MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2017

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at May 18, 2017 and should be read in conjunction with the condensed consolidated interim financial statements of Lara Exploration Ltd. (the "Company" or "Lara") for the three months ended March 31, 2017 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 some 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: commodity prices, gaining access to exploration properties by securing or renewing licenses and concluding agreements with local communities. 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 seek exploration discoveries and create royalty interests in South America, funding 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 most active in Brazil and Peru, but retains an interest in several projects in Colombia and Chile.

HIGHLIGHTS

- Tessarema was issued an Installation License for its tailings facility and filed its Feasibility Study (known in Brazil as "Plano de Aproveitamento Economico") with the Department of Mines for the Maravaia Copper Mine (part of the Curionópolis Copper-Gold Project).

- Memorandum of Understanding signed to option the Planalto Copper Project, located in the Carajás Mineral Province of Northern Brazil, to Avanco Resources Ltd. ("Avanco"), owner of the nearby Antas Copper Mine. Under the terms of the agreement, Avanco can acquire a 75% interest in the Planalto project by making cash payments to Lara and funding exploration and development work.

- Terms of the option to purchase the Azul Tin Project amended to remove staged payments, with now only a final payment of US$700,000 due by December 31, 2018 to complete the option.

EXPLORATION REVIEW

Lara currently holds or participates in exploration projects targeting copper, gold, tin, nickel, iron, phosphate, vanadium, titanium and coal, with exploration mostly funded through joint venture partnerships and strategic alliances. There are currently nine projects in Brazil, four of which are funded by partnerships. The Peru portfolio comprises four projects, two of which are funded by partners, with one other in a co-funding joint venture. The Company is also partnered in five coal and phosphate projects in Colombia and Chile that are funded through alliance agreements with Kiwanda that are in a sale and listing process on the ASX. Additionally, the Company either registered claims, or participated in auctions, to acquire new mineral rights in both Brazil and Peru.

Outlook

The Company has active generative programs running in Brazil and Peru to define exploration targets and is actively reviewing more advanced project opportunities.

Brazil Exploration

Maravaia Copper Mine (Curionópolis Copper-Gold Project)

During the period, Tessarema received the Installation License for its tailings facility and is currently working to secure the Operating Licenses that will allow the start of commercial production. Construction work did not advance greatly in this quarter due to the heavy seasonal rains and the Company is in the process of negotiating an extension to the option agreement.

Tessarema can complete its earn-in to 100% by starting commercial production at a rate of not less than 500 tonnes per day and making a final US$750,000 payment to Lara. Thereafter, Lara will retain a net smelter returns royalty of 2%.

Planalto Copper Project

During the period, the Company signed a Memorandum of Understanding to option Planalto to Avanco Resources Ltd., owner of the nearby Antas Copper Mine. Under the terms of the agreement, Avanco can acquire a 75% interest in the Planalto project by making cash payments to Lara and funding exploration and development work as summarized in the following table:

Milestone/Date	Payment US$	Exploration Work
June 30, 2017	50,000	
June 30, 2018	100,000	2,000m diamond drilling
June 30, 2019	100,000	3,000m diamond drilling
June 30, 2020	100,000	3,000m diamond drilling
Final Exploration Report Approval	200,000	
June 30, 2021	Deliver Feasibility Study or provide Project Finance to Lara	

Avanco will furthermore assume Lara's underlying purchase obligations (see Company news release of June 6, 2016 for details). In the event Lara's interest in the project is diluted below 10%, it will be converted to a 2% NSR royalty payable on gold and a 1% NSR payable on copper and other metal production. This agreement is subject to additional due diligence by Avanco and completion of a Definitive Agreement on a best efforts basis by June 30, 2017.

The Planalto Copper Project is located near Vale S.A.'s Sossego and Avanco's Antas copper mines. Past exploration work includes surface sampling, which outlined two copper-in-soil anomalies with values in excess of 300 parts per million ("ppm") copper, one approximately 1.3 kilometres ("km") by 0.9 km in size, the other 2.9 km by 0.3 km. The historical reporting also includes results of two drill holes executed approximately 100 metres ("m") apart on the same East-West section on one of the copper-in-soil anomalies. Hole FD-73 has a reported intercept value of 188m of 0.4% copper, including 15m at 0.67%, 14m at 0.68% and 10m at 1.18% copper. Hole FD-74 has a reported intercept of 50m at 0.38% copper, including 21m at 0.6% copper.

Azul Tin Project

During the period, the Company successfully renegotiated the terms of its option over the project, extinguishing the US$40,000 payment due at the end of 2016 and moving the US$200,000 payment due at the end of this year back 12 months, such that there is now a single payment of US$700,000 due by December 31, 2018 to purchase the Azul Project. Thereafter there is a 2% NSR royalty on any production, but Lara can acquire this royalty at any time for a one-time cash payment of US$3 million.

Peru Exploration

Lara Copper Project (Peru)

During the period, the Company conducted several site visits with potential investors and to meet with representatives of the local communities. A program of sequential copper analyses of drill cores from the more recent drilling is planned in the coming weeks to better define the characteristics of the higher grade core of the deposit.

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 March 31, 2017

For the three months ended March 31, 2017, the Company had a net loss of $299,483 or $0.01 per share compared to net income of $153,643 or $0.00 per share. The negative variance was due to $693,975 of option revenue earned in 2016 partially offset by gain on the increase in fair value of fair value through profit and loss ("FVTPL") investments of $224,485 in 2017 and that $35,401 of exploration and evaluation assets were written off in 2016. In 2016 the Company received $693,975 of option revenue from a scheduled payment by Tessarema for the Curionopolis Copper Project. In 2017 there was no option revenue received from any of the Company's projects. In 2017, Lara's investment in Valor Resources Limited's share options increased by $224,485. The fair value was determined using a Black-Scholes option pricing model, as described in Note 10 of the condensed consolidated interim financial statements. The main driver for the valuation increase was the increase of the share price from Australian dollars ("AUD") $0.006 at December 31, 2016 to AUD$0.012 at March 31, 2017. In 2016, the Company wrote of the Sarambi property in the amount of $35,401, whereas there were no write-offs of exploration and evaluation assets in the three months ended March 31, 2017.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of $2,525,370 at March 31, 2017, compared to $3,045,774 at December 31, 2016. Working capital declined by $520,404 for the three months ended March 31, 2017 mainly due to funds required for operations but also due to funds invested in associated and joint venture companies.

Lara expects that it will continue to receive option payments in the form of cash and / or 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, if necessary. Lara also has stock options which are in the money and which could generate $247,500 of additional cash if exercised. Lara has no fixed payment obligations except option payments for mineral properties; however these can be terminated at any time without penalty once an option agreement is cancelled. The Company may have to raise working capital to fund its operations for at least the next twelve months.

SUMMARY OF QUARTERLY RESULTS

	2017	2016	2016	2016
Quarter Ended	**Mar. 31**	**Dec. 31**	**Sep. 30**	**Jun. 30**
Exploration expenditures (net)	$ 280,955	$ 232,598	$ 219,257	$ 117,835
Share-based payments	4,685	48,827	6,920	58,498
Net income (loss) for the period	(299,483)	17,270	(355,528)	(453,726)
Net loss per share (basic and diluted)	0.01	0.00	(0.01)	(0.01)

	2016	2015	2015	2015
Quarter Ended	**Mar. 31**	**Dec. 31**	**Sept. 30**	**Jun. 30**
Exploration expenditures (net)	$ 277,088	$ 265,920	$ 185,525	$ 169,866
Share-based payments	13,158	11,973	158,327	19,240
Net income (loss) for the period	153,643	(1,061,137)	149,945	(775,928)
Net loss per share (basic and diluted)	0.01	(0.03)	0.00	(0.03)

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

For the quarter ended March 31, 2017, Lara had a loss of $299,483 compared to net income of $17,270 in the prior quarter. The variance was due to the gain on a sale of a mineral property of $408,840 and option revenue of $86,655 received in the December quarter with no comparable transactions in the March quarter. These unfavorable variances were partially offset by an increase in the fair value of financial instruments and a lower loss from associated companies and joint ventures in the March quarter.

For the quarter ended December 31, 2016, Lara had net income of $17,270 compared to a loss of $355,528 for the prior quarter. The variance was due to a gain on sale of the Picha Property of $408,840 and option revenue of $86,655 for the Corina Property with no comparable transactions in the September quarter. These favorable variances were partially offset by a negative foreign exchange variance of $30,455.

The Company had a net loss of $355,528 for the quarter ended September 30, 2016 compared to a net loss of $453,726 for the prior quarter. The variance was due to Lara's equity in the net income of an associated company, a favorable exchange variance and lower share-based payments partially offset by higher exploration expenditures.

The Company had a net loss of $453,726 for the quarter ended June 30, 2016 compared to a net income of $153,643 for the prior quarter. The variance was due to the receipt of option revenue of $693,975 in the first quarter compared to none in the second quarter. This was partially offset by lower exploration expenditures in the second quarter compared to the first quarter.

The Company had net income of $153,643 for the quarter ended March 31, 2016 compared to a net loss of $1,061,137 for the prior quarter. The variance was mainly due to option revenue of $693,975 received in 2016 (2015 – nil) and due to an impairment of a loan receivable of $416,670 taken in 2015 whereas there was no corresponding impairment taken in 2016.

For the quarter ended December 31, 2015 the Company incurred a loss of $1,061,137 compared to a net income of $149,945 in the prior quarter. The variance was mainly due to option revenue of approximately $622,000 received in the September 2015 quarter, whereas option revenue was nominal in December 2015 and an impairment of $416,070 taken on a loan receivable in December 2015. There was no comparable impairment taken in the prior 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 September quarter and combined with the write-down of the Condoroma property in the amount of $916,347 in the quarter ending June 30, 2015.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

INVESTMENTS IN ASSOCIATES

Kiwanda Coal Alliance

The Company owns a 50% interest in Andean Coal (BVI) Ltd. ("Andean Coal"). The Company had a net investment in Andean Coal of $371,704 at December 31, 2016. During the three months ended March 31, 2017 the Company made an additional investment of $1,128. The Company's share of the net gain for the three months ended March 31, 2017 was $961 which increased its net investment in Andean Coal to $373,793.

Kiwanda Phosphate Alliance

The Company owns a 50% interest in Kiwanda Alliance (BVI) Inc. ("Kiwanda BVI"). At December 31, 2016, the Company's net investment in Kiwanda was $nil and there were accumulated unrecognized losses of $319,256. During the three months ended March 31, 2016, the Company made an additional investment of $1,022. The Company's share of the net loss for the period was $8,955 and recognized a loss of $1,022, resulting in an accumulated unrecognized loss of $327,189 and a net investment in Kiwanda of $nil at March 31, 2017.

Minas Dixon S.A.

The Company owns a 45% interest in Minas Dixon S.A. ("Minas"). At December 31, 2016 Lara had an accumulated unrecognized loss of $82,797 in Minas with a net investment of $nil. During the three months ended, the Company made an additional investment of $42,091. The Company's share of the net income for the three months ended March 31, 2017 was $11,628 and it recognized $53,719 of previously unrecognized losses. At March 31, 2017 the Company's net investment in Minas was nil and there were $29,078 of previously unrecognized losses.

The continuity of investment in associated companies and joint ventures is as follows:

	Minas	Kiwanda	Andean Coal	Total
Investment in associated company				
Net investment at December 31, 2016	$ -	$ -	$ 371,704	$ 371,704
Additional investment (recovery) for the three months ended March 31, 2017	42,091	1,022	1,128	44,241
Share of net (loss) income	11,628	(1,022)	961	11,567
Previous losses recognized	(53,719)	-	-	(53,719)
Net investment at March 31, 2017	$ -	$ -	$ 373,793	$ 373,793

As at March 31, 2017, the associated companies' and joint venture's aggregate assets, aggregate liabilities and net losses are as follows:

	Minas	Kiwanda	Andean Coal
Current assets	$ 61,781	$ 78,625	$ -
Non-current assets	309	-	537,215
Current liabilities	(140,406)	(7,827)	-
Net income (loss) for the period	25,841	(17,909)	1,919
The Company's ownership percentage	45%	50%	50%
The Company's share of net income (loss) for the period	11,628	(8,955)	961

The Company has 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"). The Phillips River shareholders have approved the transaction, but completion of the transaction is dependent on Phillips River getting a listing on the Australian Securities Exchange and that step has not been completed.

If the sale completes, Lara will receive US$570,000 and 50% of the vend-in shares from Phillips River. Phillips River has been funding Andean and Kiwanda BVI during 2016 and 2017. Therefore if the sale completes, Lara will receive a significant amount of cash and shares of Phillips River. This would result in an improvement in Lara's financial position. If the sale does not complete, Lara would have to determine whether it could find a new buyer for those assets.

RELATED PARTY TRANSACTIONS

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

For the three months ended March 31, 2017	**Salary or fees**	**Share-based payments**	**Total**
Chief Executive Officer	$ 30,000	$ 1,874	$ 31,874
VP Corporate Development	12,000	1,041	13,041
VP Exploration	40,861	1,249	42,110
	$ 82,861	$ 4,164	$ 87,025

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 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	March 31, 2017	December 31, 2016
Amounts due to:			
President & Chief Executive Officer	Fees and expenses	$ -	$ -
VP Exploration	Fees and expenses	19,336	14,512
VP Corporate Development	Fees and expenses	962	-
Amounts due from:			
President & Chief Executive Officer	Expense recovery	-	100
Reservoir Capital Corp.	Expense recovery	1,199	1,199
Common director			

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	March 31, 2017			
Financial instruments	Financial instruments at FVTPL	Available-for-sale investments	Loans and receivables	Other financial liabilities
Cash and cash equivalents	$ -	$ -	$ 2,581,679	$ -
Restricted cash equivalents	-	-	46,000	-
Receivables	-	-	23,846	-
Long-term investments	403,425	657,075	-	-
Accounts payable and accrued liabilities	-	-	-	(93,104)
Advance from joint-venture partners	-	-	-	(76,162)
	$ 403,425	$ 657,075	$ 2,651,525	$ (169,266)

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.

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 earn a low risk return 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 $56,000 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 AFS investments which have market risk and have generally 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 AFS investment and general market conditions. The Company's cash is held mainly in GIC's or 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 or GIC's 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, that 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 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 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.

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 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 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 34,212,607 common shares issued and outstanding. In addition, there are 1,220,000 fully vested stock options outstanding with exercise prices ranging from $0.25 to $1.02 per option and terms expiring between April 22, 2019 and November 18, 2021. There are 1,203,125 common share purchase warrants outstanding with an exercise price of $1.85 which expire on August 18, 2018. There is a commitment to issue 75,001 common shares as a bonus to certain directors, officers and employees of the company. These bonus shares will vest on August 28, 2017.