MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED SEPTEMBER 30, 2015

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at November 25, 2015 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, 2015 and the related notes thereto.

Those condensed consolidated interim financial statements have been prepared 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 the market valuation for commodities, difficulties in obtaining required approvals for the development of a mineral project and other factors.

Lara's operating plan is dependent on its joint venture partners being able to make option payments and fund exploration activities on most of the properties that Lara holds. The operating plan is also dependent on being able to raise new equity funds and sell investments as required in order to raise sufficient capital resources to acquire and explore new properties. Other factors that affect Lara's operating plan are gaining access to exploration properties by securing or renewing licenses, concluding agreements with local communities and commodity prices. If any of these factors are impacted in a negative way, such as joint venture partners being unable to raise sufficient capital to complete option agreements or if the Company is unable to raise sufficient 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 as a result of new information, future events or otherwise except as required by securities law.

COMPANY OVERVIEW

Lara is a prospect generator with a strategy to fund mineral exploration through joint ventures and partnership agreements. This approach significantly reduces the technical and financial risks for the Company, without losing exposure to the value enhancement of a major discovery. Lara's management team is well established in South America and has experience in a broad range of disciplines, enabling it to pursue opportunities in various commodities: precious and base metals, fertilizer minerals, coal and industrial minerals. Currently the Company is most active in Brazil, Peru and Paraguay, with projects also in Colombia and Chile through phosphate and coal alliances with Kiwanda Group LLC ("Kiwanda LLC").

HIGHLIGHTS

- Initial resource estimate produced for mineralization at Maravaia Copper Gold Deposit, located within its Curionopolis Project in northern Brazil.

- Letter of Intent signed with the Kiwanda Group LLC and Dr. Carlos Caceres Giron to secure and develop phosphate rock projects in the Boyacá District of Colombia.

- Signed a Purchase Option Agreement with Best Metais e Soldas S.A. ("Best"), to acquire the Azul Tin Project, located in Tocantins State, central Brazil.

EXPLORATION REVIEW

Lara currently holds or participates in exploration projects targeting copper, tin, nickel, gold, iron, phosphate, vanadium, titanium, graphite and coal, with exploration mostly funded through joint venture partnerships and strategic alliances. Seven of the projects are in Brazil, with three funded by partnerships. The Peru portfolio has been reduced to five projects, three of which are fully funded by partners, with one other in a co-funding joint venture. The Company also has two coal projects and phosphate generative program in Colombia and a phosphate project and the option to purchase a phosphate mine in Chile funded by alliance agreements with Kiwanda.

Outlook

The strategy of the company for 2015 has been twofold, to: (1) remain sustainable by reducing costs and selling non-core assets; and (2) seek to acquire new properties and targets while the market remains weak. The Company has received payments in cash and shares from the sale of assets, which has meant that we have not had to issue new shares to finance our activities. While this remains a challenge, we intend to continue to prefer to squeeze our existing portfolio rather than undertake a dilutive equity financing.

Our team is now reduced to a core group focused on prospecting and new business. Currently, we are most active in Brazil, where we are pursuing both acquisitions and registering new exploration claims and we have recently initiated a new generative effort in Paraguay to do the same. We remain opportunistic in Peru, Colombia and Chile, without teams in the field exploring, but ready to pursue acquisitions if the right properties become available. For the first 9 months of 2015 the Company has managed to both remain actively exploring and to maintain its treasury, with the Azul Tin Project in Brazil, the first of what we expect will be many new projects added to the Lara's portfolio of viable exploration targets.

Brazil Projects

Liberdade Copper Project

The Liberdade Copper Project comprises an exploration License of 8,491 hectares, located in the Municipality of São Felix do Xingú, Pará State, at the western end of the prolific Carajás District. Codelco do Brasil Mineração Ltda., a subsidiary of Chilean State-owned copper miner Codelco, has earned an initial 51% interest in the property by investing US$3,300,000 in exploration and may now elect to earn a further 24% interest by sole-funding such additional exploration works as are necessary to define a minimum resource of at least 500,000 tons of copper equivalent, independently reported under National Instrument 43-101 guidelines.

The Liberdade exploration license was originally published on October 19, 2010 and valid for three years. It was transferred to Codelco on March 21, 2011, under the terms of the option agreement between Lara and Codelco, with Codelco then having the right to renew the license for up to a further three years. Codelco completed several exploration and drill programs (see Company news releases of March 1, 2013 and October 7, 2013 for details) within the license period and then requested a three-year renewal on July 12, 2013. The Brazilian Department of Mines ("DNPM") has delayed analysis of the renewal, as Vale S.A. ("Vale") has claimed to have a license dating back to 1986 that is still valid. Codelco has filed a lawsuit with the Federal Courts in Brasilia, against both the DNPM and Vale to nullify Vale's old license and safeguard its rights under the Liberdade exploration license.

Curionópolis Copper-Gold Project

The Curionópolis property covers a number of IOCG-type high-grade copper-gold targets within the prolific Carajás District of northern Brazil and is being worked under an option agreement by an unlisted Canadian company Tessarema Resources Inc. ("Tessarema"). Subsequent to the end of the period, the Company reported an initial resource estimate for mineralization at the Maravaia Copper Gold Deposit, located within its Curionopolis Project. Indicated resources were estimated for the Osmar Target at 2.14 million tonnes with average grades of 4.2% copper and 0.66 parts per million ("ppm") gold. Inferred resources were estimated for the Galpão Target at 0.38 million tonnes, with average grades of 3.16% copper and 0.69 ppm gold.

The effective date of the estimates is September 28, 2015, with the key assumptions, parameters and methods used to make the estimates being:

- The Osmar indicated resource is based on data from sixteen drill holes (2,565.7 metres in total) completed between 2009-2014, on a grid spacing of approximately 25 metres. The geology was modeled on eight 25 metre-spaced East-West sections through the mineralization. The resource model was then constructed in Gemcom Surpac software with 12.5 x 12.5 x 4.5 metre blocks, 3.125 x 3.125 x 1.125 metre sub-blocks, using a cut-off grade of 0.75% copper;

- The Galpão inferred resource is based on four drill holes (334.45 metres in total) spaced between 30 and 48 metres along a single north-south section through the mineralization;

The potential development of these resources remains subject to test work to assess copper and gold recoveries, engineering and feasibility studies, and the securing of environmental and mining licenses. The project data and resource estimates in this news release are derived from and presented in more detail in the Amended Technical Report entitled: "Maravaia Copper-Gold Deposit, Carajás Mining District, Para, Brazil", prepared for Tessarema Resources Inc. ("Tessarema") and Lara by Dr. João Batista G. Teixeira, P.Geo. The report will be available on SEDAR (www.sedar.com) and the company website (www.laraexploration.com).

To fulfill the conditions to earn an initial 49% interest in Curionopolis, Tessarema has made payments to Lara totaling US$700,000, completed over 2,000 metres of drilling, filed a Final Exploration Report with the Brazilian Department of Mines and outlined a minimum resource with over 100,000 tonnes of contained copper equivalent.

Tessarema can earn a further 11% interest by paying Lara US$500,000, securing a Pilot Mining License and granting Lara a 5% net smelter return royalty on production from pilot mining at Curionopolis. Tessarema can then earn the remaining 40% interest by paying Lara US$750,000, putting the project into commercial production at a minimum rate of 500 tonnes per day and granting Lara a further 2% net smelter return royalty on commercial production. Tessarema has advised the Company that it intends to fulfill the remaining obligations to exercise its option to acquire 100% of Curionopolis. Tessarema's initial 49% interest will be held in escrow until it earns the full 100%.

The copper-gold mineralization at Maravaia belongs to the Iron-Oxide-Copper-Gold ("IOCG") class of deposit and is hosted in veins associated with hydrothermal breccias, contained in NS to NE/SW orientated tension gashes. These structures are associated with a NW/SE shear zone that cuts amphibolite, diorite and gabbro lithologies, located between the regional Cinzento and Carajás shear belts. The surface mineralization (up to ~70 metres deep) is composed of malachite, azurite, chrysocolla, cuprite and native copper, plus hydroxides of copper and iron. At depths greater than 70 metres, chalcocite, chalcopyrite and native copper predominate, with subordinate amounts of bornite, pyrite and magnetite. Zones extremely rich in copper occur locally, with massive horizons of native copper associated with chalcocite and cuprite at depths greater than 120 metres.

Curionópolis Iron Project

The Curionópolis Iron Project comprises a 1,348-hectare license area, covering banded-massive iron formations and related colluvium and lateritic material with grades reaching over 60% iron, located within the Company's Curionópolis Copper-Gold Project. This property has been optioned to Vertical Mineração Ltda. ("Vertical"), a special purpose company owned by a group of Brazilian pig iron producers, under an agreement whereby Vertical will make cash payments and pay royalties of US$1.50/ton on sales of granular iron ore and US$0.75/ton on sales of fine-grained iron ore produced from the Project.

The Company filed for arbitration with the FARJ (Forum Arbitral do Rio de Janeiro), over its Mineral Rights Transfer Agreement ("the Agreement") with Vertical. Among the terms of the agreement, signed in May 2009, whereby Lara transferred its rights to the Curionópolis Iron Project to Vertical, were obligations for Vertical to make purchase payments and pay minimum royalties to the Company. Despite several renegotiations extending payment terms and repeated notifications, Vertical has not completed these payments. Lara has requested that the Arbitrators rule on the unpaid amounts, plus interest and fines, as defined by the Agreement. Eventually if Vertical is unable or unwilling to pay, the Company is requesting return of the property.

Canindé Graphite Project

The Canindé Graphite Project comprises 15,614 hectares of exploration licenses accessible on paved highways from the Ceará State Capital, Fortaleza. The high-grade and disseminated flake graphite occurrences are hosted within gently dipping schistose rocks and shear zones developed within a complex of felsic gneisses with local meta-sedimentary schist enclaves.

Subsequent to the end of the period, the Company's partner, Paradigm Metals Ltd. ("Paradigm"), terminated its option to earn an 80% interest in the project. Paradigm completed eight shallow drill holes at Canindé, with the best intersection returning 13.69 metres averaging a grade of 18.38% graphitic carbon, from diamond core drilling at the Pedra Preta target (see Company news release of May 20, 2015 for details). Paradigm also completed laboratory-scale graphite recovery tests at SGS Geosol Laboratorios Ltda. (Belo Horizonte, Brazil), on high-grade and low-grade samples, achieving good recoveries from the high-grade sample. The Company is reviewing the work completed by Paradigm.

Sergipe Potash Project

Lara's Sergipe Potash Project comprises 21,483 hectares of exploration licenses that are adjacent to and cover northern extensions of the potash-bearing sedimentary units of the Taquari-Vassouras Mine (operated by Vale S.A.). Subsequent to the end of the period, the Company's partner, Aguia Resources Ltd. ("Aguia"), terminated its option to acquire a 100% interest in the project. Aguia was unable to complete its drilling commitment on the Sergipe Project and elected instead to pay Lara US$400,000 in cash, issue to Lara 11,000,000 common shares of Aguia (that Lara has subsequently sold) and to terminate its option. The Company has relinquished these mineral rights, considering the project unfeasible in the current pricing environment for potash.

Azul Tin Project

As part of the Company's efforts to acquire new mineral properties during this low point in the exploration cycle, a Purchase Option Agreement was negotiated with Best Metais e Soldas S.A. ("Best"), to acquire the Azul Tin Project, located in Tocantins State, central Brazil. Under the terms of the Agreement, Lara must make the following cash payments to keep the Agreement in good standing:

Due Date	US$
Upon signing (paid)	7,500
By December 31, 2015	7,500
By December 31, 2016	40,000
By December 31, 2017	200,000
By December 31, 2018	500,000

Lara will pay a 2% net smelter return royalty to Best on any production derived from the property, but has the right to acquire this royalty at any time for a one-time cash payment of US$3 million.

The Azul Tin Project comprises a 671-hectare Mining License that has been the subject of small-scale mining in the past from two open pits located approximately 200 metres apart. To date 51 diamond drill holes have been completed (for a total of approximately 3,700 metres) to test extensions of the tin mineralization exposed in the pits.

Peru Projects

Grace Gold Project

The Company has an option agreement with Apumayo S.A.C., a subsidiary of Peruvian gold miner Aruntani S.A.C. ("Aruntani"), to acquire 100% of the Company's Grace Gold Project in southern Peru for US$2,000,000 in staged cash payments and a net smelter return royalties of 0.75% on any production in excess of 200,000 troy ounces and 1% on any production in excess of 500,000 troy ounces. Aruntani further committed to minimum exploration expenditures on the property of US$500,000 and the completion of a minimum of 3,000 metres of drilling. The timing of the payments to Lara and the work commitments are subject to securing community agreements and drilling permits from the Peruvian government. Apumayo has advanced community discussions and permitting, but has yet to secure a drilling permit (DIA).

The 6,600-hectare Grace Project covers Tertiary-age volcaniclastics, cut by brecciated silica bodies and veins with wide quartz-alunite and granular silica halos, indicative of a well-preserved high-sulphidation epithermal system. An area of hydrothermal alteration extending approximately 6 kilometres in length by 1 to 1.5 kilometres in width has been outlined to date, where rock chip samples have returned anomalous gold, silver, arsenic, mercury and antimony values. Apumayo is currently mining gold on epithermal deposits immediately to the south of Grace and which are derived from mineralized alteration zones similar to those outlined at Grace.

Corina Gold Project

The Company has an option agreement to sell this project to Compañia Minera Ares S.A.C. ("Ares"), a subsidiary of Hochschild plc., for staged cash payments totaling US$4,150,000 (US$150,000 of which was paid on signing), carrying out US$2,000,000 in exploration and paying a 2% net smelter return ("NSR") royalty on any future production. Ares is the project operator and is currently working to secure drill permits.

The Corina Gold Project comprises 13,478 hectares of exploration licenses covering a low-sulphidation epithermal vein system extending for several kilometers, with anomalous silver and gold values. The project lies adjacent to Hochschild mineral rights on a northeasterly oriented trend of mineralization that is host to Hochschild's Pallancata and Immaculada mines.

Picha Copper Project

The 3,000 hectare Picha Project is located within the Tertiary Volcanic Arc of Southern Peru, adjacent to the mineral rights block where Compañia de Minas Buenaventura S.A. is developing its San Gabriel gold deposit, for which it reports indicated and inferred resources of 12.3 million tons at average grades of 6.5 grams per ton gold (2.5 million ounces).

The Company has a Letter of Intent ("LOI") granting the Kiwanda Group ("Kiwanda") a six-month exclusive option to acquire the Project in exchange for assuming mineral rights and community obligations that fall due during 2015. In the event that Kiwanda elects to complete its option, the Project will be transferred to a new company controlled by Kiwanda, which will grant Lara a net smelter returns royalty of 2% on any precious metals and 1% on any base metals or other minerals produced from the Project. Kiwanda will also pay or transfer to Lara 30% of the proceeds upon a sale or transfer of the Project to a third-party.

Condoroma Copper Project

In December 2014, the Company signed a Letter of Intent ("LOI") with Goldplata Mining International Corporation ("Goldplata"), to consolidate their respective interests in the Condoroma and Murindo copper porphyry projects. Under the terms of the LOI, Goldplata had an exclusive six-month option to negotiate an agreement to acquire Lara's interest in the Condoroma Project in exchange for agreeing to pay the property holding costs for the coming year. Lara and Goldplata also agreed to negotiate on a best efforts basis the terms to exchange their respective interests in the Condoroma and Murindo Projects for shares in a new company and to seek financing to develop these projects and to acquire other similar copper porphyry projects in the region. The Parties were unable to agree terms for the Condoroma consolidation and the LOI was terminated at the end of the second quarter. Lara has elected to write down its investment in the Condoroma Project.

Projects Available for Joint Venture

Sami Gold Project (Peru)

The Sami Gold Project comprises a 1,000 hectare mineral right, located in the Ayacucho and Huancavelica departments of southern Peru at elevations of between 4,000 and 4,500 metres. The property lies along the Southern Peruvian Tertiary Volcanic Belt, which is host to a number of world-class high sulphidation epithermal gold and silver deposits. Lara's mineral right covers the Pitusaja Target, where high-sulphidation epithermal alteration and breccias are exposed over an area 100 by 200 metres, with gold values of up to 1.45 g/t and silver values up to 25.4 g/t returned from the Company's surface sampling.

Lara Copper Project (Peru)

The Lara Copper Project (45% owned by the Company) covers copper and molybdenum mineralization associated with porphyry intrusives within the prolific coastal batholith of southern Peru. Geophysical surveys, mapping, geochemical sampling and 9,850 metres of drilling have been completed on the 1,800 hectare Lara Copper Project to outline mineralization over an area approximately 2,000 metres by 1,000 metres, indicative of potential for a substantial mineralized porphyry copper body.

Itaituba Iron-Titanium-Vanadium Project (Brazil)

This project covers mineralized felsic and mafic intrusives with direct shipping grade magnetite mineralization with significant titanium and vanadium content, located close to paved roads, 55 kilometres from the Miritituba Port on the Tapajós River, from where the iron ore could be barged to shipping terminals on the Amazon River. The target comprises multiple sub-vertical and sub-parallel bodies of magnetite up to 50 metres thick and up to 150 metres long. The Company has completed a geophysical survey (ground magnetics) over part of the target and collected a number of surface grab samples. The high average grades of the surface samples analysed: 48% metallic iron (69% Fe_2O_3), 22% titanium dioxide (TiO_2) and 0.45% vanadium pentoxide, indicate potential for the mining of a direct shipping ore product. The magnetite mineralization outcrops on the crest and flanks of ridges, suggesting that it would be amenable to open pit mining with relatively low strip ratios. The main zone of mineralization outlined to date lies within an area of grassland and patchy scrub used for cattle grazing.

Chile and Colombia - Kiwanda Alliances

The Company has an agreement with Kiwanda Mines LLC to sell the rights and options held under their Phosphate Alliance and Coal Alliance, to Australian Securities Exchange listed Phillips River Mining Limited. Lara has agreed to sell all of its direct project rights under both Alliances to Phillips River in exchange for 50% of the vend-in shares to be issued by Phillips River and a 2% production royalty, so under the terms of this agreement, Phillips River will acquire all of the Phosphate Alliance and Coal Alliance assets and options as follows:

- The Coal Alliance's 23% interest in central Colombian coal producer Carbhid S.A.
- The Coal Alliance's option to earn a 51% interest in Carbhid's Escalones mining rights.
- The Coal Alliance's option to earn a 100% interest in the Pelaya coal exploration rights in northern Colombia.
- The Phosphate Alliance's option to acquire a 100% interest in the Bifox phosphate mining rights in northern Chile.
- The Phosphate Alliance's 100% owned Ki phosphate exploration rights adjacent to the Bifox mining rights.

Lara has received US$200,000 and is entitled to a further US$570,000 upon completion of the acquisition of the assets by Phillips River. Phillips River will acquire the assets through the issue of new shares at a deemed price of A$0.20 each, based on an independent valuation. After payment of the cash amounts due to Lara, the new Phillips River shares will be issued equally to Lara (50%) and Kiwanda (50%), with 50-60% of the shares payable upon closing of the transaction and the remainder only payable subject to achieving certain production and resource definition milestones. Lara is further entitled to a 2% production royalty on the Coal Alliance assets and, once an annual production capacity of 50,000 tons has been achieved, a 2% production royalty on the Phosphate Alliance Assets. Phillips River shareholders approved the transaction on May 15, 2015 and the transaction is expected to complete by the end of 2015.

Ki Phosphate Rock Project (Chile)

During the period Kiwanda advised that it is commencing a trenching and sampling program at the Ki Project, which comprises 21,390 hectares of exploration licenses at Bahia Inglesa in Northern Chile, owned 100% by the Phosphate Alliance between Kiwanda and Lara. The Ki Project is adjacent to and covers extensions of the phosphate-bearing basins currently being mined by Bifox Ltda., where the Phosphate Alliance also has a purchase option. The program at the Ki Project will be based on data from exploration work by the Chilean government in the 1980's, along with remote sensing and more recent fieldwork undertaken by the Phosphate Alliance. Exploration will target phosphate-bearing sediments in different parts of the Ki licenses, by excavating and systematically sampling pits and trenches.

Iza Phosphate Rock Project (Colombia)

During the period Lara and Kiwanda signed a Letter of Intent Dr. Carlos Caceres Giron to secure and develop phosphate rock projects in Colombia. Applications have already been filed for approximately 16,000 hectares of exploration licenses in the Boyacá District, where previous work by Lara and Caceres outlined extensive phosphate-rich sediments.

Under the terms of the Agreement, Dr. Caceres has formed a Colombian company, Fosfatos de Iza S.A.S. ("Iza") that will be the holder of the mineral rights and manage in-country activities. Lara and Dr. Caceres will work together to select and acquire projects, build a team of technical, legal, financial and community relations personnel that will be responsible for the review, acquisition and exploration of suitable phosphate prospects and projects. Kiwanda will provide funding to resume exploration work in the coming months and subsequently acquire 100% of the shares of Iza by issuing the equivalent of US$450,000 in shares over two years to Dr. Caceres and by granting a 2% net production royalty to Lara on all production from the areas.

Phosphate-rich beds were previously mapped and sampled by Lara and Caceres in three different formations within and around the new application areas. Channel samples within the basal phosphorite unit of the Arenisca Dura Formation were 0.8 to 3.05 metres thick with phosphate grades ranging between 0.94% and 34.1% P2O5. The upper phosphorite unit of the Arenisca Dura Formation was sampled over widths of between 1.5 and 2.5 metres and grades ranging from 1.025% and 15.4% P2O5. The basal unit of the Labor Tierna Formation was sampled over thicknesses of 0.83 and 1.4 metres, with grades of between 9.46 and 15.05% P2O5. The upper unit of the Lidita Formation was sampled over thicknesses of 0.33 and 2.3 metres with grades of between 1.35% and 28.9% P2O5.

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 National Instrument 43-101 *Standards of Disclosure for Mineral Projects,* and is responsible for the preparation and verification of the technical information in the MD&A regarding the Company's projects.

RESULTS OF OPERATIONS

Three Months Ended September 30, 2015

For the three months ended September 30, 2015 the Company had net income of $149,945 or $0.00 per share compared to a loss of $689,321 or $0.02 per share in 2014. The Company had net income as the result of receiving over $600,000 of option revenue, whereas there was no option in revenue in the comparative 2014 quarter. For the quarter ended September 30, 2015 the Company received option revenue of $335,225 from Tessarema, $256,082 from Aguia and $30,669 from Kiwanda for the Curionopolis, Sergipe and Picha agreements respectively. For 2014 the Company recorded a realized loss on the sale of AFS investments of approximately $359,000 whereas the loss was only $16,714 in 2015. The option revenue and the lower loss on the AFS investments were the main reasons for the variance between this year's results and 2014.

Nine Months Ended September 30, 2015

For the nine months ended September 30, 2015 the Company incurred a loss of $1,084,135 or $0.03 per share compared to a loss of $1,902,785 or $0.06 per share in 2014. The loss was lower in 2015 due to lower exploration expenditures, lower management fees, higher option revenue, a lower impairment loss on equity investments and a higher realized gain on equity investments sold, partially offset by the write-off of the Condoroma property and higher share-based compensation. Exploration expenses were lower than in 2014 as the Company cut back on activity to preserve capital with the main reductions being for expenditures incurred on general and other activity in both Brazil and Peru. Management fees were lower due to the Company terminating the payment of directors' fees as of March 31, 2015, whereas directors' fees were paid for the full nine months in 2014. Option revenue was higher in 2015 as the result of increased option payments received for the Curionopolis, Sergipe and Picha properties compared to 2014. The favorable variances for the equity investments were due to a less volatile market in 2015 and the fact that the equities had suffered significant impairment in 2014 and 2013. Share-based compensation was higher in the current quarter because the Company granted 1,470,000 stock options which were fully vested on the date of the grant whereas there was no corresponding option grant in the comparative quarter.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $1,163,365 at September 30, 2015 compared to $730,256 at December 31, 2014. Working capital increased due to the receipt of option payments and the sale of long-term investments partially offset by working capital consumed by operating activities. The Company has and will continue to limit its own exploration programs in 2015 in order to conserve cash. Lara's cash resources at September 30, 2015 were mainly held in interest bearing accounts. At September 30, 2015 the Company held investments with a fair value of approximately $402,000. Lara expects that it will continue to receive option payments in the form of cash and shares over the next twelve months and includes those scheduled payments as part of its capital resources. Lara may sell some of its equity investments in order to raise additional working capital. However, the Company may have to raise some additional capital to fund its business activities over the next twelve months. This is forward looking information. The amount and timing of a financing, if any, will depend on the amount of cash resources Lara can realize by liquidating some of its equity investments and on whether future scheduled option payments are received from its exploration partners.

SUMMARY OF QUARTERLY RESULTS

	2015	2015	2015	2014
Quarter Ended	**Sept. 30**	**Jun. 30**	**Mar. 31**	**Dec. 31**
Exploration expenditures (net)	$ 185,525	$ 169,866	$ 298,894	$ 72,556
Share-based payments	158,327	19,240	28,630	29,266
Net income (loss) for the period	149,945	(775,928)	(458,152)	(653,569)
Net loss per share (basic and diluted)	0.00	(0.03)	(0.01)	(0.02)

	2014	2014	2014	2013
Quarter Ended	**Sept. 30**	**Jun. 30**	**Mar. 31**	**Dec. 31**
Exploration expenditures	$ 204,366	$ 466,356	$ 412,016	$ 516,311
Share-based payments	10,237	43,635	5,916	42,455
Net loss for the period	(689,321)	(899,676)	(313,788)	(1,063,449)
Net loss per share (basic and diluted)	(0.02)	(0.03)	(0.01)	(0.03)

The loss for the quarters varies primarily based on exploration expenditures incurred, options payments received, and whether stock options were granted in the quarter.

The Company had net income of $149,945 for the quarter ended September 30, 2015 compared to a loss of $775,928 in the prior quarter. The favorable variance was due to higher option revenue received in the current quarter and combined with the write-down of the Condoroma property in the amount of $916,347 in the quarter ending June 30, 2015.

The loss for the quarter ended June 30, 2015 was greater than for the prior quarter due to the write-off of exploration and evaluation assets partially offset by lower exploration and administrative expenses and option revenue.

The loss for the quarter ended March 31, 2015 was lower than for the prior quarter due to a significant write-off of exploration and evaluation assets and a loss on investments in the quarter ended December 31, 2014, which were partially offset by higher option revenue and lower exploration expenditures in that quarter compared to the quarter ended March 31, 2015.

The loss for the quarter ended December 31, 2014 was lower than for the prior quarter due to lower exploration expenditures and higher option revenue in the quarter partially offset by a higher write-off of exploration and evaluation assets. The reduced exploration expenditures were the result of an effort to conserve capital resources. The Company received option revenue in the December 2014 quarter on the Caninde, Sergipe and Curionopolis properties amounting to approximately $400,000 whereas there was no option revenue received in the prior quarter. Option revenue is recognized when the payments are received and depends on the timing of the scheduled payments according to the option agreements and on the timeliness of the partners' payments.

The loss for the quarter ended September 30, 2014 was lower than for the prior quarter due to lower exploration expenditures, no impairment charge on investments and a reversal of equity in losses of associated companies. These favourable variances were partially offset by a loss on sale of investments in the September 2014 quarter.

The loss for the quarter ended June 30, 2014 was much higher than for the prior quarter due to no option revenue being received in the quarter plus a much higher impairment charge was taken on AFS investments in the June quarter as compared to the March 2014 quarter.

The loss for the quarter ended March 31, 2014 was lower than for the prior quarter due to higher option revenue combined with lower exploration expenditures and a write-off of exploration and evaluation assets which occurred in the prior quarter but for which there was no comparable write-off in 2014.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

INVESTMENTS IN ASSOCIATES

The Company has investments in four associated companies, Minas Dixon S.A. ("Minas"), Kiwanda Alliance (BVI) Inc. ("Kiwanda BVI") Andean Coal (BVI) Ltd. ("Andean") and Caninde. The Company is responsible to provide its 45% share of funding for Minas and contributed approximately $100,000 in 2014. Lara has contributed $54,778 for the nine months ended September 30, 2015.

Lara entered into a definitive agreement with Kiwanda Group LLC ("Kiwanda LLC") to generate phosphate projects in South America. Kiwanda LLC was to fund the projects but is in default of its funding obligation and Lara decided to assist with funding in 2013 and was able to recover some of its funding contributions in 2014, when Kiwanda LLC was able to raise some capital.

The Company has an agreement with Paradigm Metals Limited ("Paradigm") whereby Paradigm can earn up to an 80% interest in the Caninde Graphite Project. Under the terms of the agreement, Paradigm exercised a condition of its option agreement and in 2015 elected to take control of Caninde (BVI) Ltd., the company which indirectly owns the graphite project. Paradigm has decided to terminate the option and return full ownership of Caninde (BVI) to Lara.

The Company also entered into an agreement with Kiwanda Mining Partners LP ("Kiwanda LP") to generate, acquire, and develop coal projects in Peru and Colombia. Kiwanda LP was to fund the projects but is in default of these commitments and Lara has contributed its own capital to maintain the projects. In October 2014 the Company signed a definitive agreement with partner Kiwanda Mines LLC ("Kiwanda") to sell the rights and options held under the above agreements for phosphate and coal, to Phillips River Mining Limited ("Phillips River"). Refer to Note 6 of the December 31, 2014 financial statements for the terms of the agreement. At this point the sale is proceeding and the Phillips River shareholders have approved the transaction.

If the sale completes, Lara will receive US$570,000 and 50% of the vend-in shares from Phillips River. Phillips River will also assume the day-to-day management and costs of the acquired assets. Therefore if the sale completes, Lara will receive a significant amount of cash and will not be contributing any further cash resources to manage these coal and phosphate assets. This would result in a significant improvement in Lara's financial position. If the sale does not complete, the Company may have to raise additional funds from other sources such as liquidating its equity investments or raising funds through a private placement. Lara would also have to determine whether it could find a new buyer for those assets or whether to continue funding them. At September 30, 2015 the continuity of the Company's investment in associated companies and joint ventures was as follows:

	Minas	Kiwanda	Andean Coal	Caninde	Total
Investment in associated company					
Net investment at December 31, 2013	$ -	$ 105,241	$ 96,349	$ -	$ 201,590
Additional investment (recovery) for the year ended December 31, 2014	99,454	(144,917)	326,823	-	281,360
Share of net (loss) recovery	(95,047)	39,676	(13,841)	-	(69,212)
Prior year's loss recognized	(4,407)	-	-	-	(4,407)
Net investment at December 31, 2014	$ -	$ -	$ 409,331	$ -	$ 409,331
Additional investment (recovery) for the period ended September 30, 2015	54,778	3,758	2,764	4,091	65,391
Share of net (loss) recovery	(36,350)	(3,758)	(4,042)	(4,091)	(48,241)
Prior year's loss recognized	(18,428)	-	-	-	(18,428)
Net investment at September 30, 2015	$ -	$ -	$ 408,053	$ -	$ 408,053

At September 30, 2015, the associated companies and joint ventures assets, liabilities and net losses were as follows:

	Minas	Kiwanda	Andean Coal	Caninde
Current assets	$ 36,001	$ 7,623	$ 3,205	$ 1,169
Non-current assets	423,327	-	564,477	5,453
Current liabilities	(16,372)	(5,489)	-	(89,938)
Loss for the period	(130,492)	(135,749)	(8,083)	(145,397)
The Company's ownership percentage	45%	50%	50%	49%
The Company's share of loss for the period	(58,721)	(67,875)	(4,042)	(71,245)

At September 30, 2015 the Company had accumulated net unrecognized losses of $185,069 in the Kiwanda Phosphate Alliance, $67,154 in Caninde (BVI) Ltd. and $22,371 in Mnas.

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, 2015	Salary or fees	Share-based payments	Total
Chief Executive Officer	$ 90,000	$ 65,203	$ 155,203
VP Corporate Development	36,000	34,224	70,224
VP Exploration	117,000	37,468	154,468
Chief Financial Officer	-	5,400	5,400
Corporate Secretary	-	2,700	2,700
Andre Gauthier	10,000	6,750	16,750
Michael Winn, former director	3,000	-	3,000
Byron King, former director	3,000	-	3,000
Adrian Calvert, director	3,000	6,750	9,750
Christopher Jones, director	3,000	6,750	9,750
Geoff Chater, director	3,000	6,750	9,750
	268,000	171,995	439,995

During the nine months ended September 30, 2015 the Company paid $160,200 (2014 - $160,200) to Seabord Services Corp., ("Seabord"). Seabord is a management services company controlled by a former director. Seabord provides the services of a Chief Financial Officer ("CFO"), a Corporate Secretary, accounting staff, administration staff and office space to the Company. The CFO and the Corporate Secretary are employees of Seabord and are not paid directly by the Company. The contract with Seabord is an ongoing monthly commitment which can be terminated by either party with sufficient notice.

The above payments for management compensation and directors' fees 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 which 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, 2015	December 31, 2014
Amounts due to:			
Chief Executive Officer	Fees and expense recovery	$ 79,912	$ 59,552
Former President, Director	Expense recovery	9,074	6,574
Directors	Directors fees and expenses	8,951	30,000
VP Corporate Development	Fees and expense recovery	33,129	26,903
Seabord Services Corp.	Expense recovery	-	173
Amounts due from:			
Chief Executive Officer	Bonus share payroll deduction	-	737
VP Corporate Development	Bonus share payroll deduction	-	1,785
Common director			
Reservoir Minerals Inc.	Expense recovery	1,591	2,565
Common director			
Reservoir Capital Corp.	Expense recovery	1,198	2,166
Common director			

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	Septembre 30, 2015		
Financial instruments	Available-for-sale investments	Loans and receivables	Other financial liabilities
Cash and cash equivalents	$ -	$ 1,056,953	$ -
Restricted cash equivalents	-	46,000	-
Receivables	-	313,220	-
Loan receivable	-	402,270	-
Long-term investments	423,304	-	-
Accounts payable and accrued liabilities	-	-	(228,092)
	$ 423,304	$ 1,818,443	$ (228,092)

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. The loan receivable is denominated in US dollars and is carried at cost and translated to Canadian dollars at the exchange rate on September 30, 2015.

RISKS AND UNCERTAINTIES

Financial Risk Management

Lara's strategy with respect to 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 is able to marginally increase these resources through the yields on these investments. The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Foreign Currency Risk

The Company operates mainly in Canada, Brazil, Peru and Chile and therefore is 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, the Peruvian sol and the Chilean peso 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 $53,100 to the loss 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 AFS investments which have market risk and have declined in value since acquisition as a result of the weak equity markets for exploration companies. The Company could incur further impairment charges in future depending on the performance of each company and general market conditions. 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 mainly held in bank accounts and accordingly, credit risk is minimized. The Company assesses the collectability of amounts owing from partners on their mineral properties and records allowances for non-collection based on management's assessment of specific accounts.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources as outlined in Note 15 of the condensed consolidated interim financial statements. 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 particular mineral property and carry on exploration activities, the Company will be able to negotiate a satisfactory agreement with any such existing land owners 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 access has been denied by a local community or land owner, 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 and the acquisition of title to the properties is only completed when the option conditions have been met. These conditions generally include making property payments, 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 be able to raise sufficient capital in order to satisfy exploration and other expenditure terms in a particular 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 in order to fund its ongoing operations. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties to a third party.

Financing and Share Price Fluctuation Risks

Lara has limited financial resources, has no reliable source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent 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 prices 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 manner in which 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. At this time 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

In the course of exploration, development and production on mineral properties, the Company is subject to a number of risks and hazards in general, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement 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 properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect 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 for 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 securities of the Company. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Key Personnel Risk

Lara's success is dependent upon 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 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 which are unknown to the Company at present.

Competition

The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

OUTSTANDING SHARE DATA

There are 31,286,357 common shares issued and outstanding. In addition, there are 2,660,000 fully vested stock options outstanding with exercise prices ranging from \$0.25 to \$1.76 per option and terms expiring between December 20, 2015 and July 24, 2020. There is a commitment to issue 150,001 common shares as a bonus to certain directors, officers and employees of the company. The bonus shares will vest in two equal tranches on August 28, 2016 and 2017.