LARA EXPLORATION LTD.

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED DECEMBER 31, 2024
(Expressed in Canadian dollars)

GENERAL

This discussion and analysis of the financial position and results of operations is prepared as at April 22, 2025, and should be read in conjunction with the consolidated financial statements of Lara Exploration Ltd. (the "Company", "Lara", or "we") for the years ended December 31, 2024 and 2023, and the related notes thereto.

The Company prepares its financial statements 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.sedarplus.ca.

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 market prices for commodities, difficulties in obtaining required approvals or permits for the development of a mineral project and other factors.

Lara's operating plan is dependent in part 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 enough capital 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 impact the Company in a negative way, such as joint venture partners being unable to raise enough capital to complete option agreements or if the Company is unable to raise enough 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 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 and royalty generator with a strategy to seek exploration discoveries and create royalty interests in South America, aiming to fund 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 value enhancement of a significant discovery, which we now have at the Planalto Copper-Gold Project in Brazil, where exploration drilling was completed by a partner, but the project is now owned 100% by Lara.

COMPANY HIGHLIGHTS FOR THE YEAR

- Completed expenditures required to raise its ownership in the Alli Allpa (Mantaro) Phosphate Project in Peru from 33% to 70%.

- Completed the sale of its Curionópolis Iron Project to Ferrous Technology Mineração Limitada for approximately US$2,000,000. Lara retains a 3% gross sales royalty on any production, with minimum advance royalties of US$150,000 per year payable if production hasn't started by September 17, 2027.

- Reported the initial resource estimate of the 100% owned Planalto Copper-Gold Project in the Carajás Mineral Province of northern Brazil. Indicated Resources are estimated to be 47.7 million tonnes (Mt) at an average grade of 0.53% copper ("Cu") and 0.06 grams per tonne ("g/t") gold ("Au"), or 0.56% copper-equivalent ("CuEq"), containing 253 thousand tonnes (0.56 billion pounds) Cu or 267 thousand tonnes (0.59 billion pounds) CuEq. Inferred Resources are estimated to be 154 Mt at an average grade of 0.36% Cu and 0.04g/t Au, or 0.38% CuEq, containing 549 thousand tonnes (1.2 billion pounds) Cu or 585 thousand tonnes (1.3 billion pounds) CuEq.

- In October 2024, operations resumed at the Celesta Copper Mine, with mining and processing ore from stockpiles and the Osmar pit, with a gradual ramp-up expected in the coming months.

EXPLORATION REVIEW

In Brazil, Lara has generated and participates in three copper-gold discoveries in the Carajás Mineral Province of northern Brazil, at Liberdade, Planalto, and Celesta. The Liberdade discovery remains in a legal dispute between our partner, the National Copper Corporation of Chile ("Codelco"), and the Brazilian Agency of Mines ("ANM"), but we received a favourable ruling from the lower courts in 2022. Planalto is being more actively developed, with over 26,000m of diamond drilling and mineral resource estimates completed and a Preliminary Economic Assessment in preparation. Celesta was producing until Q3-2022 and paid royalties until Q2-2022 but struggled with a lack of working capital, and operations were suspended pending the restructuring of ownership and raising of new finance. Our partner in the project, Tessarema, has completed additional diamond drilling and reinstated permits during the quarter and resumed mining and processing operations in October.

In Peru, our efforts are focused on four projects: the Corina Gold-Silver discovery and the Kenita Lead-Zinc-Silver Project, for which we are looking for new partners to fund drilling; the Picha Copper Project, where we retain a 1-2% net smelter return ("NSR") royalty, which has recently been drill tested by Firetail Resources; and the Alli Allpa (Mantaro) Phosphate Project where we have now raised our interest to 70% by funding technical studies and community engagement through our local operating company, Fosfatos Alli Allpa.

In Chile, Lara holds a minority interest and a royalty in Bifox Ltd., which has resumed production of direct application phosphate at Bahia Inglesa in northern Chile and continues to seek financing to increase phosphate production, acquire additional projects, and complete an ASX listing.

OUTLOOK

The Company's focus in 2025 will be advancing our 100% owned Planalto Copper Project in Brazil. Dr. Simon Ingram was appointed President and CEO in January 2024 and is leading that process. The maiden resource estimate has been completed, the technical report made available on Sedar+ (www.sedarplus.ca) and the Company website (www.laraexploration.com), and the Preliminary Economic Assessment studies are due for completion in H1-2025. The Company has engaged Bello Horizonte based environmental management consultants, CLAM to undertake multidisciplinary environmental studies at the Planalto project, with the objective of completing an Environmental Impact Study and the delivery an Environmental Impact Report for a potential open pit mining operation at Planalto. The study will encompass two field seasons, wet and dry, and report delivery is scheduled for Q2 2026. An Environmental Impact Report will support a future environmental Preliminary License (LP) application for a potential mining operation at Planalto with the Environmental Agency of the State of Pará (SEMAS).

BRAZIL EXPLORATION

Planalto Copper-Gold Project

The Planalto Project comprises a 3,866-hectare block of exploration licenses, located between Vale's Sossego copper mine and Cristalino development project and BHP's Antas and Pedra Branca copper mines in the Carajás Mineral Province of northern Brazil. To date, 26,016 metres of diamond drilling have been completed on the project, joining the two original discoveries, Homestead and Cupuzeiro, into a single body of mineralization extending over 1,500m from north to south and ranging from 200m to 500m in width from east to west.

During the period, the Company completed an initial resource estimate for the project. GE21 Consultoria Mineral Ltda. ("GE21"), an independent mining and geological consulting company, estimated the Mineral Resources for the Planalto Project as summarized in Table 1. Indicated Resources are estimated to be 47.7 million tonnes (Mt) at an average grade of 0.53% copper and 0.06 grams per tonne gold, or 0.56% copper-equivalent, containing 253 thousand tonnes (0.56 billion pounds) Cu or 267 thousand tonnes (0.59 billion pounds) CuEq. Inferred Resources are estimated to be 154 Mt at an average grade of 0.36% Cu and 0.04 g/t Au, or 0.38% CuEq, containing 549 thousand tonnes (1.2 billion pounds) Cu or 585 thousand tonnes (1.3 billion pounds) CuEq. The Mineral Resources contain a shallow-dipping, higher-grade Main Mineralization domain, surrounded by a lower-grade Host Rock Mineralization domain, constrained within an open pit shell representing a reasonable prospect of eventual economic extraction (RPEE). The 43-101 Technical Report on a Mineral Resources Estimate for the Planalto Project, Canãa dos Carajás, Pará, Brazil, September 2024 (the "Technical Report") is now available on SEDAR+ (www.sedarplus.ca) and the Company's website (www.laraexploration.com).

Table 1: Mineral Resource Statement as at July 3, 2024, for the Planalto Deposit

Resource Category	Domain	Resource (Mt)	Cu grade (%)	Copper Equivalent (%)	Au grade (g/t)	Cu (Kt)	Cu (Mlbs)	Au (Koz)
Indicated	Main Mineralization	47.7	0.53	0.56	0.06	253	557	92
	Host Rock Mineralization	-	-	-	-	-	-	-
Total Indicated		47.7	0.53	0.56	0.06	253	557	92
Inferred	Main Mineralization	77.7	0.51	0.54	0.06	396	874	149.9
	Host Rock Mineralization	76.3	0.2	0.22	0.03	153	336	73.6
Total Inferred		154.0	0.36	0.38	0.04	549	1210	223.5

Notes related to the Mineral Resource Estimate:

1. The Mineral Resource Estimate ("MRE") was restricted by a pit shell defined using metal prices of 10,000 US$/t Cu and 2,200 US$/oz Au, mining cost of 2.9 US$/t mined, processing and G&A cost of 11.50 US$/t processed. Process recovery of 88% Cu and 68% Au. Concentrate transport and selling costs of 208 US$/t concentrate. Commercial smelter terms, copper treatment and refining charges of 59.5 US$/t concentrate, 0.06 US$/t metal, and gold refining charge of 4.47 US$/Oz.
2. Indicated and Inferred Resources are reported above a 0.16 % copper-equivalent cut off.
3. Copper-equivalent grade ("CuEq") = Cu grade + ((Au Recovery x Au price x Payable Au) / (Cu Recovery x Cu price x Percentage Payable for Cu in NSR)) x Au grade, where: Payable Au = 90% and Percentage Payable for Cu in NSR = 83.7%.
4. The MRE contains fresh rock domains only; the oxide mineralization is not reported.
5. Grades reported using dry density.
6. The MRE is within Planalto Mineração tenement areas.
7. The MRE was estimated using ordinary kriging in 40m x 40m x 20m blocks with sub-blocks of 10m x 10m x 5m.
8. The MRE was produced using Leapfrog Geo software.
9. The MRE was prepared in accordance with the CIM Standards, and the CIM Guidelines, using geostatistical and/or classical methods, plus economic and mining parameters appropriate to the deposit.
10. The effective date of the MRE is July 3rd, 2024.
11. The QP responsible for the Mineral Resources Estimate is geologist Leonardo Soares (MAIG #5180).
12. Mineral Resources are not ore reserves and are not demonstrably economically recoverable.
13. The MRE numbers provided have been rounded to estimate relative precision. Values may not be added due to rounding.

The Resource Estimate

The Planalto resource is reported as a higher-grade Main Mineralization domain containing 47.7Mt of Indicated Resources at an average grade of 0.53% Cu and 77.7Mt of Inferred Resource with an average grade of 0.51% Cu. The lower grade Host Rock domain mineralization surrounding the Main Mineralization is reported to contain 76.3Mt of Inferred Resources at an average grade of 0.2 % Cu.

The Planalto copper-gold deposit has many characteristics similar to other IOCG deposits in the Carajás. Mineralization is interpreted to occur in stacked sub-parallel sheet-like structures that can be modelled fairly continuously over the 1,500m north-south strike length. Individual zones vary from a few meters to up to several tens of meters thick, and where there is an amalgamation of zones, the mineralization can be as much as 100m in thickness. Chalcopyrite is the only copper-bearing mineral recognized in the deposit. Pyrite is rarely seen in the drill core in the south of the deposit (Homestead sector). In the north (Cupuzeiro sector above a northing coordinate value of 9295400N), pyrite can locally constitute up to 5% of the rock and is very abundant in the drill core intervals with more than 1% Cu.

The geological model for the Planalto mineralization was created from 81 diamond drill holes totalling 25,337m. East-west oriented cross-sections were used to define the continuity of the mineralization within and between sections while taking account of structure, alteration and lithology. A 0.3% copper grade shell for modelling purposes was identified as providing a good level of continuity of mineralization. Several discrete mineralization domains were modelled, which have a south to north orientation, dipping to the east at 18-40 degrees. In the southeast of the Planalto deposit, the Silica Cap Target mineralization has been modelled as a separate domain with a strike of 340 (NNE) and a 40° east dip. Mineralization modelled within the 0.3% Cu grade shells is characterized as the Main Mineralization domain, whereas the mineralization adjacent to and between the 0.3% Cu grade shells is characterized as the Host Rock Mineralization domain.

Resource estimation parameters are summarized below:

- Assay and geological data available on or before July 3, 2024, were included in this resource estimate.
- Sample preparation and analytical procedures are described in the Company's previous news releases on the project and in the Technical Report. Industry-standard levels of QAQC checks were performed on assay data, including validation by umpire laboratories.
- Samples were composited to 2m lengths.
- High-grade copper samples above 4% Cu were restricted to ensure these samples were not used to estimate model cells in which the centre of the cell was more than 35m from the sample.
- GE21 classified 3 different density zones in the geological model; the Oxide, the northern Cupuzeiro sector and the southern Homestead sector. The Cupuzeiro sector is characterized as mineralization with a more elevated occurrence of pyrite compared to the southern Homestead sector. For Domains with sufficient density measurements, the Domain density was calculated using the mean density of the samples within that domain after treating for outliers. Average values of density were applied for each domain individually. Domains with a low number of density measurements were assigned the overall average density of the Cupuzeiro, Homestead, or Oxide domains. The average densities of the Cupuzeiro, Homestead and Oxide domains are 2.87, 2.85, and 1.66g/cm3, estimated from the average of 144, 749, and 66 measurements, respectively.
- Ordinary Kriging ("OK") was used for the grade estimation for the Main Mineralization and Host Rock Mineralization domains for copper and gold. Inverse distance weighting ("IDW") and Nearest Neighbour interpolation ("NN") were used for verification of the OK estimates for copper and gold.
- The Mineral Resource classification by GE21 was based on the assessment of a number of factors, including sampling procedure, analysis, the sample grid spacing, the survey methodology, and the quality of assay data:
    - The classification of Indicated Mineral Resources was based on the first and second search step of Ordinary Kriging, which utilizes the variogram range in the search ellipsoid of up to 105m x 60m x 20m in the Main Mineralization domain only.
    - The Inferred Mineral Resource classification is all remaining estimated blocks in the Main Mineralization domain.
    - The Host Rock Mineralization domain zone was classified as Inferred Resource class, irrespective of the search step used, due to the lower confidence in mineralization continuity.
- Mineral Resources of the Main Mineralization and the Host Rock Mineralization domains are reported inside a Reasonable Prospect of Eventual Economic Extraction (RPEEE) pit optimization shell and above a cut-off of 0.16% CuEq, with simplified formula (CuEq% = Cu% + (Au g/t x 0.578). The parameters used to define the RPEEE pit shell and the cut-off grade are included in the footnotes to Table 1.

The Mineral Resources have been estimated in conformity with generally accepted CIM "Estimation of Mineral Resource and Mineral Reserves Best Practices" guidelines and are reported in accordance with the Canadian Securities Administrators' National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101"). Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. There is no certainty that all or any part of the Mineral Resource will be converted into Mineral Reserves.

GE21 Recommendations:

The following are summarized from the comments made by GE21 in their Technical Report:

The primary recommendation is to continue the development of the project through more detailed exploration and technical and engineering studies. The aim is to first complete a Preliminary Economic Assessment ("PEA") to better understand the high-level economic and engineering drivers of the project:

    - Infill drilling to upgrade the Mineral Resource Classification and new Mineral Resource Estimate after infill drilling program completion.

- Conversion of Indicated Resources to Measured Resources. A 50m x 50m infill drilling program is recommended in the domain of Indicated Resource classification.
- Conversion of Inferred Resources to Indicated Resources. A 100m x 100m infill drilling program is recommended in the domain of Inferred Resource classification.

An exploratory drilling campaign will be conducted to test other existing geochemical and geophysical anomalies within the Planalto licenses.

Qualified Person

Mr. Leonardo de Moraes Soares, MAIG, is a Qualified Person under NI 43-101 and is an independent consultant to the Company. Mr. Moraes co-authored the Technical Report, signed off on the Mineral Resource Statement and approved this technical disclosure.

Mr. Michael Bennell BSc, MSc, FAusIMM, is a Qualified Person under NI 43-101 and is the Vice President Exploration of the Company. Mr. Bennell approved this technical disclosure and has verified the data disclosed.

Celesta Copper Project

The Celesta Copper Project comprises multiple high-grade iron oxide copper gold (IOCG) breccias and drilling on one of these, Osmar-1, defined an inferred resource of 2.14 million tonnes grading 4.2% copper and 0.66 parts per million ("ppm") gold (please refer to the Company's 43-101 Technical Report "Maravaia Copper-Gold Deposit, Carajás Mining District, Pará, Brazil" by João Batista G. Teixeira, dated September 28, 2016, and available on the Company's website and SEDAR+). Lara owns a 5% preferred interest in Celesta without the obligation to contribute to costs and a 2% royalty on any production. Mine development on Osmar-1 and plant construction was completed in 2020, and Celesta produced its first concentrates in July 2020. Drilling at a second breccia target outlined sulphide mineralization close to the surface (please see the Company's news release on February 2, 2021, for details), and the Celesta Pit-2 was developed and put into operation in 2021. However, the plant was unable to achieve the projected 500 tonnes per day throughput and operated at a loss during the construction of a second milling and flotation circuit to raise throughput to 800 tonnes per day. The mill expansion was completed in 2022, but the plant was put on care and maintenance in Q3-2022 due to a lack of working capital. In early 2024, the partners signed agreements to restructure the ownership, with Tessarema Resources Inc. ("Tessarema") having the option to buy out North Extração de Minério Ltda. ("North"), fund new drilling and restart production. Drilling has since been undertaken on the Galpao target and within and proximal to the Osmar pit. In parallel, Tessarema refurbished the plant and upgraded the tailings dam to reinstate operating permits. In October, operations resumed with mining from the Osmar pit and processing ore and material from stockpiles.

Curionópolis Iron Project

The Curionópolis Iron Project comprises a 1,226-hectare license area, covering banded-massive iron formations and related colluvium and lateritic material with grades reaching over 60% iron, located adjacent to the Celesta Copper Project. The property was optioned in 2009 to Vertical Mineração Ltda. ("Vertical"), under an agreement whereby Vertical would make cash payments and pay royalties to Lara of US$1.50/ton on sales of granular iron ore and US$0.75/ton on sales of fine-grained iron ore produced from the Project. Vertical has long been in default with these obligations and payments, and the Company filed for arbitration without success in 2016. Given the delays and the inability to pursue arbitration, Lara filed a lawsuit against Vertical in 2022, aiming to recover the property and the unpaid advance royalties. During Q1-2024, the Company agreed to settle the lawsuit, and the license was returned to Lara's ownership.

In May 2024, Lara agreed to sell the Curionópolis Iron Project to Ferrous Technology Mineração Limitada ("Fertec") for staged payments totalling approximately US$2.0 million. The sale was completed at the end of this period. Lara retains a 3% gross sales royalty on any production, with minimum advance royalties of US$150,000 per year payable if production hasn't started within three years. To date, 8,727 meters of diamond drilling in 96 holes have been completed, along with resource estimates and a preliminary economic assessment to Brazilian standards. Fertec is advancing environmental studies and has been granted a pilot mining license.

Liberdade Copper Project

The Liberdade Copper Project comprises an exploration license of 8,491 hectares, located in the Municipality of São Felix do Xingú, Pará State, at the western end of the prolific Carajás Mineral Province. Codelco do Brasil Mineração Ltda., a subsidiary of Chilean State-owned copper miner Codelco, earned an initial 51% interest in the property by incurring US$3,300,000 in exploration expenses and can elect to earn a further 24% interest by sole-funding such additional exploration works as are necessary to define a minimum resource of at least 500,000 tonnes of copper equivalent, independently reported under National Instrument ("NI") 43-101 guidelines. The Liberdade exploration license was originally published on October 19, 2010, and is valid for three years. It was transferred to Codelco on March 21, 2011, under the terms of the option agreement between Lara and Codelco, with Codelco having the right to renew the license for up to a further three years. Codelco completed several exploration and drill programs (please see the Company's news releases of March 1, 2013, and October 7, 2013, for details) within the license period and then requested a three-year renewal on July 12, 2013. The Brazilian Mining Agency ("ANM") delayed analysis of the renewal, so Codelco filed a lawsuit with the Federal Courts in Brasilia to safeguard its rights under the Liberdade exploration license. In 2022, the court ruled in favour of Codelco, and we now await as the parties exhaust the appeals process.

Itaituba Vanadium Project

The Itaituba Project covers gabbroic intrusives with massive and disseminated magnetite mineralization with significant titanium and vanadium content, located close to paved roads, 55 kilometres from the Miritituba Port on the Tapajós River, from where material could be barged to shipping terminals on the Amazon River. The Company has completed a reappraisal of the diamond drilling and ground magnetometer survey results, initially focused on vanadium-bearing magnetite bodies, which has shown that the host gabbros also contain disseminated vanadium-bearing magnetite that can be concentrated to enrich the vanadium grade. Surface mapping and the magnetic survey show these gabbros to be extensive within the property.

PERU EXPLORATION

Alli Allpa Phosphate Project

The Alli Allpa Phosphate Project covers part of a substantial sedimentary phosphate belt in the Junín Region of central Peru. The property is located near a major rail line connecting Huancayo with Lima and the port of Callao, with high-tension transmission lines crossing the property on its western side, and accessible from the national highway connecting Huancayo to Lima. Previous exploration, including trenching, drilling, and technical studies, identified an extensive zone of phosphate mineralization that is amenable to beneficiation and production of phosphate rock concentrate. Stonegate Agricom Ltd., subsequently acquired by Itafos Inc., filed an NI 43-101 Technical Report on SEDAR+ on March 16, 2010 ("Technical Report on the Mantaro Phosphate Deposit Junín District Peru" authored by Donald H. Hains and Michelle Stone, of Hains Technology Associates).

The focus of the Company's efforts in 2023 and 2024 has been on community engagement, both to explain the benefits of phosphate as a fertilizer to improve crop yields and the potential benefits to the communities of having local production. In parallel, we recovered and relogged the 53 diamond drill holes completed by Stonegate in 2009-2010 and recovered the data and results of process studies. During the period, the Company completed the expenditures required to increase its ownership interest in the Project from 33% to 70% and is now seeking a partner to fund the next steps.

Corina Silver-Gold Project

Lara, with then partner Hochschild, made a significant discovery at Corina in 2019, with multiple gold and silver drill intercepts in low sulphidation epithermal mineralization between 2019-2021, but elected to return the property as part of a broader retrenchment of its exploration efforts in 2022. During 2023, Lara completed a review of the Hochschild drilling, confirming that the Corina vein and breccias are part of the same wider structure, which remains open in all directions. Relogging also identified lower-grade disseminated mineralization in the host rhyolites. The Company is now seeking a new partner for the project to continue resource drilling and project development.

Picha Copper Royalty

The Picha Copper Royalty covers a 3,800-hectare project in the Moquegua and Puno Departments of southern Peru. The core of the Picha project lies approximately 17km ENE of the Buenaventura's San Gabriel Au-Cu-Ag development project, which reports proven and probable reserves of 1.94Moz of gold. Other significant copper and precious metal projects in the district include Berenguela, Trapiche, Antilla and Pinaya. Lara holds a 2% NSR on any precious metals produced and a 1% NSR on base metals on licenses, totalling 3,800 hectares. The Picha mineral rights are held by Australian-listed explorers Valor Resources and Firetail Resources, with the latter completing a 5,000m diamond drill program on the main targets during the period.

Lara Copper Project

The Lara Copper Project covers copper and molybdenum mineralization associated with porphyry intrusives within the prolific coastal batholith of southern Peru, where Lara currently has a 45% ownership. Geophysical surveys, mapping, geochemical sampling and 9,850 metres of drilling have been completed to date, outlining mineralization over an area of approximately 2,000 metres by 1,000 metres, indicative of the potential for a substantial mineralized porphyry copper body. In 2020, the Company and partner Global Battery Metals Ltd. ("GBM") signed an Option and Royalty Agreement to sell the project for US$5.759 million and a 1.5% NSR royalty to Minsur S.A. ("Minsur"). Minsur is a Peruvian tin, copper, and gold miner that operates the Mina Justa open-pit copper mine near Marcona, in the same district as the Lara project. Under the terms of the agreement, Lara and GBM have granted Minsur an exclusive option to acquire a 100% interest in the project by making staged cash payments of US$5.759 million based on permitting milestones (please see the Company's news release of July 28, 2020, for details). Minsur has also granted a 1.5% NSR to Lara (0.75%) and GBM (0.75%), payable on any production from the property. Minsur retains the right to purchase a 0.25% NSR from each of Lara and GBM (collectively one-third) of the NSR for US$5 million at any time before the commencement of commercial production. Minsur has compiled and reinterpreted the historical data, but further drilling is contingent on securing community support and permits.

Kenita Polymetallic Project

The Kenita Project is located in the Huancavelica Department of Central Peru to the north of the Riqueza polymetallic project, with the Corihuarmi high sulphidation epithermal gold mine and the Bethania polymetallic mine, also lying on the same trend to the northwest. The project comprises the original 400-hectare Puituco licenses acquired by Lara at auction and the 2,200 hectares of Kenita licenses acquired from BHP World Exploration Inc. Sucursal del Peru ("BHP") for a 1% NSR in 2021. For clarity, the Company has elected to call the project Kenita. The Company originally completed a mapping and surface chip channel sampling program to evaluate polymetallic brecciated feeder structures and related mantos in 2018 (please see the Company's release of June 12, 2018, for details), and in 2022 and 2023, it began work on extending this into the newly acquired licenses. Mineralization comprises hydrothermal breccias filling NE-SW oriented tension structures (related to a major regional structure, the NW-SE oriented Chonta Fault) and related mantos, where fluids have been driven laterally into the limestone beds and recrystallized and brecciated them (please see the Company's release of April 4, 2023).

CHILE EXPLORATION

Bifox Phosphate Project

The Bifox Phosphate Project comprises a block of exploration licenses and the option to purchase mining rights in the Bahia Inglesa basin, near Copiapó in northern Chile. Bifox Limited ("Bifox") has completed agreements with the Chilean government (through the Consejo de Defensa del Estado) to settle outstanding environmental infractions and fines incurred by the vendors and lift the embargo on mining and processing (see Company news release of February 18, 2020, for details). Since settling environmental infractions and fines, Bifox has been working to reinstate its permits and resume operations and continues to seek financing to ramp up production and work towards listing on the Australian Stock Exchange as steady-state phosphate production and sales revenue emerge. Upon Bifox listing its shares, Lara is due an expense reimbursement of US$570,000. Lara currently owns roughly 6% of the shares of Bifox and will receive a 2% royalty once production exceeds 20,000 per annum.

Qualified Person

Mr. 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.

SELECTED ANNUAL INFORMATION

For the year ended	December 31 2024	December 31 2023	December 31 2022
Financial results			
Exploration expenditures, net	$ 1,862,437	$ 1,006,387	$ 457,127
Share-based payments	221,721	1,042,110	-
Net income (loss) for the year	(1,155,659)	(3,018,059)	(344,582)
Net income (loss) per share[1]	(0.02)	(0.07)	(0.01)
Financial position			
Working capital	5,153,800	2,462,446	4,287,393
Long-term investments	3,106,857	3,314,444	3,394,189
Total assets	8,597,327	6,195,555	8,557,555
Share capital	34,423,016	30,766,763	30,766,763
Deficit	$ (36,798,450)	$ (35,642,791)	$ (32,624,732)

[1] Basic and diluted

For the year ended December 31, 2024, the Company had a loss of 1,155,659 or $0.02 per share compared to $3,018,059 or $0.07 per share in 2023. The variance was primarily due to (a) the gain of $2,603,100 on the sale of the Curionópolis Iron Project, (b) a decrease in share-based payments by $820,389, partially offset by (c) an increase in net exploration expenditures by $856,050.

For the year ended December 31, 2023, the Company had a loss of $3,018,059 or $0.07 per share compared to $344,582 or $0.01 per share in 2022. The variance was primarily due to (a) an increase in exploration expenditures over 2023, (b) the share-based payment recognized for stock options granted in April 2023 (see further discussions below), and partially offset by (c) a US$400,000 option payment received from Capstone during 2022. General and administrative expenses (excluding the non-cash share-based payments) remained relatively consistent with the prior year. Other income was higher in 2022, mainly due to the option payment received from Capstone on the Planalto Project.

RESULTS OF OPERATIONS

Three months ended December 31, 2024

For the three months ended December 31, 2024, the Company had a loss of $1,304,485 or $0.03 per share compared to $372,321 or $0.01 per share in the comparative quarter. The variance was primarily due to increased net exploration expenditures, share-based payments, and fair value adjustments on its long-term investments during the quarter.

Year ended December 31, 2024

For the year ended December 31, 2024, the Company had an income of $1,155,659 or $0.02 per share compared to a loss of $3,018,059 or $0.07 per share in the comparative period. The variance was primarily due to the gain on the sale of the Curionópolis Iron Project and decreased share-based payments, partially offset by increased net exploration expenditures.

SUMMARY OF QUARTERLY RESULTS

For the quarter ended	December 31 2024	September 30 2024	June 30 2024	March 31 2024
Net exploration expenditures	$ 647,716	$ 388,473	$ 504,329	$ 321,919
Share-based payments	-	-	-	153,159
Net income (loss) for the period	(1,304,485)	61,153	869,543	(720,717)
Net income (loss) per share[1]	(0.03)	0.00	0.02	(0.02)
For the quarter ended	**December 31 2023**	**September 30 2023**	**June 30 2023**	**March 31 2023**
Net exploration expenditures	$ 349,374	$ 272,720	$ 221,747	$ 162,546
Share-based payments	-	-	1,042,110	-
Net income (loss) for the period	(372,321)	(486,964)	(1,563,832)	(594,942)
Net income (loss) per share[1]	(0.01)	(0.01)	(0.03)	(0.01)

[1] Basic and diluted

The net income or loss for each quarter is primarily based on the amount of exploration expenditures incurred, option payments paid or received, and whether stock options were granted and vested in the quarter.

Exploration expenditures

The Company has three main types of exploration activity: general reconnaissance, exploration of mineral properties acquired through claim staking, and exploration of mineral properties acquired through option agreements with third parties.

The amount of exploration activity in a quarter depends on whether the Company is in the process of conducting general reconnaissance to acquire new relatively unexplored properties, starting to conduct exploration on recently acquired mineral properties and whether Lara is simultaneously receiving funding from a third party to conduct exploration on properties which have been optioned. For properties that have been optioned, Lara generally receives the funding, manages the exploration programs, and records the expenditures in their financial statements, net of the amounts paid by third parties.

Exploration spending is also dependent on a healthy treasury. The Company closely monitors its cash position and reduces exploration expenditures if there is insufficient funding to cover all administration expenses and planned exploration expenditures.

Share-based payments

The Company periodically grants stock options to its directors, senior management, and consultants. These grants are usually fully vested on the date of the grant, which can result in a significant share-based payment expense occurring in a given quarter of any year. The last two major option grants, which included all directors, senior management, and consultants, occurred in April 2023 and September 2020. Lara has granted options to recognize a specific achievement by senior management, compensate a new director, or recognize ongoing contributions from current directors. The greater the number of options granted and the higher the exercise price, the greater the share-based payment expense will be recognized.

Lara also grants bonus shares to senior management approximately every two years. The shares have generally vested, one-third on the grant date, one-third after one year, and one-third after two years. Whenever a new bonus share grant takes place, there can be a significant share-based payment expense in that quarter because the first third of the bonus shares are vested immediately, and the expense is recorded at that time. The remaining bonus shares accrue evenly over successive quarters and do not generally cause a significant variation in net income or loss.

Option payments received from third parties

The Company enters into option agreements with third parties, whereby those third parties agree to acquire a majority interest in a mineral property through a combination of defined exploration expenditures and cash or share payments. Cash or share payments received are (a) first recognized as recoveries on exploration costs incurred by Lara, (b) then any excess as reductions against past acquisition costs capitalized, and (c) finally, any residual portion as other income. Option payments can be significant during the later stages of an option agreement. If these payments are accounted for as exploration expense recoveries or other income, they will have a material effect on the Company's net income or loss for a given quarter.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

The Company had working capital of $5,153,800 as at December 31, 2024, compared to $2,876,334 as at December 31, 2023. Increase in working capital during the year ended December 31, 2024, due primarily to proceeds from the sale of the Curionópolis Iron Project and exercise of 3,085,943 share purchase warrants, partially offset by cash consumed to cover exploration and administration expenditures. The Company has reported a significant value in its investment in Bifox. However, those shares cannot be easily liquidated, and therefore, the Company does not expect that they will be a source of cash to fund operations in 2025. The Company has sufficient capital resources to maintain its operations for twelve months.

OUTSTANDING SHARE DATA

There are 49,514,772 common shares issued and outstanding. In addition, 3,980,000 stock options are outstanding, with exercise prices ranging from $0.54 to $1.20 per option and terms expiring between September 1, 2025, and October 11, 2029.

INVESTMENT IN ASSOCIATED COMPANY

The Company has a 45% interest in Minas Dixon S.A. ("Minas Dixon"), which had a carrying amount of was $67,309 as at December 31, 2023. For the year ended December 31, 2024, the Company recognized its share of Minas Dixon's loss of $41,172 (2023 - $20,458). As a result, the Company's investment in Minas Dixon was $26,137 as at December 31, 2024.

RELATED PARTY TRANSACTIONS

The aggregate value of transactions paid or accrued to key management personnel and directors was as follows:

For the year ended December 31, 2024		Amounts
Chief Executive Officer	$	210,048
Chairman		210,048
VP Exploration		213,600
VP Corporate Development		120,000
Seabord Management Corp.		180,000
Share-based payments		117,405
	$	1,051,101

The above payments for management compensation are 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 that can be terminated by either party with sufficient notice. All balances due to related parties are included in accounts payable and accrued liabilities.

Seabord Management Corp. ("Seabord") is related to Lara because it provides the Company with key management personnel services, such as the Chief Financial Officer and Corporate Secretary, who are employees of Seabord and are not paid directly by the Company. As at September 30, 2024, and December 31, 2023, the Company has provided a $10,000 deposit in connection with the service agreement with Seabord.

As at December 31, 2024, the Company had $Nil (2023 - $Nil) due to management related to fees, which have been included in accounts payable and accrued liabilities.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

		December 31 2024		December 31 2023
Financial assets - FVTPL:				
Long-term investments	$	3,430,107	$	3,314,444
Financial assets - amortized costs:				
Cash and cash equivalents		5,144,036		1,030,040
Restricted cash equivalents		57,976		1,557,976
Receivables		26,640		59,105
Financial liabilities - amortized costs:				
Accounts payable and accrued liabilities		109,093		208,251

Fair Value

The carrying value of cash and cash equivalents, receivables, accounts payable and accrued liabilities approximated their fair value due to the short-term nature of these instruments. Cost is the best measure of fair value for the Company's long-term investments.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RISKS AND UNCERTAINTIES

Financial risk management

Lara's strategy for cash is to safeguard this asset by investing any excess cash in very low-risk financial instruments such as term deposits or holding funds in the highest-yielding accounts with a major Canadian bank. 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, including foreign currency risk, credit risk, liquidity risk, and market and interest rate risk.

Foreign currency risk

The Company is exposed to financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada, Brazil, and Peru. The Company funds cash calls to its subsidiary companies outside of Canada in Canadian and US dollars, and a portion of its expenditures are also incurred in local currencies, which include the US dollar, the Brazilian real, and the Peruvian sol. The Company's exposure to foreign currency risk arises primarily from fluctuations between the Canadian dollar and those currencies. The Company has not entered into any derivative instruments to manage foreign exchange fluctuations. Management believes the foreign exchange risk related to currency conversions is minimal.

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 the 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 fair value through profit or loss ("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'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 primarily held in bank accounts or GICs, and accordingly, credit risk is minimized. The Company generally does not accrue receivables for scheduled option payments, only recording them when received. That procedure significantly reduces the risk of recording uncollectible receivables.

Liquidity risk

Liquidity risk is the risk that the Company will not 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 sufficient committed financial resources to meet its business requirements for the next twelve months. The Company is exposed to liquidity risk.

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 raise enough capital to satisfy exploration and other expenditure terms in a joint venture agreement. As a result, the 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.

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 participate in its various exploration projects. Commodity price declines could also reduce the amount the Company would receive on the disposition of one of its mineral properties.

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, the Company will be able to negotiate a satisfactory agreement with any such existing landowners or communities for this access. Therefore, the Company or one of its joint venture partners may be unable to conduct exploration activities on a property. In those circumstances where a local community or landowner has denied access, 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. 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, and 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.

Key personnel risk

Lara's success depends on 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 the results of operations.

Financing and share price fluctuation risks

Lara has limited financial resources, no reliable source of operating cash flow and no assurance that additional funding will be available for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may depend 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 the 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.

Competition

The Company competes with many other companies and individuals with substantially greater financial and technical resources for the acquisition and development of projects and the recruitment and retention of qualified employees.

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.

Environmental risks and hazards

The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving to require stricter standards and enforcement and involves 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 that are unknown to the Company at present.

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, labour 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 amounts that 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 insurance to cover any potential liabilities because of their work on a project.