Largo Resources To Permit Holders of Warrants to Exercise on a Cashless Exercise Basis

written by Raj Shah | November 16, 2018

November 15, 2018 (Source) – Largo Resources Ltd. ("**Largo**" or the "**Company**") (TSX: LGO) (OTCQX: LGORF) is pleased to announce that effective December 3, 2018 the Company will permit, without any further action on the part of holders ("**Warrantholders**"), all outstanding unlisted warrants of the Company (the "**Warrants**") to be exercisable on a cashless exercise basis at the option of the Warrantholder. No other terms of the Warrants are being amended.

Mr. Mark Smith, Chief Executive Officer of Largo, stated "If our Warrantholders take advantage of this cashless exercise tool,it will minimize dilution to our shareholders upon exercise. As an example, assuming all of the existing Warrants are exercised on this basis at a price of $4.38 (being the approximate 5-day VWAP as of close today), approximately 16.3 million fewer common shares will be issued upon exercise."

The outstanding Warrants which will now be exercisable on a cashless exercise basis are those issued in connection with the following financings:

- January 29, 2016 and March 2, 2016 (unit private placement) exercisable at $0.29 per common share and expiring 5 years from issuance
- September 7, 2016, September 12, 2016 and October 4, 2016 (unit private placement) exercisable at $0.65 per

common share and expiring 3 years from issuance

- January 2, 2017 and January 24, 2017 (unit private placement) exercisable at $0.65 per common share and expiring 3 years from issuance
- April 12, 2017, (part of short term shareholder loan) exercisable at $0.50 per common share and expiring December 31, 2020
- November 30, 2017 and December 13, 2017 (unit private placement) exercisable at $1.15 per common share and expiring 5 years from issuance

Warrantholders may exercise their Warrants without cash consideration through the issuance of common shares in the capital of Largo ("**Common Shares**") equal to the following formula: *(number of Warrants exercised * market price[1] at the time of exercise) less (number of Warrants exercised * exercise price) / market price[1] at the time of exercise*.

(1)	Market price means the volume weighted average trading price of the Common Shares on the TSX, or another stock exchange where the majority of the trading volume and value of the listed securities occurs, for the five (5) trading days immediately preceding the date the Company receives the Cashless Exercise Election Form (defined below).

This press release is a summary of certain provisions of the cashless exercise election form, which will be transmitted to Warrantholders ("**Cashless Exercise Election Form**") and is qualified in its entirety by the full text of the Cashless Exercise Election Form and the applicable Warrant certificates. A copy of the Cashless Exercise Election Form will be available on the Company's website at www.largoresources.com and can also be obtained from the Company by contacting ir@largoresources.com.

Cashless Exercise Election Forms will not be accepted from or on behalf of Warrantholders in any jurisdiction in which the acceptance thereof would not be in compliance with the laws of such jurisdiction.

The Common Shares issuable upon exercise of the Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended, (the "Securities Act") and may not be offered or sold in the United States absent registration under or an applicable exemption from the registration requirements of the Securities Act. This press release does not constitute an offer to sell or the solicitation of an offer to buy the securities herein described, and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of that jurisdiction.

About Largo Resources

Largo is a Toronto-based strategic mineral company focused on the production of vanadium flake, high purity vanadium flake and high purity vanadium powder at the Maracás Menchen Mine located in Bahia State, Brazil. The Company's Common Shares are principally listed on the Toronto Stock Exchange under the symbol "LGO". For more information on Largo, please visit our website at www.largoresources.com.

Forward-looking Information:

This press release contains forward-looking information under Canadian securities legislation, some of which may be considered "financial outlook" for the purposes of application Canadian securities legislation ("forward-looking statements"). Forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates",

“forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “occur” or “be achieved”. All information contained in this news release, other than statements of current and historical fact, is forward looking information. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Largo to be materially different from those expressed or implied by such forward-looking statements, including but not limited to those risks described in the annual information form of Largo and in its public documents filed on SEDAR from time to time. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made. Although management of 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.

Neither the Toronto Stock Exchange (nor its regulatory service provider) accepts responsibility for the adequacy or accuracy of this press release.