

News Release

Lara Reports Encouraging Test Results for its Itaituba Vanadium Project in Brazil

February 26, 2019 (TSX Venture: LRA): Lara Exploration Ltd. (“Lara” or “the Company”), is pleased to report that it has completed an initial four hole (total of 250.65m) scout diamond drill program to determine the attitude and vertical depth extension of a number of vanadium-bearing titanium-magnetite bodies previously identified at the surface on its Itaituba Vanadium Project, in the Tapajos region of northern Brazil. Preliminary Davis tube tests run on core samples, selected for a range of magnetic susceptibility values in the host rocks of these titanium-magnetite bodies, produced magnetic concentrate recoveries from 6.6% to 42.6%, with several of these concentrate samples showing vanadium values at 1% V₂O₅ (maximum of 1.03% V₂O₅). Lara plans to systematically cut and sample the remainder of the drill core and expects to report full assays, including Davis Tube concentrate assays in Q2-2019.

The titanium-magnetite bodies intercepted in the drill holes range in thickness from 1m to 8m and appear to be part of a sheeted array of sill-like bodies with shallow westerly dips and their gabbro host rocks are highly enriched in magnetite. Previous work (see Lara press releases of April 17, 2012 and February 11, 2014) reported vanadium values in the range from 0.3% to 0.48% V₂O₅ associated with very anomalous titanium values ranging from 15% to 25% TiO₂ in these titanium-magnetite bodies.

Samples of fresh drill core from the different magnetite-bearing gabbroic host rocks selected from the different holes were analysed by x-ray diffraction to determine the vanadium, titanium and iron contents. These samples (with individual sample lengths from 20cm to 140cm) indicated anomalous vanadium values in the 0.07% to 0.32% V₂O₅ range, iron values from 14.3 % to 56.3% Fe₂O₃ and titanium values from 2.08% to 24.8% TiO₂.

Davis tube tests carried out on these samples obtained magnetic concentrates with individual sample magnetic fraction recoveries reported between 6.6 % and 42.6%. These concentrates were analysed to determine the deportment of vanadium in each of the concentrates. The table below shows that several of the magnetic concentrates showed vanadium values at 1% V₂O₅ (maximum of 1.03% V₂O₅). The enrichment factor from core sample to magnetic concentrate for the samples varies between 3- and 10-fold, with the highest enrichment occurring in the lower grade samples of magnetite-gabbros carrying very coarse disseminated magnetite.

Drill core Sample-id	V ₂ O ₅ -% (in Whole-rock)	V ₂ O ₅ -% (In DAVIS Tube Concentrate)	Enrichment Factor	Magnetic Concentrate recovery - % (from Davis Tube)	Lithology
ITAI-R-GB40	0.08	0.86	10.8	6.6	Magnetite-gabbro
ITAI-SR-01-30.93	0.07	0.74	10.6	11.6	Magnetite-gabbro
ITAI-SR-02-32.65	0.07	0.32	4.6	15.5	Magnetite-olivine-gabbro

ITAI-SR-02-53.98	0.07	0.61	8.7	11.8	Magnetite-gabbro
ITAI-SR-02-72.92	0.26	0.60	2.3	42.6	Magnetite-gabbro
ITAI-SR-03-39.55	0.26	1.01	3.9	30.1	Magnetite-pyroxenite
ITAI-SR-03-40.86	0.32	1.01	3.2	30.8	Magnetite-pyroxenite
ITAI-SR-04-32.40	0.22	0.59	2.7	34	Magnetite-gabbro
ITAI-SR-04-66.35	0.31	1.03	3.3	32.9	Magnetite-gabbro
ITAI-SR-01A-10	0.49	0.51	1	81.9	Titanium-magnetite

Earlier Davis Tube concentrate tests and Quemscan studies on the titanium-magnetite surface samples, suggested that it would be difficult to produce magnetic concentrates with higher vanadium contents, as the titanium-magnetite grains constitute approximately 85 to 90% of the rock. Analyses of the core of titanium-magnetite bodies in the weathered zones of the drill holes has returned similar values for V₂O₅, TiO₂ and Fe₂O₃ as reported earlier for the surface rock chip and grab sampling programs. Assay results for the gabbro hosts in the weathered zones for all four holes are still being compiled and interpreted and Davis Tube tests are planned to determine if significant vanadium-bearing magnetic concentrates can be obtained from the weathered rock zone. Strong weathering extends to between 20m and 25m vertically and there is a sharp contact with the fresh rock.

Prior to the drilling, little was known about the gabbro host rocks, which only occur in sparse boulder outcrops and as float boulders in the streams the general vicinity. Geological logging of the drill core indicates that these titanium-magnetite bodies are hosted within a highly magmatically differentiated layered complex, dominated by gabbro and olivine-gabbro, with layers of anorthosite-gabbro and pyroxenites. Magnetite is present in all the rock types with visual estimates ranging from 5 vol % to more than 50 vol %, either as individual coarse grains several millimeters in size, or as a dissemination of finer magnetite grains. Narrow cross-cutting veins of magnetite (from several mm to 50cm wide) are present locally in the cores.

Sampling methodology, Chain of Custody, Quality Assurance and Quality Control

All the rock channel and drill core sampling was carried out by or under the supervision of the Company's Vice-President Exploration and the chain of custody of the samples and drill core from the project area to the Company's sample preparation facilities in Itaituba and Canãa dos Carajás (where the cores were cut in half) was continuously monitored. Sample intervals for the weathered section of each hole varied between 0.5m and 1.5m and for the fresh core used for this batch of core samples varied between 20cm and 135cm.

The half-core samples were delivered to SGS-Geosol in Parauapebas where they were crushed and pulverized and the sample pulps were dispatched by SGS-Geosol to their own analytical laboratory at Vespasiano, near Belo Horizonte, Minas Gerais State, Brazil. The whole rock pulps were analysed after fusion with lithium tetraborate by XRF for 10 oxides, and Loss on Ignition was determined by heating the sample in a furnace at 405 degrees centigrade.

Davis tube concentrates were obtained using a magnetic field force of 3000 Gauss and the concentrates, after drying and weighing to determine the percentage magnetic concentrate recovery, were analysed by XRF for V₂O₅, TiO₂, Fe₂O₃ and seven other oxides after fusion with lithium tetraborate. SGS-Geosol routinely runs, and reports, results for a number of certified whole rock oxide and LOI sample standards and runs at least one blank sample with each sample batch.

Michael Bennell, Lara's Vice President Exploration and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), is a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for*

Mineral Projects and has approved the technical disclosure and verified the technical information in this news release.

About Lara Exploration

Lara is an exploration company following the Prospect Generator business model, which aims to minimize shareholder dilution and financial risk by generating prospects and exploring them in joint ventures funded by partners. The Company currently holds a diverse portfolio of prospects and deposits located mostly in Brazil 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 Chris MacIntyre, VP Corporate Development, at +1 416 703 0010.

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