



LARA EXPLORATION LTD.

(An Exploration Stage Company)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

NOTICE TO READER

The accompanying condensed consolidated interim financial statements of Lara Exploration Ltd. for the three months ended March 31, 2025 and 2024 have been prepared by management and approved by the Board of Directors of the Company. These condensed consolidated interim financial statements have not been reviewed by the Company's external auditors.

LARA EXPLORATION LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION**

(Unaudited - Expressed in Canadian Dollars)

	March 31 2025	December 31 2024
ASSETS		
Current assets		
Cash	\$ 4,576,662	\$ 5,144,036
Receivables	21,242	26,640
Prepaid expenses and deposits	82,233	92,217
Total current assets	4,680,137	5,262,893
Non-current assets		
Restricted cash equivalent (Note 3)	57,976	57,976
Equipment	-	1,783
Exploration and evaluation assets (Note 4)	141,681	141,681
Investments in associated companies (Note 6)	21,183	26,137
Long-term investments (Note 7)	3,186,575	3,106,857
Total non-current assets	3,407,415	3,334,434
TOTAL ASSETS	\$ 8,087,552	\$ 8,597,327
LIABILITIES AND EQUITY		
LIABILITIES		
Current liabilities		
Accounts payable and accrued liabilities	\$ 114,911	\$ 109,093
TOTAL LIABILITIES	114,911	109,093
EQUITY		
Share capital (Note 8)	34,423,016	34,423,016
Reserve	10,863,668	10,863,668
Deficit	(37,314,043)	(36,798,450)
TOTAL EQUITY	7,972,641	8,488,234
TOTAL LIABILITIES AND EQUITY	\$ 8,087,552	\$ 8,597,327

Nature and continuance of operations (Note 1)

These condensed consolidated interim financial statements were authorized for issuance by the Board of Directors on May 21, 2025.

Approved by the Board of Directors"Miles Thompson" Director"Steve Yuzpe" Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LARA EXPLORATION LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31 2025	Three months ended March 31 2024
Exploration expenditures, net (Note 5)	\$ 427,993	\$ 321,919
General and administrative expenses		
Depreciation	-	1,200
Management fees	137,021	101,648
Office, rent, and administrative services	101,712	97,707
Professional fees	10,000	10,263
Share-based payments (Note 8)	-	153,159
Shareholder communication and investor relations	18,101	4,969
Transfer agent and regulatory fees	28,286	22,412
Travel and related	54	9,691
	295,174	401,049
Loss from operations	(723,167)	(722,968)
Change in fair value of long-term investments (Note 7)	79,718	(60,618)
Equity loss of associated companies	(4,954)	(1,977)
Other income (expense)	44,621	40,845
Foreign exchange and other	88,189	24,001
LOSS AND COMPREHENSIVE LOSS	\$ (515,593)	\$ (720,717)
Basic and diluted earnings (loss) per share	\$ (0.01)	\$ (0.02)
Weighted average number of shares outstanding - basic and diluted	49,434,772	45,801,014

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LARA EXPLORATION LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS**

(Unaudited - Expressed in Canadian Dollars)

	Three months ended March 31 2025	Three months ended March 31 2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the period	\$ (515,593)	\$ (720,717)
Items not affecting cash:		
Depreciation	-	1,677
Share-based payments	-	153,159
Change in fair value of long-term investments	(79,718)	60,618
Equity loss of associated companies	4,954	1,977
Unrealized foreign exchange	(74,156)	(795)
Changes in non-cash working capital items:		
Receivables	5,398	(9,444)
Prepaid expenses and deposits	9,984	13,704
Accounts payable and accrued liabilities	5,818	(70,702)
Net cash used in operating activities	(643,313)	(593,000)
CASH FLOWS FROM INVESTING ACTIVITIES		
Exploration and evaluation assets	-	(67,870)
Net cash used in investing activities	-	(67,870)
Effect of exchange rate changes	75,939	795
Change during the period	(567,374)	(660,075)
Cash, beginning of period	5,1440,36	1,030,040
Cash, end of period	\$ 4,576,662	\$ 369,965

Supplemental disclosure with respect to cash flows (Note 11)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LARA EXPLORATION LTD.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

(Unaudited - Expressed in Canadian Dollars)

	Number of common shares		Share capital		Reserve		Deficit		Total
Balance, December 31, 2023	45,801,014	\$	30,776,763	\$	10,853,332	\$	(35,642,791)	\$	5,987,304
Share-based payments	-		-		153,159		-		153,159
Loss for the period	-		-		-		(720,717)		(720,717)
Balance, March 31, 2024	45,801,014	\$	30,776,763	\$	11,006,491	\$	(36,363,508)	\$	5,419,746
Balance, December 31, 2024	49,434,772	\$	34,423,016	\$	10,863,668	\$	(36,798,450)	\$	8,488,327
Loss for the period	-		-		-		(515,593)		(515,593)
Balance, March 31, 2025	49,434,772	\$	34,423,016	\$	10,863,668	\$	(37,314,043)	\$	7,972,641

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

1. NATURE AND CONTINUANCE OF OPERATIONS

Lara Exploration Ltd. (the "Company" or "Lara") was incorporated under the British Columbia Business Corporations Act on March 31, 2003. The Company's principal business activities are the acquisition, exploration, and development of mineral properties in South America, currently with exploration and evaluation properties in Brazil, Peru, and Chile. These condensed consolidated interim financial statements are comprised of the Company and its subsidiaries. The Company's common shares are listed on the TSX Venture Exchange (the "TSX-V") under the symbol "LRA."

The Company is in the process of exploring its exploration and evaluation assets and has not yet determined whether they contain reserves that are economically recoverable. The recoverability of amounts shown for exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete their exploration and development, confirmation of the Company's interest in the underlying claims and leases, ability to obtain the required permits to mine and future profitable production or proceeds from the disposition of these assets.

These condensed consolidated interim financial statements are prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from the carrying values shown, and these condensed consolidated interim financial statements do not give effect to adjustments necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. The Company's continuing operations and the ability of the Company to meet mineral property and other commitments are dependent upon the ability of the Company to continue to raise additional equity or debt financing and to seek joint venture partners. At the date of these condensed consolidated interim financial statements, the Company has not identified a known body of commercial-grade minerals on any of its properties. The Company has not achieved profitable operations and has accumulated losses since its inception. These material uncertainties may cast significant doubt on the Company's ability to continue as a going concern.

2. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION**Basis of presentation**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Certain disclosures included in the annual financial statements prepared in accordance with IFRS Accounting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), have been condensed or omitted, and accordingly, these unaudited condensed consolidated interim financial statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2024. The accounting policies, estimates, and judgements applied in the preparation of these condensed consolidated interim financial statements are consistent with those applied and disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2024. The Company's interim results do not necessarily indicate its results for a full year

3. RESTRICTED CASH EQUIVALENT

As at March 31, 2025 and December 31, 2024, the Company held an interest-bearing GIC of \$57,976 as collateral for corporate credit cards.

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

4. EXPLORATION AND EVALUATION ASSETS

	December 31				March 31	
	2024		Additions	Reductions	2025	
Brazil						
Planalto	\$	67,870	\$	-	\$	67,870
Peru						
Kenita/Puituco		39,743	-	-		39,743
Alli Allpa (Mantaro)		34,068	-	-		34,068
	\$	141,681	\$	-	\$	141,681

Planalto Copper Project, Brazil

In February 2013 (amended in June 2016 and June 2019), the Company entered into an option agreement to acquire a 100% interest in the Planalto Copper Project from Brazil Americas Investments & Participation Mineracao LLC ("Brazil Americas") by paying US\$500,000 in cash (paid) and a 2% net smelter return ("NSR") royalty. Lara has the right to acquire 50% of the NSR royalty for US\$2,000,000.

In October 2018, Capstone Mining Corp. ("Capstone") signed a letter of intent with Lara to option the Planalto Copper Project and made a payment of US\$150,000 (\$197,854) to the Company. The option payment was first applied against the capitalized value of the Planalto Copper Project.

In February 2019, the Company announced that it had signed a definitive agreement ("the Agreement") (amended in June 2019, February 2021, and February 2023) granting Capstone an exclusive option to earn up to a 70% interest in the Company's Planalto Copper Project. Capstone paid the Company US\$200,000 following receipt of a drill permit for the project and assumed the costs of the underlying agreement. Capstone could earn an initial 49% interest by funding exploration expenses of US\$5,000,000 by the third anniversary of the agreement and could then elect to purchase an additional 2% interest in the Planalto Copper 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 would comprise Capstone electing to finance, build and operate a commercial mining operation for the benefit of Lara (30%) and Capstone (70%), with Lara repaying its pro-rata share of the financing out of production cash flow. Lara held certain buy-back rights to reacquire a majority interest in the project should Capstone discontinue its investment.

Lara elected to accelerate the drill program at the Planalto Copper Project and, on May 28, 2019, filed a "Final Exploration Report" ("RFP") with the National Agency of Mining ("ANM") in Brazil. In June 2019, Lara and Capstone amended their agreement such that the initial three-year earn-in period for Capstone to acquire a 49% interest in the Planalto Copper Project started from the date of approval of the RFP and the 2019 drill program which fulfilled Capstone's first-year work commitment Capstone transferred US\$500,000 to Lara upon signing the amendment to cover the payment due upon receipt of the permit to drill, the payment due to the underlying vendor and partial reimbursement of Lara's costs. The RFP was approved on October 31, 2019, and Capstone reimbursed Lara the additional costs of US\$600,000. The remaining conditions of the agreement are unchanged, and exploration work resumed in November 2019.

In October 2022, Capstone notified that it had completed the first phase of the option agreement for the Planalto Copper Project in Brazil by investing more than US\$5 million in exploration expenditures to earn a 49% interest. In February 2023, Capstone elected to raise its interest to 51% to become the project operator, paying Lara US\$400,000 (paid) and agreeing to fund the phase 2 expenditures to earn a further 10% interest (to 61%) in the project by delivering a feasibility study (Note 6). In addition, the agreement was amended, and certain timeframes were extended. In November 2023, Capstone terminated its earn-in option, with the project reverting to the Company (Note 6).

In August 2020, Lara entered into an option agreement (amended in February 2022) to acquire mining rights adjacent to the original Planalto Project from Mineracao Zaspir Ltda. ("Zaspir"). Lara agreed to acquire a 100% interest in these mining rights for staged payments totalling US\$250,000 (paid) and granting Zaspir a 2% NSR royalty on any production. The Company retains the right to buy back half of the royalty (being 1%) for US\$250,000.

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

4. EXPLORATION AND EVALUATION ASSETS (continued)**Planalto Copper Project, Brazil (continued)**

In December 2020, the Company signed an option agreement (amended in July 2021) with Mineração Tariana Ltda. ("Tariana"), a subsidiary of Anglo American do Brasil Ltda., to acquire an exploration license adjacent to the Company's Planalto Project. Under the terms of the agreement, the Company will make a payment of US\$50,000 (paid) upon the date of publication of the transfer of title by the Brazilian Mining Agency ("the ANM"; completed in March 2022) and payments of US\$50,000 on the first and second anniversaries of that date (paid). The Company committed to complete a minimum of 2,000 metres of diamond drilling (completed) together with resource and reserve studies by May 2023. The Company then has until the date of filing the Final Exploration Report with the ANM to notify Tariana of its intention to exercise the option and put the project into production. The Company will pay a 1.25% NSR royalty to Tariana on production. If the project is not operating from July 31, 2026, at such date, the Company will make advanced royalty payments of US\$50,000 per year for five years or until the start of production, if that is sooner, which amounts are recoverable from 50% of the royalties payable to Tariana thereafter. The Tariana and Zaspir licenses formed part of the Company's now terminated earn-in agreement with Capstone.

Curionópolis Iron Project, Brazil

In May 2024, the Company entered into an agreement with Ferrous Technology Mineração Limitada ("Fertec") to sell its Curionópolis Iron Project for staged payments totalling R\$10,000,000 (equivalent to approximately US\$2,000,000) and a 3% gross sales royalty ("GSR") on any production, with minimum advance royalties of US\$150,000 payable from year three. In addition to the R\$150,000 advanced previously, the Company received R\$6,850,000 in payment at closing, of which R\$1,500,000 represents advanced royalties on the GSR. In September 2024, the remaining R\$3,000,000 was paid upon publication of the transfer of the license into the name of Fertec.

Cumaru Manganese Royalty, Brazil

In May 2019, the Company signed a definitive agreement transferring all its rights and obligations for the Cumaru Manganese Project in northern Brazil to local mining company Seven Mineração Limitada in exchange for R\$250,000 in cash (equivalent to approximately US\$60,975) and a royalty of US\$2 per ton of ore taken from the property. The Company has received the first R\$125,000 payment. The second payment was due on July 19, 2020, but is still outstanding, and accordingly, no amount receivable has been recorded.

Liberdade Copper Project, Brazil

In May 2022, Lara was advised by partner Codelco do Brasil Mineração Ltda. ("Codelco") that the court has given a positive ruling in the lawsuit defending the validity of its Liberdade exploration license with the ANM. The Company considers the ruling favourable but understands that it is being appealed.

Kenita (Puituco) Property, Peru

During the year ended December 31, 2021, the Company signed a mining rights transfer agreement with BHP World Exploration Inc., Sucursal del Peru, to acquire the Kenita property in exchange for a commitment to pay a 1% net smelter returns royalty on any future production. The Kenita property consists of five exploration licenses adjacent to and surrounding Lara's Puituco licenses, which were acquired at a government auction.

Corina Gold Project, Peru

In July 2022, Hochschild relinquished its option to purchase the Corina gold-silver discovery. Lara and Hochschild completed the handover during the year ended December 31, 2022, with Hochschild remaining responsible for the environmental restitution from its 2020-21 drilling program.

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

4. EXPLORATION AND EVALUATION ASSETS (continued)**Alli Allpa (Mantaro) Project, Peru**

In March 2022, the Company entered into an agreement with other existing owners to increase its interest from 33% to 70% by funding US\$500,000 of exploration expenditures by December 31, 2025; this funding commitment was completed in 2024.

Lara Copper Project, Peru

In July 2020, the Company, with its partner, Global Battery Metals Ltd. ("GBM"), signed an option and royalty agreement for the sale of the Lara Copper Project for US\$5,759,000 and a 1.5% NSR royalty to Minsur S.A. ("Minsur"). The Lara Copper Project is owned 45% by Lara and 55% by GBM. Minsur retains the right to purchase a 0.25% NSR royalty for US\$2,500,000 from each of Lara and GBM at any time before the commencement of commercial production. Under the terms of the agreement, Lara and GBM have granted Minsur an exclusive option to acquire a 100% interest in the Lara Copper Project by making staged cash payments based on permitting milestones, as summarized in the table below:

Milestones and/or dates		Option payments in USD
Upon registration of the agreement before a public notary	<i>Received</i>	\$ 59,000
One-year anniversary of registration	<i>Received</i>	200,000
Approval of environment study and start of work ("DIA-IA")		200,000
One-year anniversary of approval of DIA-IA		300,000
Approval of semi-detailed environmental study ("EIA-SD")		500,000
One-year anniversary of approval of EIA-SD		1,500,000
Upon transfer of title		3,000,000
	\$	5,759,000

5. EXPLORATION EXPENDITURES

For the three months ended March 31, 2025	Planalto Brazil	Other Brazil	Other Peru	Other Chile	Total
Administrative	\$ 39,438	\$ 36,311	\$ 20,297	\$ -	\$ 96,047
Assays	4,774	155	-	-	4,929
Drilling	29,244	-	-	-	29,244
Field costs	30,112	4,647	8,526	-	43,285
Property maintenance	486	12,490	-	-	12,976
Salaries and consultants	195,118	16,312	11,296	-	222,726
Travel and related costs	14,115	4,531	140	-	18,786
Total expenditures	\$ 313,287	\$ 74,446	\$ 40,259	\$ -	\$ 427,993

For the three months ended March 31, 2024	Planalto Brazil	Other Brazil	Other Peru	Other Chile	Total
Administrative	\$ 2,175	\$ 45,011	\$ 34,218	\$ -	\$ 81,404
Assays	511	1,353	10	-	1,874
Community relations	-	-	23,322	-	23,322
Field costs	7,604	11,229	7,232	-	26,065
Property maintenance	525	215	-	-	740
Salaries and consultants	92,007	46,264	26,438	3,215	167,924
Travel and related costs	17,880	2,552	158	-	20,590
Total expenditures	\$ 120,702	\$ 106,624	\$ 91,378	\$ 3,215	\$ 321,919

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

6. INVESTMENTS IN ASSOCIATED COMPANIES

		March 31 2025		December 31 2024
Opening balance	\$	26,137	\$	67,309
Share of Minas Dixon's income (loss)		(4,954)		(41,172)
Ending balance	\$	21,183	\$	26,137

As at March 31, 2025 and December 31, 2024, the Company has a 45% interest in Minas Dixon S.A. The aggregate assets, liabilities, and income (loss) of Minas Dixon are as follows:

For the three months ended		March 31 2025		March 31 2024
Current assets	\$	82,543	\$	180,584
Non-current assets		-		-
Current liabilities		1,007		941
Income (loss) for the period		(11,008)		(4,394)
Company's ownership percentage		45%		45%
Company's share of income (loss) for the period	\$	(4,954)	\$	(1,977)

7. LONG-TERM INVESTMENTS

	December 31 2024		Changes	Fair value adjustments	March 31 2025
Shares of Daura	\$ 1,041	\$	-	\$ 60,209	\$ 61,250
Shares of Bifox	3,105,816		-	19,509	3,125,325
	\$ 3,106,857	\$	-	\$ 79,718	\$ 3,186,575

The Company held 5% of the shares of Estrella Gold SAC ("Estrella"), a private exploration company, which were valued at cost. In January 2025, Daura Gold Corp. acquired all issued and outstanding shares of Estrella in exchange for its common shares, where the Company received 350,000 common shares of Daura. The common shares of Daura have been classified as FVTPL financial assets.

The Company holds 13,935,236 shares or approximately 6.7% (December 31, 2024 – 6.7%) of Bifox Limited. The Company valued its investment in Bifox at \$0.25 Australian dollars per share based on recent financings by Bifox. Upon relisting the shares, Bifox will be obligated to reimburse Lara for US\$570,000 of project expenses. Bifox operates the Baha Inglesa phosphate mine and processing facilities in northern Chile. The Company also holds a 2% production royalty triggered once the production rate exceeds 50,000 tonnes per annum.

The Company holds a 5% preferred interest in Celesta Mineração and a 2% NSR royalty. A **nominal** value has been attributed to the 5% interest.

The Company purchased a right from Sereno Minerals (BVI) Ltd., a private mineral exploration company, for 5% of the proceeds of two lawsuits in Brazil. The Company paid \$177,627 (US\$140,000) for the right. The investment had been valued at cost, which has been the best estimate of fair value. In December 2024, the Company adjusted its fair value to \$Nil.

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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8. SHARE CAPITAL**Authorized**

As at March 31, 2025 and December 31, 2024, the authorized share capital of the Company was an unlimited number of common shares without par value.

Stock options

The changes in stock options outstanding are as follows:

	Number	Weighted average exercise price
Balance, December 31, 2023	4,055,000	\$ 0.76
Granted	600,000	0.67
Exercised ⁽¹⁾	(595,000)	0.68
Balance, December 31, 2024 and March 31, 2025	4,060,000	\$ 0.76

⁽¹⁾ Includes cashless exercise of stock options

The following table summarizes the stock options outstanding and exercisable as at March 31, 2025:

Expiry date	Exercise price	Outstanding	Exercisable
September 1, 2025	\$ 0.76	1,280,000	1,280,000
June 28, 2026	\$ 0.70	50,000	50,000
April 19, 2028	\$ 0.79	2,130,000	2,160,000
January 8, 2029	\$ 0.54	400,000	400,000
January 24, 2029	\$ 0.64	100,000	100,000
October 11, 2029	\$ 1.20	100,000	100,000
		4,060,000	4,060,000

As at March 31, 2025, the weighted average remaining life of the outstanding stock options was 2.33 (December 31, 2024 - 2.58) years.

Share-based payments

During the three months ended March 31, 2024, the Company granted 500,000 stock options with a weighted average fair value of \$0.31 per option. The weighted average fair value of the stock options granted was estimated using the Black-Scholes option pricing model with the following assumptions:

For the three months ended	March 31 2025	March 31 2024
Risk-free interest rate	n/a	3.46%
Expected dividend yield	n/a	0%
Expected stock price volatility	n/a	62%
Expected life in years	n/a	5
Forfeiture rate	n/a	0%

During the three months ended March 31, 2025, the Company recorded share-based payments of \$Nil (2024 - \$153,159), representing the fair value of options vested during the year, with the offsetting amounts credited to reserve.

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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9. SEGMENTED INFORMATION

The Company operates in one reportable operating segment, the exploration and development of exploration and evaluation assets. Except for exploration and evaluation assets, equipment and exploration expenditures, substantially all of the Company's assets and expenditures are located and incurred in Canada. Exploration and evaluation assets are in Brazil and Peru, with equipment located primarily in Brazil. All the exploration expenditures have been incurred in Brazil and Peru.

10. RELATED PARTY TRANSACTIONS AND BALANCES

Key management personnel are those persons with the authority and responsibility for planning, directing and controlling the Company's activities, including the directors and officers of the Company. The aggregate value of transactions and outstanding balances relating to key management personnel are as follows:

	March 31	March 31
For the three months ended	2025	2024
Management fees - CEO	\$ 54,488	\$ 50,824
Director's fees	82,534	50,824
Exploration expenditures - VP Exploration	45,000	47,438
General and administrative expenses		
<i>Seabord Management Corp.</i>	53,400	53,400
<i>VP Corporate Development</i>	30,000	30,000
Share-based payments	-	117,405
	\$ 265,422	\$ 349,891

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 March 31, 2025 and December 31, 2024, the Company has provided a \$10,000 deposit in connection with the service agreement with Seabord.

As at March 31, 2025 and December 31, 2024, the Company had \$Nil due to management related to fees, which have been included in accounts payable and accrued liabilities.

All transactions and balances are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration agreed to by the related parties.

11. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

During the three months ended March 31, 2025, the Company received interest of \$23,080 (2024 - \$3,350).

12. FINANCIAL AND CAPITAL RISK MANAGEMENT**Financial risk management**

The Company's financial instruments are exposed to certain financial risks, which include credit risk, currency risk, market and interest rate risk, and liquidity risk.

Credit risk

The Company's cash and restricted cash equivalents are mainly held through large Canadian or South American financial institutions and, as at March 31, 2025, are mainly held in interest-bearing accounts. Accordingly, the credit risk is minimized. The Company assesses the collectability of other receivables and records allowances for non-collection based on management's assessment of specific accounts.

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

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12. FINANCIAL AND CAPITAL RISK MANAGEMENT**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 values because of the volatility 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. The Company holds FVTPL investments in exploration companies, which have significant market risk due to the weak equity markets for exploration companies. The Company's cash and restricted cash equivalents are held mainly in interest-bearing bank accounts.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. All of the Company's financial liabilities have contractual maturities of less than 30 days and are subject to normal trade terms. The Company manages liquidity risk through the management of its capital resources as outlined below. The Company is exposed to liquidity risk.

Management of capital

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern to pursue the development of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties, which enables it to conserve capital and reduce risk. The Company can liquidate long-term investments to raise additional cash resources. In the management of capital, the Company includes the components of shareholders' equity. The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure sufficient capital to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less. Management believes the Company may have to raise additional capital to fund its operations for the next twelve months. The Company is not subject to any capital restrictions, and there were no changes to capital management during 2025.

13. FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	Fair value hierarchy	March 31 2025	December 31 2024
Financial assets - FVTPL:			
Long-term investments	Level 1	\$ 61,250	\$ -
Long-term investments	Level 2	3,105,816	3,106,857
Financial assets - amortized costs:			
Cash		4,576,662	5,144,036
Restricted cash equivalents		57,976	57,976
Receivables		21,242	26,640
Financial liabilities - amortized costs:			
Accounts payable and accrued liabilities		114,911	109,093

LARA EXPLORATION LTD.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

(Unaudited - Expressed in Canadian Dollars)

FOR THE THREE MONTHS ENDED MARCH 31, 2025 AND 2024

13. FINANCIAL INSTRUMENTS (continued)

Financial instruments recorded at fair value on the consolidated statement of financial position are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- c) Level 3: inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The carrying value of cash, 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.