

# Largo Resources Applauds China's New Rebar Standard And Central Government's Special Action to Cut Down "Substandard Steels"

written by Raj Shah | February 12, 2018

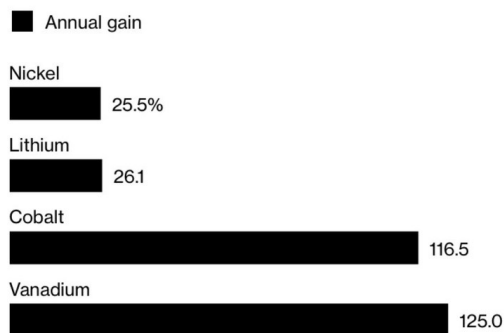
✖ February 12, 2018 ([Source](#)) – Largo Resources Ltd. (“**Largo**” or the “**Company**”) announces its support for the new rebar standard announced on February 9, 2018 by the Standardization Administration for the People's Republic of China. This announcement also includes a special action to cut down on the use of all substandard steels in China. The new rebar standard and related action is expected to be implemented by November 2018.

Mr. Mark Smith, Chief Executive Officer of Largo stated: “The revised rebar standard will enhance the quality of rebar being used in China, which will in-turn allow China to build earthquake resistant homes and industrial capacity in the most efficient manner in terms of energy and raw material consumption and pollution generation. High strength low alloy vanadium steels are the most efficient material available for the development of the infrastructure necessary in order to create economic opportunity for the approximately two thirds of the earth's population living in developing economies.”

Today China produces approximately 200 million metric tons of rebar per year. Typical vanadium content in grade 3 rebar is 0.3 kilograms of vanadium per metric ton of steel. While it is difficult to quantify the impact of the new standard in the

short term, the target for the Chinese steel industry is to produce 70% of this rebar to meet the grade 3 standard.

Reported in a recent [Bloomberg.com article](#), analysts at BMO Capital Markets note that while vanadium had an exceptional past year as prices soared by more 130% due to tightened supply, stricter steel regulations in China and strong orders from the steel industry, there is still opportunity for additional uses of the metal in the form of industrial-scale batteries.



Annual commodity price gain  
for selected metals.

Source:

BloombergBusinessweek (CNW  
Group/Largo Resources Ltd.)

“As the only pure-play producer of vanadium, Largo is directly exposed to the increase in vanadium price and is poised to benefit greatly as a result,” says Mark Smith. “The price range for vanadium pentoxide continues to strengthen with the range for the week ended February 9, 2018 being posted at US\$13.10/lb to US\$13.50/lb (Source: Metal Bulletin).”

Vanadium is widely known as a steel alloy metal where a small portion of the metal is added to steel making it stronger and lighter. However, with governments committing additional resources to fund substantial large-scale green energy projects, the use of vanadium in industrial size batteries has caused

analysts to forecast increased demand of the metal which could cause further supply crunches and additional **increases in the price of vanadium.**

Vanadium is used in many industries and applications, from automobiles, power generation, and hand tools, to ships, industrial tools, airplanes and, increasingly in energy storage. The vanadium redox flow battery is a type of rechargeable flow battery that uses vanadium ions in different oxidation states to store chemical potential energy.

More than 70% of the world's supply of vanadium is based on production of vanadium from slag generated in Russia and China in the production of steel from vanadium titanium magnetite.

### **About Largo**

Largo Resources Ltd. is a strategic mineral company focused on the production of vanadium pentoxide at its Vanadio de Maracás Menchen Mine. Vanadium is primarily used as an alloy to strengthen steel and reduce its weight. Vanadium enhanced steels are used in a vast and growing range of products that are used and encountered every day; including, rebar, automobiles, transport infrastructure etc. As trends in the steel industry now demand increasingly stronger and lighter products for advanced applications, the use of vanadium is expected to grow over the medium and long term. Largo also has interests in a portfolio of other projects, including: a 100% interest in the Currais Novos Tungsten Tailings Project in Brazil; a 100% interest in the Campo Alegre de Lourdes Iron-Vanadium Project in Brazil; and a 100% interest in the Northern Dancer Tungsten-Molybdenum property in the Yukon Territory, Canada. For more information, please visit [www.largoresources.com](http://www.largoresources.com).

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*Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made.*

*Although management of 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. Readers should also review the risks and uncertainties sections of Largo's annual and interim MD&As.*

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