

News Release

Letter of Intent Signed with Capstone Mining for the Planalto Copper Project

November 5, 2018 (TSX Venture: LRA) - Lara Exploration Ltd. (“Lara” or “the Company”), is pleased to announce that it has signed a Letter of Intent (“LOI”) granting Capstone Mining Corp. (“Capstone”), an exclusive option to earn up to a 70% interest in the Company’s Planalto Copper Project (“the Project”) in the Carajás Province of northern Brazil. Lara’s exploration work over the last 12 months has yielded a series of very promising drill results from the Homestead target, including hole PDH 18-03, which intercepted 130.41 metres between 68.05 metres and 198.46 metres down hole, with an average grade of 0.88% copper and 90ppb gold, or 0.93 % copper equivalent “CuEq”, within a wider zone of 284.71 metres from surface averaging 0.48% Cu and 48 ppb Au (see Company news release of June 19, 2018 for details).

Under the terms of the LOI, Capstone will pay Lara US\$150,000 immediately and US\$ 200,000 following receipt of a drill permit for the Project and execution of the Definitive Agreement (“the Agreement”). Capstone will then invest a minimum of US\$1.2 million within a year of signing the Agreement, to drill test extensions of the mineralization identified at Homestead and scout drill other targets on the property.

Capstone can earn an initial 49% interest by investing US\$5 million by the third anniversary of the Agreement and can then elect to purchase an additional 2% interest in the Project by paying Lara US\$ 400,000 and committing to fund a Feasibility Study by the fifth anniversary, to reach a 61% interest. The third and final phase will comprise Capstone electing to finance, build and operate a commercial mining operation to the benefit of Lara 30% and Capstone 70%, with Lara repaying its pro-rata share of the financing out of cash flow. Lara will hold certain buy back rights to reacquire a majority interest in the Project should Capstone decide to discontinue investing.

About the Planalto Project

The Planalto Copper Project comprises 4,726 hectares of exploration licenses covering 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 copper mine, 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\$100,000 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).

About Capstone Mining

Capstone is a Canadian base metals mining company, with two producing copper mines: Pinto Valley in the US and Cozamin in Mexico. Capstone also has the large scale 70% owned copper-iron Santo Domingo development project in Chile, the Minto copper project in Yukon, Canada currently on care and maintenance, as well as a portfolio of exploration properties. Capstone's common shares trade on the TSX Venture Exchange under the symbol "CS".

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".

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.