REPORT TO SHAREHOLDERS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015

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TO OUR SHAREHOLDERS

The following Management's Discussion and Analysis ("MD&A") relates to the financial condition and results of operations of Largo Resources Ltd. ("we", "our", "us", "Largo", or the "Company") for the quarter ended September 30, 2015 ("Q3 2015") and should be read in conjunction with (i) the unaudited condensed interim consolidated financial statements and related notes for the same period, (ii) the audited consolidated financial statements and related notes for the year ended December 31, 2014, and (iii) the MD&A for the year ended December 31, 2014. Note references in the below discussion refer to the note disclosures contained in the Q3 2015 unaudited condensed interim consolidated financial statements.

The financial statements and related notes of Largo have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Certain non-GAAP measures are discussed in this MD&A, which are clearly disclosed as such. Additional information, including our press releases, has been filed electronically through the System for Electronic Document Analysis and Retrieval ("SEDAR") and is available online under our profile at www.sedar.com.

This MD&A reports our activities through November 24, 2015, unless otherwise indicated. References to "date of this MD&A" mean November 24, 2015. References to the symbol "R$" mean the Real, the official currency of Brazil. References to the symbol "US$" mean the U.S. dollar. Except as otherwise set out herein, all amounts expressed herein are in thousands of Canadian dollars, denominated by "$" or "CDN$". The Company's shares, options, units and warrants are expressed in thousands.

Mr. Robert Campbell M.Sc, P.Geo and Mr. Mike Mutchler, are Qualified Persons as defined under National Instrument 43-101 and have reviewed the technical information in the MD&A. Messrs. Campbell and Mutchler are officers of Largo.

THE COMPANY

Largo is a Canadian natural resource development and exploration company organized and existing under the *Business Corporations Act* (Ontario). Largo is listed on the TSX Venture Exchange ("TSXV").

Largo is a growing strategic metals company with vanadium and tungsten projects in Brazil and Canada. In Brazil, Largo currently holds an interest in the Maracás Menchen Mine, an interest in the Currais Novos tungsten tailings project and an interest in the Campo Alegre de Lourdes iron-vanadium project. In Canada, Largo holds an interest in the Northern Dancer tungsten-molybdenum property, located in the Yukon Territory. The Company is currently focussed on the continued ramp-up of production at the Maracás Menchen Mine and predominantly all of the Company's activities are focused on this phase. The Company produced its first vanadium flake according to required specifications during Q3 2014.

The Company, as outlined under the Operations as well as the Liquidity and Capital Resources sections of this MD&A, is predominantly focused on the operating and financing activities related to its Maracás Menchen Mine in Brazil. However, certain exploration or analysis work toward potential future feasibility studies along with maintenance work, as outlined below, also continues at the Campo Alegre de Lourdes project in Brazil.

The Company also commenced an exploration program for chromite and platinum group metals ("PGM's") at its Capivara Prospect, which is located in the Maracás region of Bahia, Brazil, but outside of the current mining area of its Maracás Menchen Mine (see "Capivara Exploration" section below).

Q3 2015 HIGHLIGHTS

- Production at the Company's Maracás Menchen Mine continued to ramp-up, with two new daily production records achieved over consecutive days in August 2015 of 27 tonnes and 29 tonnes, representing 102% and 110% of nameplate capacity, respectively.
- The Company's Maracás Menchen Mine produced 1,711 tonnes of V_2O_5 in Q3 2015, with 607 tonnes produced in July 2015 and 614 tonnes produced in August 2015, both surpassing the Company's previous record of approximately 487 tonnes set in May 2015.

- On July 8, 2015, the Company announced the appointment of John Ashburn as Chief Legal Officer. On July 13, 2015, the Company announced the election of Daniel Tellechea, Sam Abraham and Koko Yamamoto to its Board of Directors.

SIGNIFICANT EVENTS AND TRANSACTIONS SUBSEQUENT TO THE PERIOD

- The Company assessed that based on recent operating performance, its Maracás Menchen Mine is now capable of operating in the manner intended by management. Accordingly, effective from October 1, 2015, the Maracás Menchen Mine is considered to be in commercial production. Starting in the fourth quarter 2015, operating costs will no longer be deferred and will be recorded in the consolidated statement of loss and comprehensive loss. Revenues will also be recognized in the consolidated statement of loss and comprehensive loss effective from this date. In addition, as at October 1, 2015, the Company's Maracás Menchen Mine development property asset is reclassified to property, plant and equipment and depreciation of these amounts commenced. Attributable borrowing costs and depreciation are no longer capitalized and are recognized in the consolidated statement of loss and comprehensive loss.
- Subsequent to Q3 2015, the Company's Maracás Menchen Mine achieved a new record production level of 681 tonnes of V_2O_5 in October 2015, representing approximately 83% of nameplate capacity.

Q3 2015 SUMMARY

Financial

- The Company recorded a net loss of $50,005 in Q3 2015, compared to a net loss of $20,232 for the same prior year period. This movement was primarily due to an increase in foreign exchange and derivative loss of $35,517 to $47,095 (Q3 2014 - $11,578), partially offset by a decrease in other losses of $6,362. For the nine months ended September 30, 2015, the Company recorded a net loss of $93,995, compared to a net loss of $21,192 for the same prior year period. This was primarily due to a foreign exchange and derivative loss of $83,939 (foreign exchange and derivative gain of $3,061 in the same prior year period), partially offset by the write down of assets of $7,915 and other losses of $7,305 in the same prior year period.
- The non-cash foreign exchange and derivative loss of $47,095 for Q3 2015 resulted from a weakening of the Brazilian real by approximately 28.1% on the Company's U.S. dollar denominated debts and derivative swap contracts. The Company performs a mark-to-market valuation of its derivative swap contracts and revalues its U.S. dollar denominated debts into Brazilian reais at the end of each reporting period. For the nine months ended September 30, 2015, the Brazilian real weakened by approximately 47.9%, resulting in a non-cash foreign exchange and derivative loss of $83,939, compared to a foreign exchange and derivative gain of $3,061 for the same prior year period. Of the total foreign exchange and derivative loss for Q3 2015, $45,430 related to the Development Properties segment (Q3 2014 – $11,433) and $1,665 related to Corporate (Q3 2014 – $145), which is not an operating segment (refer to note 13 of the unaudited condensed interim consolidated financial statements). For the nine months ended September 30, 2015, foreign exchange and derivative losses of $80,602 and $3,337 related to Development Properties and Corporate, respectively (nine months ended September 30, 2014 – gain of $3,113 and loss of $52, respectively).
- Other losses of $6,362 recorded in Q3 2014 ($7,305 for the nine month period ended September 30, 2014) primarily related to the recognition of an increased provision resulting from the outcome of an arbitration process completed at the end of 2014. There was no such amount recorded in 2015.
- Professional, consulting and management fees for Q3 2015 were $1,524, which is comparable to $1,061 for the same prior year period. For the nine months ended September 30, 2015, professional, consulting and management fees were $5,158, down $1,431 from $6,589 in the same prior year period. The decrease is primarily attributable to the arbitration process expenses incurred during Q1 2014. Of the total professional and consulting compensation expense for Q3 2015, $952 related to the Development Properties segment (Q3 2014 - $411) and $572 related to Corporate (Q3 2014 - $650). For the nine months ended September 30, 2015, $2,254 and $2,904 related to Development Properties and Corporate, respectively (nine months ended September 30, 2014 - $1,049 and $5,540, respectively)

- During the nine months ended September 30, 2015, the Company changed its accounting policy for exploration and evaluation expenditures in accordance with IFRS 6, Exploration for and Evaluation of Mineral Resources. Under the new policy, exploration and evaluation costs, subsequent to acquisition, are expensed until it has been established that a mineral property is commercially viable and a mine development decision has been made by the Company. Thereafter, the Company capitalizes expenditures incurred as development costs, prior to the commencement of mining operations. Details of the impact of the change in accounting policy are contained in note 3 of the Q3 2015 unaudited condensed interim consolidated financial statements.
- In Q3 2015, the Company incurred exploration expenses of $367 (nine months ended September 30, 2015 - $625), compared to $33 in the restated same prior year period (nine months ended September 30, 2014 - $165).
- The Company recorded a comprehensive loss of $58,417 in Q3 2015 after recognizing an unrealized loss on foreign currency translation of $8,412. This was mainly due to the depreciation in the value of the Company's net investment in its Maracás Menchen Mine and related property, plant and equipment due to a weakening of the Brazilian real. For Q3 2014, the Company recorded a comprehensive loss of $24,469 and an unrealized loss on foreign currency translation of $4,237. For the nine months ended September 30, 2015, the Company recorded a comprehensive loss of $105,301, compared to $20,402 in the same prior year period. The loss was primarily due to the reasons noted above, with a loss on foreign currency translation of $11,306 arising from a weakening in the Brazilian real/Canadian dollar exchange rate, compared to an unrealized gain of $790 in the same prior year period.
- Net cash used in operating activities for the nine months ended September 30, 2015 was $5,660, up $1,368 or 31.9% from $4,292 in the same prior year period. The increase was mainly due to an increase in cash used before non-cash working capital items of $6,094, partially offset by a favourable movement in non-cash working capital items of $4,726.
- Cash provided by financing activities for the nine months ended September 30, 2015 was $46,362, up $13,664 or 41.8% from $32,698 in the same prior year period. The increase is mainly due to an increase in proceeds from the issuance of units of $75,200, partially offset by a decrease in net proceeds received from long-term debt of $36,478, a decrease in net cash inflows from short-term loans of $4,315, an increase in the repayment of long-term debt of $10,910 and an increase in interest, guarantee fee and other associated fees paid of $6,035.
- Cash used in investing activities for the nine months ended September 30, 2015 was $33,848, down $6,750 or 16.6% from $40,598 in the same prior year period. The decrease is mainly due to the impact of pre-production revenues of $34,998 received during the period, partially offset by increased capital expenditures of $20,031 and a decrease in restricted cash of $8,217 in the same prior year period.

Operations

- The ramp-up to full production at the Maracás Menchen Mine is progressing well and is expected to be completed during the fourth quarter 2015 with the final installation of additional equipment in the grinding, leach, and fusion areas of the processing facility (engineering changes).
- Production costs since January 1, 2015[3] are summarized in the following table:

	Production Tonnes	Production Pounds Equivalent[6]	Cash Operating Costs Reais[1,2,4,5] (000's)	R$ / CDN$ Exchange	CDN$ Cost per pound[1,2,4,5]	R$ / US$ Exchange	US$ Cost per pound [1,2,4,5]
January 2015	296	652,568	11,049	2.1975	$7.71	2.6623	$6.36
February 2015	285	628,317	12,406	2.3026	$8.58	2.8782	$6.86
March 2015	472	1,040,581	13,052	2.5422	$4.93	3.2080	$3.91
April 2015	473	1,042,785	14,935	2.4708	$5.80	2.9936	$4.78
May 2015	487	1,073,650	18,195	2.5504	$6.64	3.1788	$5.33
June 2015	432	952,396	15,036	2.4877	$6.35	3.1026	$5.09
July 2015	607	1,338,204	18,294	2.6014	$5.26	3.3940	$4.03
August 2015	614	1,353,637	18,150	2.7583	$4.86	3.6467	$3.68
September 2015	490	1,080,264	19,657	2.9657	$6.14	3.9729	$4.58

1. *The cash operating costs reported are on a non-GAAP basis. Cash operating costs include all cash expenditures, the main categories being mining costs, plant and maintenance costs, sustainability costs, mine and plant administration costs, commissions on sales, royalties and sales, general and administrative costs ("SG&A"). Cash operating costs excludes depreciation and amortization charges, interest or any other debt servicing costs. See also 4. and 5. below.*
2. *Excludes corporate SG&A or CAPEX (Capital Expenditures).*
3. *Production for the period September 2014 to December 2014 was 1,032 tonnes or 2,275,168 lbs. Unit costs were accordingly magnitudes higher over this period due to low production as production rates started ramping up and are not useful for comparative purposes.*
4. *The reader is cautioned that the cash operating costs presented are intended to serve as a guide to the magnitude of the Company's monthly operating expenditures on a cash basis and excludes financing costs associated with the operations and non-cash accounting charges (including but not limited to depreciation and amortization expense, accretion, share-based payments, derivative gains and losses or foreign exchange gains and losses). The measure may therefore not be comparable to other companies or the results of similar operations and does not meet any definition of GAAP.*
5. *The Company will periodically communicate such numbers until it declares commercial production, but may not thereafter, after which time the Company's operating results will be reflected in its consolidated statements of loss and comprehensive loss. The cash operating costs presented cannot be reconciled to the Company's consolidated financial statements in a meaningful way, as the Company's cash operating costs are currently capitalized to development properties while it remains in the development phase.*
6. *Conversion of tonnes to pounds, 1 tonne = 2,204.62 pounds or lbs.*

SELECTED QUARTERLY INFORMATION

Summary financial information for the eight quarters ended September 30, 2015, prepared in accordance with IFRS:

Period	Revenue	Total Assets[1]	Net (Income) Loss[1]	Basic & Diluted (Income) Loss per Share[1]	Non-current Liabilities
3rd Quarter 2015	$ Nil[2]	$ 337,869	$ 50,005	$ 0.25	$ 189,720
2nd Quarter 2015	Nil[2]	384,029	(681)	-	197,718
1st Quarter 2015	Nil[2]	323,740	44,671	0.41	174,068
4th Quarter 2014	Nil[2]	347,508	31,422	0.31	171,150
3rd Quarter 2014	Nil[2]	350,524	20,232	0.21	189,609
2nd Quarter 2014	Nil[2]	347,825	4,721	0.05	172,936
1st Quarter 2014	Nil[2]	336,340	(3,761)	(0.01)	166,391
4th Quarter 2013	Nil[2]	296,676	4,154	-	152,041

1. *Balances have been restated as per the change in accounting policy for exploration and evaluation expenditures detailed in note 3 of the Q3 2015 unaudited condensed interim consolidated financial statements.*
2. *As the Company had been in the exploration and development phase during the eight quarters ended September 30, 2015, it had no revenue during this period. The Company started generating sales of V_2O_5 during the third quarter of 2014 as part of the process to test the mine and associated processing operations and continues to test the Maracás Menchen Mine processes through the ramp-up phase until nameplate capacity is reached. These net proceeds from these sales continue to be capitalized until such time as the Company declares commercial production for accounting purposes, which is the point at which the mine is capable of being operated on a continuing basis as intended by management.*

The Company's asset base has been primarily growing over the last eight quarters ended September 30, 2015, with the increase in Q2 2015 primarily attributable to the $75,200 proceeds from the private placement that closed on May 28, 2015. The decrease in Q3 2015 is primarily attributable to the weakening in the Brazilian real/Canadian dollar exchange rate of approximately 15.5%.The investing activities in the development of the Company's Maracás Menchen Mine are discussed in notes 5 and 6 to the unaudited condensed interim consolidated financial statements for Q3 2015. During Q3 2015, the Company incurred a foreign exchange and derivative loss of $47,095 primarily due to the translation of U.S. denominated debts in Brazilian reais equivalent.

During Q2 2015, the Company incurred a gain on foreign exchange of $2,804 and a derivative gain of $3,117, due to the translation of U.S. denominated debts in Brazilian reais equivalent.

Prior to Q3 2014, and except as noted in the following paragraphs, the Company has incurred net losses primarily as a result of its on-going expenses related to professional, consulting and management fees and other general and administration fees.

During Q1 2015, the Company incurred a loss on foreign exchange of $42,765 due to the translation of U.S. denominated debts into Brazilian reais equivalent.

During Q4 2014 the Company incurred a loss on foreign exchange of $19,678 due to the translation of U.S. denominated debts into Brazilian reais equivalent. The Company also recognized an impairment charge related to its Currais Novos property of $6,845. The Company also recognized a provision of $2,713 related to the settlement of its arbitration proceedings.

During Q3 2014 the Company incurred a loss on foreign exchange of $11,578 due to the translation of U.S. denominated debts into Brazilian reais equivalent. The Company recognized a provision of $6,362 in respect of the settlement of its arbitration proceedings.

During Q2, 2014, the Company incurred in a net loss of $4,721 primarily as a result of the recognition of an impairment loss related to its Currais Novos project in the amount of $7,915. In Q4 2014 the remaining amount of the Currais Novos project was fully impaired.

During Q1 2014, the Company recorded net income of $3,761 predominantly attributable to foreign exchange gain of $3,696 on the U.S. indexed portion of the BNDES Facility (related to the strengthening of the Brazilian real during the period) and $4,311 in gains related to foreign currency swaps.

During Q4 2013, the Company incurred a net loss of $4,154 primarily as a result of a foreign exchange loss of $3,229 on the U.S. indexed portion of the BNDES Facility from the weakening of the Brazilian real during the period.

Non-current liabilities have been increasing as the Company continued to draw down on the BNDES Facility. See the discussion under Liquidity and Capital Resources and Note 7 to the unaudited condensed interim consolidated financial statements.

OPERATIONS

Maracás Menchen Mine

Recent Developments

The Maracás Menchen Mine operations produced its first vanadium pentoxide flake on August 2, 2014.

During the three and nine months ended September 30, 2015, the Company capitalized $14,268 and $38,201, respectively, of pre-production expenditures (three and nine months ended September 30, 2014 – $16,024 and $31,523, respectively) as development work continued with a focus on optimizing recoveries and improving efficiencies. In addition, borrowing costs of $11,845 and depreciation of $18,249 on equipment used in the development activities were capitalized to development properties in the nine month period (nine months ended September 30, 2014 – $nil and $6,233, respectively). Pre-production revenue of $37,708 was credited to development properties in the nine month period (nine months ended September 30, 2014 – $2,012) from the production of 4,156 tonnes of V_2O_5 flake (nine months ended September 30, 2014 – 217 tonnes of V_2O_5).

The fourth quarter 2015 is expected to be a transitional time for the Company as it completes the last of the engineering changes required to achieve consistent nameplate production capacity. Largo has been producing at the Maracás Menchen Mine since August 2014, with the full ramp-up of production now anticipated to be completed in November 2015. As such, the Company's focus for the fourth quarter 2015 is on completing the engineering changes required to achieve consistent nameplate production capacity. Capital expenditures of approximately $3.1 million, largely related to the pan conveyor and belt filter replacement, and a shut-down of approximately one week are anticipated at the processing facility in the fourth quarter 2015 to complete this work. Nameplate annual production capacity for the Maracás Menchen Mine is 9,634 tonnes of vanadium pentoxide or approximately 26.4 tonnes per day.

Production guidance for 2015 and 2016 is as follows:

	Annual Production High-End	Annual Production Low-End	Average Annual Production	Estimated Annual Average US$/CDN$ Cash Operating Costs Per Tonne [1,2,3,4]	Estimated Annual Average US$/CDN$ Cash Operating Costs Per Pound [1,2,3,4]	Targeted Year-End Exit US$/CDN$ Cash Operating Costs Per Pound [1,2,3,4]
2015	6,801 tonnes [5,6] ~ 15.0 million lbs	5,801 tonnes [5,6] ~ 12.8 million lbs	6,301 tonnes [5,6] ~ 13.9 million lbs	US$9,466 CDN$12,082	US$4.29 CDN$5.48	US$3.16 CDN$4.11
2016 [2,6]	10,195 tonnes [5,6] ~ 22.5 million lbs	9,195 tonnes [5,6] ~ 20.3 million lbs	9,695 tonnes [5,6] ~ 21.4 million lbs	US$6,940 CDN$9,023	US$3.15 CDN$4.09	US$3.06 CDN$3.98

1. *The cash operating costs reported are on a non-GAAP basis. Cash operating costs include all cash expenditures, the main categories being mining costs, plant and maintenance costs, sustainability costs, mine and plant administration costs, commissions on sales, royalties and sales, general and administrative costs ("SG&A"). Cash operating costs excludes depreciation and amortization charges, interest or any other debt servicing costs. See also 3. and 4. below. The estimated average annual R$/US$ and CDN$/US$ exchange rates used for the remainder of 2015 and for 2016 are approximately 4.10 and 1.30 respectively.*
2. *Excludes corporate SG&A or CAPEX (Capital Expenditures).*
3. *The reader is cautioned that the cash operating costs presented are intended to serve as a guide to the magnitude of the Company's monthly operating expenditures on a cash basis and excludes financing costs associated with the operations and non-cash accounting charges (including but not limited to depreciation and amortization expense, accretion, share-based payments, derivative gains and losses or foreign exchange gains and losses). The measure may therefore not be comparable to other companies or the results of similar operations and does not meet any definition of GAAP.*
4. *The Company will periodically communicate such numbers until it declares commercial production, but may not thereafter, after which time the Company's operating results will be reflected in its consolidated statements of loss and comprehensive loss. The cash operating costs presented cannot be reconciled to the Company's consolidated financial statements in a meaningful way, as the Company's cash operating costs are currently capitalized to development properties while it remains in the development phase.*
5. *Conversion of tonnes to pounds, 1 tonne = 2,204.62 pounds or lbs.*
6. *Production numbers for 2016 assume the Company has deferred the previously considered expansion. A total CAPEX of approximately $9.8 million is expected to be required during the remainder of 2015 and 2016. The Company periodically reviews its CAPEX needs and will update the market when its estimates change by a material amount.*

Operating costs are expected to average US$3.43/CDN$4.46 per pound during the fourth quarter 2015, for an annual average of US$4.29/CDN$5.48 per pound. Largo currently expects that operating costs will reach US$3.16/CDN$4.11 per pound by December 2015.

As a result of continuing pressure on vanadium prices, the Company will defer the previously considered expansion. The Company anticipates that its operating costs per pound will continue to decrease throughout 2015 and 2016 and expects operating costs to stabilize at approximately US$3.06/CDN$3.98 per pound by the end of 2016.

During Q3 2015, 238,617 tonnes of ore with an average grade of 1.38% containing 3,283 tonnes of V_2O_5 were mined. 244,855 tonnes averaging 1.41% V_2O_5 were crushed, from which 202,993 tonnes with an average grade of 1.71% V_2O_5 were milled.

During Q3 2015, the mill produced 82,595 tonnes of concentrate grading 3.18% V_2O_5 containing 2,627 tonnes of V_2O_5. The chemical plant produced 1,711 tonnes of V_2O_5 flake from this concentrate.

During Q2 2015, 260,828 tonnes of ore with an average grade of 1.13% containing 2,954 tonnes of V_2O_5 were mined. 200,431 tonnes averaging 1.52% V_2O_5 were crushed, from which 180,152 tonnes with an average grade of 1.68% V_2O_5 were milled.

During Q2 2015, the mill produced 58,636 tonnes of concentrate grading 3.11% V_2O_5 containing 1,826 tonnes of V_2O_5. The chemical plant produced 1,392 tonnes of V_2O_5 flake from this concentrate.

During Q1 2015, 264,336 tonnes of ore with an average grade of 1.37% containing 3,617 tonnes of V_2O_5 were mined. 150,454 tonnes averaging 1.84% V_2O_5 were crushed, from which 164,392 tonnes with an average grade of 1.85% V_2O_5 were milled.

During Q1 2015, the mill produced 64,133 tonnes of concentrate grading 3.13% V_2O_5 containing 2,006 tonnes of V_2O_5. The chemical plant produced 1,053 tonnes of V_2O_5 flake from this concentrate.

From September 2013 through December 2014, 1,021,623 tonnes of ore with an average grade of 1.24% containing 12,644 tonnes of V_2O_5 were mined. 349,834 tonnes averaging 1.93% V_2O_5 were crushed, from which 320,499 tonnes with an average grade of 1.91% V_2O_5 were milled.

During the period September 2013 to December 2014, the mill produced 90,256 tonnes of concentrate grading 3.23% V_2O_5 containing 2,914 tonnes of V_2O_5. The chemical plant produced 1,032 tonnes of V_2O_5 flake from this concentrate.

The following table is a summary of a reconciliation of the reserves and resources at the Maracás Menchen Mine since the commencement of mining activities.

	Sep 2013 – Dec 2014	**Q1 2015**	**Q2 2015**	**Q3 2015**
Total Ore Mined (tonnes)	1,021,623	264,336	260,828	238,617
Grade of Ore Mined (%V_2O_5)	1.24	1.37	1.13	1.38
Contained V_2O_5 (tonnes)	12,644	3,617	2,954	3,283
Crushed ore (tonnes)	349,834	150,454	200,431	244,855
Grade of Ore for crushed (%V_2O_5)	1.93	1.84	1.52	1.41
Contained V_2O_5 (tonnes)	6,746	2,765	3,053	3,442
Ore milled (tonnes)	320,499	164,392	180,152	202,993
Grade of Ore for milled (%V_2O_5)	1.91	1.85	1.68	1.71
Contained V_2O_5 (tonnes)	6,111	3,041	3,034	3,481
Stockpile balance (tonnes)	671,789	785,671	846,068	826,315
Grade of Ore on stockpile (%V_2O_5)	0.88	0.86	0.79	0.72
Contained V_2O_5 (tonnes)	5,898	6,750	6,651	5,982
Concentrate produced (tonnes)	90,256	64,133	58,636	82,595
Grade of Concentrate (%V_2O_5)	3.23	3.13	3.11	3.18
Recovery of V_2O_5 %	48	67	61	69
Contained V_2O_5 (tonnes)	2,914	2,006	1,826	2,627
V_2O_5 flake produced (tonnes)	1,032	1,053	1,392	1,711

Capivara Exploration

Largo has recently discovered a new chromite showing on its Capivara Prospect. The Capivara Prospect lies 32 km north of the Campbell Pit at the Maracás Menchen Mine. The original objective was to evaluate the known magnetite horizon, which includes high-grade vanadium values. While evaluating this magnetite horizon, the discovery was made of a number of zones containing chromite layers with fine-grained sulphides.

The chromite layers have been traced over an area of 3km (north-south) by 0.5 km (east-west). There are at least two zones of chromite layers from 20 to 25 metres wide at surface. These zones lie 400 metres west of the magnetite horizon that contains vanadium and anomalous platinum.

On November 24, 2014, the Company announced the results from initial grab samples as part of an ongoing exploration program at its Capivara Prospect which is located in the Maracás region of Bahia State, Brazil. The initial 12 grab samples were collected from surface over the prospective area described further below. Samples were analyzed by both SGS Canada Inc. (8 samples), Lakefield, Ontario and ALS Mineral Division (4 samples), Vancouver, B.C. The results were as follows:

Chromite reporting as Cr_2O_3 ranging from 30.04 to 41.68%.

Platinum values reported as ppbs (parts per billions) ranging from 110 to 2,500.

The potential quantity and grade is conceptual in nature at this stage and additional work will be required to define any mineral resource. The data verification and analytical work for the above results was carried out by SGS Canada Inc. in Lakefield, Ontario, Canada and ALS Mineral Division, Brazil.

The chromite layers are hosted in a thick ultramafic sequence including olivine gabbro, olivine pyroxenite and dunite. In the zones, the chromite layers consist of fine-grained massive chromite (60% chromite) and disseminated sulphides that could potentially contain PGMs. These massive chromite layers are 0.50 to 1.0 metres thick, separated by material containing lesser chromite (10% chromite) and disseminated sulphides.

At present, both ground magnetic and gravity surveys of the area are complete. The gravity survey has identified targets for further evaluation and drill testing.

Mapping and sampling has also been completed. The data has been evaluated and targets have been prioritized. A follow up diamond drilling program of 8 holes totalling 1,481.05 metres has also been completed. Highlights are as follows:

HOLE-ID	FROM	TO	LENGTH (m)	Cr_2O_3 (%)
FC01	38.10	43.40	5.30	11.46
	42.25	43.40	1.15	30.00
	69.00	90.00	21.00	3.21
FC02	247.20	253.92	6.72	11.22
	252.65	253.92	1.27	33.60
FC04	120.00	123.00	3.00	3.88

Management is not planning any significant expenditures for the remainder of 2015 and for 2016.

Northern Dancer

Recent Developments

Management is not conducting any further work at this time on the Northern Dancer property, as the majority of the Company's development efforts are focused on completing the ramp-up of production at the Maracás Menchen Mine.

During the period ended September 30, 2015, the Company changed its accounting policy for exploration and evaluation expenditures as disclosed in note 3 of the unaudited condensed interim consolidated financial statements. This applies to expenditures on the Northern Dancer project. The Company incurred $96 in expenditures during Q3 2015 (Q3 2014 - $51) at the Northern Dancer project. For the nine months ended September 30, 2015, the Company incurred expenditures of $146, compared to $158 in the same prior year period.

Outlook

A petrographic study was completed which was conducted to characterize the mineralization to support the metallurgical test work anticipated to start when economic conditions warrant it.

Management is not planning any significant expenditures for the remainder of 2015 and for 2016.

Campo Alegre de Lourdes

Recent Developments

Largo has completed systematic sampling and re-logging of the cores to confirm the Fe, TiO_2 and V_2O_5 values of the deposits. A major magnetic anomaly and fold structure has been identified that is 14 kilometres long (north-south) by 2.5 kilometres wide (east-west). Two 50-kilogram samples from the oxidized and non-oxidized material were collected for preliminary metallurgical test work. These results suggest that the deposit may have the potential to be a titanium dioxide deposit; however, further metallurgical test work will need to be completed before this can be confirmed.

During the period ended September 30, 2015, the Company changed its accounting policy for exploration and evaluation expenditures as disclosed in note 3 of the unaudited condensed interim consolidated financial statements. This applies to expenditures on the Campo Alegre de Lourdes project. The Company incurred $5 in expenditures during Q3 2015 (Q3 2014 – expenditure recovery of $18) at the Campo Alegre de Lourdes project. For the nine months ended September 30, 2015, the Company incurred expenditures of $16, compared to $7 in the same prior year period.

Outlook

The next step will be to conduct a drill program to identify the potential of the deposit. Environmental permits are required before drilling. These permits are awaiting approval by the governmental agency in charge. The drill project is expected to take 9 months to complete at Campo Alegre de Lourdes. The present work consists of micro probe analysis and petrographic study to characterize the mineralization.

Management is not planning any significant expenditures for the remainder of 2015 and for 2016.

Currais Novos Tungsten Tailings Project

Recent Developments

The Currais Novos project continues to be affected by the drought as disclosed in Largo's press release of October 31, 2012. The operations remain on care and maintenance and will remain so until additional rains are able to replenish the water table and until certain other technical issues are resolved. The expected rainy seasons since 2013 have not materialized and water levels for the area continue to remain critically low (as of the completion of this MD&A).

Outlook

Since inception of the Currais Novos project the Company has encountered technical difficulties in achieving commercial production and has been faced with drought conditions which resulted in the suspension of operations at the project in late 2012. As a result of these issues the Company has twice recorded non-cash impairment charges against the carrying value of the property and the related machinery and equipment and construction in process. During the year ended December 31, 2012 an impairment of $3,827 was recorded and during the year ended December 31, 2014 an additional impairment of $11,137 was recorded.

Due to the ongoing drought, and the negative production outlook, the Company has decided to cease all development at Currais Novos until conditions improve and accordingly has written down the value of the development property and all related property and equipment to zero at December 31, 2014.

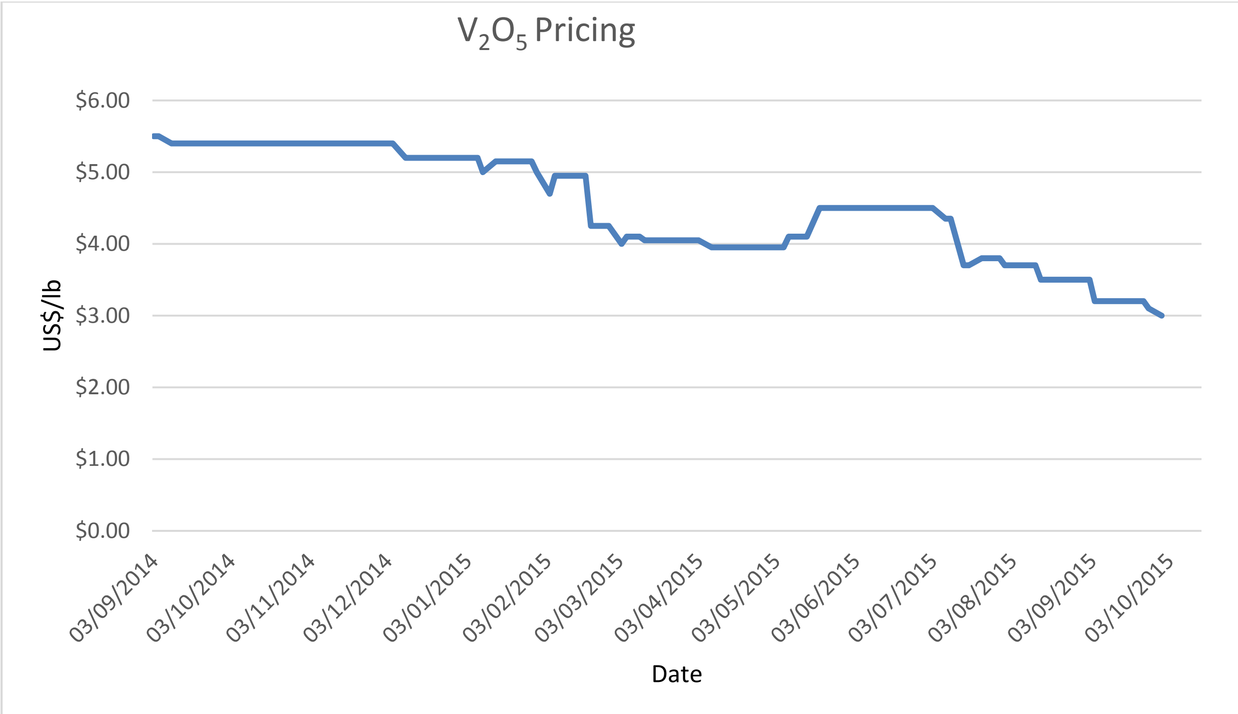
Management is not planning any significant expenditures for the remainder of 2015 and for 2016.

LIQUIDITY AND CAPITAL RESOURCES

The Company continues to require financing for the exploration and development of its properties and for working capital. Because of continuing operating losses as the Company ramps up its operations at the Maracás Menchen Mine, the Company's continuance as a going concern is dependent on its ability to reach profitable levels of operations and obtain adequate financing. The Company anticipates being able to fund its future cash flow needs through any combination of restructuring of its existing debt facilities and/or financing in a form that most effectively addresses its cash needs.

Despite the strong performance of the Company's Maracás Menchen Mine during its ramp-up to commercial production, the Company continues to incur operating losses. This is primarily attributable to the decline in V_2O_5 prices over the course of 2015, as illustrated in the following chart. 2015 began with a price of US$5.20 per lb of V_2O_5. As at September 30, 2015, the price had declined to US$3.00 per lb of V_2O_5, a decline of over 40%, which was largely offset by the depreciation in the Brazilian real in the same period (refer to Q3 2015 Summary section). The Company's Maracás Menchen Mine has improved its cost per lb of V_2O_5 performance over the course of 2015, but in this challenging price environment, costs remain in excess of current market prices. As at the date of the MD&A, the market price of V_2O_5 is in the range of US$2.30 - US$2.50 per lb.

The reader is cautioned that in the event of a default under the provisions of the various agreements for the debt financing facility provided by the Business Development Bank of Brazil ("BNDES") for its Maracás Vanadium project in Bahia, Brazil (the "BNDES Facility"), the Company's assets may be required to cease operations and its assets may be liquidated under the various security arrangements pertaining to these debt facilities. Should the price per lb of V_2O_5 remain at the current levels, the Company will be required to implement certain operational changes in order to further reduce costs. These measures could include a reduction in personnel and placing the Maracás Menchen Mine on care and maintenance.



Private Placement

On May 15, 2015, the Company closed a first tranche (the "First Tranche") of its $75,000 Unit (as defined below) offering (the "Offering"). The First Tranche closing resulted in proceeds to the Company of $18,222 from the sale of 22,777 Units. Of the proceeds realized from the First Tranche, a total of $12,250 was used to repay in full the existing principal and interest on the $12,000 convertible note facility extended to the Company by the ARC Funds and the remainder will be used for general corporate purposes relating to the development of the Maracás Menchen Mine. Proceeds from the First Tranche were received from Units sold entirely on a non-brokered basis and included proceeds from the sale of 15,312 Units purchased by the ARC Funds.

Each Unit was sold at a price of $0.80 and consists of one common share and one-half of one common share purchase warrant (the "Units"). Each whole warrant entitles the holder to acquire one further common share at a price of $1.50 per common share for a period of one year from the date of issuance.

On May 22, 2015, the Company closed the second tranche (the "Second Tranche") of the Offering. The closing of the Second Tranche resulted in proceeds to the Company of $55,962 from the sale of 69,953 Units which together with the first tranche, which closed on May 14, 2015 (see the Company's news release of May 15, 2015), resulted in aggregate proceeds to the Company of $74,184 from the sale of 92,730 Units. Proceeds realized from the Second Tranche will be used for the development of the Maracás Menchen Mine and related corporate purposes, including, without limitation, meeting certain conditions precedent set out by the Company's lenders in their firm commitment letters for the restructuring of the Company's debt as more fully set out in Largo's May 7, 2015 press release.

Mackie Research Capital Corporation ("Mackie") acted as agent for the Company on a "best efforts" basis with respect to the sale of 2,210 Units issued in the Second Tranche for gross proceeds of $1,768. Mackie, as agent for the brokered portion of the Second Tranche of the Offering, was paid a commission of $115 and was issued a compensation option exercisable at any time up to 12 months following closing to purchase up to 177 Units, being an amount equal to 8% of the Units sold by Mackie in the brokered portion of the Second Tranche. Other than the 2,210 Units sold through Mackie, the Units issued under the Offering were sold on a non-brokered basis. Share issuance costs of $799 were incurred by the Company in respect of the non-brokered Offering, including $30 of broker warrants.

The ARC Funds purchased an aggregate of 48,000 Units in the Second Tranche for gross proceeds to the Company of $38,400. These Units were in addition to the 15,312 Units issued to the ARC Funds upon closing of the first tranche. The ARC Funds are a "Control Person" of the Company (as defined in the TSX Venture Exchange Corporate Finance Manual) by virtue of their ownership prior to the closing of the Offering of approximately 28.2% of the Company's issued and outstanding Common Shares. At closing of the Second Tranche, the ARC Funds owned 46.5% of the Company's then issued and outstanding Common Shares (or approximately 55.0% of the Company's then issued and outstanding Common Shares in the event that the ARC Funds exercised all of the convertible securities held by them).

In addition, Mr. Mark Smith, President and Chief Executive Officer and a director of Largo, and another employee of Largo, subscribed for an aggregate of 770 Units under the Offering.

On May 28, 2015, the Company closed the third and final non-brokered tranche of the Offering (the “Third Tranche’) for an additional $1,016 worth of Units, bringing the final aggregate amount raised to approximately $75,200.

Credit Facilities

On July 3, 2012, the Company’s subsidiary Vanadio de Maracás S.A. (“Vanadio”) entered into a definitive agreement for the BNDES Facility. As at September 30, 2015, the total facility, as a result of the indexing of a portion to U.S. dollars, was R$517,134 ($175,050). As a condition precedent to the BNDES Facility, the Company also entered into a guarantee agreement (having an associated fee of 3.3%) with a consortium of three commercial banks in Brazil on the facility’s original amount of R$333,831. Guarantee fees based on the facility’s carrying value, are payable on a quarterly basis.

On April 27, 2015, the Company signed a term sheet with its consortium of lenders to defer the debt amortization schedule and extend the maturities for the BNDES Facility. The material terms of the restructuring include:

- An additional one-year grace period on the amortization schedule for the BNDES Facility;
- A three-year extension of the maturity date for the U.S. dollar component of the BNDES Facility and the Export Facilities;
- An increase in the guarantee fees payable to the commercial banks in respect of the BNDES Facility, from 3.3% to 3.85% per annum; and
- Payment of a flat structuring fee equal to 1.5% of the aggregate amount of the Facilities.

The BNDES Facility is denominated in Brazilian reais, but approximately 74% (R$380,099) is indexed to the U.S. dollar (“U.S. dollar component”). The 26% of the BNDES Facility that is not indexed (“R$ component”) currently bears a weighted average interest rate of 7.64%, while the U.S. dollar component currently bears a weighted average interest rate of approximately 6.09%. The interest rate on the U.S. dollar component is based on the BNDES cost of borrowing a basket of foreign funds, plus a weighted average margin rate of 2.00% which will increase or decrease with BNDES’s foreign borrowing costs. Approximately R$35,049 of the outstanding R$ component is fixed at 5.5%, while the remaining amount is based on the Taxa de Juros de Longo Prazo (“TJLP”) index, currently at 6.5%, a long-term interest rate that BNDES posts from time to time, plus a weighted average margin of 1.98%.

The principal repayments due in May 2015 were paid, with further principal repayments on the Export Facilities now extended to begin in October 2016, and principal repayments of the U.S. dollar component of the BNDES Facility extended to begin in May 2016. Principal repayments of the R$ component of the BNDES Facility will occur as per the previous terms.

The application of certain of the financial covenants associated with the facility was also extended from December 31, 2015 to June 30, 2017. The other significant terms of the agreement governing the facility remain the same. The facility is secured by the Maracás Vanadium property as well as all of the development and fixed assets located at or associated with it.

The Company considers that the above noted amendments to its debt facility are not substantial changes and as such has accounted for them as amendments of an existing debt facility. The Company has accordingly adjusted the effective interest rate of the loan based on the carrying amount of the debt facility on the date of the modifications and the expected revised future cash flows.

As at September 30, 2015 the loan facility was completely drawn down. An amount of $16,993 is due for repayment within the next twelve months.

Export Credit Facilities

On July 2, 2013, Vanadio drew down R$22,000 under an export credit facility with a Brazilian bank. The facility bears interest at the posted CDI rate (the Brazilian interbank lending rate) plus 2.95%. Vanadio simultaneously entered into a swap agreement with a notional value of US$10,000 with the same bank under which Vanadio will receive amounts equal to its amortizing liability and interest under the loan agreement. On May 5, 2014, Vanadio renegotiated its export credit facility and drew down an additional R$12,500 under a second export credit facility with the same bank, which bears interest at the posted CDI rate plus 3.55%. Vanadio simultaneously renegotiated its swap agreement increasing the notional amount to US$15,000 (R$34,500 at that time) under which Vanadio will receive amounts equal to its amortizing liability and interest under the loan agreements.

As part of the restructuring of the BNDES Facility, the principal repayment due in April 2015 on this export credit facility was deferred to and paid in May 2015, with further principal repayments due to commence in October 2016. This facility will amortize on a quarterly basis in equal amounts until maturity in May 2020 of R$2,080 ($704) plus interest at a CDI derived rate of 7.09%.

As at September 30, 2015, an amount of $nil is due for repayment within the next twelve months.

On July 2, 2013, Vanadio drew down US$10,000 under an export credit facility with a second Brazilian bank. The facility bears interest at a fixed rate of 4.95%, as well as additional variable payments that are calculated based on 2.5% of the highest annual EBITDA of Vanadio through 2016 to a maximum additional amount of US$2,000.

As part of the restructuring of the BNDES Facility, the facility amortization period was extended to commence in October 2016 with equal quarterly amounts of US$593 to be paid until maturity in May 2020.

On May 2, 2014, Vanadio entered into a loan agreement with the same bank for US$5,000 subject to an interest rate of 7.5% per year. The loan has a three year term, and in accordance with the terms of the restructuring of the Facilities, amortizes on a quarterly basis in equal amounts of US$296 starting in October 2016.

As at September 30, 2015, an amount of $nil is due for repayment within the next twelve months.

The Company considers that the above noted amendments to its export credit facilities are not substantial changes and as such has accounted for them as amendments of an existing credit facility rather than an extinguishment of the original facility. The Company has accordingly adjusted the effective interest rate of the loan based on the carrying amount of the debt facility on the date of the modification and the expected revised future cash flows.

Each of the credit facilities described above is secured by a second priority charge on the Maracás project assets.

Banco Pine Restructuring

On May 30, 2014, the Company entered into a loan agreement with a third Brazilian bank, Banco Pine, for US$5,000. The loan had a one-year term, with the principal payable at the end of the term and bears interest at an effective rate of 6.5% per annum, payable semi-annually. The due date for payment of the US$5,000 Banco Pine term loan was May 22, 2015. The Company has restructured this term loan in the following manner:

- The Company paid US$1,000 in principal of the US$5,000 that fell due on May 22, 2015;
- Extended the repayment term of the remaining US$4,000 principal for an additional 24-month period; and
- Negotiated quarterly interest payments; interest of 8.98% per annum, plus a 1% structuring fee.

As at September 30, 2015, an amount of $1,776 in principal is due for repayment within the next twelve months.

Maracás Menchen Mine

Production of vanadium commenced during August 2014 and the first sale of vanadium pentoxide flake was concluded during September 2014. Since this time, the Company has continued to further ramp up the production and sales of vanadium pentoxide, as described in the "Maracás Menchen Mine" section above. In connection with the ramp-up, the Company has also evaluated its future financial requirements, including inter alia its sustaining capital, working capital and debt servicing needs for the next 12 months.

At September 30, 2015, the Company had not yet achieved commercial production, had an accumulated deficit of $262,165 since inception (restated December 31, 2014 – $188,330), and has a net working capital deficiency of

$48,304 (defined as current assets less current liabilities), primarily as a result of the required principal repayments of the long-term debt that commenced in May 2015. Total amounts due on the debt in the coming 12 months will be $30,092.

The following table details the Company's expected remaining contractual cash flow requirements as at September 30, 2015 for its financial liabilities with agreed repayment periods. The amounts presented are based on the undiscounted cash flows of financial liabilities and therefore, do not equate to the carrying amounts on the consolidated statement of financial position.

	Less than 6 months	6 months to 1 year	1 to 3 years	Over 3 years
Accounts payable and accrued liabilities	$ 17,905	$ -	$ 3,833	$ 28,400
Long-term debt	5,129	24,963	77,308	116,832
Operating and purchase commitments	2,987	5,934	138	-
	$ 26,021	$ 30,897	$ 81,279	$ 145,232

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2015 the Company had cash of $18,056 (December 31, 2014 - $11,420) and restricted cash of $6,347 (December 31, 2014 - $7,462). The amount classified as restricted cash is deposited in accounts in Brazil that are restricted to service the interest payments and the guarantee fees payable pursuant to the debt facility.

At September 30, 2015, due to continued weakening of the V_2O_5 price, the Company has revised its forecast for when it expects to require additional financing for working capital and capital expenditures for its properties, and the repayment of the long-term debt. The Company now expects to require such additional financing by January 2016. Should the Company be unable to continue as a going concern it would therefore be required to realize its assets and liquidate its liabilities and commitments in other than the normal course of business and at amounts different from those in the accompanying unaudited condensed interim consolidated financial statements. Such adjustments could be material.

Because of continuing operating losses, the Company's continuance as a going concern is dependent upon its ability to obtain adequate financing and to reach profitable levels of operations. These material uncertainties may cast significant doubt upon the Company's ability to realize its assets and discharge its liabilities in the normal course of business and accordingly the appropriateness of the use of accounting principles applicable to a going concern. Although the Company has been successful in the past in obtaining financing and has recently completed a private placement for gross proceeds of $75,200 (see "Private Placement" in this MD&A) there is no assurance that the Company will be able to obtain adequate financing in future or that such financing will be on terms advantageous to the Company.

Currais Novos Tungsten Tailings Project

Due to the ongoing drought and the negative production outlook, the Company has decided to cease all development at Currais Novos until conditions improve and accordingly wrote down the value of the development property and all related property and equipment to zero at December 31, 2014.

The Company was engaged since late June 2013 in an arbitration process related to its failure to meet certain minimum shipping obligations under a 2011 supply agreement from Currais Novos. The final award of the arbitral panel in respect of the arbitration was received by the Company on November 26, 2014. The arbitral panel awarded US$8.23 million plus interest and legal costs in favour of the customer.

Subsequent to December 31, 2014, the Company reached a settlement agreement with its customer to defer the terms of payment and settled claims not covered by the award. Pursuant to the terms of the settlement agreement the Company will be required to remit its first payment of US$500 on January 15, 2016. Eleven subsequent monthly payments of US$1,000 will follow beginning on February 15, 2016, for an aggregate settlement of US$11,500. The Company has included in the current portion of long-term debt an amount of $11,323 and in long-term debt an amount of $4,019 related to this settlement agreement.

Outstanding Share Data

As at September 30, 2015, there were 203,262 common shares of the Company outstanding. As at the date of the MD&A, there were 203,262 common shares of the Company outstanding.

As at September 30, 2015, under the share option plan of the Company, 10,435 share options were outstanding with exercise prices ranging from $0.70 to $4.00 and expiry dates ranging between February 1, 2016 and July 16, 2020. If exercised, the Company would receive proceeds of $16,444. The weighted average exercise price of the share options outstanding was $1.58. As of the date of this MD&A, 10,139 share options were outstanding with exercise prices ranging from $0.70 to $4.00 and expiry dates ranging between February 1, 2016 and July 16, 2020.

As at September 30, 2015 and the date of this MD&A, 64,255 common share purchase warrants were outstanding with exercise prices ranging from $1.50 to $3.50, and expiring between March 12, 2016 and October 6, 2017. If these warrants were exercised, the Company would receive proceeds of $127,353. The average exercise price of the warrants is $1.98.

Transactions With Related Parties

The unaudited condensed interim consolidated financial statements for Q3 2015 include the financial statements of the Company and its subsidiaries. There have been no changes in the Company's ownership interest in its subsidiaries since December 31, 2014. The Company had transactions with related parties during Q3 2015. Refer to note 14 of the Company's unaudited condensed interim consolidated financial statements.

Additional information regarding the compensation of officers and directors of the Company is disclosed in the Company's management information circular, which is available under the profile of the Company on SEDAR at www.sedar.com.

Financial Instruments

Financial assets and financial liabilities as at September 30, 2015 and December 31, 2014 were as follows:

	September 30, 2015	December 31, 2014
Cash	**$ 18,056**	$ 11,420
Restricted cash	**6,347**	7,462
Amounts receivable	**4,141**	2,325
Accounts payable and accrued liabilities	**17,905**	16,373
Current portion of long-term debt	**30,092**	53,223
Long-term debt	**187,105**	167,806
Derivative liabilities at FVTPL	**$ 32,233**	$ 11,351

The Company's risk exposures and the impact on the Company's financial instruments are summarized in note 16 of the unaudited condensed interim consolidated financial statements. There have been no changes in the risks, objectives, policies and procedures from the previous period.

Commitments And Contingencies

At September 30, 2015, the Company was party to certain management and consulting contracts. Minimum commitments under the agreements are approximately $3,801 all payable within one year. These contracts also require that additional payments of up to approximately $4,527 be made upon the occurrence of certain events such as change of control. As the triggering event has not occurred, the contingent payments have not been reflected in these condensed interim consolidated financial statements.

In 2008, Largo agreed to sell 100% of its vanadium production to Glencore International AG under an off take agreement which expires in August 2020.

The Company has certain debt covenants related to the debt facility described in the credit facilities section of this MD&A, which must be met from December 31, 2015, with some extended to be met from June 30, 2017 onwards.

The Company's mining and exploration activities are subject to various federal, provincial and international laws and regulations governing the protection of the environment. These laws and regulations are continually changing and generally becoming more restrictive. The Company believes its operations are materially in compliance with all applicable laws and regulations. The Company has made, and expects to make in the future, expenditures to comply with such laws and regulations.

The Company indemnifies its directors and officers against any and all claims or losses reasonably incurred in the performance of their service to the Company to the extent permitted by law. The Company has acquired and maintains liability insurance for its directors and officers.

The Company is committed to a minimum amount of rental payments under two long-term leases of office space which expire on October 31, 2016 and April 30, 2019, respectively. Minimum rental commitments remaining under the leases are approximately $327, including $189 due within one year.

In the regular course of development of the Company's Maracás project, the Company has entered into purchase order contracts with remaining amounts due related to goods not received or services not rendered as of September 30, 2015 of $4,930.

The Company, through its subsidiaries, is party to legal proceedings in the ordinary course of its operations related to legally binding agreements with various third parties under supply contracts and consulting agreements. As at September 30, 2015 two such proceedings were ongoing, each in Brazil. The first relates to a supply agreement for the Maracas Menchen Mine which was filed with the courts in October 2014. The amount claimed totals R$9,000 ($3,047). The second proceeding relates to a consulting agreement dispute for which R$3,000 ($1,016) has been claimed against two of the Company's subsidiaries. The Company and its subsidiaries are also party to legal proceedings regarding labour matters. The Company believes the claims against it to be without merit. Management does not expect the outcome of any of these proceedings to have a materially adverse effect on the results of the Company's financial position or results of operations. Should any losses result from the resolution of these claims and disputes, they will be charged to operations in the period that they are determined.

Significant Accounting Judgments, Estimates And Assumptions

The preparation of the unaudited condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These unaudited condensed interim consolidated financial statements include estimates, which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the unaudited condensed interim consolidated financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant areas requiring the use of estimates and assumptions relate to the review of asset carrying values and determination of impairment charges of non-current assets. Such estimates and assumptions impact decisions as to when exploration, evaluation and acquisition costs should be capitalized or expensed, estimates for impairment charges and decommissioning liabilities. Significant areas of judgement include determinations around the production stage of a mine and the choice of functional currency. Other significant estimates include factors effecting the valuation of share-based payments, warrants, tax accounts and contingencies. Actual results could differ from those estimates.

Changes In Accounting Policies

The basis of presentation, and accounting policies and methods of their application in the Q3 2015 unaudited condensed interim consolidated financial statements are consistent with those used in the Company's annual consolidated financial statements for the year ended December 31, 2014, except for the change in accounting policy as detailed in notes 3 and 4(b) of the unaudited condensed interim consolidated financial statements.

The unaudited condensed interim consolidated financial statements for the three and nine months ended September 30, 2015 and 2014 should be read in conjunction with the consolidated financial statements for the year ended December 31, 2014.

Future IFRS Accounting Pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods beginning after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. For a discussion of future accounting policies that may impact the Company, refer to note 4(c) of the Company's unaudited condensed interim consolidated financial statements for Q3 2015.

Risks And Uncertainties

The Company is subject to various business, financial and operational risks that could materially adversely affect the Company's future business, operations and financial condition. These risks could cause such future business, operations and financial condition to differ materially from the forward-looking statements and information contained in this MD&A and as described in the Cautionary Statement Regarding Forward-Looking Information found in this MD&A.

The Company's business activities expose it to significant risks due to the nature of mining, development and exploration activities. The ability to manage these risks is a key component of the Company's business strategy. Management is forward looking in its assessment of risks. Identification of key risks occurs in the course of business activities, pursuing approved strategies and as part of the execution of risk oversight responsibilities at the management and Board of Directors' level.

For a more comprehensive discussion of the risks faced by the Company, refer to the Company's annual MD&A for the year ended December 31, 2014, filed with the Canadian securities regulatory authorities, under the profile of the Company on SEDAR, at www.sedar.com.

Cautionary Statement Regarding Forward-Looking Information

The information presented contains "forward-looking statements", within the meaning of the United States Private Securities Litigation Reform Act of 1995, and "forward-looking information" under similar Canadian legislation, concerning the business, operations and financial performance and condition of the Company. Forward-looking statements and forward-looking information include, but are not limited to, statements with respect to the estimation of mineral reserves and mineral resources; the realization of mineral reserve estimates; the timing and amount of estimated future production; costs of production; metal prices and demand for materials; capital expenditures; success of exploration and development activities; permitting time lines and permitting, mining or processing issues; government regulation of mining operations; environmental risks; and title disputes or claims. Generally, forward-looking statements and 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 state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Certain terms appearing in the following table are defined previously in this MD&A. This table contains the material forward-looking statements made by the Company in this MD&A, the assumptions made by the Company in making those statements and the risk factors associated with those assumptions.

Forward-looking Statements	Assumptions	Risk Factors
The Q3 2015 unaudited condensed interim consolidated financial statements were prepared on a going concern basis. The going	The Company has assumed that it will be able to continue in operation for the foreseeable future and will be able to discharge	The Company has incurred significant operating losses and negative cash flow from operations in recent years. Whether and when the Company can attain profitability and positive cash flow is uncertain. These uncertainties cast doubt upon the Company's ability to continue as a going concern.

Forward-looking Statements	Assumptions	Risk Factors
concern basis assumes that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Although the Company has been successful in the past in obtaining financing and has recently completed a private placement for gross proceeds of $75,200 (see “Private Placement” in this MD&A) there is no assurance that the Company will in the future be able to obtain adequate financing in future or that such financing will be on terms advantageous to the Company.	its liabilities and commitments in the normal course of business, as it anticipates that it will address working capital and other shortfalls by raising additional funds and restructuring its debts.	The Company will require additional capital in order to fund it operations generally and, should the need arise, for continued advancement and/or completion of its projects. Management believes the likelihood of completing its projects is high and that such future capital can be secured efficiently. However, there is no assurance that potential financings will be completed and, as a result, that the Company may be forced to cease operations and/or dispose of assets. The BNDES Facility is dependent on guarantees from three Brazilian commercial banks. The guarantees require that the Company’s Brazilian subsidiary, Vanadio de Maracás, and the Company comply with a significant number of financial covenants. Should the subsidiary or the Company be unable to comply with any one of the covenants or if the Company cannot restructure its debts sufficiently to enable ongoing operations, it is possible that one or both of them could default under the guarantee agreement, which would result in a default under the terms of the BNDES Facility. The result of any such default would be that BNDES could cease any further funding and also demand repayment of all amounts outstanding. If BNDES terminated the BNDES Facility, it is possible the Company could be forced to cease operations and liquidate its assets.
Production volumes are expected to steadily increase over the coming months, with the goal of reaching the Project's Phase 1 nameplate capacity of 9,600 tonnes per annum by or before the end of 2015. 2015 Production Forecast High ~ 15.0 million lbs - 6,801 tonnes Low ~ 12.8 million lbs - 5,801 tonnes Average ~ 13.9 million lbs - 6,301 tonnes	The Company assumes that the ramp up of production will continue as planned, such that it reaches its nameplate capacity by or before the end of 2015, being approximately the fourth quarter 2015.	The Company prepares future production estimates with respect to existing operations. When commercial production commences, actual production and costs may vary from the estimates for a variety of reasons such as estimates of grade, tonnage, dilution and metallurgical and other characteristics of the ore varying from the actual ore mined, revisions to mine plans, risks and hazards associated with mining, adverse weather conditions, unexpected labour shortages or strikes, equipment or design failures and other interruptions in production capabilities. When commercial production begins, production costs may also be affected by increased mining costs, variations in predicted grades of the deposits, increases in level of ore impurities, labour costs, raw material costs, inflation and fluctuations in currency exchange rates. Failure to achieve production targets or cost estimates could have a material adverse impact on the Company’s sales, profitability, cash flow

Forward-looking Statements	Assumptions	Risk Factors
2016 Production Forecast High ~ 22.5 million lbs - 10,195 tonnes Low ~ 20.3 million lbs - 9,195 tonnes Average ~ 21.4 million lbs - 9,695 tonnes		and overall financial performance. In the event that the Company obtains debt financing, repayment terms associated with such financing will likely be based, among other things, on production schedule estimates. Any failure to meet such timelines or to produce amounts forecast may constitute defaults under such debt financing, which could result in the Company having to repay loans.
2015 Production Costs: Estimated Annual Average US$ Cash Operating Costs Per Tonne US$9,466/CDN$12,082 Estimated Annual Average US$ Cash Operating Costs Per Pound US$4.29/CDN$5.48 Targeted Year-End Exit US$ Cash Operating Costs Per Pound US$3.16/CDN$4.11 2016 Production Costs: Estimated Annual Average US$ Cash Operating Costs Per Tonne US$6,940/CDN$9,023 Estimated Annual Average US$ Cash Operating Costs Per Pound US$3.15/CDN$4.09 Targeted Year-End Exit US$ Cash Operating Costs Per Pound US$3.06/CDN$3.98	The Company assumes that its current estimation of future operating costs is accurate, as it is largely based on the current cost profile of operations at the Maracás Menchen Mine.	Capital and operating cost estimates made by management with respect to future projects, or current operations in the early stages of production, or not yet in the production phase are estimates which are in turn based, among other things, on interpretation of geological data, feasibility studies, anticipated climactic conditions and other information. Any or all of the above could affect the accuracy of the estimates including unanticipated changes in grade and tonnage to be mined and processed; incorrect data on which engineering assumptions are made; unanticipated transportation costs; accuracy of equipment and construction cost estimates; difficulty or failure to meet scheduled construction completion dates, facility or equipment commissioning dates, or metal production dates; poor or unsatisfactory construction quality resulting in failure to meet completion, commissioning or production dates; increased expenditures required as a failure to meet completion, commissioning or production dates; capital overrun related to the completion of any construction phase including capital overrun associated with demobilization of construction workers and contractors; labour negotiations; unanticipated costs relating to the commencement of operations, ramp up and production sustainment; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas or exportation of the Company’s products; and change in commodity input costs and quantities).
CAPEX of approximately $9.8 million will be required over the course of the remainder of 2015	Management assumes that its current estimation of capital expenditures is accurate,	Capital and operating costs estimates made by management with respect to future projects, or current operations in the early stages of production, or not yet in the production phase are estimates which

Forward-looking Statements	Assumptions	Risk Factors
and 2016 to sustain current operational capacity.	as based on operational estimates produced and current experience with operations.	are in turn based, among other things, on interpretation of geological data, feasibility studies, anticipated climactic conditions and other information. Any or all of these can affect the accuracy of the estimates including unanticipated changes in grade and tonnage to be mined and processed; incorrect data on which engineering assumptions are made; unanticipated transportation costs; accuracy of equipment and construction cost estimates; difficulty or failure to meet scheduled construction completion dates, facility or equipment commissioning dates, or metal production dates; poor or unsatisfactory construction quality resulting in failure to meet completion, commissioning or production dates; increased expenditures required as a failure to meet completion, commissioning or production dates; capital overrun related to the completion of any construction phase including capital overrun associated with demobilization of construction workers and contractors; labour negotiations; unanticipated costs relating to the commencement of operations, ramp up and production sustainment; changes in government regulation (including regulations regarding prices, cost of consumables, royalties, duties, taxes, permitting and restrictions on production quotas or exportation of the Company's products; and change in commodity input costs and quantities).

Forward-looking statements and forward looking information are based on the opinions and estimates of management as of the date such statements are made, and they 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 Company to be materially different from those expressed or implied by such forward-looking statements or forward looking information, including, but not limited to, unexpected events during operations; variations in ore grade; risks inherent in the mining industry; delay or failure to receive board approvals; timing and availability of external financing on acceptable terms; risks relating to international operations; actual results of exploration activities; conclusions of economic valuations; changes in project parameters as plans continue to be refined; and fluctuating metal prices and currency exchange rates.

Although management of the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements or forward looking information, 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 and forward looking information. The Company does not undertake to update any forward-looking statements or forward-looking information that are incorporated by reference herein, except in accordance with applicable securities laws.

Investors are advised that National Instrument 43-101 of the Canadian Securities Administrators ("NI 43-101") requires that each category of mineral reserves and mineral resources be reported separately. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Cautionary Note to U.S. Investors Concerning Estimates of Measured, Indicated or Inferred Resources

The information presented uses the terms “Measured”, “Indicated” and “Inferred” mineral resources. United States investors are advised that while such terms are recognized and required by Canadian regulations, the United States Securities and Exchange Commission does not recognize these terms. “Inferred mineral resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of an inferred mineral resource will ever be upgraded to a higher category. Under Canadian rules, estimates of inferred mineral resources may not form the basis of feasibility or other economic studies. United States investors are cautioned not to assume that all or any part of measured or indicated mineral resources will ever be converted into mineral reserves. United States investors are also cautioned not to assume that all or any part of an inferred mineral resource exists, or is economically or legally mineable.