



Suite 501-543 Granville Street
Vancouver BC, Canada
V6C 1X8

T: 604.669.8777
F: 604.688.1157

www.laraexploration.com
info@laraexploration.com

TSX-Venture: LRA

News Release

Property Option Extends Strike Potential of the Planalto Project in Brazil

January 11, 2021 (TSX Venture: LRA) - Lara Exploration Ltd. (“Lara” or “the Company”), is pleased to report that it has signed an option agreement with Mineração Tariana Ltda. (“Tariana”), a subsidiary of Anglo American do Brasil Ltda., to acquire an exploration licence adjacent to the Company’s Planalto Copper Project (“the Project”) in the Carajás Mineral Province of northern Brazil. The license is being acquired by Lara’s subsidiary Planalto Mineração Ltda. (“Planalto”), and will form part of the company’s staged earn-in agreement with Capstone Mining Corp.

Soil geochemical data provided by Tariana and confirmed by Lara’s due diligence, outlines a potential extension of the Homestead target for a further 1,500 metres to the north. Geologic mapping has indicated that the licence has an extensive cover of laterite hard cap, however, sparse outcrops of mafic volcanics with quartz- and quartz-K-feldspar-magnetite-veining both carrying chalcopyrite mineralization have been identified along 1,200m of this northerly trend. The Company plans to complete additional sampling, mapping and geophysical surveys in Q1-2021, with a view to mobilising diamond drilling in Q2 to complement the already approved follow-up drilling on other potential extensions of the Homestead target.

Under the terms of the agreement with Tariana, Planalto will make a payment of US\$50,000 upon the date of publication of the transfer of title by the Brazilian Mining Agency (“the ANM”) and payments of US\$50,000 on the first and second anniversaries of that date. Planalto has committed to complete a minimum of 2,000 metres of diamond drilling together with resource and reserve studies by May 2022. Planalto then has until the date of filing of the Final Exploration Report with the ANM to notify Tariana of its intention to exercise the option and put the project into production. Planalto will pay a 1.25% Net Smelter Return Royalty to Tariana on production. If the project is not operating from July 31, 2026, at such date Planalto will make advanced royalty payments of US\$50,000 per year for five years or until the start of production if that is sooner, which amounts are recoverable from 50% of the royalties payable to Tariana thereafter.

About the Planalto Project

The Planalto Copper Project covers meta-volcano-sedimentary sequences and intrusives of early Proterozoic-age with IOCG-type mineralization, located near Vale’s Sossego copper mine and Oz Minerals Antas and Pedra Branca copper mines, in the Carajás Mineral Province of northern Brazil. Lara has the option to purchase 100% of the Planalto Project by making staged cash payments totaling US\$500,000 (US\$200,000 paid to date) and paying a 2% NSR royalty on any production (Lara retains the

right to purchase 50% of this royalty for a cash payment of US\$2 million). Lara has a staged earn-in agreement with Capstone Mining Corp., (see Company news release of February 4, 2019 for details), whereby Capstone can earn up to a 70% in the Project by funding exploration, feasibility studies and electing to finance, build and manage a commercial mining operation, with Lara repaying its pro-rata share of the production financing out of cash flow.

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, deposits and royalties located mostly in Brazil and Peru. Lara's common shares trade on the TSX Venture Exchange under the symbol "LRA".

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.

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.

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.