

## **CORPORATE DISCLOSURE POLICY**

### **1 INTRODUCTION**

1.1 The Board of Directors of Largo Inc.<sup>1</sup> has determined that Largo must formalize its policy on corporate disclosure in accordance with the provisions of National Instrument 51-102 – Continuous Disclosure Obligations and National Policy 51-102 – Disclosure Standards.

### **2 OBJECTIVES OF THE POLICY**

2.1 The objectives of this Policy are to:

- Reinforce Largo’s commitment to compliance with the continuous disclosure obligations imposed by Canadian securities law and the rules and regulations of the Toronto Stock Exchange (“TSX”).
- Ensure that all communications to the investing public about the business and affairs of Largo are:
  - (a) informative, timely, factual and accurate; and
  - (b) consistent and broadly disseminated in accordance with all applicable legal and regulatory requirements.
- Set clear guidelines for directors, officers and employees on disclosure requirements and practices.
- Ensure that public disclosure made by Largo does not contain a “misrepresentation” (a misrepresentation is defined by securities legislation as an untrue statement of material fact or an omission to state a material fact that is required or necessary to be stated to make a statement not misleading)
- Confirm in writing Largo’s disclosure policies to ensure compliance with such laws, rules and regulations as well as to ensure that timely and accurate

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<sup>1</sup> This Policy applies to Largo Inc. and all of its subsidiaries. Accordingly this Policy will refer to Largo and its subsidiaries as “Largo”.

information is provided equally to all shareholders and market participants regarding Largo.

## 2.2 Personal Responsibility

It is the responsibility of all directors, officers and employees of Largo to comply with this Policy. Adherence to and respect for the rules and procedures outlined in this Policy is fundamental to the reputation and continued success of Largo.

## 3 ADMINISTRATIVE RESPONSIBILITY

3.1 This Policy is administered by the Board of Directors which also maintains an awareness and understanding of existing, new and pending disclosure legislation and guidance. The Disclosure Committee (as defined below) reviews this policy at least annually, and as required, to ensure compliance with changing regulatory requirements.

3.2 Any employee who violates this Policy may face disciplinary action up to and including termination of his or her employment with the Company without notice. Violation of this Policy may also violate certain securities laws.

### General

3.3 This Policy will be posted on Largo's website: [www.largoinc.com](http://www.largoinc.com).

3.4 Largo's Chief Executive Officer, Chief Financial Officer and Corporate Secretary are the members of senior management responsible for overseeing Largo's disclosure practices, setting benchmarks for the assessment of materiality, determining when developments justify public disclosure and ensuring adherence to this Policy.

3.5 Largo has a Disclosure Committee which is responsible for assisting Largo's senior management in (i) determining whether information is material information, (ii) ensuring the timely disclosure of material information in accordance with securities laws; and (iii) overseeing Largo's disclosure controls, procedures and practices. At a minimum, the Disclosure Committee consists of the following individuals:

- (a) Chief Executive Officer
- (b) Chief Financial Officer

- (c) Chief Operating Officer (or President, Brazil Operations or Production Director if COO position is not filled)
- (d) Corporate Secretary
- (e) Corporate Controller
- (f) The Company's Qualified Person or Head Geologist

3.6 The Disclosure Committee will operate in accordance with these minimum guidelines:

- (a) Meet at least quarterly, prior to the release of the quarterly financial statements;
- (b) Review other disclosures as required;
- (c) Report quarterly to the Audit Committee (policy compliance and confirmation of meetings);
- (d) Responsibilities include:
  - Implementing and performing annual reviews of the Disclosure Policy
  - Overseeing adherence to the Disclosure Policy
  - Review public disclosures for accuracy prior to release
  - Ensuring timely disclosure of material information
  - Acting as a first point of contact when dealing with disclosure issues

3.7 The Disclosure Committee is primarily responsible for ensuring that Largo complies with all legal and regulatory disclosure requirements and for:

- overseeing Largo's corporate disclosure practices and monitoring compliance with this Policy;

- initiating, with input and advice from the other members of senior management, disclosure of material information in accordance with the processes and procedures set out in this Policy; and
- dealing with any issues which may be raised by the regulatory authorities.

### **Material Information**

3.8 Material information is any information relating to the business and affairs of Largo that results in, or would reasonably be expected to result in; a significant change in the market price or value of any of Largo's securities or that would reasonably be expected to have a significant influence on a reasonable investor's investment decisions.

3.9 When determining whether or not information is material, the following principles must be taken into account:

- the nature of the information, the volatility and liquidity of Largo's securities and how prevailing market conditions will impact on materiality;
- the determination of whether or not information is material often involves the exercise of sound business judgments based upon experience; and
- both positive and negative information can be material. Because disclosure (or non-disclosure) will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved by treating such information as being material.

3.10 Material information includes, but is not limited to:

- (a) significant changes to major assets and operations;
- (b) significant exploration results;
- (c) financial performance and significant changes in financial performance;
- (d) business and strategic plans;
- (e) major corporate acquisitions and dispositions;
- (f) significant changes in senior management;
- (g) significant changes in corporate structure, such as reorganizations;
- (h) significant litigation;

- (i) changes in capital structure and public or private sale of securities;
- (j) borrowing of a significant amount of funds;
- (k) entering into or loss of significant contracts; and
- (l) takeover bids or issuer bids.

### **Designated Spokespeople**

3.11 The designated spokespersons for Largo, responsible for communication with the media and the investment community (e.g. analysts, shareholders, potential investors), are the Chief Executive Officer, Chief Financial Officer and any other person designated by the Chief Executive Officer. Designated spokespersons for any subsidiary of Largo will be determined by the Chief Executive Officer. Any such disclosure to be made by such a designated spokesperson MUST be reviewed and approved by the Disclosure Committee in advance. Directors, officers and employees other than the designated spokespersons must not respond under any circumstances to inquiries from the investment community, the media, regulatory authorities or others unless specifically authorized by one of the spokespersons identified above. All such inquiries or requests for communication must be referred to an authorized spokesperson as detailed above.

### **Selective Disclosure**

3.12 All directors, officers, employees, consultants and contractors are legally bound not to disclose confidential information to anyone outside of Largo who is not subject to a confidentiality obligation. Disclosure of such information that has not been publicly disclosed to any person or select group, including investment analysts, institutional investors, other market professionals and the media, is considered selective disclosure. Selective disclosure is illegal and is prohibited.

### **Unintentional Selective Disclosure**

3.13 Disclosure of material information that has not previously been publicly disclosed by a person who either did not know its confidential nature or was reckless in not knowing, prior to making the disclosure, is unintentional selective disclosure.

3.14 In the event of an inadvertent selective disclosure of material information, Largo will promptly issue a news release to ensure broad dissemination of the information.

## **4 DEALING WITH THE INVESTMENT COMMUNITY**

### **Conference Calls**

- 4.1 Largo may hold investor and media conference calls with investment analysts and other interested parties as soon as practicable after the release of annual and quarterly financial results and other major corporate developments. Normally, media are invited to listen to investor conference calls and investors are able to listen to media conference calls. Conference calls may also be held following announcements of material information and events, however, they are not a substitute for disclosure of material information by way of press release. Conference calls shall be recorded, retained and made available for later listening. The attending directors, officers or employees of Largo are to keep detailed records of all meetings, and to ensure that selective disclosure of undisclosed material information does not occur, and to allow follow-up cross-briefing to other authorized spokespeople to ensure that communication is consistent amongst all authorized spokespeople.

### **Analyst Meetings**

- 4.2 Largo's executives may meet with analysts and portfolio managers on an individual or small group basis as required, and initiate or respond to analysts and investor calls. Normally, the Chief Executive Officer and Chief Financial Officer, or his or her designee, will attend such meetings. When the Chief Executive Officer or Chief Financial Officer, or his or her designee, is unable to attend such meetings, he/she may brief those participating in Largo's public disclosure prior to such meetings to help ensure consistency in messages and disclosure. Where practical, statements and responses to anticipated questions should be scripted or discussed in advance by the Corporate Secretary. The purposes of the Chief Executive Officer or Chief Financial Officer's attendance at such meetings and/or the pre-briefing is to keep detailed records and/or transcripts of all meetings, and to ensure that selective disclosure of undisclosed material information does not occur, and to allow follow-up cross-briefing to other authorized spokespeople to ensure that communication is consistent amongst all authorized spokespeople.

### **Analyst Reports and Models**

- 4.3 No one may comment on analyst reports, financial models and their underlying assumptions. However, Largo may correct inaccurate factual information and discuss economic and industry trends, which are generally known, that may affect it.
- 4.4 Analyst reports are proprietary to the analyst's firm and Largo should not be seen as endorsing such reports by redistributing or making them generally available to the public or to employees.

### **Analyst Revenues, Earnings and Other Estimates**

- 4.5 Responses to inquiries by analysts regarding Largo's revenues, earnings, and other estimates will be limited to Largo's forecasts and guidance already publicly disclosed, and the range and average of estimates made by other analysts. Largo must not guide analysts with respect to earnings estimates. All responses from Largo must have a disclaimer attached stating that the forecasts and models were only reviewed for factual accuracy with public knowledge – Largo must not be seen to confirm or endorse any such analyst models or forecasts involving undisclosed information.

### **Industry Conferences**

- 4.6 Largo may participate in various industry conferences in Canada and elsewhere. In general, conversations with interested parties should be limited to explanations or clarifications of publicly disclosed material information or other non-material information or non-confidential information. Brochures or other hand-outs must be approved by the Disclosure Committee prior to dissemination to the public. The Chief Executive Officer or a designee should be present to monitor that undisclosed material information is not selectively disclosed.

### **Blackout Periods**

- 4.7 During blackout periods (as outlined in Largo's Insider Trading Policy), all Largo spokespersons are prohibited from commenting on current period earnings estimates and financial assumptions, other than to cite or refer to existing public guidance. Communications must be limited to commenting on publicly available or non-material information. During blackout periods, all Largo spokespersons must also avoid

initiating meetings (in person or by phone) with investment analysts, security holders, potential investors and the media on items significant to investors, other than responding to unsolicited inquiries concerning factual information.

## **5 DEALING WITH LEAKS, RUMOURS AND SPECULATION**

5.1 In dealing with leaks, rumours and speculation, the following procedures will be followed:

- Largo's policy is to not comment, affirmatively or negatively, on rumours. This also applies to rumours on the internet. Largo's designated spokespersons will respond consistently to those rumours by stating "It is our policy not to comment on market rumors or speculation";
- If the TSX requests that Largo make a definitive statement in response to a market rumour that is causing significant volatility in the stock, the Chief Executive Officer will consider the matter and present a recommendation as to the nature and content of a response to the Disclosure Committee and the Disclosure Committee will decide whether to make a policy exception; and
- If the rumour is true in whole or in part with respect to undisclosed material information an obligation to disclose such information may be created. In such circumstances, Largo will immediately contact the TSX or its market regulatory authority to discuss whether trading in Largo's securities should be halted pending the issuance of a press release disclosing the relevant material information.

## **6 ELECTRONIC COMMUNICATIONS**

### **General**

6.1 This Policy also applies to electronic communications. Accordingly, officers and employees responsible for written and oral public disclosures are also responsible for electronic communications.

## **Website**

- 6.2 Largo's Corporate Secretary and Chief Financial Officer (either employees or consultants) will monitor Largo's website (the "Largo Website") for Largo to ensure that all information on the Largo Website is accurate, complete, up-to-date and in compliance with all relevant securities laws, the Electronic Communications Disclosure Guidelines established by the TSX (the "TSX Guidelines") for the design of a website and dissemination of information electronically, and this Policy.
- 6.3 Disclosure on the Largo Website alone does not constitute adequate disclosure of information that is considered material non-public information. Any disclosure of material information on the Largo Website must be preceded by the issuance of a news release.
- 6.4 If Largo is considering a distribution of its securities, the content of the Largo Website must be reviewed before and during the offering to ensure compliance with applicable securities laws.

## **Internet Chat Rooms and Electronic Bulletin Boards**

- 6.5 In order to ensure that no material information is inadvertently disclosed, no director, officer, employee, consultant or contractor will participate in any internet chat room, newsgroup discussion or electronic bulletin board on matters relating to the business, affairs or securities of Largo, unless approved by the Chief Executive Officer, Chief Financial Officer or the Corporate Secretary. All employees must report to the Corporate Secretary any discussion pertaining to the business, affairs or securities of Largo discovered on the Internet, that is outside of Largo's official social media presence (LinkedIn, Twitter and Facebook).

## **7 FORWARD-LOOKING INFORMATION**

- 7.1 If Largo decides to disclose forward-looking information in any disclosure document, presentation or other public communication, it will follow these guidelines:
  - forward-looking information will only be released in circumstances determined by the Chief Executive Officer;

- to the extent any forward-looking information is provided in required disclosure documents under applicable securities laws, it will be clearly marked as forward-looking and all material assumptions used in the preparation of the forward-looking information will be described in reasonable detail;
- all forward-looking information will be disclosed, updated and withdrawn in compliance with all applicable securities laws and regulations;
- written and oral statements will be accompanied by appropriate contingency and cautionary language or notices, which will identify or refer to the risks and uncertainties that may cause the actual results to differ materially from those projected in the statements;
- all forward-looking information will be accompanied by a statement that disclaims Largo's intention or obligation to update or revise the forward-looking information, whether as a result of new information, future events or otherwise. Notwithstanding this disclaimer, should subsequent events prove past material statements to no longer be accurate, Largo may in its discretion choose to update or revise the forward-looking information;
- at the beginning of any conference call or presentation, a Largo spokesperson will make a statement that forward-looking information may be discussed. This will include appropriate cautionary language or references to cautionary statements contained in publicly available documents containing the assumptions, sensitivities and a full discussion of the risks and uncertainties; and
- if Largo has issued a forecast or projection in connection with an offering document pursuant to applicable securities laws, Largo will update that forecast or projection periodically as required by applicable securities laws.

Original Approval Date:

April 13, 2018

Approved by:

Board of Directors