

News Release

Royalty Deal Completed for the Fofoca South Gold Prospect in Northern Brazil

August 25, 2020 (TSX Venture: LRA) - Lara Exploration Ltd., (“Lara” or the “Company”) is pleased to report that it has completed an agreement to sell its Fofoca South Gold Prospect, in the Tapajos Region of northern Brazil, to London-listed Serabi Gold plc. (“Serabi”), for US\$100,000 in cash and a 2% Net Smelter Return Royalty (“NSR”). Fofoca South is close to and partially adjacent to the main block of tenements held by Serabi in the Tapajos Region and 4 km to the northwest of Serabi’s São Chico underground gold mine.

The Fofoca South property comprises an exploration license, 946.54 hectares in area, located within the main NW-SE trending Tapajos shear zone, which is host to number of well-known gold mines and deposits: Cuiú-Cuiú, Tocantinzinho, Palito, São Chico, Fofoca and São Jorge. The Fofoca South property has a number of surface geochem and geophysical anomalies and abandoned surface workings and lies immediately adjacent to the Fofoca deposit, which has a National Instrument 43-101 compliant technical report, prepared for Aurora Gold Corp., and dated October 15, 2013 by Geosure Exploration & Mining Solutions Pty Ltd (“Geosure”) including an inferred resource estimate of 2.1 Mt at 2.0 g/t Au for 130,000oz Au, using a cut off grade of 0.5 g/t Au.

Under the terms of the agreement between Lara and Serabi, Serabi has paid US\$50,000 upon signing and will pay a further US\$50,000 upon completion of the transfer of the mineral rights. Upon completion of a JORC or NI-43-101 compliant technical report, Serabi can elect to purchase half the royalty (1%) for greater of US\$10 per gold ounce or US\$500,000.

About Lara

Lara is an exploration company following the Prospect and Royalty 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 predominantly 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.

*Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada
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