

INSIDER TRADING POLICY

1 INTRODUCTION

- 1.1 The Board of Directors of Largo Inc. (the “Company” or “Largo”)¹ has determined that Largo should formalize its policy on matters relating to the awareness of the prohibitions on, and prevention of, Insider Trading as it relates to personnel employed by or under contract to Largo.

2 OBJECTIVE OF THE POLICY

- 2.1 The objective of this Insider Trading Policy (the “Policy”) is to ensure that Largo and all persons to whom this Policy applies meet their obligations under applicable securities laws and stock exchange rules by ensuring that all such persons who have Material Non-Public Information (as defined below) do not engage in insider trading or tipping.

3 APPLICATION OF THE POLICY

- 3.1 The provisions of this Policy apply to all directors, officers, employees, consultants and contractors of Largo and its subsidiaries (including, if same are corporations, their respective directors, officers and employees, who receive or who have access to Material Non-Public Information (as defined below) regarding the Company), each of whom will agree to be bound by such provisions upon notification of the most recent copy, and all Related Persons (as defined below) of such persons (collectively, “Restricted Persons”).
- 3.2 The provisions of this Policy that apply to trading and reporting of transactions in securities apply to all transactions in Largo’s securities, including common shares, stock options and any other securities Largo may issue from time to time (as well as the securities of other companies described in Section 5.4 (d) below).

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

3.3 This Policy should be read with and in conjunction to Largo's Corporate Disclosure Policy.

4 COMMUNICATION OF THIS POLICY

4.1 To ensure that all Restricted Persons are aware of the Policy, a copy of the Policy will be distributed to all directors, officers, employees, consultants and contractors of Largo, or alternatively they will be advised that the Policy is available on Largo's website for their review. All such persons will be informed whenever significant changes are made. New directors, officers, employees, consultants and contractors of Largo will be provided with a copy of this Policy and will be educated about its importance.

5 DEFINITIONS & EXPLANATIONS

What is "Material Non-Public Information"?

5.1 "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.

5.2 Both positive and negative information can be material. Because trading 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. See Section 6 of Largo's Corporate Disclosure Policy for more information on how to determine if information is material and also for examples of material information.

5.3 "Non-Public Information" is information that is not generally known or available to the public. Information is considered to be available to the public only when it has been released broadly to the marketplace (such as by a press release or by filings with the Securities Commissions) and the investing public has had time to absorb the information fully. As a general rule, information is considered non-public until the close

of business on the second full trading day after the information is released. "Trading day" shall mean a day on which the Toronto Stock Exchange is open for trading.²

Who is a "Related Person"?

- 5.4 For purposes of this Policy, a **"Related Person"** includes: your spouse, minor children and anyone else living in your household, or who does not live in your household but whose transactions in Largo's securities are directed by you or are subject to your influence or control; partnerships in which you are a general partner; trusts of which you are a trustee; and estates of which you are an executor. Although a person's parent or sibling may not be considered a Related Person (unless living in the same household), a parent or sibling may be a **"tippee"** for securities laws purposes. See below for a discussion on the prohibition on "tipping".

Who is a "Reporting Insider"?

- 5.5 All directors, officers and certain designated employees of Largo as listed in Section 5.6 below are considered as Reporting Insiders and, in addition to the terms and conditions of this Policy, are subject to the reporting obligations stipulated in applicable securities laws.

- 5.6 **"Reporting insiders"** include, among others:

- the officers and directors of Largo or of a subsidiary of the Company;
- a person or company responsible for a principal business unit, division or function of the Company;
- any other insider who:
 - (1) in the ordinary course receives or has access to information as to material facts or material changes concerning Largo before the material facts or material changes are generally disclosed; and
 - (2) directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of Largo.

² For example, if material non-disclosed information (such as quarterly results) is disclosed on a Monday at 10 am, then trading in Largo securities (as defined in, and subject to the terms of this Policy) by a Restricted Person is not allowed until the open of business on Thursday.

- 5.7 If an individual falls into one of the above categories, that individual is required to file insider trading reports and should consult with the Chief Financial Officer to confirm his or her reporting obligations.

What is a "Special Relationship?"

- 5.8 Anyone in a "special relationship" with the Company is caught by the prohibitions against insider trading and tipping. A person or company is in a special relationship with Largo if:
- (a) the person or company is an insider, affiliate or associate of,
 - (i) the Company,
 - (ii) a person or company that is considering or evaluating whether to make, or proposes to make, a take-over bid (as defined under applicable securities laws) for the securities of the Company, or
 - (iii) a person or company that is considering or evaluating whether to become a party, or that proposes to become a party, to a reorganization, amalgamation, merger or arrangement or similar business combination with the Company or to acquire a substantial portion of its property;
 - (b) the person or company is engaging in any business or professional activity, is considering or evaluating whether to engage in any business or professional activity, or proposes to engage in any business or professional activity with or on behalf of the Company or with or on behalf of a person or company described in subclause (a)(ii) or (iii), above;
 - (c) the person is a director, officer or employee of,
 - (i) the Company;
 - (ii) a subsidiary of the Company,
 - (iii) a person or company that controls, directly or indirectly, the Company, or
 - (iv) a person or company described in subclause (a)(ii) or (iii) or clause (b), above;

- (d) the person or company learned of a material fact or material change with respect to the Company while the person or company was a person or company described in clause (a), (b) or (c); or
- (e) the person or company learned of a material fact or material change with respect to the Company from any other person or company described above, including a person or company described in this clause, and knows or ought reasonably to have known that the other person or company is in such a relationship.

The definition is very broad and captures all directors, officers and employees of the Company and others who fall within one of the categories set out above. It also captures a potentially infinite chain of persons who receive material non-public information.

6 SPECIFIC POLICIES AND GUIDELINES

Non-disclosure of Material Non-Public Information

- 6.1 Maintaining the confidentiality of information of Largo is essential for competitive, security and other business reasons, as well as to comply with securities laws. You should treat all information you learn about Largo or its business plans in connection with your employment or association as confidential and proprietary to Largo. Inadvertent disclosure of confidential or inside information may expose Largo and you to significant risk of investigation and liability.
- 6.2 The timing and nature of Largo's disclosure of Material Information to outsiders is subject to legal rules, the breach of which could result in substantial liability to you, Largo and its management. Accordingly, Material Non-Public Information must not be disclosed to anyone, except to persons within Largo or third party agents of Largo (such as investment banking advisors or outside legal counsel) whose positions require them to know it, until such information has been publicly released by Largo.
- 6.3 For further information on the treatment of confidential information, reference should be made to Largo's "Corporate Disclosure Policy".

Prohibited Trading in Largo Securities

- 6.4 No Restricted Person shall, directly or indirectly, engage in any transaction involving a purchase or sale of Largo's securities during any period commencing with the date that he or she possesses Material Non-Public Information of Largo and ending at the close of business on the second trading day following public disclosure of that information. For greater certainty, examples of prohibited transactions would include, but are not limited to the following:
- (a) buying or selling securities of Largo, other than through the exercise of Largo granted fixed price share options or warrants, but not the sale of the securities so acquired (see below);
 - (b) buying or selling securities whose price or value may reasonably be expected to be affected by changes in price of securities of Largo;
 - (c) selling securities acquired through the exercise of share options or warrants; and
 - (d) buying or selling securities of another company in which Largo proposes to invest or with which Largo has a business relationship or where the individual, in the course of employment with Largo, becomes aware of Material Non-Public Information concerning that other company.
- 6.5 Restricted Persons may be subject to civil and criminal liabilities for engaging in such transactions at a time when they have knowledge of Material Non-Public Information about or affecting Largo.

"Tipping" Information to Others

- 6.6 No person in a Special Relationship to Largo shall disclose ("tip") Material Non-Public Information to any other person (including Related Persons) where such information may be used by such person to his or her benefit by trading in the securities of companies to which such information relates, nor shall such persons in a Special Relationship to the Company make recommendations or express opinions on the basis of Material Non-Public Information as to trading in securities of Largo or other companies.

- 6.7 Persons in a Special Relationship with the Company may also be liable for improper transactions by any person (commonly referred to as a “tippee”) to whom they have disclosed Material Non-Public Information or to whom they have made recommendations or expressed opinions on the basis of such information.

Avoid Speculation

- 6.8 In order to ensure that perceptions of improper insider trading do not arise, Restricted Persons should not “speculate” in securities of Largo. For the purpose of this Policy, the word “speculate” means the purchase or sale of securities with the intention of reselling or buying back in a relatively short period of time in the expectation of a rise or fall in the market price of such securities. Speculating in such securities for short-term profit is distinguished from purchasing and selling securities as part of a long-term investment program. “Speculation” does not include the exercise of Largo granted, fixed price share options or warrants and sale of the securities so acquired in order to take the benefit of long term appreciation inherent in such options or warrants, so long as the sale does not involve the use of Material Non-Public Information.

7 TRADING RESTRICTIONS

No Trade Periods

Mandatory Periodic Blackouts

- 7.1 Directors, officers, senior management and all corporate employees of Largo may not trade in Largo’s securities during the following periods:
- (1) with respect to annual financial statements, from February 15 until the close of business on the second trading day after public disclosure of such financial statements; and
 - (2) with respect to quarterly financial statements, from the 15th day of the month following the end of a financial quarter until the close of business on the second trading day after public disclosure of such financial statements.

Event Specific Blackout Periods

- 7.2 From time to time, information may develop or an event may occur that is material to Largo but not yet disclosed or disclosable (e.g., material drilling results that are in the process of assay and verification, or negotiation of a material contract). The Chief Executive Officer, Chief Financial Officer or their designee will inform directors, officers, employees, consultants and contractors of an event specific blackout by means of e-mail notification and any other necessary means. All directors, officers, employees, consultants and contractors of Largo are prohibited from trading securities of Largo during the event specific blackout. The existence of any event specific blackout is itself confidential and must be kept confidential by all directors, officers, employees, consultants and contractors. Once instituted, an event specific blackout period will continue to exist until the CEO, CFO or designated person communicates its termination.

No Hedging

- 7.3 No officer or director is permitted to purchase financial instruments for the purpose of, or shall otherwise engage in, hedging or other price protective transactions with respect to options or other equity or equity related securities of the Company which are held, directly or indirectly, by the officer or director. In addition, no officer or director is permitted to engage in the short sale of securities of the Company or sales of borrowed securities of the Company. For the purposes hereof, the concurrent short sale of Company shares as a method of facilitating the exercise of a vested option granted by the Company shall be deemed not to be a short sale for purposes of the aforementioned restriction.

Pre-Clearance Requirements

- 7.4 Directors and Officers of Largo must obtain prior clearance from the CEO or CFO before he, she or a Related Person makes any purchases or sales of Largo's securities, including, but not limited to, any exercise of stock options. Notice of any proposed transaction is to be given to the CEO, CFO and other persons designated by the CEO from time to time. Each proposed transaction will be evaluated to determine if it raises insider trading concerns or other concerns under securities laws and regulations or otherwise may have an appearance of impropriety. Clearance of a transaction is valid

only for a period of five business days. If the transaction order is not placed within that five-business day period, clearance of the transaction must be re-requested. If clearance is denied, the fact of such denial must be kept confidential by the person requesting such clearance. If Largo becomes aware of Material Non-Public Information, all persons who have pre-cleared transactions that have not been completed will be asked to withdraw their trading instructions.

Exception to Trading Restriction

- 7.5 Trading by Restricted Persons during blackout periods may be permitted in exceptional circumstances with the prior approval of the CEO or CFO, provided that the individual is not in possession of Material Non-Public Information. Exceptional circumstances may, for example, arise where the individual is subject to a pressing financial commitment that cannot be satisfied other than by the sale of securities of Largo, or where the timing of the trade is important for tax planning purposes. The approval for such trades will only be provided upon receipt of positive clearance by legal counsel and may require the Restricted Person to make specific representations regarding the circumstances. If such a pre-clearance is granted under this Policy, such persons are reminded of the general prohibition against insider trading under Canadian securities laws generally, and that compliance with those laws is the sole responsibility of the Restricted Person.
- 7.6 For greater certainty, the prohibition regarding trading in securities of Largo during a blackout period does not apply to the acquisition of securities through the exercise of Largo granted fixed price share options or warrants, but does apply to the sale of the securities acquired through the exercise of the options or warrants.

8 REPORTING REQUIREMENTS

- 8.1 To comply with Canadian securities laws, but subject to certain limited exceptions, all “Reporting Insiders” as listed in Section 5.6 must file an “Insider Report” within 10 days of becoming a Reporting Insider, disclosing the Reporting Insider’s:
- (a) beneficial ownership of, or control or direction over, whether direct or indirect, securities of Largo, and

- (b) interest in, or right or obligation associated with, a related financial instrument involving a security of Largo.

8.2 A Reporting Insider must file an "Insider Report" within 5 days following a change in the:

- (a) direct or indirect beneficial ownership of, or control over securities of Largo (including the grant, exercise or expiration of options, warrants or other convertible or exchangeable securities of Largo); or
- (b) any interest in, or right or obligation associated with, a related financial instrument of Largo (i.e. an agreement, arrangement or understanding, the effect of which is to alter, directly or indirectly, the insider's economic interest in a security of Largo, or its economic exposure to Largo).

8.3 If a Reporting Insider enters into, materially amends, or terminates an agreement, arrangement or understanding which;

- (1) has the effect of altering, directly or indirectly, the Reporting Insider's economic exposure to Largo; or,
- (2) involves, directly or indirectly, a security or related financial instrument of Largo, and the Reporting Insider is not otherwise required to file an Insider Report, the Reporting Insider must, within 5 days of such event, file an Insider Report in respect of such event.

8.4 Currently, Insider Reports by Reporting Insiders of Largo are required to be filed electronically on SEDI (System for Electronic Disclosure by Insiders). SEDI is available at its website, 24 hours a day, 7 days a week at <http://www.sedi.ca/>.

8.5 Any individual required to file on SEDI must first register with CDS, the developer of the software. Registration can only be completed by accessing the SEDI website (listed above) and completing an online user registration form. The individual user will be required to print and sign a paper copy of the registration form and deliver the signed copy to CDS by mail, courier or fax. However, once the online registration process is complete, the system is immediately available to make filings.

8.6 Before filing an Insider Report via SEDI, a Reporting Insider also will be required to file a profile in electronic format, containing information identifying the Reporting Insider and

his or her relationship to one or more SEDI issuers. The Reporting Insider profile can only be completed by accessing the SEDI website (listed above) and completing the online profile form.

- 8.7 Any changes to a Reporting Insider's name or relationship to an issuer must be made within 10 days by filing an amended Reporting Insider profile on the SEDI website.
- 8.8 Largo can assist any Reporting Insider with the SEDI reporting process. For assistance, please contact the Chief Financial Officer.

9 SANCTIONS

- 9.1 Failure to comply with the Insider Trading and Tipping provisions of this Policy may result in disciplinary action, possibly including termination of employment.
- 9.2 In addition, Canadian securities laws provide various penalties (including potentially fines, civil damages and imprisonment) for Insider Trading and Tipping.
- 9.3 Penalties may also be levied under Canadian securities laws against a Reporting Insider for not complying with the reporting requirements set out above.
- 9.4 Directors, officers, employees, consultants and contractors of Largo who violate this Policy will be subject to disciplinary action, which may include, but is not limited to, restrictions on future participation in incentive plans or termination of employment.

10 AMENDMENTS AND REVIEW

- 10.1 This Policy may be amended from time to time. Any amendments to this Policy shall be approved by the Board of Directors and will be communicated to directors, officers, employees, consultants and contractors.
- 10.2 This Policy is to be reviewed on a regular basis. The Disclosure Committee is to report to the Corporate Governance Committee of the Board of Directors, on an ongoing basis, any deficiencies, concerns or issues relating to the effectiveness of this Policy.

11 QUESTIONS ABOUT THIS POLICY

- 11.1 Any person who is unsure whether he or she may trade in a given circumstance should contact a member of the Disclosure Committee for specific guidance. Persons subject to this Policy are encouraged to consult with the Disclosure Committee prior to any trading in securities of Largo.
- 11.2 Reporting Insiders are also encouraged to seek independent legal advice for matters other than routine reporting.

Original Approval Date: April 13, 2018
Approved by: Board of Directors