

This **SUPPLY AND RIGHT OF FIRST REFUSAL AGREEMENT** entered into on this 14<sup>th</sup> day of April, 2022

Between:

**LARGO PHYSICAL VANADIUM CORP.**, a corporation under the laws of the Province of British Columbia

(hereinafter referred to as the “**Company**”)

and

**LARGO INC.**, a corporation under the laws of the Province of Ontario

(hereinafter referred to as “**Supplier**”)

**WHEREAS**, the Company has been established for the purposes of investing and holding substantially all of its assets in Vanadium Products (as hereinafter defined); and providing a secure, convenient and exchange-traded investment alternative for investors interested in direct investment exposure to physical vanadium;

**AND WHEREAS**, the Company (i) expects to complete a financing of Common Shares (as hereinafter defined) at a price per Common Share of \$2.00 (the “**Concurrent Financing**”); and (ii) intends to undertake a transaction with Column Capital Corp. (“**Column**”), a capital pool company, pursuant to which it will become a public company listed on the TSXV (as hereinafter defined) (the “**Qualifying Transaction**”), pursuant to the terms of the Transaction Agreement (as hereinafter defined);

**AND WHEREAS**, further to the Concurrent Financing and the Qualifying Transaction, the Company and Supplier wish to enter into this Agreement to provide for the terms and conditions upon which Supplier will: (i) sell Vanadium Products to the Company in exchange for the issuance to Supplier of Common Shares, on a private placement basis (the “**Investment**”); and (ii) grant a right of first refusal to the Company in respect of Unallocated Vanadium Products (as hereinafter defined);

**NOW, THEREFORE**, in consideration of the foregoing and the mutual agreements contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereby agree as follows:

## **ARTICLE 1 DEFINITIONS**

### **Section 1.1 Definitions**

Whenever used in this Agreement, the following terms shall have the meanings set forth below:

“**Affiliate**” of a Party means any Person that directly or indirectly controls, or is controlled by or is under common control with, a Party. The term “control” as used in this definition means the possession, directly or indirectly, of the power to direct or cause the direction

of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

**“Agency Agreement”** means the agency agreement dated April 14, 2022, between, among others, the Company and Sprott Capital Partner L.P., providing for the issuance of subscription receipts of the Company.

**“Agreement”** means this supply and right of first refusal agreement, including all of the Schedules hereto, as the same may be amended and/or restated from time to time in accordance with the terms hereof.

**“Applicable Index”** for a Product Type means:

- (i) for vanadium in the form of ferro-vanadium Delivered or to be Delivered (as applicable) by Supplier in USA and Canada, the “US FeV 80% V EXW” quotation as published by CRU, published on [www.crugroup.com/prices/ferroalloys/](http://www.crugroup.com/prices/ferroalloys/);
- (ii) for vanadium in the form of ferro-vanadium Delivered or to be Delivered (as applicable) by Supplier outside USA, Canada and China, the “Ferro-vanadium basis 78% V min, 1st grade, DDP Western Europe, \$/kg V” quotation as published by Fastmarkets Metal Bulletin, published on [www.metalbulletin.com](http://www.metalbulletin.com/);
- (iii) for vanadium in the form of vanadium pentoxide or vanadium trioxide Delivered or to be Delivered (as applicable) by Supplier outside China, the “Vanadium pentoxide 98% V<sub>2</sub>O<sub>5</sub> min, in-whs Rotterdam, \$/lb V<sub>2</sub>O<sub>5</sub>” quotation as published by Fastmarkets Metal Bulletin, published on [www.metalbulletin.com](http://www.metalbulletin.com/);
- (iv) for vanadium in the form of vanadium pentoxide or vanadium trioxide Delivered or to be Delivered (as applicable) by Supplier in China, the “V<sub>2</sub>O<sub>5</sub> Flake Hebei 98%” quotation as published by FerroAlloyNet, published on <http://m.ferroalloynet.com/>;
- (v) for vanadium in the form of vanadium carbonitride Delivered or to be Delivered (as applicable) by Supplier in China, the “VN Alloy Hebei VN16” quotation as published by FerroAlloyNet, published on <http://m.ferroalloynet.com/>; and
- (vi) for vanadium in the form of ferro-vanadium Delivered or to be Delivered (as applicable) by Supplier in China, the “FeV80 Jinzhou” quotation as published by FerroAlloyNet, published on <http://m.ferroalloynet.com/>.

**“Applicable Months”** means the months of January through September, inclusive, in each year of the term of this Agreement.

**“Arbiter”** has the meaning given to such term in Section 13.1(1).

**“Bankruptcy”** of a Party means any of the following in respect of such Party: (i) the appointment of a receiver, liquidator or like official; (ii) the filing of a voluntary petition for

bankruptcy, or the entering of an order for relief in a bankruptcy or insolvency proceeding which is not stayed, dismissed or vacated within forty-five (45) days; (iii) an involuntary dissolution, liquidation or winding-up; (iv) the commencement of any act or proceeding in connection with a liquidation, dissolution or winding-up which is voluntary or, if involuntary, which is not contested in good faith; (v) proceedings under bankruptcy, insolvency or other legislation for protection from creditors; or (vi) the failure to generally pay debts as they become due, the admission in writing of an inability to pay debts, or the making of an assignment for the benefit of creditors.

**“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia or Toronto, Ontario.

**“Claim”** means any cause of action, action, claim, demand, lawsuit, audit, proceeding or arbitration, including, for greater certainty, any proceeding or investigation by a Governmental Authority.

**“Closing”** means the closing of the purchase and sale of the Common Shares on the Closing Date.

**“Closing Date”** has the meaning given to such term in Section 7.1.

**“Column”** has the meaning given to such term in the Preamble.

**“Common Share”** means a common share in the capital of the Company.

**“Closing Shipment”** has the meaning given to such term in Section 2.1(1).

**“Closing Shipment Delivery Points”** has the meaning given to such term in Section 2.1(2).

**“Closing Shipment Notice”** has the meaning given to such term in Section 2.1(2).

**“Closing Shipment Purchase Price”** has the meaning given to such term in Section 2.1(3).

**“Committed Vanadium Delivery Points”** has the meaning given to such term in Section 8.1(4).

**“Committed Vanadium Products”** has the meaning given to such term in Section 8.1(3).

**“Committed Vanadium Purchase Price”** has the meaning given to such term in Section 8.1(4).

**“Company”** has the meaning given to such term in the Preamble.

**“Concurrent Financing”** has the meaning given to such term in the Preamble.

**“Consideration Shares”** has the meaning given to such term in Section 2.2(1).

**“Damages”** means any losses, liabilities, damages or out-of-pocket expenses (including reasonable legal fees and expenses) whether resulting from an action, suit, proceeding,

arbitration, audit, claim or demand that is instituted or asserted by a third Person, including a Governmental Authority, or a cause, matter, thing, act, omission or state of facts not involving a third Person.

**“Delivery”** or similar terms mean the delivery of a Shipment to a Closing Shipment Delivery Point or a Committed Vanadium Delivery Point, as applicable.

**“Designated Vanadium Facility”** means a stockpile or storage facility at Largo Inc.’s Maracás Menchas Mine or any third-party warehouse at which the Technical Advisor or its Affiliates customarily store Vanadium Products.

**“Discrepancy Notice”** has the meaning given to such term in Section 9.3(2).

**“Dispute”** has the meaning given to such term in Section 13.1(1).

**“ETA”** means the *Excise Tax Act* (Canada), as amended.

**“Final Release Confirmation”** means a notice in writing from the warehouse to which a Shipment has been Delivered confirming the arrival of a Shipment and release of such Shipment to the order of the Company.

**“Governmental Authority”** means any court or governmental ministry, department, tribunal, commission, board, bureau, agency or instrumentality of Canada, or of any province, state, territory, county, municipality, region, city, town or any other political jurisdiction whether Canadian or foreign and whether now or in the future constituted or existing having or purporting to have jurisdiction over a Delivery or over any Party.

**“GST/HST”** means the goods and services tax/harmonized sales tax imposed under Part IX of the ETA.

**“IFRS”** means the International Financial Reporting Standards issued by the International Accounting Standards Board in effect from time to time.

**“Indemnified Persons”** has the meaning given to such term in Section 11.1.

**“Indemnifying Party”** has the meaning given to such term in Section 11.1.

**“Intervening Event”** means an event, condition or circumstance which is not within the reasonable control of Supplier and which by the exercise of commercially reasonable efforts Supplier is unable to prevent or overcome, including acts of nature or the elements, fire, explosion, civil disturbance, war, riot, insurrection, military or guerilla action, terrorist activity, pandemic or epidemic, economic sanction, blockade or embargo, export or import restrictions, strikes, lockout or other labour disruption, sabotage, flooding, earthquake, drought, breakdown of machinery or equipment which substantially impairs the ability to perform, unavailability of power, water or other items necessary for performance, lack of transportation facilities, vessels or vehicles, action or restraint by the order or act of any Governmental Authority (so long as Supplier has not applied for or assisted in the application for, and has opposed where and to the extent reasonable, such action or restraint by such Governmental Authority) provided that in no event shall either a lack of funds or economic hardship constitute an Intervening Event.

**“Investment”** has the meaning given to such term in the Recitals.

**“ITA”** means the *Income Tax Act*, R.S.C. 1985, c. 1 (5th Supp.), as amended and the regulations thereunder.

**“Law”** means any (a) foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by law, Order or other requirement having the force of law, and/or (b) policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law, as amended, and/or (c) rule of any stock or securities exchange.

**“Month of Purchase”** has the meaning given to such term in Section 8.1(3).

**“NI 45-106”** means National Instrument 45-106 – *Prospectus Exemptions*.

**“Notice of Arbitration”** has the meaning given to such term in Section 13.1(1).

**“Order”** means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

**“Outside Date”** means the “Outside Date” as determined under the Transaction Agreement (being initially April 30, 2022).

**“Parties”** means Supplier and the Company, and a **“Party”** means any one of them.

**“Person”** means any individual, corporation, partnership, firm, joint venture, association, joint-stock company, trust, unincorporated organization, Governmental Authority or other entity.

**“Prime Rate”** means the interest rate that is declared by Bank of America, in New York City, to be the rate of interest used by that bank as a basis for establishing the rate for its largest commercial borrowers of the highest credit standing for unsecured US dollar loans, payable on demand, in effect at 12:00 noon (Toronto time) on the first Business Day of each month and the declaration by the said bank will be final and conclusive.

**“Product Type”** means:

- (i) ferro-vanadium Delivered in USA or Canada;
- (ii) ferro-vanadium Delivered outside USA, Canada and China;
- (iii) vanadium pentoxide or vanadium trioxide Delivered outside China;
- (iv) vanadium pentoxide or vanadium trioxide Delivered in China;
- (v) vanadium carbonitride Delivered in China; and
- (vi) ferro-vanadium Delivered in China.

**“Purchase Notice”** has the meaning given to such term in Section 8.1(3).

**“Purchase Terms”** means the terms and conditions set forth in Article 9, which apply to the sale and delivery of all Shipments hereunder.

**“Qualifying Transaction”** has the meaning given to such term in the Preamble.

**“Sales Taxes”** means all applicable sales, use, value-added ad-valorem, excise, consumption, goods and services and other similar taxes, including, without limiting the foregoing, GST/HST and any system of value added tax as provided for in Council Directive 2006/112/EC applied in any Member State of the European Union.

**“Regulatory Approvals”** means: (i) the TSXV Approval; and (ii) any other consent, waiver, permit, exemption, review, Order, decision or approval of, or any registration and filing with, any Governmental Authority, or the expiry, waiver or termination of any waiting period imposed by applicable Law or a Governmental Authority, in each case in connection with the Investment, as determined by Supplier, acting reasonably.

**“Subscription Receipt Agreement”** means the agreement dated April 14, 2022 among the Company, Sprott Capital Partners LP, and Computershare Trust Company of Canada providing for the issuance of subscription receipts in connection with the Concurrent Financing.

**“Securities Laws”** means, collectively, the applicable securities laws of each of the provinces and territories of Canada and the respective regulations, instruments and rules made under those securities laws, together with all applicable published policy statements, notices, blanket orders and rulings of the securities commissions or securities regulatory authorities of Canada and of each of the provinces and territories of Canada.

**“Shipment”** means the Closing Shipment, or a quantity of Committed Vanadium Product to be delivered to a Committed Vanadium Delivery Point on a date specified by Supplier.

**“Supplier”** has the meaning given to such term in the Preamble.

**“Survival Date”** has the meaning given to such term in Section 11.3.

**“Technical Advisory Agreement”** means the technical advisory agreement entered into on April 14, 2022 between the Company and Largo Inc., in its capacity as technical advisor thereunder.

**“Transaction Agreement”** means the agreement dated April 14, 2022 between, among others, the Company and Column and providing for the Qualifying Transaction.

**“Third Party”** means a Person other than a Party or an Affiliate thereof.

**“TSXV”** means the TSX Venture Exchange.

**“TSXV Approval”** means approval of the TSXV of the Qualifying Transaction, the Concurrent Financing and the Investment, including, for greater certainty, the issuance of the Common Shares and the listing of the shares of Column issuable upon completion of the Qualifying Transaction;

**“Unallocated Vanadium Products”** has the meaning given to such term in Section 8.1(1).

**“Unallocated Vanadium Products Forecast”** has the meaning given to such term in Section 8.1(2).

**“Vanadium Products”** means commercial vanadium products, including ferro-vanadium (FeV), vanadium trioxide ( $V_2O_3$ ), vanadium pentoxide ( $V_2O_5$ ), and vanadium carbonitride (VCN).

## **Section 1.2 Interpretation**

- (1) The division of this Agreement into Articles and Sections and the insertion of headings are for reference purposes only and shall not affect the interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section, Schedule or recitals refers to the specified article or section of this Agreement or schedules or recitals to this Agreement (as applicable).
- (2) In this Agreement, words importing the singular number include the plural and vice versa, words importing any gender include all genders, and where a word or phrase is defined, its other grammatical forms have a corresponding meaning.
- (3) In this Agreement, the use of the words “including” or “includes” followed by a specific example or examples shall not be construed as limiting the meaning of the general wording preceding it; and the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision hereof.
- (4) Any reference to any agreements, contracts or arrangements in this Agreement is to that agreement, contract or arrangement as amended, supplemented, varied, novated, extended, altered, replaced or changed from time to time.
- (5) All accounting terms not defined in this Agreement have those meanings generally ascribed to them in accordance with IFRS; and all calculations and computations made pursuant to this Agreement shall be carried out in accordance with IFRS consistently applied to the extent that such principles are not inconsistent with the provisions of this Agreement or are not required to be made otherwise by applicable Law.
- (6) The rule of construction that, in the event of ambiguity, the contract shall be interpreted against the Party responsible for the drafting or preparation of the Agreement, shall not apply.
- (7) In this Agreement, unless something in the subject matter or context is inconsistent therewith, a “day” shall refer to a calendar day and in calculating all time periods the first day of a period is not included and the last day is included and in the event that any date on which any action is required to be taken hereunder is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.
- (8) All monetary amounts to which reference is made in this Agreement are expressed in U.S. dollars.

## **Section 1.3 Schedules**

The following schedules form an integral part of this Agreement:

Schedule A – Supplier Representations and Warranties

Schedule B – Company’s Representations and Warranties

#### **Section 1.4 Applicable Indices**

If any of the publishers set out in the definition of the “Applicable Index” ceases to publish spot market prices in respect of the Product Type to which such index is applicable, or if Supplier wishes to sell a Product Type not covered by this Agreement, either Party may provide notice to the other of a desire to meet to discuss the adoption of a different credible, market leading, independent price reporters that are commonly used by market participants for such Product Type. If the Parties are unable to agree on a different basis for the Applicable Index of a Product Type within 60 days following the delivery of notice by one Party to the other in accordance with the prior sentence, either Party may escalate the matter for dispute resolution in accordance with Article 13 hereof.

### **ARTICLE 2 PURCHASE AND SALE**

#### **Section 2.1 Closing Shipment**

- (1) Subject to the terms and conditions set forth in this Agreement, on or prior to the Closing Date, Supplier shall deliver to the Company 200 hundred metric tonnes (200 mt) of Vanadium Products plus or minus 10% EXW (Incoterms 2020) Closing Shipment Delivery Points, for the Closing Shipment Purchase Price (collectively, the “**Closing Shipment**”).
- (2) No later than one (1) Business Day prior to the Closing Date, Supplier shall deliver written notice to the Company (such notice, the “**Closing Shipment Notice**”) of the quantity and type of Vanadium Products that will comprise the Closing Shipment, the Closing Shipment Purchase Price, and the Designated Vanadium Facilities at which such Vanadium Products will be delivered to the Company (the “**Closing Shipment Delivery Points**”).
- (3) The purchase price of the Closing Shipment (the “**Closing Shipment Purchase Price**”) will be equal to the amount, in Canadian Dollars, the sum of:
  - (a) the product, in respect of each Product Type comprising the Closing Shipment, of:
    - (i) the quantity of material (in metric tonnes) of the Product Type comprising the Closing Shipment; and
    - (ii) the average high and low quotations of the index applicable to such Product Type published on the day of the Closing Shipment Notice (or where no such price has been quoted on such day, the most recently published quotations);
  - (b) minus a discount to reflect expenses of the Qualifying Transaction, to be agreed upon by the Parties acting reasonably.
- (4) For the calculation of the Closing Shipment Purchase Price, amounts in US Dollars will be converted into Canadian Dollars using the daily average exchange rate for US Dollars to Canadian Dollars as reported by the Bank of Canada for the Business Day immediately



prior to the day of the Closing Shipment Notice, as set out at <https://www.bankofcanada.ca/rates/exchange/daily-exchange-rates>.

- (5) The purchase and sale of the Closing Shipment will be subject in all respects to the Purchase Terms.

## **Section 2.2 Purchase and Sale of Common Shares**

- (1) The Parties agree that Company shall satisfy the Closing Shipment Purchase Price by issuing to Supplier, on the Closing Date, that number of Common Shares determined by dividing the Closing Shipment Purchase Price by C\$2.00 (being the agreed-price per Common Share) (the “**Consideration Shares**”), provided that the Consideration Shares must be a whole number.
- (2) The Common Shares shall be issued to Supplier on the Closing Date, by way of delivery of a notice of uncertificated shares representing the Consideration Shares, registered in the name of Supplier or in such other name as Supplier shall notify the Company in writing not less than one Business Day prior to the Closing Date.

## **Section 2.3 Section 85 Election**

- (1) The Parties agree to file a joint election under subsection 85(1) of the ITA and any applicable provincial equivalents within the time and in the form prescribed, and to execute and file all such other documents as may be necessary or advisable, in order that the provisions of subsection 85(1) of the ITA will apply to the transfer of the Vanadium Products hereunder. In such an election the Supplier shall be entitled to elect the amount which shall be the Supplier’s proceeds of disposition and the Company’s cost of the Vanadium Products for purposes of the ITA and applicable provincial income tax legislation, provided that such amount is within the limits prescribed by the ITA.

# **ARTICLE 3**

## **SALES TAXES**

### **Section 3.1 Application of Sales Taxes**

- (1) The Closing Shipment Purchase Price and any other purchase price or amount of consideration payable by the Company under this Agreement is exclusive of Sales Taxes. The Company is liable for and shall pay all Sales Taxes payable on the supply of the Vanadium Products and any other supplies made by Supplier to Company under this Agreement in compliance with applicable Law.

### **Section 3.2 Invoicing**

- (1) The amount of all applicable Sales Taxes payable by the Company to the Supplier on the purchase price shall be separately stated in all invoices issued by Supplier. Supplier shall provide sufficient documentation to the Company, in compliance, inter alia, with subsection 169(4) of the ETA and the Input Tax Credit Information (GST/HST) Regulations and any other applicable Laws in order to allow the Company to claim any applicable input tax credits, refunds, rebates or similar reimbursement. The Company shall provide to the Supplier all information and documentation necessary under applicable Laws to allow the

Company to purchase exempt from Sales Tax any Vanadium Products or any other property or service from the Supplier.

### **Section 3.3 Sales Tax Cooperation**

- (1) Each party shall use all reasonable efforts to avail itself of any available exemptions or relief from Sales Taxes, and to cooperate with the other party in providing any information and documentation that may be reasonably necessary to obtain such exemptions or relief.

## **ARTICLE 4 REPRESENTATION AND WARRANTIES**

### **Section 4.1 Representations and Warranties of Supplier**

Supplier represents and warrants to the Company each of the matters contained in Schedule A to this Agreement as of the date hereof and as of the Closing Date, and acknowledges that the Company is relying on such representations and warranties in connection with entering into this Agreement and the transactions contemplated herein.

### **Section 4.2 Representations and Warranties of the Company**

The Company represents and warrants to Supplier each of the matters contained in Schedule B to this Agreement as of the date hereof and as of the Closing Date, and acknowledges that Supplier is relying on such representations and warranties in connection with entering into this Agreement and the transactions contemplated herein.

## **ARTICLE 5 CONDITIONS PRECEDENT**

### **Section 5.1 Company's Conditions Precedent for the Closing**

The Company's obligation to complete the transactions contemplated by this Agreement on the Closing Date shall be subject to the following conditions:

- (a) all of the representations and warranties of Supplier made in or pursuant to this Agreement shall be true and correct in all material respects as of the Closing Date, provided that, to the extent any such representations and warranties of Supplier contain any materiality qualification, such representations and warranties are accurate in all respects as of the Closing Date and with the same effect as if made at and as of the Closing Date and the Company shall have received a certificate from a senior officer of Supplier (on Supplier's behalf and without personal liability), in form and substance satisfactory to the Company, acting reasonably, confirming same;
- (b) Supplier shall have performed or complied with, in all respects, all of its obligations, covenants and agreements under this Agreement required to be performed or complied with prior to the Closing and the Company shall have received a certificate from a senior officer of Supplier (on Supplier's behalf and without personal liability), in form and substance satisfactory to the Company, acting reasonably, confirming same;

- (c) Supplier shall have received all Regulatory Approvals in form and substance satisfactory to the Company, acting reasonably, the failure of which to be obtained would reasonably be expected to be material and adverse to Supplier;
- (d) the Escrow Release Conditions (as defined in the Subscription Receipt Agreement) shall have been satisfied;
- (e) issuance by Supplier (and/or operator of applicable Designated Vanadium Facilities) of a confirmation of the delivery of the Closing Shipment;
- (f) all conditions to the implementation of the Qualifying Transaction shall have been satisfied or waived; and
- (g) there shall be no applicable Law or action or proceeding in effect, pending or threatened by any Person (other than the Company) in any jurisdiction to: (i) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, Supplier's ability to acquire, hold, or exercise full rights of ownership over, the Common Shares; or (ii) prohibit or restrict the Investment.

The Company may waive compliance with any condition in this Section 5.1 in whole or in part if it sees fit to do so, without prejudice to its rights in the event of non-fulfilment of any other condition, in whole or in part, or to its rights to recover damages for the breach of any representation, warranty, covenant or condition contained in this Agreement; provided, however, that the condition set forth in Section 5.1(g) must be waived by both Parties in order for such waiver to be effective.

## **Section 5.2 Supplier's Conditions Precedent for Closing**

Supplier's obligation to complete the transactions contemplated by this Agreement on the Closing Date shall be subject to the satisfaction of the following conditions:

- (a) all of the representations and warranties of the Company made in or pursuant to this Agreement shall be true and correct in all material respects as of the Closing Date, provided that, to the extent any such representations and warranties of the Company contain any materiality qualification, such representations and warranties are accurate in all respects, with the same effect as if made at and as of the Closing Date and Supplier shall have received a certificate from a senior officer of the Company (on the Company's behalf and without personal liability), in form and substance satisfactory to Supplier, acting reasonably, confirming same;
- (b) the Company shall have performed or complied with, in all respects, all of its obligations, covenants and agreements under this Agreement required to be performed or complied with prior to the Closing and Supplier shall have received a certificate from a senior officer of the Company (on the Company's behalf and without personal liability), in form and substance satisfactory to Supplier, acting reasonably, confirming same;
- (c) the Company shall have received all Regulatory Approvals in form and substance satisfactory to Supplier, acting reasonably, the failure of which to be obtained would reasonably be expected to be material and adverse to the Company;

- (d) the Company shall have received the TSXV Approval, subject to usual and ordinary conditions;
- (e) the Escrow Release Conditions (as defined in the Subscription Receipt Agreement) shall have been satisfied and Supplier shall have received a certificate from a senior officer of the Company (on the Company's behalf and without personal liability), in form and substance satisfactory to Supplier, acting reasonably, confirming same;
- (f) the Company shall have delivered to Supplier a notice of uncertificated shares representing the Common Shares registered in accordance with Section 2.2(2);
- (g) all conditions to the implementation of the Qualifying Transaction shall have been satisfied or waived; and
- (h) there shall be no applicable Law or action or proceeding in effect, pending or threatened by any Person (other than Supplier) in any jurisdiction to: (i) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, Supplier's ability to acquire, hold, or exercise full rights of ownership over, the Common Shares; or (ii) prohibit or restrict the Investment.

Supplier may waive compliance with any condition in whole or in part if it sees fit to do so, without prejudice to its rights in the event of non-fulfilment of any other condition, in whole or in part, or to its rights to recover damages for the breach of any representation, warranty, covenant or condition contained in this Agreement; provided, however, that the condition set forth in Section 5.2(h) must be waived by both Parties in order for such waiver to be effective.

## **ARTICLE 6 COVENANTS**

### **Section 6.1 Actions to Satisfy Closing Conditions**

Subject to the terms and conditions of this Agreement, (i) the Company shall use commercially reasonable efforts to ensure satisfaction of each of the conditions set forth in Section 5.1; and (ii) Supplier shall use commercially reasonable efforts to ensure satisfaction of each of the conditions set forth in Section 5.2.

### **Section 6.2 Consents, Approvals and Authorizations**

- (1) The Company covenants that it shall prepare, file and diligently pursue until received all necessary consents, approvals and authorizations of any Person and make such necessary filings, as are required to be obtained under applicable Law with respect to this Agreement and the transactions contemplated hereby.
- (2) The Company shall keep Supplier fully informed regarding the status of such consents, approvals and authorizations, and Supplier, its representatives and counsel shall have the right to participate in any substantive discussions with the TSXV and any other applicable regulatory authority in connection with the transactions contemplated by this Agreement and provide input into any applications for approval and related correspondence, which will be incorporated by the Company, acting reasonably. The Company will provide notice to Supplier (and its counsel) of any proposed substantive discussions with the TSXV in

connection with the transactions contemplated by this Agreement. On the date all such consents, approvals and authorizations have been obtained by the Company and all such filings have been made by the Company, the Company shall notify Supplier of same.

- (3) Without limiting the generality of the foregoing, the Company shall promptly make all filings required by the TSXV in connection with the Transaction. If the approval of the TSXV is a "conditional approval", subject to the making of customary deliveries to the TSXV after an applicable date, the Company shall ensure that such filings are made as promptly as practicable after such date and in any event within the time frame contemplated in the conditional approval letter from the TSXV.
- (4) The Company shall use its commercially reasonable efforts to, on prior written approval of Supplier, oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Investment and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Investment or this Agreement.
- (5) The Company shall not take any action, or refrain from taking any action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Investment.

## **ARTICLE 7 CLOSING**

### **Section 7.1 Closing**

The Closing shall take place contemporaneously with the closing of the Qualifying Transaction, or such other day as may be agreed by the Parties (such date, the "**Closing Date**") at the offices of McCarthy Tétrault LLP in Toronto, Ontario, or at such other time on the Closing Date or such other place as may be agreed in writing by the Company and Supplier.

### **Section 7.2 Closing Deliveries**

- (1) At the Closing, the Company shall deliver or cause to be delivered to Supplier the documents contemplated by Section 5.2 (all in form and substance satisfactory to Supplier, acting reasonably) as well all such other assurances, consents, agreements, documents and instruments as may be necessary, in the reasonable opinion of Supplier, to complete the transactions to be completed on the Closing Date that are provided for in this Agreement.
- (2) At the Closing, Supplier shall deliver or cause to be delivered to the Company the documents contemplated by Section 5.1 (all in form and substance satisfactory to the Company, acting reasonably) as well all such other assurances, consents, agreements, documents and instruments as may be necessary, in the reasonable opinion of the Company, to complete the transactions to be completed on the Closing Date that are provided for in this Agreement.

## ARTICLE 8 RIGHT OF FIRST REFUSAL

### Section 8.1 Right of First Refusal

- (1) Supplier hereby grants the Company a right to purchase up to 100% of the Vanadium Products (i) that are produced by Supplier and its Affiliates at facilities owned by Supplier and its Affiliates, (ii) that have not been specially fabricated for third-party purchasers or committed under any of Supplier's long-term supply contracts with third-party purchasers, and (iii) that are produced during each Applicable Month (such Vanadium Products, the **"Unallocated Vanadium Products"**), on the terms and condition set forth in this Article 8.
- (2) Promptly following the Closing Date, Supplier shall deliver to the Company a forecast of all Unallocated Vanadium Products that it expects to produce in the following three (3) calendar months (an **"Unallocated Vanadium Product Forecast"**). Supplier shall update the Unallocated Vanadium Product Forecast on a monthly basis, no later than the fifteenth (15<sup>th</sup>) day of each calendar month with the forecasted production of Unallocated Vanadium Products for the following three (3) calendar months.
- (3) The Company may, from time to time, deliver to Supplier a notice in writing (such notice, a **"Purchase Notice"**) specifying the quantity of Unallocated Vanadium Products that it wishes to purchase in a specified Applicable Month (such Applicable Month, the **"Month of Purchase"**), which quantity must be in multiples of ten metric tonnes (10 mt) and must not exceed the forecasted quantity of Unallocated Vanadium Products to be produced in such Month of Purchase, as set forth in the most recently delivered Unallocated Vanadium Product Forecast. The Purchase Notice must be delivered no less than sixty (60) and no more than seventy (70) days prior to the start of the Month of Purchase. Upon delivery of a Purchase Notice, a binding agreement for the purchase by the Company from Supplier, and the sale by the Supplier to the Company, of the quantity of Unallocated Vanadium Products specified by the Company in the Purchase Notice for the Month of Purchase (the **"Committed Vanadium Product"**) shall be deemed to have been entered into.
- (4) All Committed Vanadium Product will be delivered by Supplier to the Company EXW (Incoterms 2020) a tier one Third-Party warehousing facility in the Netherlands nominated by Supplier (the **"Committed Vanadium Delivery Point"**) and on a date to be nominated by Supplier during or no more than forty-five (45) days following the end of the Month of Purchase. The purchase price payable by the Company for the sale of the Committed Vanadium Product (the **"Committed Vanadium Purchase Price"**) will be equal to the amount, in Canadian Dollars, of the product of: (i) the quantity of Vanadium Products comprising the Committed Vanadium Product and (ii) the average high and low quotations of the "Vanadium pentoxide 98% V<sub>2</sub>O<sub>5</sub> min, in-whs Rotterdam, \$/lb V<sub>2</sub>O<sub>5</sub>" quotation as published by Fastmarkets Metal Bulletin, published on [www.metalbulletin.com](http://www.metalbulletin.com) on the date of delivery of the Purchase Notice (or where no such price has been quoted on such day, the most recently published quotations).
- (5) All costs of freight, insurance and duties chargeable to move the Committed Vanadium Product from the Committed Vanadium Delivery Points to any other warehouses at which the Company wishes for the Committed Vanadium Product (or any part thereof) to be stored shall be for the account of the Company. The Parties will cooperate in the arranging of freight to move the Committed Vanadium Product from the Committed Vanadium Delivery Point.

- (6) Supplier will promptly, following Delivery of Committed Vanadium Products, deliver an invoice to the Company, setting forth the Committed Vanadium Purchase Price for the Committed Vanadium Products so Delivered. The Company will pay to Supplier 100% of the Committed Vanadium Purchase Price set forth on the invoice, in US Dollars, no later than five (5) Business Days following delivery by Supplier of the invoice. Within three (3) Business Days following the payment of 100% of the Committed Vanadium Purchase Price set forth on the invoice, Supplier shall deliver to the Company a Final Release Confirmation.
- (7) The purchase and sale of the Committed Vanadium Product will be subject in all respects to the Purchase Terms.

## ARTICLE 9 PURCHASE TERMS

### Section 9.1 Warranty as to Title

Supplier warrants to the Company with respect to each Shipment that (i) at the time of Delivery thereof it will have good and marketable title to the Vanadium Products comprising such Shipment, free and clear of all liens, encumbrances and rights of others (other than rights arising by virtue of this Agreement) and (ii) upon the passing of such title to the Company in accordance with Section 9.2, the Company shall receive good title to such Vanadium Products, free and clear of all liens, encumbrances and rights of others. Except as set forth above, Supplier makes no additional representations, warranties or guarantees as to the quality, merchantability or performance characteristics of the Vanadium Products to be Delivered.

### Section 9.2 Transfer of Title

- (1) Risk of loss of or damage to the Vanadium Products in a Shipment shall pass to the Company upon Delivery.
- (2) Title to the Vanadium Products in a Shipment shall pass to the Company upon the delivery to the Company of a Final Release Confirmation.

### Section 9.3 Verification of the Vanadium Products in a Shipment

- (1) Prior to or promptly following Delivery thereof, Supplier shall provide the Company with a producer's certificate of quality and quantity of the Shipment (the "**Producer's Certificate**").
- (2) The Company has the right to have the quality and quantity of the Vanadium Products in such Shipment Delivered hereunder verified by an independent expert, at its own expense. Any verification shall be completed following standard practices internationally recognized for the measurement and verification of Vanadium Products. In the event the independent expert determines that the Vanadium Products in a Shipment fails to meet the quality and quantity set forth on the Producer's Certificate, the Company shall notify Supplier in writing of the discrepancy (a "**Discrepancy Notice**"), which Discrepancy Notice shall be accompanied by a copy of the report of the Company's independent expert and any other relevant information on which the Company relies; provided that the failure by the Company to deliver a Discrepancy Notice within five (5) days following delivery of a Producer's Certificate in respect of a Shipment shall be deemed to be the acceptance by

the Company of the veracity of the Producer's Certificate as to the quality and quantity of the Vanadium Products in the applicable Shipment for the purposes of this Agreement. The Company shall not sell or permit the conversion of the Vanadium Product in the Shipment into another vanadium product until the dispute has been resolved, unless otherwise agreed by Supplier.

- (3) Following the delivery by the Company of the Discrepancy Notice, the Parties shall attempt, in good faith, to negotiate an appropriate remedy. In the event that the Company and Supplier are unable to negotiate an appropriate remedy within ten (10) Business Days from receipt of the Discrepancy Notice by Supplier, the dispute shall be submitted to an independent expert agreed by the Parties, who will resolve the dispute acting as an expert and not an arbitrator. The resolution of the dispute by the independent expert will be final and binding on Supplier and the Company. Supplier's liability shall be limited to the invoice value of the Vanadium Products agreed or determined by the independent expert to be deficient.

#### **Section 9.4 Limitation of Liability**

Notwithstanding any clause to the contrary in this Agreement, the maximum aggregate liability of Supplier to the Company, its agents or employees for each Shipment will be 20% of the purchase price for such Shipment. In no event will Supplier be liable to the Company, its agents or employees, for any indirect, special, punitive or consequential losses, or damages, except as a result of gross negligence or willful misconduct by Supplier and whether or not Supplier had knowledge that such losses and/or damages might be incurred.

#### **Section 9.5 Acknowledgment and Warranty of the Company**

- (1) The Company acknowledges that Supplier is required to comply with applicable export/import Laws relating to the sale, export, import, transfer, assignment, disposal and use of Vanadium Products, including any export/import license requirements. The Company agrees that any Delivered Vanadium Products shall not at any time directly or indirectly be used, exported, imported, sold, transferred, assigned or otherwise disposed of in a manner which will result in non-compliance with any applicable export/import Laws.
- (2) The Company warrants to Supplier, on the date of this Agreement and at the time of the Delivery of any Shipment, that it has obtained and holds any consent, authorisation, registration, certificate, permission, licence, or approval required for the purchase and importation of the Shipment and shall unconditionally and irrevocably indemnify Supplier against any claim, loss, damage, liability, cost and expense (including legal costs on a full indemnity basis) that may be incurred or sustained by Supplier for the failure to hold and maintain such consent, authorisation, registration, certificate, permission, licence, or approval.

### **ARTICLE 10 TERMINATION**

#### **Section 10.1 Termination Prior to Closing Date**

This Agreement shall terminate prior to the Closing Date upon the earliest of:



- (a) the date on which this Agreement is terminated by the mutual written consent of the Parties;
- (b) the date on which this Agreement is terminated by written notice of the Company to Supplier as a result of a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Supplier under this Agreement occurs that would cause any condition in Section 5.1(a) or Section 5.1(b) not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date; provided that the Company is not then in breach of this Agreement so as to cause any condition in Section 5.2(a) or Section 5.2(b) not to be satisfied;
- (c) the date on which this Agreement is terminated by written notice of Supplier to the Company as a result of a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Section 5.2(a) or Section 5.2(b) not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date; provided that Supplier is not then in breach of this Agreement so as to cause any condition in Section 5.1(a) or Section 5.1(b) not to be satisfied;
- (d) the date on which this Agreement is terminated by written notice of Supplier to the Company on the Bankruptcy of the Company, or by written notice of the Company to Supplier on the Bankruptcy of Supplier; or
- (e) written notice by either Party to the other in the event the Closing has not occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 10.1(e) shall not be available to any Party whose failure to fulfill any of its obligations or breach of any of its representations, warranties or covenants under this Agreement has been the cause of, or resulted in, the failure of the Closing to occur by such date.

## **Section 10.2 Termination After the Closing Date**

This Agreement shall terminate after the Closing Date upon the earliest of:

- (a) the date on which this Agreement is terminated by the mutual written consent of the Parties;
- (b) the date on which this Agreement is terminated by written notice of the Company to Supplier as a result of any material breach or default by the Supplier under this Agreement that is not cured or remedied by the Supplier within sixty (60) days of receipt of notice of same, and intention to terminate, from the Company, provided that in the case of such a breach or default that cannot be terminated within such sixty (60) day period, such period will be extended for an additional sixty (60) days where the Supplier has taken reasonable steps to remedy such breach or default;
- (c) the date on which this Agreement is terminated by written notice of Supplier to the Company as a result of any material breach or default by the Company under this Agreement (other than a material breach or default contemplated in Section 10.2(d) that is not cured or remedied by the Company within sixty (60) days of receipt of notice of same, and intention to terminate, from the Supplier, provided

that in the case of such a breach or default that cannot be terminated within such sixty (60) day period, such period will be extended for an additional sixty (60) days where the Company has taken reasonable steps to remedy such breach or default;

- (d) the date on which this Agreement is terminated by written notice of Supplier to the Company following the failure by the Company to make any payment hereunder to Supplier in accordance with the terms of this Agreement, which failure is not cured or remedied by the Company within ten (10) days of receipt of notice of same, and intention to terminate, from Supplier;
- (e) the date on which this Agreement is terminated by written notice of Supplier to the Company on the Bankruptcy of the Company, or by written notice of the Company to Supplier on the Bankruptcy of Supplier; or
- (f) the date on which the Technical Advisory Agreement is terminated or expires.

## **ARTICLE 11 INDEMNIFICATION**

### **Section 11.1 General Indemnification**

Each Party (referred to as the “**Indemnifying Party**”) shall indemnify and hold harmless each other Party, such other Party’s Affiliates and each of their respective directors, officers, employees, shareholders, partners, agents and representatives (collectively referred to as the “**Indemnified Persons**”) from and against, and will pay for, any Damages which may be made or brought against any such Indemnified Persons, or which they may suffer or incur, directly or indirectly, as a result of or arising out of:

- (a) any misrepresentation or any incorrectness in or breach of any representation or warranty of the Indemnifying Party contained in this Agreement, or in any certificate or other document furnished by or on behalf of the Indemnifying Party pursuant to this Agreement; or
- (b) the issuance of Common Shares to Supplier in connection with the Investment.

### **Section 11.2 Limitations on Indemnification**

The rights of the Indemnified Persons to, and the liabilities and obligations of the Indemnifying Party for, indemnification pursuant to Section 11.1 are subject to the following limitations:

- (1) No Indemnified Persons shall be entitled to claim indemnity in respect of any special, direct, consequential, punitive or aggravated damages, including damages for loss of profits, provided however that nothing in this paragraph shall limit the indemnity in Section 11.1 to the extent Damages include a diminution in the value of the Common Shares issued to Supplier.
- (2) An Indemnified Person shall not be entitled to double recovery for any loss even though such loss may have resulted from the breach of one or more representations or warranties in this Agreement.

- (3) Notwithstanding anything to the contrary in this Article 11, the indemnity obligations in this Article 11 shall cease to apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall have determined that any Damages to which an Indemnified Person may be subject were caused solely by the fraud, willful misconduct or intentional misrepresentation of an Indemnified Person.

### **Section 11.3 Survival**

Each Party hereto acknowledges that the representations, warranties and agreements made by it herein are made with the intention that they may be relied upon by the other Party. The Parties further agree that the representations and warranties and the corresponding representations and warranties set out in the certificate to be delivered pursuant to Section 5.2(a) shall survive the purchase and sale of the Common Shares and shall continue in full force and effect for a period ending on the date that is eighteen (18) months following the Closing Date (the “**Survival Date**”), notwithstanding any subsequent disposition by Supplier of the Common Shares or any termination of this Agreement; provided, however, that the obligations and liabilities of the Indemnifying Party for indemnification or otherwise with respect thereto shall survive indefinitely. The provisions of Article 13 and Article 14 shall survive the termination or expiration of this Agreement. Any amounts incurred but not paid or deliveries required to be made but not made prior to the effective date of termination or expiry of this Agreement must be paid or made, respectively, notwithstanding such termination or expiry.

### **Section 11.4 Parties as Trustee**

- (1) The Company accepts the above indemnities in favour of its Affiliates and their respective directors, officers, employees, shareholders, partners, agents and representatives that are Indemnified Persons as agent and trustee for such Indemnified Persons, and Supplier agrees that the Company may enforce such indemnity in favour and for the benefit of such other Indemnified Persons.
- (2) Supplier accepts the above indemnities in favour of its Affiliates and their respective directors, officers, employees, shareholders, partners, agents and representatives that are Indemnified Persons as agent and trustee for such Indemnified Persons, and the Company agrees that Supplier may enforce such indemnity in favour and for the benefit of such other Indemnified Persons.

### **Section 11.5 Exclusive Remedy**

The remedies set out in this Article 11 constitute the exclusive remedies of the Parties in respect of a misrepresentation or any incorrectness in or breach of any representation or warranty of the other Party contained in this Agreement, or in any certificate or other document furnished by or on behalf of such other Party pursuant to this Agreement.

### **Section 11.6 Sales Taxes on Indemnification**

In the event that any Sales Taxes are deemed to be included in any indemnification payments resulting from any Damages indemnifiable under this Agreement pursuant to section 182 of the ETA or a corresponding provision under any other Sales Tax Law, such payment shall be increased to take into account any such Sales Taxes.

## ARTICLE 12 FORCE MAJEURE

### Section 12.1 Intervening Event

For so long and to the extent that the obligations of Supplier cannot be performed as a result of an Intervening Event (or the effects thereof) such obligations shall be suspended, and Supplier shall not be considered to be in breach or default of such obligations hereunder. The suspension of performance shall be of no greater scope and of no longer duration than is required by the Intervening Event (or the effects thereof). Where Supplier is affected by the Intervening Event (or the effects thereof), Supplier shall give the Company prompt written notice of the particulars of the Intervening Event (and the effects thereof) and its expected duration and shall furnish to the Company regular reports with respect thereto on a timely basis during the continuance (and upon the termination) of the Intervening Event (and the effects thereof).

## ARTICLE 13 DISPUTES

### Section 13.1 Arbitration

- (1) Any dispute arising under or in connection with the provisions of this Agreement (other than a dispute with respect to the quantity or quality of the Vanadium Products in a Shipment, which shall be determined in accordance with the provisions of Section 9.3) (each, a “**Dispute**”) that has not been resolved to the satisfaction of a Party shall be referred to and finally resolved by arbitration in accordance with the *Arbitration Act* (Ontario), subject to Section 13.1(2). The Party wishing to refer the matter to arbitration shall issue a written notice to the other Party to that effect (a “**Notice of Arbitration**”). The arbitration shall be conducted before a sole arbitrator (the “**Arbiter**”) appointed by the Parties, provided that if the Parties fail to agree on the Arbiter within thirty (30) days of the delivery of the Notice of Arbitration, the Arbiter will be selected by a justice of the Superior Court of Ontario, on application by either Party. The place of arbitration shall be Toronto, Ontario, Canada or such other place as the Parties may agree in writing, and the language of the arbitration shall be English.
- (2) Notwithstanding Section 13.1(1) and anything to the contrary in the *Arbitration Act* (Ontario), the Arbiter shall be bound, and the Parties hereby agree that the Arbiter shall be bound, by the procedures described in this Section 13.1(2) and in Section 13.1(3) and Section 13.1(4). Unless otherwise agreed by the Parties in writing, the Arbiter shall deliver his or her decision in writing to the Parties within thirty (30) days of the date the hearings in connection with the Dispute is closed.
- (3) The arbitration award shall be final and binding on the Parties, and judgment on the award may be entered by any court of competent jurisdiction. If the Parties settle the dispute in the course of the arbitration, the settlement shall be approved by the Arbiter on request of either Party and shall become the award.
- (4) The expense of the arbitration, including travel costs and attorney’s fees and costs of the prevailing Party, will be paid as specified in the final award.

### Section 13.2 Interlocutory Relief

Nothing contained in this Article 13 or this Agreement shall prevent or restrict a Party from seeking urgent interlocutory relief from any court of competent jurisdiction; provided that upon the granting of any application for preliminary interlocutory relief, further hearings on the matter by the court shall be stayed pending disposition of the matter pursuant to the procedures described in this Article 13 and this Agreement.

### **Section 13.3 Continued Performance**

Each Party shall continue performance of its obligations under this Agreement notwithstanding the existence of a Dispute.

## **ARTICLE 14 GENERAL PROVISIONS**

### **Section 14.1 Payments**

Any amounts not paid when due will bear interest at an annual rate of the Prime Rate plus two percent (2%), without compounding, from the due date of the amount payable until the date (or dates) of payment.

### **Section 14.2 Notices**

All notices and other required or permitted communications to the Parties shall be in writing, and shall be addressed respectively as follows:

(1) If to the Company:

Largo Physical Vanadium Corp.  
55 University Avenue, Suite 1105  
Toronto, Ontario M5J 2H7

Attention: Paul Volland  
Email: [Redacted]

(2) If to Supplier:

Largo Inc.  
55 University Avenue Suite 1105  
Toronto, Ontario M5J 2H7

Attention: Ernest Cleave  
Email: [Redacted]

All notices shall be given by personal delivery, email, registered or certified mail, return receipt requested, or overnight or other express courier service. All notices shall be effective and shall be deemed given on the date of receipt at the principal address if received during normal business hours, and, if not received during normal business hours, on the next Business Day following receipt, or if by electronic communication, on the date of such communication. Any change of address may be made by notice to the other Party.

**Section 14.3 Expenses**

Except as otherwise specifically provided in this Agreement: (a) each Party shall bear any costs and expenses incurred in connection with exercising its rights and performing its obligations under this Agreement; and (b) the Company shall be responsible for any filing fees payable for or in respect of any application, notification or other filing made in respect of any Regulatory Approval process in respect of the transactions contemplated by the Investment.

**Section 14.4 Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced under any applicable Law or as a matter of public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the transactions contemplated by this Agreement be consummated as originally contemplated to the greatest extent possible.

**Section 14.5 Entire Agreement**

This Agreement (including the Schedules hereto) constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersede all prior agreements and undertakings, both written and oral, between or on behalf of the Parties with respect to the subject matter of this Agreement.

**Section 14.6 Assignment; No Third-Party Beneficiaries**

- (1) No assignment of this Agreement may be made by any Party to this Agreement without the prior consent in writing of the other Party, which consent may be withheld in its sole discretion. Notwithstanding the foregoing, Supplier shall be permitted to assign this Agreement to an Affiliate thereof upon notice to the Company. No assignment shall relieve either Party of its obligations or liability hereunder.
- (2) This Agreement is for the benefit of the Parties and their respective successors and permitted assigns only, and shall not be construed to create beneficiary rights in any other Person (other than in respect of an Indemnified Person). Notwithstanding anything in this Agreement to the contrary, no Person other than a Party shall have the right to enforce any representation or warranty of a Party hereunder, or any obligation of a Party or to reimburse or indemnify any other Party or an Indemnified Person hereunder, and no creditor of any Party or creditor of any other Person or any other Person other than a Party shall have any such rights. Further, notwithstanding anything in this Agreement to the contrary, no director or officer of each Party or any of their respective Affiliates shall have any personal liability whatsoever to the other Party or any Third Party under this Agreement.

**Section 14.7 Amendment; Waiver**

No provision of this Agreement may be amended or modified except by a written instrument signed by both Parties. No waiver by any Party of any provision hereof shall be effective unless explicitly set forth in writing and executed by the Party so waiving. The waiver by

either Party hereto of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any other subsequent breach.

#### **Section 14.8 Further Assurances**

Each of the Parties shall promptly do, make, execute, deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other Parties may reasonably require from time to time for the purpose of giving effect to the purposes of this Agreements and shall use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreements.

#### **Section 14.9 Time of the Essence**

Time shall be of the essence with respect to any payment required under this Agreement.

#### **Section 14.10 Jurisdiction and Attornment**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Subject to Section 9.3 and Article 13, the Parties irrevocably submit to the exclusive jurisdiction of the courts of the Province of Ontario.

#### **Section 14.11 Public Notices/Press Releases**

The Company shall publicly announce the transactions contemplated hereby promptly following the execution of this Agreement by Supplier and the Company, and the content, text and timing of each Party's announcement shall be approved by the other Party in advance, acting reasonably. Supplier and the Company agree to co-operate in the preparation of presentations, if any, to the Company's shareholders regarding the transactions contemplated by this Agreement. No Party shall (a) issue any press release or otherwise make public announcements with respect to this Agreement without the prior written consent of the other Party (which consent shall not be unreasonably withheld or delayed); or (b) make any regulatory filing with any Governmental Authority with respect thereto without prior consultation with the other Party; provided, however, that, the foregoing clause (b) shall be subject to each Party's overriding obligation to make any disclosure or regulatory filing required under applicable Laws and the Party making such requisite disclosure or regulatory filing shall use all commercially reasonable efforts to give prior oral and written notice to the other Party and reasonable opportunity to review and comment on the requisite disclosure or regulatory filing before it is made.

#### **Section 14.12 Public Disclosure**

During the period from the date hereof to the Closing, except as may be required by applicable Law or with the prior written consent of Supplier, the Company shall not make any public disclosures or public announcements, or undertake or give effect to any corporate actions, in each case that could reasonably be expected to hinder, delay or materially interfere with the consummation of the transactions contemplated under this Agreement.

#### **Section 14.13 Counterparts**

This Agreement may be executed in one or more counterparts, each of which when executed shall be deemed to be an original but all of which taken together shall constitute one

and the same agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or electronic transmission shall be as effective as delivery of a manually executed counterpart of this Agreement.

**[Signature page follows]**



**IN WITNESS WHEREOF**, the Parties have caused this Agreement to be executed on the date first written above.

**LARGO PHYSICAL VANADIUM CORP.**

By: (signed) "Jonathan Lee"  
Name: Jonathan Lee  
Title: Director

**LARGO INC.**

By: (signed) "Paulo Misk"  
Name: Paulo Misk  
Title: President & CEO

**SCHEDULE A**  
**REPRESENTATIONS AND WARRANTIES OF SUPPLIER**

Supplier represents and warrants to and in favour of the Company and acknowledges that the Company is relying on such representations and warranties in connection with this Agreement and the transactions contemplated therein:

- (a) this Agreement has been duly authorized, executed and delivered by Supplier, and constitutes a legal, valid and binding obligation of Supplier enforceable against Supplier in accordance with its terms, subject to bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium or similar Laws affecting creditors' rights generally, and will not violate or conflict with the constating documents of Supplier or the terms of any restriction, agreement or undertaking to which Supplier is subject;
- (b) Supplier is a valid and subsisting company existing under the Laws of the Province of Ontario, has the necessary corporate power and authority to execute and deliver this Agreement and has taken all necessary action in respect thereof;
- (c) Supplier is purchasing the Common Shares as principal, or is deemed to be purchasing as principal in accordance with applicable Securities Laws, for its own account and not as agent for the benefit of another Person;
- (d) Supplier was not created or used solely to purchase or hold securities in reliance on the exemption from the prospectus requirement in section 2.10 of NI 45-106; and
- (e) Supplier acknowledges that it was not offered the Common Shares in the United States and neither Supplier nor any other person for whom Supplier is contracting hereunder is, for the purposes of the United States Securities Act of 1933, as amended, a "U.S. person" (as defined in Regulation S under such Act) or resident or is purchasing Common Shares for the account of a U.S. person or resident or for resale in the United States.

**SCHEDULE B**  
**REPRESENTATIONS AND WARRANTIES OF THE COMPANY**

The Supplier shall have the benefit of the representations, warranties and covenants made by the Company to the Agents and the Purchasers (as such terms are defined in the Agency Agreement) and set forth in the Agency Agreement. The Company and acknowledges that the Supplier is relying on such representations and warranties in connection with this Agreement and the transactions contemplated therein.

## **ADDENDUM TO SUPPLY AGREEMENT**

This document (the “**Addendum**”) shall serve as an addendum to the supply agreement dated April 14, 2022 (the “**Supply Agreement**”) between Largo Physical Vanadium Corp. (the “**Company**”) and Largo Inc. (the “**Supplier**”). Capitalized terms used herein but not otherwise defined have the meanings given to them in the Supply Agreement.

In consideration of the mutual covenants, promises and agreements in this Addendum and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, it is mutually agreed as follows:

### **1. Confirmation**

Except for the specific additions set forth herein, all other terms and conditions set forth in the Supply Agreement remain unchanged.

### **2. Minimum and Maximum Number of Common Shares**

Pursuant to Section 2.1 of the Supply Agreement, the Supplier has agreed to deliver to the Company the Closing Shipment for the Closing Shipment Purchase Price, which Closing Shipment Purchase Price shall be satisfied by the issuance of Common Shares. The Parties hereby acknowledge and agree that in order to satisfy requirements of the TSXV, the size of the Closing Shipment shall be adjusted if and as necessary to ensure that in no event are fewer than 340,000 Common Shares or more than 890,000 Common Shares issued in satisfaction of the Closing Shipment Purchase Price.

### **3. Miscellaneous**

This Addendum shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. This Addendum may be executed in several counterparts and by email or portable document format (PDF), each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same Addendum.

*[The remainder of this page has been intentionally left blank.]*

**DATED** this 12th day of September, 2022.

**LARGO PHYSICAL VANADIUM CORP.**

By: (signed) "Jonathan Lee"

Name: Jonathan Lee

Title: Director

**LARGO INC.**

By: (signed) "Paulo Misk"

Name: Paulo Misk

Title: Chief Executive Officer