



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2021**

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at November 23, 2021, and should be read in conjunction with the condensed consolidated interim financial statements of Lara Exploration Ltd. (the "Company" or "Lara") for the nine months ended September 30, 2021, and the related notes thereto.

The Company prepares its financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR at www.sedar.com.

FORWARD-LOOKING INFORMATION

This MD&A may contain "forward-looking statements" that reflect the Company's current expectations and projections about its future results. When used in this MD&A, words such as "estimate", "intend", "expect", "anticipate," and similar expressions are intended to identify forward-looking statements, which, by their very nature, are not guarantees of the Company's future operational or financial performance, and are subject to risks and uncertainties and other factors that could cause Lara's actual results, performance, prospects or opportunities to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties, and factors may include but are not limited to unavailability of financing, failure to identify commercially viable mineral reserves, fluctuations in market prices for commodities, difficulties in obtaining required approvals or permits for the development of a mineral project and other factors.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Lara's operating plan is dependent on its joint venture partners being able to make option payments and fund exploration activities on some of the properties that Lara holds. The operating plan is also dependent raising new equity funds and sell investments as required to raise enough capital to acquire and explore new properties. Other factors that affect Lara's operating plan are commodity prices, gaining access to exploration properties by securing or renewing licenses, and concluding agreements with local communities. If any of these factors impact the Company in a negative way, such as joint venture partners being unable to raise enough capital to complete option agreements or if the Company is unable to raise enough capital of its own, there will be a significant impact on the Company's operating plan and any forward-looking statements contained herein.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this MD&A or as of the date otherwise specifically indicated herein. Due to risks and uncertainties, including the risks and uncertainties identified above and elsewhere in this MD&A, actual events may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether because of new information, future events or otherwise, except as required by securities law.

COMPANY OVERVIEW

Lara is a prospect and royalty generator with a strategy to seek exploration discoveries and create royalty interests in South America, aiming to fund a significant portion of its mineral exploration costs through joint ventures and partnership agreements. This approach significantly reduces the technical and financial risk for the Company without losing exposure to the shareholder value enhancement of a major discovery. Lara's experienced management team has already made multiple discoveries and is well established in South America. Currently, the Company is focused in Brazil, Peru and Chile.

COMPANY HIGHLIGHTS FOR THE QUARTER ENDED SEPTEMBER 30, 2021

- Option payment received from Minsur for Lara's 45%-owned Lara Copper Project in Peru.
- The local community has blocked the access roads to the Corina project, forcing a suspension of the drilling program. Hochschild has invoked the force majeure clause under the terms of the option agreement with Lara while it negotiates a settlement.
- Acquired the Kenita licenses adjacent to the Company's Puituco Polymetallic Project in Peru from BHP.
- Valor Resources resumed work and reported encouraging surface sampling results on the Picha Copper Project in Peru, where Lara holds a 2% NSR royalty.
- The final payment of US\$200,000 has been made to complete the acquisition of the original Planalto Copper Project and the Homestead discovery, now only subject to a 2% royalty (half of which can be repurchased).
- Subsequent to the end of the period, drilling permits were granted for the Planalto Copper Project in Brazil and the property to the north, under option from Tariana Mineração (Anglo American), with drilling already started on the Tariana license.

EXPLORATION REVIEW

Despite the ongoing challenges of the Covid-19 pandemic, which has hit Brazil and Peru particularly hard, we have made progress on a number of existing projects and closed an important new property acquisition from BHP in Peru that substantially increases the footprint of our Puituco Polymetallic Project.

The new property acquisitions at Planalto in Q1-2021 effectively doubled the strike potential of the Homestead discovery, giving us an opportunity to grow this target. We now have drill permits and a rig testing this potential. The Celesta copper mine is still behind on its production targets, however, the new mill equipment has now been installed, and the cut back at Pit-1 (previously Osmar-1) has been completed so that we will be able to mine from both Pit-1 and Pit-2 (previously Osmar-2) in Q4 and increase production.

In Peru, there has been a wave of anti-mining protests, with local communities blocking roads and impeding mining and exploration activities. Hochschild's mines and our nearby Corina project have also been affected, the drilling at Corina has had to be stopped temporarily, and Lara's option payment deferred. On a more positive note, Minsur advised us that they had completed their preparatory legal work and are mobilizing to the field to prepare for the next drill program and made the 12-month option payment.

OUTLOOK

We have a permitted and fully-funded drill program of 4,350 metres of diamond drilling for the Planalto Copper Project underway, with one rig already operating and a second being mobilized in November. The program will be

testing potential extensions of the Homestead discovery both within the existing Planalto property and the license to the north under option from Tariana Mineração (Anglo American).

Delays in the installation and start-up of the Celesta plant expansion mean that we are lowering guidance to a target throughput of 600 tonnes per day (“tpd”) by the end of Q4, still double the current average of approximately 300tpd. We now expect to report the commercial production milestone (steady-state >500tpd) in Q1-2022.

At the moment, it is hard to predict how long it will take for the situation to settle down in Peru, and we continue to monitor the situation closely. We are currently most affected by the ability of Minsur and Hochschild to advance our Lara and Corina projects. Both are well-funded local companies with experienced teams, a large local workforce and are significant contributors to the local economies where they work, so we expect them to overcome these difficulties.

We are pleased to have reached an agreement with BHP to acquire their Kenita licenses and expand our Puituco project, which we will call Kenita in the future. We expect to start surface mapping and sampling on the new properties in Q4-2021. We have elected to take a long-term view of the exploration potential in Peru and will continue our generative efforts and try to add new properties to the portfolio.

BRAZIL EXPLORATION

Planalto Copper Project

In 2020 and early 2021, we negotiated options with Tariana Mineração (Anglo American) and Zaspir Mineração to acquire their mineral properties immediately to the north of the original Planalto licenses. During Q1-2021, we completed additional surface sampling, geological mapping and IP geophysics over these areas. We found anomalous soil values and IP Chargeability anomalies coincident with outcrops and float of mafic volcanics with chalcopyrite, indicating a potential to double the strike length of the Homestead discovery.

Additional IP lines were also run to the East, South and West of Homestead, within the original property area, defining a number of other new drill targets. We relogged a lot of the drill core from 2017-2019 to build a more coherent geological model. During the period, we made the final option payment to BAIP to complete the acquisition of the original Planalto licenses, which are now only subject to a 2% NSR, half of which can be repurchased.

During Q2 and Q3, we worked on the permitting to include the new properties, with drill permits finally issued by the Canaã dos Carajás Environmental Secretariat (SEMMA – *Secretaria Municipal de Meio Ambiente*) in October. Lara has received funding from partner Capstone Mining for 4,350 metres of step-out diamond drilling to test these targets in Q4, with one rig already at work in the Tariana option property and a second being mobilized to the site by the end of November.

Celesta Copper Project

The Celesta copper mine continued to operate through the period, despite some incremental improvements, at a level below the 500tpd defined as commercial production. The last remaining elements of the new flotation and milling circuits arrived at the site during the period and are now installed and should be operational by the end of Q4. Problems with deliveries and installation have delayed the start-up of the plant expansion, and we are lowering guidance to a target throughput of 600tpd by the end of Q4, which is double the current average of approximately 300tpd. We now expect to report the commercial production milestone (steady-state >500tpd) in Q1-2022. The cut back at Pit-1 (previously Osmar-1) has been completed so that we will be able to mine from both Pit-1 and Pit-2 (previously Osmar-2) in Q4 to meet the needs of the expanded plant.

PERU EXPLORATION

Corina Gold Project

In Peru, there has been a wave of anti-mining protests, with the local communities blocking roads and impeding mining and exploration activities generally. Hochschild's mines and our nearby Corina project have also been affected, and the drilling at Corina has had to be stopped as the local community has blocked the access roads. Hochschild has invoked the force majeure clause under the terms of the option agreement with Lara while it negotiates a settlement with the community.

Lara Copper Project

In Q3, Minsur advised us of their plan to restart fieldwork at the Lara project and made the second option payment of US\$200,000 as part of an Option and Royalty Agreement for the Lara Copper Project signed in July 2020. The Project is registered as Minas Dixon S.A., which is owned 55% by Global Battery Metals Ltd. ("GBML") and 45% by Lara. Under the terms of the Agreement, GBML and Lara have granted Minsur an exclusive option to acquire a 100% interest in the Lara Copper Project by making staged cash payments of US\$5.75 million to Minas Dixon S.A. on the satisfaction of various milestones, and with each of GBML and Lara retaining a 0.75% net smelter royalty. Minsur's plan was to start fieldwork in Q3, including relogging of drill holes, detailed geological mapping and geophysics, to permit a drilling campaign for Q2-2022.

Kenita (Puituco) Project

During the period, the Company signed a Mining Rights Transfer Agreement with BHP World Exploration Inc. Sucursal del Peru ("BHP") to acquire the Kenita property in exchange for a commitment to pay a 1% net smelter returns royalty on any future production. The Kenita property comprises five exploration licenses, totalling 2,200 hectares in area, adjacent to and surrounding Lara's 400-hectare Puituco Project, located in the Huancavelica Department of Central Peru. The Puituco-Kenita property lies north of the Riqueza copper porphyry project, being drilled by Inca Minerals Ltd. (IGC:ASX). Minera IRL Ltd.'s (MIRL:CSE) Corihuarmi high sulphidation epithermal gold mine and the Bethania polymetallic mine, being redeveloped by Kuya Silver Corp. (KUYA:CSE), also lie on the same trend to the northwest of Puituco-Kenita.

Lara previously reported high-grade surface chip channel samples from Puituco, including 42.6m averaging 4.65% zinc, 4.86% lead and 37 g/t silver (see Lara news release of June 12, 2018, for details). Lara intends to start a surface mapping and sampling program in Q4 to assess the new properties acquired.

Picha Copper Royalty

The Company sold the Picha project to Australian-listed Valor Resources Limited ("Valor") and retains an NSR royalty on any future production of 2% for precious metals and 1% for base metals. The project is in the Moquegua Department of southern Peru, approximately 17km ENE of Compañía de Minas Buenaventura S.A.'s San Gabriel construction-ready gold project. Lara has completed geological and alteration mapping, surface sampling and ground geophysics (158-line km of magnetic and 65-line km of induced polarization surveys). This work reported positive copper results from sampling, along with the widespread alteration, brecciation, vein stock working and geophysical anomalies.

During the period, Valor Resources Ltd. (ASX: VAL) reported results of the fieldwork, which outlined widespread significant copper and silver mineralization. The work has so far defined three target areas: Cobremani, Maricate and Cumbre Coya, with highlights from the sample results received to date, include:

- 35.6m long channel sample averaging 1.3% Cu and 22.85g/t Ag at Cobremani;
- 10m long channel sample averaging 1.09% Cu and 6.36g/t Ag at Cobremani;
- Several samples >1% Cu and up to 13.4% Cu at the Maricate target area;

- High-grade copper mineralization at Maricate over 1km in extent

Valor noted that ground geophysics and drilling are planned as a follow-up upon completion of the current program.

Qualified Person

Michael Bennell, Lara's Vice President Exploration and a Fellow of the Australasian Institute of Mining and Metallurgy, is a Qualified Person as defined by NI 43-101 *Standards of Disclosure for Mineral Projects*, has reviewed and has approved the disclosure of the technical information in the MD&A regarding the Company's projects.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2021

For the three months ended September 30, 2021, the Company had a loss of \$160,521 or \$0.00 per share compared to a loss of \$796,332 or \$0.02 per share in 2020. The favourable variance was due to \$Nil in share-based payment costs (2020 - \$640,882), and equity in the income of an associated company of \$91,125 (2020 - \$Nil), and a foreign exchange gain of \$14,976 (2020 - loss of \$78,360). These favourable variances were partially offset by higher exploration expenses, lower other income and a \$Nil change in fair value of FVTPL investments (2020 - \$77,614).

Share-based payments were \$Nil because there were no stock options granted in 2021, whereas 1,565,000 were granted in 2020. Lara recorded equity in income of an associated company due to Minas Dixon receiving a significant option payment from Minsur, which resulted in net income for Minas Dixon and Lara recorded its 45% share of that income. The favourable variance on foreign exchange was mainly due to the Brazilian real strengthening slightly against the Canadian dollar in 2021, whereas in 2020, the Brazilian real was weakening against the Canadian dollar.

Exploration expenses were higher for general and other expenditures in both Brazil and Peru compared to 2020. Other income was lower in 2021 due mainly to the gain on sale of the Fofoca South Gold Prospect in 2020, and there was no comparable income in 2021. In 2020, Lara recorded an increase in the fair value of its investment in its Valor Resources Limited shares. There was no fair value increase in 2021 because the Company had sold its holding earlier in the year.

Nine Months Ended September 30, 2021

For the nine months ended September 30, 2021, the Company had a loss of \$606,159 or \$0.02 per share compared to a loss of \$887,055 or \$0.02 per share. The favourable variance was due to lower share-based payments, higher equity in income of an associated company, a foreign exchange gain, and a gain on sale of investments. These were partially offset by higher exploration expense, lower other income and a write-off of exploration and evaluation assets in 2021.

The variances due to share-based payments, equity in income of an associated company and the foreign exchange were for the same reasons as noted above for the three months ended September 30, 2021. The gain on sale of investments was from the sale of Lara's equity holdings in Valor Resources Ltd. There was no corresponding sale of investments in 2020.

Exploration expense was higher in 2021 for the same reason as noted for the three months ended September 30, 2021. Other income was lower in 2021 because Lara received a significant option payment on the Corina property in 2020, and there was no option payment received in 2021. In 2021 the Company wrote off the Buenos Aires and Rafa properties exploration and evaluation assets. There was no comparable write-off in 2020.

SUMMARY OF QUARTERLY RESULTS

	2021	2021	2021	2020
Quarter Ended	Sept. 30	Jun. 30	Mar. 31	Dec. 31
Net exploration expenditures	\$ 163,863	\$ 155,346	\$ 68,848	\$ 38,034
Share-based payments	-	16,636	-	-
Net loss for the period	(160,521)	(329,386)	(116,067)	(93,487)
Net loss per share (basic and diluted)	(0.00)	(0.01)	(0.00)	(0.00)

	2020	2020	2020	2019
Quarter Ended	Sept. 30	Jun. 30	Mar. 31	Dec. 31
Net exploration expenditures	\$ 99,397	\$ 99,397	\$ 86,018	\$ 364,846
Share-based payments	640,882	640,882	5,918	52,123
Net income (loss) for the period	(796,332)	(796,332)	(198,785)	200,318
Net income (loss) per share (basic and diluted)	(0.02)	(0.02)	(0.01)	0.01

The net loss for each quarter is primarily based on the amount of exploration expenditures incurred, option payments paid or received, and whether stock options were granted and vested in the quarter.

Exploration Expenditures

The Company has three main types of exploration activity: general reconnaissance, exploration of mineral properties acquired through claim staking, and exploration of mineral properties acquired through option agreements with third parties.

The amount of exploration activity in a quarter depends on whether the Company is in the process of conducting general reconnaissance to acquire new relatively unexplored properties, starting to conduct exploration on recently acquired mineral properties and whether Lara is simultaneously receiving funding from a third party to conduct exploration on properties which have been optioned. For properties that have been optioned, Lara generally receives the funding, manages the exploration programs, and records the expenditures in their financial statements, net of the amounts paid by third parties.

Exploration spending is also dependent on a healthy treasury. The Company closely monitors its cash position and reduces exploration expenditures if there is insufficient funding to cover all administration expenses and planned exploration expenditures each year.

Option Payments Received from Third Parties

The Company enters into option agreements with third parties, whereby those third parties agree to acquire a majority interest in a mineral property through a combination of defined exploration expenditures and cash or share payments. Cash or share payments are first accounted for by recovering any exploration costs incurred by Lara, then any capitalized acquisition costs effect and finally, any excess payments that are received are credited to other income. Option payments can be significant during the later stages of an option agreement. If they are accounted for as exploration expense recoveries or other income, the payments will have a material effect on the Company's net income or loss for a given quarter.

Share-based Compensation

The Company periodically grants stock options to its directors, senior management, and consultants. These grants are usually fully vested on the date of the grant, which can result in a significant share-based payment expense occurring in a given quarter of any year. The last two major option grants, which included all directors, senior

management, and consultants, occurred in 2020 and 2017. More recently, Lara has granted options to recognize a specific achievement by senior management, compensate a new director, or recognize ongoing contributions from current directors. The greater the number of options granted, and the higher the exercise price, the greater the amount of share-based payment expense that will be recognized.

Lara also grants bonus shares to senior management approximately every two years. The shares have generally vested, one-third on the grant date, one-third after one year, and one-third after two years. Whenever a new bonus share grant takes place, there can be a significant share-based payment expense in that quarter because the first third of the bonus shares are vested immediately, and the expense is recorded at that time. The remaining bonus shares accrue evenly over the successive quarters and do not generally cause a significant variation in net income or loss over those quarters.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

The Company had working capital of \$928,606 as at September 30, 2021, compared to working capital of \$1,375,394 as at December 31, 2020. Working capital decreased by \$446,788 in the nine months ended September 30, 2021, due to funds consumed in operations, acquisition of mineral properties, and the purchase of equipment partially offset by cash received from the sale of investments. The Company is expecting that it will continue to receive Celesta royalty payments and operator's fees on the Planalto Copper Project on a regular basis. However, Lara may need to raise additional working capital to sustain operations for the next twelve months depending on the level of exploration activity.

OUTSTANDING SHARE DATA

There are 39,627,608 common shares issued and outstanding. In addition, there are 3,660,000 fully vested stock options outstanding, with exercise prices ranging from \$0.50 to \$1.02 per option with terms expiring between November 21, 2022, and June 28, 2026. The Company also has 2,000,000 common share purchase warrants outstanding with an exercise price of \$0.70, which expire on March 26, 2022.

INVESTMENTS IN ASSOCIATED COMPANY

Minas Dixon S.A.

The Company owns a 45% interest in Minas Dixon S.A. ("Minas"). As at December 31, 2020, Lara had a net investment of \$Nil in Minas. During the nine months ended September 30, 2021, Lara's 45% share of Minas' net income was \$91,125, and Lara's investment in Minas increased by the same amount.

RELATED PARTY TRANSACTIONS

The aggregate value of transactions paid or accrued to key management personnel and directors was as follows:

For the nine months ended September 30, 2021	Salary or fees	Share-based payments	Total
Chief Executive Officer	\$ 93,100	\$ -	\$ 93,100
VP Corporate Development	36,000	-	36,000
VP Exploration	126,774	-	126,774
Seabord Management Corp.	160,200	-	160,200
	\$ 416,074	\$ -	\$ 416,074

The above payments for management compensation are payments made in the normal course of business. The amounts paid for these services are negotiated in good faith by both parties and fall within normal market ranges. The Compensation Committee reviews executive compensation annually. The Board of Directors considers any changes to executive compensation recommended by the Compensation Committee and approves these changes if appropriate. The consulting contracts with senior management are ongoing monthly commitments that can be terminated by either party with sufficient notice. All balances due to related parties are included in accounts payable and accrued liabilities.

The outstanding balances due to or from related parties are as follows:

Related party assets and liabilities	Service or items	September 30, 2021	December 31, 2020
Amounts due from (to):			
CEO	Fees and Expenses	\$ (12,388)	\$ (946)
VP Exploration	Fees and expenses	-	(2,677)
VP Corporate Development	Fees and expenses	(1,594)	-
Seaboard Management Corp.	Deposit	10,000	10,000

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

As at September 30, 2021	FVTPL	Amortized Cost	Total
Cash and cash equivalents	\$ -	\$ 1,077,435	\$1,077,435
Restricted cash equivalents	-	57,500	57,500
Receivables	-	45,247	45,247
Long-term investments	178,668	-	178,668
Accounts payable and accrued liabilities	-	(101,394)	(101,394)
Advances from JV Partners	-	(109,541)	(109,541)
	\$ 178,668	\$ 969,247	\$1,147,915

Fair Value

The carrying value of receivables and accounts payable, and accrued liabilities approximated their fair value due to the short-term nature of these instruments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

Financial Risk Management

Lara's strategy for cash is to safeguard this asset by investing any excess cash in very low-risk financial instruments such as term deposits or by holding funds in the highest yielding accounts with a major Canadian bank. By using this strategy, the Company preserves its cash resources and can earn a low-risk return through the yields on these investments. The Company's financial instruments are exposed to certain financial risks, including currency risk, credit risk, liquidity risk, and interest rate risk.

Foreign Currency Risk

The Company operates mainly in Canada, Brazil, and Peru and is therefore exposed to financial risk related to the fluctuation of foreign exchange rates. The Company funds cash calls to its subsidiary companies outside of Canada in Canadian or US dollars, and a portion of its expenditures are incurred in the local currencies. The risk is that a significant change in the exchange rate of the Canadian dollar relative to the US dollar, the Brazilian real and the Peruvian sol could have an adverse effect on the Company's results of operations, financial position, or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through assets and liabilities denominated in these foreign currencies. A 10% change in the exchange rate of these foreign currencies to the Canadian dollar would result in an increase or decrease of approximately \$107,500 to the net loss or income from operations.

Market and Interest Rate Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in values of quoted market prices. Interest rate risk is the risk that the fair value of cash flows from a financial instrument will fluctuate due to changes in market interest rates. Lara holds FVTPL investments, which have market risk and have generally declined in value since acquisition because of the weak equity markets for exploration companies. The Company's cash is held mainly in interest-bearing bank accounts, and therefore there is currently minimal interest rate risk.

Credit Risk

Credit risk is the risk that one party will cause a financial loss for another party by failing to discharge an obligation. The Company is exposed to credit risk with respect to its cash and cash equivalents. The Company's cash and cash equivalents are mainly held through a large Canadian financial institution and are primarily held in bank accounts or GIC's and accordingly, credit risk is minimized. The Company generally does not accrue receivables for scheduled option payments, only recording them when received. That procedure significantly reduces the risk of recording uncollectible receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources. The Company's objective is to ensure that there are sufficient committed financial resources to meet its business requirements for a minimum of twelve months.

Mineral Property Exploration and Mining Risks

The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main responses to operating risks include ensuring ownership of and access to mineral properties by confirming that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities. There can be additional risks involved in some countries where pending applications for claims or licenses can be affected by government changes to application procedures.

Some of the Company's mineral properties are located within or near local communities. In these areas, it may be necessary as a practical matter to negotiate surface access with these local communities. There can be no guarantee that, despite having the legal right to access a mineral property and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing landowners or communities for this access. Therefore, the Company or one of its joint venture partners may be unable to carry out exploration activities on a property. In those circumstances where a local community or landowner has denied access, the Company may need to rely on the assistance of local officials or the courts to gain access, or it may be forced to abandon the property.

Lara is currently earning an interest in certain of its properties through option agreements. The acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making cash payments to the vendor, paying annual land fees, incurring exploration expenditures on the properties, and can include the satisfactory completion of technical studies. If the Company does not satisfactorily complete

these option conditions in the time frame laid out in the option agreements, the Company's title to the related property will not vest, and the Company will have to write-off the previously capitalized costs related to that property.

Joint Venture Funding Risk

Lara's strategy is to seek partners through joint ventures to fund exploration and project development. The main risk of this strategy is that funding partners may not raise enough capital to satisfy exploration and other expenditure terms in a joint venture agreement. As a result, exploration and development of one or more of the Company's property interests may be delayed depending on whether Lara can find another partner or has enough capital resources to fund the exploration and development on its own.

Commodity Price Risk

Lara is exposed to commodity price risk. Declines in the market prices of gold, base metals and other minerals may adversely affect Lara's ability to raise capital or attract joint venture partners to participate in its various exploration projects. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties.

Financing and Share Price Fluctuation Risks

Lara has limited financial resources, no reliable source of operating cash flow and assurance that additional funding will be available for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may depend upon the Company's ability to obtain financing through equity issues, debt financing or liquidation of long-term investments. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects, which could result in the loss of one or more of its properties.

Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as Lara, have experienced wide fluctuations in share price which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on Lara's ability to raise additional funds through equity issues.

Political and Currency Risks

The Company is operating in countries that currently have varied political environments. Changing political situations may affect the way the Company operates. The Company's equity financings are sourced in Canadian dollars, but for the most part, it incurs its expenditures in local currencies. There are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the Brazilian real or Peruvian sol could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks

During exploration, development, and production on mineral properties, the Company is subject to many risks and hazards in general, including adverse environmental conditions, operational accidents, labour disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as severe weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to mineral properties, delays, monetary losses, and possible legal liability.

Although the Company may maintain insurance to protect itself against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results, and cause a decline in the value of the Company's securities. Some work

is carried out through independent consultants, and the Company requires that all consultants carry their insurance to cover any potential liabilities because of their work on a project.

Key Personnel Risk

Lara's success depends on the performance of key personnel working in management and administrative capacities or as consultants. The loss of the services of senior management or key personnel could have a material and adverse effect on the Company, its business, and the results of operations.

Environmental Risks and Hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors, and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect Lara's operations. Environmental hazards may exist on properties in which the Company holds interests that are unknown to the Company at present.

Competition

The Company competes with many other companies and individuals that have substantially greater financial and technical resources for the acquisition and development of projects and the recruitment and retention of qualified employees.

COVID-19

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.