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TSX-Venture: LRA

News Release

Lara and Sprott Agree Asset Swap and \$1 Million Private Placement

December 4, 2009 (TSX Venture: LRA) - Lara Exploration Ltd. ("Lara" or "the Company") is pleased to report that it has entered into a non-binding letter of intent to transfer to Sprott Resource Corp. (TSX: SCP, "Sprott") its 0.5% royalty on the Mantaro Phosphate Project in Peru. In exchange, Lara will acquire Sprott's 50% interest in the Strategic Alliance formed with Lara in November 2008.

In connection with this asset swap, Sprott will subscribe for 1,333,333 common shares of Lara at \$0.75 per share in a private placement for proceeds of approximately \$1,000,000. Completion of the acquisition and private placement are subject to board approval, execution of definitive documents and stock exchange approvals.

The Strategic Alliance between Sprott and Lara currently operates in Brazil and Colombia where it holds the Sergipe Potash Project (see Lara news release June 22, 2009) in northeast Brazil, a portfolio of exploration prospects for phosphate rock in both countries and a recently acquired uranium exploration prospect in Colombia. Sprott has invested \$500,000 in this Alliance to date.

"We have enjoyed a very productive relationship to date with Kevin Bambrough and his team and are pleased to be able to restructure and continue this going forward." commented Miles Thompson, President and CEO of Lara.

About Lara

Lara is a well-capitalized prospect generator with a multi-commodity exploration portfolio focused on Brazil but with significant holdings in Colombia and Peru. Lara's common shares trade on the TSX Venture Exchange under the symbol "LRA".

For further information on Lara Exploration Ltd. please consult our website www.laraexploration.com or contact:

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