control and thermal management subsystems.

VRFBs can be preferred for use over non-vanadium-based LDES applications in densely populated and risk sensitive areas as the electrolyte solution used in VRFB is non-volatile, as it is neither flammable nor explosive as a result of its high-water content. VRFBs also have a comparatively long-life cycle due to the non-degrading properties of vanadium. The applications of the VRFB system include, but are not limited to:

- Renewable Integration: Enabling the shift of renewable generated electricity to align with consumer demand by storing and delivering clean energy to consumers or businesses when the renewables are otherwise not producing power.
- Utilities/Grid Optimization: Storing energy when electricity lines, substations, and other equipment have excess bandwidth and then discharge to handle power quality and ancillary services, which allows for delaying or avoiding upgrades of T&D assets.
- Mircogrids: Providing microgrids and island energy systems with a reliable source of clean energy, potentially enabling a full transition away from conventional generation with fossil fuels. VRFBs also provide a source of power for microgrids when access to neighboring grids is unavailable.
- Commercial and Industrial Energy Independence: Enabling a transition away from conventional fossil fuels utilizing long-duration renewable energy storage integration. VRFB systems can serve as excellent surrogates for balancing and reserves of PV and wind integration for commercial and industrial applications.
- EV Charging Integration: Reducing grid demands through ultra-fast 350kW charging. The inherent non-flammability of VRFB systems allows for installation near occupied structures like vehicle service stations, office parks, or parking garages.

Sales to Customers

On July 20, 2021, LCE entered into its first battery sales contract with EGPE to deliver a 5 hour 6.1 MWh VCHARGE vanadium redox flow battery system for a project in Spain.

The Company is in the process of finalizing the development of the VCHARGE+ system, an open battery solution which allows for the large-scale deployment of LCE's patented VRFB technology. The VCHARGE+ system leverages the same stack (reactor) building blocks as the VCHARGE system but is paired with significantly larger tanks of electrolyte without containerization for electrolyte containment. This configuration allows for the deployment of hundreds of megawatt hours being requested by developers of grid scale solar and wind projects. LCE continues to validate VCHARGE+ with regional environmental requirements and therefore this product configuration is still under development.

Production and Services

LCE's is currently in the process of building out its manufacturing and test facility in Wilmington, MA with an expected capacity of 1.4GWh per year. Battery stacks produced at the LCE facility will be transported to the project site, with other components sourced from regional/local suppliers.

Long-term service of LCE's VCHARGE system will be provided by LCE's team of engineers and project managers under a long-term services agreement. Depending on the location of a project, some technical aspects of the long-term service may be performed by local service providers, as agreed with the VCHARGE system customer, and in accordance with LCE's policies, procedures, and best practice.

Components

LCE's products are reliant on the availability and cost of a variety of components. Vanadium is the most expensive input material in the VCHARGE system. LCE is at a unique advantage as it is able to readily access high-quality vanadium given Largo's position as one of the world's largest high-quality vanadium producers. This is of crucial importance given the small size of the global vanadium market.

Other key components are sourced from external providers based on quality, availability and price. Such components include, but are not limited to, sulphuric acid, transformers, reclosers, inverters, and electrolyte tanks. Where possible, LCE plans to enter into long term agreements to secure predictable supplies of key inputs.

Intangible Properties

LCE holds issued and pending patents and licenses for the technology underlying its products in key jurisdictions such as the United States, Europe, Japan, Russia, China, and Japan, which are kept in good standing. The majority of such patents are valid for 20 years from the date of filing.

Economic Dependence

LCE's VCHARGE system incorporates patented technology for which LCE holds a license and is required to make a royalty payment of 7.5% of the net sales price for each VRFB system using the licensed technology sold after January 1, 2022**.**

Specialized Skill and Knowledge

All aspects of the business of the Company require specialized skill and knowledge. In connection with its vanadium production and sales business, such skill and knowledge include the areas of geology, drilling, logistical planning, engineering, construction, mine operations, metallurgical processing, environmental compliance and accounting.

The Company's VRFB business is highly dependent on specialized professionals including, without limitation, engineers with the necessary experience and knowledge in the LDESS sector to be able to successfully develop, implement and maintain the Company's VRFB products in a highly innovative and competitive market. Similarly, the VRFB business is dependent on the ability to attract and retain executives with the requisite knowledge and skill to run and market a VRFB business.

The Company employs or retains a number of technical personnel with relevant experience, education and professional designations, and constantly evaluates the need for additional employees and or consultants with particular expertise.

Competitive Conditions

The mineral exploration and mining business is a competitive business. The Company competes with numerous companies that have resources significantly in excess of the resources of the Company, in the search for (i) attractive mineral properties; (ii) qualified service providers and labour; (iii) equipment and suppliers; and (iv) purchasers for minerals produced. The pricing that the Company will receive for V_2O_5 produced from its projects will be based on global prices and, ultimately, factors that are significantly out of its control. The ability of the Company to acquire additional mineral properties in the future will depend on its ability to develop and operate its present properties, and also on its ability to select and acquire suitable producing properties or prospects for mineral development or exploration. See "*Risk Factors - Risks Related to the Business and Operations*".

The LDES market is still developing, with new and innovative products frequently coming to the market. Furthermore, the current emphasis on sustainability and the green economy, as discussed elsewhere in this Annual Information Form, is expected to lead to large scale growth in this sector. The Company competes against other LDES technologies on the basis of price, functionality, reliability, and safety, amongst other things. LCE is a recent entrant to the market and in the process of establishing itself as a supplier and long-term service provider.

Largo's ability to use electrolyte rented by its Customers from LPV in its VCHARGE and VCHARGE+ systems is expected to provide LCE's systems a significant cost advantage. The use of a vanadium-based electrolyte similarly offers advantages over lithium ion-based systems in the form of its ability to scale energy production economically, non-degradation over 25-year life, and nonvolatility of the electrochemistry.

Environmental Protection and Licensing and Permits

The current and future operations of the Company, including development and mining activities and the development, manufacturing, deployment, installation and maintenance of VRFB products, are subject to extensive federal, provincial (or state) and local laws and regulations governing, amongst other things, environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labour standards, occupational health, wastes disposal, greenhouse gas emissions, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations increases the costs of and delays planning, designing, implementation, drilling and developing the Company's properties and products.

In the case of our mining business, the Company is subject to various reclamation-related conditions imposed under federal or provincial rules and permits in connection with its development and exploration. See "*Risk Factors*".

Our VRFB business is also subject to environmental legislation and regulations relating to the lifecycle of our VRFB products which influence our development and deployment strategies. The Company helps reduces the EHS impact of our products by using a lifecycle approach.

Environmental licences associated with a mining project in Brazil involve the issuance of the relevant licences by a multidisciplinary technical review team appointed by the State Council for Environmental Matters ("**CEPRAM**") to review the project. This review team sets terms of reference for the environmental impact assessment ("**EIA**") and the Relatório de Impacto Ambiental (" **RIMA**"), an environmental impact report. The RIMA summarizes the full impact assessment so that it can be reviewed by the public. See "*Risk Factors - Risks Released to Brazil*".

Marketing and Distribution

Vanadium Sales

Global supply of vanadium is relatively concentrated and is not readily sold on global marketplaces. Benchmark prices are generally based on the London Metal Bulletin or CRU however, due to the supply and demand characteristics of vanadium, pricing is often difficult to ascertain and is subject to wide fluctuations, see *"Risk Factors - Risks Related to the Business and Operations - Our business is highly dependent upon the price of vanadium"*. Global demand for vanadium is not as robust as compared to other minerals and so the marketing of vanadium products and the identification of key consumers and markets is critical to the distribution and sale of vanadium.

During 2021, the price of V_2O_5 in Europe ranged from $5.80 to $10.00 per pound and, as at March 11, 2022, the range posted by Fastmarkets Metal Bulletin was $12.00 to $12.50 per pound.

With the termination of the Offtake Agreement, the Company is responsible for the marketing and distribution of all vanadium production including VPURE Flake, VPURE+ Flake and VPURE+ Powder.

Our sales and marketing teams are operating under Largo Ireland and Largo USA and have successfully built out the Company's global sales capacity for all vanadium products having sold 11,393 tonnes of V_2O_5 equivalent in 2021. Mr. Paul Vollant is VP Commercial with Largo, relocated from Ireland to Switzerland in Q1 2022 and is tasked with leading the Company's global sales and trading efforts with a focus on the global vanadium market. Mr. Francesco D'Alessio is Head of Sales, Americas with Largo USA and is tasked with expanding sales in North and South America.

The vanadium sales cycle commences in Q4 of the year preceding coincident with the main industry conferences in Europe and the United States. The Company intends to commit the majority of its anticipated annual vanadium production to annual sales contracts with remaining vanadium production being committed to spot sales. The Company has commitments for close to 80% of its 2021 vanadium production.

VRFB

Demand for long duration energy storage is fast-growing as governments and large organization push for net zero goals. While there are currently 210 MWh across 113 VRFBs installed globally, according to the Long Duration Energy Council, long duration energy storage will have to be scaled up to ~400x present day levels to 85-140 TWh by 2040 and 10% of all electricity generated would need to be stored in long duration energy at some point. (McKinsey & Company, 2021). VRFBs have emerged as a viable long duration (> 4 hour) renewable energy storage system and are considered a cost competitive alternative to lithium-ion technology with their safe and continuous energy storage over a 20+ year life cycle with zero degradation. The Corporation believes our VCHARGE system is well positioned to take advantage of this growing market demand.

Principal markets of the VCHARGE system are expected to be North America and Europe in the near to medium term. LDES systems are being solicited by utility companies and developers in both regions as they seek to incorporate higher percentages of renewable energy assets onto the electricity transmission systems. Commercial and Industrial customers seeking to improve resiliency, power quality, and flexibility while meeting ESG goals have also begun to look to VRFB solutions that have long asset life and non-volatile energy components. Microgrids continue to seek LDES as strive to achieve 100% renewable energy targets and cope with the intermittency inherent in the power production asset class.

Largo's sales and marketing teams, as described in the section above, are also responsible for the sales and distribution of the Company's VRFB products.

Maracás Menchen Mine

The terms of reference for the Maracás Menchen Mine EIA/RIMA included a social impact, alternatives, and archaeological assessment, in addition to the basic physical and biological environmental impact assessment. Generally, the following licences are issued by CEPRAM in order to bring a mine into production in the State of Bahia:

- localization license ("**LL**")
- installation license ("**LI**")
- preliminary operating license ("**LPO**")
- operating license ("**LO**")

Issuance of the LL allows the rest of the licensing process to proceed, and the EIA and RIMA are completed during this process. The LL involves the participation of the public and any non-government organization who wish to participate through public meetings. For the Maracás Menchen Mine, the Instituto do Meio Ambiente ("**IMA**"), the Bahia state environmental agency, hosted these meetings in February 2009 in Maracás and Porto Alegre, which are two towns located in the vicinity of the project site. Following this, IMA submitted the project to CEPRAM who at their April 2009 monthly meeting endorsed IMA's recommendation that the LL be granted. The LL is a very critical step in the environmental permitting process and concludes the active participation of the public.

The LI involves an approval process involving only Largo and the government agencies noted above. The process includes the submission of more detailed information regarding the project and a detailed description of the proposed environmental management system that was outlined in the LL documentation previously submitted.

The LO is granted during the final stages of commissioning and involves a site inspection by IMA, with the likely participation of CEPRAM, to confirm that the project has been constructed as planned and in accordance with the LI. For the Maracás Menchen Mine, Largo received its LL and LI, respectively, on May 13, 2009 and October 20, 2011. In May of 2014, Largo was granted its LPO for the Maracás Menchen Mine. The LPO is issued following completion of commissioning and prior to issuance of the LO for the project. The Company received the LO for the Maracás Menchen Mine in November 2014 which indicates that the plant was built, and was operating, according to its design specifications and environmental guidelines. The LO is valid for 2 years at which time it may be renewed for extension within 6 months of the LO's expiry date for an additional 2-5 years. The LO was last renewed in October 2018.

Employees

The Company and its material subsidiaries have approximately 478 persons on staff, working full time as either employees or on a consulting basis, and have also retained a service provider in Brazil who deploys approximately 759 additional persons. The Company also retains geologists, engineers, and other consultants on a contract basis as required. The Company has not experienced, and does not expect to experience, significant difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees can be retained by the Company when necessary. See "*Risk Factors - Risks Related to the Business and Operations"* .

Foreign Operations

At present, the Company's operating facilities are located in Brazil and the United States and its sales and trading functions are located in Ireland, Switzerland and the United States. Consequently, the Company is at the date of this AIF dependent on its foreign operations. See "*Risk Factors - Risks Related to Brazil"*.

Social and Environmental Policies

The Board of Director's of the Company recently adopted a People and Human Rights Policy (the " **Human Rights Policy**"), which will be available at www.largoinc.com. The Human Rights Policy articulates our responsibility respect all Human Rights in line with the UN Guiding Principles. Once communicated internally, the Human Right's Policy will be communicated to our suppliers and contractors.

The Company also has a Safety, Environment and Social Responsibility Policy (the " **SESR Policy**"), which is available on www.largoinc.com and is applicable to our director, officers, employees, consultants, and contractors. The SESR Policy outlines our expectation that Largo's business will be conducted in a safe and environmentally friendly manner, reflecting our high standards of corporate social responsibility. This Policy is reflected in the development and application of procedures and standards with our organization.

Material Project - Maracás Menchen Mine

Technical Report

At present, the only material project of the Company for the purposes of NI 43-101 is the Maracás Menchen Project. The Company plans to continue mining at the Campbell Pit and based on significant exploration and engineering work anticipates bringing the GAN and NAN deposits into the overall mine plan in the coming years. The Company will continue to mine for V_2O_5 as its primary metal but plans to also process non-magnetic concentrates from the V_2O_5 process stream to produce ilmenite for further processing to TiO_2 pigment. The Company intends to extend and increase production at the Maracás Menchen Project by developing the NAN and GAN deposits scheduled to begin mining operations when the Campbell Pit is depleted in 2032. The GAN and NAN deposits are expected to extend the mine life of the Project to 2041.

A report entitled "*An Updated Life of Mine Plan ("LOMP") for Campbell Pit and Pre-Feasibility Study for Novo Amparo Norte ("NAN") and Gulçari A Norte ("GAN") Deposits, Maracás Menchen Project Bahia, Brazil*" effective October 10, 2021 and issued on December 20, 2021 was prepared for the Company by GE21. The Technical Report is available under the Company's profile on SEDAR at www.sedar.com, on www.sec.gov, and on the Company's website at www.largoinc.com.

The following information is based, in part, on the Technical Report. Non-material updates since the date of the Technical Report are based on the Company's previously filed financial statements and MD&As. Readers are encouraged to review the complete text of the Technical Report. A full list of references cited by the authors are contained in the Technical Report. Porfírio Cabaleiro Rodriguez, Mining Engineer, BSc (Mine Eng), FAIG, Guilherme Gomides Ferreira, BSc (Mine Eng.), MAIG, Marlon Sarges Ferreira, BSc (Geo), MAIG, Fabio Valério Câmera Xavier, Geologist, BSc (Geo.), MAIG of GE21, are the Qualified Persons as defined in NI 43-101 responsible for the Technical Report and are all independent of the Company.

Project Description, Location and Access

The Maracás Menchen Mine is a high-grade, open pit vanadium mine located in the state of Bahia, Brazil that began producing V_2O_5 flake in the third quarter of 2014. The Campbell Pit Mine produces V_2O_5 rich ore which is sent to an on-site processing plant which produced 10,319 tonnes of V_2O_5 flake in 2021. Recent technical work indicates that modest grades of titanium can be recovered from the Campbell Pit. Additional work at the NAN and Gulçari A North GAN deposits has elevated these deposit to reserve level and they have been included into a new LOMP that gives the overall project an anticipated life to 2041. The NAN and GAN deposits will also be open pit deposits mined for both vanadium and titanium once brought onstream in 2032 when the Campbell Pit is depleted. The current NI 43-101 Technical Report contemplates a four phased approach to build an ilmenite concentration plant (the "**Ilmenite Plant**") and TiO_2 pigment plant (the "**Pigment Plant**") in 2022-2023. Subsequent phases will expand these plants to a maximum capacity of 425,000 tonnes per annum ilmenite concentrate and 120,000 tonnes per annum TiO_2. pigment. V_2O_5 flake production is projected to be approximately 13,000 tonnes per annum while Campbell Pit is being mined and will increase to approximately 15,900 tonnes per annum during the final phase of mining at NAN and GAN. As noted in the section entitled "*Description of the Business - Three-Year History*", the Vanadium Trioxide Plant was completed in Q3 2021, with ramp-up in Q4 2021 and the first shipments made in Q1 2022.

The Maracás Menchen Project is located within the greater municipality of Maracás in the eastern Bahia State Brazil and lies approximately 250 km southwest of the city of Salvador, the capital of Bahia. Access to the Maracás Menchen Project is via paved secondary road from the main coastal highway to the town of Maracás (350 km) and then a further 50 km via secondary highway and gravel road to the mine site. Access to water, the electrical power grid and railroad is within reasonable distance, and a trained workforce and local unskilled labour is available within the State of Bahia, the country of Brazil and the town of Maracás.

The property consists of eighteen (18) concessions totalling 17,690.5 hectares, and all permits are owned 100% by VMSA, which is controlled 99.94% directly and indirectly by Largo. Of this total, VMSA controls two mining permits of 1,000 hectares each, and one exploration permit (977.20 hectares). Largo controls the remaining fourteen exploration permits and final mining permit (1,713.88 hectares). All concessions are in good standing and there are no underlying royalty payments to any private entities. Companhia Baiana de Pesquisa Mineral ("**CBPM**"), an entity owned by the Bahia State Geological Survey, owns the underlying minerals rights to most of the project area, with the exception of NAN which is owned by VMSA. The properties are subject to the following royalties:

Deposit	Royalty Holder	Royalty or Fee
Campbell Pit	CBPM	3% of net revenues of vanadium products and ilmenite concentrate (sales revenue less taxes)
	Anglo Pacific PLC	2% Net Smelter Royalty on vanadium products and ilmenite concentrate (sales revenue less taxes, CFEM and CBPM)
	CFEM	2% fee on concentrate production (vanadium) and 2% of net revenues on ilmenite concentrate (sales revenue less taxes)
Gulçari A North (GAN)	CBPM	3% of net revenues on vanadium products and ilmenite concentrate (sales revenues less taxes)
	Anglo Pacific PLC	2% NSR on vanadium products and ilmenite concentrate (sales revenues less taxes, CBPM and CFEM)
	CFEM	2% fee on concentrate production (vanadium) and 2% of net revenues on ilmenite concentrate (sales revenue less taxes)
Novo Amparo (NAN)	CFEM	2% fee on concentrate production (vanadium) and 2% of net revenues on ilmenite concentrate (sales revenue less taxes)

Otherwise, the concessions are free and clear of mortgages, encumbrances, prohibitions, injunctions and litigation.

Exploration licences are granted by the National Mining Agency (" **ANM**") based on an approved plan for a period of one to three years, with an option to extend for an additional three years. Annual fees of R$3.29 per hectare are paid on the first term and R$5.00 per hectare are paid on the second term. Once the exploration plan is completed, the licensee must submit a final exploration report and if the report is approved, they have up to one year to apply for an extraction licence. Once ANM has approved the final report carried out under the exploration licence the applicant moves to an extraction licence application. The extraction licence describes the details of an economic analysis of the project including environmental impacts, methods of operation and a plan for mine closure. Once approved by the ANM, exploitation permits are granted. Royalties are then payable to the government on products mined.

Largo reports that, to its knowledge, there are no existing permitting, environmental liabilities or other significant factors that would affect title or access with respect to the Maracás Menchen Mine.

History

Over the past 40 years, the Maracás Menchen Project has undergone several phases of exploration and economic evaluation, including geophysical surveys, prospecting, trenching, diamond drilling programs, geological studies, resource estimates, petrographic studies, metallurgical studies, mining studies and economic analyses. These studies have advanced the Maracás Project to its present status of an operating mine.

Exploration of the Rio Jacaré Sill by geologists of the CBPM initiated in 1980 during a regional geological survey and resulted in the discovery of VTM occurrences on what is now the Maracás Menchen Mine. Additional geological mapping, geochemistry, geochemical surveying, pitting, trenching and limited drilling was completed by CBPM.

In 1984 the CBPM formed a joint venture with the Odebrecht Group (" **Odebrecht**") who took over exploration of the project area and over the subsequent six years completed extensive geological and technical work. This work resulted in Odebrecht owning 93% of the project. In the early 1990's Odebrecht formed a 50/50 joint venture with CAEMI (Vale) with the intent of bringing additional mining, metallurgical and marketing expertise to help advance the project. Substantial work including diamond drilling, metallurgical studies, resource calculations and mine planning were carried out and numerous prefeasibility, feasibility and marketing studies were completed culminating in a 1999 Economic Update Report. In 2006, Largo (through VMSA) signed an option agreement with Odebrecht and Vale for the Maracás Mechen Project giving Largo the right to acquire a 90% interest in the project. In 2012, largo exercised the option and acquired the interests of both Odebrecht and Vale resulting in VMSA owing 99.94% of the Maracás Mechen Project. Since the acquisition Largo has completed additional detailed engineering work and began construction of the Maracás Menchen Mine in June 2012. The Maracás Menchen Mine was commissioned March 2014 and production has steadily increased from 5,810 t/a in 2015 to 10,319 t/a in 2021.

Geological Setting, Mineralization, and Deposit Types

The Rio Jacaré Sill (the "**RJS**") is a mafic-ultramafic intrusion, which hosts the Maracás Project vanadium mineralization, and is located in the south-central part of Bahia state in northeastern Brazil. It lies within the Archean São Francisco craton, which in this area is composed of the Contendas-Mirante Complex and the Gavião and Jequié blocks. The RJS is located on the eastern edge of the Contendas-Mirante supracrustal sequence, which forms a large anticlinorium trending approximately north-south. The supracrustal rocks are located between the early Archean Gavião block to the west, which is composed predominantly of tonalite-trondhjemite granodiorite, and the Archean Jequié block to the east, which is composed predominantly of charnockite and enderbite intrusive rocks with strong calc-alkaline affinities and granulite facies metamorphic rocks. The Contendas-Mirante sequence is thought to be younger than the adjacent Gavião and Jequié blocks and consists of an Archean basal volcanic unit overlain by a Paleoproterozoic member containing flysch and metavolcanic rocks that are overlain by a clastic member.

The RJS is composed mainly of gabbro. The intrusion has been described previously as a sill intruded into the volcanic rocks of the lower unit of the Contendas-Mirante gneissic complex. However, the RJS is fault bounded to the east and west, and therefore, its contacts with both the Contendas-Mirante sequence and Jequié block are tectonic.

The RJS is a linear, sheet-like structure that strikes N 20 º E and dips approximately 70° to the east. The intrusion has been identified over a length of 70 km and has an average width of 1.2 km. The Campbell Pit contains the largest concentrations of vanadium-rich magnetite known on the property to date. This deposit crops out over an area of approximately 400 m along strike, up to 150 m width and is known to extend to approximately 350 m vertical depth, where it remains open. The Campbell Pit has been disrupted by northwest-southeast faulting. It is composed of magnetite grading into magnetite-rich pyroxenite, pyroxenite, and then gabbro which contains layers or lenses of magnetite-bearing pyroxenite that are sometimes sheared. The main magnetite body is on average about 25 m thick and thins to the south.

Within the Maracás Menchen Project the RJS can be traced for at least 10 km underlying the exploration permits north of the Campbell Pit. Six known VTM deposits including the Campbell Pit, GAN, São José ("**SJO**"), Novo Amparo ("**NAO**") and NAN, (collectively the "**Near Mine Targets**" or "**NMT**", also referred to as 'Satellite Deposits' in the Technical Report) have been identified within the intrusion. The RJS can be traced a further +25 kilometers south of Campbell Pit and Largo controls much of this area with additional exploration permits. Numerous targets of interest have been identified in the "South Block" exploration area and the Company is systematically reviewing and exploring these areas.

The NMT are also defined as VTM deposits and bear many of the same features of Campbell Pit. The deposits consist of magnetite closely associated with pyroxenite layers and hosted in gabbro. The magnetite layers have widths between <5 to +13 m and lengths of up to 250 m, with the layers being locally truncated or offset by faulting. Titanium rich layers have been identified throughout the stratigraphic sequence.

Based on extensive drill programs in 2018, 2019 and 2020, re-logging of holes from historic drilling campaigns, geological mapping and geophysical signatures, the RJS was interpreted as similar to tube/funnel transition "Eagle/Kalatonke Type" mafic to ultramafic layered intrusion, a pathway stagnated magmatic chamber with periodical injections of magma denominated as magmatic cycles. Cycles are divided according to the phase stratification of the mineral magnetite. Processes such as fractional crystallization and magma mixing are highlighted as the main drivers to changes in parameters such as pressure and oxygen fugacity, which provided for the formation of known mineralisation.

In total, 10 magmatic cycles have been identified in RJS, in response to successive magma inputs in an open system (cycle C1 to cycle C10). Cycles C1 to C3 appear to be restricted to the Campbell Pit, where more robust layers of magnetite and ultramafic rocks were formed. These layers are currently being mined in the Gulçari A (Campbell Pit) deposit. Cycles C4 to C10 have been defined to the north and south beyond Campbell Pit, with successive layers of magnetite associated with mafic rocks such as magnetite-gabbro, gabbro to anorthosite. These layers give rise to the deposits called NMT in the RJS. This genetic model may also explain the higher levels of vanadium in the Gulçari A deposit, associated with more primitive magmas richer in vanadium metal. Elevated TiO_2 values appear to be associated with the higher stratigraphic levels of the overall complex. Titanium is incompatible within the magnetite crystal structure enriching the residual magma.

Sulphides account for up to 1% of the rock in the magnetite. The major phases are chalcopyrite and pentlandite with only very minor pyrite and pyrrhotite. High platinum and palladium ("**PGM**") values have been found in the magnetite zones in the RJS. The association of PGM enrichment with magnetite layers in the RJS has similarities with the Rincón del Tigre, Skaergaard and Stella Complexes as well as the Bushveld Complex.

Exploration

Exploration was undertaken by several parties prior to Largo's engagement in 2006. This work consisted of geological mapping, sampling, trenching, drilling, resource modelling and a series of metallurgical testing and resource studies culminating in several pre-feasibility and feasibility studies.

Beginning in 2007, Largo carried out significant geological work and interpretation over the project area, including check assaying and relogging of historical drill core where available. The entire property has been covered by 175 line-km of line cutting. The grid lines are 2.5 km long and oriented east-west with 100-m line spacing and 25-m stations along the lines. This line cutting work was done to facilitate geological mapping, sampling and ground geophysical surveys (magnetic and induced polarization). Geological mapping was done at a scale of 1:2,500 over the entire property concentrating on favourable areas that had a limited amount of information. This work was completed to gain a better understanding of the area's potential prior to conducting further drill testing.

Ground magnetic surveying (175 line-km) was completed over the entire property and total of 136 line-km of induced polarization surveying was completed on the property to help define magnetic horizons within the RJS. Geophysical surveys were important during the early of work to define targets for future drilling.

Data compilation, re-logging and additional resampling of previously drilled holes (1981 to 1986) were undertaken. This work was done to correlate the lithologies between holes and from section to section, and to test the platinum and palladium potential of the deposit to better understand the geological setting.

Exploration has resulted in significant opportunity to advance the NMT to host Mineral Resource estimates in support of the overall mine complex and long-term mine planning.

Ongoing exploration is conducted at the Maracás Menchen Project with the primary goal of supporting mining activities and increasing estimated Mineral Resources and Mineral Reserves available for mining. All existing exploration information is being compiled into a comprehensive 3D models to allow for evaluation and prioritization of exploration efforts.

Exploration work to date has led to a better understanding of the geology and controls on mineralisation with the RJS. The Company now has a strong understanding of the distribution of mineralised cycles in the area immediately to the south and to the north of the Campbell Pit. South Block exploration is at a relatively early stage, but the understanding gained to this date will positively impact exploration planning and execution in future years. Exploration work to date has identified numerous cycles within the RJS that host both vanadium and titanium mineralisation up to 25 km south of Campbell Pit.

Drilling

Mineral Resources and Reserves are estimated based on information from surface drill holes. Prior to Largo's activity at the Maracás Project, previous operators had drilled 53 diamond drill holes (5,153 meters) on the Gulçari A deposit (Campbell Pit), and 13 diamond drill holes (661 meters) on targets within the overall mine property. Largo completed four exploration drill campaigns at the Maracás Project (2007, 2008, 2011-2012 and 2017) with 57 drill holes (14,634 meters) at Campbell Pit including 103 drill holes (12,960 meters) defined as infill for resource development. A further 91 drill holes (20,348 meters) targeting the NTM deposits and 4 drill holes (629 meters) targeting South Block anomalies. In 2018 the Company undertook an in-fill pit drilling program of 31 holes (2,323 meters designed to further identify and delineate 2 to 3 years of mining at the Campbell Pit. In the same year Largo drilled 24 holes (4,223 meters) of drilling at NAN to advance the deposit and drilled 14 holes (2,219 meters) on targets in the South Block. In 2019 the Company completed 5 holes (1,925 meters) testing depth potential of mineralisation below the expected pit shell at Campbell Pit and 123 drill holes (17,930 meters) at the NTM deposits is support of resource estimation. Exploration work continued in 2020 with 18 holes (4,755 meters) drill at Campbell Pit as a continuation of the deep drilling program and to better define lateral extents of mineralisation. That same year 107 drill holes (20,010 meters) were completed on NTM deposit, dominantly at the NAN and GAN deposit to aid in resource development.

In 2021 the Company completed 57 drill holes (8,838 meters) across the Maracás Menchen Project area. Most work was focused at Campbell Pit with an in-fill drill program of 26 drill holes (2,248 meters) in advance of a new short-term mine plan model and 7 drill holes (2,337 meters) continuing depth and lateral extension drilling. A limited number of holes were drill at the NMT. In total 8 drill holes (1,998 meters) were drill in support of the Technical Report and testing geophysical anomalies east of the Campbell Pit. Drilling concluded in 2021 with 15 drill holes (2,255 meters) testing two targets in the South Block.

Drilling has allowed the Company to advance both the GAN and NAN deposits into the overall mine plan and has led to the conversion of significant tonnes of mineralisation into both mineral resource and reserve categories for future mine planning. Other NMT (SJO and NAO) are currently in the process of being modelled for resource updating. The drilling indicates both deposits can be traced along strike over distances from 500 to +700 m. Both targets have intersected mineralisation to depths of +150 m below surface. In the South Block, limited drilling has been completed and work continues in to better understand the various cycles of mineralisation and their relationship to the well developed model at Campbell Pit and the NMT. To date, the results indicate that numerous potential targets for additional drilling exist and future work will focus on developing these prospective areas.

For additional information on more recent drilling carried out on NAN see *"Description of the Business - Exploration, Development and Production"*.

Sampling, Analysis, and Data Verification

Several periods of diamond drilling by different operators have resulted in somewhat varying sampling procedures. The actual sampling method carried out by CBPM (1981 and 1983) is not known, but during visits to the core facility it was observed that the core had been carefully half cut with all holes available for inspection. Clearly marked sample intervals were evident in all core boxes and it was concluded that sampling had been carried out in a very professional manner.

Drill core sampling during the Odebrecht period was also completed to industry standards and half sawn core was carefully logged and sampled. Sampled core was secured and shipped via commercial trucks to SGS GEOSOL Laboratorios Ltda. ("**SGS**") (1983-1987) and Paulo Abib Engenharia S.A. laboratory (1985 to 1987) both located in Belo Horizonte. In total, 1,675 core samples were analysed at SGS and Paulo Abib Engenharia. Samples were analysed for FeO, Fe_2O_3, SiO2, TiO_2 and V_2O_5.

In 2006 and 2007, Largo undertook an extensive program of core relogging and sampling. Largo personnel collected quarter cut drill core samples which were then placed into sealed in plastic bags with corresponding sample tags. Samples were shipped via company truck to Salvador where they were handed over to a commercial trucking company for shipment to SGS in Belo Horizonte. Analytical quality control utilized by Largo included the insertion of blanks, referenced material samples and duplicates on a regular basis for all batches submitted for analysis. CBPM and Odebrecht sample pulps remain available to Largo.

All sample preparation and analysis of drill core from the 2006/2007 resampling program and all Largo directed drill programs were performed by SGS in Belo Horizonte, Brazil and Lakefield Ontario, Canada. During infill drilling at the Campbell Pit in 2012 both SGS in Belo Horizonte and Intertek in Cotia, Brazil were used for sample preparation and analysis. Samples were analysed for FeO, Fe2O3, SiO2, TiO2 and V_2O_5 by the XRF method and for platinum and palladium by 50 g fires assay at SGS. This was modified to a 20 g fire assay for the 2007 and later drill programs. SGS "complies with the requirements of the international standards ISO 9001:2000 and ISO 14001:2004 for chemical analysis and geochemistry of soils, rocks and ores" (SGS Minerals, 2006). Intertek also complies with ISO 9001:2008 for chemical analysis and geochemistry of soils, rocks and ores.

In 2015 Largo initiated Davis Tube test work to improve their understanding of vanadium in the ore at the Campbell Pit. This work was used to determine the magnetic percentage and the SiO2 and V_2O_5 grades in the magnetite concentrate. This work was completed by SGS. In total, 7,567 pulp samples collected from previous drill programs were analysed. A pulp duplicate, and one certified standard were inserted into every 40 sample batch.

Data verification work completed by Largo and Micon has led to confidence in the database compiled by the original owners of the property. Largo's ongoing quality assurance and quality control program has also led to confidence in the newly generated data.

In 2018-2019, Largo engaged SGS Geosol Laboratories, Brazil, based in Belo Horizonte for all drilling and sampling preparation and analytical services.

In 2020, Largo engaged ALS Global Brazil, based in Belo Horizonte for all sample preparation and analytical procedures. ALS Global operates under ISO 17025 quality management system. To greater generate a greater density database for Campbell Pit, NAN and GAN block models ALS was also contracted to pycnometer density tests.

In 2021, Largo re-engaged SGS Geosol Laboratories, Brazil based in Belo Horizonte for all sample preparation and analytical procedures. SGS is a ISO 9000-2001 certified laboratory.

Mineral Processing and Metallurgical Testing

The original vanadium process design was based primarily on the metallurgical test work performed by SGS in 2007, a study undertaken by IMS Processing plant in 1990, a feasibility study completed by Lurgi in 1986, a metallurgical study performed by Rautaruukki Oy Research Centre between 1987 and 1989, and the detailed technical study produced by Engenharia e Consultoria Mineral S.A. (ECM) in 1990. A list of metallurgical and process technical and economic references can be found in Section 13.2 of the Technical Report.

Test work was undertaken by SGS between April and November 2007 to investigate the recovery of vanadium from the Maracás Project mineralization. This program included mineral processing investigations using magnetic separation to recover vanadium contained in magnetite and hydrometallurgical extraction using roasting, leaching, precipitation and calcining to produce an intermediate vanadium oxide product. Additional SGS test work was undertaken in 2012 to investigate beneficiation recoveries and concentrate analyses for the additional ore-bodies included in the expanded plan presented in the Technical Report.

Pilot scale testing was undertaken by Largo in 2010 to test bulk samples of high grade and low-grade ore with respect to recovery and leaching performance.

After completion of the Definitive Feasibility Study ("**DFS**") in 2010, at the request of the financing bank's technical consultant, a pilot scale program was initiated to prove the viability of producing V_2O_5 from the Maracás Project ore and to confirm the process data reported in the feasibility study. Test work was done at Fundação Gorceix and involved obtaining a sample of the Maracás Project ore, beneficiating the ore to produce a V_2O_5 concentrate and then roasting the concentrate in a kiln to convert vanadium into a soluble form.

The roasted concentrate was then leached in water to produce a vanadium solution that was further processed through desilication and ammonium metavanadate ("**AMV**") precipitation steps. The AMV thus produced was then analyzed and calcined at SGS to produce V_2O_5. The complete process route has been described in the DFS.

It was not possible with available facilities to pilot the production of V_2O_5 and Ferrovanadium from AMV. Since these are state of the art technologies utilized by major Ferrovanadium producers their exclusion from the pilot program was considered acceptable as long as the AMV produced was of acceptable quality.

Between 2019 and 2021 Largo undertook significant metallurgical recovery and process work on the titanium present in the deposits. This work showed that titanium in all deposits is associated with ilmenite making it possible for recovery. Advanced tests were carried from March to October 2020 at the SGS Geosol laboratory in Belo Horizonte and the VMSA laboratory under the direction of Largo personnel for the titanium bearing mineralisation at Campbell Pit. The titanium process material is the non-magnetic material rejected from the vanadium concentration process and so it is easily incorporated into the current mineral processing flowsheet at Maracas. Test results showed that ilmenite, a by-product of the magnetic concentrate process for the V_2O_5 ore material could be successfully concentrated and further processed to produce an acceptable TiO_2 pigment product.

Testing at NAN for both vanadium and titanium recovery were carried out by SGS Geosol laboratory in Belo Horizonte and the VMSA laboratory at the mine site from March 2019 to June 2020. Results for both V_2O_5 flake recovery, ilmenite concentration and TiO_2 pigment processing were positive. Like Campbell Pit, titanium is concentrated in the non-magnetic reject of the standard vanadium concentration process.

Metallurgical test work for both vanadium and titanium recovery on the GAN deposit was undertaken by MinPro Solutions, Technological Characterisation Laboratory at the University of Sao Paulo and the VMSA laboratory from June to November 2020. Similar to Campbell and NAN, test results showed excellent recoveries of V_2O_5 flakes and recovery of ilmenite and further processing to TiO_2 pigment could be achieved.

Mineral Resources and Mineral Reserve Estimates

Mr. Guilherme Gomides Ferreira, BSc. (Min Eng), MAIG. an independent Qualified Person (as that term in defined under NI 43-101) and one of the authors of the Technical Report, has reviewed and approved the information contained in this section, including, without limitation, the reconciliation of the Mineral Resource Estimate at of December 31, 2021.

On November 3, 2021 Largo disclosed Mineral Reserve and Mineral Resource estimates with an effective date of October 10, 2021 in a report titled *An Updated Life of Mine Plan ("LOMP") for Campbell Pit and Pre-Feasibility Study for NAN and GAN Deposits, Maracás Menchen Project, Bahia, Brazil*, prepared by GE21 Consultoria Mineral. The full report was filed on SEDAR December 20, 2021.

The Mineral Resources for the Campbell Pit are estimated from drill core information stored in a secured central database and were evaluated using a geostatistical block modelling approach. A three-dimensional block model was generated to enable grade estimation. The selected block size was based on the geometry of the domain interpretation and the data configuration. A block size of 5 m E by 5 m N by 5 m RL was selected. The "percent" block modelling technique was used to represent the volume of the interpreted wireframe models. Sufficient variables were included in the block model construction to enable grade estimation and reporting.

Resource estimation for the Campbell Pit was undertaken using ordinary kriging (" **OK**") as the principal estimation methodology for V_2O_5. The OK estimates were completed using Gemcom mining software. A cut-off of 0.30% V_2O_5 head grade and a cut-off 1.0% TiO_2 head grade, derived from an economic analysis was used. Resources were constrained by an economic pit built in Geovia Whittle 4.3 software and limited by geological factors and adopted economic factors from current operations.

Mineral Resources for the GAN and NAN deposits were estimated from drill core information stored in a secured central database and were evaluated using a geostatistical block modelling approach. A three-dimensional block model was generated to enable grade estimation. The selected block size was based on the geometry of the domain interpretation and the data configuration. At GAN, a block size of 10 m E by 10 m N by 5 m RL was selected. At NAN a block size of 20 m E by 20 m by 5 m RL was selected. The "percent" block modelling technique was used to represent the volume of the interpreted wireframe models. Sufficient variables were included in the block model construction to enable grade estimation and reporting.

Resource estimation for both the GAN and NAN deposits was undertaken using ordinary kriging (" **OK**") as the principal estimation methodology for V_2O_5. The OK estimates were completed using Gemcom mining software. A cut-off of 0.30% V_2O_5 head grade and a cut-off 1.0% TiO_2 head grade, derived from an economic analysis was used. Resources were constrained by an economic pit built in Geovia Whittle 4.3 software and limited by geological factors and adopted economic factors from current operations allowing for additional transport costs where applicable. Resources are reported using a long term sales price of $15.60/lb of V_2O_5 with an additional premium of $5.50/lb for high purity products. TiO_2 long term sales price of $7,382/ tonne was used in the calculation.

The block models incorporate percent magnetics (percent of magnetic minerals in the mineralized rock) and magnetite concentrate grade for V_2O_5, SiO2 and TiO_2. There have been no revisions to the models for our Mineral Resource and Mineral Reserve estimates.

The Mineral Resource estimate for the Campbell Pit has been reconciled for mining depletion as of December 31, 2021 from the original Mineral Resource estimate as set out in the Technical Report (refer to Section 14 of the Technical Report for additional details). The has been no active mining at NAN or GAN and so there has been no update to those resources.

The Mineral Resource estimates for the Campbell Pit and the NAN and GAN deposits as at December 31, 2021 are presented below:

Maracás Mechen Project - Mineral Resource Estimate Reconciled to December 31, 2021								
Classification	**Tonnes Mt**	***Head***		***Magnetic Concentrate***			***Metal Content***	
		%V_2O_5	**%TiO_2**	**%MAG**	**%V_2O_5**	**%TiO_2**	**V_20_5** kt	**TiO_2** kt
Campbell Pit[a, i]								
Measured (M)	15.77	1.22	8.00	31.84	3.14	5.03	192,415	1,261,739
Indicated (I)	3.02	0.98	7.97	28.32	2.70	4.42	29,622	240,902
Total Campbell Pit M+I	***18.79***	***1.18***	***8.00***	***31.27***	***3.08***	***4.94***	***222,037***	***1,502,641***
GAN[b, ii]								
Measured (M)	12.11	0.49	7.55	17.70	1.88	1.93	59.8	914.5
Indicated (I)	9.25	0.58	8.28	21.13	2.08	2.27	54.1	766.5
Total GAN M+I	***21.37***	***0.53***	***7.87***	***19.18***	***1.97***	***2.07***	***113.8***	***1,681.0***
NAN[c, iii]								
Measured (M)	17.48	0.70	8.73	23.43	2.38	2.97	122.4	1,526.0
Indicated (I)	5.41	0.74	8.76	23.51	2.48	2.78	40.1	474.1
Total NAN M+I	***22.89***	***0.71***	***8.74***	***23.45***	***2.40***	***2.92***	***162.4***	***2,000.1***
Total Maracás Menchen Mine M+I								
Measured (M)	45.36	0.82	8.16	24.82	2.62	3.43	383.3	3,746.1
Indicated (I)	17.68	0.70	8.37	23.09	2.33	2.80	124.2	1,485.1
Total M+I	***63.69***	***0.78***	***8.14***	***24.09***	***2.55***	***3.26***	***507.6***	***5,231.2***
Campbell Pit Inferred	5.07	0.93	8.19	26.69	2.64	3.99	47.0	415.1
GAN Inferred	4.52	0.64	8.40	22.37	2.15	2.49	29.0	380.1
NAN Inferred	5.90	0.67	7.75	21.01	2.47	2.89	39.5	456.9
Total Maracás Menchen Mine Inferred	***15.48***	***0.75***	***8.08***	***23.27***	***2.44***	***3.19***	***115.5***	***1,252.1***

Notes:

1. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

2. Mineral resources were estimated by Marlon Sarges Ferreira, BSc. (Geo), MAIG, a GE21 Associate, meet the requirements of a "Qualified Person" as established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014) ("the CIM Standards").

3. The Mineral Resource estimates were prepared in accordance with the CIM Standards, and the CIM Guidelines, using geostatistical, plus economic and mining parameters appropriate to the deposit.

- *a. Ordinary kriging inside 5m x 5m x 5m block size.*
- *b. Ordinary kriging inside 10m by 10m by 5m block size.*
- *c. Ordinary kriging inside 20m by 20m by 5m block size.*

4. Presented Mineral Resources inclusive of mineral reserves. All figures have been rounded to the relative accuracy of the estimates. Summed amounts may not add due to rounding.

5. Mineral Resource is reported with effective date July 12th, 2021.

6. Cut-off grade of 0.3% V_2O_5 head was applied to Mineral Resource.

7. Mineral Resources were estimated using the Geovia Whittle 4.3 software and following the economic parameters:

i. Pit slope angles ranging from 37.5° to 64°. V_2O_5 long term price of $15.60/lb, with an additional premium of $5.50/lb for high purity product. TiO_2 pigment selling price of $7,382/tonne. Mining costs of $1.60/tonne for mineralization and waste. Vanadium processing costs of $37.80/tonne ore feed. V_2O_5 concentrate recovery of 80.5%. Ilmenite concentrate costs of $55.00/tonne processed. TiO_2 pigment costs of $1,374/tonne of Ilmenite concentrate. TiO_2 overall recovery of 37.9%. General and Administrative (G&A) costs of $0.16/lb V_2O_5.

ii. Pit slope angles ranging from 40.0° to 64°. V_2O_5 long term price of $15.60/lb, with an additional premium of $5.50/lb for high purity product. TiO_2 pigment selling price of $7,382/tonne. Mining costs of $1.60/tonne for mineralization and waste. Vanadium processing costs of $37.80/tonne ore feed. V_2O_5 concentrate recovery of 79.2%. Ilmenite concentrate costs of $55.00/tonne processed. TiO_2 pigment costs of $1,374/tonne of Ilmenite concentrate. TiO_2 overall recovery of 40.25%. General and Administrative (G&A) costs of $0.16/lb V_2O_5.

iii. Pit slope angles ranging from 40.0° to 64°. V_2O_5 long term price of $15.60/lb, with an additional premium of $5.50/lb for high purity product. TiO_2 pigment selling price of $7,382/tonne. Mining costs of $1.60/tonne for mineralization and waste. Vanadium processing costs of $37.80/tonne ore feed. V_2O_5 concentrate recovery of 70.0%. Ilmenite concentrate costs of $55.00/tonne processed. TiO_2 pigment costs of $1,374/tonne of Ilmenite concentrate. TiO_2 overall recovery of 38.25%. General and Administrative (G&A) costs of $0.16/lb V_2O_5.

The overall mine plan includes the processing of ongoing non-magnetic tailings from the ongoing vanadium operation to recover an ilmenite concentrate and then further processing of that concentrate to produce a TiO_2 pigment. On this basis the Company has investigated the opportunity to recover ilmenite from the historic non-magnetic tailing ponds at the mine. The resources contained in the tailings ponds was based on production reconciliation data and topographic surveying of existing ponds. Tailings where systematically sampled every eight hours from the start of production in 2014 and continue under the current operating conditions. The following table outlines the TiO_2 within the current non-magnetic tailing ponds. The effective date is October 20, 2021 and there has been no processing of this material as of this date.

TiO_2 Resources in Non-Magnetic Tailings
(Effective Date - October 20, 2021)

Pond	Resource Classification	Volume (km3)	Density (t/m3)	Resource in Stock (kt)	Grade TiO_2 (%)	Metal Content (kt)
BNM04	Indicated	829.75	1.80	1,493.55	11.35	169.52
BNM02	Indicated	640.30	1.80	1,152.53	11.35	130.81
BNM03	Indicated	521.14	1.80	938.05	11.35	106.47
Total Resources in Ponds	Indicated	1,991.19	1.80	3,584.13	11.35	406.80

Notes:

i. Stock of "Non-Magnetic concentrate" available in the tailings ponds.
ii. Mineral Resource in tailings were estimated based on topographic surveys (primitive data and current data) and validated with monthly processing and reconciliation data.
iii. Tailings material data was sampled once every 8 hours, with an average TiO_2 content of 11.35%.
iv. Recovery is 100% and no dilution was applied to these Resources.

The mine plan developed in the Technical Report is based on Proven and Probable Reserves only and is more fully delineated in the Technical Report. Reserves are reported using a long-term sales price of $7.80/lb of V_2O_5 with an additional premium of $2.50/lb for high purity products. TiO_2 long term sales price of $3,691/ tonne was used in the calculation. The ultimate pit design and mine plan was done to optimize the magnetic concentrate to the kiln feed, with non-magnetic TiO_2 rich concentrate material directed to the ilmenite concentration plant for processing. The ilmenite concentrate is then transported to the pigment plant to produce the final TiO_2 product. The open pit Mineral Reserve estimate is based on a mine plan and open pit designs developed using modifying parameters including metal prices, metal recovery based on performance of the processing plant, operating and sustaining capital cost estimates based on the production schedule and equipment requirements. Other factors including; dilution, mining recovery, shipping terms, geotechnical characteristics of the rock mass, and the likelihood of obtaining land title, required permits environmental, social and legal licenses may affect the final Mineral Resources and Reserves, see "*Risk Factors*".

The Mineral Reserves estimates presented below have been reconciled to account for mining depletion as of December 31, 2021.

Maracás Mechen Project - Mineral Reserve Estimate Reconciled to December 31, 2021									
Category	**Tonnes (Mt)**	**%Magnetics**	**Head**		**Magnetic Concentrate**			**Metal Contained**	
			%V_2O_5	**%TiO_2**	**Mag tonnes (Mt)**	**%V_2O_5**	**%TiO_2**	**V_2O_5 in Magnetic Conc (t)**	**TiO_2 Non-Magnetic Conc (t)**
Campbell Pit[i]									
Proven	15.41	31.96	1.22	8.04	4.92	3.14	5.04	154,750	990,432
Probable	2.20	29.80	1.02	8.22	0.66	2.69	4.53	17,657	151,344
Total Campbell Pit Reserve	***17.61***	***31.69***	***1.20***	***8.06***	***5.58***	***3.09***	***4.98***	***172,407***	***1,141,776***
GAN[ii]									
Proven	12.10	17.75	0.49	7.57	2.15	1.88	1.94	40,375	874,242
Probable	8.06	21.15	0.57	8.33	1.71	2.04	2.29	34,790	632,616
Total GAN Reserve	***20.16***	***19.11***	***0.52***	***7.87***	***3.85***	***1.95***	***2.08***	***75,165***	***1,506,858***
NAN[iii]									
Proven	17.43	23.22	0.70	8.71	4.05	2.36	2.95	95,538	1,399,099
Probable	4.92	23.38	0.72	8.76	1.15	2.44	2.78	28,059	398,901
Total NAN Reserve	***22.35***	***23.26***	***0.70***	***8.72***	***5.20***	***2.38***	***2.91***	***123,598***	***1,798,000***
Total Maracás Menchen Mine Proven and Probable Reserves									
Proven	44.94	24.74	0.82	8.17	11.12	2.61	3.39	290,663	3,263,774
Probable	15.18	23.13	0.68	8.45	3.51	2.29	2.77	80,506	1,182,861
Total	***60.13***	***24.33***	***0.79***	***8.24***	***14.63***	***2.54***	***3.24***	***371,185***	***4,459,118***

Notes:

1. Mineral Reserves estimates were prepared in accordance with the CIM Standards.

2. Mineral Reserves are the economic portion of the Measured and Indicated Mineral Resources.

3. Mineral Reserves were estimated by Guilherme Gomides Ferreira, BSc. (MEng), MAIG, a GE21 associate, who meets the requirements of a "Qualified Person" as established by the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Definition Standards for Mineral Resources and Mineral Reserves (May 2014) ("the CIM Standards").

4. Mineral Reserves is reported effective date October 10th, 2021.

5. The reference point at which the Mineral Reserves are defined is the point where the ore is delivered from the open pit to the crushing plant.

6. Vanadium product comes from magnetic concentrate, while TiO_2 product from non-magnetic portion.

7. Exchange rate $1.00 = R$5.10.

8. Mineral Reserves were estimated using the Geovia Whittle 4.3 software and following the geometric and economic parameters:

i. Recovery 100% and dilution 3%. Pit slope angles ranging from 37.5° to 64°. V_2O_5 long term price of $7.80/lb, with an additional premium of $2.50/lb for high purity product. TiO_2 pigment selling price of $3,691/tonne. Mining costs of $1.60/tonne for mineralization and waste. Vanadium processing costs of $37.80/tonne ore feed. V_2O_5 concentrate recovery of 80.5%. Ilmenite concentrate costs of $55.00/tonne processed. TiO_2 pigment costs of $1.374/tonne of Ilmenite concentrate. TiO_2 overall recovery of 37.9%. General and Administrative (G&A) costs of $0.16/lb V_2O_5.

ii. Recovery 95% and dilution 5%. Pit slope angles ranging from 40° to 64°. V_2O_5 long term price of $7.80/lb, with an additional premium of $2.50/lb for high purity product. TiO_2 pigment selling price of $3,691/tonne. Mining costs of $1.60/tonne for mineralization and waste. Vanadium processing costs of $37.80/tonne ore feed. V_2O_5 concentrate recovery of 79.2%. Ilmenite concentrate costs of $55.00/tonne processed. TiO_2 pigment costs of $1,374/tonne of Ilmenite concentrate. TiO_2 overall recovery of 40.25%. General and Administrative (G&A) costs of $0.16/lb V_2O_5.

iii. Recovery 95% and dilution 5%. Pit slope angles ranging from 40° to 64°. V_2O_5 long term price of $7.80/lb, with an additional premium of $2.50/lb for high purity product. TiO_2 pigment selling price of $3,691/tonne. Mining costs of $1.60/tonne for mineralization and waste. Vanadium processing costs of $37.80/tonne ore feed. V_2O_5 concentrate recovery of 70.0%. Ilmenite concentrate costs of $55.00/tonne processed. TiO_2 pigment costs of $1,374/tonne of Ilmenite concentrate. TiO_2 overall recovery of 38.25%. General and Administrative (G&A) costs of $0.16/lb V_2O_5

Mineral Reserves were also calculated for the TiO_2 contained in the non-magnetic tailings ponds. The same parameters were utilised as the resources. Mineral Reserves on the Non-magnetic tailing ponds are reported in the following table. As this material has not been processed to date as planned, there has been no mining depletion.

TiO_2 Reserves in Non-Magnetic Tailings (Effective Date - October 20, 2021)						
Pond	**Reserve Classification**	**Volume (km3)**	**Density (t/m3)**	**Resource in Stock (kt)**	**Grade TiO_2 (%)**	**Metal Content (kt)**
BNM04	Probable	829.75	1.80	1,493.55	11.35	169.52
BNM02	Probable	640.30	1.80	1,152.53	11.35	130.81
BNM03	Probable	521.14	1.80	938.05	11.35	106.47
Total Resources in Ponds	Probable	1,991.19	1.80	3,584.13	11.35	406.80

Notes:

i. Stock of "Non-Magnetic concentrate" available in the tailings ponds.

ii. Mineral Resource in tailings were estimated based on topographic surveys (primitive data and current data) and validated with monthly processing and reconciliation data.

iii. Tailings material data was sampled once every 8 hours, with an average TiO_2 content of 11.35%.

iv. Recovery is 100% and no dilution was applied to these Reserves.

The current NI 43-101 did not update the mineral resources reported for the Nova Amparo and São José deposits. The Company has completed drilling on these deposits in recent years and are currently working on updates to the mineral resources for these deposits. The current NI 43-101 report reports the following resources for Nova Amparo and São José in the following table based on work completed with an effective date of May 2, 2017.

Near Mine Targets Mineral Resources Effective date: May 02, 2017				
Deposits	**Category**	**tonnes (kt)**	**V_2O_5 (%)**	**Contained V_2O_5 (tonnes)**
Novo Amparo**	Inferred	1,560	0.72	11,232
São José **	Inferred	3,900	0.89	34,710
Near Mine Targets (Total)**	Inferred	5,460	0.84	45,942

** Resource within a pit shell using $34.20/t all in operating cost and reported at a 0.45% V_2O_5 cut-off, reviewed and confirmed by Porfirio Cabaleiro Rodriguez (GE 21).

Mining Operations

In January 2021 the Company completed feed rate improvements to the kiln resulting in a further increase in nameplate capacity from 1,000 t/month to 1,100 tonnes per month. A new mining contractor (Minax) began work at the mine on May 1st, 2021. The mine now has a new fleet of mining equipment which consists of eight hydraulic excavators equipped with a 3.5-5.16 m^3 bucket and a total of 20 Volvo and 12 Scania 45-tonne capacity trucks and other auxiliary equipment. The contract drill fleet consists of six Sandvik Ranger DX800 rotary drill rigs.

In 2021, mining operations at the Campbell Pit moved 1.25 million tonnes of ore and 9.6 million tonnes of waste. The overall Life of Mine ("LOM") show total ore reserves at Campbell Pit of 17.61 million tonnes ore and stockpile (reconciled to December 31, 2021. LOM average V_2O_5 head grade of 1.20% and TiO_2 head grade of 8.06%. As of October 10th 2021, the effective date of the Technical Report, the LOM for Campbell Pit was estimated at 11 years, with mining operations being completed in 2032. Leading up to the depletion of Campbell Pit the Company is planning on executing the overall LOM plan and will initiate mining at the GAN and NAN deposits commencing in 2032. The LOM plan anticipates that GAN and NAN will extend the mine life of the overall operation an additional 10 years with all current deposits being depleted in 2041.

Processing and Recovery Operations

The Maracás vanadium recovery plant was commissioned in 2014 and achieved the nameplate capacity in 2018. In 2019, an expansion project was implemented increasing the process capacity to 1,900,000 tpy of ROM and the V_2O_5 production capacity to 12,000 tpy. In 2020, 11,825 t of V2O5 was produced with 81,5% of overall recovery. In 2021, improvements in the roasting/burning system increased the production capacity to 13,200 tpy V_2O_5. At the time of writing this report, the plant produces up to 1,087 t of V_2O_5 equivalent per month with a trend approaching design capacity of 13,200 t of V_2O_5 equivalent per year.

The current process flow sheet comprises the following: three stages of crushing, one stage of grinding, two stages of magnetic separation, magnetic concentrate roasting, vanadium leaching, ammonium meta-vanadate (AMV) precipitation, AMV filtration, AMV calcining, and fusing to V_2O_5 flake as final product. A simplified process flow diagram for the production of V_2O_5 is presented in the Technical Report.

Largo expects to increase V_2O_5 production in 2032 through the expansion of the Maracás plant. The build for this project should start in 2028 and when complete will increase the production capacity from 13,200 tpy V_2O_5 to 16,000 tpy V_2O_5 in 2032 and coincide with mining expansion at the GAN and NAN deposits. In 2023, an Ilmenite Plant is scheduled to be implemented at the Maracás site to treat non-magnetic concentrate material generated from the wet magnetic separation process to produce an ilmenite concentrate. The Ilmenite Plant will be able to produce 140,000 t of concentrate per year i9nitially and is designed to reach full capacity of 425,000 tonnes per year ilmenite concentrate in 2029.

The Company also plans to develop a Titanium Plant in the city of Camaçari, Bahia State. The first phase of this project will be implemented from 2022 to 2023 and will be designed to produce 30,000 tpy of TiO_2 pigment as main product and 20,000 tpy of ammonium sulfate and 14,500 tpy of sodium carbonate as coproducts. At full capacity the Pigment Plant is expected to produce 120,000 tonnes per year of TiO_2 pigment.

Capital and Operating Costs

The Technical Report describes a four-phased development approach designed to increase vanadium production by bringing the GAN and NAN deposits into the overall mine plan as Campbell Pit is depleted, as well as processing the non-magnetic concentrate material from current and future operations to produce an ilmenite concentrate with further processing to TiO_2 pigment at separate facility in Camaçari, Bahia. The Capital Expense ("**CAPEX**") estimate for Phase 1 meets international AACE Class 3 standards for ±15% accuracy. Phases 2 CAPEX estimates meet AACE Class 4 accuracy that ranges from-15% to 50%. Please refer to the Technical Report for additional details.

Total Phase 1 CAPEX is estimated at US$121.6 million: Ilmenite Plant US$25.2 million in 2022, and US$96.4 million for the Pigment Plant in 2022 and 2023. Phase 2 forecasts CAPEX of US$59.8 million for expansion to the Pigment Plant (US$29.9 million in 2024 and US$29.9 million in 2025. There is also a proposed expansion to the V2O3 plant in 2024 with estimated CAPEX of US$ 4.7 million. Phase 3 considers a further expansion to the both the Ilmenite Plant and the Pigment Plant in 2026 and 2027 when they reach full anticipated capacity. Estimated CAPEX for the expansion of the Ilmenite Plant is estimated at US$36.5 million and for the Pigment Plant estimated CAPEX is US$132 million. This phase also includes roadwork and pre-stripping at GAN and NAN with estimated CAPEX of US$4.6 million. The final expansion of the project, Phase 4, includes a duplication of the current vanadium infrastructure at the Maracás site to accommodate the increased mining rates expected at GAN and NAN at the depletion of Campbell in 2032. Estimated CAPEX of this final phase is US$230.7 million.

Sustaining CAPEX is estimated at US$6.6 million in 2022 and US$5.7 million in 2023.

Operating Expenses ("**OPEX**") were also estimated in the Technical Report and the key assumption were derived from Largo actual costs analysis collected from January to September 2021. OPEX for future years were estimated based on several modifying factors. LOM OPEX are summarised below:

Average Operating Cost Summary		
Operating Cost	**Campbell Pit**	**GAN and NAN**
Mining (US$/t earth moving)	1.90	1.68
Vanadium Processing (US$/tonne ROM)	37.17	22.90
Ilmenite Processing Costs (US$/ tonne product)	28.00	28.00

Operating Cost - Titanium Pigment Plant		
Cost Type	**30 kt/Year Plant**	**60 and 120 kt/Year Plant**
Variable (US$/tonne TiO_2)	746.86	746.86
Fixed (US$/tonne TiO_2)	580.30	348.16
Total Pigment Plant - Processing Cost	**1,327.16**	**1,095.02**

For the year ended December 31, 2021 the Company reported cash operating costs excluding royalties of US$3.37 per pound V $_2O_5$ sold[1]. The Company has issued guidance for the cash operating costs excluding royalties of US$3.20 - US$3.40 per pound V_2O_5 sold[1] for 2022.

1. The cash operating costs per pound and cash operating costs excluding royalties per pound reported are on a non-GAAP basis. Refer to the "Non-GAAP Measures" section of this MD&A.

Exploration, Development, and Production

In 2018 exploration activities at the Campbell Pit included a close spaced diamond drilling program of 31 holes (2,323 meters) designed to give greater detail to the ore body and help to guide mine production over the next two to three years. This program began in the middle of April 2018 and was completed on May 30, 2018. The data was modelled and used for mine planning and development purposes. Consultants from GE21 assisted in the modelling.

Phase II included a 4,950 metre drilling program focused on upgrading and expanding the NMT and along strike high priority targets. Drilling began on June 4, 2018 with two rigs focused at NAN and the Company completed 24 holes totalling 4,223 meters prior to December 31, 2018. This included 13 infill and 11 step out holes. On December 19, 2018, the Company announced that this program had expanded the mineralization to the north and south at NAN, defining targeted mineralisation over a strike length of 1.84 kilometers. Infill drilling was designed to upgrade the resource category at NAN.

Additionally, seven holes were drilled on targets south of the Campbell pit. The drill program was completed on October 23, 2018.

Previous drilling at NAN completed by the Company from 2011 to 2012 outlined a consistent zone of mineralisation over 790 meters with an average width of 18 meters and an average grade of 0.87% V_2O_5. The 2018 program was successful in extending mineralisation both to the north and south along strike for a total length of approximately 1,840 meters. The deposit remains open to the south and to depth.

The Company extended the Phase II definition drilling program at NAN in the first quarter of 2019. Diamond drilling was initiated at NAN on January 15, 2019. In total, 47 diamond drill holes (5,404 meters) were completed. The work focused on increasing confidence in the resource categories and extending mineralisation at depth and along strike. This program was completed mid-February 2019. The exploration program resulted in the conversion of Inferred Mineral Resources to Measured and Indicated categories, in addition to increasing the overall Inferred Mineral Resources.

Exploration work shifted to NAN where 4,646 meters (24 drill holes) of drilling were completed. Drilling was also undertaken at the SJO deposit where 2,813 meters (18 drill holes) of drilling were completed. Further drilling was carried out on GAN where 21 drill holes (3,501 m) were completed. Drilling on all targets focused on extending and upgrading known mineralisation as defined in the 2017 Technical Report. The Company also completed 1,177 meters of drilling (three holes) near the Campbell Pit to explore for target horizons down dip and along strike of the current reserve area. South of the Campbell Pit, 16 diamond drill holes (2,313 m) were completed on the Gulçari A South (GAS) target.

Largo engaged ALS Global Brazil for all drilling and sampling preparation and analytical services.

In 2020 the Company completed 24,771 metres in 125 holes mostly in support of the planned NI 43-101 updated Technical Report. Work focused on NAN - 8,188 metres (32 holes) and GAN - 6,898 metres (45 holes) deposit deposits. Drilling was also undertaken at the SJO - 2,475 metres (15 holes) and NAN - 2,261 metres (14 holes) deposits to further understand the stratigraphy and extents of mineralisation to support future resource modelling. At Campbell Pit - 4,761 metres (19 holes) where drilled to continue testing the extents of mineralisation down dip and along the edges of the current pit shell. Finally one condemnation hole (188 metres) was drilled east of Campbell Pit in an area set aside as future potential waste dumps. Drilling was completed on December 17th, 2020.

In 2021 the Company completed 8,838 meter of drilling (56 drill holes) at various target across the Maracás Menchen Project. At Campbell Pit, 2,337 meters were drilled in 7 holes exploring depth extension opportunities. Another 2,248 m of drilling (26 drill holes) were completed within the pit as part of a short-term drill program focused on defining ore/waste contacts and increasing grade control for short-term modelling and mining purposes. Limited drilling was completed at NAN (483 meters - 2 holes) and GAN (706 meters - 4 holes) in support of the Technical Report. Two holes (809 meters) were drilled testing geophysical anomalies adjacent to the mine operations, east of the Campbell Pit. Finally, 2,255 meters of drilling (15 drill holes) were completed on two targets in the South Block.

On November 3, 2021 the Company announced the results of a new NI 43-101 Technical Report titled "An Updated Life of Mine Plan ("LOMP") for Campbell Pit and Pre-Feasibility Study for GAN and NAN Deposits". The final report was filed on December 20, 2021. A summary of the report outcomes can be found in the aforementioned press release and the full report can be accessed via SEDAR. The Company also engaged SGS Laboratories for all rock and soil sampling preparation and analytical work.

RISK FACTORS

Investing in the Company involves risks that should be carefully considered. The operations of the Company are speculative due to the high-risk nature of its business. Investors should be aware that there are various risks, including those discussed below, that could have a material adverse effect on, among other things, the development of the Maracás Menchen Mine, and the operating results, earnings, business and condition (financial or otherwise) of the Company. See "*Cautionary Note Regarding Forward-Looking Information*" at the beginning of this AIF.

Risks Related to the Business and Operations

Our business is highly dependent upon the price of V_2O_5 and FeV.

Our financial performance is highly dependent on the market price of V_2O_5, which accounted for 51% of our gross revenue in 2021, and FeV which accounted for 49% of our gross revenue in 2021. Mineral prices, including prices for V_2O_5 and FeV, fluctuate widely and are affected by numerous factors beyond the control of the Company. The level of global economic activity, interest rates, speculative activities, supply and demand balances and the stability of exchange rates can all cause significant fluctuations in prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, and political developments. The price of mineral commodities, including V_2O_5 and FeV, has fluctuated widely in recent years, and future price declines could cause commercial production to be commercially unattractive, thereby having a material adverse effect on the Company's business, financial condition and result of operations.

The Fastmarkets Metal Bulletin price for V_2O_5 was trading in the range of $8.50 and $9.00 per pound V_2O_5 on December 31, 2021, compared to US$5.30 and US$5.50 on December 31, 2020, and US$4.80 to US$5.85 on December 28, 2019. The Fastmarkets Metal Bulletin price for FeV in Europe was trading in the range of $32.50 and $33.00 per kilo of vanadium on December 31, 2021, compared to US$25.00 and US$25.50 on December 31, 2020, and US$21.95 to US$22.50 on December 28, 2019. Factors that are generally understood to contribute to variations in the price of V_2O_5 and FeV include changes in global steel production levels, changes in the specific Vanadium consumption rate in the steel industry and high purity markets, global production and inventories. Future volatility in V_2O_5 and FeV prices will have a material effect on the Company's revenues, profitability and reserves.

Our capital and operating cost estimates may prove inaccurate and, consequently, lead to unanticipated costs or capital expenditures, which could affect our financial condition and results of operations.

In our mining operations, capital and operating cost estimates made by our management are estimates which are in turn based on, among other things, our interpretation of geological data, feasibility studies, anticipated climatic conditions and other information. Any or all of these can affect the accuracy of the estimates including: (i) unanticipated changes in grade and tonnage to be mined and processed; (ii) incorrect data on which engineering assumptions are made; (iii) unanticipated transportation costs; (iv) accuracy of equipment and construction cost estimates; (v) difficulty or failure to meet scheduled construction completion dates, facility or equipment commissioning dates, or metal production dates; (vi) poor or unsatisfactory construction quality resulting in failure to meet completion, commissioning or production dates; (vii) increased expenditures required as a failure to meet completion, commissioning or production dates; (viii) capital overruns related to the completion of any construction phase including capital overruns associated with demobilization of construction workers and contractors; (ix) labour negotiations; (x) unanticipated costs relating to the commencement of operations, ramp up and production sustainment; (xi) changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas or exportation of our products); (xii) change in commodity input costs and quantities; and (xiii) communication issues including familiarity with language, between domestic and foreign employees, contractors, advisors, agents and government officials. If any of our estimates of capital and operating costs or capital expenditures are materially inaccurate, it could have a material adverse effect on our business, results of operations and financial condition. The Company is a new entrant in the LDES market. The accuracy of projected costs of the Company's VRFB products depend on assumptions regarding volume and implementation, which do not have the benefit of being based on historical data. Failure to accurately project costs in the negotiation of long lead time contracts could directly impact the profitability of the VRFB business and negatively impact the financial position of the Company. Material inaccuracies in projected costs of the VRFB products over the long term could affect the viability of the VRFB business.

We may not be able to generate enough revenue to achieve sustained profitability, in particular as our mining operations have a single asset.

As of the date of this AIF, the Company has recorded revenues from only one project, the Maracás Menchen Mine . There can be no assurance that losses (including significant losses) will not occur in the near future or that the Company will be profitable in the future. The Company's operating expenses and capital expenditures may increase in comparison to previous years for consultants, personnel and equipment associated with the continuing development and growth of our VRFB business and the phased development of the Maracás Menchen Project. There can be no assurance that the Company will generate revenues from its other projects or achieve profitability.

Our 2021 audited annual consolidated financial statements were prepared on a going concern basis, which assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. As of December 31, 2021, the Company had an accumulated deficit of approximately $49 million, and had a net working capital surplus of $118 million. Total amounts due within 12 months on the Company's long term debt are $15 million. Although the Company has been successful in the past in obtaining financing there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company.

We may not be able to build, finance and successfully operate our VRFB business, which could adversely affect our sales, profitability, cash flows and financial performance.

The Company has allocated significant resources to further develop its VRFB business, which will result in increased costs and the attention of management diverted from our mining business. The Company may not be able to build, finance and successfully operate a VRFB business, protect and develop VRFB technology, maintain its VRFB intellectual property assets, market and sell our VCHARGE± battery system on specification or at a competitive price, or secure the required production resources to build our VCHARGE± battery system. There is no certainty that the actual market for VFRB technology will align with the Company's expectations.

We may also be required to incur additional expenses and/or delays relating to the VRFB business beyond management's current forecasts. These increased costs, in addition to the possibility that the VRFB business may not prove to be profitable, could have a negative impact on our business, operating results and financial performance.

Substantially all of our revenues are derived from the sales of vanadium products produced at the Maracás Menchen Mine. This lack of diversification of our business could adversely affect our financial condition, results of operations and cash flows.

We rely on the V_2O_5 production from the Maracás Menchen Mine for all of our revenues. For the year ended December 31, 2021, revenues from the sales of vanadium products accounted for 100% of our total revenues. While the Company expects that our VRFB products, the production of ilmenite and TiO2 will contribute revenue in the future, such revenues cannot be depended upon in the near to medium term. As noted above, demand for V_2O_5 mainly depends on global demand for steel. As one of the few producers of high purity V_2O_5 globally, demand from the aerospace, chemical and energy storage industries are also essential to Largo and enables it to achieve premiums over the standard market prices for steel applications. At times, the pricing and availability of steel can be volatile due to numerous factors beyond our control. Since we are heavily dependent on the steelmaking industry, adverse economic conditions in that industry, even in the presence of otherwise favorable economic conditions in the broader vanadium mining industry, could have a significantly greater impact on our results of operations and financial condition than if our business were more diversified. In addition, our lack of diversification may make us more susceptible to such adverse economic conditions than our competitors with more diversified operations and/or asset portfolios.

Our controlling shareholders have the ability to determine the outcome of corporate actions or decisions, and its interests may conflict with those of our other shareholders.

The ARC Funds are capable of controlling the direction of the Company through the right to nominate three of the six persons for election as directors of the Company, who will be subject to the vote of the shareholders. Unilateral control over a majority of the persons nominated for election as directors of the Company will enable the ARC Funds to determine the persons responsible for managing the direction of the Company. The ARC Funds directly own approximately 43% of our outstanding Common Shares as of the date of this AIF and therefore have the ability to determine the outcome of most corporate actions or decisions requiring the approval of our shareholders. The interests of our controlling shareholder may conflict with those of our other shareholders.

Our VRFB business is highly dependent on our ability to continue to develop competitive VRFB technology on a profitable basis.

The LDES market is extremely competitive and highly dependent on participants' ability to develop innovative technology which continues to reduce the cost and increase the functionality of LDES systems. There is no assurance that existing or new technologies will not have a competitive advantage over the Company's existing or yet to be developed VRFB technology.

Failure to achieve production targets or cost estimates could adversely affect our sales, profitability, cash flows and financial performance.

The Company prepares future operating and capital cost estimates with respect to existing mining operations and for its VRFB business. In the existing mining operations, actual production and costs may vary from the estimates for a variety of reasons such as estimates of grade, tonnage, dilution and metallurgical and other characteristics of the ore varying from the actual ore mined, revisions to mine plans, risks and hazards associated with mining, adverse weather conditions, unexpected labour shortages or strikes, equipment failures and other interruptions in production capabilities. Operating costs may also be affected by increased mining costs, variations in predicted grades of the deposits, increases in level of ore impurities, labour costs, raw material costs, inflation and fluctuations in currency exchange rates. Failure to achieve production targets or cost estimates could have a material adverse impact on the Company's sales, profitability, cash flow and overall financial performance.

Similarly, the Company prepares future operating and capital cost estimate with respect to its VRFB business. Actual costs may vary from the estimates for a variety of reasons such as unanticipated costs of implementing VRFB technology on schedule and to specification, supply or service delays, equipment failures, varying cost and availability of input materials and availability of skilled personnel.

We are subject to risks posed by litigation, arbitration and other disputes under binding agreements with various third parties and as a result of being a publicly listed issuer.

The Company has entered into legally binding agreements with various third parties under supply contracts and consulting agreements. The interpretation of the rights and obligations that arise from such agreements may be open to differing interpretations and the Company may disagree with the position taken by other parties to these agreements. This could result in a dispute which, if unresolved, might trigger a litigation or arbitration process, causing the Company to incur possible legal or similar costs in the future. Given the speculative and unpredictable nature of litigation or the arbitration process, final outcomes in such disputes may have material adverse effects on the Company.

Securities legislation in certain jurisdictions provides security holders with various rights and remedies when a reporting issuer's continuous disclosure contains a misrepresentation, and provides for ongoing rights to bring actions for civil liability for secondary market disclosure. If the Company's continuous disclosure contains any information a court or regulator finds to be inaccurate, the Company could be exposed to legal or regulatory liability. Any such proceedings or violations could force the Company to spend money in defense or settlement of these proceedings, resulting in the imposition of monetary liability or injunctive relief. This may also divert management's time and attention, increase the Company's costs of doing business, and materially adversely affect the Company's reputation.

Our business requires substantial capital expenditures to achieve its operational and strategic objectives and is subject to financing risks.

The mining business is capital intensive and the development and exploitation of vanadium and ilmenite reserves and the acquisition of machinery and equipment require substantial capital expenditure. We have a number of plans for our existing operations, including, without limitation, the phased development plan set out in the Technical Report, which could involve significant capital expenditure. In particular, we must continue to invest significantly to maintain or to increase the amount of reserves that we exploit and the amount of V_2O_5 that we produce. Some of our development projects and prospects may require greater investment than currently planned. In addition, our ability to continue our exploration, exploitation, development and operational activities will depend ultimately on our ability to generate cash flows and secure financing as required. There can be no assurance that we will be able to maintain our production levels and generate sufficient cash flow, or that we will have access to sufficient investments, loans or other financing alternatives, to continue our development and processing activities at or above present levels and failure to do so, could result in delays.

We are subject to comprehensive environmental and mining regulations. Compliance with environment and mining regulations and procurement of the necessary environmental and mining permits to operate may result in significant costs, and failure to comply with environmental regulations may result in significant environmental liabilities.

Our mining operation in Brazil is subject to stringent Brazilian federal, state and local environmental and mining laws and regulations concerning, amongst other things, human health, the handling and disposal of solid and hazardous wastes, discharges of pollutants into the air and water and required work and reporting.

Any failure to comply with such laws and regulations may subject the Company to penalties, including warnings, payment of fines, embargo and suspension of activities, which may cause a significant adverse effect on the Company. We have incurred and we will continue to incur capital expenses in order to continue to comply with these laws and regulations. In addition, such laws and regulations are subject to change and can become more stringent, making our compliance efforts more costly.

In addition, Brazilian companies whose activities are deemed as potentially polluting activity may be subject to a licensing process. Such licensing process has three sequential stages:

- Preliminary License ("**LP**"): The LP is granted in the preliminary planning phase of a project or activity and it approves the location and the environmental impact assessment of a project, attesting to its environmental feasibility and determining the basic requirements and conditions to be observed in the subsequent permitting stages;
- Installation License ("**LI**"): The LI is granted so that a project or activity can be installed or constructed, in accordance with the specifications presented and subject to further conditions so as to mitigate and compensate any negative impacts;
- Operational License ("**LO**"): The LO is granted for a project or activity to commence the operational phase subject to further conditions.

In the State of Bahia, where our Maracás Menchen Mine operates, the licensing process is under the responsibility of INEMA.

Such process takes into consideration the nature and size of a project as well as the impacts and the characteristics of the ecosystem affected by the installation and operation of a project, based on the information provided by the Environmental Impact Assessment and Report ("**EIA**/**RIMA**"). The EIA/RIMA is a comprehensive study that includes analysis of the environmental, social and economic impact of the project.

Currently, the Maracás Menchen mine is fully licensed. The current Operation License (LO) - which is the main license for the company's operation, was initially valid until October 6th, 2020. The renewal process commenced in May 2020, however, due to the COVID-19 pandemic, INEMA has been unable to visit the Maracás Menchen Mine to complete its audit. As a result, the LO has been automatically extended until INEMA can complete their review and inspection process. A failure to obtain a future extension or renewal of the existing license or to obtain any necessary license, the permission or approval required for the development of our activities, may have a material adverse effect on our business, operation results and financial condition.

Our project in Canada is also subject to extensive Canadian laws and regulations relating to pollution, protection of the environment and the generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials. Costs and capital expenditures relating to environmental, health or safety matters are subject to evolving regulatory requirements and depend on the promulgation and enforcement of specific standards which impose applicable requirements. Moreover, changes in environmental regulations could inhibit or interrupt our operations, or require modifications to our facilities. Accordingly, environmental, health or safety regulatory matters may result in significant unanticipated costs or liabilities.

Our VRFB business in the United States is subject to various local, state, and federal laws and regulations regarding generation, storage, handling, transportation, treatment, disposal and remediation of hazardous substances and waste materials.

In order to sell our products into the European market, the Company remains in compliance with the Regulation concerning the Registration, Evaluation, Autorisation and Restriction of Chemicals (REACH) (L396, 30.12.2006., pp. 1-849) which requires that information regarding our products is communicated throughout the supply chain in the stipulated forms. Failure to collect, collate and submit data to the European Chemicals Agency (ECHA), amongst other things, can result in significant delays with could affect our ability to satisfy contracts.

The mining business is subject to a number of risks and hazards, not all of which are fully covered by insurance.

The mining business is subject to risks and hazards, many of which are outside our control. Hazards associated with mining operations include environmental hazards, industrial accidents, encountering unusual or unexpected geological deposits, cave ins or landslides, flooding, earthquakes, underground fires and explosions, including those caused by flammable gas, gas and coal outbursts, falling rocks, tunnel collapses, lack of oxygen, air pollution, discharges of tailings, hazardous substances and materials, gases and toxic chemicals, sinkhole formations and ground subsidence, other accidents and conditions resulting from underground mining, such as drilling, blasting, removing and processing material. These occurrences could result in damage to, or destruction of, mineral properties or production facilities, human exposure to pollution, personal injury or death, environmental damage, reduced production and delays in mining, asset write downs, reputational damage, monetary losses and possible legal liability.

Although we maintain insurance in an amount we consider adequate, liabilities might exceed policy limits, which could cause us to incur significant costs that could materially and adversely affect our results of operations. Insurance that fully covers many environmental risks (including potential liability for pollution or other hazards as a result of disposal of waste products occurring from exploration and production) is not generally available to us or to other companies in the mining industry, particularly in Brazil following the Samarco dam collapse in 2015. The realization of any significant liabilities in connection with our mining activities as described above could have a material adverse effect on our results of operations or financial condition.

Our business is exposed to the cyclicality of global economic activity and requires significant investments of capital.

As a mining company, we are a supplier of industrial raw materials. Industrial production tends to be the most cyclical and volatile component of global economic activity, which affects demand for minerals and metals. At the same time, investment in mining requires a substantial amount of funds in order to replenish reserves, expand and maintain production capacity, build infrastructure, preserve the environment and minimize social impacts. Sensitivity to industrial production, together with the need for significant long term capital investments, are important sources of risk for our financial performance and growth prospects.

Developments in China could have a negative impact on our revenues, cash flows and results of operations.

The Chinese market is a significant source of global demand for commodities and has been the main driver of global demand for V_2O_5 over the last few years. Over the long term, we expect new applications in the Energy Storage industry to drive incremental demand for vanadium use. These applications demand high purity vanadium content. While these sources of demand only account for approximately 2.9% of existing consumption as of Q3, 2021, we expect the ongoing fast growth for long duration energy storage to spur additional long-term demand for vanadium. Global climate change trends are also encouraging the research and implementation of battery systems to support renewable energy sources. VRFB, which use vanadium in different oxidation states to store energy, are considered to be a cost competitive alternative to lithium-ion technology for large scale, long duration energy storage. We believe our high purity products are well positioned to take advantage of this fast-growing markets. Favorable economic conditions could increase supply beyond demand and depress pricing, which would also negatively impact our results**.**

Our business may be adversely affected by declines in demand for and prices of the products our customers produce.

Demand for V_2O_5 depends on global demand for steel. Vanadium is used in the steel industry in the production of HSLA steels, high alloy steels, high speed and tool steels, and engineering steels. Demand for steel depends heavily on global economic conditions, but it also depends on a variety of regional and sectoral factors. The prices of different steels and the performance of the global steel industry are highly cyclical and volatile, and these business cycles in the steel industry affect demand and prices for our products.

We may not be able to obtain additional financing on acceptable terms, or at all.

Future exploration, development, mining, and processing of minerals from our properties could require substantial additional financing. No assurances can be given that we will be able to raise the additional funding that may be required for such activities, should such funding not be fully generated from operations. To meet such funding requirements, we may be required to undertake additional equity financing, which would be dilutive to shareholders. Debt financing, if available, may involve certain restrictions on operating activities or other financings. There is no assurance that such equity or debt financing will be available to us or that they would be obtained on terms favorable to us, if at all, which may adversely affect our business and financial position. Failure to obtain sufficient financing may result in delaying or indefinite postponement of exploration, development or production on any or all of our properties, or even a loss of property interests.

The mining industry is highly competitive, and increased competition could adversely affect our margins and market share.

The global mining industry is highly competitive. Our existing and potential competitors include some of the world's largest mining companies and the Company competes with many other mining companies that have substantially greater resources than the Company. We currently face, or may face in the future, competition from other producers of V_2O_5 globally. Some of these companies may be able to produce at a lower cost than we can. For example, some of our domestic and international competitors may benefit from tax breaks and may be able to better compete against us. In addition, some of our competitors are larger than us and may have greater financial and technical resources, which may enable them to invest significant capital into their businesses, including expenditures for research and development. Such competition may result in the Company being unable to acquire desired properties, recruit or retain qualified employees or acquire the capital necessary to fund its operations and develop its properties. If a current or future competitor develops proprietary technology that enables it to produce at a significantly lower cost, our technology could be rendered uneconomical or obsolete. Increased competition could compel us to reduce the prices of our products, which could result in reduced margins and loss of market share and have a material adverse effect on us.

We also face competition from other processing, trading and industrial companies. Competition principally involves sales, supply and labour prices, contractual terms and conditions, attracting and retaining qualified personnel and securing the services and supplies we need for our operations. For example, lower cost producers of V_2O_5 could be better positioned to manage future volatility through commodity price cycles. In addition, mines have limited lives and, as a result, we must periodically seek to replace and expand our reserves by acquiring new properties and by developing projects. Significant competition exists to acquire mining concessions, land and related assets with potential mineralization. Some other mining companies may have greater financial resources than us, and we may be unable to acquire attractive new mining properties on terms that we consider acceptable. As a result, our revenues from the sales of vanadium products may decline over time, thereby materially and adversely affecting our results of operations or financial condition.

Potential changes to international trade regulations and agreements, as well as other political and economic arrangements (including direct or indirect subsidies) may benefit V_2O_5 producers or traders operating in countries other than where our mining operations are currently located or adversely affect the prices we pay for the supplies we need and our export costs when we engage in international transactions. We cannot assure you that we will be able to compete on the basis of price or other factors with companies that in the future may benefit from favorable regulations, trading or other arrangements or that we will be able to maintain the cost of the supplies we require or our export costs. The Company's inability to compete with other mining companies for these resources would have a material adverse effect on the Company's results of operation and business.

We are dependent on third parties for development, deployment, construction, operations and maintenance.

The Company has relied upon external consultants, engineers and others and intends to rely on these parties for, among other things, the development, installation, construction, operating and maintenance expertise. In the case of our mining operations, substantial expenditures are required to construct mines, to establish Mineral Reserves through drilling, to carry out environmental and social impact assessments, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration and plant infrastructure at any particular site. In addition, the Company relies on a service provider who deploys approximately 749 contractors for our mining, administration, maintenance and other operations. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

In our VRFB business the Company has used the services of independent engineers to assist in the continued development and refinement of our VRFB products. Similarly, depending on the location of our VRFB projects, the Company may depend on local service providers to assist in the initial deployment and ongoing maintenance of our VRFB products. If such parties' work is deficient or negligent or is not completed in a timely manner, it could have a material adverse effect on the Company.

Interruptions of energy supply or increases in energy costs and other production costs may materially and adversely affect our results of operations.

We obtain the necessary electric power for the operation of our equipment and facilities from third parties through electricity supply contracts. In the event of any interruption or failure of our sources of electricity or in transmission lines or in any part of the grid, we cannot assure you that we will have access to other energy sources at the same prices and conditions, which could materially and adversely affect our results of operations and have a material adverse effect on our business, financial condition and result of operations.

The availability of energy resources may be subject to change or curtailment, due to, among other things, new laws or regulations, imposition of new taxes or tariffs, supply interruptions, equipment damage, worldwide price levels and market conditions. Disruptions in energy supply could have a material adverse effect on our financial condition and results of operations.

Our operations depend on rail, port, marine, shipping or other transportation services provided by third parties.

Operation of our facilities, existing and future, will depend in part on the flow of materials, supplies, equipment, services and products. Due to the geographic location of the Company's operations, existing and future, it remains and will remain dependent on the provision by third parties of rail, port, marine, shipping or other transportation services. Potential issues including contractual disputes, demurrage charges, port or depot capacity handling issues, availability of vessels, rail cars or other modes of cargo transport, weather problems, force majeure and labour disruptions could have a material adverse effect on the Company's ability to transport various materials necessary for the operation of its facilities in accordance with schedules or contractual requirements. This might result in a material adverse effect on the Company's business, results of operations and financial performance.

Our ability to deliver on contracts and meet contractual milestones is similarly dependent on rail, port, marine or other transportation services. The global supply chain shortage continues to affect Largo's ability to deliver its vanadium products to customers in a timely manner. Shipping delays also have the potential to negatively impact our VRFB businesses timelines on VRFB product deployments.

Our VRFB products depend on third party suppliers to purify our electrolyte using a complex process. The electrolyte used in our VRFB products is produced by third party suppliers using a complex purification process which is sensitive to small changes in conditions. Despite the fact that the Company carefully selects the providers we use; it is possible for errors to occur in the process. The failure of our third-party service providers to provide adequate supplies of vanadium could have a negative effect on our ability to fulfill orders on schedule and/or at our projected costs.

Our concessions may be terminated or not renewed by governmental authorities.

Under the laws of the jurisdictions where our operations, development projects and prospects are located, Mineral Resources belong to the state and government concessions are required to explore for and exploit Mineral Reserves. The concessions we hold for our operations may be terminated under certain circumstances, including where minimum investment or production levels are not achieved (or a corresponding penalty is not paid), if certain fees are not paid or if environmental and safety standards are not met. Termination of any one or more of our mining or other concessions could have a material adverse effect on our financial condition or results of operations.

There are risks inherent with obtaining and maintaining title to properties.

The acquisition and maintenance of titles to resource properties is a very detailed and time-consuming process. The Company holds its interests in certain of its properties through mining claims. Title to, and the area of, the mining claims may be disputed. There is no guarantee that such title will not be challenged or impaired. There may be challenges to the title of the properties in which the Company may have an interest which, if successful, could result in the loss or reduction of the Company's interest in those properties.

Although the nature and extent of the interests of the Company in the properties in which it holds an interest has been reviewed by or on behalf of the Company, and title opinions have been obtained by the Company with regard to certain of such properties, there may still be undetected title defects affecting such properties. Title insurance generally is not available in Canada or Brazil, and the ability of the Company to ensure that it has obtained secure claim to individual mineral properties or mining concessions may be constrained.

The properties in which the Company holds an interest may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, the structure through which the Company maintains its interest in its properties and undetected defects which could have a material adverse impact on the Company's operations. In addition, the Company may be unable to, effectively (if at all), conduct business at or operate on its properties as permitted or to enforce its rights with respect to those properties.

No assurances can be given that title defects to the properties in which the Company has an interest do not exist. The properties may be subject to prior unregistered agreements, interests or aboriginal land claims and title may be affected by undetected defects. If title defects do exist, it is possible that the Company may lose all or a portion of its right, title, estate and interest in and to the properties to which the title defect relates. There is no guarantee that title to the properties will not be challenged or impugned.

The Company does not maintain insurance against title. Title on mineral properties and mining rights involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyance history of many mining properties. The Company has investigated title to its mineral claims; however, this should not be construed as a guarantee of title. The Company cannot give any assurance that title to any of its properties will not be challenged or impugned and cannot guarantee that the Company will have or acquire valid title to these mining properties. For example, title to existing properties or future prospective properties may be lost due to an omission in the claim of title, prior activities of the property vendors or changes in Brazilian mining laws or the application thereof which affects the Company's title or the Company's rights and interests in its properties. The Company has obtained title reports from Canadian and Brazilian legal counsel with respect to its interest, respectively, in its Canadian and Brazilian properties, but this should not be construed as a guarantee of title or the Company's rights to these claims. Other parties may dispute the title of the Company or the joint venture to any of its mineral properties and any of such properties may be subject to prior unregistered agreements or transfers or aboriginal land claims and title may be affected by undetected encumbrances or defects or governmental actions.

There are risks inherent with our corporate structure.

VMSA, the material Brazilian subsidiary of the Company which holds a 100% interest in the Company's Maracás Menchen Mine, is a limited liability company, and as such does not require a Board and is controlled by its shareholders. The management of the Company has control over VMSA by virtue of owning 99.94% of the shares of VMSA. Therefore, the management of the Company can effectively (i) appoint and dismiss at any time any and all of the officers of VMSA, (ii) instruct the officers of VMSA to pursue the Company's business activities, (iii) has legal rights as a shareholder to require the officers of VMSA to comply with their fiduciary obligations, and (iv) can also enforce its rights by way of the shareholder remedies available to it. As a result, the management of the Company can effectively align the Issuer's business objectives and effect the implementation of same at the level of VMSA.

The Company, as the holder of a 99.94% interest in VMSA, can remove and appoint officers by way of simple communication that such officer is being removed from his/her position and the subsequent filing of same with the Board of Trade. The Board, through its corporate governance practices and, in particular, the activities of its board committees, regularly receives management and technical updates and progress reports in connection with VMSA. In so doing, the Board maintains effective oversight of the operations and project development activities of VMSA.

The Board has the ability to exert effective control over VMSA as discussed herein. Accordingly, the Board will be able to cause VMSA to transfer funds and accomplish the various operating aspects of the business when VMSA is generating revenues.

Certain of the directors and officers of the Company have extensive experience doing business in both Canada and Brazil. In particular, Paulo Misk, Alberto Arias and Daniel Tellechea are the directors of the Company that have experience in conducting business in Brazil and Les Ford (former Senior Vice President and Technical Director of Brazilian Operations and currently consultant to the Company) is an individual with experience in conducting business in Brazil. Moreover, Alberto Arias is fluent in Portuguese.

Knowledge of the local business, culture and practices is imparted by these individuals to other directors and officers of the Company, furthermore, several of the non-resident directors and officers visit Brazil on a regular basis in order to ensure effective control and management of the operations and as a result come into contact with other employees, personnel, government officials, business persons and customers who are locals in Brazil. This enables them to enhance their knowledge on these fronts. Paulo Misk, formerly the Chief Operating Officer of the Company and now Chief Executive Officer of the Company, is resident in Brazil and travels to the mine site regularly.

All directors and executive officers of the Company have some familiarity with the legal and regulatory requirements of Brazil. Brazilian legal counsel (both internal at VMSA and external) and Brazilian management ensure that the Company's management is kept aware of relevant material legal developments in Brazil as they pertain to and affect the Company's business and operations. Any material developments are then discussed with the directors at the board level.

Other than as discussed herein, the Company does not currently have a formal communication plan or policy in place and has not, to date, experienced any communication-related issues due to the fact that the management team located in Brazil is proficient in the English language.

The Company will, from time to time, re-evaluate whether a formal communication policy is necessary. The Company hires and engages local experts and professionals (i.e. legal and tax consultants) to advise the Company with respect to current and new regulations in respect of banking, financial and tax matters. The Company utilizes large, established and well recognized financial institutions in both Canada and Brazil. Directors visit the Company's operations in Brazil several times per year and have regular board meetings by telephone which include the Company's Chief Executive Officer and Chief Financial Officer and other relevant VMSA officers and managers. The Company arranges for site visits to its projects as deemed appropriate. The Company hosted one site visit for members of the Board of Directors in 2020, one in 2019 and two in 2018. The operations committee of the Board of Directors held two site visits in 2019 and one in 2021. Site visits were limited in 2021 due to travel restrictions imposed in connection with COVID-19.

The directors and officers also work closely with Brazilian counsel and Brazilian employees of the Company and its subsidiaries to understand and subsequently adjust firm strategies and practices relating to changes in Brazilian laws and regulatory regimes.

Each member of the management team located in Brazil speaks fluent Portuguese and all are proficient in English. Paulo Misk, Chief Executive Officer, and Luciano Chaves, Vice President of Finance and Administration in Brazil, Álvaro Resende, Production Director are each fluent in Portuguese and English.

Alberto Arias is a director and non-executive Co-Chairman of the Company who is fluent in English and Portuguese. The primary language used in management and board meetings is English. The management team located in Brazil dealing with the operating staff and outside consultants communicate in Portuguese with such individuals as necessary. Both VMSA and the Company have translators on staff to assist with all communication requirements, as needed.

Material documents relating to the Company that are provided to the board are in English. When original material documents are prepared in Portuguese, these are typically translated by the Company's Brazilian legal counsel, who are fluent in English and Portuguese. When required, the Company will sometimes use third party translation services.

We depend on key personnel and any inability to recruit and retain key personnel may adversely affect our business.

Recruiting and retaining qualified personnel in the future is critical to the Company's success. The number of persons skilled in the exploration and development of mining properties is limited and competition for this workforce is intense. Any expansion of the Company's properties and the development of the VRFB business may be significantly delayed or otherwise adversely affected if the Company cannot recruit and retain qualified personnel as and when required.

Our success also depends, in large measure, on the skills, experience and efforts of our senior management team and other key personnel. The loss of the services of one or more members of our senior management or of employees with critical skills may have a negative effect on our business, financial condition and results of operations. We may experience difficulty in attracting and retaining the skilled employees we may require to replace lost employees or grow our business. If we are unable to attract or retain highly skilled, talented and committed senior managers or other key employees, it may adversely affect our ability to fully implement our business objectives.

Our continued future growth depends upon the identification and management of growth opportunities.

In order to manage its current operations and any future growth effectively, the Company must examine opportunities to replace and expand its reserves through the exploration of its existing properties and through acquisitions of interests in new properties or of interests in companies which own such properties and consider expanding its energy storage and battery businesses. The development of the Company's business will be in part dependent on management's ability to identify, acquire and develop suitable acquisition targets in both new and existing markets as well as technology development for its energy storage and battery businesses. In certain circumstances, acceptable acquisition targets might not be available. The Company may also not be able to identify suitable partners with whom it could make such acquisitions. Acquisitions involve a number of risks, including: (i) the possibility that the Company, as a successor owner, may be legally and financially responsible for liabilities of prior owners; (ii) the possibility that the Company may pay more than the acquired company or assets are worth; (iii) the additional expenses associated with completing an acquisition and amortizing any acquired intangible assets; (iv) the difficulty of integrating the operations and personnel of an acquired business; (v) the challenge of implementing uniform standards, controls, procedures and policies throughout an acquired business; (vi) the inability to integrate, train, retain and motivate key personnel of an acquired business; and (vii) the potential disruption of the Company's ongoing business and the distraction of management from its day-to-day operations.

Additionally, the future viability of the Company will also depend on its ability to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. If and when any such growth occurs, there can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with increased levels of operating expenses associated with this growth, and failure to do so could have a material adverse effect on the Company's business, financial condition and results of operations.

Our directors and officers may from time to time have a conflict of interest.

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting such participation.

We are subject to anti-corruption, anti-bribery, anti-money laundering, sanctions and antitrust laws and regulations.

We are subject to anti-corruption, anti-bribery, anti-money laundering, sanctions, antitrust and other similar laws and regulations. We are required to comply with the applicable laws and regulations of the United States, Brazil and Canada, and we may become subject to such laws and regulations in other jurisdictions. There can be no assurance that our internal policies and procedures will be sufficient to prevent or detect any inappropriate practices, fraud or violations of law by our affiliates, employees, officers, executives, partners, agents, suppliers and service providers, nor that any such persons will not take actions in violation of our policies and procedures. Any violations by us or any of our affiliates, employees, directors, officers, partners, agents, suppliers and service providers of anti-bribery and anti-corruption laws or sanctions regulations could have a material adverse effect on our business, reputation, results of operations and financial condition.

Labour disputes may disrupt our operations from time to time.

A substantial number of our employees, and some of the employees of our subcontractors, are represented by labour unions and are covered by collective bargaining or other labour agreements, which are subject to periodic negotiation. Strikes and other labour disruptions at any of our operations could adversely affect the operation of facilities and the timing of completion and cost of our capital projects. Moreover, we could be adversely affected by labour disruptions involving unrelated parties that may provide us with goods or services. In May, 2018, production at our Maracás Menchen Mine was suspended for four days due to a national truckers' strike in Brazil which was settled on May 30, 2018.

Our business is subject to environmental, health and safety incidents.

Our operations involve the use, handling, storage, discharge and disposal of hazardous substances into the environment and the use of natural resources, and the mining industry is generally subject to significant risks and hazards, including fire, explosion, toxic gas leaks, spilling of polluting substances or other hazardous materials, rockfalls, incidents involving dams, failure of other operational structures and incidents involving mobile equipment, vehicles or machinery. This could occur by accident or by breach of operating and maintenance standards, and could result in a significant environmental and social impacts, damage to or destruction of mineral properties or production facilities, personal injury, illness or death of employees, contractors or community members close to operations, environmental damage, delays in production, monetary losses and possible legal liability. Additionally, in remote localities, our employees may not have access to timely emergency medical care which may affect their health and safety. Notwithstanding our standards, policies and controls, our operations remain subject to incidents or accidents that could adversely affect our business, stakeholders or reputation.

Under Brazilian law, any individual or legal entity (whether public or private) that directly or indirectly causes harm to the quality of the environment may be held liable for the recovery, remediation or compensation of the damages that were generated, without regard to whether there is a direct or indirect connection between their act (or omission) and the damage caused to the environment. There are three types of liabilities that may be applied cumulatively: (i) civil, (ii) administrative and (iii) criminal.

Civil liability for environmental damages is strict, requiring that the responsible parties remediate the damage in full or pay compensation when remediation is not possible. Civil liability also applies jointly and severally to those who facilitate, benefit from and contribute to the occurrence of environmental damage. As a result, the party bringing the environmental claim may freely choose whom to sue.

There is no limit to the amount that Brazilian courts may award to cover the costs of repairing the damage. If the damage cannot be repaired, Brazilian courts may order the payment of an indemnity. Environmental civil liability is not subject to a statute of limitations under Brazilian law.

With respect to criminal liability, Federal Law 9,605/98 provides that the legal entity and its individual representatives whose criminal actions were taken for the benefit of such entity can be held liable for criminal offences against the environment. In the case of the liability of the individual representatives, there needs to be some element of willful misconduct. In the case of the legal entity, a strict liability rationale applies: the legal entity can be charged regardless of the implication of any other individual representatives if it is confirmed that willful misconduct was undertaken for the benefit of the legal entity and by a decision of its representatives. Criminal sanctions applicable to legal entities include fines, the partial or total suspension of activities and embargos, prohibitions on contracting with governmental entities, as well as on obtaining subsidies, grants or donations, for a maximum period of 10 years.

Administrative liability arises from any action or omission in violation of the Federal Decree No. 6,514/2008, which sets out the administrative environmental infractions and the corresponding penalties, setting fines amounting to a maximum of R$50 million, as well as suspension of activities. Such liability can be pursued against the legal entity or the individual person that may incur any such infraction.

We rely on various operating and financial systems and data which may expose us to cyber security threats.

The Company and its operations rely on various operating and financial systems and data. Cybersecurity risk is increasingly difficult to identify and quantify and cannot be fully mitigated because of the rapidly evolving nature of the threats, targets and consequences. A breach of the Company's information or operational technology systems may result in disruption of business activities, loss of confidential or proprietary data, failure of internal controls over financial reporting, failure to meet obligations and reputational damage. Such a breach may also expose the Company to legal and regulatory action. Policies and procedures are maintained to ensure the security of its information technology systems, and data and system security controls are regularly tested. The Company also relies on third-party service providers for the storage and processing of various data. There can be no assurance, however, that the Company will not suffer a business disruption or loss or corruption of proprietary data, whether inadvertent or otherwise.

Our operations are subject to various Anti-Corruption laws.

As a public company listed on the TSX and NASDAQ, the Company is subject to the Foreign Corrupt Practices Act (US) (" **FCPA**") and Corruption of Foreign Public Officials Act (Canada) ("**CFPOA"**), as well as various local anti-corruption laws. The FCPA and CFPOA prohibit US and Canadian (and Canadian-controlled) corporations and their intermediaries from making or offering to make an improper payment to any kind of foreign public official, or any other person for the benefit of foreign public official, where the ultimate purpose is to obtain or retain a business advantage. Our Anti-Bribery and Corruption Policy prohibits the violation of the FCPA, CFPOA and other applicable anti-corruption laws. Some of the Corporation's operations are located in jurisdictions where governmental and commercial corruption presents a significant risk. The Company uses a risk-based approach to mitigate risks associated with corruption which includes training for employees and the logging of government payments and interactions. Despite the safeguards the Company has put in place, there can be no assurance that violations of the FCPA, CFPOA or other applicable anti-corruption law by the Company, its employees or agents will not occur. Such violations of the FCPA, CFPOA could result in substantial civil and criminal penalties and could have a material adverse effect on the business, operations or financial results of the Company.

Enforcement of civil claims against the Company in Canada and the United States may be difficult as the majority of our assets are located outside of Canada and the United States.

The majority of our subsidiaries and the majority of our assets are located outside of Canada or the United States. Accordingly, it may be difficult for investors to enforce within Canada or the United States any judgments obtained against the Company, including judgments predicated upon the civil liability provisions of applicable securities laws or otherwise. Consequently, investors may be effectively prevented from pursuing remedies against the Company under Canadian or U.S. securities laws or otherwise.

The Company has subsidiaries incorporated in the United States, Brazil and Ireland. It may not be possible for shareholders to effect service of process outside of Canada against the directors and officers of the Company, and independent qualified persons engaged by the Company, who are not resident in Canada. In the event a judgment is obtained in a Canadian court against one or more of such persons for violations of Canadian securities laws or otherwise, it may not be possible to enforce such judgment against persons not resident in Canada. Additionally, it may be difficult for an investor, or any other person or entity, to assert Canadian securities law or other claims in original actions instituted in the United States, Brazil or Ireland. Courts in these jurisdictions may refuse to hear a claim based on a violation of Canadian securities laws or otherwise on the grounds that such jurisdiction is not the most appropriate forum to bring such a claim. Even if a foreign court agrees to hear a claim, it may determine that the local law, and not Canadian law, is applicable to the claim. If Canadian law is found to be applicable, the content of applicable Canadian law must be proven as a fact, which can be a time-consuming and costly process. Certain matters of procedure will also be governed by foreign law.

Claims arising out of the Company's foreign operations may be subject to the exclusive jurisdiction of foreign courts.

In the event of a dispute arising in respect of Company's foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or arbitration tribunals or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or international arbitration. If the Company is unsuccessful in enforcing its rights under the agreements to which it is a party, it could have a material adverse effect on the Company's business, results of operations and financial performance.

Diseases and epidemics (such as COVID-19) may adversely impact our business.

Emerging infectious diseases or the threat of outbreaks of viruses or other contagions or epidemic diseases, including the COVID-19 outbreak, could have a material adverse effect on the Company by causing operational and supply chain delays and disruptions (including as a result of government regulation and prevention measures), labour shortages and shutdowns, social unrest, breach of material contracts and customer agreements, government or regulatory actions or inactions, increased insurance premiums, decreased demand or the inability to sell and deliver its vanadium products or VRFB systems, declines in the price of V_2O_5, V_2O_3 and/or FeV, delays in permitting or approvals, governmental disruptions, capital markets volatility, or other unknown but potentially significant impacts. In addition, governments may impose strict emergencies measures in response to the threat or existence of an infectious disease. The full extent and impact of the COVID-19 pandemic is unknown and to date has included extreme volatility in financial markets, a slowdown in economic activity, extreme volatility in commodity prices (including V_2O_5, V_2O_3 and/or FeV) and has raised the prospect of a global recession. The international response to COVID-19 has led to significant restrictions on travel, temporary business closures, quarantines, global stock market volatility and a general reduction in global consumer activity. The estimates made by management are considered reasonable at this time, however, the full impact of the effects these conditions on mining operations or financial results may vary significantly due to uncertainties relating to the ultimate spread of the virus, the severity of the disease, the duration of the outbreak, presence of virus variants, efficacy of vaccination programs and the length of the travel restrictions and business closures that have been or may be imposed by the governments of impacted countries. In addition, a significant outbreak of contagious diseases in the human population, such as COVID-19, could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could result in a material adverse effect on commodity prices, demand for metals, investor confidence, and general financial market liquidity, all of which may adversely affect the Company's business and the market price of the Common Shares. Accordingly, any outbreak or threat of an outbreak of an epidemic disease or similar public health emergency, including COVID-19, could have a material adverse effect on the Company's business, financial condition and results of operations. It is unknown whether and how the Company may be affected if a pandemic, such as the COVID-19 outbreak, continues to persist for an extended period of time.

As a foreign private issuer, the Company is subject to different U.S. securities laws and rules than a U.S. domestic issuer, which may limit the information publicly available to U.S. investors.

The Company is a "foreign private issuer", under applicable U.S. federal securities laws, and is, therefore, not subject to the same requirements that are imposed upon U.S. domestic issuers by the SEC. Under the U.S. Exchange Act, the Company is subject to reporting obligations that, in certain respects, are less detailed and less frequent than those of U.S. domestic reporting companies. As a result, the Company does not file the same reports that a U.S. domestic issuer would file with the SEC, although the Company is required to file with or furnish to the SEC the continuous disclosure documents that it is required to file in Canada under Canadian securities laws. In addition, the Company's officers, directors, and principal shareholders are exempt from the reporting and short-swing profit recovery provisions of Section 16 of the U.S. Exchange Act. Therefore, the Company's shareholders may not know on as timely a basis when the Company's officers, directors and principal shareholders purchase or sell Common Shares, as the reporting periods under the corresponding Canadian insider reporting requirements are longer. As a foreign private issuer, the Company is exempt from the rules and regulations under the U.S. Exchange Act related to the furnishing and content of proxy statements. The Company is also exempt from Regulation FD, which prohibits issuers from making selective disclosures of material non-public information. While the Company complies with the corresponding requirements relating to proxy statements and disclosure of material non-public information under Canadian securities laws, these requirements differ from those under the U.S. Exchange Act and Regulation FD and shareholders should not expect to receive the same information at the same time as such information is provided by U.S. domestic companies. In addition, the Company may not be required under the U.S. Exchange Act to file annual and quarterly reports with the SEC as promptly as U.S. domestic companies whose securities are registered under the U.S. Exchange Act. In addition, as a foreign private issuer, the Company has the option to follow certain Canadian corporate governance practices, except to the extent that such laws would be contrary to U.S. securities laws, and provided that the Company disclose the requirements it is not following and describe the Canadian practices it follows instead. The Company may in the future elect to follow home country practices in Canada with regard to certain corporate governance matters. As a result, the Company's shareholders may not have the same protections afforded to shareholders of U.S. domestic companies that are subject to all corporate governance requirements.

The Company may lose its foreign private issuer status in the future, which could result in significant additional costs and expenses to the Company.

In order to maintain its status as a foreign private issuer, a majority of the Company's Common Shares must be either directly or indirectly owned by non-residents of the U.S. unless the Company also satisfies one of the additional requirements necessary to preserve this status. The Company may in the future lose its foreign private issuer status if a majority of its Common Shares are held in the U.S. and if the Company fails to meet the additional requirements necessary to avoid loss of its foreign private issuer status. The regulatory and compliance costs under U.S. federal securities laws as a U.S. domestic issuer may be significantly more than the costs incurred as a Canadian foreign private issuer eligible to use the MJDS. If the Company is not a foreign private issuer, it would not be eligible to use the MJDS or other foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are more detailed and extensive than the forms available to a foreign private issuer, and would be required to file financial statements prepared in accordance with United States generally accepted accounting principles. In addition, the Company may lose the ability to rely upon exemptions from Nasdaq corporate governance requirements that are available to foreign private issuers.

The Company relies upon certain accommodations available to it as an "emerging growth company."

The Company is an "emerging growth company" as defined in section 3(a) of the U.S. Exchange Act (as amended by the JOBS Act, enacted on April 5, 2012), and the Company will continue to qualify as an emerging growth company until the earliest to occur of: (a) the last day of the fiscal year during which the Company has total annual gross revenues of US$1,070,000,000 (as such amount is indexed for inflation every five years by the SEC) or more; (b) the last day of the fiscal year of the Company following the fifth anniversary of the date of the first sale of common equity securities of the Company pursuant to an effective registration statement under the U.S. Securities Act; (c) the date on which the Company has, during the previous three year period, issued more than US$1,000,000,000 in non-convertible debt; and (d) the date on which the Company is deemed to be a "large accelerated filer", as defined in Rule 12b-2 under the U.S. Exchange Act. The Company will qualify as a large accelerated filer (and would cease to be an emerging growth company) at such time when on the last business day of its second fiscal quarter of such year the aggregate worldwide market value of its common equity held by non-affiliates will be US$700,000,000 or more. For so long as the Company remains an emerging growth company, it is permitted to and intends to rely upon exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act. The Company cannot predict whether investors will find the Common Shares less attractive because the Company relies upon certain of these exemptions. If some investors find the Common Shares less attractive as a result, there may be a less active trading market for the Common Shares and the Common Share price may be more volatile. On the other hand, if the Company no longer qualifies as an emerging growth company, the Company would be required to divert additional management time and attention from the Company's development and other business activities and incur increased legal and financial costs to comply with the additional associated reporting requirements, which could negatively impact the Company's business, financial condition and results of operations.

The trading price for the Company's securities is volatile.

The trading price of the Common Shares has been and may continue to be subject to large fluctuations which may result in losses to investors. The trading price of the Company's Common Shares may increase or decrease in response to a number of events and factors, including:

- changes in the market price of V_2O_5 or other by-product metals the Company sells;
- events affecting economic circumstances in Canada, Brazil and the United States and elsewhere, including COVID-19;

- trends in the mining and energy storage industries and the markets in which the Company operates;
- changes in financial estimates and recommendations by securities analysts;
- acquisitions, investments, divestitures and financings;
- quarterly variations in operating results;
- compliance with new and existing regulations, including with respect to water and tailings management and greenhouse gas emissions;
- the actions of other companies in the mining industry;
- the sale of a large number of Common Shares; and
- the operating and share price performance of other companies that investors may deem comparable;

Wide price swings are currently common in the markets on which the Company's securities trade. This volatility may adversely affect the prices of the Common Shares regardless of the Company's operating performance.

The Company is subject to risks associated with climate change.

The Company is subject to risks associated with climate change. Mining and processing operations are energy intensive, resulting in a significant carbon footprint. The Company acknowledges climate change as an international and community concern. A number of governments or governmental bodies have introduced or are contemplating regulatory changes in response to the potential impacts of climate change. Where legislation already exists, regulation relating to emission levels and energy efficiency is becoming more stringent. Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, if the current regulatory trend continues, this may result in increased costs at some of the Company's operations. In addition, the physical risks of climate change may also have an adverse effect at some of the Company's operations. These may include extreme weather events, natural disasters, resource shortages, changes in rainfall and storm patterns and intensities, water shortages, changing sea levels and changing temperatures. For example, in the fourth quarter of 2021, unusually heavy rainfall (360% over the monthly rainfall average (2013-2020) occurred in Maracás, disrupting the Company's operations. While the Company has taken measures such as installing a rainwater diversion system around the Campbell Pit and revamping its pumping systems, to mitigate the impact of future rain events, there is no assurance that they will be sufficient or that additional measures will not be required. Associated with these physical risks is an increasing risk of climate-related litigation (including class actions) and the associated costs. Adverse publicity or climate-related litigation could have an adverse effect on the Company's reputation or financial condition

We are subject to reputational risk from both actual and perceived occurrences of a number of events.

As a result of the increased usage and the speed and global reach of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users, companies today are at much greater risk of losing control over how they are perceived in the marketplace. Damage to the Company's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to the Company's handling of environmental, social or governance matters or the Company's dealings with community groups), whether true or not. The Company places a great emphasis on protecting its image and reputation, but the Company does not ultimately have direct control over how it is perceived by others. Reputation loss may lead to increased challenges in developing and maintaining community relations, decreased investor confidence and an impediment to the Company's overall ability to advance its projects, thereby having a material adverse impact on financial performance, cash flows and growth prospects.

Risks Related to the Mining Industry

The vanadium market is small and highly concentrated and therefore susceptible to swings in the availability of supply.

Most of the world's supply of V_2O_5 is derived from mined ore, either directly as mineral concentrates derived from VTM or from steelmaking slags, where the steel was produced from VTM. A significant majority (approximately 91%) of the world's V_2O_5 comes from four source countries: China, South Africa, Russia and Brazil. While Canada, Germany, Japan, and the United States, as well as several other European countries, continue to recover V_2O_5 from petroleum residues, the market is currently very small and highly concentrated.

Any collusion or concerted action between the major producers in China, South Africa and/or Russia could impact the availability of supply which could in turn have a negative impact on the price of V_2O_5.

Demand for V_2O_5 is highly dependent on demand for steel.

The steel industry accounts for approximately 92.5% of global total V_2O_5 consumption. HSLA carbon steels account for more than half of global V_2O_5 consumption. HSLA steels are a class of relatively new steel alloys which use small amounts of vanadium, niobium, titanium or some combination of these microalloying elements to impart higher strength and fine grains structure in the steel. Special steels including tool steels, high speed steels and special alloy steels account for close to one third of global V_2O_5 consumption. Vanadium is also used in the production of titanium alloys for aerospace, industrial and consumer applications. It is used as a catalyst in oxidation reactions and in pollution control systems. Other applications include pigments, corrosion inhibitors and other minor chemical processes.

While new markets for V_2O_5 may arise in the future, for example, a market in energy storage applications, a significant majority of V_2O_5 is currently being used in connection with the steel industry, in particular HSLA carbon steels and special steels. Any fall in demand and/or production for HSLA carbon steels and special steels could impact industry demand for V_2O_5 and, in turn, have a negative impact on the price of V_2O_5.

Mineral Resource and Mineral Reserve estimates may be inaccurate. Our actual Mineral Reserves could be lower than such estimates, which could adversely affect our operating results, financial condition, cash flows and the life of our mine.

There are numerous uncertainties inherent in estimating Mineral Resources and Mineral Reserves, including many factors beyond the control of the Company. The accuracy of any Mineral Resource or Mineral Reserve estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of mineral recovery from such deposits may be different. Undue reliance should not be placed on estimates of Mineral Resources and Mineral Reserves, since these estimates are subject to numerous uncertainties. Differences between management's assumptions, including economic assumptions such as metal prices and market conditions, could have a material adverse effect on the Company's financial position, cash flows, results of operations and the life of our mine.

Our reported Mineral Reserves are estimated quantities of V_2O_5 that we have determined can be economically mined and processed under present and assumed future conditions. There are numerous uncertainties inherent in estimating quantities of reserves and in projecting potential future rates of mineral production, including factors beyond our control. Reserve reporting involves estimating deposits of minerals that cannot be measured in an exact manner, and the accuracy of any reserve estimate is a function of the quality of available data, engineering and geological interpretation and judgment. As a result, no assurance can be given that the indicated amount of V_2O_5 will be recovered or that it will be recovered at the rates we anticipate. Reserve estimates and estimates of mine life may require revisions based on actual production experience, projects, updated exploration drilling data and other factors. For example, lower market prices of minerals and metals, reduced recovery rates or increased operating and capital costs due to inflation, exchange rates, changes in regulatory requirements or other factors may render proven and probable reserves uneconomic to exploit and may ultimately result in a reduction of reserves. Such a reduction could affect depreciation and amortization rates and have an adverse effect on our financial performance.

The Company estimates the recoverable amount of long-lived assets using assumptions and if the carrying value of an asset is then determined to be greater than its actual recoverable amount, an impairment is recognized reducing the Company's earnings.

The Company assesses whether there is any indication that long-lived assets (such as plant and equipment) may be impaired. If an indicator of impairment exists, the recoverable amount of the asset is calculated in order to determine if any impairment loss is required. Testing for impairment involves a comparison of the recoverable amount of the cash generating unit to its carrying value. An impairment charge is recognized for any excess of the carrying amount of the asset group or reporting unit over its recoverable amount.

The assessment for impairment is subjective and requires management to make estimates and assumptions for a number of factors including estimates of production levels, mineral reserves and mineral resources, operating costs and capital expenditures reflected in the Company's life-of-mine plans, as well as economic factors beyond management's control, such as V_2O_5, V_2O_3 and FeV prices, discount rates and observable net asset value multiples. Should management's estimates and assumptions regarding these factors be incorrect, the Company may be required to realize impairment charges, which will reduce the Company's earnings. The timing and amount of such impairment charges is difficult to predict.

We may not be able to replenish our reserves, which could adversely affect our mining prospects.

We engage in mineral exploration, which is highly uncertain in nature, involves many risks and frequently is non-productive. Our exploration programs, which involve significant expenditures, may fail to result in the expansion or replacement of reserves depleted by current production. If we do not develop new reserves, we will not be able to sustain our current level of production beyond the remaining lives of our existing mines.

We face rising extraction costs or investment requirements over time as reserves deplete.

Reserves are gradually depleted in the ordinary course of a given open pit or underground mining operation. As mining progresses, distances to the primary crusher and to waste deposits become longer, pits become steeper, mines may move from being open pit to underground, and underground operations become deeper. In addition, for some types of reserves, mineralization grade decreases and hardness increases at greater depths. As a result, over time, we may experience rising unit extraction costs with respect to our mine, or we may need to make additional investments, including adaptation or construction of processing plants and expansion or construction of tailings dams. Our mine may experience rising extraction costs per unit in the future.

Nature of mining operations, mineral exploration and development projects and mining businesses generally involve a high degree of risk.

Mining operations generally involve a high degree of risk. The Company's operations and those of its subsidiaries are subject to the hazards and risks normally encountered in mineral exploration, development and production, including environmental hazards, explosions, unusual or unexpected geological formations or pressures and periodic interruptions in both production and transportation due to inclement or hazardous weather conditions. Such risks could result in damage to, or destruction of, mineral properties or producing facilities, personal injury, environmental damage, delays in mining, monetary losses and possible legal liability.

Development projects have no operating history upon which to base estimates of future cash operating costs. For development projects, resource and reserve estimates and estimates of cash operating costs are, to a large extent, based upon the interpretation of geological data obtained from drill holes and other sampling techniques, and feasibility studies, which derive estimates of cash operating costs based upon anticipated tonnage and grades of ore to be mined and processed, ground conditions, the configuration of the ore body, expected recovery rates of minerals from the ore, estimated operating costs, anticipated climatic conditions and other factors. As a result, actual production, cash operating costs and economic returns could differ significantly from those estimated. Indeed, current market conditions are forcing many mining operations to increase capital and operating cost estimates. It is not unusual for new mining operations to experience problems during the start-up phase, and delays in the commencement of production can often occur.

Mineral exploration is highly speculative in nature. There is no assurance that exploration efforts will be successful. Even when mineralization is discovered, it may take several years until production is possible, during which time the economic feasibility of production may change. Substantial expenditures are required to establish proven and probable Mineral Reserves through drilling. Because of these uncertainties, no assurance can be given that exploration programs will result in the establishment or expansion of Mineral Resources or Mineral Reserves. There is no certainty that the expenditures made by the Company towards the search and evaluation of mineral deposits will result in discoveries or development of commercial quantities of ore.

Risk Related to the LDES Market

In addition to the risks set out above relating to our VRFB business, the following risks apply to the LDES Market

LDES System contracts generally have long lead times and fixed prices, which may expose the Company to additional risks related to inflation, exchange rate variability and changes in the cost and availability of input materials, labour or transportation

Due to the nature of the technology and the scale of deployment, LDES system contracts are normally entered into with long lead times and fixed prices. The Company may not be able to negotiate terms which adequately cover the negative effect that inflation, exchange rate variability or the increased cost of input materials, labour or transportation on the profitability of a LDES system project.

The demand for LDES systems depends on the growth of the green economy generally and the adoption of long duration energy storage systems and VRFB technology, specifically.

The demand for LDES Systems (including our VRFB products) is highly dependent on the growth of the green economy and the adoption of LDES and VRFB technology, both of which are outside of the Company's control. While many governments and businesses have made commitments to the green economy and a low carbon future, it is possible that such commitments will be not be honoured. Similarly, there is no certainty that LDES or VRFB technologies will be the market's chosen "green alternative" to traditional forms of energy.

Risks Related to Brazil

The Brazilian government has historically exercised, and continues to exercise, significant influence over the Brazilian economy. Brazilian political and economic conditions may adversely affect us.

In 2020, 100% of our revenue was derived from sales of vanadium products originating from our operations in Brazil. Accordingly, our business, financial condition, results of operations and cash flows depend, to a considerable extent, upon economic and political conditions in Brazil.

Political and economic conditions directly affect our business and can result in a material adverse effect on us. Macroeconomic policies imposed by the Brazilian government can have significant impact on Brazilian companies or companies with significant operations in Brazil, including us.

The Brazilian economy has been characterized by frequent and occasionally significant intervention by the Brazilian government and unstable economic cycles. The Brazilian government has often changed monetary, taxation, credit and other policies to influence the course of Brazil's economy. The Brazilian government's actions to control inflation have at times involved setting wage and price controls, blocking access to bank accounts, imposing exchange controls, capital inflow and outflow controls and limiting imports and exports.

We cannot control or predict whether the current Brazilian government will implement changes to existing policies or the impact such changes may have on our operations in Brazil and, consequently, our business. Our business, operating results and financial condition and prospects, as well as the market price of our securities, may be adversely affected by changes in Brazil's public policies, whether federal, state or local, that affect, without limitation:

- inflation;
- fluctuations in exchange rates;

- exchange controls and restrictions on remittances abroad, such as those imposed in 1989 and early 1990;
- interest rates and monetary policies;
- import and export controls;
- liquidity of domestic capital, credit and financial markets;
- expansion or contraction of the Brazilian economy, as measured by rates of growth in gross domestic product, or GDP;
- fiscal policies; and
- other political, social and economic developments in or affecting Brazil.

Government policies and measures to combat inflation, along with public speculation about such policies and measures, have often had adverse effects on the Brazilian economy, contributed to economic uncertainty in Brazil and increased volatility in the Brazilian securities markets. The Brazilian government's actions to control inflation have often involved price and salary controls, currency devaluations, capital limitations, limits on imports and other actions.

Other policies and measures adopted by the Brazilian government, including interest rate adjustments, intervention in the currency markets or actions to adjust or fix the value of the *real* may adversely affect the Brazilian economy, our business and results of operations.

Uncertainty over whether the Brazilian federal government will implement reforms or changes in policy or regulation affecting these or other factors in the future may affect economic performance and contribute to economic uncertainty in Brazil, which may in turn have adverse effects on our operations in Brazil and consequently on the results of our operations. Recent economic and political instability has led to a negative perception of the Brazilian economy and higher volatility in the Brazilian securities markets.

Changes in rain patterns and other climatic effects may adversely impact the Company's operations.

The effects of changes in rainfall patterns, water shortages and changing storm patterns and intensities have from time to time adversely impacted, and may in the future adversely impact, the cost, production levels and financial performance of the Company's operations. There is no guarantee that there will be sufficient future rainfall to support the Company's future demands in relation to its sites and operations, and this has and could adversely affect production or the Company's ability to develop or expand projects and operations in the future. In addition, there can be no assurance that the Company will be able to obtain alternative water sources on commercially reasonable terms or at all in the event of prolonged drought conditions. Conversely, some of the Company's sites and operations may in the future be subject, from time to time, to severe storms and high rainfalls leading to flooding and associated damage, which may result in, delays to, or loss of production and development of some of its sites, projects or operations. Extreme rain and flood conditions may exceed site water storage capacity with the potential for involuntary release by way of overflow from tailings storage facilities, which may cause environmental damage. Environmental damage may result in fines or even in criminal sanctions for violations, in addition to the obligation to redress any environmental damages cause, all of which may negatively affect our results of operations or financial condition.

Changes in tax laws, tax incentives and benefits, or differing interpretations of tax laws, may adversely affect our results of operations.

The Brazilian tax authorities have frequently implemented changes to tax regimes that may affect the Company and ultimately the demand of the Company's customers for the products the Company sells. These measures include changes in prevailing tax rates and enactment of taxes, both temporary and permanent. Most recently, effective June 1, 2018, the Brazilian government reduced the Reintegra tax credit available to exporters from 2% to 0.1% in order to offset tax cuts that it had implemented on diesel fuel in a proposal to end a truck driver's strike in June 2018. While this reduction does not materially affect the Company, it is demonstrative of the Brazilian Government's ability to quickly make changes to Brazilian laws.

Some of these changes may increase the Company's tax burden, which may increase the prices the Company charges for the products the Company sells, restrict the Company's ability to do business in the Company's existing markets and, therefore, materially adversely affect the Company's results of operations. There can be no assurance that the Company will be able to maintain the Company's projected cash flows and results of operations following any increases in Brazilian taxes that apply to us and the Company's operations.

In addition, the Company currently receives certain tax benefits. There can be no assurance that these benefits will be maintained or renewed. Also, given the current Brazilian political and economic environment, there can be no assurance that the tax benefits the Company receives will not be judicially challenged as unconstitutional. If the Company is unable to renew the Company's tax benefits, such benefits may be modified, limited, suspended, or revoked, which may adversely affect us.

Moreover, certain tax laws may be subject to controversial interpretation by tax authorities. In the event that tax authorities interpret tax laws in a manner that is inconsistent with the Company's interpretations, the Company may be adversely affected.

During the 2018 presidential campaign there were discussions with respect to the revocation of income tax exemptions over payment of dividends, which currently exists in Brazil. Although it is not possible to determine whether the president and the members of Congress will pass legislation to this effect, it is possible that the revocation of such exemption and other reforms in Brazil's tax system will be discussed and eventually implemented by the government.

Our operations are exposed to political, economic, and policy risks relating to operating in Brazil.

The Company's principal properties are located in Brazil. As in any foreign country, mineral exploration and mining activities may be affected to varying degrees by changes in political, social and financial stability, and inflation. Any shifts in political, social or financial stability conditions are beyond the control of the Company and may adversely affect the Company's business. Brazil's status as a developing country may make it more difficult for the Company to obtain sufficient financing required for the exploration and development of its properties due to real or perceived increased investment risk.

The Company's operations may also be adversely affected by changes in foreign government policies and legislation and other factors which are not within the control of the Company, including, but not limited to, renegotiation or nullification of existing contracts, claims or licenses, changes in mining policies or the legislation or regulatory requirements affecting mining or the personnel administering them, interruption of activities and other measures taken by the Brazilian government due to the COVID-19 pandemic, currency fluctuations and devaluations, exchange controls, factors (including withholding taxes) affecting foreign subsidiaries' abilities to remit funds to the Company, economic sanctions, royalty and tax increases and retroactive tax claims, risk of terrorist activities, revolution, border disputes, implementation of tariffs and other trade barriers and protectionist practices, taxation policies, volatility of financial markets and fluctuations in foreign exchange rates, labour disputes and other risks arising out of foreign governmental sovereignty over the areas in which the Company's operations are conducted. The Company's operations may also be adversely affected by laws and policies of such foreign jurisdictions affecting foreign trade, taxation and investment. If the Company's operations are disrupted and/or the economic integrity of its contracts is threatened for unexpected reasons, there may be a corresponding material adverse effect on the Company's business or operations.

In the event of a dispute arising in connection with the Company's operations in a foreign jurisdiction where the Company conducts its business, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's activities in foreign jurisdictions could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company.

The Company may in the future enter into agreements in order to expand its business and activities beyond the jurisdictions in which it currently does so. Such an expansion may present challenges and risks that the Company has not faced in the past, any of which could materially adversely affect the results of operations and/or financial condition of the Company.

Inflation and efforts by the Brazilian government to combat inflation may contribute significantly to economic uncertainty in Brazil and could have an adverse effect on us.

Brazil has historically experienced periods of high inflation. Inflation, as well as governmental measures put in place to combat inflation, have had a material adverse effect on the Brazilian economy. Inflationary pressures persist, and actions taken in an effort to curb inflation, coupled with public speculation about possible future governmental actions, have in the past contributed to economic uncertainty in Brazil and heightened volatility in the Brazilian securities market. The inflation rate in Brazil, as reflected by the Broad Consumer Price Index (*Índice Nacional de Preços ao Consumidor Amplo)* published by the Brazilian Institute of Geography and Statistics or IBGE (*Instituto Brasileiro de Geografia e Estatística*), was 4.52% in 2020, 4.31% in 2019 and 3.75% in 2018.

As a result of inflationary pressures and macroeconomic instability, the Brazilian government has historically adopted monetary policies that have resulted in Brazil's interest rates being historically among the highest in the world. The Central Bank of Brazil sets the base interest rates (Sistema Especial de Liquidação e Custódia) (the "**SELIC rate**") generally available to the Brazilian banking system, based on the expansion or contraction of the Brazilian economy, inflation rates and other economic indicators. The SELIC was 2.00% on December 31, 2020, 4.5% on December 31, 2019, and 6.5% on December 31, 2018. As of March 2021 the SELIC rate was 2.00%. Any future increase in interest rates could negatively affect our profitability and results of operations and could increase the costs associated with financing our operations.

Inflation and government measures to combat inflation, along with speculation about possible future governmental measures, have had and are expected to continue to have significant negative effects on the Brazilian economy, including heightened volatility in the Brazilian securities market. In addition, measures to control inflation have often and historically included maintaining a tight monetary policy with high interest rates, thereby restricting the availability of credit and limiting economic growth. On the other hand, these policies may be incapable of preventing increases in inflation rates. Furthermore, the absence of such policies may trigger increases in inflation rates and thereby adversely affect economic stability. In the event of an increase in inflation, we may not be able to adjust the prices we charge our customers to offset the effects of inflation on our cost structure, which may adversely affect us

Exchange rate fluctuations in Brazil against the U.S. dollar could adversely affect us.

Exchange rate instability may have a significant negative effect on the economies in which we operate and could adversely affect us. For example, the Brazilian currency has been historically volatile and has been devalued frequently over the past three decades. Since 1999, the Central Bank of Brazil has allowed the *real* to U.S. dollar exchange rate to float freely, and during this period, the *real to U.S.* dollar exchange rate has experienced frequent and substantial variations in relation to the U.S. dollar and other foreign currencies. Throughout this period, the Brazilian government has implemented various economic plans and used various exchange rate policies, including sudden devaluations, periodic mini-devaluations (during which the frequency of adjustments has ranged from daily to monthly), exchange controls, dual exchange rate markets and a floating exchange rate system.

Although long-term depreciation of the *real* is generally linked to the rate of inflation in Brazil, depreciation of the *real* occurring over shorter periods of time has resulted in significant variations in the exchange rate between the *real*, the U.S. dollar and other currencies. We cannot predict whether the Central Bank of Brazil or the Brazilian government will continue to let the *real* float freely or intervene in the exchange rate market by returning to a currency band system or otherwise. The *real* may depreciate or appreciate substantially against the U.S. dollar and other currencies. Furthermore, Brazilian law provides that, whenever there is a serious imbalance in Brazil's balance of payments or there are substantial reasons to foresee a serious imbalance, temporary restrictions may be imposed on remittances of foreign capital abroad. We cannot assure you that such measures will not be taken by the Brazilian government in the future.

The *real*/U.S. dollar exchange rate reported by the Central Bank was R$3.8748 per $1.00 on December 31, 2018, which reflected a 17% depreciation of the *real* against the U.S. dollar during 2018. As of December 31, 2019, the exchange rate for the purchase of U.S. dollars as reported by the Central Bank was R$ 4.0307 per $1.00, which reflected a 4% depreciation of the *real* against the U.S. dollar during 2019. As of December 31, 2020, the exchange rate for the purchase of U.S. dollars as reported by the Central Bank was R$5,1967 per $1.00, which reflected a 28.9% depreciation of the *real* against the U.S. dollar during 2020.

Also, the prices of certain raw materials used in our operations in Brazil are denominated in or linked to the U.S. dollar. When the Brazilian *real* depreciates against the U.S. dollar, the cost in Brazilian *reais* of our U.S. dollar-linked raw materials increases, and our operating income in Brazilian *reais* decreases to the extent that we are unable to pass on these cost increases to our customers.

In the course of our business, we may decide to enter into financial derivative transactions in the future to hedge our exposure to foreign currency exchange rate variations. However, we cannot assure you that these instruments will be available to us at favorable terms, if at all, or will fully hedge our exposure.

A devaluation of the *real* against the U.S. dollar might also create inflationary pressures in Brazil and lead to increases in interest rates, which could adversely affect the growth of the Brazilian economy as a whole, and undermine our financial situation and operating results. On the other hand, the appreciation of the *real* in relation to the U.S. dollar may undermine the economy growth driven by exports in Brazil.

Because of the degree of volatility and the uncertainty of the factors that impact the Brazilian *real's* exchange rate, it is difficult to predict future exchange rate movements. In addition, the Brazilian government may change its foreign currency policy, and any governmental interference in the exchange rate, or the implementation of exchange control mechanisms, could influence the *real*'s exchange rate. In light of the foregoing, there can be no assurance we will be able to protect ourselves against the effects of adverse fluctuations of the Brazilian *real* against the U.S. dollar.

Any further downgrading of Brazil's credit rating could adversely impact the Brazilian economy and our operations.

Credit ratings affect investors' perceptions of risk and, as a result, the trading value of securities and yields required on future debt issuance in the capital markets. Rating agencies regularly evaluate Brazil and its sovereign ratings, which are based on a number of factors, including macroeconomic trends, fiscal and budgetary conditions, indebtedness metrics and the prospect of changes in any of these factors.

Rating agencies began the classification review of Brazil's sovereign credit rating in September 2015. Brazil lost its investment grade status by the three main rating agencies. On September 30, 2015, S&P initially reduced Brazil's credit rating from BBB– to BB+ and, subsequently, in February 2016, reduced it again from BB+ to BB, and maintained its negative outlook on the rating, citing a worsening credit situation since the first downgrade. In February 2018, S&P lowered its long term rating for Brazil's sovereign credit from BB to BB–, with a stable outlook, citing budget deficit and less timely and effective reform policymaking. In December 2015, Moody's placed Brazil's Baa3 issuer and bond ratings on review for a downgrade, and subsequently downgraded Brazil's issuer and bond ratings to below investment grade, to Ba2 with a negative outlook. In April 2018, Moody's affirmed its Ba2 rating but changed its outlook from negative to stable, citing stabilization of macroeconomic conditions, signs of recovery in the economy, falling inflation rates and a clearer fiscal outlook as reasons for the change. Fitch Ratings Inc. ("Fitch") downgraded Brazil's sovereign credit rating to BB+ with a negative outlook in December 2015 and again to BB in May 2016, with a negative outlook. In February 2018, Fitch lowered its long term rating for Brazil's sovereign credit from BB to BB–, with a stable outlook, which was reaffirmed on August 2018. As a result, Brazil lost its investment grade status with all three major rating agencies and, consequently, the trading prices of securities of the Brazilian debt and equity markets were negatively affected. If the Brazilian federal government is unable to gather the required support in the Brazilian Congress to pass additional specific reforms, the Brazilian sovereign rating could be further downgraded.

Any further downgrade of Brazil's sovereign credit ratings could heighten investors' perception of risk and, as a result, adversely affect the Brazilian economy and our operations.

The developing consequences of the Samarco and Brumadinho dam failures may adversely affect us.

On November 5, 2015, the Samarco Mineração S.A. (" **Samarco**") iron ore operations experienced a tailings dam failure that resulted in a release of mine tailings, flooding the communities of Bento Rodrigues, Gesteira and Paracatu and impacting other communities downstream and the environment of the Rio Doce basin. Samarco is a joint venture owned equally by BHP Billiton Brasil Limitada and Vale S.A.

On January 25, 2019, the Córrego do Feijão mine owned by Vale S.A. experienced a tailings dam failure that resulted in a release of mine tailings, flooding the communities of Brumadinho and impacting other communities downstream and the environment of the Rio Paraopeba.

The heightened awareness of mining impact particularly in Brazil following the Samarco and Brumadinho dam collapses in 2015 and 2019, respectively, as well as increased regulatory oversight may result in the amount and timing of future environmental and related expenditures to vary substantially from those currently anticipated. We may encounter delays in obtaining environmental and other operating licenses, or not be able to obtain and/or renew an authorization, permit and/or license. These events and additional costs may have a negative impact on our operations and have an adverse effect on our financial performance.

The heightened awareness of the potential impacts of mining activities following the Brumadinho dam failure as well as increased regulatory oversight may cause the amount and timing of future environmental and related expenditures to vary substantially from those currently anticipated and we may encounter delays in obtaining environmental and other operating licenses, or not be able to obtain and/or renew an authorization, permit and/or license. These events and additional costs may have a negative impact on our operations and have an adverse effect on our financial performance.

DIVIDENDS

The constating documents of the Company do not limit its ability to pay dividends on its Common Shares, however. The Company has not paid any dividends since incorporation. In addition, the payment of dividends in the future, if any, will be made at the discretion of the Board.

DESCRIPTION OF CAPITAL STRUCTURE

The authorized capital of the Company consists of an unlimited number of Common Shares. As of December 31, 2021 there were 64,726,670 Common Shares issued and outstanding. As of the date of this AIF, the Company had 64,752,856 Common Shares issued and outstanding, 943,772 Common Shares reserved for issuance for stock options granted to directors, officers, employees and consultants, 194m956 Common Shares reserved for issuance upon vesting of restricted share units ("**RSU**"), and approximately 1,822,000 Common Shares reserved for issuance upon the exercise of share purchase warrants.

Common Shares

Holders of Common Shares are entitled to receive notice of and to attend any meetings of shareholders and shall have one vote per share at all meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series. Holders of Common Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the Board and, upon liquidation, dissolution or winding up of the Company, are entitled to receive on a pro rata basis the net assets of the Company after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of Common Shares. The Common Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

On March 1, 2021, shareholders of the Company approved, at a special meeting of shareholders, a consolidation of the Company's outstanding Common Shares on the basis of up to 10 pre-consolidation shares for 1 post-consolidation Common Share. The Company sought the approval of the consolidation in order to (i) broaden the pool of investors that may consider investing or be able to invest in the Company, and (ii) enable the Company to satisfy certain minimum trading price requirements of senior stock exchanges in the United States for a listing of the Company's Common Shares. The Company listed the Common Shares in the United States with the view of increasing access to U.S. capital markets and enhancing overall shareholder value-particularly as the Company continues to strategically develop its recently launched U.S.-based LCE into an industry-leading, vertically integrated vanadium redox flow battery business.

On March 4, 2021, the Board implemented a consolidation of the Company's outstanding Common Shares on the basis of 10 pre-consolidation share for every 1 post-consolidation Common Shares. The Common Shares began trading on a post-2021 Share Consolidation basis on March 8, 2021. The 2021 Share Consolidation resulted in a reduction of the issued and outstanding Common Shares from 645,053,473 to 64,505,352. Common Shares reserved for issuance on the Company equity and incentive plans and on issued and outstanding warrants to acquire Common Shares were adjusted to reflect the 2021 Share Consolidation.

Incentive Options

On June 8, 2020, shareholders adopted a 10% rolling share compensation plan under which the Company may issue RSUs, and options ("**Options**") to purchase Common Shares. Unlike the Options, the RSUs do not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one Common Share following the attainment of vesting criteria determined at the time of the award.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares trade on the TSX and NASDAQ under the symbol "LGO". The table below shows the price ranges and volume of trading for each month of the financial year ended December 31, 2021 and for each month of the current financial year up to the close of the day prior to the date of this AIF. Subsequent to the shareholder approval granted at the Company's special meeting of shareholders held on March 1, 2021, the Board implemented a consolidation of the Company's Common Shares on 10 pre-consolidation shares for 1 post-consolidation share. The trading prices and volumes for periods prior to March 8, 2021 in the below table appear on a pre-2021 Share Consolidation basis. Largo Common Shares commenced trading on the NASDAQ on April 19, 2021.

TSX Trading and Volume

Month	High(C$)	Low(C$)	Volume
(2022)			
March 1-14	18.06	13.01	2,002,086
February	13.33	9.92	1,540,300
January	13.88	9.39	1,749,700
(2021)			
December	12.53	10.18	1,696,500
November	15.87	12.10	1,727,600
October	15.18	12.63	1,743,000
September	17.69	13.08	1,750,300
August	21.18	16.25	2,226,900
July	20.94	17.00	1,906,200
June	19.92	17.24	2,318,700
May	20.94	15.60	3,201,400
April	22.12	17.00	3,852,900
March 8-31	21.74	16.76	2,293,100
March 1-5	2.02	1.75	6,546,085
February	2.10	1.56	20,488,175
January	2.18	1.40	21,233,615

NASDAQ Trading Price and Volume

Month	High($)	Low($)	Volume
(2022)			
March 1-14	14.27	10.22	1,749,400
February	10.56	7.82	1,554,300
January	11.07	7.39	2,503,100
(2021)			
December	9.77	7.86	2,343,600
November	12.79	9.40	1,910,700
October	12.85	9.72	2,288,500
September	14.06	10.24	2,436,100
August	17.11	12.62	2,975,700
July	16.78	13.31	2,434,300
June	16.18	14.45	3,267,600
May	18.71	12.91	3,365,200
April 19-30	17.96	15.44	1,710,100

DIRECTORS AND OFFICERS

The following table sets forth the name, province of residence and position held with the Company of each director and executive officer effective as of the date of this AIF. All directors hold office until the next annual meeting of shareholders of the Company or until their successors are elected or appointed.

Name and Residence	Current Position(s) with the Company	Principal Occupation
Alberto Arias *Florida, United States*	Non-Executive Co-Chair Director since: April 2011 Committee Membership(s): • Compensation • Corporate Governance • Sales	Mr. Arias is the founder and Portfolio Manager of Arias Resource Capital Management LP and has over 25 years of experience in the field of international mining finance. Prior to founding Arias Resource Capital Management LP, Mr. Arias worked for eight years at Goldman, Sachs & Co., most recently acting as Managing Director and Head of Equity Research for metals and mining in the U.S., Canada and Latin America. Prior to Goldman Sachs, Mr. Arias worked for four years at UBS Warberg as Executive Director and Analyst covering the Latin American metals and mining sector.

Name and Residence	Current Position(s) with the Company	Principal Occupation
David Brace *Ontario, Canada*	Director since: June 26, 2012 Committee Membership(s): • Audit • Compensation • Operations	Mr. Brace served as Chief Executive Officer of Karmin Exploration Inc. from September 2011 to October 2019. Between January through September of 2011, Mr. Brace served as President of Lambton Capital Inc., a private investment firm focused on evaluating mining investments. Prior to this, Mr. Brace served as the Chief Executive Officer and a director of GlobeStar Mining Corporation until that company's acquisition by Perilya Limited in December of 2010. Prior to this, Mr. Brace served as Executive Vice-President of Business Development with Aur Resources until August of 2007.

Name and Residence	Current Position(s) with the Company	Principal Occupation
Jonathan Lee *New York, United States*	Director since: April 4, 2019 Committee Membership(s): • Operations • Sales	Mr. Lee is a Vice President with the private equity firm Arias Resource Capital Management LP. Prior to Arias Resource Capital Management, Mr. Lee worked with Ambac Assurance Corporation, a global bond insurer. Prior to Ambac, Mr. Lee held positions with the investment firm Raging River Capital, the mining hedge fund Geologic Resource Partners LLC, and Byron Capital Markets Ltd. in Canada as a mining & metals equity research analyst. Additionally, Mr. Lee has prior experience as an Environmental Engineer with several construction and engineering firms. Mr. Lee previously sat on the boards of Park Lawn Company Ltd. and Bearing Lithium Corp. Mr. Lee earned his MBA from the Stern School of Business at New York University and holds a BS in Chemical Engineering with a minor in Economics from Tufts University.
Ian Robertson *Ontario, Canada*	Non-Executive Co-Chair Director since: March 16, 2021	Mr. Robertson has more than 30 years of experience in the origination and execution of global energy initiatives and is committed to the concept of sustainable development. From co-founding Algonquin Power & Utilities Corp's predecessor in 1988, Ian served as Chief Executive Officer and a Director of Algonquin until July 2020. During his leadership tenure at Algonquin, Mr. Robertson drove the expansion of wind and solar energy modalities, as well as leading the company to become a sustainability focused North American regulated electric, natural gas and water utility with over 800,000 customers. Mr. Robertson also previously served on the Board of Directors of Algonquin's affiliate Atlantica Yield plc, a publicly listed sustainable infrastructure company with over 1,551 megawatts of renewable energy generation capacity. Mr. Robertson currently serves as the CEO and a director for three NYSE listed SPACs, being Northern Genesis Acquisition Corp. (since June 2020), Northern Genesis Acquisition Corp. II (since Oct 2020) and Northern Genesis Acquisition Corp. III (since December 2020). Mr. Robertson received an electrical engineering degree from the University of Waterloo, a Master of Business Administration from York University, and a Master of Law from the Law School of the University of Toronto. He is a professional engineer and holds a Chartered Financial Analyst designation.
Daniel Tellechea *Arizona, United States*	Director since: July 9, 2015 Committee Membership(s): • Audit • Corporate Governance • Operations • Sales	Mr. Tellechea has business experience in Brazil and extensive experience in international mining, most recently serving as President & CEO of Sierra Metals, Inc. between 2007 and 2014, a Toronto based mining company listed on both the Toronto (TSX) and Lima (BVL) Stock Exchanges with assets in Mexico and Peru. Prior to Sierra Metals, Mr. Tellechea was President and CEO of Asarco LLC from 2003 to 2005, he served as the Managing Director of Finance and Administration for Asarco's parent, Grupo Mexico from 1994 to 2003 and also served as Asarco's Chief Financial Officer and Vice-president of finance for Southern Copper Corporation from 1999 to 2003, which was majority owned by Grupo Mexico.
Koko Yamamoto *Ontario, Canada*	Director since: July 9, 2015 Committee Membership(s): • Audit • Compensation • Corporate Governance	Ms. Yamamoto is a chartered professional accountant. She is a partner at McGovern Hurley LLP, a CPAB registered firm, since 2003 and her practice includes a focus on assurance engagements for reporting issuers in the resource sector. Ms. Yamamoto is involved in initial public offerings and private placements, mergers and acquisitions. Ms. Yamamoto is also registered as a panel auditor with the Investment Industry Regulatory Organization of Canada (IIROC), which enables her to conduct audits of investment dealers. Prior to joining McGovern Hurley LLP in 1998, Ms. Yamamoto worked for a start-up Japanese medical technology company, both in Tokyo and San Francisco.

Name and Residence	Current Position(s) with the Company	Principal Occupation
Paulo Misk *Minas Gerais, Brazil*	President & Chief Executive Officer Director since: September 9, 2019	Mr. Misk is a mining engineer with over 28 years' experience in operational management at mining facilities for various large multi-national mining companies across a wide range of commodities, including: niobium, chromite, iron, tin, gold, lithium and a range of other industrial minerals. Prior to becoming Chief Executive Officer of Largo in September, 2019, Mr. Misk served as Chief Operating Officer of Vanádio de Maracás S.A., Largo's operating subsidiary from November, 2014 to September 8, 2019. Prior thereto, Mr. Misk ran Anglo American's Catalão Project from 2011 to 2014 where he was promoted to Head of Niobium Operations after serving as Niobium General Manager for one year. Mr. Misk's prior experience also includes several years as Talc Operational Director and as Geology, Mining Operation Manager for GP Investments' Magnesita Refratátorios project in Brazil between 2002 and 2010. Additionally, he served as Operational Director for AMG Group where he managed their tantalum, niobium, tin, feldspar and lithium operations between 2010 and 2011. Between 1994 and 2002, Mr. Misk spent his earlier career with AMG Group as Industrial Minerals Manager after being promoted from Tantalum and Niobium Division Manager.
Ernest Cleave *Ontario, Canada*	Chief Financial Officer	Mr. Cleave is a financial professional with over 20 years' experience in finance strategy, compliance, financial reporting, internal control and strategic planning. Prior to joining the Company, Mr. Cleave served as a director, CFO and corporate controller and in senior finance positions for large, multi-national companies in the mining, manufacturing and retail sectors, including Goldcorp Inc. and Falconbridge Limited. Mr. Cleave started his career with PricewaterhouseCoopers and holds a CA designation in both Australia and New Zealand, the CPA and CMA designations in Canada, the CPA and FIPA designations in Australia and the CIMA designation in the United Kingdom.
Paul Vollant *Zug, Switzerland*	Vice-President, Commercial	Mr. Vollant is highly experienced in the sales and marketing of metals and minerals and has specialized in strategic metals, particularly vanadium and titanium. He is the Chairman of Vanitec's Market Development Committee. Mr. Vollant's experience includes holding the position of General Manager of Sales and Marketing at TNG Limited, Shanghai, where his responsibility included the setup and operation of TNG's vanadium, titanium and iron products distribution strategy. Mr. Vollant was a founding Director of global commodity distribution company Element Commodities which is specialized in vanadium and titanium and was formerly with the Noble Group in London and Hong Kong. He is a Director of the HLG Group and a Non-Executive Director of Nairobi Securities Exchange. Mr. Vollant holds a M.Sc in finance and international business from the University of Lyon ESDES Business School.
Luciano Chaves *Bahia, Brazil*	Vice President of Finance and Administration at Vanádio	Mr. Chaves has over 20 years of experience in financial management in a range of different industries. Prior to joining the Company, he led the finance department of multinational mining and services companies in Latin America, including Sibelco and Hewitt. Since joining the Company in 2011, his understanding of both domestic and international business environment has brought a differentiated contribution to the Maracás Menchen Mine.

Mr. Alberto Arias is the sole director of each of the general partners of Arias Resource Capital Fund II L.P. and Arias Resource Capital Fund II (Mexico) L.P. which, as at the date of this AIF, in aggregate beneficially own 27,976,487 of our Common Shares representing approximately 43% of our outstanding Common Shares. Mr. Arias also owns, directly, 42,533 Common Shares representing approximately 0.07% of our outstanding Common Shares. Our remaining directors and executive officers, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 124,504 Common Shares, representing less than 1% of the total number of Common Shares outstanding.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Other than as set forth below, no director, executive officer or chief financial officer of the Company:

(a) is, as at the date of this document, or has been, within ten years before the date of this AIF, a director, chief executive officer or chief financial officer of any company (including the Company) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under the securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director, chief executive officer or chief financial officer ceased to be a director, chief executive officer or chief financial officer, in the company being the subject of a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (iii) 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

(b) has, within the ten years before the date of this AIF, 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.

Except as set out below, no director or executive officer of the Company, or a shareholder holding sufficient number of securities of the Company to affect materially the control of the Company, 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 investor in making an investment decision.

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 *Bankruptcy and Insolvency Act* (Canada). Colossus was delisted from the TSX effective February 21, 2014.

Mr. Tellechea was a director of Mercator Minerals, Ltd. 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.

Conflicts of Interest

Certain of the Company's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of the Company also serve as directors, please see the most recent management information circular of the Company dated May 12, 2021 for the Company's June 17, 2021 annual and special meeting of shareholders. To the extent that such other companies may participate in ventures in which the Company may participate, the directors of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Company's directors, a director who has such a conflict will step out of the room during discussions and abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. Under the laws of Canada, the directors of the Company are required to act honestly, in good faith and in the best interests of the Company. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Company may be exposed and its financial position at that time.

AUDIT COMMITTEE DISCLOSURE

The purposes of the audit committee of the Board of Directors (the " **Audit Committee**") are to assist the Board of Directors' oversight of: the integrity of the Company's financial statements; the Company's compliance with legal and regulatory requirements; the qualifications and independence of the Company's independent auditors; and the performance of the independent auditors and the Company's internal audit function.

National Instrument 52-110 - *Audit Committees* of the Canadian Securities Administrators (" **NI 52-110**") governs composition and function of audit committees for every TSX listed company, including the Company. NI 52-110 requires the Company to have a written audit committee Charter and to make the disclosure required by Form 52-110F1, which includes disclosure of the text of the audit committee charter in the management information circular of the Company wherein management solicits proxies from the security holders of the Company for the purpose of electing directors to the Board.

Audit Committee Charter

The Board of Directors has developed a written Audit Committee charter (the " **Charter**"). A copy of the Charter is attached hereto as **Schedule "B"**.

Composition of the Audit Committee

The Audit Committee is comprised of three directors: Koko Yamamoto (Chair), David Brace and Daniel Tellechea. Each member of the Audit Committee is financially literate and independent, as such terms are defined in NI 52-110.

Relevant Education and Experience

For a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as a member of the Audit Committee, see "*Directors and Officers*".

Reliance on Certain Exemptions

At no time since the Company's listing on the TSX in July, 2016 has the Company relied on either (a) an exemption in section 2.4 of NI 52-110 (*De Minimis Non-audit Services*); or (b) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110. Prior to the Company's listing on the TSX, it had relied on the exemption provided for in section 6.1 of NI 52-110, Part 5 (Reporting Obligations).

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year has there been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services.

Audit Fees

The Company appointed PricewaterhouseCoopers LLP, Chartered Professional Accountants, as its auditor. PricewaterhouseCoopers LLP agreed upon fees, excluding expenses, in each of the last two fiscal years for audit services were C$240,000 in 2021, and C$133,000 in 2020.

PricewaterhouseCoopers Brazil, external auditors of VMSA in Brazil agreed upon fees, excluding expenses, in each of the last two fiscal years were R$586,000 in 2021 and R$468,940 in 2020.

PricewaterhouseCoopers agreed upon fees were €70,000 for the fiscal year ended December 31, 2021 relating to PricewaterhouseCoopers Ireland, external auditors of Largo Ireland, in Ireland and €35,000 for the fiscal year ended December 31, 2020.

Audit-Related Fees

PricewaterhouseCoopers LLP fees incurred in each of the last two fiscal years for assurance and related services related to the performance of the auditor's review for the Company's financial statements not included in audit fees above were C$55,000 in 2021 and C$45,000 in 2020.

Tax Fees

PricewaterhouseCoopers LLP fees incurred in each of the last two fiscal years for professional tax services rendered were C$nil in 2021 and C$79,393 in 2020. The professional tax services related to corporate tax compliance, tax planning and other related tax services.

PricewaterhouseCoopers Brazil billed VMSA R$nil in the fiscal year ending December 31, 2021 and R$138,667 in the fiscal year ending December 31, 2020 for tax compliance in Brazil.

PricewaterhouseCoopers Ireland billed Largo Ireland €76,826 in the fiscal year ending December 31, 2021 for tax advisory services in Ireland and €113,386 for the fiscal year ending December 31, 2020

All Other Fees

PricewaterhouseCoopers LLP fees incurred in each of the last two fiscal years for other advisory services rendered were C$62,769in 2021 and $nil in 2020.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as disclosed below, to the best of the Company's knowledge, there were no legal proceedings during the year ended December 31, 2020 to which the Company was a party or of which any of the Company's property was subject that would have had a material adverse effect on the Company, nor are there any such legal proceedings existing or contemplated to which the Company is a party or of which any of the Company's property is subject that would have a material adverse effect on the Company.

There have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority during the fiscal year ended December 31, 2021 or any other time that would likely be considered important to a reasonable investor making an investment decision in the Company. The Company has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the fiscal year ended December 31, 2021.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Company or any person or company who or that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Company's Common Shares (or any associate of affiliate of that person or company) has had any direct or indirect material interest in any transaction involving the Company since January 1, 2019 to the date hereof, or in any proposed transaction which has materially affected or would materially affect the Company or its subsidiaries other than as disclosed herein.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent is TSX Trust Company which is located in Toronto, Ontario.

MATERIAL CONTRACTS

Except for contracts entered into by the Company in the ordinary course of business or otherwise disclosed herein, the only material contracts entered into during the financial year ended December 31, 2021, or which remain in effect can reasonably be regarded as presently material are:

- **Governance Agreement**, see "*Glossary*"; and
- **Director Nomination Agreement**, see "*Glossary*".

INTERESTS OF EXPERTS

Porfírio Cabaleiro Rodriguez, Mining Engineer, BSc (Mine Eng), MAIG employed by GE21, Guilherme Gomides Ferreira , Mining Engineer, BSc (Min Eng), MAIG associated to GE21, Fabio Valerio Xavier, Geologist, BSc, Geol, MAIG, associated to GE21, and Marlon Sarges Ferreira, BSc (Geo), MAIG associated to GE21 were the authors of the Technical Report - see "*Description of the Business - Material Project - Maracás Menchen Mine"*.

To the knowledge of the Company, none of the aforementioned individuals had an interest in any securities or other properties of the Company, its associates or affiliates as at the date the individual prepared the applicable report or as at the date hereof, and none of the aforementioned individuals holds any other interest in the assets of the Company nor do they expect to receive such an interest.

The Company's Independent Registered Public Accounting Firm is PricewaterhouseCoopers LLP ("PwC"), Chartered Professional Accountants, Licensed Public Accountants, who have issued an independent auditor's report dated March 15, 2022 in respect of the company's consolidated financial statements as at December 31, 2021 and 2020. PwC has advised that it is independent with respect to the Company within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario and Public Company Accounting Oversight Board Rule 3520 Auditor Independence.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities, and securities authorized for issuance under the Company's stock option plan is contained in the management information circular of the Company dated May 12, 2021.

Additional financial information is provided in the Company's annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2021. These documents and other information about the Company can be found on SEDAR under the Company's profile at www.sedar.com and on www.sec.gov.

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of your company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's management information circular dated May 12, 2021 for the annual and special meeting of its shareholders held on June 17, 2021. This document can be found under the Company's profile on www.sedar.com and www.sec.gov.

SCHEDULE A
GLOSSARY

"**AIF**"	means this annual information form.
"**ARC Funds**"	means, collectively, Arias Resource Capital Fund LP, Arias Resource Capital Fund II LP, and Resource Capital Fund II (Mexico) LP.
"**Audit Committee**"	means the audit committee of the Board.
"**Campbell Pit**"	refers to the main vanadium deposit, the Campbell deposit, of the Maracás Menchen Mine.
"**Campo Alegre Project**"	means the Campo Alegre de Lourdes iron-titanium-vanadium exploration project in Brazil.
"**CCC**"	means Column Capital Corp.
"**CFPOA**"	means the Corruption of Foreign Public Officials Act of Canada
"**Common Shares**"	means the common shares in the capital of the Company.
"**Currais Novos Project**"	means the Currais Novos tungsten tailings project in Rio Grande De Norte, Brazil.
"**CRU**"	means the CRU Indices, which provide price assessments in the commodity markets.
"**DOE**"	means the United States Department of Energy
"**Director Nomination Agreement**"	means the amended and restated director nomination agreement entered into between the Company and ARC Funds in May 2015, as amended and restated March 2016, enabling them to designate (a) a total of three (3) additional persons to be nominated for election to Largo's Board for election by Largo shareholders for so long as the ARC Funds, whether individually or together, own at least 50% of the issued and outstanding Common Shares, (b) a total of two (2) additional persons to be nominated for election to Largo's Board for election by Largo shareholders 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) a total of one (1) additional person to be nominated for election to Largo's Board for election by Largo shareholders, for so long as the ARC Funds, whether individually or together, own less than 40% but not less than 20% of the issued and outstanding Common Shares. These nomination rights are supplemented the ARC Funds' existing right to nominate one (1) director to the Board under the Governance Agreement.
"**Expansion**"	means the Company's expansion of the Maracás Menchen Mine to increase production capacity from the nameplate rate of approximately 800 t month of V_2O_5 to 1,100 t/month, being an increase of 37.5% over nameplate capacity.
"**FCPA**"	means the Foreign Corrupt Practices Act of the United States.
"**feasibility study**"	is a comprehensive technical and economic study of the selected development option for a mineral project that includes appropriately detailed assessments of applicable Modifying Factors together with any other relevant operational factors and detailed financial analysis that are necessary to demonstrate, at the time of reporting, that extraction is reasonably justified (economically mineable). The results of the study may reasonably serve as the basis for a final decision by a proponent or financial institution to proceed with, or finance, the development of the project. The confidence level of the study will be higher than that of a Pre Feasibility Study.

"**FeV**"	means Ferrovanadium, an alloy formed by combining iron (Fe) and vanadium (V).
"**GE21**"	means GE21 Consultoria Mineral Ltda.
"GMR"	means Gladieux Metals Recycling.
"**Governance Agreement**"	means the amended and restated investor nomination rights and governance agreement, made as of the 9 th day of March, 2012, by the Company and the Lead Investors pursuant to which the Lead Investors are each entitled, among other things, to nominate one director to the Board so long as their holding of Common Shares represents no less than 10% of the issued and outstanding Common Shares.
"**Indicated Mineral Resource**"	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource and may only be converted to a Probable Mineral Reserve.
"**INEMA**"	means Instituto do Meio Ambiente e Recursos Hídricos.
"**Inferred Mineral Resource**"	is that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
"**kg**"	means kilogram.
"**km**"	means kilometer.
"**kt**"	thousand tonnes.
"Largo Ireland"	means Largo Commodities Trading Limited, a 100% owned subsidiary of the Company.
"Largo USA"	Largo Resources USA Ltd.
"**Lead Investors**"	means ARC Funds, EP Cayman Ltd., Eton Park Master Fund, Ltd. and Ashmore Cayman SPC No. 2 Limited.
"**LCE**"	Largo Clean Energy Corporation, a 100% subsidiary of the Company.
"LDES"	means long duration energy storage.
"LOI"	means letter of intent.
"LPV"	Largo Physical Vanadium Corp.

"**m**"	means meter.
"**Maracás Menchen Mine**"	means the Maracás vanadium mine in Bahia State, Brazil, later renamed the Maracás Menchen Mine, which includes the Campbell Pit and the Ford Facility.
"**Maracás Project**"	means the vanadium deposit property in the municipality of Maracás in eastern Bahia State, Brazil.
"**Measured Mineral Resource**"	is that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proven Mineral Reserve or to a Probable Mineral Reserve.
"**Mineral Reserve**"	is the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at Pre Feasibility or Feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Mineral Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported. The public disclosure of a Mineral Reserve must be demonstrated by a Pre Feasibility Study or Feasibility Study.
"**Mineral Resource**"	is a concentration or occurrence of solid material of economic interest in or on the Earth's crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.
"**Modifying Factors**"	are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.
"**NAN**"	Novo Amparo Norte.
"**Near Mine Targets**" or "**NMT**"	has the meaning given to that term under heading " *Description of Mineral Properties - The Maracás Menchen Mine*".
"**NI 43-101**"	means the Canadian Securities Administrators National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*.
"**Northern Dancer Project**"	means the tungsten-molybdenum deposit property in Yukon Territory, Canada.
"**Offtake Agreement**"	means the offtake agreement dated May 13, 2008 with Glencore International AG pursuant to which the Company agreed to sell in U.S. dollars to Glencore, and Glencore agreed to acquire, 100% of the V_2O_5 production at the Maracás Menchen Mine. The Offtake Agreement was terminated effective April 30, 2020.

"**PEA**"	has the meaning given to that term under heading " *Description of Mineral Properties - The Maracás Menchen Mine*".
"**Pre Feasibility Study**"	is a comprehensive study of a range of options for the technical and economic viability of a mineral project that has advanced to a stage where a preferred mining method, in the case of underground mining, or the pit configuration, in the case of an open pit, is established and an effective method of mineral processing is determined. It includes a financial analysis based on reasonable assumptions on the Modifying Factors and the evaluation of any other relevant factors which are sufficient for a Qualified Person, acting reasonably, to determine if all or part of the Mineral Resource may be converted to a Mineral Reserve at the time of reporting. A Pre Feasibility Study is at a lower confidence level than a Feasibility Study.
"**Probable Mineral Reserve**"	is the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Mineral Reserve is lower than that applying to a Proven Mineral Reserve.
"**Proven Mineral Reserve**"	is the economically mineable part of a Measured Mineral Resource. A Proven Mineral Reserve implies a high degree of confidence in the Modifying Factors.
"SESR Policy"	means the Company's Safety, Environment and Social Responsibility Policy.
"TiO_2"	means titanium dioxide.
"**tonnes**" or "**t**"	means metric tonnes, where 1 tonne = 1,000 kg.
"**t/a**" or "**t/y**"	means tonnes per annum (year).
"**Technical Report**"	has the meaning given to that term under heading " *Description of Mineral Properties - The Maracás Menchen Mine*".
"**TSX**"	means the Toronto Stock Exchange.
"**V_2O_3**"	means vanadium trioxide.
"**V_2O_5**"	means vanadium pentoxide, the form vanadium is, generally, converted to following extraction.
"**vanadium**"	vanadium is a naturally occurring chemical element with the symbol "V" and atomic number 23. It is a hard, silvery-grey, ductile, malleable transition metal.
"**VMSA**"	means Largo Vanádio de Maracás S.A., a subsidiary of the Company.
"**VPURE Flakes**"	V_2O_5 flakes, have a guaranteed vanadium content of 98.5% and typical vanadium content of 99.0%.
"**VPURE+ Flakes**"	high purity V_2O_5 flakes, have a guaranteed vanadium content of 99.0% and a typical vanadium content of 99.9%.
"**VPURE+ Powder**"	V_2O_5 powder, has a guaranteed vanadium content of 99.0% and a typical vanadium content of 99.9%.
"VRFB"	means vanadium redox flow battery.

References to various elements, where not defined above, have the meaning given to them in the periodic table which is available in the public domain.

SCHEDULE B
AUDIT CHARTER

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

LARGO INC.

AUDIT COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the "**Committee**") of the Board of Directors (the " **Board**") of Largo Inc. ("**Largo**").

- **PURPOSE**
    - The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:
    - financial reporting and disclosure requirements;
    - ensuring that an effective risk management and financial control framework has been implemented and tested by management of Largo; and
    - external and internal audit processes.
- **COMPOSITION AND MEMBERSHIP**
    - The Board will appoint the members ("**Members**") of the Committee after the annual general meeting of shareholders of Largo. The Members will be appointed to hold office until the next annual general meeting of shareholders of Largo or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director.
    - The Committee will consist of at least three directors, all of whom must be an " **Independent Director**[1] ," taking into account the rules and regulations of any securities regulatory authorities and/or stock exchanges that may be applicable to Largo. All Members must be "**Financially Literate**[2] " and the Committee shall have at least one Member who has past employment experience in finance or accounting, requisite professional certification in accounting, or any other comparable experience or background which results in the individual's financial sophistication, including being or having been a chief executive officer, chief financial officer or other senior officer with financial oversight responsibilities. In addition, Members (i) must not, directly or indirectly, accept any consulting, advisory, or other compensatory fee from Largo (or any subsidiary), other than for Board or Committee service; (ii) must not be an "**Affiliated Person**[3] " of Largo or any of its subsidiaries; and (iii) must not have participated in the preparation of Largo's financial statements or those of any current Largo subsidiary at any time during the past three years. Each Member must also be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of such Member's independent judgment.

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[1] An **"Independent Director"** is a who is "independent" as the term is defined in both National Instrument 52-110 - Audit Committees ("NI 52-110") and Nasdaq Rule 5605(a)(2), as each may be amended from time to time**,** and is, without limitation, a person other than an executive officer or employee of Largo or any other individual having a relationship which, in the opinion of the Board , would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

[2] "**Financially Literate**" means the ability to read and understand a set of fundamental financial statements, including Largo's balance sheet, income statement, and cash flow statement, that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised in Largo's financial statements.

[3] "**Affiliated Person**" means an "affiliate" of, or a person "affiliated" with, a specified person, which is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified.

- The Board will appoint one of the Members to act as the Chairperson of the Committee. The secretary of Largo (the " **Corporate Secretary**") will be the secretary of all meetings and will maintain minutes of all meetings and deliberations of the Committee. In the absence of the Corporate Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

- **MEETINGS**

  - Meetings of the Committee will be held at such times and places as the Chairperson may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.

  - At the request of the external auditors of Largo, the Chief Executive Officer or the Chief Financial Officer of Largo or any member of the Committee, the Chairperson will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

  - The Chairperson, if present, will act as the Chairperson of meetings of the Committee. If the Chairperson is not present at a meeting of the Committee, then the Members present may select one of their number to act as Chairperson of the meeting.

  - Two Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairperson will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.

  - The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee will meet in camera without management at each meeting of the Committee.

  - In advance of every regular meeting of the Committee, the Chairperson, with the assistance of the Corporate Secretary, will prepare and distribute to the Members and others, as deemed appropriate by the Chairperson, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Largo to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

- **DUTIES AND RESPONSIBILITIES**

  - The duties and responsibilities of the Committee as they relate to the following matters are to:

Financial Reporting and Disclosure

  - Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, guidance with respect to earnings per share, and any public release of financial information through press release or otherwise, with such documents to indicate whether such information has been reviewed by the Board or the Committee.

  - Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectus, annual information form, annual report to shareholders, management proxy circular, material change disclosure of a financial nature, and similar disclosure documents.

  - Review with management of Largo and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Largo's financial position and the results of its operations in accordance with IFRS, as applicable.

- Annually review Largo's corporate disclosure policy and recommend any proposed changes to the Board for consideration.
- Review the minutes from each meeting of the disclosure committee, established pursuant to Largo's corporate disclosure policy, since the last meeting of the Committee.

Internal Controls and Audit

- Review and assess the adequacy and effectiveness of Largo's system of internal control and management information systems through discussions with management and the external auditor to ensure that Largo maintains:

(a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Largo's transactions;

(b) effective internal control systems; and

(c) adequate processes for assessing the risk of material misstatement of the financial statements and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Largo at any particular time.

- Satisfy itself that management has established adequate procedures for the review of Largo's disclosure of financial information extracted or derived from Largo's financial statements.
- Satisfy itself that management has periodically assessed the adequacy of internal controls, systems and procedures in order to ensure compliance with regulatory requirements and recommendations.
- Review and discuss Largo's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
- Review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Largo's risk management policies and procedures with regard to identification of Largo's principal risks and implementation of appropriate systems to manage such risks, including, without limitation, an assessment of the adequacy of insurance coverage maintained by Largo.
- Review and assess annually, and in the Committee's discretion make recommendations to the Board regarding Largo's investment policy.

External Audit

- Be directly responsible for recommending the appointment, compensation, retention and termination of the external auditor and for oversight of the work of any external auditors for Largo.
- Ensure the external auditors report directly to the Committee on a regular basis.
- Review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.
- Review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors.
- Review the audit plan of the external auditors prior to the commencement of the audit.
- Establish and maintain a direct line of communication with Largo's external and internal auditors.
- Meet in camera with only the auditors, with only management, and with only the members of the Committee.
- Review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor's team.

- Oversee the work of the external auditors appointed by the shareholders of Largo with respect to preparing and issuing an audit report or performing other audit, review or attest services for Largo, including the resolution of issues between management of Largo and the external auditors regarding financial disclosure.

- Review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Largo, and the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences.

- Discuss with the external auditors their perception of Largo's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review, and availability of records, data and other requested information and any recommendations with respect thereto.

- Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.

- Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

Associated Responsibilities

- Monitor and periodically review the whistleblower policy and associated procedures for:

(a) the receipt, retention and treatment of complaints received by Largo regarding accounting, internal accounting controls or auditing matters;

(b) the confidential, anonymous submission by directors, officers and employees of Largo of concerns regarding questionable accounting or auditing matters; and

(c) any violations of any applicable law, rule or regulation that relates to corporate reporting and disclosure, or violations of Largo's Code of Business Conduct & Ethics or governance policies.

- Review and approve Largo's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditor of Largo.

Non-Audit Services

- Pre-approve all audit and non-audit services to be provided to Largo or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority, within certain limits, to pre-approve audit and non-audit services but pre-approval by such member or members so delegated shall be presented to the full audit committee at its first scheduled meeting following such preapproval.

Oversight Function

- While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Largo's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairperson and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Largo, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Largo's financial information or public disclosure.

- **REPORTING**
    - The Chairperson will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Corporate Secretary will circulate the minutes of each meeting of the Committee to the members of the Board.
- **ACCESS TO INFORMATION AND AUTHORITY**
    - The Committee will be granted unrestricted access to all information regarding Largo and all directors, officers and employees will be directed to cooperate as requested by members of the Committee. The Committee has the authority to retain, at Largo's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.
- **FUNDING**
    - Largo must provide for appropriate funding, as determined by the Committee, for the payment of: (i) compensation to any external auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for Largo; (ii) compensation to any advisors employed by the Committee pursuant to Section 6.1 hereof; and (iii) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
- **REVIEW OF CHARTER**
    - The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

As approved on March 14, 2022

Exhibit 99.2



Largo Inc.

Annual Consolidated Financial Statements

For the Years Ended December 31, 2021 and 2020

(Expressed in thousands / 000's of U.S. dollars)

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Management's Responsibility for Financial Reporting

The accompanying consolidated financial statements of Largo Inc. (formerly Largo Resources Ltd.) (the "Company" or "Largo") for the years ended December 31, 2021 and 2020 have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board. Management is responsible for the preparation and presentation of the consolidated financial statements, including responsibility for significant accounting judgments and estimates and, where relevant, the choice of accounting principles.

In discharging its responsibility for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and an appropriate system of internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained.

The board of directors (the "Board" or "Board of Directors") and the Audit Committee are composed primarily of Directors who are neither management nor employees of the Company. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information presented. The Board fulfills these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and the independent auditors. The Audit Committee has the responsibility of meeting with management and the independent auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Board is also responsible for recommending the appointment of the Company's external independent auditors.

The Company's independent auditors audit the consolidated financial statements annually on behalf of the Company's shareholders. The Company's independent auditors have full and free access to management and the Audit Committee.

/s/ "Paulo Misk"

Paulo Misk

President & Chief Executive Officer

March 15, 2022

/s/ "Ernest Cleave"

Ernest Cleave

Chief Financial Officer

March 15, 2022

Report of Independent Registered Public Accounting Firm

To the Shareholders of Largo Inc. (formerly Largo Resources Ltd.)

Opinion on the Financial Statements
We have audited the accompanying consolidated statements of financial position of Largo Inc. (formerly Largo Resources Ltd.) and its subsidiaries (together, the Company) as of December 31, 2021 and 2020, and the related consolidated statements of income (loss) and comprehensive income (loss), changes in equity and cash flows for the years then ended, including the related notes (collectively referred to as the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Basis for Opinion
These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada
March 15, 2022

We have served as the Company's auditor since 2014.

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2600, Toronto, Ontario, Canada M5J 0B2
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"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Largo Inc.

Expressed in thousands / 000's of U.S. dollars

Consolidated Statements of Financial Position

	Notes	As at December 31, 2021	December 31, 2020
Assets			
Current Assets			
Cash		**$ 83,790**	$ 79,145
Restricted cash		**448**	-
Amounts receivable	4	**23,684**	19,097
Inventory	5	**45,322**	35,337
Prepaid expenses		**6,734**	3,718
Total Current Assets		**159,978**	137,297
Non-current Assets			
Deferred income tax	15(b)	**3,343**	7,178
Other intangible assets	6	**3,929**	4,366
Mine properties, plant and equipment	7	**146,659**	148,965
Total Non-current Assets		**153,931**	160,509
Total Assets		**$ 313,909**	$ 297,806
Liabilities			
Current Liabilities			
Accounts payable and accrued liabilities	9	**$ 19,723**	$ 15,968
Deferred revenue		**5,469**	3,223
Current portion of lease liability	8	**563**	-
Current portion of provisions	11	**913**	368
Debt	10	**15,000**	24,788
Total Current Liabilities		**41,668**	44,347
Non-current Liabilities			
Lease liability	8	**1,987**	-
Provisions	11	**4,557**	6,295
Total Non-current Liabilities		**6,544**	6,295
Total Liabilities		**48,212**	50,642
Equity			
Issued capital	12	**415,982**	406,214
Equity reserves	13	**17,814**	21,291
Accumulated other comprehensive loss		**(118,772)**	(108,438)
Deficit		**(49,327)**	(71,903)
Total Equity		**265,697**	247,164
Total Liabilities and Equity		**$ 313,909**	$ 297,806
Commitments and contingencies	7, 11, 18		
Subsequent events	23		

--The accompanying notes form an integral part of the consolidated financial statements--

Largo Inc.

Expressed in thousands / 000's of U.S. dollars and shares (except per share information)

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

	Notes	Years ended December 31, 2021	2020
Revenues	21	**$ 198,280**	$ 119,987
Other gains (losses)		**-**	1,636
		198,280	121,623
Expenses			
Operating costs	22	**(133,010)**	(88,390)
Professional, consulting and management fees		**(17,922)**	(8,255)
Foreign exchange gain (loss)		**610**	(9,064)
Other general and administrative expenses	22	**(6,404)**	(3,329)
Share-based payments	13	**(3,135)**	(1,638)
Finance costs	22	**(1,135)**	(1,350)
Interest income		**403**	1,148
Technology start-up costs		**(3,835)**	-
Exploration and evaluation costs		**(2,093)**	(3,022)
		(166,521)	(113,900)
Net income before tax		**$ 31,759**	$ 7,723
Income tax expense	15(a)	**(5,430)**	(139)
Deferred income tax expense	15(a)	**(3,758)**	(823)
Net income		**$ 22,571**	$ 6,761
Other comprehensive loss			
Items that subsequently will be reclassified to operations:			
Unrealized loss on foreign currency translation		**(10,334)**	(41,937)
Comprehensive income (loss)		**$ 12,237**	$ (35,176)
Basic earnings per Common Share	14	**$ 0.35**	$ 0.12
Diluted earnings per Common Share	14	**$ 0.35**	$ 0.11
Weighted Average Number of Shares Outstanding (in 000's)			
- Basic	14	**64,048**	56,402
- Diluted	14	**65,045**	61,360

--The accompanying notes form an integral part of the consolidated financial statements--

Largo Inc.

Expressed in thousands / 000's of U.S. dollars and shares

Consolidated Statements of Changes in Equity

	Shares	Issued Capital	Equity Reserves	Accumulated Other Comprehensive Loss	Deficit	Shareholders' Equity
Balance at December 31, 2019	55,453	$ 396,026	$ 21,448	$ (66,501)	$ (78,870)	$ 272,103
Grant of stock options and restricted share units	-	-	1,180	-	-	1,180
Share-based payments	-	-	458	-	-	458
Exercise of warrants	2,953	6,136	(2,320)	-	-	3,816
Exercise of stock options	81	626	(209)	-	-	417
Exercise of restricted share units	40	1,183	(1,183)	-	-	-
Expiry of warrants	-	-	(159)	-	159	-
Expiry of stock options	-	-	(47)	-	47	-
Purchase consideration (note 6)	252	2,243	2,123	-	-	4,366
Currency translation adjustment	-	-	-	(41,937)	-	(41,937)
Net income for the year	-	-	-	-	6,761	6,761
Balance at December 31, 2020	58,779	$ 406,214	$ 21,291	$ (108,438)	$ (71,903)	$ 247,164
Grant of stock options and restricted share units	**-**	**-**	**1,580**	**-**	**-**	**1,580**
Share-based payments	**-**	**-**	**1,555**	**-**	**-**	**1,555**
Exercise of warrants	**5,723**	**7,982**	**(5,344)**	**-**	**-**	**2,638**
Exercise of stock options	**156**	**944**	**(421)**	**-**	**-**	**523**
Exercise of restricted share units	**69**	**842**	**(842)**	**-**	**-**	**-**
Expiry of warrants	**-**	**-**	**(5)**	**-**	**5**	**-**
Currency translation adjustment	**-**	**-**	**-**	**(10,334)**	**-**	**(10,334)**
Net income for the year	**-**	**-**	**-**	**-**	**22,571**	**22,571**
Balance at December 31, 2021	**64,727**	**$ 415,982**	**$ 17,814**	**$ (118,772)**	**$ (49,327)**	**$ 265,697**

--The accompanying notes form an integral part of the consolidated financial statements--

Largo Inc.

Expressed in thousands / 000's of U.S. dollars

Consolidated Statements of Cash Flows

	Notes	Years ended December 31, 2021	2020
Operating Activities			
Net income for the year		**$ 22,571**	$ 6,761
Adjustment for Non-cash Items			
Other (gains) losses		**-**	(1,636)
Depreciation		**22,511**	17,507
Share-based payments	13	**3,135**	1,638
Unrealized foreign exchange loss (gain)		**324**	(12,750)
Finance costs	22	**1,135**	1,350
Interest income		**(403)**	(1,148)
Income tax expense	15(a)	**5,430**	139
Deferred income tax expense	15(a)	**3,758**	823
Income tax paid		**(3,099)**	(619)
Cash Provided Before Working Capital Items		**55,362**	12,065
Change in amounts receivable		**(5,447)**	(14,378)
Change in inventory		**(11,047)**	(16,215)
Change in vanadium products		**-**	5,036
Change in prepaid expenses		**(3,155)**	(2,356)
Change in accounts payable and accrued liabilities		**1,818**	(46,883)
Change in deferred revenue		**2,246**	3,223
Net Cash Provided by (Used in) Operating Activities		**39,777**	(59,508)
Financing Activities			
Receipt of debt	10	**15,000**	24,788
Repayment of debt	10	**(24,788)**	-
Interest received		**403**	1,135
Finance lease payments	8	**(230)**	-
Change in restricted cash		**(448)**	76
Issuance of common shares	13	**3,161**	4,233
Net Cash (Used in) Provided by Financing Activities		**(6,902)**	30,232
Investing Activities			
Mine properties, plant and equipment		**(27,399)**	(18,106)
Net Cash Used in Investing Activities		**(27,399)**	(18,106)
Effect of foreign exchange on cash		**(831)**	(972)
Net Change in Cash		**4,645**	(48,354)
Cash position - beginning of the year		**79,145**	127,499
Cash Position - end of the year		**$ 83,790**	$ 79,145
Non-cash investing activities	6, 8		

--The accompanying notes form an integral part of the consolidated financial statements--

Notes to the Annual Consolidated Financial Statements

1) Nature of operations

The Company is a producer and supplier of high-quality vanadium products, which are sourced from one of the world's highest-grade vanadium deposits at the Company's Maracás Menchen Mine located in Brazil. The Company is also focused on the advancement of renewable energy storage solutions through Largo Clean Energy and its vanadium redox flow battery technology. The Company is in the process of vertically integrating its vanadium production operations with its vanadium redox flow battery technology. While the Company's Maracás Menchen Mine has reached commercial production, future changes in market conditions and feasibility estimates could result in the Company's mineral resources not being economically recoverable.

On November 8, 2021, the Company changed its legal name from Largo Resources Ltd. to Largo Inc.

The Company is a corporation governed by the Business Corporations Act (Ontario) and domiciled in Canada whose shares are listed on the Toronto Stock Exchange ("TSX") and on the Nasdaq Stock Market ("Nasdaq"). The head office, principal address and records office of the Company are located at 55 University Avenue, Suite 1105, Toronto, Ontario, Canada M5J 2H7.

2) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to a going concern. The significant accounting policies applied in these consolidated financial statements are presented in note 3 and are based on IFRS effective as at December 31, 2021.

The consolidated financial statements were approved by the Board of Directors of the Company on March 15, 2022.

3) Basis of preparation, significant accounting policies, and future accounting changes

These consolidated financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value and certain inventory balances carried at net realizable value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

These consolidated financial statements are presented in thousands of U.S. dollars, unless otherwise noted. References to the symbol "C$" or "CAD" mean the Canadian dollar, references to the symbol "EUR" mean the Euro and references to the symbol "R$" or "BRL" mean the Brazilian real, the official currency of Brazil.

a) Basis of consolidation

Subsidiaries consist of entities over which the Company is exposed to, or has rights to, variable returns as well as the ability to affect those returns through the power to direct the relevant activities of the entity. Subsidiaries are consolidated from the date control is transferred to the Company and are de-consolidated from the date control ceases. The consolidated financial statements include all the assets, liabilities, revenues, expenses and cash flows of the Company and its subsidiaries after eliminating inter-entity balances and transactions.

The consolidated financial statements include the financial condition and results of operations of the Company and its subsidiaries as outlined below (refer to note 23 for details of an entity incorporated subsequent to December 31, 2021):

Name	Property	December 31, 2021	December 31, 2020	Arrangement	Accounting Method
Largo Vanádio de Maracás S.A.	Maracás Menchen Mine (Brazil)	99.94%	99.94%	Subsidiary	Consolidation
Largo Mineração Campo Alegre de Lourdes Ltda.	Campo Alegre Project (Brazil)	100%	100%	Subsidiary	Consolidation
Largo Mineração Currais Novos Ltda.	Currais Novos Project (Brazil)	100%	100%	Subsidiary	Consolidation
Largo Tech Ltda.	N/A	100%	-%	Subsidiary	Consolidation
Largo Titânio Ltda.	N/A	100%	-%	Subsidiary	Consolidation
Largo Resources (Yukon) Ltd.	Northern Dancer Project (Canada)	100%	100%	Subsidiary	Consolidation
Largo Commodities Holding Ltd.	N/A	100%	100%	Subsidiary	Consolidation
Largo Commodities Trading Ltd.	N/A	100%	100%	Subsidiary	Consolidation
Largo Resources USA Inc.	N/A	100%	100%	Subsidiary	Consolidation
Largo Clean Energy Corp.	N/A	100%	100%	Subsidiary	Consolidation

b) Functional and presentation currency

The consolidated financial statements are presented in U.S. dollars which is the functional and reporting currency of the Company. The functional currency of the Company's Brazilian subsidiaries is the Brazilian real, the functional currency of the Company's Canadian subsidiary is the Canadian dollar, the functional currency of Largo Commodities Holding Ltd. and Largo Commodities Trading Ltd. is the U.S. dollar and the functional currency of Largo Resources USA Inc. and Largo Clean Energy Corp. is the U.S. dollar.

On May 1, 2020 the Company changed its presentation currency from the Canadian dollar to the U.S. dollar. Also on May 1, 2020 the functional currency of Largo Inc., Largo Commodities Holding Ltd. and Largo Commodities Trading Ltd. changed prospectively to the U.S. dollar from the Canadian dollar, Euro and Euro, respectively. The Company reconsiders the functional currency of its operations if there is a change in events and conditions which determine the primary economic environment. In early 2020, the Company's off-take agreement with its former off-take partner expired, and the Company started generating U.S. dollar denominated revenues and incurring U.S. dollar denominated costs. This is a significant judgment considering the significance of the revenues and costs to the Company's activities, and the primary economic environments in which the Company and its subsidiaries operate.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Non-monetary items denominated in foreign currencies are translated at the rates prevailing on the transaction dates. Income and expenses are translated at the average exchange rates for the period where these approximate the rates on the dates of transactions.

Exchange differences are recognized in the consolidated statement of income (loss) and comprehensive income (loss) in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

All other foreign exchange gains and losses are presented in the consolidated statement of income (loss) and comprehensive income (loss) within "foreign exchange (loss)".

The financial statements of subsidiaries that do not have the U.S. dollar as the functional currency are translated into U.S. dollars as follows: assets and liabilities - at the closing rate at the date of the statement of financial position; income and expenses - at the average rate for the period (if this is considered a reasonable approximation to actual rates) or at the rate on the date of transaction. All resulting changes are recognized in other comprehensive income (loss) as foreign currency translation adjustments.

c) Significant accounting policies

1. Cash and cash equivalents

   Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. At December 31, 2021 and 2020, the Company held no cash equivalents.

2. Inventories

   Finished products inventory, work-in-process inventory and stockpiles are measured at the lower of weighted average production cost or average purchase cost and net realizable value. Warehouse materials are measured at the lower of average purchase cost and net realizable value. Net realizable value is calculated as the difference between the estimated selling price and estimated costs to complete processing into a saleable form and variable selling expenses.

   Production costs include the cost of materials, labour, mine site production overheads, depreciation and conversion costs to the applicable stage of processing.

   The cost of ore stockpiles is increased based on the related current cost of production for the period and decreases in stockpiles are charged to cost of sales using the weighted average cost per tonne. Stockpiles are segregated between current and non-current inventories in the consolidated statement of financial position based on the period of planned usage.

   Provisions are recorded to reduce the carrying amount of inventory to net realizable value to reflect changes in grades, quantity or other economic factors and to reflect current intentions for the use of redundant or slow-moving items. Provisions for redundant and slow-moving items are made by reference to specific items of inventory. The Company reverses provisions where there is a subsequent increase in net realizable value and where the inventory is still on hand.

   Spare parts, stand-by and servicing equipment held are generally classified as inventories. Major capital spare parts and stand-by equipment (insurance spares) are classified as a component of mine properties, plant and equipment.

3. Vanadium products

   Prior to May 1, 2020, vanadium products were initially recorded at cost on the date that control of the vanadium products passes to the Company. Cost was calculated as the purchase price, excluding transaction fees, which were expensed as incurred. Subsequent to initial recognition, vanadium products were measured at fair value at each reporting period end. Fair value was determined based on the most recent observable vanadium market transaction data as reported by a recognized provider of global metal prices. Gains and losses arising on the sale of the vanadium products and fair value gains and losses were recorded in the consolidated statements of income (loss) and comprehensive income (loss) as other gains (losses) in the period in which they arise.

   The Company's off-take agreement with its former off-take partner expired at the end of April 2020. In connection with this and with the Company managing its own sales activities from May 1, 2020 onwards, the Company's vanadium products are accounted for as finished products inventory effective from May 1, 2020.

Notes to the Annual Consolidated Financial Statements

4. Mineral exploration, evaluation and development properties

   - Exploration and evaluation properties

     Expenditures on exploration and evaluation activities are expensed to exploration and evaluation costs in the consolidated statement of income (loss) and comprehensive income (loss). The cost of acquiring prospective properties and exploration rights is capitalized to exploration and evaluation properties in the consolidated statement of financial position.

     Post-acquisition exploration and evaluation costs relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential.

     Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to development properties. Subsequent expenditures are capitalized to development properties.

     Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If impairment indicators are identified and an impairment test is performed, all irrecoverable costs will be written off.

   - Development properties

     When economically viable reserves have been determined and the decision to proceed with development has been approved, the expenditures related to construction are capitalized to development properties in the consolidated statement of financial position. Costs associated with the commissioning of new assets in the period before they are operating in the way intended by management, are capitalized, net of any pre-production revenues. Interest on borrowings related to the construction and development of qualifying assets are capitalized until substantially all the activities required to make the asset ready for its intended use are complete.

5. Mine properties, plant and equipment

   Upon completion of mine construction, development property assets are transferred to mine properties, plant and equipment. Items of plant and equipment and mine properties are stated at cost, less accumulated depreciation and accumulated impairment losses.

   The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of the rehabilitation obligation, and for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire or construct the asset and includes the direct charges associated with bringing the asset to the location and condition necessary for putting it into use. The capitalized value of a finance lease is also included within mine properties, plant and equipment.

   When a mine construction project moves into the production stage, the capitalization of certain mine construction costs ceases and costs are either regarded as inventory or expensed, except for costs which qualify for capitalization relating to mining asset additions or improvements, or mineable reserve development.

   When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of equipment.

Notes to the Annual Consolidated Financial Statements

6. Depreciation

Effective from the point an asset is available for its intended use, mine properties, plant and equipment are depreciated using either the straight line or units-of-production methods over the shorter of the estimated economic life of the asset or the mining operation. Depreciation and amortization are determined based on the method which best represents the use of the assets.

The reserve and resource estimates for each mining operation are the prime determinants of the life of a mine. In general, when the useful life of mine properties, plant and equipment is akin to the life of the mining operation and the ore body's mineralization is reasonably well defined, the asset is depreciated on a units-of-production basis over its proven and probable mineral reserves. Non-reserve material may be included in depreciation calculations in limited circumstances where there is a high degree of confidence in its economic extraction. The Company evaluates the estimate of mineral reserves and resources at least on an annual basis and adjusts the units-of-production calculation prospectively. In 2021 and 2020, the Company has not incorporated any non-reserve material in its depreciation calculations on a units-of-production basis. When mine properties, plant and equipment are depreciated on a straight-line basis, the useful life of the asset is determined based on its estimated economic life and the most recent life of mine ("LOM") plan. LOM plans are typically developed annually and are based on management's current best estimates of optimized mine and processing plans, future operating costs and the assessment of capital expenditures of a mine site. Any change in the useful life is adjusted prospectively.

The estimated useful lives for machinery and equipment ranges from 10 to 30 years. Computers, office equipment and vehicles are depreciated using the declining balance method using rates of 20%, 10% and 20%, respectively.

Amounts related to capitalized costs of exploration and evaluation assets, development properties and construction in progress are not amortized as the assets are not available for use.

Capitalized stripping costs are depreciated over the reserves that directly benefit from the specific stripping activity using the units-of-production method. Capitalized borrowing costs are amortized over the useful life of the related asset. Residual values, useful lives and amortization methods are reviewed at least annually and adjusted if appropriate. The impact of changes to the estimated useful lives, change in depreciation method or residual values is accounted for prospectively.

7. Other intangible assets

Other intangible assets includes acquired intellectual property, which is initially recognized at fair value. The fair value was determined through reference to the acquisition cost paid. Other intangible assets are amortized on a straight-line basis over their useful life. The estimated useful life is 10 years.

8. Impairment of non-financial assets

The carrying values of capitalized exploration and evaluation properties, development properties, mine properties, plant and equipment and other intangible assets are assessed by management for impairment when indicators of such impairment exist. If any indication of impairment exists an estimate of the asset's recoverable amount is calculated. The recoverable amount is determined as the higher of the fair value less costs of disposal ("FVLCD") of the asset and the asset's value in use ("VIU").

Impairment is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, the individual assets of the Company are grouped together into cash generating units ("CGUs") for impairment purposes. Such CGUs represent the lowest level for which there are separately identifiable cash inflows that are largely independent of the cash flows from other assets or other groups of assets. This generally results in the Company evaluating its non-financial assets on a mine or project basis.

If the carrying amount of the asset or CGU exceeds its recoverable amount, the asset or CGU is impaired, and an impairment loss is charged to the consolidated statement of income (loss) and comprehensive income (loss) so as to reduce the carrying amount to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the factors which gave rise to the triggering event. If this is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation/amortization, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of income (loss) and comprehensive income (loss).

9. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the consolidated statement of income (loss) and comprehensive income (loss) in the period in which they are incurred.

10. Revenues

Revenues include sales of vanadium products and will include sales of vanadium redox flow batteries in future periods. The Company recognizes revenue when it transfers control of a product to the customer. The principal activity from which the Company generates its revenue is the sale of vanadium products to third parties. Delivery of the vanadium product is considered to be the only performance obligation. Revenues are measured based on the consideration specified in the contract with the customer.

Under the terms of the Company's vanadium sales agreement that expired on April 30, 2020, vanadium prices were provisionally set at the time revenue was recognized based upon market commodity prices. Revenue, and a trade receivable, was recognized at the time of shipment, which is when control of the vanadium product passed to the customer and the Company's performance obligation was satisfied. Revenue was measured using market prices on the date of transfer of control of the vanadium product. Changes in the measurement of the trade receivable, which was re-measured once the date that final selling prices were determined had been set by the Company's former off-take partner, were also recognized as a component of revenues in the period in which the final price was determined. Variations occurred between the price recorded on the date of revenue recognition and the actual final price under the terms of the contract due to changes in market prices.

11. Deferred revenue

Deferred revenue is recognized in the consolidated statement of financial position when a cash prepayment is received from a customer prior to the sale of vanadium. Revenue is subsequently recognized in the consolidated statement of income (loss) and comprehensive income (loss) when control has been transferred to the customer. The Company determines the current portion of deferred revenue based on quantities anticipated to be delivered over the next twelve months.

12. Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based payment transactions are set out in note 13.

The fair value determined at the grant date of the equity-settled share-based payments is expensed or capitalized, as appropriate, on a graded vesting basis over the period during which the employee becomes unconditionally entitled to equity instruments, based on the Company's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity reserve.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

For those options and warrants that expire after vesting, the recorded value is transferred to deficit.

13. Taxation

Income and deferred income tax expense or recovery is comprised of current and deferred tax. Current and deferred taxes are recognized in the consolidated statement of income (loss) and comprehensive income (loss) except to the extent that they relate to an asset acquisition, or items recognized directly in equity or in other comprehensive income (loss).

- Current tax

  Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using the tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of the previous years.

- Deferred tax

  Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

  Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

  The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

  Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its tax assets and liabilities on a net basis.

14. Financial instruments

Financial instruments are recognized on the consolidated statement of financial position on the trade date, the date on which the Company or its subsidiaries become party to the contractual provisions of the financial instrument. All financial instruments are required to be classified and measured at fair value on initial recognition. The Company recognizes financial assets and financial liabilities on the date the Company becomes a party to the contractual provisions of the instruments. A financial asset is derecognized either when the Company has transferred substantially all the risks and rewards of ownership of the financial asset or when cash flows expire. A financial liability is derecognized when the obligation specified in the contract is discharged, cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the consolidated statement of Income (loss) and comprehensive income (loss). Certain financial instruments are recorded at fair value in the consolidated statement of financial position.

- Non-derivative financial instruments

Non-derivative financial instruments are recognized initially at fair value plus attributable transaction costs, where applicable, for financial instruments not classified as fair value through profit or loss. Subsequent to initial recognition, non-derivative financial instruments are classified and measured as described below.

Financial assets at fair value through profit or loss ("FVTPL")

Cash, restricted cash and trade receivables with the Company's former off-take partner (refer to revenues accounting policy in note 3(c) part 10) are classified as financial assets at FVTPL and are measured at fair value. Cash includes short-term investments with initial maturities of three months or less. The unrealized gains or losses related to changes in fair value of cash and restricted cash are reported in the consolidated statement of income (loss) and comprehensive income (loss). Changes in the value of trade receivables with the Company's former off-take partner were recognized in revenues in the consolidated statement of income (loss) and comprehensive income (loss).

Amortized cost

Amounts receivable, excluding trade receivables classified as financial assets at FVTPL, are classified as and measured at amortized cost using the effective interest rate ("EIR") method, less expected credit losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. EIR amortization is included in finance costs in the consolidated statement of income (loss) and comprehensive income (loss).

Non-derivative financial liabilities

Accounts payable and accrued liabilities, long-term debt, and other long-term liabilities are classified as and accounted for at amortized cost, using the EIR method. The amortization of long- term debt issue costs is calculated using the EIR method. Gains and losses are recognized in the consolidated statement of income (loss) and comprehensive income (loss) when the liabilities are derecognized, as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR.

- Derivative financial instruments

  The Company may hold derivative financial instruments to hedge its risk exposure to fluctuations of other currencies compared to the Canadian dollar and the U.S. dollar. All derivative instruments not designated in a hedge relationship that qualifies for hedge accounting are classified as financial instruments at FVTPL.

  Further, any equity instrument that does not satisfy the fixed-for-fixed criteria for classification in equity will be classified as a derivative financial instrument.

  Derivative financial instruments at FVTPL, including embedded derivatives requiring separation from its host, are recorded in the consolidated statement of financial position at fair value.

  Changes in estimated fair value of non-hedge derivatives at each reporting date are included in the consolidated statement of income (loss) and comprehensive income (loss).

  Embedded derivatives in financial liabilities measured at amortized cost are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not closely related.

Fair value of financial instruments

The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. For financial instruments not traded in an active market, the fair value is determined using appropriate valuation techniques. Such techniques may include using recent arm's length market transactions; reference to the current fair value of another instrument that is substantially the same; discounted cash flow analysis or other valuation models.

Impairment of financial assets

The Company recognizes loss allowances for expected credit losses ("ECLs") on its financial assets measured at amortized cost. Loss allowances for other receivables are always measured at an amount equal to lifetime ECL. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Company considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full when due or if the financial asset is more than 120 days past due.

- Measurement of ECLs

  ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, which is the difference between the cash flows due to the Company and the cash flows expected to be received.

- Credit-impaired financial assets

  At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred, such as a default or being more than 120 days past due.

- Presentation of allowance for ECLs

  Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

- Write-off

  The gross carrying amount of a financial asset carried at amortized cost is written off, either partially or in full, to the extent that there is no realistic prospect of recovery.

15. Provisions

- General

  Provisions are recognized when (a), the Company has a present obligation (legal or constructive) as a result of a past event, and (b), it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of income (loss) and comprehensive income (loss), net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized in the consolidated statement of income (loss) and comprehensive income (loss).

- Environmental rehabilitation

  The Company records the present value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings ponds, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation and re-vegetation of affected areas.

  The obligation generally arises when the asset is installed or the ground / environment is disturbed at the production location. When the liability is initially recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related asset. Over time, the discounted liability is increased for the change in present value based on the discount rates that reflect current market assessments and the risks specific to the liability. The periodic unwinding of the discount is recognized in the consolidated statement of income (loss) and comprehensive income (loss). Additional disturbances or changes in rehabilitation costs will be recognized as additions or charges to the corresponding assets and rehabilitation liability when they occur. For closed sites, changes to estimated costs are recognized immediately in the consolidated statement of income (loss) and comprehensive income (loss).

16. Earnings per share

Earnings per share is based on the weighted average number of common shares of the Company outstanding during the period. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options, warrants and restricted share units, in the weighted average number of common shares outstanding during the period, if dilutive. In the Company's case, diluted loss per share is the same as basic loss per share in the current period presented as the effects of including all convertible securities would be anti-dilutive. If the number of ordinary or potential ordinary shares outstanding increases as a result of a capitalization, bonus issue or share split, or decreases as a result of a reverse share split, the calculation of basic and diluted earnings per share for all periods presented shall be adjusted retrospectively. If these changes occur after the reporting period but before the financial statements are authorized for issue, the per share calculations for those and any prior period financial statements presented shall be based on the new number of shares.

17. Leases

At the inception of a contract, the Company assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Company has the right to obtain substantially all of the economic benefits from the use of the assert throughout the period of use; and
- the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
    - the Company has the right to operate the asset; or
    - the Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of its useful life or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method and is remeasured when there is a change in future lease payments arising from a change in an index or rate or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the consolidated statement of income (loss) and comprehensive income (loss) if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments for short-term leases, leases of low-value assets and variable lease payments not included in the measurement of the lease liability are classified as cash flows from operating activities. Cash payments for the principal portion of the lease liability are included in financing activities and cash payments for the interest paid portion of the lease liability are included in debt issue costs, interest, guarantee fees and other associated fees paid in financing activities.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

18. Operating segments

The Company is engaged in the mining, exploration and development of mineral properties, primarily in Brazil, through which it produces and supplies vanadium products. The Company is also focused on the advancement of renewable energy storage solutions through Largo Clean Energy and its vanadium redox flow battery technology. The segments presented reflect the way in which the Company's management reviews its business performance. Operating segments are reported in a manner consistent with the internal reporting provided to executive management who act as the chief operating decision-maker. Executive management is responsible for allocating resources and assessing performance of the operating segments. The Company's operating segments are its sales & trading, mine properties, corporate, exploration and evaluation properties ("E&E properties") and Largo Clean Energy segments.

d) Critical judgements and estimation uncertainties

The preparation of consolidated financial statements in conformity with IFRS requires the Company's management to make judgments, estimates and assumptions about the carrying amount of its assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are based on management's best knowledge of the relevant facts and circumstances taking into account previous experience, but actual results may differ from the amounts included in the consolidated financial statements.

The following are the critical judgments and areas involving estimates that management has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

1. Determination of mineral reserve and resource estimates

The estimates for mineral reserves and mineral resources are determined based on a professional evaluation using accepted international standards for the assessment of mineral reserves and resources. The assessment involves geological and geophysical studies and economic data and the reliance on a number of assumptions. The estimates of the reserves and resources may change based on additional knowledge gained subsequent to the initial assessment. This may include additional data available from continuing exploration, results from the reconciliation of actual mining production data against the original reserve and resource estimates, or the impact of economic factors such as changes in the price of commodities or the cost of components of production.

A number of accounting estimates are impacted by the mineral reserve and resource estimates:

- Capitalization and depreciation of stripping costs;
- Determination of the useful life of mine properties, plant and equipment and measurement of the depreciation expense;
- Impairment analysis of non-financial assets including evaluation of estimated future cash flows of CGUs; and
- Estimates of the timing of outlays for environmental rehabilitation obligations.

A change in the original estimate of reserves and resources could have a material effect in the future on the Company's financial position and results of operations.

2. Valuation of mine properties, plant and equipment, development properties, exploration and evaluation properties and other intangible assets

   The Company carries its mine properties, plant and equipment, development properties, exploration and evaluation properties and other intangible assets at cost less accumulated depreciation and any provision for impairment.

   The Company undertakes a review of the carrying values of mine properties, plant and equipment, development properties, exploration and evaluation properties and other intangible assets whenever events or changes in circumstances indicate that their carrying values may exceed their estimated net recoverable amounts determined by reference to estimated future operating results and, for mine properties, discounted net future cash flows.

   In undertaking the assessment of whether impairment indicators exist, management is required to apply significant judgment in assessing whether changes to certain external and internal factors would be considered an indicator of impairment. Internal and external factors, such as (i) changes in future production and sales volumes; (ii) changes in quantity and grade of the recoverable reserves and resources; (iii) changes in vanadium prices, capital and operating costs; and (iv) changes in discount rates, are evaluated by management in determining whether there are any indicators of impairment. Estimated quantities and grades of the recoverable reserves and resources are based on information compiled by qualified persons (management's experts). No impairment indicators were noted.

   An impairment loss is recognized when the carrying value of those assets is not recoverable. In undertaking this review, management of the Company is required to make significant estimates of, amongst other things, future production and sale volumes, reserve and resource quantities, metal prices, future capital and operating costs, discount rates and reclamation costs to the end of the mine's life. These estimates are subject to various risks and uncertainties which may ultimately have an effect on the expected recoverability of the carrying values of the Company's mine properties, plant and equipment (see note 7) and other intangible assets (see note 6).

3. Estimates of provisions for environmental rehabilitation

   The Company has obligations for environmental rehabilitation related to its mine and development properties. The future obligations for mine closure activities are estimated by the Company using mine closure plans or other similar studies which outline the requirements that will be carried out to meet the obligations. Because the obligations are dependent on the Brazilian laws and regulations under which the mines operate, the requirements could change as a result of amendments in the laws and regulations relating to environmental protection and other legislation affecting resource companies.

   As the estimate of obligations is based on future expectations, a number of estimates and assumptions are made by management in the determination of environmental rehabilitation provision. The environmental rehabilitation provisions are more uncertain the further into the future the mine closure activities are to be carried out.

   The Company's policy for recording reclamation and other closure provisions is to establish provisions for future costs based on the present value of the future cash flows required to satisfy the environmental obligations. This provision is updated as the estimate for future closure costs change. The amount of the present value of the provision is added to the cost of the related development asset or mine property and will be depreciated over the life of the mine. The provision is accreted to its future value over the life of mine through a charge to finance costs in the consolidated statement of income (loss) and comprehensive income (loss). Refer to note 11(c).

Notes to the Annual Consolidated Financial Statements

4. Determination of functional currency

   The functional currency of the Company and its subsidiaries is the currency of the primary economic environment in which the entity operates. In accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, management determined that the functional currency of the Company and the Company's Irish and U.S. subsidiaries is the U.S. dollar. The functional currency of the Company's primary Brazilian operating subsidiary is the Brazilian real. Refer to note 3(b) for details of the changes in functional currencies in 2020.

   The determination of functional currency may involve certain judgments to determine the primary economic environment. The Company reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment.

5. Current and deferred taxes

   The Company is subject to income and other taxes in various jurisdictions. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income and other tax liabilities requires interpretation of complex laws and regulations often involving multiple jurisdictions. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax filings are subject to audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made. Any estimates for value added and withholding taxes have been included in accounts payable and accrued liabilities. Based on Largo Vanádio de Maracás S.A 's history of taxable profits and management's assessment of the likelihood of future taxable profits, a deferred income tax asset was recognized at December 31, 2021 for non-capital losses in Brazil (note 15).

   The Company and one of its subsidiaries has entered into binding agreements as distributors of vanadium products. The Company and its subsidiary expects future taxable income based on the approved business plans and budgets from the distribution business and therefore recognized a deferred income tax asset in Canada and Ireland (note 15).

6. Contingencies

   Refer to notes 11 and 18.

7. COVID-19

   The Company is conscious of the rapid expansion of the COVID-19 pandemic and the evolving global implications. To date, there have been no significant disruptions to the Company's operations, supply chain or on its shipment of products from the Maracás Menchen Mine. However, the Company cautions that the potential future impact of any restrictions on the Company's operations, supply chain, sales efforts and logistics is currently unknown but could be significant.

Notes to the Annual Consolidated Financial Statements

4) Amounts receivable

	December 31, 2021	December 31, 2020
Trade receivables (note 20(b))	**$ 22,144**	$ 13,749
Current taxes recoverable - Brazil	**1,154**	5,214
Current taxes recoverable - Other	**358**	92
Other receivables	**28**	42
Total	**$ 23,684**	$ 19,097

5) Inventory

	December 31, 2021	December 31, 2020
Finished products	**$ 32,069**	$ 25,087
Work-in-process	**967**	775
Stockpiles	**593**	997
Warehouse materials	**11,693**	8,478
Total	**$ 45,322**	$ 35,337

During the year ended December 31, 2021, the Company recognized a net realizable value write-down of $558 for finished products (year ended December 31, 2020 - $3), $nil for warehouse materials (year ended December 31, 2020 - $174) and $2,652 for iron ore stockpiles (year ended December 31, 2020 - $nil). As inventory is sold, previously recorded net realizable value write-downs are reclassified from inventory write-down to direct mine and production costs or product acquisition costs as appropriate (note 22).

6) Other intangible assets

During the year ended December 31, 2020, the Company acquired certain patent families (the "intellectual property") out of an assignment for the benefit of creditors under Massachusetts, U.S.A., law. The acquisition was completed through an asset purchase agreement, with the Company issuing 252 common shares and 362 common share purchase warrants as consideration. The transaction closed on December 7, 2020, with the common shares valued at $2,243 (note 12) and the common share purchase warrants valued at $2,123 (note 13) for a total consideration of $4,366.

At December 31, 2021, the remaining estimated useful life is 9 years (December 31, 2020 - 10 years).

	Intellectual Property	Total
Cost		
Balance at December 31, 2019	$ -	$ -
Additions	4,366	4,366
Balance at December 31, 2020	$ 4,366	$ 4,366
Additions	-	-
Balance at December 31, 2021	**$ 4,366**	**$ 4,366**
Accumulated Depreciation		
Balance at December 31, 2019	$ -	$ -
Depreciation	-	-
Balance at December 31, 2020	$ -	$ -
Depreciation	**437**	**437**
Balance at December 31, 2021	**$ 437**	**$ 437**
Net Book Value		
At December 31, 2020	$ 4,366	$ 4,366
At December 31, 2021	**$ 3,929**	**$ 3,929**

7) Mine properties, plant and equipment

At December 31, 2021 and December 31, 2020, the Company's economic interest in the Maracás Menchen Mine totaled 99.94%. The remaining 0.06% economic interest is held by Companhia Baiana de Pesquisa Mineral ("CBPM") owned by the state of Bahia. CBPM retains a 3% net smelter royalty ("NSR") in the Maracás Menchen Mine. The property is also subject to a royalty of 2% on certain operating costs under the Brazilian Mining Act. Under a separate agreement, Anglo Pacific Plc receives a 2% NSR in the Maracás Menchen Mine.

	Office and Computer Equipment	Vehicles	Mine Properties	Buildings, Plant and Equipment	Construction In Progress	Total
Cost						
Balance at December 31, 2019	$ 980	$ 336	$ 100,860	$ 185,861	$ 9,096	$ 297,133
Additions	115	-	9,049	2,421	8,174	19,759
Reclassifications	-	-	-	8,323	(8,323)	-
Effects of changes in foreign exchange rates	(176)	(75)	(18,465)	(42,862)	(639)	(62,217)
Balance at December 31, 2020	$ 919	$ 261	$ 91,444	$ 153,743	$ 8,308	$ 254,675
Additions	**3,278**	**-**	**7,884**	**6,122**	**11,639**	**28,923**
Disposals	**(177)**	**-**	**-**	**(6)**	**-**	**(183)**
Reclassifications	**-**	**-**	**-**	**14,862**	**(14,862)**	**-**
Effects of changes in foreign exchange rates	**(52)**	**(18)**	**(4,851)**	**(11,487)**	**28**	**(16,380)**
Balance at December 31, 2021	**$ 3,968**	**$ 243**	**$ 94,477**	**$ 163,234**	**$ 5,113**	**$ 267,035**

	Office and Computer Equipment	Vehicles	Mine Properties	Buildings, Plant and Equipment	Construction In Progress	Total
Accumulated Depreciation						
Balance at December 31, 2019	$ 523	$ 336	$ 25,728	$ 80,052	$ -	$ 106,639
Depreciation	89	-	5,939	16,136	-	22,164
Effects of changes in foreign exchange rates	(89)	(75)	(4,727)	(18,202)	-	(23,093)
Balance at December 31, 2020	$ 523	261	26,940	77,986	$ -	$ 105,710
Depreciation	**194**	**-**	**7,069**	**15,031**	**-**	**22,294**
Disposals	**(177)**	**-**	**-**	**(6)**	**-**	**(183)**
Effects of changes in foreign exchange rates	**(32)**	**(18)**	**(1,559)**	**(5,836)**	**-**	**(7,445)**
Balance at December 31, 2021	**$ 508**	**$ 243**	**$ 32,450**	**$ 87,175**	**$ -**	**$ 120,376**
Net Book Value						
At December 31, 2020	$ 396	$ -	$ 64,504	$ 75,757	$ 8,308	$ 148,965
At December 31, 2021	**$ 3,460**	**$ -**	**$ 62,027**	**$ 76,059**	**$ 5,113**	**$ 146,659**

The net book value of the Company's mine properties, plant and equipment at December 31, 2021 by geographic location is: Brazil – $123,404 (December 31, 2020 – $131,240); Canada – $16,298 (December 31, 2020 – $17,725) and U.S. – $6,957 (December 31, 2020 – $nil).

Buildings, plant and equipment includes a right-of-use asset as disclosed in note 8.

8) Leases

	Year ended December 31, 2021	December 31, 2020
Recognized in the consolidated statements of income (loss) and comprehensive income (loss):		
Interest on lease liabilities (note 22)	**$ 59**	$ -
Variable lease payments not included in the measurement of lease liabilities	**$ 7,387**	$ -
Expenses relating to short-term leases	**$ 4,626**	$ 12,707
Recognized in the consolidated statements of cash flows:		
Total cash outflow for leases	**$ 12,151**	$ 10,916

During the year ended December 31, 2021, the Company entered into an agreement with a new mining contractor. This contract, which began on May 1, 2021 and runs until April 30, 2025, was assessed to contain a lease in accordance with IFRS 16, Leases. The contractual payments are variable in that they are directly linked to operational volumes and distances. Accordingly, these payments were excluded from the measurement of the lease liability and the right-of-use asset, with no resulting lease liability or right-of-use asset. The variable lease payments are recognized in operating costs (note 22) in the consolidated statements of income (loss) and comprehensive income (loss).

At December 31, 2021 and December 31, 2020, the Company had one right-of-use asset and liability (December 31, 2020 – no right-of-use assets or liabilities).

Right-of-use assets

Mine properties, plant and equipment (note 7) includes a leased building recognized as a right-of-use asset.

	Buildings	Total
Cost		
Balance at December 31, 2020	**$ -**	**$ -**
Additions	**2,723**	**2,723**
Balance at December 31, 2021	**$ 2,723**	**$ 2,723**
Accumulated Depreciation		
Balance at December 31, 2020	**$ -**	**$ -**
Depreciation	**383**	**383**
Balance at December 31, 2021	**$ 383**	**$ 383**
Net Book Value		
At December 31, 2020	**$ -**	**$ -**
At December 31, 2021	**$ 2,340**	**$ 2,340**

Lease liabilities

	December 31, 2021
Maturity analysis - contractual undiscounted cash flows:	
Less than one year	**$ 563**
One to five years	**2,165**
Total undiscounted lease liabilities	**$ 2,728**
Lease liabilities included in the consolidated statements of financial position:	
Current	**$ 563**
Non-current	**$ 1,987**

9) Accounts payable and accrued liabilities

	December 31, 2021	December 31, 2020
Accounts payable	**$ 14,050**	$ 12,289
Accrued liabilities	**2,962**	2,572
Accrued financial costs	**174**	806
Other taxes	**2,537**	301
Total	**$ 19,723**	$ 15,968

10) Debt

	December 31, 2021	December 31, 2020
Total debt	**$ 15,000**	$ 24,788

Notes to the Annual Consolidated Financial Statements

	December 31, 2020	Cash flows		**December 31, 2021**
		Proceeds	Repayment	
Total debt	$ 24,788	$ 15,000	$ (24,788)	**$ 15,000**
Total liabilities from financing activities	$ 24,788	$ 15,000	$ (24,788)	**$ 15,000**

	December 31, 2019	Cash flows	December 31, 2020
		Proceeds	
Total debt	$ -	$ 24,788	$ 24,788
Total liabilities from financing activities	$ -	$ 24,788	$ 24,788

Credit facilities

On March 18, 2020, the Company secured a $13,000 credit facility with a bank in Brazil. This facility was fully drawn down and proceeds of R$65,980 ($13,000) were received on March 20, 2020. On March 24, 2020 the Company secured a $11,788 credit facility with a second bank in Brazil. This facility was fully drawn down and proceeds of R$60,000 ($11,788) were received on March 24, 2020.

Between January 29, 2021 and February 3, 2021, the Company completed the settlement of these outstanding credit facilities through the repayment in full of the outstanding principal amounts of $13,000 and $11,788.

On May 6, 2021, the Company secured a $15,000 working capital facility with a bank in Brazil. This facility was fully drawn down and proceeds of R$78,915 ($15,000) were received. This facility is due to be repaid as a lump sum payment in May 2022, together with accrued interest at a rate of 1.78% per annum.

11) Provisions

a) Provision for litigation claims

By their nature, contingencies will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events. The assessment of contingencies inherently involves the exercise of significant judgments and estimates of the outcome of future events.

The Company, through its subsidiaries, is party to legal proceedings in the ordinary course of its operations. The Company's management, outside legal advisors, and other subject matter experts assess the potential outcome of these proceedings. Accordingly, the Company establishes provisions for future disbursements considered probable.

At December 31, 2021, based on developments in the respective hearings, the Company recognized a provision of $314 (December 31, 2020 - $928) primarily due to legal proceedings regarding labour matters. The outcome of each case remains dependent on the final judgment, with $55 expected to be incurred in the next 12 months. Refer to note 18.

b) Provision for environmental compensation

In accordance with the terms of the Company's environmental license for its Maracás Menchen Mine, the Company recognized a provision for future social and environmental compensation. Following the direction of the Secretary of the Environment for the state of Bahia, Brazil, the Company will be required to fund social or environmental projects. At December 31, 2021, the Company recognized a provision of $496, with the full $496 expected to be incurred within the next 12 months (December 31, 2020 - $368).

Notes to the Annual Consolidated Financial Statements

c) Provision for closure and reclamation

The following table presents the reconciliation of the beginning and ending aggregate carrying amount of the provision for closure and reclamation associated with the retirement of the Company's projects:

	Maracás Menchen Mine	Currais Novos Tungsten	Total
Balance at December 31, 2019	$ 5,578	$ 575	$ 6,153
Changes in estimated cash flows and discount rates	496	30	526
Accretion	149	13	162
Effect of foreign exchange	(1,338)	(136)	(1,474)
Balance at December 31, 2020	$ 4,885	$ 482	$ 5,367
Changes in estimated cash flows and discount rates	**(879)**	**11**	**(868)**
Accretion	**132**	**15**	**147**
Effect of foreign exchange	**(314)**	**(34)**	**(348)**
Balance at December 31, 2021	**$ 3,824**	**$ 474**	**$ 4,298**

The Company makes a provision for the future cost of rehabilitating mine sites and related production facilities on a discounted basis on the development of mines or installation of those facilities. The rehabilitation provision represents the present value of estimated future rehabilitation costs relating to mine sites. These provisions have been created based on the Company's internal estimates. Assumptions, including an inflation rate of 3.00% (December 31, 2020 - 3.25%) and a nominal discount rate of 7.00% (December 31, 2020 - 6.00%), have been made which management believes are a reasonable basis upon which to estimate the future liability.

The provision for closure and reclamation of the Maracás Menchen Mine at December 31, 2021 is based on a total anticipated liability of R$46,223 ($8,283) (December 31, 2020 - R$45,671 ($8,787)) and is expected to be incurred between 2041 and 2046 (December 31, 2020 - between 2042 and 2046).

The provision for closure and reclamation of the Currais Novos Tungsten project at December 31, 2021 is based on an anticipated liability of approximately R$3,058 ($548) (December 31, 2020 - R$2,768 ($533)), with reclamation expected to be incurred between 2024 and 2028 (December 31, 2020 - between 2023 and 2027).

At December 31, 2021, the Company recognized a provision of $362 (December 31, 2020 - $nil) to remove infrastructure from a location that Largo Clean Energy had secured access to for product testing purposes. These costs are expected to be incurred within the next 12 months.

12) Issued capital

a) Authorized

Unlimited common shares without par value.

Notes to the Annual Consolidated Financial Statements

b) Issued

	Year ended December 31, 2021		Year ended December 31, 2020	
	Number of Shares	**Stated Value**	Number of Shares	Stated Value
Balance, beginning of the year	**58,779**	**$ 406,214**	55,453	$ 396,026
Exercise of warrants (note 13)	**5,723**	**7,982**	2,953	6,136
Exercise of stock options (note 13)	**156**	**944**	81	626
Exercise of restricted share units (note 13)	**69**	**842**	40	1,183
Purchase consideration (note 6)	**-**	**-**	252	2,243
Balance, end of the year	**64,727**	**$ 415,982**	58,779	$ 406,214

On March 4, 2021, the Company completed the consolidation of its issued and outstanding common shares on the basis of one post-consolidation common share for every 10 pre-consolidation common shares. Any quantity relating to common shares, RSUs, stock options and warrants or any per unit price such as exercise prices disclosed throughout the annual consolidated financial statements have been retrospectively adjusted for the share consolidation, including the weighted average number of shares outstanding and the basic and diluted earnings (loss) per share for the periods presented.

13) Equity reserves

Under the Company's incentive share compensation plan, the Company has issued options and restricted share units ("RSUs") approximating 1.70% of its issued and outstanding capital at December 31, 2021.

	RSUs		**Options**			**Warrants**			
	Number	**Value**	**Number**	**Weighted average exercise price**	**Value**	**Number**	**Weighted average exercise price**	**Value**	**Total value**
December 31, 2019	81	$ 1,617	315	C$ 9.56	$ 2,720	10,810	C$ 4.24	$ 17,111	$ 21,448
Share-based payments	-	458	-	-	-	-	-	-	458
Granted	191	441	383	6.70	774	362	13.00	2,123	3,338
Exercised	(40)	(1,183)	(81)	(7.00)	(209)	(2,679)	(3.33)	(2,320)	(3,712)
Expired	-	-	(20)	(4.55)	(47)	(127)	(6.50)	(159)	(206)
Forfeited	(6)	(4)	(9)	(6.70)	(31)	-	-	-	(35)
December 31, 2020	226	$ 1,329	588	C$ 8.27	$ 3,207	8,366	C$ 4.88	$ 16,755	$ 21,291
Share-based payments	**-**	**587**	**-**	**-**	**998**	**-**	**-**	**-**	**1,585**
Granted	**76**	**499**	**467**	**15.59**	**1,081**	**-**	**-**	**-**	**1,580**
Exercised	**(81)**	**(842)**	**(164)**	**(4.68)**	**(421)**	**(6,527)**	**(2.94)**	**(5,344)**	**(6,607)**
Expired	**-**	**-**	**-**	**-**	**-**	**(7)**	**(2.90)**	**(5)**	**(5)**
Forfeited	**(5)**	**(22)**	**(2)**	**(6.70)**	**(8)**	**-**	**-**	**-**	**(30)**
December 31, 2021	**216**	**$ 1,551**	**889**	**C$ 12.78**	**$ 4,857**	**1,832**	**C$ 11.78**	**$ 11,406**	**$ 17,814**

During the year ended December 31, 2021, the Company recognized a share-based payment expense related to the grant and vesting of stock options and RSUs of $3,135 (year ended December 31, 2020 - $1,638) for stock options and RSUs granted to the Company's directors, officers, employees and consultants. The total share- based payment expense was charged to operations.

During the year ended December 31, 2021, 5,723 warrants were exercised resulting in proceeds to the Company of $2,638, with 804 warrants surrendered as part of cashless exercises. In addition, 156 stock options were exercised resulting in proceeds to the Company of $523, with eight stock options surrendered as part of cashless exercises.

Notes to the Annual Consolidated Financial Statements

During the year ended December 31, 2020, 2,400 warrants were exercised resulting in proceeds to the Company of $3,816, with a further 279 warrants surrendered as part of cashless exercises. 553 shares were issued in connection with a warrant exercise in 2019. In addition, 81 stock options were exercised resulting in proceeds to the Company of $417.

The Company applies the fair value method of accounting for share-based payment awards. The Company estimated the expected volatility using historical volatilities from the Company's traded common shares when estimating the fair value of stock options granted, as it believes that this methodology best reflects the expected future volatility of its stock.

a) RSUs

During the year ended December 31, 2021, the Company granted 76 RSUs in two separate grants to officers and employees of the Company and five RSUs were forfeited. These RSUs vest over time, with one-third of the first grant vesting during each of the three month periods ending March 31, 2022, March 31, 2023 and March 31, 2024, and one-third of the second grant vesting during each of the three month periods ending June 30, 2022, June 30, 2023 and June 30, 2024. The value of the vested RSUs includes the Company's expected forfeiture rate of 0%. Upon vesting, the RSUs provide the holders with common shares of the Company.

During the year ended December 31, 2020, the Company granted 191 RSUs to officers and employees of the Company and six RSUs were forfeited. These RSUs vest over time, with one-third of a grant of 180 RSUs vesting during each of the three month periods ending March 31, 2021, March 31, 2022 and March 31, 2023, and one-third of a grant of 11 RSUs vesting during each of the three month periods ending September 30, 2021, September 30, 2022 and September 30, 2023. The value of the vested RSUs includes the Company's expected forfeiture rate of 0%. Upon vesting, the RSUs provide the holders with common shares of the Company.

b) Stock options

Range of prices	No. outstanding	No. exercisable	Weighted average remaining life (years)	Weighted average exercise price	Weighted average grant date share price
C$ 6.70 - 10.00	362	164	3.2	C$ 6.70	C$ 6.70
10.01 - 15.00	300	-	1.1	13.87	13.87
15.01 - 20.00	166	52	4.3	18.69	18.69
20.01 - 25.00	29	29	1.6	24.00	24.00
30.01 - 30.40	32	32	2.0	30.40	30.40
	889	277		C$ 12.78	

During the year ended December 31, 2021, the Company granted 467 (year ended December 31, 2020 - 383) stock options in three separate grants to its directors, officers, employees and consultants with a weighted average exercise price of C$15.59. The options vest over time, with one-third of the first grant vesting during each of the three month periods ending March 31, 2022, March 31, 2023 and March 31, 2024. For the second grant, 52 stock options vested immediately and the remainder vest over time, with one-third vesting during each of the three month periods ending June 30, 2022, June 30, 2023 and June 30, 2024. For the third grant, the options vest upon the achievement of certain conditions, with the first 50% expected to vest by March 15, 2022 and the second 50% by May 31, 2022.

Notes to the Annual Consolidated Financial Statements

The estimated weighted average grant date fair value of the stock options in the first grant was C$11.92 per stock option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate - 0.92%, expected life in years - 5, expected volatility - 83.7%, expected dividends - 0% and expected forfeiture rate - 0%. The estimated weighted average grant date fair value of the stock options in the second grant was C$12.58 per stock option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate - 0.95%, expected life in years - 5, expected volatility - 81.1%, expected dividends - 0% and expected forfeiture rate - 0%. The estimated weighted average grant date fair value of the stock options in the third grant was C$4.81 per stock option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate - 0.50%, expected life in years - 1.35, expected volatility - 76.8%, expected dividends - 0% and expected forfeiture rate - 0%.

During the year ended December 31, 2020, the Company granted 383 stock options to its directors, officers, employees and consultants with a weighted average exercise price of C$6.70. 75 of the stock options vested immediately and are exercisable for a period of 5 years from the date of grant. The remainder vest over time, with one-third vesting during each of the three month periods ending March 31, 2021, March 31, 2022 and March 31, 2023. The estimated weighted average grant date fair value of the stock options was C$4.80 per stock option, as determined using the Black-Scholes valuation model and the following assumptions: risk free interest rate - 0.74%, expected life in years - 5, expected volatility - 93.7%, expected dividends - 0% and expected forfeiture rate - 0%.

The remaining weighted average contractual life of options outstanding at December 31, 2021 was 2.6 years (December 31, 2020 - 3.2 years).

c) Warrants and broker warrants

No. outstanding	No. exercisable	Grant Date	Expiry Date	Exercise price	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free Interest rate
349	349	12/01/17	12/01/22	C$ 11.50	93%	5.00	0%	2%
1,142	1,142	12/13/17	12/13/22	C$ 11.50	93%	5.00	0%	2%
341	341	12/07/20	12/08/25	C$ 13.00	88%	5.00	0%	0%
1,832	**1,832**			**C$ 11.78**				

14) Earnings (loss) per share

The weighted average number of basic and diluted shares outstanding for all periods presented in the consolidated statements of income (loss) and comprehensive income (loss) reflect the effect of the share consolidation that was completed on March 4, 2021.

The total number of shares issuable from options, warrants and RSUs that are excluded from the computation of diluted earnings (loss) per share because their effect would be anti-dilutive was 227 for the year ended December 31, 2021 (year ended December 31, 2020 - 1,919).

Notes to the Annual Consolidated Financial Statements

15) Taxes

a) Tax expense

	Year ended December 31, 2021	December 31, 2020
Income tax expense	**$ (5,430)**	$ (139)
Deferred income tax expense	**(3,758)**	(823)
Total	**$ (9,188)**	$ (962)

The major items causing the Company's income tax expense to differ from the Canadian combined federal and provincial statutory rate of 26.50% (2020 - 26.50%) were:

	Year Ended December 31, 2021	December 31, 2020
Net income before tax	**$ 31,759**	$ 7,723
Expected income tax expense based on statutory rate	**(8,416)**	(2,047)
Adjustments to expected income tax (expense) recovery:		
Permanent differences and other	**(9,722)**	(3,846)
Tax effect of unrecognized temporary differences and tax losses	**(3,465)**	1,873
Tax incentives and tax loss benefit not previously recognized	**8,712**	1,019
Effect of tax rates in foreign jurisdictions	**4,971**	290
Foreign exchange	**(1,268)**	1,749
Income tax expense	**$ (9,188)**	$ (962)

b) Changes in deferred tax assets and liabilities

	Year ended December 31, 2021	December 31, 2020
Net deferred income tax asset, beginning of the year	**$ 7,178**	$ 10,571
Deferred income tax expense	**(3,758)**	(823)
Effect of foreign exchange	**(77)**	(2,570)
Net deferred income tax asset, end of the year	**$ 3,343**	$ 7,178

Notes to the Annual Consolidated Financial Statements

c) Deferred income tax balances

	December 31, 2021	December 31, 2020
Brazil		
Recognized deferred tax assets:		
Non-capital losses	**$ 10,565**	$ 16,505
Mine properties	**1,754**	777
Recognized deferred tax liabilities:		
Transitional tax regime	**(7,713)**	(8,721)
Provisions	**(4,227)**	(3,717)
	$ 379	$ 4,844
Canada		
Recognized deferred tax assets:		
Non-capital losses	**$ 2,009**	$ 2,334
Ireland		
Recognized deferred tax assets:		
Non-capital losses	**$ 943**	$ -
U.S.		
Recognized deferred tax assets:		
Non-capital losses	**$ 1,900**	$ -
Provisions and other	**12**	-
Recognized deferred tax liabilities:		
Mine properties, plant and equipment	**(1,900)**	-
	$ 12	$ -
Net deferred income tax asset	**$ 3,343**	$ 7,178

Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	December 31, 2021	December 31, 2020
Canada		
Non-capital loss carry-forwards	**$ 46,921**	$ 46,189
Mine properties, plant and equipment	**18,778**	18,670
Capital losses and foreign exchange	**9,215**	11,992
Share issue costs	**1,856**	3,634
Ireland		
Non-capital loss carry-forwards	**$ -**	$ 7,720
Mine properties, plant and equipment	**2**	86
U.S.		
Non-capital loss carry-forwards	**$ 10,633**	$ -
Provisions and other	**394**	-
Mine properties, plant and equipment	**584**	-

The Company has approximately $18,778 (December 31, 2020 - $18,670) of Canadian development expenditures and $1,754 (December 31, 2020 - $777) of development costs in Brazil at December 31, 2021, which under certain circumstances can be used to reduce the taxable income of future years.

The non-capital losses in Brazil and Ireland carry forward indefinitely. The non-capital losses in Canada expire as follows:

Expiry Date	Amount	Expiry Date	Amount	Expiry Date	Amount
2032	**$ 1,941**	2035	**$ 143**	2038	**$ 11,315**
2033	**4,052**	2036	**2,755**	2039	**13,751**
2034	**16,690**	2037	**3,848**	2040	**7**
					$ 54,502

Deferred tax assets have only been recognized to the extent of the value of the deferred tax liabilities because it is not probable that the remaining temporary difference will reverse in the foreseeable future and that taxable profit will be available against which the tax benefits can be utilized.

16) Related party transactions

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

During the year ended December 31, 2021, 4,650 shares were issued to funds managed by Arias Resource Capital Management LP (the "ARC Funds") in connection with the exercise of warrants, with 809 warrants surrendered as part of this cashless exercise (note 13).

The remuneration of directors and other members of key management personnel during the year was as follows:

	Year ended	
	December 31, 2021	December 31, 2020
Short-term benefits	**$ 3,879**	$ 2,147
Share-based payments	**2,428**	1,275
Total	**$ 6,307**	$ 3,422

Refer to note 18 for additional commitments with management.

17) Segmented disclosure

The Company has five operating segments: sales & trading, mine properties, corporate, exploration and evaluation properties ("E&E properties") and Largo Clean Energy. Corporate includes the corporate team that provides administrative, technical, financial and other support to all of the Company's business units, as well as being part of the Company's sales structure.

The Company recognized revenues from customers of $198,280 in the year ended December 31, 2021 (year ended December 31, 2020 - $119,987). Of the total revenues from customers, $160,535 is related to the Sales & trading segment (year ended December 31, 2020 - $64,512), $33,705 is related to the Mine properties segment (year ended December 31, 2020 - $55,475) and $4,040 is related to the Corporate segment (year ended December 31, 2020 - $nil) (after the elimination of inter-segment transactions). In the year ended December 31, 2021, the Company's revenues are from transactions with multiple customers, including three customers who each represented more than 10% of revenues during that period. In the year ended December 31, 2020, the Company's revenues are from transactions with two customers who each represented more than 10% of revenues during the eight month period from May 1, 2020 to December 31, 2020. In the four month period from January 1, 2020 to April 30, 2020, all of the Company's revenues are from transactions with a single customer.

In the year ended December 31, 2021, $101,356 of the Company's revenues were from sales of V $_2O_5$ (of which $100,901 were from the sale of produced products and $455 were from the sale of purchased products), with $96,924 of the Company's revenues from the sales of FeV (of which $88,761 were from the sale of produced products and $8,163 were from the sales of purchased products). In the year ended December 31, 2020, the majority of the Company's revenues were from sales of V_2O_5.

Notes to the Annual Consolidated Financial Statements

	Sales & trading	Mine properties	Corporate	E&E properties	Largo Clean Energy	Inter-segment transactions & other	Total
Year ended December 31, 2021							
Revenues	$ 163,105	$ 161,790	$ 135,309	$ -	$ -	$ (261,924)	$ 198,280
Operating costs	(153,387)	(110,184)	(130,165)	-	-	260,726	(133,010)
Professional, consulting and management fees	(1,642)	(4,162)	(7,036)	(1)	(5,081)	-	(17,922)
Foreign exchange (loss) gain	(161)	574	207	-	(10)	-	610
Other general and administrative expenses	(414)	(1,500)	(2,358)	(3)	(2,029)	(100) [1]	(6,404)
Share-based payments	-	-	(3,135)	-	-	-	(3,135)
Finance costs	(32)	(1,022)	(13)	-	(62)	(6) [1]	(1,135)
Interest income	-	275	128	-	-	-	403
Technology start-up costs	-	-	-	-	(3,121)	(714) [1]	(3,835)
Exploration and evaluation costs	-	(2,078)	-	(15)	-	-	(2,093)
	(155,636)	(118,097)	(142,372)	(19)	(10,303)	259,906	(166,521)
Net income (loss) before tax	7,469	43,693	(7,063)	(19)	(10,303)	(2,018)	31,759
Income tax expense	(74)	(5,356)	-	-	-	-	(5,430)
Deferred income tax (expense) recovery	955	(4,388)	(325)	-	-	-	(3,758)
Net income (loss)	$ 8,350	$ 33,949	$ (7,388)	$ (19)	$ (10,303)	$ (2,018)	$ 22,571
At December 31, 2021							
Total non-current assets	$ 961	$ 123,783	$ 18,303	$ -	$ 10,884	$ -	$ 153,931
Total assets	$ 56,631	$ 191,086	$ 111,703	$ 2	$ 18,084	$ (63,597)[2]	$ 313,909
Total liabilities	$ 39,907	$ 34,604	$ 21,467	$ -	$ 6,488	$ (54,254)[3]	$ 48,212

1. Amounts relating to Largo Titânio Ltda. and Largo Tech Ltda., which are not an operating segment.
2. Inter-segment transaction elimination of $63,711 partially offset by Largo Titânio Ltda. and Largo Tech Ltda. total assets of $114.
3. Inter-segment transaction elimination of $54,327 partially offset by Largo Titânio Ltda. and Largo Tech Ltda. total liabilities of $73.

	Sales & trading	Mine properties	Corporate	E&E properties	Largo Clean Energy	Inter-segment transactions	Total
Year ended December 31, 2020							
Revenues	$ 64,512	$ 126,750	$ 74,553	$ -	$ -	$ (145,828)	$ 119,987
Other gains (losses)	1,636	-	-	-	-	-	1,636
	66,148	126,750	74,553	-	-	(145,828)	121,623
Operating costs	(65,429)	(93,524)	(71,275)	-	-	141,838	(88,390)
Professional, consulting and management fees	(1,274)	(3,086)	(3,188)	-	(707)	-	(8,255)
Foreign exchange (loss) gain	44	(15,943)	6,835	-	-	-	(9,064)
Other general and administrative expenses	(473)	(1,669)	(1,082)	-	(105)	-	(3,329)
Share-based payments	-	-	(1,638)	-	-	-	(1,638)
Finance costs	(17)	(1,325)	(8)	-	-	-	(1,350)
Interest income	-	601	547	-	-	-	1,148
Exploration and evaluation costs	-	(2,958)	-	(64)	-	-	(3,022)
	(67,149)	(117,904)	(69,809)	(64)	(812)	141,838	(113,900)
Net income (loss) before tax	(1,001)	8,846	4,744	(64)	(812)	(3,990)	7,723
Income tax expense	(15)	(124)	-	-	-	-	(139)
Deferred income tax (expense) recovery	-	(3,157)	2,334	-	-	-	(823)
Net income (loss)	$ (1,016)	$ 5,565	$ 7,078	$ (64)	$ (812)	$ (3,990)	$ 6,761
At December 31, 2020							
Total non-current assets	$ 9	$ 136,082	$ 20,052	$ -	$ 4,366	$ -	$ 160,509
Total assets	$ 49,010	$ 213,619	$ 106,779	$ 25	$ 4,871	$ (76,498)	$ 297,806
Total liabilities	$ 41,968	$ 45,320	$ 34,352	$ -	$ -	$ (70,998)	$ 50,642

18) Commitments and contingencies

At December 31, 2021, the Company was party to certain management and consulting contracts. Minimum commitments under the agreements are approximately $3,152 and all payable within one year. These contracts also require that additional payments of up to approximately $4,728 be made upon the occurrence of certain events such as change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these consolidated financial statements.

The Company has entered into a number of contracts with third party customers to deliver monthly quantities of the Company's vanadium products. A significant proportion of the Company's monthly vanadium production in 2022 has been committed. Prior to April 30, 2020, the Company sold 100% of its vanadium production under an off-take agreement.

In 2021, the Company signed a 10-year exclusive off-take agreement with a third party for the purchase of all standard and high purity grade vanadium products they produce. The annual quantity to be delivered to the Company in 2022 is 220 tonnes of V_2O_5, with the Company having a right of first refusal over additional amounts.

The Company's Largo Clean Energy business is required to pay a royalty of 7.5% of the net sales price of each VRFB which contains a manufactured licensed product or uses or transfers a licensed product on or after January 1, 2022.

The Company's mining and exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made payments to comply with such laws and regulations.

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law. The Company has acquired and maintains liability insurance for its directors and officers.

The Company is committed to a minimum amount of rental payments under five leases of office space which expire between April 30, 2022 and December 31, 2023. Minimum rental commitments remaining under the leases are approximately $369, including $226 due within one year. In addition, minimum rental commitments remaining under other short-term leases are approximately $3, all due within one year.

At the Company's Maracás Menchen Mine, the Company has entered into purchase order contracts with remaining amounts due related to goods not received or services not rendered as of December 31, 2021 of $10,576.

The Company, through its subsidiaries, is party to legal proceedings in the ordinary course of its operations related to legally binding agreements with various third parties under supply contracts and consulting agreements. At December 31, 2021 one such proceeding was ongoing in Brazil. This relates to a supply agreement for the Maracás Menchen Mine which was filed with the courts in October 2014. The amount claimed totals R$9,900 ($1,774), with a counterclaim filed by Vanádio for R$10,700 ($1,917). A provision of R$1,281 ($230) has been recognized at December 31, 2021 for the probable loss (December 31, 2020 - R$1,281 ($247)).

The Company and its subsidiaries are also party to legal proceedings regarding labour matters. A provision was recorded at December 31, 2020 for such proceedings in Brazil in an amount of R$3,538 ($681). At December 31, 2021, the provision recognized was R$469 ($84), following a settlement in October 2021. The outcome of these proceedings remains dependent on the final judgment. Management does not expect the outcome of any of the remaining proceedings to have a materially adverse effect on the results of the Company's financial position or results of operations. Should any losses result from the resolution of these claims and disputes, they will be charged to operations in the period that they are determined.

19) Capital management

The Company is a production stage entity with one operating asset in Brazil. The Company manages its capital to ensure that it will be able to continue to meet its financial and operational strategies and obligations, whilst maximizing the return to shareholders.

In the management of capital, the Company includes the components of shareholders' equity and debt. The Company manages the capital structure and makes adjustments thereto in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust its capital structure, the Company may attempt to issue new shares, acquire or dispose of assets, attempt to obtain additional debt financing or repay debt facilities.

There were no changes in the Company's capital management strategy during the year ended December 31, 2021 compared to the previous year.

Notes to the Annual Consolidated Financial Statements

20) Financial instruments

Financial assets and financial liabilities at December 31, 2021 and December 31, 2020 were as follows:

	December 31, 2021	December 31, 2020
Cash	**$ 83,790**	$ 79,145
Restricted cash	**448**	-
Trade and other receivables	**22,172**	13,791
Accounts payable and accrued liabilities	**19,723**	15,968
Debt	**15,000**	24,788

Refer to the liquidity risk discussion below regarding liabilities and refer to note 8 for lease liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized below. There have been no changes in the risks, objectives, policies and procedures from the previous year.

a) Fair value

IFRS requires that the Company disclose information about the fair value of its financial assets and liabilities. Fair value estimates are made based on relevant market information and information about the financial instrument.

These estimates are subjective in nature and involve uncertainties in significant matters of judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

The fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly such as those derived from prices.
- Level 3 inputs are unobservable inputs for the asset or liability.

The carrying amounts for cash, restricted cash, other trade receivables and amounts receivable, accounts payable and accrued liabilities and debt in the consolidated statements of financial position approximate fair values because of the limited term of these instruments.

There have been no changes in the classification of financial instruments in the fair value hierarchy since December 31, 2020. The Company does not have any financial instruments measured using Level 3 inputs. The Company does not offset financial assets with financial liabilities and there were no transfers between Level 1 and Level 2 input financial instruments.

b) Credit risk

The Company's credit risk is primarily attributable to cash and amounts receivable.

The Company minimizes its credit risk with respect to cash by placing its funds on deposit with the highest rated banks in Canada, Ireland, the U.S. and Brazil. Financial instruments included in amounts receivable consist primarily of receivables from unrelated companies. Sales to customers outside of Brazil are protected either by the Company's credit insurance policies, which establishes credit limits for each customer, or by the Company requiring letters of credit or up-front payment prior to delivery occurring.

Of the total trade receivables balance of $22,144, $10,158 relates to customers in Brazil, which are not covered by the Company's credit insurance policies. The ratings for these companies range from B- to AAA. The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables.

To measure expected credit losses, trade receivables are grouped based on risk characteristics and due dates. At December 31, 2021, no amounts are past due and in the year ended December 31, 2021, the Company has not experienced any credit losses. At December 31, 2021, the loss allowance for trade receivables was determined to be $58 (December 31, 2020 - $51) and the movement is recognized as a component of finance costs (note 22). There have been no write offs of trade receivables.

c) Liquidity risk

The following table details the Company's expected remaining contractual cash flow requirements at December 31, 2021 for its financial liabilities with agreed repayment periods. Refer to note 8 for lease liabilities.

	Less than 6 months	6 months to 1 year	1 to 3 years	Over 3 years
Accounts payable and accrued liabilities (note 9)	$ 19,723	$ -	$ -	$ -
Debt (note 10)	15,000	-	-	-
Total	$ 34,723	$ -	$ -	$ -

The Company's principal sources of liquidity are its cash flows from operating activities and cash of $83,790 (December 31, 2020 - $79,145).

d) Market risk

Interest rate risk

The Company's interest rate exposure is limited to that portion of its debt that is subject to floating interest rates. At December 31, 2021, the Company had no debt that is subject to floating interest rates and does not have any exposure to floating interest rates.

Foreign currency risk

At December 31, 2021, the Company's outstanding debt is 100% denominated in U.S. dollars (December 31, 2020 - 100% U.S. dollar denominated).

The impact of fluctuations in foreign currency on cash balances and debt relates primarily to fluctuations between the U.S. dollar, the Canadian dollar, the Brazilian real and the Euro. At December 31, 2021, the Company's U.S. dollar functional currency entities had cash denominated in Canadian dollars and Euros and the Company's Brazilian real functional currency entities had cash and debt denominated in U.S. dollars.

A 5% change in the value of the Canadian dollar and the Euro relative to the U.S. dollar would affect the value of these cash balances at December 31, 2021 by approximately $700. A 5% change in the value of the Brazilian real relative to the U.S. dollar would affect the value of Brazilian real cash balances by approximately $197.

Notes to the Annual Consolidated Financial Statements

Price risk

The Company does not have any financial instruments with significant exposure to price risk. Following the recognition of trade receivables on the recognition of revenue, there is no significant remeasurement related to price risk.

21) Revenues

	Year ended December 31, 2021	December 31, 2020
Vanadium sales from contracts with customers	**$ 198,280**	$ 121,008
Re-measurement of trade receivables / payables	**-**	(1,021)
Total	**$ 198,280**	$ 119,987

22) Expenses

	Year ended December 31, 2021	December 31, 2020
Operating costs:		
Direct mine and production costs	**$ 75,126**	$ 48,929
Conversion costs	**9,252**	1,976
Product acquisition costs	**9,666**	10,459
Royalties	**8,867**	7,107
Distribution costs	**5,302**	2,269
Inventory write-down (note 5)	**3,210**	177
Depreciation and amortization	**21,537**	17,473
Loss on iron ore sales	**50**	-
	$ 133,010	$ 88,390
Other general and administrative expenses:		
Shareholder and regulatory	**$ 358**	$ 245
Travel	**590**	203
Donations	**1,005**	874
Occupancy	**459**	282
Information technology	**1,076**	405
Depreciation and amortization	**974**	34
Office and other	**1,942**	1,286
	$ 6,404	$ 3,329
Finance costs:		
Interest expense	**$ 922**	$ 1,137
Interest on lease liabilities (note 8)	**59**	-
Accretion	**147**	162
Loss allowance for trade receivables (note 20(b))	**7**	51
	$ 1,135	$ 1,350

Notes to the Annual Consolidated Financial Statements

	Year ended	
	December 31, 2021	December 31, 2020
Employee compensation amounts included in the consolidated statements of income (loss):		
Compensation	**$ 8,218**	$ 4,554
Share-based payments	**3,135**	1,638
	$ 11,353	$ 6,192

23) Subsequent events

Largo Physical Vanadium Corp.

On February 3, 2022, the Company announced the creation of Largo Physical Vanadium Corp. and a proposed qualifying transaction pursuant to the policies of the TSX Venture Exchange with Column Capital Corp. (the "CPC"), a capital pool company, the terms of which are set out in a non-binding letter of intent dated February 1, 2022 (the "LOI"). Upon completion of the proposed qualifying transaction and associated regulatory approvals amongst other things, it is anticipated that the resulting entity will be named Largo Physical Vanadium Corp. ("LPV") and will become a publicly listed physical vanadium holding company that will purchase and hold physical vanadium, amongst other things, for use in the Company's VCHARGE batteries.

Exhibit 99.3



Management's Discussion and Analysis

For The Year Ended December 31, 2021

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To Our Shareholders

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Largo Inc. (formerly Largo Resources Ltd.) ("we", "our", "us", "Largo", or the "Company") for the year ended December 31, 2021 ("2021") and should be read in conjunction with the annual consolidated financial statements and related notes for the same period. References in the below discussion refer to the note disclosures contained in the annual consolidated financial statements for the years ended December 31, 2021 and 2020 ("2021 annual consolidated financial statements"). References in the below discussion to "Q4 2021" and "Q4 2020" refer to the three months ended December 31, 2021 and December 31, 2020 and references to "2020" refer to the year ended December 31, 2020.

The financial statements and related notes of Largo have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to a going concern. Certain non-GAAP measures are discussed in this MD&A, which are clearly disclosed as such. Additional information, including the Company's press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under the Company's profile at www.sedar.com and www.sec.gov.

This MD&A reports the Company's activities through March 15, 2022, unless otherwise indicated. References to "date of this MD&A" mean March 15, 2022. Except as otherwise set out herein, all amounts expressed herein are in thousands of U.S. dollars, denominated by "$". The Company's shares, options, units and warrants are expressed in thousands. Prices are not expressed in thousands. References to the symbol "C$" mean the Canadian dollar and references to the symbol "R$" mean the Brazilian real.

Mr. Paul Sarjeant B.Sc. P.Geo., is a Qualified Person as defined under National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") and has reviewed the technical information in the MD&A. Mr. Sarjeant is Manager, Geology of the Company. Refer to the Operations section of this MD&A for details of the Qualified Persons involved in reviewing the updated reserves and resources at the Company's Maracás Menchen Mine.

The Company

On November 8, 2021, the Company changed its legal name from Largo Resources Ltd. to Largo Inc.

Largo is a Canadian domiciled company that has historically been solely committed to the production and supply of high-quality vanadium products. The Company recently announced its belief that the development and sale of vanadium based electrical energy storage systems to support the planet's on-going transition to renewable energy presents both an attractive economic opportunity for the use of the Company's vanadium products and an opportunity to enhance the Company's sustainability. Consequently, the Company is in the process of vertically integrating its highly efficient vanadium production operations with its vanadium based energy storage technology to create a unique competitive advantage in the rapidly growing long duration energy storage market. The Company is confident that using its VPURE™ and VPURE+™ products, which are sourced from one of the world's highest-grade vanadium deposits at the Company's Maracás Menchen Mine in Brazil, in its VCHARGE vanadium redox flow battery ("VRFB") technology results in a competitive and practical long duration energy storage product.

The Company is organized and exists under the Business Corporations Act (Ontario) and its common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol "LGO" and on the Nasdaq Stock Market ("Nasdaq") under the symbol "LGO".

2021 Highlights

- On November 8, 2021, the Company changed its legal name from Largo Resources Ltd. to Largo Inc.
- The Company's Maracás Menchen Mine produced 10,319 tonnes of vanadium pentoxide ("V_2O_5") in 2021, including quarterly production 2,003 tonnes of V_2O_5 produced in Q4 2021. The global V_2O_5 recovery rate for 2021 was 79.7%, with 76.0% seen in Q4 2021. The Company sold 11,393 tonnes of V_2O_5 equivalent in 2021, with sales in Q4 2021 of 2,899 tonnes.
- The Company recorded net income before tax of $31,759 for 2021 and net income of $22,571 after the recognition of an income tax expense of $5,430 and a deferred income tax expense of $3,758.

- The Company's cash balance at December 31, 2021 was $83,790.
- Between January 29, 2021 and February 3, 2021, the Company completed the settlement of two outstanding credit facilities through the repayment in full of the outstanding principal amount of $24,788. On May 6, 2021, the Company secured and drew down a $15,000 working capital financing facility with a bank in Brazil.
- On March 1, 2021, the Company held a Special Meeting of Shareholders (the "Special Meeting") where the shareholders approved the consolidation of the Company's common shares. On March 4, 2021, the Company completed the consolidation of its common shares on the basis of one post-consolidation common share for every 10 pre-consolidation common shares.
- On March 17, 2021, the Company announced the appointment of Mr. Ian Robertson to its Board of Directors. On July 22, 2021, consistent with the Company's commitment to its focus on the transition to VRFB development and production, the Company announced the appointment of Mr. Ian Robertson as Co-Chair of the Board of Directors of the Company and as Interim President of Largo Clean Energy ("LCE").
- On April 16, 2021, the Company announced that it had received approval from the Nasdaq to list its issued and outstanding common shares on the Nasdaq. The Company's common shares commenced trading on the Nasdaq at the open of market trading on April 19, 2021 under the symbol "LGO".
- On June 4, 2021, the Company announced that it obtained a receipt for a final short form base shelf prospectus (the "Shelf Prospectus") from the securities regulatory authorities in each of the provinces and territories of Canada. A corresponding registration statement on Form F-10 (the "Registration Statement") was filed with the United States Securities and Exchange Commission (the "SEC") under the Canada/U.S. Multijurisdictional Disclosure System ("MJDS"). The Company filed the Shelf Prospectus to replace its prior base shelf prospectus, which expired in March 2021.
- On June 9, 2021, the Company hosted an investor-oriented virtual 'Battery Day', during which the Company detailed a transformational strategic shift to the development and production of vanadium based electrical energy storage systems. The Company believes that vertically integrating its VRFB technology with its vanadium production operations creates a unique competitive advantage in the rapidly growing long duration energy storage market.
- On July 20, 2021, the Company announced that LCE had entered into its first VCHARGE VRFB sales contract with Enel Green Power España ("EGPE"). Under the contract, LCE is obligated to deliver a five hour, 6.1 MWh VCHARGE system for a project in Spain with expected commissioning in Q4 2022, subject to receipt of the notice to proceed from EGPE. On July 30, 2021, the Company announced that it had received the notice to proceed.
- On August 19, 2021, the Company announced the release of its 2020 sustainability report, highlighting significant progress made by the Company with its environmental, social and governance priorities in furthering vanadium's role in the global green economy.
- On September 23, 2021, the United States Department of Energy ("DOE") announced funding for research and development projects to scale up American manufacturing of flow battery and long duration storage systems. LCE is expected to receive $4.2 million of this funding to develop and demonstrate highly efficient manufacturing processes for affordable, grid-scale flow batteries. The receipt of funds is subject to the completion of the award negotiation with the DOE.
- On November 3, 2021, the Company announced the results of an updated mining plan for its Maracás Menchen Mine to provide enhanced access to the vanadium needed for the Company to continue to execute on its energy storage transition strategy. The mining plan also includes new cash flow generation from the anticipated production and sale of titanium dioxide pigment. An independent technical report has been prepared in respect of the Company's Maracás Menchen Mine in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects, which has been filed on SEDAR (www.sedar.com) and EDGAR (www.sec.gov).
- In November 2021, the Company's subsidiary, Largo Resources USA Inc., signed a 10-year exclusive off-take agreement with Gladieux Metals Recycling ("GMR") for the purchase of all standard and high purity grade vanadium products from GMR's recycling facility located in Freeport, Texas.

Significant Events and Transactions Subsequent to 2021

- On January 18, 2022, the Company announced the appointment of Mr. Stephen Prince as President of LCE.
- On February 3, 2022, the Company announced the creation of Largo Physical Vanadium Corp. and a proposed qualifying transaction pursuant to the policies of the TSX Venture Exchange with Column Capital Corp. (the "CPC"), a capital pool company, the terms of which are set out in a non-binding letter of intent dated February 1, 2022 (the "LOI"). Upon completion of the proposed qualifying transaction and associated regulatory approvals amongst other things, it is anticipated that the resulting entity will be named Largo Physical Vanadium Corp. ("LPV") and will become a publicly listed physical vanadium holding company that will purchase and hold physical vanadium, amongst other things, for use in the Company's VCHARGE batteries.

2021 Summary

Financial

	Three months ended			
	December 31, 2021	December 31, 2020	**Movement**	
Revenues	**$ 50,326**	$ 42,254	$ 8,072	19%
Operating costs	**(37,746)**	(31,604)	(6,142)	19%
Direct mine and production costs	***(21,370)***	*(18,547)*	*(2,823)*	*15%*
Professional, consulting and management fees	**(5,557)**	(3,229)	(2,328)	72%
Foreign exchange gain	**79**	2,572	(2,493)	(97%)
Other general and administrative expenses	**(2,297)**	(1,027)	(1,270)	124%
Share-based payments	**(1,153)**	(450)	(703)	156%
Finance costs	**(368)**	(380)	12	(3%)
Interest income	**137**	66	71	108%
Technology start-up costs	**(3,105)**	-	(3,105)	(100%)
Exploration and evaluation costs	**(653)**	(2,179)	1,526	(70%)
	(50,663)	(36,231)	(14,432)	40%
Net income (loss) before tax	**$ (337)**	$ 6,023	$ (6,360)	(106%)
Income tax (expense) recovery	**(402)**	282	(684)	(243%)
Deferred income tax recovery	**1,528**	576	952	165%
Net income	**$ 789**	$ 6,881	$ (6,092)	(89%)
Unrealized (loss) gain on foreign currency translation	**(4,086)**	10,112	(14,198)	(140%)
Comprehensive income (loss)	**$ (3,297)**	$ 16,993	$ (20,290)	(119%)
Basic earnings per share	**$ 0.01**	$ 0.12	$ (0.11)	(92%)
Diluted earnings per share	**$ 0.01**	$ 0.11	$ (0.10)	(91%)
Cash provided before working capital items	**$ 6,102**	$ 7,539	$ (1,437)	(19%)
Net cash provided by operating activities	**3,427**	4,741	(1,314)	(28%)
Net cash (used in) provided by financing activities	**(2)**	2,589	(2,591)	(100%)
Net cash used in investing activities	**(6,985)**	(5,070)	(1,915)	38%
Net change in cash	**(3,777)**	4,250	(8,027)	(189%)

	Year ended December 31, 2021	December 31, 2020	Movement	
Revenues	**$ 198,280**	$ 119,987	$ 78,293	65%
Other gains (losses)	**-**	1,636	(1,636)	(100%)
	198,280	121,623	76,657	63%
Operating costs	**(133,010)**	(88,390)	(44,620)	50%
Direct mine and production costs	***(75,126)***	*(48,929)*	*(26,197)*	*54%*
Professional, consulting and management fees	**(17,922)**	(8,255)	(9,667)	117%
Foreign exchange gain (loss)	**610**	(9,064)	9,674	(107%)
Other general and administrative expenses	**(6,404)**	(3,329)	(3,075)	92%
Share-based payments	**(3,135)**	(1,638)	(1,497)	91%
Finance costs	**(1,135)**	(1,350)	215	(16%)
Interest income	**403**	1,148	(745)	(65%)
Technology start-up costs	**(3,835)**	-	(3,835)	(100%)
Exploration and evaluation costs	**(2,093)**	(3,022)	929	(31%)
	(166,521)	(113,900)	(52,621)	46%
Net income before tax	**$ 31,759**	$ 7,723	$ 24,036	311%
Income tax expense	**(5,430)**	(139)	(5,291)	3,806%
Deferred income tax expense	**(3,758)**	(823)	(2,935)	357%
Net income	**$ 22,571**	$ 6,761	$ 15,810	234%
Unrealized loss on foreign currency translation	**(10,334)**	(41,937)	31,603	(75%)
Comprehensive income (loss)	**$ 12,237**	$ (35,176)	$ 47,413	(135%)
Basic earnings per share (note 14)	**$ 0.35**	$ 0.12	$ 0.23	192%
Diluted earnings per share (note 14)	**$ 0.35**	$ 0.11	$ 0.24	218%
Cash provided before working capital items	**$ 55,362**	$ 12,065	$ 43,297	359%
Net cash provided by (used in) operating activities	**39,777**	(59,508)	99,285	(167%)
Net cash (used in) provided by financing activities	**(6,902)**	30,232	(37,134)	(123%)
Net cash used in investing activities	**(27,399)**	(18,106)	(9,293)	51%
Net change in cash	**$ 4,645**	$ (48,354)	$ 52,999	(110%)

The movements in the discussion below refer to those shown in the previous table.

- The Company recorded net income of $22,571 in 2021, compared with a net income of $6,761 in 2020. This movement was primarily due to a 65% increase in revenues. This was partially offset by a 50% increase in operating costs, a 117% increase in professional, consulting and management fees, a 92% increase in other general and administrative expenses, a 91% increase in share-based payments and a 100% increase in technology start-up costs. For Q4 2021, the Company recorded net income of $789, compared with net income of $6,881 for Q4 2020. This movement was primarily attributable to a 19% increase in operating costs, a 72% increase in professional, consulting and management fees, a 124% increase in other general and administrative expenses, a 156% increase in share-based payments and a 100% increase in technology start-up costs. This was partially offset by a 19% increase in revenues and a 70% decrease in exploration and evaluation costs.

Commercial

- In Q4 2021, the Company sold 2,899 tonnes of V_2O_5 equivalent (Q4 2020 - 3,751 tonnes). The Company delivered both standard grade and high purity V_2O_5 as well as ferrovanadium ("FeV") to customers globally.

- For 2021, the Company achieved the lower end of its annual sales guidance of 11,200 to 11,800 tonnes of V_2O_5 equivalent with total sales of 11,393 tonnes of V_2O_5 equivalent (2020 - 10,260 tonnes).

- The Company continues to actively manage its logistics and supply chain operations to provide premium products and service to its customers. Logistical challenges and higher transport costs have impacted all aspects of the Company's supply chain resulting in lower than anticipated sales and increased inventory in transit in Q4 2021. However, the Company continued to deliver on all its commercial commitments through careful planning. The Company does not expect the logistics situation to improve until mid-2022, at which point the Company anticipates being able to reduce its inventory in transit through increased sales.

- During Q4 2021, the average benchmark price per lb of V_2O_5 in Europe was $8.30, a decrease of 12% from the average of $9.40 seen in Q3 2021 and an increase of 57% from the average of $5.29 seen in Q4 2020. The average benchmark price for 2021 was $8.24, compared with $5.71 for 2020. The average benchmark price at December 31, 2021 was approximately $8.75, compared with approximately $8.78 at September 30, 2021 and $5.40 at December 31, 2020. During Q4 2021, the average benchmark price per kg of FeV in Europe was $32.29, an increase of 33% from the average of $24.36 seen in Q4 2020. The average benchmark price for 2021 was $34.31, compared with $24.99 for 2020. The average benchmark price at December 31, 2021 was approximately $32.75, compared with approximately $33.00 at September 30, 2021 and $25.25 at December 31, 2020. The Company is now selling products with pricing based on several different V_2O_5 and FeV benchmarks. The Company's revenues will be driven by the movements in these prices.

- Demand in all of the Company's key markets remained strong in Q4 2021. Spot sales activity in the steel industry recovered compared to previous quarters. The aerospace industry's demand is increasing but still significantly below pre-COVID levels. The chemical industry has remained strong throughout the year and demand from energy storage continues its rapid growth.

- Subsequent to Q4 2021, sales in January 2022 and February 2022 were 964 and 571 tonnes of V_2O_5 equivalent, respectively. The lower sales in February 2022 is due to a combination of shipment delays and a decrease in spot sales as the Company took actions to increase its available inventory levels.

- The Company maintains a strong focus on developing new markets for its high purity products and will be supported by the addition of vanadium trioxide ("V_2O_3") to its product range for that purpose.

	Three months ended		Year ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
V_2O_5 revenues per pound of V_2O_5 sold[1, 2]				
- Produced material	**$ 7.58**		**$ 7.47**	
- Purchased material	**$ -**		**$ 8.27**	
- Total	**$ 7.58**		**$ 7.48**	
FeV revenues per kg of FeV sold [1, 2]				
- Produced material	**$ 26.72**		**$ 27.30**	
- Purchased material	**$ 24.44**		**$ 26.85**	
- Total	**$ 26.63**		**$ 27.26**	
Revenues per pound sold[1, 2]	**$ 7.88**	$ 5.12	**$ 7.89**	$ 5.31

1. *V_2O_5 revenues per pound of V_2O_5 sold, FeV revenues per kg of FeV sold and revenues per pound sold are non-GAAP ratios with no standard meaning under IFRS, and may not be comparable to similar financial measures disclosed by other issuers. Refer to the "Non-GAAP Measures" section of this MD&A.*
2. *Calculated based on the quantity sold during the stated period.*

- During Q4 2021, the Company recognized revenues of $50,326 (Q4 2020 - $42,254) from sales of 2,899 tonnes of V_2O_5 equivalent (Q4 2020 - 3,751 tonnes). Of the total revenues, $38,102 is related to the Sales & trading segment, $10,853 is related to the Mine properties segment and $1,371 is related to the Corporate segment (after the elimination of inter-segment transactions).

- During 2021, the Company recognized revenues of $198,280 (2020 - $119,987) from the sales of 11,393 tonnes of V_2O_5 equivalent (2020 - 10,260 tonnes). Of the total, $160,535 is related to the Sales & trading segment, $33,705 is related to the Mine properties segment and $4,040 is related to the Corporate segment(after the elimination of inter-segment transactions).

Costs

- Operating costs of $37,746 in Q4 2021 (Q4 2020 - $31,604) include direct mine and production costs of $21,370 (Q4 2020 - $18,547), conversion costs of $2,592 (Q4 2020 - $1,330), product acquisition costs of $1,010 (Q4 2020 - $2,965), royalties of $2,279 (Q4 2020 - $1,958), distribution costs of $1,463 (Q4 2020 - $1,029), inventory write-down of $3,208 (Q4 2020 - $47) and depreciation and amortization of $5,824 (Q4 2020 - $5,728). The increase in direct mine and production costs is primarily attributable to the decrease in global recovery, from 80.6% in Q4 2020 to 76.0% in Q4 2021, as well as the impact of abnormally elevated levels of rainfall experienced in Q4 2021 which negatively impacted the operational performance and increased costs. In addition, cost increases in critical consumables, including HFO and diesel, are still being experienced. Conversion costs relate to the costs incurred in converting quantities of V_2O_5 into FeV for delivery to customers and distribution costs relate to the costs incurred in delivering products to customers. Of the total operating costs, $25,186 is related to the Sales & trading segment, $11,620 is related to the Mine properties segment and $940 is related to the Corporate segment (after the elimination of inter-segment transactions).

- Operating costs of $133,010 for 2021 (2020 - $88,390) include direct mine and production costs of $75,126 (2020 - $48,929), conversion costs of $9,252 (2020 - $1,976), product acquisition costs of $9,666 (2020 - $10,459), royalties of $8,867 (2020 - $7,107), distribution costs of $5,302 (2020 - $2,269), inventory write- down of $3,210 (2020 - $177), depreciation and amortization of $21,537 (2020 - $17,473) and a margin on iron ore sales of $50 (2020 - $nil)). The increase in direct mine and production costs is primarily attributable to the increase in sales, with 11,393 tonnes of V_2O_5 equivalent sold in 2021 (2020 - 10,260 tonnes), the impact of a lower global recovery in 2021 of 79.7% (2020 - 81.5%) and the cost increases for critical consumables as noted above. Of the total, $101,291 is related to the Sales & trading segment, $29,282 is related to the Mine properties segment and $2,437 is related to the Corporate segment (after the elimination of inter-segment transactions).

	Three months ended		Year ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
Cash operating costs per pound[1]	**$ 4.04**	$ 2.81	**$ 3.74**	$ 2.90
Cash operating costs excluding royalties per pound[1]	**$ 3.68**	$ 2.56	**$ 3.37**	$ 2.56

1. *Cash operating costs per pound and cash operating costs excluding royalties per pound are non-GAAP ratios with no standard meaning under IFRS, and may not be comparable to similar financial measures disclosed by other issuers. Refer to the "Non-GAAP Measures" section of this MD&A.*

- Cash operating costs excluding royalties per pound were $3.68 per lb in Q4 2021, compared with $2.56 for Q4 2020. The increase seen in Q4 2021 compared with Q4 2020 is largely due to a decrease in the global recovery, with 76.0% achieved in Q4 2021, compared with 80.6% achieved in Q4 2020, and the impact of cost increases for critical consumables, including HFO and diesel. The abnormally elevated levels of rainfall experienced in Q4 2021 negatively impacted the operational performance and increased costs. Produced V_2O_5 equivalent sold decreased, with 6,267 (000s lb) sold in Q4 2021, as compared with 7,831 (000s lb) sold in Q4 2020.

- Professional, consulting and management fees in Q4 2021 increased from Q4 2020 by 72%. The increase is primarily attributable to costs incurred in Q4 2021 in connection with LCE, which was not fully operational in Q4 2020. In addition, the Company's Corporate segment continues to incur increased insurance, legal, regulatory and compliance costs in Q4 2021 as a result of the Nasdaq listing earlier in 2021, U.S. regulatory requirements and ongoing strategic initiatives. Of the total professional, consulting and management fee expense in Q4 2021, $523 related to the Sales & trading segment (Q4 2020 - $476), $1,176 related to the Mine properties segment (Q4 2020 - $963), $1,946 related to Corporate (Q4 2020 - $1,083) and $1,912 related to Largo Clean Energy (Q4 2020 - $707). For 2021, total professional, consulting and management fees increased from 2020 by 117%. Of the total, $1,642 related to the Sales & trading segment (2020 - $1,274), $4,162 related to the Mine properties segment (2020 - $3,086), $7,036 related to Corporate (2020 - $3,188) and $5,081 related to Largo Clean Energy ($707).

- The foreign exchange gain in Q4 2021 decreased from the gain in Q4 2020 by 97%. This is primarily attributable to a strengthening of the U.S. dollar against the Brazilian real by approximately 3% since September 30, 2021 on U.S. dollar denominated cash and liabilities in Brazil and a weakening of the Euro against the U.S. dollar by approximately 2% since September 30, 2021 on Euro denominated assets. Of the total foreign exchange gain in Q4 2021, a loss of $42 related to the Sales & trading segment (Q4 2020 - gain of $27), a gain of $90 related to the Mine properties segment (Q4 2020 - gain of $1,826) and a gain of $35 related to Corporate (Q4 2020 - gain of $719). For 2021, a loss of $161 related to the Sales & trading segment (2020 - gain of $44), a gain of $574 related to the Mine properties segment (2020 - a loss of $15,943) and a gain of $207 related to Corporate (2020 - gain of $6,835).

- Other general and administrative expenses in Q4 2021 increased from Q4 2020 by 124%. The increase is primarily attributable to costs incurred in Q4 2021 in connection with LCE that was not fully operational in Q4 2020. This contributed to the increases seen in travel, occupancy, information technology, depreciation and amortization and office costs. Of the total other general and administrative expenses in Q4 2021, $124 related to the Sales & trading segment (Q4 2020 - $74), $497 related to the Mine properties segment (Q4 2020 - $514), $783 related to Corporate (Q4 2020 - $334) and $793 related to Largo Clean Energy (Q4 2020 - $105). In addition, $100 in Q4 2021 related to initial activities for the titanium project (Q4 2020 - $nil). For 2021, total other general and administrative expenses increased from 2020 by 92%. Of the total, $414 related to the Sales & trading segment (2020 - $473), $1,500 related to the Mine properties segment (2020 - $1,669), $2,358 related to Corporate (2020 - $1,082) and $2,029 related to Largo Clean Energy (2020 - $105). In addition, $100 related to initial activities for the titanium project and $3 related to exploration and evaluation (2020 - both $nil).

- Share-based payments in Q4 2021 increased from Q4 2020 by 156%. The increase is primarily due to the grant of restricted share units ("RSUs") and stock options in 2021. The total in Q4 2021 of $1,153 was related to the Corporate segment (Q4 2020 - $450). For 2021, share-based payments increased from the same prior year period by 91%, with the total of $3,135 related to Corporate (2020 - $1,638).

- Technology start-up costs relate to activities at LCE focussed on the establishment and ramp up of operations to support the future deployments of its VCHARGE VRFB system (Q4 2021 - $2,391 and 2021 - $3,121) and costs related to initial activities for the titanium project (Q4 2021 and 2021 - $714).

- Exploration and evaluation costs in Q4 2021 decreased from Q4 2020 by 70%. For 2021, the decrease from 2020 was 31%. These decreases are a result of the completion of the technical report in Q4 2021.

- Comprehensive loss for Q4 2021 increased from Q4 2020 by 119% after an increase in the unrealized loss on foreign currency translation of 140%. For 2021, comprehensive income increased from 2020 by 135% after a decrease in the unrealized loss on foreign currency translation of 75%. The unrealized loss on foreign currency translation in Q4 2021 is primarily due to a weakening of the Brazilian real against the U.S. dollar by approximately 3% since September 30, 2021, and by approximately 7% in 2021.

Cash Flows

- Cash provided by operating activities of $3,427 in Q4 2021 is a decrease from cash provided by operating activities of $4,741 in Q4 2020. This is primarily due to a decrease in cash provided before working capital items of $1,437 and a net increase in working capital items of $123. For 2021, cash provided by operating activities was $39,777, compared with cash used in operating activities of $59,508 in 2020. This movement is primarily attributable to an increase in cash provided before working capital items of $43,297 and a net change in working capital items of $55,988, which is largely driven by movements in amounts receivable and accounts payable and accrued liabilities.

- Cash used in financing activities in Q4 2021 increased from cash provided by financing activities in Q4 2020 by $2,591. The movement is primarily due to finance lease payments in Q4 2021 of $139 and the issuance of common shares in Q4 2020 of $2,519. For 2021, cash used in financing activities increased from cash provided by financing activities in 2020 by $37,134. The movement is primarily attributable to the receipt of debt of $15,000 (2020 - $24,788), repayment of debt of $24,788 (2020 - $nil), interest received of $403 (2020 - $1,135), negative change in restricted cash of $448 (2020 - positive $76), finance lease payments of $230 (2020 - $nil) and cash received from the issuance of common shares of $3,161 (2020 - $4,233).

- Cash used in investing activities in Q4 2021 of $6,985 is an increase of $1,915 from the $5,070 seen in Q4 2020. For 2021, the increase from 2020 was $9,293. These movements are primarily due to the V_2O_3 project being undertaken in 2021.

- The net change in cash in Q4 2021 was a decrease of $3,777, compared with an increase of $4,250 for Q4 2020. For 2021, the net change in cash was an increase of $4,645 (2020 - a decrease of $48,354).

Net income reconciliation

		2021	
Total V_2O_5 equivalent sold	000s lbs	**25,117**	A
	tonnes[1]	**11,393**	
Produced V_2O_5 equivalent sold	000s lbs	**23,953**	B
	tonnes[1]	**10,865**	
Revenues per pound sold	$/lb	**$ 7.89**	C
Cash operating costs per pound	$/lb	**$ 3.74**	D

1. Conversion of tonnes to pounds, 1 tonne = 2,204.62 pounds or lbs.

		2021	
Revenues		**$ 198,280**	A x C 11,393 tonnes of V_2O_5 equivalent sold (2020 - 10,260 tonnes), with revenues per pound sold of $7.89 (2020 - $5.31).
Cash operating costs		**(89,655)**	B x D Global recovery of 79.7% (2020 - 81.5%), impact of cost increases for critical consumables, including HFO and diesel, and abnormal rainfall.
Other operating costs			
Conversion costs *(costs incurred in converting V_2O_5 to FeV that are recognized on the sale of FeV)*	**(9,252)**		Note 22 3,251 tonnes of FeV sold. Unit conversion costs are increasing due to aluminium price increases.
Product acquisition costs *(costs incurred in purchasing products from 3rd parties that are recognized on the sale of those products)*	**(9,666)**		Note 22 528 tonnes of V_2O_5 equivalent of purchased products sold, compared with 716 tonnes in 2020 with a cost of $10,459.
Distribution costs	**(5,302)**		Note 22
Depreciation	**(21,537)**		Note 22
Inventory write-down	**(3,210)**		Note 22
Loss on iron ore sales	**(50)**		Note 22
		(49,017)	
Commercial & Corporate costs			
Professional, consulting and management fees	**(8,678)**		Note 17 (Sales & trading plus Corporate) Increased insurance, legal, regulatory and compliance costs in 2021 as a result of the Nasdaq listing earlier in 2021 and ongoing U.S. regulatory requirements.
Other general and administrative expenses	**(2,772)**		
Share-based payments	**(3,135)**		
		(14,585)	

	2021	
Largo Clean Energy	**(10,231)**	Note 17 (excluding finance costs) 2021 guidance between $7,000 and $9,000.
Titanium project	**(814)**	Note 17 - "other"
E&E properties	**(4)**	Note 17 (excluding finance costs)
Foreign exchange gain	**610**	
Finance costs	**(1,135)**	
Interest income	**403**	
Exploration and evaluation costs	**(2,093)**	
Net income (loss) before tax	**31,759**	
Income tax expense	**(5,430)**	
Deferred income tax expense	**(3,758)**	
Net income	**$ 22,571**	

Operations

- V_2O_5 production in October 2021 was 865 tonnes, with 621 tonnes produced in November and 517 tonnes produced in December, for a total of 2,003 tonnes of V_2O_5 produced in Q4 2021.
- The global recovery achieved in Q4 2021 was 76.0%, 6% lower than the 80.6% achieved in Q4 2020 and 9% lower than the 83.7% achieved in Q3 2021. The global recovery in October 2021 was 81.1%, with 78.7% achieved in November and 65.4% achieved in December.
- The operational results in Q4 2021 were impacted by abnormally elevated levels of rainfall in November and December. During these two months, approximately 580 millimetres of rain was recorded, which represents an increase of 690% over the monthly average rainfall (measured from 2014 to 2020) and an increase of 360% over the Q4 average rainfall (measured from 2014 to 2020) in the Maracás area. Following these rains, the Company installed a rainwater diversion system around the Campbell Pit and has improved its pumping system. The Company expects that these actions will mitigate the impact to the operations from higher than expected rainfall.
- Subsequent to Q4 2021, the Company scheduled a six day shutdown of the processing plant in January 2022 in order to perform maintenance on the plant cooler engine system and power substations. Following this shutdown, production in January 2022 and February 2022 was 702 and 731 tonnes of V_2O_5.
- The Company completed the ramp-up of the V_2O_3 plant and provided samples to prospective customers for product specification analysis. The Company began shipping V_2O_3 to customers in Q1 2022 for customer qualification.
- Production quantities and non-GAAP unit cost measures are summarized in the following table:

Period	Production Tonnes	Production Pounds Equivalent[1]	Average Quarterly V_2O_5 price[2] $/lb	Cash operating costs excluding royalties per pound[3] $/lb[4]	Total cash costs per pound[3] $/lb[4,5]
Q4 2021	2,003	4,415,854	$8.30	$3.68	$5.01
Q3 2021	3,260	7,187,061	$9.40	$3.53	$4.76
Q2 2021	3,070	6,768,184	$8.19	$3.39	$4.77
Q1 2021	1,986	4,378,375	$7.09	$2.87	$4.07
Q4 2020	3,340	7,363,431	$5.29	$2.56	$3.41
Q3 2020	3,092	6,816,685	$5.33	$3.14	$3.69
Q2 2020	2,562	5,648,236	$6.14	$1.89[6]	$3.68[6]
Q1 2020	2,831	6,241,279	$6.07	$2.66	$2.87

1. *Conversion of tonnes to pounds, 1 tonne = 2,204.62 pounds or lbs.*
2. *Average benchmark price per lb of V_2O_5 in Europe for the stated period.*
3. *Cash operating costs excluding royalties per pound and total cash costs per pound are non-GAAP ratios with no standard meaning under IFRS, and may not be comparable to similar financial measures disclosed by other issuers. Refer to the "Non-GAAP Measures" section of this MD&A.*
4. *For periods prior to Q2 2020, calculated from C$ using average C$/$ foreign exchange rate of C$1.32 for Q1 2020.*
5. *Q4 2021 is the last period when this measure is being calculated and presented. Beginning in Q1 2022, this measure will no longer be disclosed.*
6. *The measure for Q2 2020 includes the benefit of tax credits of $2,187, without which the cash operating costs excluding royalties per pound would be $3.04 and total cash costs per pound would be $4.66.*

- 2021 production of 10,319 tonnes of V_2O_5 (22.7 million lbs) represents a decrease of 13% over 2020. The global recovery of 79.7% achieved in 2021 is 2% lower than that achieved in 2020.

Selected Quarterly Information

Summary financial information for the eight quarters ended December 31, 2021, prepared in accordance with IFRS (in thousands of U.S. dollars, except for basic earnings (loss) per share and diluted earnings (loss) per share):

Period	Revenue	Net Income (Loss)	Basic Earnings (Loss) per Share[1]	Diluted Earnings (Loss) per Share[1]	Total Assets	Non-current Liabilities
Q4 2021	$ 50,326	$ 789	$ 0.01	$ 0.01	$ 313,909	$ 6,544
Q3 2021	53,861	9,193	0.14	0.14	315,577	6,911
Q2 2021	54,292	8,445	0.13	0.13	318,276	8,259
Q1 2021	39,801	4,144	0.07	0.07	261,018	5,440
Q4 2020	42,254	6,881	0.12	0.11	297,806	6,295
Q3 2020	27,474	2,549	0.05	0.04	272,099	5,857
Q2 2020	8,350	(7,012)	(0.12)	(0.12)	268,874	5,893
Q1 2020	41,909	4,343	0.08	0.07	325,336	6,163

1. *Basic earnings (loss) per share and diluted earnings (loss) per share have been adjusted in order to reflect the effect of the share consolidation that was completed on March 4, 2021 (refer to note 12).*

2022 Guidance

The Company has committed a significant proportion of its monthly production in 2022 to sales of its VPURE+ ^{TM} and VPURE^{TM} products, as well as FeV produced from VPURE^{TM}. The Company remains confident that its sales and trading division will add significant long-term value to the Company.

The Company's Maracás Menchen Mine continued operations during 2021. The Company continues to monitor the evolving COVID-19 pandemic and has taken preventative measures at its mine site and corporate offices to mitigate potential risks. Although there have been some challenges with logistics, there continues to be no significant impact on the Company's production or on the shipment of products out of Maracás. To date, there continues to be no significant disruption to the Company's supply chain for its operations and the level of critical consumables continues to be at normal levels. In addition, the restrictions imposed by the government in Brazil have not significantly impacted operations. The Company continues to follow the recommendations provided by health authorities and all corporate office personnel have been instructed to work from home where possible. The Company continues to staff critical functions at the Maracás Menchen Mine and has encouraged those in non-essential roles to work from home.

The Company's 2022 guidance is presented on a "business as usual" basis. The Company continues to monitor measures being imposed by governments globally to reduce the spread of COVID-19 and the impact that this may have on the Company's operations, sales and guidance for 2022. Although these restrictions have not, to date, had a material impact on the Company's operations and sales, the potential future impact of COVID-19 both in Brazil and globally could have a significant impact on the Company's operations, sales efforts and logistics. The Company is continuing to monitor the rapidly developing impacts of the COVID-19 pandemic and will take all possible actions to help minimize the impact on the Company and its people. However, these actions may significantly change the guidance and forecasts presented and will, if and when necessary, update its guidance accordingly. Refer to the Company's Annual Information Form for the year ended December 31, 2021 for the full discussion of the Company's Risks and Uncertainties, including those relating to the COVID-19 pandemic.

The Company's guidance for 2022 is presented below.

		2022 Guidance
Annual V_2O_5 equivalent production	tonnes	**12,000 - 12,750**
Annual V_2O_5 equivalent sales	tonnes	**12,000 - 12,750**
Cash operating costs excluding royalties per pound [1]	$/lb	**3.20 - 3.40**
Distribution costs	$	**7,000 - 8,000**
Corporate and Sales & Trading administrative costs [2]	$	**10,000 - 11,000**
Largo Clean Energy expenditures [3]	$	**15,000 - 18,000**
Capital expenditures - components		
Sustaining capital expenditures (excluding capitalized stripping costs)	$	**9,000 - 10,000**
Capitalized stripping costs	$	**10,000 - 11,000**
Ilmenite concentration plant capital expenditure	$	**29,000 - 30,000**
TiO_2 processing plant capital expenditure	$	**9,000 - 10,000**
Carry-over capital expenditures	$	**2,000 - 3,000**
Largo Clean Energy capital expenditures	$	**1,500 - 2,500**

1. *Cash operating costs excluding royalties per pound is a non-GAAP ratio with no standard meaning under IFRS, and may not be comparable to similar financial measures disclosed by other issuers. Refer to the "Non-GAAP Measures" section of this MD&A.*
2. *Consists of the total of professional, consulting and management fees and other general and administrative expenses for the Corporate and Sales & Trading segments.*
3. *Consists of the total of professional, consulting and management fees, other general and administrative expenses and technology start-up costs for the Largo Clean Energy segment.*

Operations

Largo Clean Energy

Recent Developments

On July 20, 2021, the Company announced that LCE had entered into its first VCHARGE± VRFB sales contract with Enel Green Power España ("EGPE"). Under the contract, LCE is obligated to deliver a five hour, 6.1 MWh VCHARGE± system for a project in Spain with expected commissioning in Q4 2022, subject to receipt of notice to proceed from EGPE. On July 30, 2021, the Company announced that it had received the notice to proceed.

During Q4 2021, LCE remained focused on obtaining certification of its VCHARGE VRFB under UL1973 and UL9540, being requirements to support 2022 project deployments. The UL (Underwriters Laboratories) certifications were successfully completed December 2021, following which, LCE will proceed to obtain CE certification, which is expected by the end of Q2 2022. The CE certification is the European parallel to the UL certification.

A location was secured for LCE's headquarters, including a VRFB product development and stack manufacturing centre, in Massachusetts, U.S. with an expected manufacturing capacity of up to 1.4 gigawatt hours per year. The LCE team moved into the office facilities in May 2021 and building modifications are underway to enable the installation and commissioning of the stack manufacturing capacity and test equipment required to support the 2022 business plan. Substantial completion is expected by Q1 2022.

Hiring of additional personnel to support the achievement of these timelines and targets continues, including the recent hiring of Mr. Stephen Prince as President of Largo Clean Energy.

Maracás Menchen Mine

Recent Developments

Expenditures of $28,923 were capitalized to mine properties, plant and equipment during 2021 (2020 - $19,759), including $8,726 of capitalized waste stripping and push back costs (2020 - $8,512). The V^2O^3 plant was commissioned during Q4 2021, with $7,607 reclassified from construction in progress to buildings, plant and equipment.

The production of 2,003 tonnes of V_2O_5 in Q4 2021 was 40% lower than the 3,340 tonnes of V_2O_5 produced in Q4 2020. Lower quarterly production was due to the abnormally elevated levels of rainfall in November and December 2021. An effective water diversion channel system has been implemented to mitigate the impacts of future rains.

The Q4 2021 global recovery of 76.0% was lower than the 80.6% seen in Q4 2020 as a result of the instability of the production processes. This is a consequence of the heavy rains which restricted the availability of ore in the mine to feed the plant.

In Q4 2021, 277,783 tonnes of ore were mined with an effective grade of 1.00% of V_2O_5. The ore mined in Q4 2021 was 18% lower than in Q4 2020. The Company produced 86,129 tonnes of concentrate with an effective grade of 3.13%.

The COVID-19 restrictions put in place did not have an impact on the Company's operational performance in Q4 2021.

The following table is a summary of production statistics at the Maracás Menchen Mine.

	Q4 2021	Q4 2020	**2021**	2020
Total Ore Mined (tonnes)	**277,783**	338,226	**1,248,967**	1,087,518
Ore Grade Mined - Effective Grade[1] (%)	**1.00**	1.18	**1.12**	1.29
Effective Grade of Ore Milled (%)	**1.16**	1.28	**1.24**	1.34
Concentrate Produced (tonnes)	**86,129**	108,608	**398,847**	412,661
Grade of Concentrate (%)	**3.13**	3.24	**3.23**	3.28
Contained V_2O_5 (tonnes)	**2,697**	3,516	**12,879**	13,540
Crushing Recovery (%)	**96.7**	98.1	**97.7**	98.1
Milling Recovery (%)	**97.1**	95.4	**97.6**	96.2
Kiln Recovery (%)	**86.6**	91.2	**89.0**	91.0
Leaching Recovery (%)	**97.7**	98.5	**98.0**	98.6
Chemical Plant Recovery (%)	**95.7**	95.8	**95.9**	96.3
Global Recovery[2] (%)	**76.0**	80.6	**79.7**	81.5
V_2O_5 Produced (Flake + Powder) (tonnes)	**2,003**	3,340	**10,319**	11,825

1. *Effective grade represents the percentage of magnetic material mined multiplied by the percentage of V_2O_5 in the magnetic concentrate.*
2. *Global recovery is the product of crushing recovery, milling recovery, kiln recovery, leaching recovery and chemical plant recovery.*

Exploration Developments

The Company completed its 2021 exploration drilling program in October. During Q4 2021 the Company drilled 1,134 metres (eight holes) at targets in the South Block area, south of the current mining operation. Diamond drills were demobilized from the site by the end of October. For the remainder of Q4 2021, exploration activities focused on the completion of geological and geotechnical logging and sampling of drilled core, and compilation of databases for future modelling purposes.

In 2021 the Company completed 8,838 metres of drilling (56 holes) at various targets across the Maracás Menchen Mine. At the Campbell Pit, 2,337 metres were drilled in seven holes to explore depth extension opportunities. A further 2,248 metres of drilling (26 holes) were completed within the pit as part of a short-term drill program focused on defining ore/waste contacts and increasing grade control for short-term modelling and mining purposes. Limited drilling was completed at Novo Amparo Norte ("NAN") (483 metres in two holes) and Gulçari A Norte ("GAN") (706 metres in four holes) in support of the technical report. Two holes (809 metres) were drilled to test geophysical anomalies adjacent to the existing mine operations, east of the Campbell Pit. Finally, 2,255 metres of drilling (15 holes) were completed on two targets in the South Block.

On November 3, 2021 the Company announced the results of a new NI 43-101 technical report titled "An Updated Life of Mine Plan ("LOMP") for Campbell Pit and Pre-Feasibility Study for GAN and NAN Deposits" (the "Technical Report"). The Technical Report was filed on December 20, 2021. A summary of the report outcomes can be found in the aforementioned press release and the full report can be accessed via SEDAR (www.sedar.com) and EDGAR (www.sec.gov).

Subsequent to Q4 2021, the Company has been active with database compilation for various Near Mine and South Block targets and has initiated the short-term block modelling process for the Campbell Pit.

Exploration Outlook

The Company is planning for approximately 8,000 metres of drilling in 2022 at the Maracás Menchen Mine. Efforts will focus on areas in the South Block with known magnetic anomalies that require work to maintain concessions in good standing in accordance with the applicable rules and regulations in Brazil. Exploration will continue to develop early stage targets for diamond drilling and resource evaluation as deemed appropriate. Exploration efforts will also include a limited soil geochemistry sampling survey to identify areas of anomalous mineralization associated with known magnetic anomalies to further refine exploration targeting.

Campo Alegre de Lourdes

Recent Developments

The Company completed a 1,200 metre drilling program in December 2018 and has finalized the geological and structural mapping needed to satisfy the Company's contractual requirements and to develop the Company's knowledge of mineralization.

In Q3 2019, a limited drill program was completed at the Morro Branca target at the Campo Alegre de Lourdes project. From July 5 to August 5, 2019 the Company completed six diamond drill holes (1,016 metres) to test down dip extension of mineralization and to collect material for additional metallurgical testing at the Morro Branca target. Internal studies to determine potential recovery of both V^2O^5 and titanium dioxide ("TiO^2") from the vanadiferous titanomagnetite ("VTM") mineralization are being complimented with additional work currently underway at SGS Lakefield's facility in Canada. This metallurgical testing continues and is being supplemented through the Company's internal work. The research agreement with Companhia Baiana de Pesquisa Mineral ("CBPM") was to expire on January 11, 2020. Prior to expiration the Company met with CBPM representatives and agreed to extend the research agreement for an additional two years to allow the Company to continue to evaluate the geological and economic potential of the project and the renewed agreement now extends the working relationship to January 11, 2022.

In 2021 the Company did not undertake any field work. Project status reports were delivered to CBPM as contractually required.

During Q4 2021, the Company incurred $nil in expenditures (Q4 2020 - $nil) at the Campo Alegre de Lourdes project and in 2021, the Company incurred $nil in expenditures (2020 - $57).

Outlook

Additional metallurgical testing is planned for 2022. A limited program of 1,500 metres of drilling is planned in 2022 in support of any metallurgical work and to ensure the concessions are maintained in good order in accordance with the applicable rules and regulations in Brazil.

Northern Dancer

Recent Developments

Management is not conducting any further work at this time on the Northern Dancer property, as the majority of the Company's efforts are focused on the Maracás Menchen Mine. During 2021, the Company addressed the outstanding Inspector's Direction for reclamation work with respect to historic drill roads and drill sites on the property. Due to COVID-19 restrictions for travel and work as defined by the Yukon Territory government, the time frame to complete this work was extended to July 1, 2022. The Company initiated a small work program to bring the Company into full compliance with the conditions of the Quartz Mining Act (Yukon) and the Quartz Mining Land Use Regulations. Subsequent to the completion of the work program, the Company received notification that it had met all provisions of the operating plan and successfully resolved all outstanding concerns. The Company has received a Certificate of Closure for activities at Northern Dancer.

No work was performed in Q4 2021 on the project.

During Q4 2021, the Company incurred $2 in expenditures (Q4 2020 - $2) at the Northern Dancer project and in 2021, the Company incurred $15 in expenditures (2020 - $7).

Outlook

Management is not planning any significant expenditures for the foreseeable future.

Currais Novos Tungsten Tailings Project

Recent Developments

Management is not conducting any work at this time on the Currais Novos Tungsten Tailings Project, as the majority of the Company's efforts are focused on the Maracás Menchen Mine.

Outlook

Management is not planning any significant expenditures for the foreseeable future.

Financial Instruments

Financial assets and financial liabilities at December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Cash	**$ 83,790**	$ 79,145
Restricted cash	**448**	-
Trade and other receivables	**22,172**	13,791
Accounts payable and accrued liabilities	**19,723**	15,968
Debt	**15,000**	24,788

Refer to note 8 for lease liabilities.

The Company's risk exposures and the impact on the Company's financial instruments are summarized in note 20. There have been no changes in the risks, objectives, policies and procedures from the previous year.

Liquidity And Capital Resources

The Company's continuance as a going concern is dependent on its ability to maintain profitable levels of operations.

At December 31, 2020, the benchmark price per lb of V_2O_5 was between $5.30 and $5.50. This increased to a range of between $8.50 and $9.00 at December 31, 2021, with an average of approximately $8.30 for Q4 2021, compared with approximately $9.40 for Q3 2021 and $5.29 for Q4 2020.

The average benchmark price per lb of V_2O_5 was approximately $9.29 and the average benchmark price per kg of FeV was approximately $36.31 for January 2022 and approximately $10.72 and $42.11, respectively, for February 2022. At the date of the MD&A, the market price of V_2O_5 was in a range of $12.00 to $12.50 per lb and the market price of FeV was in a range of $60.50 to $63.50 per kg.

The Company is continuing to monitor the rapidly developing impacts of the COVID-19 pandemic and will take all possible actions to help minimize the impact on the Company and its people.

The adequacy of the Company's capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategy, vanadium prices, economic conditions and associated risks. To maintain or adjust its capital structure, the Company may adjust capital expenditures, issue new common shares or take on new debt. At December 31, 2021, the Company's debt balance was $15,000 following the settlement of the two credit facilities and the drawdown of the working capital facility as described below and in note 10.

Credit facilities

On March 18, 2020, the Company secured a $13,000 credit facility with a bank in Brazil. This facility was fully drawn down and proceeds of R$65,980 ($13,000) were received on March 20, 2020. On March 24, 2020 the Company secured a $11,788 credit facility with a second bank in Brazil. This facility was fully drawn down and proceeds of R$60,000 ($11,788) were received on March 24, 2020.

Between January 29, 2021 and February 3, 2021, the Company completed the settlement of these outstanding credit facilities through the repayment in full of the outstanding principal amounts of $13,000 and $11,788.

On May 6, 2021, the Company secured a $15,000 working capital facility with a bank in Brazil. This facility was fully drawn down and proceeds of R$78,915 ($15,000) were received. This facility is due to be repaid as a lump sum payment in May 2022, together with accrued interest at a rate of 1.78% per annum.

Maracás Menchen Mine

The Company's vanadium production commenced during August 2014, with the first sale of V $_2O_5$ flake concluded during September 2014. Since this time, the Company has continued to further ramp up the production and sales of V_2O_5, as described in the "Maracás Menchen Mine" section above. In connection with the ramp-up, the Company has also evaluated its future financial requirements, including inter alia its sustaining capital and working capital needs for the next 12 months.

At December 31, 2021, the Company had an accumulated deficit of $49,327 since inception (December 31, 2020 - $71,903) and had a net working capital surplus of $118,310 (December 31, 2020 - $92,950) (defined as current assets less current liabilities). At December 31, 2021, the total amount due within 12 months on the Company's debt was $15,000 (December 31, 2020 - $24,788).

The following table details the Company's expected remaining contractual cash flow requirements at December 31, 2021 for its liabilities and commitments with agreed repayment periods. The amounts presented are based on the undiscounted cash flows and therefore, may not equate to the carrying amounts on the consolidated statement of financial position.

	Less than 6 months	6 months to 1 year	1 to 3 years	Over 3 years
Accounts payable and accrued liabilities	$ 19,723	$ -	$ -	$ -
Debt	15,000	-	-	-
Operating and purchase commitments	12,269	1,689	143	-
	$ 46,992	$ 1,689	$ 143	$ -

Refer to note 8 for lease liabilities. The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company's principal sources of liquidity are its cash flow from operating activities and cash of $83,790 (December 31, 2020 - $79,145). As a consequence of vanadium price fluctuations in recent years, a risk may exist that the Company will not have sufficient liquidity to meet its obligations as they come due.

Outstanding Share Data

(Exercise prices presented in this section are in Canadian dollars and also not thousands).

At December 31, 2021, there were 64,727 common shares of the Company outstanding. At the date of this MD&A, there were 64,753 common shares of the Company outstanding.

At December 31, 2021, under the share compensation plan of the Company, 216 RSUs were outstanding and 889 stock options were outstanding with exercise prices ranging from C$6.70 to C$30.40 and expiry dates ranging between February 1, 2023 and June 22, 2026. If exercised, the Company would receive proceeds of C$11,363. The weighted average exercise price of the stock options outstanding is C$12.78.

As of the date of this MD&A, 195 RSUs and 944 stock options were outstanding with exercise prices ranging from C$6.70 to C$30.40 and expiry dates ranging between February 1, 2023 and June 22, 2026.

At December 31, 2021, 1,832 common share purchase warrants were outstanding with exercise prices ranging from C$11.50 to C$13.00 and expiring between December 1, 2022 and December 8, 2025. If these warrants were exercised, the Company would receive proceeds of C$21,577. The weighted average exercise price of the warrants is C$11.78.

As of the date of this MD&A, 1,822 common share purchase warrants were outstanding with exercise prices ranging from C$11.50 to C$13.00 and expiring between December 1, 2022 and December 8, 2025.

Transactions With Related Parties

The 2021 annual consolidated financial statements include the financial statements of the Company and its subsidiaries. There have been no changes in the Company's ownership interests in its subsidiaries since December 31, 2020 except as disclosed in note 3. The Company had transactions with related parties during 2021. Refer to note 16.

Additional information regarding the compensation of officers and directors of the Company is disclosed in the Company's management information circular, which is available under the Company's profile at www.sedar.com and www.sec.gov.

Commitments and Contingencies

At December 31, 2021, the Company was party to certain management and consulting contracts. Minimum commitments under the agreements are approximately $3,152 and all payable within one year. These contracts also require that additional payments of up to approximately $4,728 be made upon the occurrence of certain events such as change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these consolidated financial statements.

The Company has entered into a number of contracts with third party customers to deliver monthly quantities of the Company's vanadium products. A significant proportion of the Company's monthly vanadium production in 2022 has been committed. Prior to April 30, 2020, the Company sold 100% of its vanadium production under an off-take agreement.

In 2021, the Company signed a 10-year exclusive off-take agreement with a third party for the purchase of all standard and high purity grade vanadium products they produce. The annual quantity to be delivered to the Company in 2022 is 220 tonnes of V_2O_5, with the Company having a right of first refusal over additional amounts.

The Company's Largo Clean Energy business is required to pay a royalty of 7.5% of the net sales price of each VRFB which contains a manufactured licensed product or uses or transfers a licensed product on or after January 1, 2022.

The Company's mining and exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company has made payments to comply with such laws and regulations.

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law. The Company has acquired and maintains liability insurance for its directors and officers.

The Company is committed to a minimum amount of rental payments under five leases of office space which expire between April 30, 2022 and December 31, 2023. Minimum rental commitments remaining under the leases are approximately $369, including $226 due within one year. In addition, minimum rental commitments remaining under other short-term leases are approximately $3, all due within one year.

At the Company's Maracás Menchen Mine, the Company has entered into purchase order contracts with remaining amounts due related to goods not received or services not rendered as of December 31, 2021 of $10,576.

The Company, through its subsidiaries, is party to legal proceedings in the ordinary course of its operations related to legally binding agreements with various third parties under supply contracts and consulting agreements. At December 31, 2021 one such proceeding was ongoing in Brazil. This relates to a supply agreement for the Maracás Menchen Mine which was filed with the courts in October 2014. The amount claimed totals R$9,900 ($1,774), with a counterclaim filed by Vanádio for R$10,700 ($1,917). A provision of R$1,281 ($230) has been recognized at December 31, 2021 for the probable loss (December 31, 2020 - R$1,281 ($247)).

The Company and its subsidiaries are also party to legal proceedings regarding labour matters. A provision was recorded at December 31, 2020 for such proceedings in Brazil in an amount of R$3,538 ($681). At December 31, 2021, the provision recognized was R$469 ($84), following a settlement in October 2021. The outcome of these proceedings remains dependent on the final judgment. Management does not expect the outcome of any of the remaining proceedings to have a materially adverse effect on the results of the Company's financial position or results of operations. Should any losses result from the resolution of these claims and disputes, they will be charged to operations in the period that they are determined.

Disclosure Controls And Procedures And Internal Controls Over Financial Reporting

Disclosure Controls and Procedures

The Company's disclosure controls and procedures ("DC&P") are designed to provide reasonable assurance that all relevant information is communicated to management to allow timely decisions regarding required disclosure. An evaluation of the effectiveness of the Company's DC&P, as defined under the rules of the Canadian Securities Administration, was conducted as at December 31, 2021 under the supervision of the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") and with the participation of management. Based on the results of that evaluation, the CEO and CFO concluded that the Company's DC&P were effective as at December 31, 2021 providing reasonable assurance that the information required to be disclosed in the Company's annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported in accordance with securities legislation.

Internal Control over Financial Reporting

Internal control over financial reporting ("ICFR") is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. ICFR should include those policies and procedures that establish the following:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with applicable IFRS;
- receipts and expenditures are only being made in accordance with authorizations of management or the Board of Directors; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial instruments.

The Company's management, under supervision of the CEO and CFO, assessed the effectiveness of the Company's ICFR based on the criteria established in Internal Control - Integrated Framework (2013) issued by The Committee of Sponsoring Organizations of the Treadway Commission and concluded that as at December 31, 2021, the Company's ICFR was effective.

During the year ended December 31, 2021, the Company did not make any significant changes to its ICFR that would have materially affected, or reasonably likely to materially affect, its ICFR.

Limitations of Disclosure Controls and Procedures and Internal Control over Financial Reporting

The Company's management, including the CEO and CFO, believe that due to inherent limitations, any DC&P or ICFR, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objectives. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that any design will not succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Additionally, management is required to use judgment in evaluating DC&P and ICFR.

Significant Accounting Judgments, Estimates And Assumptions

The preparation of the 2021 annual consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These 2021 annual consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the annual consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised, and the revision affects both current and future periods.

Significant areas requiring the use of estimates and assumptions relate to the determination of mineral reserve estimates and the impact on stripping costs, useful lives of mine properties, plant and equipment, impairment analysis of non-financial assets, estimates of the timing of outlays for asset retirement obligations and the determination of functional currencies. Other significant areas include the valuation of mine properties, plant and equipment and development properties, estimates of provisions for environmental rehabilitation, current and deferred taxes and contingencies. Refer to note 3(d) for a detailed description of these areas of significant judgment, estimates and assumptions. Actual results could differ from those estimates.

Changes In Accounting Policies

The basis of presentation, and accounting policies and methods of their application in the 2021 annual consolidated financial statements are consistent with those used in the Company's annual consolidated financial statements for the year ended December 31, 2020.

Non-GAAP[1] Measures

The Company uses certain non-GAAP measures in its MD&A, which are described in the following section. Non- GAAP financial measures and non-GAAP ratios are not standardized financial measures under IFRS, the Company's GAAP, and might not be comparable to similar financial measures disclosed by other issuers. These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Revenues Per Pound

The Company's MD&A refers to revenues per pound sold, V_2O_5 revenues per pound of V_2O_5 sold and FeV revenues per kg of FeV sold, which are non-GAAP financial measures that are used to provide investors with information about a key measure used by management to monitor performance of the Company.

These measures, along with cash operating costs, are considered to be key indicators of the Company's ability to generate operating earnings and cash flow from its Maracás Menchen Mine and sales activities. These measures differ from measures determined in accordance with IFRS, and are not necessarily indicative of net earnings or cash flow from operating activities as determined under IFRS.

The following table provides a reconciliation of revenues per pound sold, V_2O_5 revenues per pound of V_2O_5 sold and FeV revenues per kg of FeV sold to revenues and the revenue information presented in note 17 as per the 2021 annual consolidated financial statements.

	Three months ended		Year ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
Revenues - V_2O_5 produced[1,2]	**$ 24,520**		**$ 100,901**	
V_2O_5 sold - produced (000s lb)	**3,234**		**13,499**	
V_2O_5 revenues per pound of V_2O_5 sold - produced ($/lb)	**$ 7.58**		**$ 7.47**	
Revenues - V_2O_5 purchased[1,2]	**$ -**		**$ 455**	
V_2O_5 sold - purchased (000s lb)	**-**		**55**	
V_2O_5 revenues per pound of V_2O_5 sold - purchased ($/lb)	**$ -**		**$ 8.27**	

[1]GAAP - Generally Accepted Accounting Principles.

	Three months ended		Year ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
Revenues - V_2O_5[1,2]	**$ 24,520**		**$ 101,356**	
V_2O_5 sold (000s lb)	**3,234**		**13,554**	
V_2O_5 revenues per pound of V_2O_5 sold ($/lb)	**$ 7.58**		**$ 7.48**	
Revenues - FeV produced[1,2]	**$ 24,853**		**$ 88,761**	
FeV sold - produced (000s kg)	**930**		**3,251**	
FeV revenues per kg of FeV sold - produced ($/lb)	**$ 26.72**		**$ 27.30**	
Revenues - FeV purchased[1,2]	**$ 953**		**$ 8,163**	
FeV sold - purchased (000s kg)	**39**		**304**	
FeV revenues per kg of FeV sold - purchased ($/lb)	**$ 24.44**		**$ 26.85**	
Revenues - FeV[1,2]	**$ 25,806**		**$ 96,924**	
FeV sold (000s kg)	**969**		**3,555**	
FeV revenues per kg of FeV sold ($/lb)	**$ 26.63**		**$ 27.26**	
Revenues[1,2]	**$ 50,326**	$ 42,254	**$ 198,280**	$ 119,987
V_2O_5 equivalent sold (000s lb)	**6,390**	8,259	**25,117**	22,606
Revenues per pound sold ($/lb)	**$ 7.88**	$ 5.12	**$ 7.89**	$ 5.31

1. *Three months ended numbers are calculated from the year ended numbers in note 17 less the corresponding number disclosed in note 16 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020.*
2. *Year ended numbers are as per note 17.*

Cash Operating Costs and Cash Operating Costs Excluding Royalties

The Company's MD&A refers to cash operating costs per pound and cash operating costs excluding royalties per pound, which are non-GAAP ratios based on cash operating costs and cash operating costs excluding royalties, which are non-GAAP financial measures, in order to provide investors with information about a key measure used by management to monitor performance. This information is used to assess how well the Maracás Menchen Mine is performing compared to plan and prior periods, and also to assess its overall effectiveness and efficiency.

Cash operating costs includes mine site operating costs such as mining costs, plant and maintenance costs, sustainability costs, mine and plant administration costs, royalties and sales, general and administrative costs (all for the Mine properties segment), but excludes depreciation and amortization, share-based payments, foreign exchange gains or losses, commissions, reclamation, capital expenditures and exploration and evaluation costs. Operating costs not attributable to the Mine properties segment are also excluded, including conversion costs, product acquisition costs, distribution costs and inventory write-downs. These measures differ from the total cash costs per pound non-GAAP measure the Company has used to measure overall performance (see later in this section).

Cash operating costs excluding royalties is calculated as cash operating costs less royalties.

Cash operating costs per pound and cash operating costs excluding royalties per pound are obtained by dividing cash operating costs and cash operating costs excluding royalties, respectively, by the pounds of vanadium equivalent sold that were produced by the Maracás Menchen Mine.

Cash operating costs, cash operating costs excluding royalties, cash operating costs per pound and cash operating costs excluding royalties per pound, along with revenues, are considered to be key indicators of the Company's ability to generate operating earnings and cash flow from its Maracás Menchen Mine. These measures differ from measures determined in accordance with IFRS, and are not necessarily indicative of net earnings or cash flow from operating activities as determined under IFRS.

The following table provides a reconciliation of cash operating costs and cash operating costs excluding royalties, cash operating costs per pound and cash operating costs excluding royalties per pound for the Maracás Menchen Mine to operating costs as per the 2021 annual consolidated financial statements.

	Three months ended		Year ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December **31, 2020**
Operating costs[1]	**$ 37,746**	$ 31,604	**$ 133,010**	**$ 88,390**
Professional, consulting and management fees[2]	**1,176**	963	**4,162**	**3,086**
Other general and administrative expenses[2]	**497**	514	**1,500**	**1,669**
Less: loss on iron ore sales[1]	**-**	-	**(50)**	**-**
Less: conversion costs[1]	**(2,592)**	(1,330)	**(9,252)**	**(1,976)**
Less: product acquisition costs[1]	**(1,010)**	(2,965)	**(9,666)**	**(10,459)**
Less: distribution costs[1]	**(1,463)**	(1,029)	**(5,302)**	**(2,269)**
Less: inventory write-down[1]	**(3,208)**	-	**(3,210)**	**(3)**
Less: depreciation and amortization expense[1]	**(5,824)**	(5,728)	**(21,537)**	**(17,473)**
Cash operating costs	**25,322**	22,029	**89,655**	**60,965**
Less: royalties[1]	**(2,279)**	(1,958)	**(8,867)**	**(7,107)**
Cash operating costs excluding royalties	**23,043**	20,071	**80,788**	**53,858**
Produced V_2O_5 sold (000s lb)	**6,267**	7,831	**23,953**	**21,027**
Cash operating costs per pound ($/lb)	**$ 4.04**	$ 2.81	**$ 3.74**	**$ 2.90**
Cash operating costs excluding royalties per pound ($/lb)	**$ 3.68**	$ 2.56	**$ 3.37**	**$ 2.56**

1. *Year ended numbers as per note 22. Three months ended numbers are calculated from the year ended numbers in note 22 less the corresponding number disclosed in note 20 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020.*
2. *Year ended numbers as per the Mine properties segment in note 17. Three months ended numbers are calculated from the year ended numbers in note 17 less the corresponding number disclosed in note 16 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020.*

Total Cash Costs per Pound

The Company's MD&A refers to total cash costs per pound, a non-GAAP ratio based on total cash costs, which is a non-GAAP financial measure, in order to provide investors with information about a key measure that has been used by management to monitor performance. This information is used to assess how well the Company is performing at producing and selling vanadium products compared to plan and prior periods, and also to assess its overall effectiveness and efficiency. This ratio was referred to as "total cash costs" in previous disclosure, but has been renamed "total cash costs per pound" to more accurately describe its composition.

Total cash costs includes all operating costs, sales and distribution costs and the Company's total professional, consulting and management fees and other general and administrative expenses, except those incurred in the Company's Largo Clean Energy segment and those relating to the titanium project. Total cash costs exclude royalties, depreciation and amortization, share-based payments, foreign exchange gains or losses, commissions, reclamation costs, exploration and evaluation costs, capital expenditures and all costs incurred in the Company's LCE division and relating to the titanium project.

Total cash costs per pound is obtained by dividing total cash costs by the total pounds of vanadium sold by the Company.

Total cash costs per pound differs from cash operating costs excluding royalties per pound in that it includes all operating costs, sales and distribution costs, professional, consulting and management fees and other general and administrative expenses (except those incurred in the Company's Largo Clean Energy segment and those relating to the titanium project), rather than just those costs from the Mine properties segment, and is calculated on total V^2O^5 equivalent pounds sold rather than pounds sold that were produced by the Maracás Menchen Mine.

Total cash costs per pound is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. This measure differs from measures determined in accordance with IFRS, and is not necessarily indicative of net earnings or cash flow from operating activities as determined under IFRS.

The following table provides a reconciliation of total cash costs and total cash costs per pound to operating costs as per the 2021 annual consolidated financial statements.

	Three months ended		Year ended	
	December 31, 2021	December 31, 2020	**December 31, 2021**	December 31, 2020
Operating costs[1]	**$ 37,746**	$ 31,604	**$ 133,010**	$ 88,390
Professional, consulting and management fees[2]	**3,645**	3,229	**12,840**	8,255
Other general and administrative expenses[2]	**1,404**	1,027	**4,272**	3,329
Less: loss on iron ore sales[1]	**-**	-	**(50)**	-
Less: depreciation and amortization expense[1]	**(5,824)**	(5,728)	**(21,537)**	(17,473)
Less: iron ore inventory write-down[3]	**(2,652)**	-	**(2,652)**	-
Less: royalties[1]	**(2,279)**	(1,958)	**(8,867)**	(7,107)
Total cash costs	**$ 32,040**	$ 28,174	**$ 117,016**	$ 75,394
V_2O_5 equivalent sold (000s lb)	**6,390**	8,259	**25,117**	22,606
Total cash costs per pound ($/lb)	**$ 5.01**	$ 3.41	**$ 4.66**	$ 3.34

1. *Year ended numbers as per note 22. Three months ended numbers are calculated from the year ended numbers in note 22 less the corresponding number disclosed in note 20 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020.*
2. *Year ended numbers as per the sum of the Sales & trading, Mine properties and Corporate segments in note 17. Three months ended numbers are calculated from the year ended numbers in note 17 less the corresponding number disclosed in note 16 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020.*
3. *Year ended numbers as per note 5. Three months ended numbers are calculated from the year ended numbers in note 5 less the corresponding number disclosed in note 5 of the Company's unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2021 and 2020.*

Risks And Uncertainties

The Company is subject to various business, financial and operational risks that could materially adversely affect the Company's future business, operations and financial condition. These risks could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in the Cautionary Statement Regarding Forward-Looking Information found in this MD&A.

The Company's business activities expose it to significant risks due to the nature of mining, development and exploration activities, as well as due to the nature of its VRFB business. The ability to manage these risks is a key component of the Company's business strategy. Management is forward looking in its assessment of risks. Identification of key risks occurs in the course of business activities, pursuing approved strategies and as part of the execution of risk oversight responsibilities at the management and Board of Directors' level.

For a full discussion of the Company's Risks and Uncertainties, please refer to the Annual Information Form for the year ended December 31, 2021, which is filed on www.sedar.com and www.sec.gov.

Cautionary Statement Regarding Forward-Looking Information

The information presented in this MD&A contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities laws concerning the Company's projects, capital, anticipated financial performance, business prospects and strategies and other general matters. Forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". All information contained in this MD&A, other than statements of current and historical fact, is forward looking information. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company or Largo Clean Energy to be materially different from those expressed or implied by such forward-looking statements, including but not limited to those risks described in the Annual Information Form of the Company and in its public documents filed on www.sedar.com and www.sec.gov from time to time. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

Trademarks are owned by Largo Inc. (formerly Largo Resources Ltd).

Forward-looking information in this MD&A includes, but is not limited to, statements with respect to the timing and amount of estimated future production and sales; costs of future activities and operations; the extent of capital and operating expenditures; the iron ore price environment, the timing and cost related to the build out of the ilmenite plant, eventual production from the ilmenite plant, the ability to sell ilmenite on a profitable basis; growth of the Company's sales and trading division, anticipated timing of V_2O_3 shipments, the extent and overall impact of the COVID-19 pandemic in Brazil and globally, the extent and impact of global freight delays and higher inventory transit time, the completion of the qualifying transaction, which is required, amongst other things, for the public listing of LPV on the terms disclosed to date. Forward-looking information in this MD&A also includes, but is not limited to, statements with respect to the Company's ability to build, finance and operate a VRFB business including the expected manufacturing capacity of the LCE plant, the Company's ability to protect and develop its technology, the Company's ability to maintain its IP, the Company's ability to market, sell and fulfill orders for its VCHARGE battery system on specification and at a competitive price, the completion of award negotiations with the DOE, the Company's ability to secure the required production resources to build its VCHARGE battery system, and the adoption of VFRB technology generally in the market.

The following are some of the assumptions upon which forward-looking information is based: that general business and economic conditions will not change in a material adverse manner; demand for, and stable or improving price of V_2O_5, other vanadium commodities, iron ore, ilmenite and titanium dioxide pigment; receipt of regulatory and governmental approvals, permits and renewals in a timely manner; that the Company will not experience any material accident, labour dispute or failure of plant or equipment or other material disruption in the Company's operations at the Maracás Menchen Mine or relating to Largo Clean Energy; the availability of financing for operations and development; the continued ability to mitigate the impact of heavy rainfall; the Company's ability to procure equipment and operating supplies in sufficient quantities and on a timely basis; that the estimates of the resources and reserves at the Maracás Menchen Mine are within reasonable bounds of accuracy (including with respect to size, grade and recovery); the competitiveness of the Company's VRFB technology; that the Company's current plans for iron ore, ilmenite, titanium dioxide pigment and VRFBs can be achieved; the Company's decision to transition to a VRFB business will be successful; the Company's ability to attract and retain skilled personnel and directors; the ability of management to execute strategic goals; and the accuracy of the Company's mineral resource estimates (including size, grade and recoverability) and the geological, operational and price assumptions on which these are based.

Actual results could differ materially from those anticipated in this forward-looking information as a result of the risks and uncertainties including, without limitation: volatility in prices of, and demand for, V_2O_5 and other vanadium commodities; risks inherent in mineral exploration and development; uncertainties associated with estimating mineral resources; uncertainties related to title to the Company's mineral projects; the risks inherent with the introduction and reliance on recently developed VRFB technology; revocation of government approvals; tightening of the credit markets, global economic uncertainty and counterparty risk; failure of plant, equipment or processes to operate as anticipated; unexpected operational events and delays; competition for, among other things, capital and skilled personnel; geological, technical and drilling problems; fluctuations in foreign exchange or interest rates and stock market volatility; rising costs of labour and equipment; risks associated with political and/or economic instability in Brazil; inherent uncertainties involved in the legal dispute resolution process, including in foreign jurisdictions; changes in income tax and other laws of foreign jurisdictions; and other factors discussed under "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2021 which is filed on www.sedar.com and www.sec.gov, and any additional risks as included in "Risks and Uncertainties" above. Assumptions relating to the potential mineralization of the Maracás Menchen Mine are discussed in the Technical Report. Statements relating to mineral resources are also forward-looking information, as they involve the implied assessment, based on certain estimates and assumptions that the mineral resources described can be profitably produced in the future. There is no certainty that it will be commercially viable to produce any portion of the mineral resources.

The forward-looking information is presented in this MD&A for the purpose of assisting investors in understanding the Company's plans, objectives and expectations in making an investment decision and may not be appropriate for other purposes. This forward-looking information is expressly qualified in its entirety by this cautionary statement. Forward-looking information contained in this MD&A or documents incorporated herein by reference are made as of the date hereof or the document incorporated herein by reference, as applicable, and are accordingly subject to change after such date. The Company disclaims any obligation to update any such forward-looking information to reflect events or circumstances after the date of such information, or to reflect the occurrence of anticipated or unanticipated events, except as required by law.

Certain terms appearing in the following table are defined previously in this MD&A. This table contains the material forward-looking statements made by the Company in this MD&A, the assumptions made by the Company in making those statements and the risk factors associated with those assumptions.

Forward-looking Statements	Assumptions	Risk Factors
The 2021 annual consolidated financial statements were prepared on a going concern basis. The going concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.	The Company has assumed that it will be able to continue in operation for the foreseeable future and will be able to discharge its liabilities and commitments in the normal course of business, as it anticipates that it will address working capital and other shortfalls through positive cash flow from operations.	The Company's continuance as a going concern is dependent on its ability to maintain profitable levels of operations. The adequacy of the Company's capital structure is assessed on an ongoing basis and adjusted as necessary after taking into consideration the Company's strategy, vanadium prices, economic conditions and associated risks. To maintain or adjust its capital structure, the Company may adjust capital expenditures, issue new common shares or take on new debt. At the date of this MD&A, the Company's debt balance was $15,000.

Forward-looking Statements	Assumptions	Risk Factors
Production volumes are expected to achieve the expanded nameplate capacity of 1,100 tonnes per month during 2022. 2022 Production Guidance: 12,000 - 12,750 tonnes	The Company assumes that consistent production levels will achieve a level of or in excess of 1,100 tonnes per month in 2022 during normal operation.	The Company prepares future production estimates with respect to existing operations. Actual production and costs may vary from the estimates for a variety of reasons such as estimates of grade, tonnage, dilution and metallurgical and other characteristics of the ore varying from the actual ore mined, revisions to mine plans, risks and hazards associated with mining, adverse weather conditions, unexpected labour shortages or strikes, equipment or design failures and other interruptions in production. Production costs may also be affected by increased mining costs, variations in predicted grades of the deposits, increases in level of ore impurities, labour costs, raw material costs, inflation and fluctuations in currency exchange rates. Failure to achieve production targets or cost estimates could have a material adverse impact on the Company's sales, profitability, cash flow and overall financial performance. In the event that the Company obtains debt financing, repayment terms associated with such financing will likely be based, among other things, on production schedule estimates. Any failure to meet such timelines or to produce amounts forecast may constitute defaults under such debt financing, which could result in the Company having to repay loans.

Forward-looking Statements	Assumptions	Risk Factors
2022 Costs Guidance: Cash operating costs excluding royalties per pound $3.20 - $3.40	The Company assumes that its current estimation of future operating costs is accurate, as it is largely based on the current cost profile of operations at the Maracás Menchen Mine.	Capital and operating cost estimates made by management with respect to future projects, or current operations in the early stages of production are estimates which are in turn based, among other things, on interpretation of geological data, feasibility studies, anticipated climactic conditions and other information. Any or all of the above could affect the accuracy of the estimates including unanticipated changes in grade and tonnage to be mined and processed; incorrect data on which engineering assumptions are made; unanticipated transportation costs; accuracy of equipment and construction cost estimates; difficulty or failure to meet scheduled construction completion dates, facility or equipment commissioning dates, or metal production dates; poor or unsatisfactory construction quality resulting in failure to meet completion, commissioning or production dates; increased expenditures required as a failure to meet completion, commissioning or production dates; capital overrun related to the completion of any construction phase including capital overrun associated with demobilization of construction workers and contractors; labour negotiations; unanticipated costs relating to the commencement of operations, ramp up and production sustainment; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas or exportation of the Company's products; and change in commodity input costs and quantities).

Forward-looking Statements	Assumptions	Risk Factors
Sustaining capital expenditures of approximately $9,000 to $10,000 are expected to be required in 2022 to sustain the operational capacity to produce 1,100 tonnes per month (excluding capitalized waste stripping costs).	Management assumes that its current estimation of capital expenditures is accurate, as based on operational estimates produced and current experience with operations.	Capital and operating costs estimates made by management with respect to future projects, or current operations in production, or not yet in the production phase are estimates which are in turn based, among other things, on interpretation of geological data, feasibility studies, anticipated climactic conditions and other information. Any or all of these can affect the accuracy of the estimates including unanticipated changes in grade and tonnage to be mined and processed; incorrect data on which engineering assumptions are made; unanticipated transportation costs; accuracy of equipment and construction cost estimates; difficulty or failure to meet scheduled construction completion dates, facility or equipment commissioning dates, or metal production dates; poor or unsatisfactory construction quality resulting in failure to meet completion, commissioning or production dates; increased expenditures required as a failure to meet completion, commissioning or production dates; capital overrun related to the completion of any construction phase including capital overrun associated with demobilization of construction workers and contractors; labour negotiations; unanticipated costs relating to the commencement of operations, ramp up and production sustainment; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas or exportation of the Company's products; and change in commodity input costs and quantities).

Forward-looking statements and forward looking information are based on the opinions and estimates of management as of the date such statements are made, and they are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking statements or forward looking information, including, but not limited to, unexpected events during operations; variations in ore grade; risks inherent in the mining industry; delay or failure to receive board approvals; timing and availability of external financing on acceptable terms; risks relating to international operations; actual results of exploration activities; conclusions of economic valuations; changes in project parameters as plans continue to be refined; and fluctuating metal prices and currency exchange rates.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.

Investors are advised that National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") requires that each category of mineral reserves and mineral resources be reported separately. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated or Inferred Resources

This MD&A uses the terms "measured", "indicated" and "inferred" mineral resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize them. Inferred mineral resources have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. **United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists or is economically or legally mineable.**

Exhibit 99.4

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Paulo Misk, certify that:

1. I have reviewed this annual report on Form 40-F of Largo Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the issuer's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 16, 2022

/s/ Paulo Misk
Name: Paulo Misk
Title: Chief Executive Officer
(principal executive officer)

Exhibit 99.5

CERTIFICATION
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Ernest Cleave, certify that:

1. I have reviewed this annual report on Form 40-F of Largo Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this report;

4. The issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the issuer and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(c) Evaluated the effectiveness of the issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the issuer's internal control over financial reporting that occurred during the period covered by the annual report that has materially affected, or is reasonably likely to materially affect, the issuer's internal control over financial reporting; and

5. The issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the issuer's auditors and the audit committee of the issuer's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting that are reasonably likely to adversely affect the issuer's ability to record, process, summarize, and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the issuer's internal control over financial reporting.

Date: March 16, 2022

/s/ Ernest Cleave
Ernest Cleave
Chief Financial Officer
(principal financial officer)

Exhibit 99.6

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, as the Chief Executive Officer of Largo Inc. certifies that, to the best of his knowledge and belief, the annual report on Form 40-F for the fiscal year ended December 31, 2021, which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and the information contained in the annual report on Form 40-F for the fiscal year ended December 31, 2021 fairly presents, in all material respects, the financial condition and results of operations of Largo Inc. at the dates and for the periods indicated. The foregoing certification is made pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350) and shall not be relied upon for any other purpose. The undersigned expressly disclaims any obligation to update the foregoing certification except as required by law.

Date: March 16, 2022

/s/ Paulo Misk
Paulo Misk
Chief Executive Officer
(principal executive officer)

Exhibit 99.7

CERTIFICATION
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, as the Chief Financial Officer of Largo Inc. certifies that, to the best of his knowledge and belief, the annual report on Form 40-F for the fiscal year ended December 31, 2021, which accompanies this certification, fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended, and the information contained in the annual report on Form 40-F for the fiscal year ended December 31, 2021 fairly presents, in all material respects, the financial condition and results of operations of Largo Inc. at the dates and for the periods indicated. The foregoing certification is made pursuant to § 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. § 1350) and shall not be relied upon for any other purpose. The undersigned expressly disclaims any obligation to update the foregoing certification except as required by law.

Date: March 16, 2022

/s/ Ernest Cleave
Ernest Cleave
Chief Financial Officer
(principal financial officer)

Exhibit 99.8

CONSENT OF REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Annual Report on Form 40-F of our report dated March 15, 2022, with respect to the consolidated financial statements of Largo Inc. as at and for the years ended December 31, 2021 and 2020, which appears in Exhibit 99.2 to this Annual Report on Form 40-F of Largo Inc.

We also consent to the incorporation by reference in the Registration Statements on Form F-10 (No. 333- 256282), as amended, and Form S-8 (No. 333-258713) of Largo Inc. of our report dated March 15, 2022 referred to above. We also consent to reference to us under the heading "Interests of Experts," which appears in the Annual Information Form included in Exhibit 99.1, which is incorporated by reference in this Annual Report on Form 40-F, which is incorporated by reference in such Registration Statements.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants
Toronto, Ontario, Canada

March 16, 2022