MANAGEMENT'S DISCUSSION AND ANALYSIS
THREE MONTHS ENDED MARCH 31, 2018

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at May 17, 2018 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, 2018 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 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 because 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.

Q1-2018 HIGHLIGHTS

- The Company reported that its first drillhole at the Planalto Copper Project in Brazil had intercepted 117.4 metres with an average grade of 0.57% copper equivalent at the Homestead target.

- After the end of the Quarter, the Company reported another significant intercept of 114.58 metres averaging 0.59% copper equivalent at Planalto.

- The Company reported that 88 diamond drill-holes were completed at the Company's Grace Gold Project in Peru, 34 of which intercepted anomalous gold values. The third-party option on the Grace project expired in December 2017 and the project is now 100%-owned by Lara again.

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 eight projects in Brazil, three of which are funded by partnerships. The Peru portfolio now comprises fifteen prospects, one is funded by a partner, with one other in a co-funding joint venture and one a royalty interest. 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 listing process on the ASX.

Outlook

The Company is completing a total of five diamond drill holes on the Homestead target at the Planalto Copper Project in the Carajás Province of northern Brazil, with results from the final hole due for release in late May 2018. In parallel with this drilling, further surface work is being used to better define the Homestead target, which is now approximately two kilometers long. Once the results have been compiled and interpreted, the Company plans to actively seek a partner for the project.

During Q2-2018 the Company has also initiated field programs on the Damolândia Nickel Project in Brazil and on two of its new prospects in Peru.

Brazil Exploration Projects

Planalto Copper Project

The Planalto Project comprises three exploration licenses, totalling 4,726 hectares in area, covering meta-volcano-sedimentary sequences and intrusives of early Proterozoic-age, located near Vale S.A.'s Sossego copper mine and the Avanco Resources Antas copper mine, in the Carajás Mineral Province of northern Brazil. During 2017 an electromagnetic survey was completed over the Divisa and Homestead targets which identified several conductors, one of which is coincident with the best copper values from Lara's soil sampling. Follow-up mapping and sampling was completed to better define this target that extends along the contact between granitic and meta-volcano-sedimentary rocks for approximately 2km of strike length and is between 150 metres and 400 metres in width at surface.

The Company elected to undertake a scout drilling program in late 2017 and reported its first diamond drill hole PDH-17-01 intercepted a mineralized zone 222.29m from surface with an average grade of 0.38% copper and 39ppb gold (0.41% copper equivalent). Within this wider zone, there is an intercept of 117.47m (between 62.08m and 179.55m down hole) with an average grade of 0.53% copper and 54ppb gold (0.57% copper equivalent). The second hole, DDH-17-02, drilled below PDH-17-01 on the same section, intercepted a lower grade mineralized zone of 101.36m at 0.14%Cu and within this zone the best intersections were 15.00m at 0.32% copper and 4.70m at 0.3% copper (see Company news release of February 28, 2018 for details).

In April (see Company news release of April 24, 2018 for details) the Company reported a further two drill-holes, with PDH-18-02 intercepting 210.90m from surface with an average grade of 0.39% copper and 50ppb gold (0.42 % copper equivalent). Within this wider zone, there is an intercept of 114.58m (between 51.47m and 166.25m down hole) with an average grade of 0.55% copper and 68ppb gold (0.59 % copper equivalent). The second hole, PDH-18-01, which was collared approximately 200m to the south of PDH-18-02, intersected from the surface 51.1m at an average grade of 0.27 % Cu with a higher-grade core zone of oxide mineralization with 10m at 0.71% Cu between 4.2m and 14.2m down hole.

The wide intercepts of copper mineralization in chalcopyrite, near to surface and in an area with good infrastructure and several existing mining operations, suggest that this discovery should be attractive to mining companies. Once the final drillhole from this program is reported in the coming weeks, the Company plans to compile and interpret data to present the project to potential partners.

Damolândia Nickel Project

The Damolândia Project comes with an extensive database of airborne and terrestrial geophysics, geochemistry and drilling, including seven diamond drill holes (for a total of 1,553 metres) completed in 2008, which intersected a shallowly-plunging, pipe-like body of disseminated nickel-copper sulphide mineralization approximately 600 metres long and open down plunge (see Company news release of March 1, 2016 for details). Lara's interpretation is that the target may represent the distal extension of more massive mineralization. Certainly, there are several geophysical anomalies along the trend, including electromagnetic (conductivity) anomalies, with coincident soil geochemical anomalies that may reflect more massive sulphides, which were not tested at the time. During the period the Company completed data compilation and initiated a program of follow-up work to better define the existing target and look at its potential extensions.

Peru Exploration Projects

Corina Gold Project

Corina is located within a belt of Tertiary-age volcanic rocks that are host to the Pallancata, Selene and Immaculada mining operations owned by London-listed Hochschild plc. During 2017 Ares, a local subsidiary of Hochschild, completed additional surface sampling and geophysics to better define drill targets, in parallel it also completed archeological and environmental studies, filing its first drill permit application during the period. Subject to timely issue of the drill permit, Hochschild plans to undertake a first-pass drill program in the fourth quarter of 2018.

Grace Gold Project

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 kilometers in length by 1 to 1.5 kilometers in width has been outlined to date, where rock chip samples have returned anomalous gold, silver, arsenic, mercury and antimony values. The Project lies adjacent to and immediately north of Minera Apumayo which until recently mined oxide material from four open pits and has a mill and processing plant on care and maintenance.

The Company optioned Grace to Apumayo in 2013, which completed additional surface work, geophysics and 88 shallow drill-holes into four target areas but elected not exercise its option in December 2017. In April, the company (see Company news release of April 10, 2018 for details) reported results from 34 of these drill-holes that had intercepted significant gold mineralization, associated with with high sulphidation epithermal alteration and brecciation of andesitic volcanics. Apumayo was just looking for oxide material to feed its idle mill and did not deepen any of the mineralized holes to test the sulphide potential, so the property remains highly prospective.

<u>Peru Project Generation</u>

The Company has established a new subsidiary: Lara Peru S.A.C., with the goal of rebuilding the portfolio of Peru exploration properties, supported both by in-house geologists and local consultants. During the period, the Company initiated field reconnaissance level field programs on three of its new areas, targeting gold and base metals.

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

<u>Three Months Ended March 31, 2018</u>

For the three months ended March 31, 2018 the Company had a net loss of 1,009,385 or $0.03 per share compared to a net loss of $299,483 or $0.01 per share in 2017. The unfavorable variance was due to higher shar-based payments and exploration expenditures plus a loss of $239,153 on the fair value of derivative financial instruments in 2018 compared to a gain on those financial instruments of 224,485 in 2017. Share-based payments were higher in 2018 because management awarded shares and stock options to certain officers of the Company, whereas there were no similar awards in 2017. Exploration expenditures were higher in 2018 because the Company increased its regional reconnaissance programs in Brazil compared to 2017. The loss on the derivative financial instruments was due to the lower share price of Lara's 40,000,000 options in Valor Resources Limited, which in turn reduced the Black-Scholes valuation of those investments.

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The Company had working capital of 1,510,845 at March 31, 2018, compared to $2,051,695 at December 31, 2017. Working capital declined by $540,850 in the first quarter of 2018. The decrease in working capital was the result of working capital used to fund exploration and administration activities, investments in associated companies and investment in equipment.

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 also has an investment in Valor shares and options. Lara may sell some of its position in Valor or some of its other equity investments to raise additional working capital, if necessary. 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 will have to raise working capital to fund its operations for the next twelve months.

SUMMARY OF QUARTERLY RESULTS

	2018	2017	2017	2017
Quarter Ended	**Mar. 31**	**Dec. 31**	**Sep. 30**	**Jun. 30**
Exploration expenditures (net)	$ 356,641	$ 226,134	$ 328,803	$ 214,296
Share-based payments	211,194	705,500	3,021	4,737
Net income (loss) for the period	(1,009,385)	(1,304,207)	16,057	410,087
Net loss per share (basic and diluted)	(0.03)	(0.04)	0.00	0.01

	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)

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, 2018, Lara had a net loss of $1,009,385 compared to a net loss of $1,304,207 in the prior quarter. The favorable variance was due to lower share-based compensation partially offset by higher exploration expenses and a greater loss on the decline in fair value of its derivative financial instruments.

For the quarter ended December 31, 2017, the Company had a net loss of $1,304,207 compared to net income of $16,057 in the prior quarter. The unfavorable variance was due to higher share-based payments, a loss of $160,158 compared to a gain of $579,383 on derivative financial instruments, partially offset by lower exploration expenditures.

For the quarter ended September 30, 2017, Lara had net income of $16,057 compared to income of $410,087 in the prior quarter. The unfavorable variance was due to a gain on the sale of subsidiaries in the prior quarter of $1.033,047 partially offset by an increase in the value of derivative investments in the current quarter of $579,383 combined with a decrease in the value of the derivative investments in the prior quarter of $126,468.

For the quarter ended June 30, 2017 the Company had net income of $410,087 compared to a loss of $299,483 in the prior quarter. The favorable variance was due to a gain on sale of subsidiary companies of $1,033,047 partially offset by a decrease in the fair value of Valor share purchase options of $126,468 as compared with a gain on those options of $224,485 in the prior 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.

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 $306,735 at December 31, 2017. During the three months ended March 31, 2018, the Company's share of the net loss was $3,105 which decreased its net investment in Andean Coal to $303,630.

Kiwanda Phosphate Alliance

The Company owns a 50% interest in Kiwanda Alliance (BVI) Inc. ("Kiwanda BVI"). At December 31, 2017, 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, 2018, the Company's share of Kiwanda BVI's loss was nil.

Minas Dixon S.A.

The Company owns a 45% interest in Minas Dixon S.A. ("Minas"). At December 31, 2017 Lara had an accumulated unrecognized loss of $51,330 in Minas with a net investment of $nil. During the three months ended March 31, 2018, the Company made an additional investment of $32,053. The Company's share of the net loss for the three months ended March 31, 2018 was $21,562 and it recognized $10,491 of previously unrecognized losses. Therefore, at March 31, 2018, the Company's net investment in Minas was $Nil and there were $40,839 of 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, 2017	$ -	$ -	$ 306,735	$ 306,735
Additional investment (recovery) for the three months ended March 31, 2018	32,053	-	-	32,053
Share of net (loss) income	(21,562)	-	(3,105)	(24,667)
Previous losses recognized	(10,491)	-	-	(10,491)
Net investment at March 31, 2018	$ -	$ -	$ 303,630	$ 303,630

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, 2018		Salary or fees		Share-based payments		Total
Chief Executive Officer	$	30,000	$	54,817	$	84,817
VP Corporate Development		12,000		54,817		66,817
VP Exploration		44,983		101,558		146,541
	$	86,983	$	211,192	$	298,175

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, 2017
Amounts due to:					
CEO	Expenses	$	12,020	$	593
VP Exploration	Fees and expenses		14,681		11,759
VP Corporate Development	Fees and expenses		9,929		2,499

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	March 31, 2018							
Financial instruments		Financial instruments at FVTPL		Available-for-sale investments		Loans and receivables		Other financial liabilities
Cash and cash equivalents	$	-	$	-	$	1,445,868	$	-
Restricted cash equivalents		-		-		57,500		-
Receivables		-		-		34,024		-
Long-term investments		457,029		631,623		-		-
Accounts payable and accrued liabilities		-		-		-		(115,145)
	$	457,029	$	631,623	$	1,537,392	$	(115,145)

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.

CHANGE OF ACCOUNTING POLICY

On January 1, 2018, the Company adopted all of the requirements of IFRS 9 – Financial Instruments. IFRS 9 uses a single approach to determine whether a financial asset is classified and measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments and the contractual cash flow characteristics of the financial asset. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward in IFRS 9, therefore the Company's accounting policy with respect to financial liabilities is unchanged.

The main area of change is the accounting for equity securities previously classified as available for sale. The Company elected to classify its equity investments as fair value through other comprehensive income ("FVTOCI") as they are considered to be held for trading.

The Company completed an assessment of its financial assets and liabilities as at January 1, 2018. The following table shows the original classification under IAS 39 and the new classification under IFRS 9:

Financial Assets and Liabilities	Original Classification – IAS 39	New Classification – IFRS 9
Cash and cash equivalents	Amortized cost	Amortized cost
Restricted cash	Amortized cost	Amortized cost
Receivables	Amortized cost	Amortized cost
Long-term investments	Available for sale	FVTOCI
Accounts payable and accrued liabilities	Amortized cost	Amortized cost

The adoption of IFRS 9 did not result in any changes to the Company's financial statements.

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 can 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 and Peru 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 and the Peruvian sol 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 $77,600 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 FVTOCI and FVTPL investments which have market risk and have generally declined in value since acquisition because of the weak equity markets for exploration companies. The Company could incur further impairment charges in future depending on the performance of the FVTOCI investments 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 or GIC's and accordingly, credit risk is minimized. The Company generally does not accrue receivables for scheduled option payments, only recording them when they have been received. That procedure significantly reduces the risk of uncollectible receivables. To date Lara has always paid amounts owing when due.

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. 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 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 to satisfy exploration and other expenditure terms in a 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 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 price 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 way 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. 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

During exploration, development and production on mineral properties, the Company is subject to many 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 severe 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 mineral properties, 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 Company's securities. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities because 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 competes with many other companies and individuals that have substantially greater financial and technical resources, for the acquisition and development of projects as well as for the recruitment and retention of qualified employees.

OUTSTANDING SHARE DATA

There are 34,450,940 common shares issued and outstanding. In addition, there are 3,135,000 fully vested stock options outstanding with exercise prices ranging from $0.25 to $1.02 per option with terms expiring between April 22, 2019 and March 14, 2023. There are 1,203,125 common share purchase warrants outstanding with an exercise price of $1.85 which expire on August 18, 2018. In March 2018, the Company granted 250,000 bonus shares and issued 83,332 of these. The remaining bonus shares vest in two equal tranches over the next two years.