

**LARGO RESOURCES LTD.
65 QUEEN STREET WEST, SUITE 820
TORONTO, ONTARIO M5H 2M5**

April 27, 2010

Symbol: LGO (TSX.V)
www.largoresources.com

LARGO OBTAINS RECEIPT FOR FINAL PROSPECTUS

**NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S.
NEWSWIRE SERVICES**

Toronto, Ontario – April 27, 2010, Largo Resources Ltd. (TSXV-LGO) (“**Largo**” or the “**Company**”) is pleased to announce that it obtained a receipt on April 26, 2010 in connection with the filing of a final prospectus (the “**Prospectus**”) in the province of Ontario. The prospectus qualifies for distribution 36,363,637 common shares (the “**Common Shares**”) and 18,181,818 common share purchase warrants (the “**Warrants**”) of the Company issuable upon the automatic exercise of 36,363,637 previously issued special warrants of the Company (the “**Special Warrants**”). The automatic exercise of the Special Warrants is scheduled to occur at 4:59 p.m. (Toronto time) on May 3, 2010, being the fifth business day after the issuance of the receipt for the Prospectus.

As previously announced, the Special Warrants were issued by way of a private placement which closed in two tranches on March 5 and March 10, 2010, respectively, at a price of CDN\$0.22 per Special Warrant, resulting in gross proceeds to the Company of approximately CDN\$8,000,000. Each Special Warrant will be automatically exercised, without payment of additional consideration or any further action required on the part of the holder thereof, for one unit of the Company consisting of one Common Share and one-half of one Warrant. Each Warrant will entitle its holder to purchase one additional common share of the Company at a price of CDN\$0.35 per share until March 5, 2011. Byron Securities Limited and Clarus Securities acted as agents in connection with the brokered portion of the private placement.

A notice is being sent to all registered holders of Special Warrants, together with a copy of the Prospectus, advising of the automatic exercise of the Special Warrants.

The Company also announces that the Prospectus contains certain additional and revised information to correct and supplement the “Executive Compensation Disclosure” section in Largo’s management information circular dated May 6, 2009 (the “**Circular**”). Specifically, the Prospectus includes a compensation discussion and analysis, a revised Summary Compensation Table which includes amended disclosure on option awards to named executive officers and additional information with respect to termination and change of control benefits. Please refer to Schedule “A” of the Prospectus which may be found under the Company’s profile at www.sedar.com.

About Largo

Largo Resources Ltd. is a Canadian natural resource development and exploration company with two advanced stage projects: the Maracas Vanadium-PGM deposit in Brazil and the Northern Dancer Tungsten-Molybdenum deposit in the Yukon. The Company is listed on the TSX Venture Exchange under the symbol LGO. For more information please refer to Largo's website: www.largoresources.com.

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NEITHER THE TSX VENTURE EXCHANGE (NOR ITS REGULATORY SERVICE PROVIDER) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE

This press release contains forward-looking statements under Canadian securities legislation. Generally, forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Largo to be materially different from those expressed or implied by such forward-looking statements, including but not limited to risks related to: timing and availability of external financing on acceptable terms; unexpected events and delays during construction, expansion and start-up; variations in ore grade and recovery rates; receipt and revocation of government approvals; actual results of current exploration activities; changes in project parameters as plans continue to be refined; future prices of ferrovanadium; failure of plant, equipment or processes to operate as anticipated; accidents, labour disputes and other risks of the mining industry. Although management of the Largo has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. Largo does not undertake to update any forward-looking statements, except in accordance with applicable securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of Largo Resources Ltd. at 65 Queen Street West, Suite 815, Toronto, Ontario, M5H 2M5, telephone (416) 861-5800, and are also available electronically at www.sedar.com.

The securities offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or the securities laws of any state, and may not be offered in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act, "U.S. Persons") unless an exemption from registration is available. See "Plan of Distribution". This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy these securities in the United States or to any U.S. Person.

SHORT FORM PROSPECTUS

New Issue

April 23, 2010



LARGO RESOURCES LTD.

\$8,000,000

**36,363,637 Common Shares and 18,181,818 Common Share Purchase Warrants
on Exercise of 36,363,637 Special Warrants**

This short form prospectus qualifies the distribution of 36,363,637 units (the "Units") of Largo Resources Ltd. (the "Corporation" or "Largo"), each comprised of one common share (a "Unit Share") of the Corporation and one-half of one common share purchase warrant (each whole common share purchase warrant, a "Warrant") upon the exercise or deemed exercise of 36,363,637 special warrants (the "Special Warrants") of the Corporation (the "Offering"). The Special Warrants were issued on March 5, 2010 (the "First Closing Date") and March 11, 2010 pursuant to the terms of a Special Warrant indenture dated March 5, 2010 (the "Special Warrant Indenture") between the Corporation and Equity Transfer & Trust Company (the "Special Warrant Agent"). Each Warrant will entitle the holder thereof to purchase one common share (a "Warrant Share") of the Corporation at a price of \$0.35 at any time prior to 5:00 p.m. (Toronto time) on March 5, 2011. **The Special Warrants are not available for purchase pursuant to this short form prospectus and no additional funds are to be received by the Corporation from the distribution of the Units upon the exercise of the Special Warrants.**

The Special Warrants were issued by the Corporation on a private placement basis. An aggregate of 19,500,002 Special Warrants were issued pursuant to the terms of an agency agreement (the "Agency Agreement") dated March 5, 2010 between the Corporation and Byron Securities Limited and Clarus Securities Inc. (the "Agents") (the "Brokered Offering") and the remaining Special Warrants were issued on a non-brokered basis. The Special Warrants were issued at a price of \$0.22 per Special Warrant (the "Offering Price") for aggregate gross proceeds of \$8,000,000. The Offering Price was determined by negotiation between the Corporation and the Agents.

The outstanding common shares ("Common Shares") of the Corporation are listed and posted for trading on the TSX Venture Exchange (the "TSXV") under the symbol "LGO". On April 22, 2010, the last trading prior to the date of this short form prospectus, the closing price of Common Shares on the TSXV was \$0.265. The TSXV has conditionally approved the Offering, including the listing of the Unit Shares and Warrant Shares. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSXV.

Price: \$0.22 per Special Warrant

	<u>Price to the Public</u>	<u>Agents' Fee ⁽¹⁾</u>	<u>Net Proceeds to the Corporation ⁽²⁾</u>
Per Special Warrant.....	\$0.22	\$0.0143	\$0.2057
Total.....	\$8,000,000	\$278,850	\$7,721,150

- (1) In consideration for the services rendered by the Agents in connection with the Brokered Offering, the Corporation paid the Agents a cash fee of \$278,850 (the “**Agents’ Fee**”), representing 6.5% of the gross proceeds of the Brokered Offering. The Corporation also issued to the Agents 1,267,500 warrants (the “**Agents’ Warrants**”) exercisable to acquire 1,267,500 compensation options (the “**Compensation Options**”) for no additional consideration. Each Compensation Option will be exercisable to acquire one Unit (a “**Compensation Unit**”) comprised of one Unit Share (a “**Compensation Share**”) and one-half of one Warrant (each whole Warrant, a “**Compensation Warrant**”) at a price of \$0.22 at any time prior to 5:00 p.m. (Toronto time) on March 5, 2011. Each Compensation Warrant will entitle the holder thereof to purchase one Warrant Share (a “**Compensation Warrant Share**”) at a price of \$0.35 at any time prior to 5:00 p.m. (Toronto time) on March 5, 2011. This short form prospectus qualifies the distribution of the Compensation Options. See “Plan of Distribution”.
- (2) After deducting the Agents’ Fee, but before deducting the expenses relating to the Offering, including the preparation and filing of this short form prospectus, which expenses are estimated to be \$350,000 and which will be paid from the proceeds of the Offering.

Agents’ Position	Maximum Size or Number of Securities Available	Exercise Period	Exercise Price
Agents’ Warrants	1,267,500 Agents’ Warrants exercisable (for no consideration) to acquire an equal number of Compensation Options, which are in turn exercisable to acquire an equal number of Compensation Units	Compensation Options are exercisable at any time prior to 5:00 p.m. (Toronto time) on March 5, 2011	\$0.22 per Compensation Unit

Each Special Warrant that has not been previously exercised will be deemed to be automatically exercised on behalf of, and without any action required on the part of, the holder thereof at 5:00 p.m. (Toronto time) on the earlier of: (i) the fifth Business Day after the date of a receipt issued for a (final) prospectus qualifying the distribution of the Unit Shares and the Warrants in the Qualifying Jurisdiction (as hereinafter defined) (the “**Qualification Date**”); and (ii) July 6, 2010. See “Plan of Distribution” and “Description of Securities Distributed”.

In the event that the Qualification Date is later than 60 days following the First Closing Date (being May 4, 2010), the holders of Special Warrants will be entitled to receive an additional number of Units equal to 10% of the number of Units originally issuable upon the exercise or deemed exercise of the Special Warrants, resulting in each Special Warrant being exercisable for 1.1 Units (the “**Penalty Provision**”). This short form prospectus qualifies the distribution of up to an aggregate of 3,636,346 Unit Shares and 1,818,182 Warrants issuable pursuant to the Penalty Provision, if applicable. See “Plan of Distribution”.

Notwithstanding that this short form prospectus is being filed to qualify the distribution of up to a total of 40,000,000 Units (including any Units that may be issuable pursuant to the Penalty Provision), in the event that a holder of Special Warrants exercises such securities prior to the Qualification Date, the Unit Shares and Warrants issued upon exercise of such Special Warrants will be subject to statutory hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

The Special Warrants were sold directly to subscribers by the Corporation or through the Agents pursuant to exemptions from the prospectus and registration requirements under the securities legislation of the Province of Ontario (the “**Qualifying Jurisdiction**”) and were issued under and are governed by the Special Warrant Indenture. There is no market through which the Special Warrants may be sold and none is expected to develop.

No additional proceeds will be received by the Corporation, and no commission or fee will be payable by the Corporation, in connection with the issue of the Units upon exercise of the Special Warrants.

There is currently no market through which the Warrants may be sold and purchasers may not be able to resell the Warrants. With respect to the Warrants, this may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See “Risk Factors” and “Plan of Distribution”.

The Corporation has issued a book-entry only certificate representing the Special Warrants issued pursuant to the Brokered Offering (the “**Global Certificate**”) registered in the name of CDS Clearing and Depository Services Inc. (“**CDS**”) or its nominee and deposited with CDS. On exercise or deemed exercise of the Special Warrants issued pursuant to the Brokered Offering, it is anticipated that certificates representing the Unit Shares and Warrants will be issued in book-entry only form and registered in the name of CDS or its nominee and deposited with CDS. Other than for Special Warrants sold pursuant to the non-brokered portion of the Offering, which will be represented by certificates, no certificates evidencing Unit Shares or Warrants will be issued to holders, except in certain limited circumstances, and registration will be made through the depository services of CDS. Holders of Unit Shares and Warrants issued under the Brokered Offering will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Unit Shares and Warrants is acquired.

An investment in the securities of the Corporation is highly speculative and involves significant risks that should be carefully considered by prospective investors before purchasing such securities. The risks outlined in this short form prospectus and in the documents incorporated by reference herein should be carefully reviewed and considered by prospective investors in connection with an investment in such securities. See “Risk Factors”.

Certain legal matters in connection with the Offering are being reviewed on behalf of the Corporation by Cassels Brock & Blackwell LLP and on behalf of the Agents by Wildeboer Dellelce LLP.

The Corporation’s registered and head office is located at 65 Queen Street West, Suite 815, Toronto, Ontario, M5H 2M5.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

Certain information provided in this short form prospectus and the documents incorporated by reference herein constitutes “forward-looking information” within the meaning of applicable Canadian securities legislation which may include, development potential and timetable of the Corporation’s properties, particularly the Maracás Project; future mineral prices; ability to raise additional financing, the estimation of mineral reserves and mineral resources; conclusions of economic evaluations; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; capital expenditures; success of exploration activities; mining or processing issues; currency exchange rates; government regulation of mining operations; and environmental risks. Generally, forward-looking information 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”. Forward-looking information are based on the opinions and estimates of management as of the date such statements are made. Estimates regarding the anticipated timing, amount and cost of mining at the Maracás Project are based on assumptions underlying mineral reserve and mineral resource estimates and the probability of realizing such estimates are set out herein. Capital and operating cost estimates are based on extensive research of the Corporation and independent consultants, purchase orders placed by the Corporation to date, actual expenditures incurred, recent estimates of construction and mining costs and other factors that are set out herein. Production estimates are based on mine plans and production schedules, which have been developed by the Corporation’s personnel and independent consultants. Forward-looking information 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 Corporation to be materially different from those expressed or implied by such forward-looking information, including but not limited to risks related to: unexpected events and delays during construction, expansion and start-up; variations in mineral grade and recovery rates; revocation of government approvals; timing and availability of external financing on acceptable terms; ability to finalize required agreements for operations, actual results of current exploration activities; changes in project parameters as plans continue to be refined; future mineral prices; failure of plant, equipment or processes to operate as anticipated; reliance on joint venture partners; accidents, labour disputes and other risks of the mining industry, as well as those factors discussed in the section entitled “Risk Factors” in Largo’s AIF (as hereinafter defined) which is available on SEDAR at www.sedar.com and is incorporated herein by reference. Although Largo 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 to differ from those anticipated, estimated or intended. Forward-looking information contained herein or incorporated by reference are made as of the date of this short form prospectus or as of the date of the documents incorporated by reference, as the case may be, and Largo does not undertake to update any such forward-looking information, except in accordance with applicable securities laws. 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 statements. Accordingly, readers are cautioned not to place undue reliance on forward-looking information.

CURRENCY PRESENTATION AND EXCHANGE RATE INFORMATION

All currency amounts in this short form prospectus are expressed in Canadian dollars, unless otherwise indicated. Note however that the documents incorporated by reference herein include references to Canadian dollars, United States dollars and Brazilian Reais. United States dollars are referred to as “United States dollars”, or “US\$”, and amounts referenced herein in Brazilian Reais are expressed as “R\$”.

The following tables sets out the exchange rates for Canadian dollars per United States dollar and Brazilian Reais in effect at the end of the following periods based on the Bank of Canada noon spot rate of exchange:

U.S. Dollar	Nine months ended	Year Ended December 31	
	September 30, 2009	2008	2007
Closing	1.0722	1.2246	1.0120
High	1.30	1.2969	1.1853
Low	1.0613	0.9719	0.9170
Average	1.1701	1.0660	1.0748

On April 22, 2010, the noon spot rate of exchange per United States dollar reported by the Bank of Canada was US\$1.00 = \$1.0013.

Brazilian Reais	Nine months ended	Year Ended December 31	
	September 30, 2009	2008	2007
Closing	0.6041	0.5291	0.5551
High	0.6071	0.6634	0.5751
Low	0.5206	0.4672	0.5107
Average	0.5628	0.5868	0.5513

On April 22, 2010, the noon spot rate of exchange per Brazilian Reais reported by the Bank of Canada was R\$1.00= \$0.5659.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar regulatory authorities in Canada (the “**Canadian Securities Authorities**”). Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of the Corporation at 65 Queen Street West, Suite 815, Toronto, Ontario, M5H 2M5, telephone (416) 861-5800, and are also available electronically under the profile of the Corporation at www.sedar.com.

The following documents, filed by the Corporation with the Canadian Securities Authorities, are specifically incorporated by reference into, and form an integral part of, this short form prospectus:

- (a) the annual information form (the “**AIF**”) of Largo dated March 17, 2010 for the financial year ended December 31, 2009;
- (b) the audited comparative financial statements of Largo as at, and for the years ended, December 31, 2008 and 2007, together with the auditors’ report thereon and the notes thereto;
- (c) management’s discussion and analysis of the financial condition and results of operations of Largo for the year ended December 31, 2008;
- (d) the unaudited interim comparative financial statements of Largo as at, and for the three and nine months ended, September 30, 2009, together with the notes thereto;
- (e) management’s discussion and analysis of the financial condition and results of operations of Largo for the three and nine months ended September 30, 2009;

- (f) the management information circular of Largo dated May 6, 2009 (the “**Circular**”) prepared in connection with the annual and special meeting of shareholders of Largo held on June 12, 2009;
- (g) the material change report of the Corporation dated March 15, 2010 relating to the Offering; and
- (h) the material change report of the Corporation dated March 26, 2010 relating to the acquisition of an additional 33.5% interest in Companhia de Maracás.

Any document of the type referred to in section 11.1 of Form 44-101F1 *Short Form Prospectus*, if filed by the Corporation after the date of this short form prospectus and prior to the termination of this distribution, shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein modifies, replaces or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

ELIGIBILITY FOR INVESTMENT

In the opinion of Cassels Brock & Blackwell LLP, counsel to the Corporation, and Wildeboer Dellelce LLP, counsel to the Agents, based on the provisions of the *Income Tax Act* (Canada) (the “**Tax Act**”) and the regulations thereunder in effect on the date hereof, the Unit Shares, Warrants and the Warrant Shares, if issued on the date hereof, would be qualified investments for a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered education savings plan, registered disability savings plan or tax-free savings account (a “**TFSA**”) (collectively the “**Plans**”) provided that, in the case of the Warrants, the Corporation deals at arm’s length with each person who is an annuitant, a beneficiary, an employer or a subscriber under, or holder of, such Plan.

Generally, the Unit Shares, Warrants and Warrant Shares will not be a “prohibited investment” for a particular TFSA provided the holder of the TFSA deals at arm’s length with the Corporation for the purposes of the Tax Act and does not have a “significant interest” as defined in the Tax Act in the Corporation or in any corporation, partnership or trust with which the Corporation does not deal at arm’s length for purposes of the Tax Act. Holders of trusts governed by a TFSA should consult their own tax advisors as to whether the Unit Shares, Warrants or Warrant Shares would not be a prohibited investment in their particular circumstances.

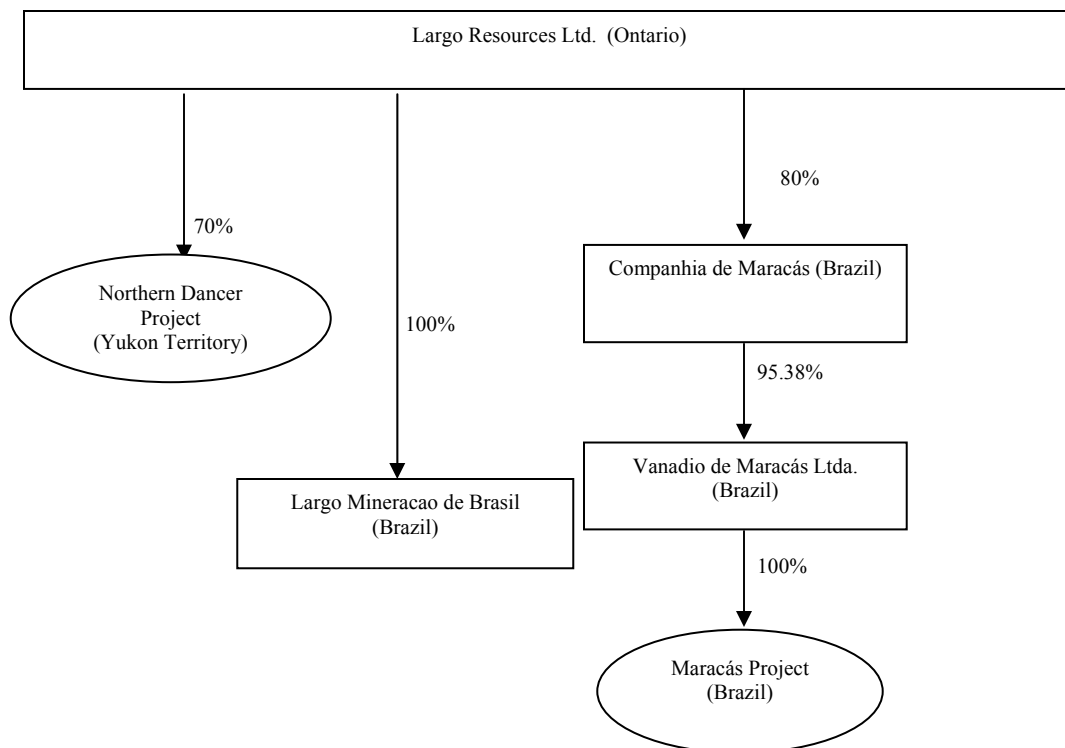
Notwithstanding that Unit Shares, Warrants and Warrant Shares may be qualified investments for a trust governed by a TFSA, the holder of a TFSA will be subject to a penalty tax in respect of the Unit Shares, Warrants or Warrant Shares held in the TFSA if the Unit Shares, Warrants or Warrant Shares are a “prohibited investment” for the TFSA, and, based on the amendments to the Tax Act proposed by the Minister of Finance (Canada), other tax consequences may result if the Unit Shares, Warrants or Warrant Shares are a prohibited investment for the TFSA.

THE CORPORATION

The Corporation was originally incorporated under the name “Kaitone Holdings Ltd.” in the Province of British Columbia on April 18, 1988. On March 20, 1990, the Corporation increased its authorized capital from 10,000,000 Common Shares to 25,000,000 Common Shares. On September 3, 1991, the Corporation changed its name to “Consolidated Kaitone Holdings Ltd.” On May 8, 2003, the Corporation changed its name to “Largo Resources Ltd.” On June 10, 2004, the Corporation was continued in the Province of Ontario pursuant to the *Business Corporations Act* (Ontario) and amended its authorized share capital to constitute an unlimited number of Common Shares.

The head office and registered office of the Corporation is located at 65 Queen Street West, Suite 815, Toronto, Ontario, Canada M5H 2M5.

The following chart shows the intercorporate relationships between the Corporation and its material subsidiaries and projects, their jurisdiction of incorporation or location, as applicable, and the Corporation's direct or indirect percentage ownership in each subsidiary.



BUSINESS OF THE CORPORATION

Largo is a Canadian-based natural resource development and exploration company. The Corporation is currently focused on the development of the Maracás Project located in Bahia, Brazil, which is considered by Largo to be a high grade vanadium deposit. Largo currently holds an 80% interest, and has the option to acquire an additional 10% interest, in Companhia de Maracás, which in turn holds a 95.38% interest in Vanadio de Maracás Ltda., the owner of the Maracás Project. The Corporation also owns a 70% interest in the Northern Dancer Tungsten-Molybdenum deposit in the Yukon Territory and has an option to acquire the Campo Alegre de Lourdes Vanadium exploration project in Brazil. The Corporation is also currently conducting due diligence in respect of the Currais Novos tungsten-molybdenum tailings piles opportunity in Brazil. Presently, the only material asset of the Corporation is the Maracás Project.

For further information on the Corporation and Corporation's business and properties, refer to the "Narrative Description of the Business" and "Description of Mineral Properties" sections of the AIF and attached hereto as Schedule "A".

Recent Developments

Pursuant to a definitive purchase agreement dated April 10, 2007 (the "**Purchase Agreement**"), Largo agreed to pay Odebrecht S.A. and Vale S.A. US\$1,000,000 by April 30, 2007 and US\$4,000,000 by May 1, 2008 in order to acquire 46.5% of the issued and outstanding shares of Companhia de Maracás, net of the interest sold to Metais Naos Ferrosos da Bahia ("**Metais Naos**") in accordance with the terms of the Purchase Agreement. Further, Largo agreed to make a final payment of US\$5,000,000 by November 1, 2008 (which was subsequently extended to

March 31, 2010) to acquire an additional 33.5% interest in Companhia de Maracás, net of the interest sold to Metais Naos in accordance with the terms of the Purchase Agreement. On March 16, 2010, Largo used part of the proceeds of the Offering to make the final payment (plus interest thereon) owing pursuant to the Purchase Agreement. As a result, Largo now holds 80% of the outstanding shares of Companhia de Maracás and retains an option to acquire a further 10% interest in Companhia de Maracás.

On March 24, 2010, Largo announced that it had negotiated a formal extension of the term during which it can purchase the 30% interest that it does not already own in the Northern Dancer Tungsten-Molybdenum deposit in the Yukon Territory. Largo currently holds a 70% interest in the Northern Dancer Project. Largo will be required to make a payment of \$5,000,000 by March 11, 2011 in order to acquire the remaining 30% interest in the Northern Dancer Project.

The Corporation has received a conditional approval and a non-binding term sheet for structuring approximately US\$150 million debt financing from Banco Itau BBA S.A. for the development of its Maracás Project. Largo is also reviewing a debt term sheet for the same approximate amount received from a leading international bank. The Corporation is currently working with its advisors on how it might best structure the financing of the Maracás Project, which is to be comprised of a combination of debt and equity.

CONSOLIDATED CAPITALIZATION

The Corporation's share capital consists of an unlimited number of Common Shares. Except as discussed below, there have not been any material changes in the share and loan capital of the Corporation since September 30, 2009, the date of the Corporation's most recently filed financial statements. On December 14, 2009, the Corporation issued 5,555,555 Common Shares on a flow-through basis at a price of \$0.18 per Common Share. Further, on January 28, 2010, the Corporation issued 1,000,000 Common Shares pursuant to an exercise of warrants exercisable for \$0.15. See "Prior Sales".

Upon completion of the Offering and the exercise of the Special Warrants, an additional 36,363,637 Common Shares, 18,181,818 Warrants (18,815,568 Warrants including warrants issuable upon the exercise of the Compensation Options) and 1,267,500 Compensation Options will be issued. As of March 30, 2010, after giving effect to the exercise of the Special Warrants, assuming no Units are issued pursuant to the Penalty Provision, 256,154,422 Common Shares were issued and outstanding (310,390,598 Common Shares on a fully-diluted basis).

USE OF PROCEEDS

The net proceeds to the Corporation from the sale of the Special Warrants, after deducting the Agents' Fee and the estimated expenses of the Offering, including expenses relating to the preparation and filing of this short form prospectus, will be approximately \$7,371,150.

The Corporation has used, or intends to use, the net proceeds of this Offering, as follows:

Use of Proceeds	Amount
Payment of the purchase price for the acquisition of an additional 33.5% interest in Companhia de Maracás, including interest (completed on March 16, 2010) and activities relating to the further development of the Maracás Project	\$6,500,000
Costs associated with Currais Novos	\$750,000
Maintenance expenses at the Northern Dancer Project and working capital	\$121,150
Total	\$7,371,150

The payment for the acquisition of an additional 33.5% interest in Companhia de Maracás reflects the final payment due pursuant to the Purchase Agreement. The costs associated with Currais Novos include the anticipated

costs of completing the due diligence review at the Currais Novos tungsten-molybdenum tailings piles opportunity in Brazil. See "Business of the Corporation – Recent Developments".

The Corporation's actual use of the net proceeds of the Offering may vary depending on the Corporation's operating and capital needs from time to time. There may be circumstances where for sound business reasons, a reallocation of funds may be necessary.

Pending the use of the proceeds described above, the Corporation may invest all or portion of the proceeds of the Offering in short-term, high quality, interest bearing corporate, government-issued or government-guaranteed securities.

The Corporation will not receive any proceeds from the exercise or deemed exercise of the Special Warrants.

PLAN OF DISTRIBUTION

This short form prospectus is being filed in the Qualifying Jurisdiction to qualify the distribution of 36,363,637 Unit Shares and 18,181,818 Warrants issuable upon exercise or deemed exercise of 36,363,637 Special Warrants.

Pursuant to closings on March 5, 2010 and March 11, 2010, the Corporation completed a private placement of a total of 36,363,637 Special Warrants pursuant to prospectus exemptions under applicable securities legislation, a portion of which was sold through the Agents pursuant to the Agency Agreement. The gross proceeds of the private placement were \$8,000,000. Pursuant to the Agency Agreement, the Agents agreed to offer for sale Special Warrants in the Qualifying Jurisdiction, and in certain other jurisdictions outside of Canada, on a private placement basis at the Offering Price. The Offering Price was determined by negotiation between the Corporation and the Agents. Pursuant to the Agency Agreement, the Corporation paid the Agents' Fee of \$278,850 to the Agents (excluding reimbursement for certain expenses incurred in connection with the Offering by the Agents) and issued to the Agents 1,267,500 Agents' Warrants as compensation in connection with the Brokered Offering. The Agents will receive no other fees in connection with the distribution of the Unit Shares or Warrants under this short form prospectus.

Each Agents' Warrant is exercisable for no additional consideration into one Compensation Option. Each Compensation Option is exercisable to acquire one Compensation Unit, comprised of one Compensation Share and one-half of one Compensation Warrant, at a price of \$0.22 at any time prior to 5:00 p.m. (Toronto time) on March 5, 2011. Each Compensation Warrant will entitle the holder thereof to purchase one Compensation Warrant Share at a price of \$0.35 at any time prior to 5:00 p.m. (Toronto time) on March 5, 2011. This short form prospectus qualifies the distribution of the Compensation Options.

The Special Warrants were issued pursuant to the Special Warrant Indenture between the Corporation and the Special Warrant Agent. Each Special Warrant entitles the holder to acquire on exercise or deemed exercise, at no additional cost to the holder, one Unit, each Unit being comprised of one Unit Share and one-half of one Warrant.

In the event that the Qualification Date is later than 60 days following the First Closing Date (being May 4, 2010), the holders of Special Warrants will be entitled to receive an additional number of Units equal to 10% of the number of Units originally issuable upon the exercise or deemed exercise of the Special Warrants, resulting in each Special Warrant being exercisable for 1.1 Units, pursuant to the Penalty Provision. This short form prospectus qualifies the distribution of upon to an aggregate of 3,636,346 Unit Shares and 1,818,182 Warrants issuable pursuant to the Penalty Provision, if applicable.

All transfers or exercises of Special Warrants issued in the Brokered Offering represented by the Global Certificate shall occur in accordance with CDS' rules and procedures. The rights of a holder of Special Warrants issued pursuant to the Brokered Offering shall be exercised only through CDS and the CDS participants and shall be limited to those established by law and agreements between such holders and CDS and the CDS participants upon instructions from the CDS participants. Each of the Special Warrants Agent and the Corporation may deal with CDS for all purposes as the authorized representative of the respective holders of Special Warrants and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations under the Special Warrant Indenture.

The Special Warrant Indenture provides that in the event of certain alterations of the outstanding Common Shares, including any subdivision, consolidation or reclassification, an adjustment shall be made to the terms of the Special Warrants such that the holders shall, upon exercise of the Special Warrants following the occurrence of any of those events, be entitled to receive the same number and kind of securities that they would have been entitled to receive had they exercised their Special Warrants prior to the occurrence of those events. No fractional Unit Shares or Warrants will be issued upon the exercise of the Special Warrants. The holding of Special Warrants does not make the holder thereof a shareholder of the Corporation or entitle the holder to any right or interest granted to shareholders. The Special Warrant Indenture provides that all holders of Special Warrants shall be bound by any resolution passed at a meeting of the holders of Special Warrants held in accordance with the provisions of the Special Warrant Indenture. The foregoing summary of certain provisions of the Special Warrant Indenture is qualified in its entirety by reference to the provisions of the Special Warrant Indenture, which is available for review under the Corporation's profile at www.sedar.com.

The Warrants will be created and issued pursuant to the terms of a warrant indenture (the "**Warrant Indenture**") between the Corporation and Equity Transfer and Trust Company, as warrant agent thereunder (the "**Warrant Agent**"). Each Warrant will entitle the holder thereof to purchase one Warrant Share at a price of \$0.35 at any time prior to 5:00 p.m. (Toronto time) on March 5, 2011 after which time the Warrants will expire and be void and of no value. The Corporation does not intend to apply to list the Warrants on the TSXV. This may affect the trading price of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities and the extent of issuer regulation. See "Description of the Securities Being Distributed".

The Corporation has agreed to indemnify the Agents and their affiliates and their respective directors, officers, employees and agents against certain liabilities and expenses.

The outstanding Common Shares are currently listed on the TSXV under the symbol "LGO". The TSXV has conditionally approved the Offering, including the listing of the Unit Shares and Warrant Shares. Listing will be subject to the Corporation fulfilling all the listing requirements of the TSXV. On April 22, 2010, the last day on which the Common Shares traded prior to the date of this short form prospectus, the closing price of the Common Shares on the TSXV was \$0.265.

On exercise of the Special Warrants, it is anticipated that certificates for the Unit Shares and Warrants issued under the Brokered Offering will be issued in book-entry only form and registered in the name of CDS or its nominee and will be deposited with CDS on the day following the earlier of: (a) Qualification Date; and (b) July 6, 2010. Other than with respect to Special Warrants issued under the non-brokered portion of the Offering, no certificates evidencing Unit Shares or Warrants will be issued to subscribers, except in certain limited circumstances and registration will be made through the depository services of CDS. Holders of Unit Shares and Warrants issued under the Brokered Offering will receive only a customer confirmation from the Agent or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Unit Shares or Warrants is acquired.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby within the United States or to, or for the account or benefit of, U.S. Persons. None of the Units, Unit Shares, Warrants or the Warrant Shares have been or will be registered under the U.S. Securities Act or the securities laws of any state of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

The Special Warrants and the Warrants may not be exercised by or on behalf of a U.S. Person or a person in the United States unless an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available. Accordingly, the Unit Shares, Warrants and Warrant Shares will bear appropriate legends evidencing the restrictions on the offering, sale and transfer of such securities.

Lock-Up Agreements

Lock-up agreements were entered into on the First Closing Date in favour of the Agents in connection with securities of the Corporation held by directors and officers of the Corporation, providing that until the earlier of (a) 120 days following the First Closing Date; and (b) the Qualification Date, each will not (for so long as they are a director or officer or employee of the Corporation), directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or

publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Corporation held by them, directly or indirectly, unless: (i) they obtain the prior written consent of the Agents such consent not to be unreasonably withheld or delayed; or (ii) there occurs a take-over bid, plan of arrangement, amalgamation or similar transaction involving a change of control of the Corporation.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Cassels Brock & Blackwell LLP, counsel for the Corporation, and Wildeboer Dellelce LLP, counsel to the Agents, the following summary describes the principal Canadian federal income tax considerations under the Tax Act and the regulations thereunder (the “**Regulations**”), as of the date hereof, generally applicable to a holder (a “**Holder**”) who acquires Unit Shares, Warrants in exchange for Special Warrants pursuant to this Offering, and Warrant Shares upon exercise of the Warrants, and who, for purposes of the Tax Act and at all relevant times, holds such securities as capital property and deals at arm’s length with and is not affiliated with the Corporation and the Agents. Generally, Unit Shares, Warrants and Warrant Shares would be considered to be capital property to a Holder provided that the Holder does not hold the Unit Shares and Warrants in the course of carrying on a business of buying and selling securities and has not acquired them in one or more transactions considered to be an adventure in the nature of trade.

This summary is not applicable to a Holder (i) that is a “financial institution”, as defined in the Tax Act, for purposes of the mark-to-market rules, (ii), that is a “specified financial institution”, as defined in the Tax Act, (iii) an interest in which would be a “tax shelter investment” as defined in the Tax Act, or (iv) that has made a functional currency reporting election for purposes of the Tax Act. Such Holders should consult their own tax advisors. This summary is based upon the current provisions of the Tax Act and the Regulations in force as of the date hereof, and counsel’s understanding of the current published administrative and assessing practices and policies of the Canada Revenue Agency (the “**CRA**”). This summary takes into account all specific proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, there can be no assurance that the Proposed Amendments will be enacted in their current form or at all. This summary does not otherwise take into account or anticipate any changes in the law or administrative or assessing practice or policy of the CRA whether by legislative, regulatory, administrative or judicial action or interpretation, nor does it take into account tax legislation or considerations of any province, territory, or foreign jurisdiction, which may differ significantly from those discussed herein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all federal income tax considerations. Accordingly, Holders should consult their own tax advisors having regard to their own particular circumstances.

Acquisition of Unit Shares and Warrants Pursuant to Special Warrants

A Holder of a Special Warrant will not realize any gain or loss upon the acquisition of a Unit Share and one-half of a Warrant pursuant to the provisions of the Special Warrant. Holders will be required to allocate the purchase price of the Special Warrant between the Unit Share and the one-half of a Warrant on a reasonable basis in order to determine their respective costs for purposes of the Tax Act. For its purpose, the Corporation intends to allocate \$0.21 of the purchase price of each Special Warrant to each Unit Share and \$0.01 to the one-half of a Warrant. The Corporation believes that such allocation is reasonable but such allocation will not be binding on the CRA or a Holder. The cost to a Holder of a Unit Share acquired upon the exercise of a Special Warrant must be averaged with the adjusted cost base (determined immediately before the exercise of the Special Warrant) of all other Common Shares held by the Holder as capital property at the time of the exercise of the Special Warrant.

Residents of Canada

The following portion of the summary applies to Holders who at all relevant times are resident or deemed to be resident in Canada for the purposes of the Tax Act and any applicable income tax convention (a “**Resident**”

Holder”). Certain Resident Holders whose Unit Shares or Warrant Shares might not otherwise be capital property, may, in certain circumstances, be entitled to have the Unit Shares or Warrant Shares and every other “Canadian security”, as defined in the Tax Act, owned by such Resident Holding in the taxation year of the election and in all subsequent taxation years deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. This election does not apply to Warrants. Resident Holder’s should consult their own tax advisors regarding this election.

Exercise or Expiry of Warrants

No gain or loss will be realized by a Resident Holder upon the exercise of a Warrant to acquire a Warrant Share. When a Warrant is exercised, the Resident Holder’s cost of the Warrant Share acquired thereby will be equal to the aggregate of the Resident Holder’s adjusted cost base of such Warrant and the exercise price paid for the Warrant Share. The Resident Holder’s adjusted cost base of the Warrant Share so acquired will be determined by averaging the cost of the Warrant Share with the adjusted cost base to the Resident Holder of all Common Shares held as capital property by the Resident Holder immediately before the exercise of the Warrant and acquisition of the Warrant Share. The expiry of an unexercised Warrant will generally result in a capital loss to the Resident Holder equal to the adjusted cost base of the Warrant to the Resident Holder immediately before its expiry. See discussion below under the heading “*Capital Gains and Capital Losses*”.

Taxation of Dividends

A Resident Holder will be required to include in computing its income for a taxation year any dividends received, or deemed to be received, by the Resident Holder on the Unit Shares or Warrant Shares. In the case of a Resident Holder that is an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit provisions where the Corporation provides notice to the recipient and designates the dividend as an “eligible dividend”. A dividend received or deemed to be received by a Resident Holder that is a corporation will generally be deductible in computing the corporation’s taxable income.

Certain corporations, including “private corporations” and “subject corporations” (as such terms are defined in the Tax Act), will generally be liable to pay a refundable tax under Part IV of the Tax Act at the rate of 33 $\frac{1}{3}$ % on dividends received or deemed to be received on the Unit Shares or Warrant Shares to the extent such dividends are deductible in computing taxable income for the year.

Dispositions of Unit Shares and Warrants

A Resident Holder who disposes of or is deemed to dispose of a Unit Share, a Warrant (other than on the exercise thereof) or a Warrant Share generally will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, are greater (or are less) than the adjusted cost base to the Resident Holder of such Unit Shares or Warrants, as the case may be, immediately before the disposition or deemed disposition. The taxation of capital gains and losses is described below under the heading “*Capital Gains and Capital Losses*”.

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Resident Holder in such taxation year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a particular taxation year against taxable capital gains realized by the Resident Holder in the year. Allowable capital losses not deducted in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Unit Share or a Warrant Share may be reduced by the amount of any dividends received or deemed to be received by

such Resident Holder on the Unit Share or Warrant Share subject to and in accordance with the provisions of the Tax Act. Similar rules may apply where a corporation is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust which owns Unit Shares or Warrant Shares.

A Resident Holder that is a “Canadian-controlled private corporation” as defined in the Tax Act may be liable to pay an additional 6²/₃% refundable tax on certain investment income, including taxable capital gains.

Alternative Minimum Tax

Capital gains realized and dividends received by a Resident Holder that is an individual or a trust, other than certain specified trusts, may give rise to alternative minimum tax under the Tax Act.

Non-Residents of Canada

The following portion of the summary applies to Holders who, at all relevant times, for purposes of the Tax Act and any applicable income tax convention, are not, and are not deemed to be resident in Canada and do not use or hold, and will not be deemed to use or hold, the Unit Shares or Warrants in a business carried on in Canada (a “**Non-Resident Holder**”).

Taxation of Dividends

Dividends paid or deemed to be paid to a Non-Resident Holder on the Unit Shares will be subject to Canadian withholding tax under the Tax Act. The rate of withholding tax is 25% of the gross amount of the dividend, although such rate may be reduced under the provisions of an applicable income tax convention between Canada and the Non-Resident Holder’s country of residence. In the case of a Non-Resident Holder who is a resident of the United States and entitled to benefits under the current provisions of the *Canada-United States Income Tax Convention (1980)*, as amended, the rate of withholding tax on such dividends will generally be reduced to 15%.

Dispositions of Unit Shares, Warrants and Warrant Shares

A Non-Resident Holder generally will not be subject to tax under the Tax Act in respect of any gain realized on the disposition or deemed disposition of a Unit Share, Warrant or Warrant Share, unless the Unit Share, Warrant or Warrant Share constitutes “taxable Canadian property” of the Non-Resident Holder. Provided the Unit Shares are listed on a “designated stock exchange” as defined in the Tax Act (which currently includes tiers 1 and 2 of the TSXV) at the relevant time, the Unit Shares, Warrants and Warrant Shares will not constitute “taxable Canadian property” to a Non-Resident Holder unless the Non-Resident Holder, persons with whom the Non-Resident Holder does not deal with at arm’s length, or the Non-Resident Holder together with such persons have owned 25% or more of any class or series of shares of the Corporation at any time during the 60 month period that ends at the particular time, or the Unit Shares, Warrants or Warrant Shares are otherwise deemed to be taxable Canadian property. A Non-Resident Holder’s capital gain (or capital loss) in respect of any Unit Shares, Warrants or Warrant Shares that constitute or are deemed to constitute taxable Canadian property (and are not “treaty-protected property” as defined for purposes of the Tax Act) will generally be computed in the manner described above under the headings “Residents of Canada —*Dispositions of Unit Shares and Warrants*” and “*Capital Gains and Capital Losses*”. Non-Resident Holders whose Unit Shares, Warrants or Warrant Shares are taxable Canadian property should consult their own tax advisors.

In the Canadian federal budget released on March 4, 2010, the Minister of Finance (Canada) proposed that after March 4, 2010, shares that are listed on a designated stock exchange will generally not constitute taxable Canadian property of a Non-Resident Holder unless at any time during the 60-month period immediately preceding the disposition (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, or the Non-Resident Holder together with all such persons, owned or was considered to own 25% or more of the issued shares of any class or series of shares of the capital stock of the company, and (ii) more than 50% of the fair market value of the shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists).

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

This short form prospectus is being filed for the purpose of qualifying the distribution of 36,363,637 Unit Shares and 18,181,818 Warrants, which are to be issued upon the exercise or deemed exercise of the Special 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 of directors and, upon liquidation, dissolution or winding up of the Corporation, are entitled to receive on a pro rata basis the net assets of the Corporation 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.

Warrants

The Warrants will be issued under and be governed by the terms of the Warrant Indenture. The Corporation has appointed the principal transfer offices of the Warrant Agent in Toronto, Ontario as the location at which Warrants may be surrendered for exercise or transfer. The following summary of certain provisions of the Warrant Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Warrant Indenture, which is available for review under the Corporation's profile at www.sedar.com.

Each Warrant will entitle the holder to purchase one Warrant Share at a price of \$0.35 at any time prior to 5:00 p.m. (Toronto time) on March 5, 2011, after which time the Warrants will expire and become null and void. The exercise price and the number of Warrant Shares issuable upon exercise of Warrants are both subject to adjustment in certain circumstances as more fully described below.

The Warrant Indenture provides for adjustment in the number of Warrant Shares issuable upon the exercise of the Warrants and/or the exercise price per Warrant Share upon the occurrence of certain events, including:

- (i) the issuance of common shares or securities exchangeable for or convertible into common shares to all or substantially all of the holders of the common shares as a stock dividend or other distribution (other than a "dividend paid in the ordinary course", as defined in the Warrant Indenture;
- (ii) the subdivision, redivision or change of the common shares into a greater number of shares;
- (iii) the reduction, combination or consolidation of the common shares into a lesser number of shares;
- (iv) the issuance to all or substantially all of the holders of the common shares of rights, options or warrants under which such holders are entitled, during a period expiring not more than 45 days after the record date for such issuance, to subscribe for or purchase common shares, or securities exchangeable for or convertible into common shares, at a price per share to the holder (or at an exchange or conversion price per share) of less than 95% of the "current market price", as defined in the Warrant Indenture, for the common shares on such record date; and
- (v) the issuance or distribution to all or substantially all of the holders of the common shares of shares of any class other than the common shares, rights, options or warrants to acquire common shares or securities exchangeable or convertible into common shares or other assets of the Corporation, or evidences of indebtedness or cash, securities or any property or other assets.

The Warrant Indenture also provides for adjustment in the class and/or number of securities issuable upon the exercise of the Warrants and/or exercise price per security in the event of the following additional events: (1) reclassifications of the common shares; (2) consolidations, amalgamations or mergers of the Corporation with or into another entity (other than consolidations, amalgamations, plans of arrangement or mergers which do not result in any reclassification of the common shares or a change of the common shares into other shares); or (3) the transfer (other than to one of the Corporation's subsidiaries) of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or other entity.

The Corporation also covenanted in the Warrant Indenture that, during the period in which the Warrants are exercisable, it will give notice to holders of Warrants of certain stated events, including events that would result in an adjustment to the exercise price for the Warrants or the number of Warrant Shares issuable upon exercise of the Warrants, at least 14 days prior to the record date or effective date, as the case may be, of such events.

No fractional Warrant Shares will be issuable upon the exercise of any Warrants, and no cash or other consideration will be paid in lieu of fractional shares. Holders of Warrants will not have any voting or pre-emptive rights or any other rights which a holder of Common Shares would have.

Subject to TSXV approval, if required, from time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Indenture for certain purposes, including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Indenture that adversely affects the interests of the holders of the Warrants may only be made by "extraordinary resolution", which will be defined in the Warrant Indenture as a resolution either: (1) passed at a meeting of the holders of Warrants at which there are holders of Warrants present in person or represented by proxy representing at least 25% of the aggregate number of the then outstanding Warrants and passed by the affirmative vote of holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants represented at the meeting and voted on the poll upon such resolution; or (2) adopted by an instrument in writing signed by the holders of Warrants representing not less than 66 2/3% of the aggregate number of all the then outstanding Warrants.

The Warrant Indenture provides that all holders of warrants shall be bound by any resolution passed by the holders of Warrants in accordance with the Warrant Indenture.

PRIOR SALES

The following table summarizes the issuances by the Corporation of Common Shares (and securities convertible into Common Shares) within the 12 months prior to the date of this short form prospectus.

Date	Security	Price Per Security / Exercise Price	Number of Securities
February 5, 2009 ⁽¹⁾	Common Shares	\$0.06	41,152,827
February 10, 2009 ⁽²⁾	Common Shares	\$0.06	4,061,956
May 15, 2009	Options	\$0.10	4,300,000
July 14, 2009 ⁽³⁾	Common Shares	\$0.10	10,020,772
July 31, 2009 ⁽⁴⁾	Common Shares	\$0.10	5,100,000
August 26, 2009 ⁽⁵⁾	Common Shares	\$0.10	4,000,000
December 14, 2009 ⁽⁶⁾	Common Shares	\$0.18	4,444,444
December 14, 2009 ⁽⁷⁾	Common Shares	\$0.18	1,111,111
January 28, 2010 ⁽⁸⁾	Common Shares	\$0.15	1,000,000

January 27, 2010	Options	\$0.24	4,150,000
February 1, 2010	Options	\$0.24	200,000

- (1) Issuance pursuant to a private placement of 41,152,827 Common Shares at a price of \$0.06 per Common Share.
- (2) Issuance pursuant to a share for debt transaction pursuant to which the Corporation settled \$243,827 in debt by the issuance of 4,061,956 Common Shares.
- (3) Issuance pursuant to a private placement of 10,020,772 units at a price of \$0.10 per unit, with each unit consisting of one Common Share and one-half of one Common Share purchase warrant, with each whole warrant exercisable at \$0.15 to acquire one Common Share at any time prior to January 14, 2011. The Corporation also issued 48,000 broker warrants, with each broker warrant entitling the holder to acquire one Common Share at \$0.15 at any time prior to January 14, 2011.
- (4) Issuance pursuant to a private placement of 5,100,000 units at a price of \$0.10 per unit, with each unit consisting of one Common Share and one-half of one Common Share purchase warrant, with each whole warrant exercisable at \$0.15 to acquire one Common Share at any time prior to January 31, 2011. The Corporation also issued 180,000 compensation options, with each compensation option entitling the holder to acquire one compensation unit at a price of \$0.10 per unit at any time prior to January 31, 2011. Each compensation unit entitles the holder thereof to acquire one unit, each unit being comprised of one Common Share and one-half of one Common Share purchase warrant, with each whole warrant exercisable at \$0.15 to acquire one Common Share at any time prior to January 31, 2011.
- (5) Issuance pursuant to a private placement of 4,000,000 units at a price of \$0.10 per unit, with each unit consisting of one Common Share and one-half of one Common Share purchase warrant, with each whole warrant exercisable at \$0.15 to acquire one Common Share at any time prior to February 26, 2011. The Corporation also issued 240,000 finder's warrants, with each finders warrant entitling the holder to acquire one Common Share at \$0.10 at any time prior to February 26, 2011.
- (6) Issuance pursuant to a private placement of 4,444,444 Common Shares on a "flow-through" basis at a price of \$0.18 per share. The Corporation also issued 222,222 agent's warrants, with each agent's warrant entitling the holder to acquire one Common Share at \$0.18 at any time prior to June 14, 2011.
- (7) Issuance pursuant to a private placement of 1,111,111 Common Shares on a "flow-through" basis at a price of \$0.18 per share.
- (8) Issuance pursuant to the exercise of warrants.

TRADING PRICE AND VOLUME

The outstanding Common Shares are listed and posted for trading on the TSXV under the symbol "LGO". The following table sets forth information relating to the trading of the Common Shares on the TSXV for the periods indicated.

Month	High (\$)	Low (\$)	Close (\$)	Volume (# of Shares)
April 1 - 22	0.315	0.235	0.265	17,230,644
March 2010	0.245	0.21	0.24	10,316,700
February 2010	0.245	0.19	0.225	10,253,255
January 2010	0.275	0.155	0.225	38,289,715
December 2009	0.18	0.14	0.17	7,101,900
November 2009	0.20	0.16	0.17	10,099,300
October 2009	0.22	0.13	0.19	13,745,200
September 2009	0.16	0.13	0.14	7,571,900
August 2009	0.17	0.09	0.15	18,558,900
July 2009	0.11	0.08	0.10	12,686,600
June 2009	0.12	0.085	0.09	12,325,300
May 2009	0.15	0.08	0.11	24,829,900
April 2009	0.13	0.08	0.08	10,022,700

At the close of business on April 22, 2010, the last trading day prior to the date of this short form prospectus, the price of the Common Shares as reported by the TSXV was \$0.265.

RISK FACTORS

The acquisition of the securities being distributed under this short form prospectus involves a high degree of risk. Any prospective investor should carefully consider the risk factors set forth in the AIF incorporated by reference in this short form prospectus and all of the other information contained in this short form prospectus (including, without limitation, the documents incorporated by reference herein) before acquiring any of the securities distributed under this short form prospectus. The risks described therein are not the only risks facing the Corporation. Additional risks and uncertainties not currently known to the Corporation, or that the Corporation currently deems to be immaterial, may also materially and adversely affect its business.

In addition, the following risk factors should be carefully considered by investors:

Risks Factors

Loss of Entire Investment

An investment in the securities of the Corporation is speculative and may result in the loss of an investor's entire investment. Only potential investors who are experienced in high risk investments and who can afford to lose their entire investment should consider an investment in the Corporation.

Current Global Financial Condition

Financial markets globally have been subject to increased volatility and numerous financial institutions have either gone into bankruptcy or have had to be rescued by governmental authorities. Access to financing has been negatively impacted by liquidity crises throughout the world. These factors may impact the ability of the Corporation to obtain loans and other credit facilities in the future and, if obtained, on terms favourable to the Corporation. If these increased levels of volatility and market turmoil continue, the Corporation may not be able to secure appropriate debt or equity financing, any of which could affect the trading price of the Corporation's securities in an adverse manner.

Largo's securities may experience price volatility

Securities markets have recently had a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Factors unrelated to the financial performance or prospects of Largo include macroeconomic developments locally and globally, and market perceptions of the attractiveness of particular industries. There can be no assurance that continued fluctuations in mineral prices will not occur. As a result of any of these factors, the market price of the securities of the Corporation at any given point in time may not accurately reflect the long term value of Largo.

In the past, following periods of volatility in the market price of a company's securities, shareholders have instituted class action securities litigation against those companies. Such litigation, if instituted, could result in substantial cost and diversion of management attention and resources, which could significantly harm profitability and the reputation of Largo.

Foreign Operations Risks

As outlined in the AIF under "Risk Factors – Foreign Operations" and "Risk Factors - Title to Properties" there are significant risks associated with operating in a foreign jurisdiction such as Brazil and maintaining valid title on exploration and exploitation permits. In addition, the Corporation may encounter difficulties in complying with all applicable local mining, corporate and other laws to maintain its permits and its subsidiaries in good standing. In particular, the Corporation's subsidiaries may inadvertently not be in full compliance, from time to time, with certain corporate law requirements, such as the requirement to maintain certain net equity ratios, which technically may give grounds to certain consequences, if not rectified, ranging from minor ones, such as payment of *de minimus* late filing fees, to more significant ones, such as the dissolution or winding-up of subsidiaries or the refusal to grant

of further mineral rights. These failures nevertheless give rise to potential risks to the Corporation's operating subsidiaries.

Dilution

The Corporation will require additional funds in respect of the further development of its projects. If the Corporation raises funds by issuing additional equity securities, especially at prices lower than the Offering Price, such financing will dilute the equity interests of its current shareholders, including purchasers who acquire securities pursuant to this short form prospectus.

Discretion in the Use of Proceeds

Management will have broad discretion concerning the use of the proceeds of the Offering as well as the timing of their expenditures. As a result, an investor will be relying on the judgment of management for the application of the proceeds of the Offering. Management may use the net proceeds of the Offering in ways that an investor may not consider desirable. The results and the effectiveness of the application of the proceeds are uncertain. If the proceeds are not applied effectively, the Corporation's results of operations may suffer.

No Market for Warrants

No application has been made to list the Warrants comprising part of the Units on any securities exchange. Accordingly, there will be no public market for the Warrants and none is expected to develop. Even if a market develops for the Warrants, there can be no assurance that it will be liquid.

INTEREST OF EXPERTS

B. Terrence Hennessey, P.Geo., Carlos Guzmán, MAusIMM, Peimeng Ling, P.Eng, Alex Duggan, P.Eng., Fred Edwards, P.Eng., H. Adriaan C. Meintjes and Maria de Lourdes Fortes A'lvares da Silva, authored the technical report entitled "Technical Report of the Feasibility Study for the Maracás Vanadium Project, Brazil" dated May, 2009.

Dr. W.S. Board, PH.D., P.Geo, P.Geol, MAusIMM, Pr. Sci. Nat of Snowden Mining Industry Consultants Incorporate and Robert Campbell, M.Sc., P.Geo., the Vice President, Exploration of the Corporation authorized a technical report entitled "Largo Resources Limited: Northern Dancer Project Mineral Resource Update" dated June, 2009.

Other than Mr. Robert Campbell, none of the aforementioned persons held any securities of the Corporation or of any associate or affiliate of the Corporation when they prepared the report referred to above or, following the preparation of such report, nor did they receive any direct or indirect interest in any securities of the Corporation or of any associate or affiliate of the Corporation in connection with the preparation of such report. Mr Robert Campbell held less than 1% of the outstanding common shares of the Corporation at the time of the preparation of the technical report and did not receive any direct or indirect interest in any securities of the Corporation or of any associate or affiliate of the Corporation in connection with the preparation of such report.

Other than Mr. Robert Campbell, who is the Vice President, Exploration of the Corporation, none of the aforementioned persons are currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

McGovern, Hurley, Cunningham LLP, Chartered Accountants, Licensed Public Accountants, are the auditors of the Corporation and are independent of the Corporation in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

Certain legal matters in connection with the securities offered hereby will be passed upon for the Corporation by Cassels Brock & Blackwell LLP and for the Agents by Wildeboer Dellelce LLP. As of the date hereof, partners and associates of Cassels Brock & Blackwell LLP and partners and associates of Wildeboer Dellelce LLP, each as a group, own, directly or indirectly, in the aggregate, less than one percent of the outstanding Common Shares.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces and territories of Canada, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

CONTRACTUAL RIGHT OF RESCISSION

The Corporation has granted to each Special Warrant holder a contractual right of rescission in connection with the prospectus-exempt transaction under which the Special Warrant was initially acquired. The contractual right of rescission provides that if a holder of a Special Warrant who acquires another security of the Corporation on exercise of the Special Warrant as provided for in this short form prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because of this short form prospectus or an amendment to this short form prospectus containing a misrepresentation, (a) the holder is entitled to rescission of both the holder's exercise of its Special Warrant and the private placement transaction under which the Special Warrant was initially acquired; (b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Agents or the Corporation, as the case may be, on the acquisition of the Special Warrants, and (c) if the holder is a permitted assignee of the interest of the original Special Warrant subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder was the original subscriber.

SCHEDULE "A"
ADDITIONAL INFORMATION

Executive Compensation

The following consists of additional compensation disclosure for the Company for the year ended December 31, 2008 and includes a corrected summary Compensation Table that supersedes the one included in our management information circular of May 6, 2009 (the "**Circular**").

Compensation Discussion and Analysis

For the financial year, ended December 31, 2008, the objectives of Largo's compensation strategy was to ensure that compensation for its executive officers is sufficiently attractive to recruit, retain and motivate high performing individuals to assist Largo in achieving its goals. The Corporation also ensures that compensation is also fair, balanced and linked to the performance of Largo and the individual executive officer.

Largo's compensation strategy is designed to reward: (a) performance by individuals who have contributed to enhance the Corporation's business objectives; (b) performance by the Corporation reflected in its share price and (c) extraordinary individual contributions.

Compensation for the executive officers is composed primarily of three components: base fees, performance bonuses and the granting of stock options. Performance bonuses are considered from time to time having regard to the above-referenced objectives. The determination of each component is based upon informal discussions among directors which draw from the experience of members of the board of directors as to industry practice and performance relative to informal expectations. In establishing the levels of base fees, the award of stock options and performance bonuses, the Corporation takes into consideration individual performance, responsibilities, length of service and levels of compensation considered appropriate for the Corporation's industry. Performance is considered to include achievement of Largo's strategic objective of growth and the enhancement of shareholder value through increases in the trading price of its shares. The compensation determination process is not based on formal benchmarks.

The board of directors of the Corporation (the "**Board**") recommends the base salary, performance bonus and stock options to be granted to the executive officers. The Board does not have a pre-determined compensation plan, but rather reviews the performance of the executive officers and considers a variety of factors, when determining compensation levels. These factors, which are informally discussed by the Board, include the long-term interests of Largo and its shareholders, the financial and operating performance of Largo and each executive officer's individual performance, contribution towards meeting corporate objectives, responsibilities and length of service.

The Board believes that the compensation paid to each executive officer during the last fiscal year was commensurate with the executive officer's position, experience and performance. The Board particularly acknowledges that the executive officer of the Corporation agreed to delays in payment of salary and, in some cases, deferral of salary as was required by the Corporation due to its limited cash position, from time to time.

The following table summarizes the compensation paid during the three financial years ended December 31, 2008, 2007 and 2006 in respect of the individuals who were carrying out the role of the Chief Executive Officer of the Corporation, the Chief Financial Officer of the Corporation and each of the three most highly compensated executive officers other than the Chief Executive Officer and Chief Financial Officer at the end of the most recently completed financial year whose total compensation was individually more than \$150,000 for that financial year (the "**Named Executive Officers**"). During the financial year ended December 31, 2008, other than as set out below, no other executive officer of the Corporation received at least \$150,000 in compensation.

SUMMARY COMPENSATION TABLE

Name and principal position	Year Ended ⁽¹⁾	Salary (\$) ⁽¹⁾	Share awards (\$)	Option awards (\$) ⁽⁴⁾	Non-equity incentive plan compensation (\$)		All other compensation (\$) ⁽³⁾	Total compensation (\$)
					Annual incentive plans ⁽²⁾	Long-term incentive plans		
Mark Brennan	2008	195,000	NIL	1,206,500	81,000	NIL	NIL	1,482,500
President & Chief Executive Officer	2007	165,000	NIL	246,150	125,000	NIL	NIL	536,150
	2006	102,667	N/A	170,400	85,000	N/A	NIL	358,150
Deborah Battiston Chief Financial Officer	2008	68,000	NIL	126,250	45,000	NIL	NIL	239,250
	2007	48,000	N/A	82,050	20,000	N/A	NIL	150,050
	2006	24,000	N/A	36,375	15,000	N/A	NIL	75,375
Andy Campbell V.P. Exploration	2008	166,000	NIL	245,750	65,000	NIL	NIL	476,750
	2007	148,000	N/A	95,725	30,000	N/A	NIL	273,725
	2006	N/A	N/A	N/A	N/A	N/A	NIL	N/A
Timothy Mann V.P. Engineering	2008	166,000	NIL	245,750	65,000	N/A	NIL	476,750
	2007	148,000	N/A	95,725	30,000	N/A	NIL	273,725
	2006	N/A	N/A	N/A	N/A	N/A	NIL	N/A

Notes:

- (1) Compensation has been paid as consulting fees under the independent contractor agreement with the Named Executive Officers as described in the Circular under the heading “Executive Compensation – Termination of Employment, Change in Responsibilities and Employment Contracts”.
- (2) Compensation paid in the form of performance based bonuses.
- (3) Other benefits did not exceed the lesser of \$50,000 and 10% of the total annual compensation for the Named Executive Officers.
- (4) The Corporation has determined the value of option awards made during any specific financial year based on the Black-Scholes option pricing model for options granted as at the date of grant.

Termination of Employment, Change in Responsibilities and Employment Contracts

The following describes the respective consulting agreements entered into by the Corporation and the Named Executive Officers:

Mark Brennan

The Corporation entered into a contract with Mark Brennan effective March 21, 2005 (amended on January 1, 2008), pursuant to which Mr. Brennan agreed to provide management consulting services as the President and Chief

Executive Officer of the Corporation. Mr. Brennan is entitled to compensation for the provision of such services at base fees of \$16,500 per month, subject to quarterly review by the Board, plus any such increments thereto, bonuses and grants of options under the Stock Option Plan as the Board may from time to time determine. The term of this agreement is for successive one year terms which are automatically renewed, but may be terminated at any time for just cause without notice and may be terminated for any reason by the Corporation by making a payment to Mr. Brennan equivalent to the base fees remaining under the current term of Mr. Brennan's agreement. In the event that there is a Change in Control of the Corporation (as defined below), either Mr. Brennan or the Corporation shall have one year from the date of such Change in Control to elect to have Mr. Brennan's appointment terminated. In the event that such an election is made, the Corporation shall, within 30 days of such election, make a lump sum termination payment to Mr. Brennan that is equivalent to 36 months Base Fees plus an amount that is equivalent to all cash bonuses paid to the Mr. Brennan in the 36 months prior to the Change in Control.

For the purposes of this section, "Change in Control" is defined as the acquisition by any person (person being defined as an individual, a Corporation, a partnership, an unincorporated association or organization, a trust, a government or department or agency thereof and the heirs, executors, administrators or other legal representatives of an individual and an associate or affiliate of any thereof as such terms are defined in the *Canada Business Corporations Act*) of: (1) shares or rights or options to acquire shares of the Corporation or securities which are convertible into shares of the Corporation or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast at a meeting of the shareholders of the Corporation; (2) shares or rights or options to acquire shares, or their equivalent, of any material subsidiary of the Corporation or securities which are convertible into shares of the material subsidiary or any combination thereof such that after the completion of such acquisition such person would be entitled to exercise 30% or more of the votes entitled to be cast a meeting of the shareholders of the material subsidiary; or (3) more than 50% of the material assets of the Corporation, including the acquisition of more than 50% of the material assets of any material subsidiary of the Corporation.

Deborah Battiston

The Corporation entered into a contract with Deborah Battiston effective September 5, 2003 (amended on August 1, 2004 and in June 2008), pursuant to which Ms. Battiston agreed to provide management consulting services as the Chief Financial Officer of the Corporation. Ms. Battiston is entitled to compensation for the provision of such services at base fees of \$6,500 per month, subject to quarterly review by the Board, plus any such increments thereto, bonuses and grants of options under the Corporation's Stock Option Plan as the Board may from time to time determine. The term of this agreement is on a continuous month-to-month basis, but may be terminated at any time for just cause without notice and may be terminated for any reason by either party upon thirty days' written notice to the other party. In the event that there is a Change in Control of the Corporation (as defined above), either Ms. Battiston or the Corporation shall have one year from the date of such Change in Control to elect to have Ms. Battiston's appointment terminated. In the event that such an election is made, the Corporation shall, within 30 days of such election, make a lump sum termination payment to Ms. Battiston that is equivalent to 36 months base fees plus an amount that is equivalent to all cash bonuses paid to the Ms. Battiston in the 36 months prior to the Change in Control.

Andy Campbell

The Corporation entered into a contract with Andy Campbell effective January, 2004 (amended on June 1, 2007) pursuant to which Mr. Campbell agreed to provide management consulting services as the V.P. Exploration of the Corporation. Mr. Campbell is entitled to compensation for the provision of such services at base fees of \$14,000 per month, subject to quarterly review by the Board, plus any such increments thereto, bonuses and grants of options under the Stock Option Plan as the Board may from time to time determine. The term of this agreement is on a continuous month-to-month basis, but may be terminated at any time for just cause without notice and may be terminated for any reason by either party upon thirty days' written notice to the other party. In the event that there is a Change in Control of the Corporation (as defined above), either Mr. Campbell or the Corporation shall have one year from the date of such Change in Control to elect to have Mr. Campbell's appointment terminated. In the event that such an election is made, the Corporation shall, within 30 days of such election, make a lump sum termination payment to Mr. Campbell that is equivalent to 36 months Base Fees plus an amount that is equivalent to all cash bonuses paid to the Mr. Campbell in the 36 months prior to the Change in Control.

Tim Mann

The Corporation entered into a contract with Tim Mann effective December 13, 2006 (amended on June 1, 2007) pursuant to which Mr. Mann agreed to provide management consulting services as the V.P. Engineering of the Corporation. Mr. Mann is entitled to compensation for the provision of such services at base fees of \$14,000 per month, subject to quarterly review by the Board, plus any such increments thereto, bonuses and grants of options under the Stock Option Plan as the Board may from time to time determine. The term of this agreement is on a continuous month-to-month basis, but may be terminated at any time for just cause without notice and may be terminated for any reason by either party upon thirty days' written notice to the other party. In the event that there is a Change in Control of the Corporation (as defined above), either Mr. Mann or the Corporation shall have one year from the date of such Change in Control to elect to have Mr. Mann's appointment terminated. In the event that such an election is made, the Corporation shall, within 30 days of such election, make a lump sum termination payment to Mr. Mann that is equivalent to 36 months Base Fees plus an amount that is equivalent to all cash bonuses paid to the Mr. Mann in the 36 months prior to the Change in Control.

The estimated incremental payments that might be paid to the Named Executive Officers under the various agreements discussed above in the event of termination not for cause or after a change of control (assuming such termination or change of control is effective as of December 31, 2008) is detailed below.

Named Executive Officer	Termination not for Cause (\$)	Termination on a Change of Control (\$)
Mark Brennan		
Salary and Quantified Benefits	198,000 ¹	594,000
Bonus	--	291,000
Total	198,000	885,000
Deborah Battiston		
Salary and Quantified Benefits	6,500	234,000
Bonus	--	80,000
Total	6,500	314,000
Andy Campbell		
Salary and Quantified Benefits	14,000	504,000
Bonus	--	95,000
Total	14,000	599,000
Timothy Mann		
Salary and Quantified Benefits	14,000	504,000
Bonus	--	95,000
Total	14,000	599,000

⁽¹⁾ Mr. Brennan's termination is based on the maximum payment that could be due assuming twelve months remained under his renewable contract.

Technical Disclosure

The AIF on page 28 includes net present value figures for the Maracás vanadium project. Please note that these net present value figures are in thousands of U.S. dollars.

The AIF discloses a mineral resource estimate for the Northern Dancer Project which contains errors as follows:

- The average tungsten-oxide grade of the measured and indicated resource is incorrectly stated as 0.107%, whereas the correct figure is 0.102%.
- The molybdenum metal content of the high-grade shell is incorrectly stated as 45,100 t in measured and indicated resources and as 4,200 t in inferred resources. The correct figures are 27,100 t in measured and indicated resources and 2,500 t in inferred resources.

Accordingly, the Northern Dancer Project resource disclosure in the AIF should not be relied upon. Please refer to the technical report entitled "Largo Resources Limited: Northern Dancer Project Mineral Resource Update", filed June 17, 2009, which may be found under the Company's profile at www.sedar.com.

CONSENT OF AUDITORS

We have read the short form prospectus of Largo Resources Ltd. (the “**Corporation**”) dated April 23, 2010, qualifying the distribution of Units of the Corporation. We have complied with Canadian generally accepted standards for an auditor’s involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned short form prospectus of our report to the shareholders of the Corporation on the consolidated balance sheets of the Corporation as at December 31, 2008 and 2007 and the consolidated statements of shareholders’ equity, operations and comprehensive loss and cash flows for the years then ended. Our report is dated March 31, 2009, except for notes 8 and 14 to the financial statements which are as at April 2, 2009.

(Signed) McGovern, Hurley, Cunningham LLP
Chartered Accountants
Licensed Public Accountants
Toronto, Ontario
April 23, 2010

CERTIFICATE OF THE CORPORATION

Dated: April 23, 2010

This short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Province of Ontario.

(Signed) Mark Brennan
Chief Executive Officer

(Signed) Deborah Battiston
Chief Financial Officer

On behalf of the Board of Directors

(Signed) Stan Bharti
Director

(Signed) William Pearson
Director

CERTIFICATE OF THE AGENTS

Dated: April 23, 2010

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of the Province of Ontario.

BYRON SECURITIES LIMITED

CLARUS SECURITIES INC.

By: (Signed) Campbell Becher
President

By: (Signed) Brett Whalen
Director