LARA EXPLORATION LTD.

(An Exploration Stage Company)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2025
(Expressed in Canadian dollars)

GENERAL

This discussion and analysis of the financial position and results of operations is prepared as at November 19, 2025, and should be read in conjunction with the condensed consolidated interim financial statements of Lara Exploration Ltd. (the "Company", "Lara", or "we") for the nine months ended September 30, 2025 and 2024, 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 HIGHLIGHT FOR THE QUARTER

During the three months ended September 30, 2025 and subsequently:

- Planalto - completed a positive Preliminary Economic Assessment of its flagship Planalto Copper-Gold Project in Brazil, with the results published subsequent to the end of the period;

- Itaituba - signed a deal to fund drilling of the Itaituba Vanadium Project in Brazil, in exchange for equity of the optionee and a net smelter return ("NSR") royalty; and

- Planalto - acquired an additional license from Atlantica Mineração that could potentially extend the strike length of the deposit.

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, mineral resource estimates completed in 2024 and a positive Preliminary Economic Assessment completed in 2025. In October 2025, Lara acquired the 345-hectare Atlantica exploration license, which is adjacent to the Planalto Project and has the potential to add to Lara's Silica Cap resource.

The Celesta mine 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, completed additional diamond drilling, reinstated permits in 2024 and resumed operations in October 2024, making irregular minor royalty payments to Lara.

In Peru, our efforts are focused on three projects: the Kenita Lead-Zinc-Silver Project, for which we are looking for new partners to fund drilling; the Picha Copper Project, being advanced by Firetail Resources (with support from BHP), where we retain a 1-2% NSR royalty; 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. Our Lara Copper Project (45%-owned) has been under option to Minsur since 2020, but that option has now been relinquished.

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. The company is seeking financing to increase phosphate production, acquire additional projects, and complete an ASX listing.

OUTLOOK

The Company's focus in 2025 has been advancing our 100% owned Planalto Copper Project in Brazil. Dr. Simon Ingram, appointed President and CEO in January 2024, is leading that process. The maiden resource estimate was published in October 2024, and the Preliminary Economic Assessment studies were completed in October 2025, with respective technical reports available on Sedar+ (www.sedarplus.ca) and the Company's website (www.laraexploration.com). The Company will undertake additional exploration and resource delineation drilling at Planalto and initiate technical studies to support a Pre-Feasibility Study. The Company has engaged Belo 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 delivering an Environmental Impact Report for a potential open pit mining operation at Planalto. The study will encompass two field seasons, a wet season (completed during the period) and a dry season. 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 4,212.25-hectare block of six 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[1] from north to south and ranging in width from 200m to 500m from east to west. In October 2025, the Company acquired the 345-hectare Atlantica license, along strike from the proposed Silica Cap open pit. Based on historical drilling, it has the potential to extend the mineralization in excess of a kilometre to the SE.

In 2024, 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 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[2] or 267 thousand tonnes (0.59 billion pounds) CuEq[3]. Inferred Resources are estimated to be 154 Mt[4] at an average grade of 0.36% Cu and 0.04 g/t Au[5], 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). The Mineral Resource Statement can be found in Appendix A of this MD&A.

In November 2025, the Company published the results of an independent Preliminary Economic Assessment ("PEA" or the "Study"). It is anticipated that Planalto will be developed as a conventional open pit mine, with processing via a conventional crushing and grinding circuit followed by froth flotation. The process plant with a nameplate capacity of 8 Mtpa will produce a single saleable chalcopyrite concentrate to be transported internationally to third-party smelters. Revenue will be from copper with gold credits. The Company retained SRK Consulting (UK) Ltd and SRK Consultores do Brasil Ltda., as Lara's independent engineering consultants to prepare the PEA in accordance with NI 43-101, the highlights of which are as follows:

- Estimated production of 560,000 t[6] (1.2 billion lb[7]) of copper and 111,000 oz[8] of gold over an 18-year life of mine ("LoM").
- During the first six (6) years, the PEA production schedule produces on average 36,000 t (79 million lb) of copper and 7,200 oz of gold per year, totalling 216,200 t (477 million lb) of copper and 43,300 oz of gold cumulatively.
- Open pit mining of shallow dipping copper-gold mineralisation with a LoM strip ratio of 2:1 (1.36:1 in Years 1 to 6).
- Industry standard crush - grind - flotation processing plant operating at an annual rate of 8 Mt of run of mine ("RoM") feed, recovering 91% copper and 51% gold.
- Producing a clean chalcopyrite concentrate grading 28% copper to be smelted internationally.
- Site access by a 4 km[9] road from the state highway with high-tension powerlines alongside.

[1] m: metres
[2] Cu: copper
[3] CuEq: copper equivalent where Cu grade is added to gold grade multiplied by a factor based on [gold price 2200 $/ounce x 68% recovery x 90% payability] / [copper price 10,000 $/tonne x 88% recovery x 83.7% payability]
[4] Mt: million metric tonnes
[5] Au: gold
[6] t: metric tonne
[7] lb: pounds
[8] oz: ounces
[9] km: kilometres

- Project located on private farmland between two major Carajás mining towns and within excellent infrastructure.
- Preliminary Economic Analysis:
    - After-tax net present value ("NPV") of US$378 million, at 8% discount rate
    - After-tax internal rate of return ("IRR") of 21%
    - Payback period post-tax of 3.5 years from the start of production
    - Initial capital expenditures of US$546 million and sustaining capital (including closure) of US$170 million
    - Average LoM all-in sustaining costs ("AISC") of US$5,920/t Cu payable
    - Metals price assumptions used: copper price of US$9,500/t, gold price of US$2,500/oz
- Mining district infrastructure development advantage
    - Planalto is located within excellent infrastructure, which will support the Project development and operation, having access to low-cost grid power via high tension power lines, a state highway passing through the Project licence area and mining skilled labour and industry service providers located close by.
    - Renewable and low-carbon energy sources dominate the Brazilian grid generation mix. This will contribute to lowering the carbon footprint of the Project. In addition, the current regulatory framework would allow Planalto to sign virtual power purchase agreements for renewable energy supply.
    - Pará state has a strong track record of supporting and permitting new mining projects, particularly within the Carajás mining district. Regional and federal agencies have provided various types of economic support to mining projects in the region including taxation relief (SUDAM) which should extend to and have been assumed for Planalto and the PEA.

The PEA is preliminary in nature, and it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and, as such, there is no certainty that the PEA results will be realized.

Readers are strongly encouraged to read the Company's Technical Report prepared in accordance with National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101") in respect of the PEA available on the Company's website and under the Company's profile on SEDAR+. The Technical Report will contain important qualifications, assumptions and exclusions that relate to the PEA. The PEA is based upon the Planalto Mineral Resource Estimate ("MRE") dated July 3, 2024. The effective date of the PEA is October 15, 2025.

PEA Summary

It is anticipated that Planalto will be developed as a conventional open pit mine, with processing via a conventional crushing and grinding circuit followed by froth flotation. The process plant with a nameplate capacity of 8 Mtpa[10], will produce a single saleable chalcopyrite concentrate to be transported internationally to third-party smelters. Revenue will be from copper with gold credits.

The Company retained SRK Consulting (UK) Ltd and SRK Consultores do Brasil Ltda., as Lara's independent engineering consultants to prepare the PEA in accordance with NI 43-101.

[10] Mtpa: million metric tonnes per annum

Planalto MRE

The PEA is based upon the Planalto Mineral Resource Estimate dated July 3, 2024, which was reported above a cut-off grade of 0.16% CuEq (please refer to Appendix A of this MD&A). Whilst SRK considers this cut-off grade to be suitable for the PEA, the metal prices currently prevailing are higher, which presents an opportunity to use a lower cut-off grade when resource reporting and mine planning work evolves in the future. The MRE comprises:

- Indicated Mineral Resources of 47.7 Mt at an average grade of 0.53% Cu and 0.06 g/t[11] Au, or 0.56% CuEq, containing 253 kt[12] Cu (0.56 billion lb Cu);
- Inferred Mineral Resources of 154 Mt at an average grade of 0.36% Cu and 0.04g/t Au, or 0.38% CuEq, containing 549 kt Cu (1.2 billion lb Cu).

All mineralised material processed in the PEA is from Mineral Resources that are currently classified as Indicated and Inferred. The PEA is preliminary in nature and includes Inferred Mineral Resources which make up approximately 76% of the total Mineral Resources. Inferred Mineral Resources are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. While the Company intends to conduct further drilling with the objective of converting Inferred Mineral Resources to Indicated Mineral Resources there can be no assurance that this will be successful. There is no certainty that the results and outcome of the PEA will be realized.

Mining

Planalto is characterized by consistent geological and mineralisation continuity down dip and along a 1.5 km strike length. The shallow dipping and near-surface mineralisation makes it highly amenable to open pit extraction with a low waste to mineralisation strip ratio. Mineralised copper-oxidised material is observed at Planalto, however neither the MRE nor the PEA includes this material.

The PEA incorporates conventional open pit mining using a truck and shovel operation, where drilling, blasting, loading, and hauling are to be undertaken by mining contractors.

Over the estimated 18-year mine life, mineralised RoM (material exceeding an in situ grade of 0.16% CuEq) is envisaged to be mined for 17 years from one large pit to mine the Homestead and Cupuzeiro deposit areas and a second smaller pit to mine the Silica Cap deposit. Pre-stripping of 16.2 Mt and RoM stockpiling will be undertaken ahead of plant commissioning. The pit designs incorporate PEA stage geotechnical criteria. Bench heights have been designed to 10 m in waste and 5 m in RoM material. The primary loading fleet will consist of 3.7 m^3 hydraulic excavators loading 40 t road trucks for the smaller pit and RoM in the main pit. The waste material in the main pit will utilize a larger fleet of 15 m^3 hydraulic shovels loading 100 t trucks.

The smaller bench size and mining equipment for RoM mining have been designed to improve mining selectivity and reduce dilution (7% dilution and 2% losses). Locally manufactured mining equipment commonly used by local contractors has been selected to bring cost efficiency and benefits to operations and maintenance.

Over Years 1-8 inclusive, the maximum material movement is on average projected to be 20 Mtpa, increasing to 35 Mtpa in later years. Over the LoM a total of 410 Mt is planned to be extracted, including 130 Mt of RoM mineralised material; 13 Mt of additional low-grade material to be processed at the end of mining; and 266 Mt waste rock that will be placed in a designated facility. Table 2 sets out the projected LoM mining schedule.

[11] g/t: grams per metric tonne
[12] kt: thousand metric tonnes

Table 2: Mining Production Schedule

Year	RoM * (Mt)	Cu (%)	Au (g/t)	Waste (Mt)	Strip (t/t)	Total Moved (Mt)
0	0.8	0.50	0.07	16.2	21.2	17.0
1	7.9	0.45	0.05	14.1	1.8	22.0
2	8.9	0.46	0.05	13.1	1.5	22.0
3	8.8	0.46	0.05	6.2	0.7	15.0
4	8.7	0.49	0.05	6.3	0.7	15.0
5	8.8	0.50	0.05	13.2	1.5	22.0
6	8.7	0.46	0.05	13.3	1.5	22.0
7	8.9	0.38	0.04	12.1	1.4	21.0
8	9.4	0.36	0.03	11.6	1.2	21.0
9	9.7	0.36	0.03	16.8	1.7	26.5
10	9.0	0.40	0.05	26.0	2.9	35.0
11	8.3	0.43	0.05	26.7	3.2	35.0
12	8.9	0.42	0.04	26.1	2.9	35.0
13	8.5	0.43	0.05	23.5	2.8	32.0
14	8.8	0.42	0.05	13.2	1.5	22.0
15	8.5	0.41	0.05	12.5	1.5	21.0
16	7.6	0.46	0.06	12.9	1.7	20.5
17	3.5	0.42	0.05	2.5	0.7	6.0
Total	**144**	**0.43**	**0.05**	**266**	**1.9**	**410**

* RoM includes 13 Mt of low-grade material stockpiled and processed at the end of LoM

Metallurgy Recoveries

Metallurgical recoveries used in the PEA are based on results generated from 2 phases of laboratory flotation testwork performed by Lara at Blue Coast Laboratories in Canada. The results of the Blue Coast metallurgical testwork were used in a steady-state process simulation software (USIM PAC), to develop a plant flowsheet and mass balance, with forecast concentrate quantity and quality based on treating 8 Mtpa. Results indicated that Planalto chalcopyrite mineralisation has the metallurgical characteristics to potentially produce a clean quality saleable copper-gold concentrate.

Processing and Tailings

The PEA assumes the plant will process RoM during the following stages, 0.6 Mt during commissioning, 7.5 Mt in Year 1 and 8 Mt in Years 2 through 18.

A traditional copper flotation process flow sheet has been adopted, incorporating a conventional semi-autogenous grinding mill followed by 2 ball mills with a target grind size of 80% less than 75 mm. Initial testing indicates that the RoM mineralisation is hard. Fine material feeds into rougher flotation cells, where a proportion of the product is reground to achieve improved liberation and separation of chalcopyrite, which is then thickened, filter pressed and collected as copper-gold concentrate. The gangue is discarded and stored as tailings. The Cupuzeiro deposit is expected to contain slightly elevated pyrite; when this material is fed to the processing plant, it will be necessary to divert the pyrite-rich cleaner-scavenger tailings to a dedicated pyrite tailings facility so that any subsequent interaction with the natural environment can be appropriately managed. A water treatment plant is included to treat return water from the tailings dam for re-use in the process plant, reducing water consumption.

Equipment selection was undertaken in conjunction with major equipment manufacturers and has been costed based on quotes received from Brazilian and international manufacturers.

Based on average feed grades, the plant would be expected to achieve average metallurgical recoveries of 90.9% for copper and 51.1% for gold, producing a floatation concentrate containing 28% copper and minor gold.

Table 3 presents the estimated LoM plant feed and concentrate production schedule for the 18-year LoM.

Table 3: Processing and Concentrate Production Schedule

Year	Plant Feed (Mt)	Cu (%)	Au (g/t)	Cu concentrate (kt)	Cu (kt)	Au (koz)[13]
1	7.5	0.49	0.06	120.4	33.7	6.9
2	8.0	0.49	0.05	127.7	35.8	7.2
3	8.0	0.49	0.06	127.0	35.6	7.4
4	8.0	0.52	0.05	134.8	37.7	7.2
5	8.0	0.53	0.06	137.3	38.4	7.5
6	8.0	0.48	0.05	125.1	35.0	7.1
7	8.0	0.40	0.04	103.4	28.9	5.4
8	8.0	0.39	0.03	100.8	28.2	4.2
9	8.0	0.40	0.04	103.9	29.1	4.8
10	8.0	0.43	0.05	112.3	31.5	6.1
11	8.0	0.44	0.05	113.2	31.7	6.2
12	8.0	0.45	0.05	116.4	32.6	6.2
13	8.0	0.45	0.05	115.7	32.4	6.3
14	8.0	0.44	0.05	114.7	32.1	6.3
15	8.0	0.43	0.06	111.3	31.2	7.3
16	8.0	0.44	0.06	115.4	32.3	7.9
17	8.0	0.28	0.03	73.9	20.7	4.3
18	8.2	0.18	0.02	46.9	13.1	2.8
Total	**144**	**0.43**	**0.05**	**2,000**	**560**	**111**

The PEA envisages a tailings storage facility ("TSF**"**) located to the south-east of the mine site which is entirely within Lara's licence area. The TSF comprises two cells which would be utilised for conventional slurry tailings with storage for the first 13 years of tailings production. During Year 13 of operations, a new deep cone thickener would be installed close to the TSF. Tailings deposition would switch to paste (65-70% solids w/w) from Year 14, which would accommodate the remaining LoM tailings. This approach has been utilised successfully for thickened tailings deposition at the nearby Sossego mine and is likely to be viewed favourably by regulatory authorities. Furthermore, there will be a small, dedicated storage facility for pyrite-rich tailings.

Infrastructure

The PEA envisages a number of infrastructure requirements for the Project which have been designed and costed at a scoping level, including power supply, processing plant, tailings storage facility, waste rock dump, water management channels including a river diversion, process water supply pond, water treatment plant, a 4 km site access road and bridge, haul roads, RoM pad and low grade stockpile and miscellaneous site utilities.

Power in Brazil's national grid is 85% from renewable sources and is relatively low cost by international standards. The electrical supply connection is based on a quotation from the local electrical utility to install and connect a supply of 138 kV to the Project to meet a demand of up to 52.5 MW. There are a number of power connection options due to the favourable location, just 4 km from the existing high tension (500 and 230 kV) powerlines and proximity to major substations. Further trade off studies will investigate opportunities for a direct grid connection to potentially reduce, transmission line capital costs, transmission losses and tariffs.

This PEA assumes that the concentrate will be trucked by road approximately 680 km to the port of Vila do Conde (Barcarena, Pará State) where it will be loaded onto ocean going vessels for shipping.

[13] koz: thousand ounces

Water Management

The tropical climate and the topographic situation of the Project area mean that surface water management will be key to de-risking mining operations and safeguarding the natural environment. The PEA envisages numerous diversion channels to manage surface water runoff and water levels in the nearby creeks particularly during intense storm events. It also considers treating all water that has been in contact with sulphide-bearing rock. A water treatment plant has been designed and costed at a scoping level. A provisional water balance for the site, including the requirement for water in the processing plant has been estimated.

Environment, Permitting and Social Considerations

Lara's approvals roadmap includes an application for the Preliminary License (LP) in Q3 2026, an application for the Installation License (LI) in Q4 2028, and the Operating Licence (LO) for the start of operations in 2030.

Building on environmental information collected from the Project area in 2021, CLAM Engenharia has commenced an environmental impact assessment ("EIA") which is due to be completed in Q2 2026. Field studies will include air quality, springs survey, water quality, flora and fauna, socio-economic and speleology (caves). The need for studies on archaeology, historical and cultural heritage will be determined following consultation with regulatory authorities. As the EIA improves the understanding of the environmental and social context of the Project, strong links between Project development and ESG workstreams will be needed to embed sustainability into technical decision making. Early and effective integration of these workstreams will likely improve permitting timeframes and outcomes.

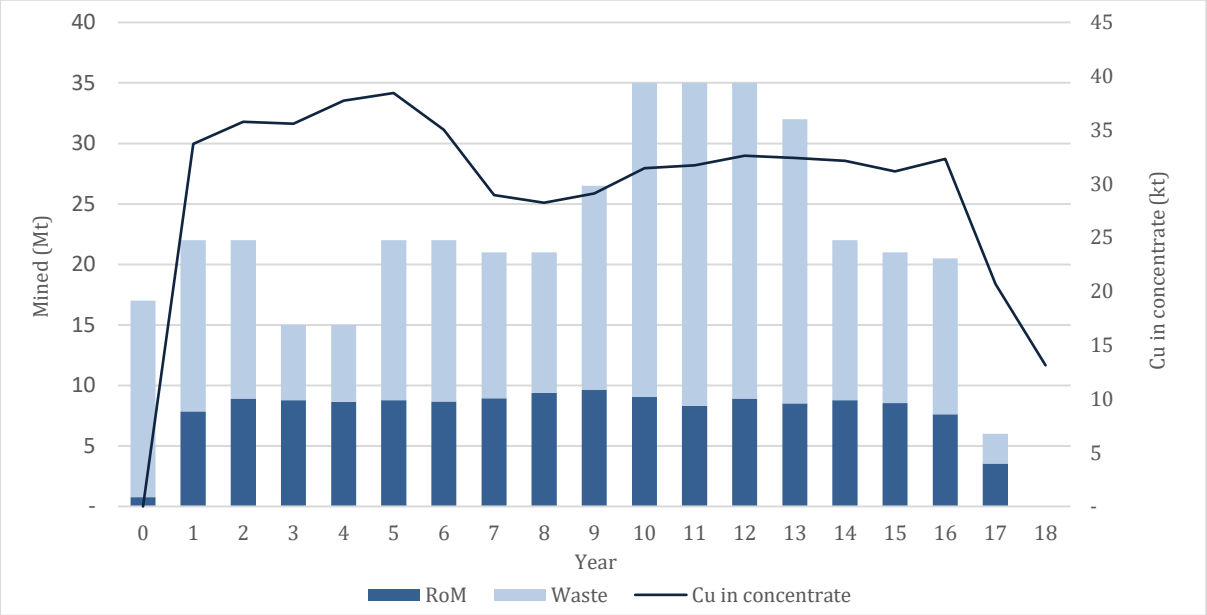
Ongoing key issues include acquisition of surface rights, minimizing the Project footprint to avoid impacts on existing land use and protected areas, characterizing and minimising geochemical risks from mine waste, appropriate design of mine waste facilities, minimising impacts on surface water and groundwater users and the Project affected people. Climate change considerations will also need to be considered in future stages of Project development, particularly minimising carbon emissions from future operation and demonstrating resilience to future climate scenarios in operational and closure designs.

A provisional estimated closure cost of US$18.3 million has been allowed for in the PEA.

Life of Mine Production Plan

The estimated LoM production under the PEA is summarized in Figure 1 and Table 4.

Figure 1: Mining and Cu in Concentrate Profile



Note: Year 0 is the pre-stripping year, with some RoM mined and stockpiled

Table 4: LoM Production Summary

	Units	Value
Production Rates		
Peak mining rate (ore+waste)	Mt/yr	35.0
Peak processing	Mt/yr	8.0
Mine Production		
Total mined	Mt	410
Waste	Mt	266
RoM	Mt	130
Low-grade material	Mt	13.4
Strip ratio	t/t (waste/RoM)	1.9
Payable metal		
Copper	kt	540
Gold	koz	99.7

Capital Costs

The estimated initial capital for construction and ramp-up, together with expected sustaining capital and closure costs, is presented in Table 5. The costs have been estimated to an accuracy of -30% / +50%. A 20% contingency has been added to the initial capital and the mine closure costs.

Table 5: Capital Costs

	Initial (US$ million)	Sustaining (US$ million)	Total (US$ million)
Mining Pre-Strip	28.5	--	28.5
Processing Plant	238.5	85.9	324.4
Tailing Management Facility	13.1	62.1	75.2
Water Management	15.0	--	15.0
On-Site Infrastructure	28.3	--	28.3
Power Supply	20.6	--	20.6
Construction Support	29.5	--	29.5
EPCM	47.3	--	47.3
Owners Costs	33.7	--	33.7
Mine Closure	--	18.3	18.3
Contingency	90.9	3.7	94.6
Total	**546**	**170**	**716**

Operating Costs

The estimated Planalto operating costs represent the onsite costs to produce copper concentrate; additional costs associated with the concentrate transport are captured in the net smelter return calculation. Projected site operating costs are presented in Table 6. The average life-of-mine operating cost of material moved is US$3.04/t moved.

Table 6: Operating Costs

Description	Unit	Cost
Mining	US$/t ex-pit	3.04
Mining	US$/t processed	8.34
Processing	US$/t processed	7.66
Tailings	US$/t processed	0.13
G&A	US$/t processed	1.62
Total	**US$/t processed**	**17.75**

SUDAM Taxation Benefit

Companies located in the Amazon region may benefit from certain tax incentives. SUDAM is an administratively and financially independent federal government agency that oversees development in the Amazon region. The region includes the state of Pará in where the Project is located. Under the concession program, companies can receive either a partial or a complete tax exemption on income taxes for Brazilian companies.

The tax exemption applies only to income from facilities operating in the designated region and consists of a reduction of 75% off the regular corporate income tax (25%). For the purposes of the PEA, the financial model factors in a reduction of the corporate income tax rate plus a social contribution of 34% (25% + 9%) to the 15.25% (25% * 0.25% + 9%) rate available under the SUDAM regime for the Project. The concession is available for an initial period of 10 years of operation.

The PEA assumes that the Planalto Project would be eligible for SUDAM tax exemption, but this can only be confirmed once an application has been submitted and approved.

Metal Price Assumptions and Payability

The metal prices used for the PEA reflect a long term, real basis. These are included in Table 7 alongside 3 year historic prices, long-term consensus forecast ("CMF") prices and current spot prices. CMF prices have been sourced from SCP Resource Finance, a UK based financial institution with extensive experience in the copper-gold mining sector, which analyses data from Bloomberg and FactSet, where the 2029 median price has been selected. The PEA has been prepared on a 100% equity funding basis.

Table 7: Metal Price Assumptions

Commodity	PEA Prices	3yr Historic Price to 15 Oct 2025	Consensus Long Term	Spot Price 15 Oct 2025
Copper	US$9,500/t	US$9,250/t	US$10,494/t	US$11,067/t
Gold	US$2,500/oz	US$2,434/oz	US$2,752/oz	US$4,163/oz

The payabilities applied to the economic model were benchmarked from publicly available data from various other mines selling copper-gold concentrates through a third-party refiner, inclusive of treatment charges. The economic analysis assumes all handling and logistics costs associated with shipping of concentrates to an Asian smelter. The smelter payment terms applied in the PEA are detailed in Table 8.

Table 8: Smelter Terms

Metal	Payability (%)	Treatment Charge	Refining Charge
Cu	96.6	US$ 55/dmt[14] con	US$ 0.055/lb Cu
Au	90.0	-	US$ 5/oz Au

Economic Analysis

The cash flow model was based on the assumed production schedule, associated metal grades, metallurgical recoveries and capital and operating costs outlined in this news release. Table 9 shows the projected Planalto PEA highlights.

Table 9: PEA Financial Highlights

Key Unit Costs		
Total site costs*	US$/lb Cu payable	2.14
Government royalties	US$/lb Cu payable	0.08
Total adjusted operating costs*	US$/lb Cu payable	2.54
All in sustaining costs*	US$/lb Cu payable	2.70
Capital Costs		
Initial	US$ million	546
Sustaining	US$ million	148
Closure cost	US$ million	22
Total capital cost	US$ million	716
Financial Evaluation		
Average annual net revenue*	US$ million	259
Average annual free cashflow*	US$ million	91
After-tax NPV @ 8% discount	US$ million	378
After-tax IRR	%	21.0%
Initial capital/NPV ratio*	1:1	1.44
Payback**	Years	3.5

[14] dmt: dry metric tonne

*This is a non-IFRS measure. See "Non-IFRS Financial Performance Measures" below; **Payback from start of production

Sensitivity Analysis

The sensitivity analysis of the Planalto Project's NPV to the discount rate is presented in Tables 10 and 11.

Table 10: Sensitivity Analysis to Discount Rate

Discount Rate	Unit	NPV Sensitivity to Discount Rate
6%	US$ million	495
8%	**US$ million**	**378**
10%	US$ million	284

Table 11: Sensitivity Analysis to Metal Price

Copper Price	Gold Price	NPV 8% After Tax Sensitivity to Metal Price (US$M)	IRR After Tax Sensitivity to Metal Price
US$/t	US$/oz		
9,250[1]	2,434	328	20%
9,500 [2]	**2,500**	**378**	**21%**
10,500 [3]	2,750	582	27%
11,000 [4]	4,000	724	30%

1: 3-year historic average, 2: PEA prices, 3: Consensus long term, 4: Spot Prices on 15 October 2025 - see Table

Project Opportunities

- **Tailings** – There is an opportunity to significantly reduce required footprint areas for TSF development by utilizing paste thickened/central thickened discharge technologies. This would significantly reduce the volumes of excess contact water to be managed on the TSF and simplify closure of the facilities, given that tailings material can be incorporated in the engineered cover system to form a water-shedding surface.
- **Metallurgy** – There is potential for further improvements to metallurgical recoveries and optimization of processing reagent consumption during more detailed future study phases, which could involve more exhaustive and larger-scale pilot plant test work. Test work is continuing.
- **MRE Growth Potential** – The Company believes that there is further potential to add to the 2024 MRE at Planalto, since the mineralization is open in some places within the MRE constraining pit, and at depth, the pit is limited in places by the depth of existing drilling. Furthermore, there is potential for strike extension in the Silica Cap deposit south-eastwards into the new Atlantica licence, where historical drilling intercepted copper mineralization. A number of copper in soil geochemical anomalies within the Planalto Exploration Licence have had limited follow up exploration, including very limited drilling.
- **Oxide Exploration** – Excluded from the PEA is processing of oxide mineralised material, where the exploration target has been defined through a combination of drilling, surface trenches and soil geochemistry. Initial metallurgical testing suggests marginal economic recoveries, and more test work is planned. If incorporated into future studies, additional plant components would be required that are not considered in the PEA.
- **Power** – There is potential to connect directly to the nearby 230 kV transmission line, reducing the capital cost and line losses while simplifying access and permitting for the short 3Km connection distance. In addition, significant savings in power tariff costs may be achieved when connecting directly at the 230 kV transmission level as a "Grid User", circa USD 0.04/kWh compared with the estimated PEA cost of USD 0.06/kWh for a 138 kV utility connected user. Power accounts for 39% of the plant operational cost of 7.66 US$/t processed.
- **Concentrate Treatment and Refining Charges –** The PEA smelter charges to treat copper concentrates reflect long term benchmark rates. Lara considers that current market rates are low (negative) and may remain lower than rates used in the PEA.

- **Metal Price –** The Project economics are particularly sensitive to metal price. The current spot price and consensus long term price for copper and gold are higher than the metal prices used in the PEA. Higher metal prices have the potential to significantly positively impact the economic return of the Project.

Project Risks

- The PEA incorporates Inferred Mineral Resources which are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves. While the Company intends to conduct further drilling with the objective of converting Inferred Mineral Resources to Indicated Mineral Resources there can be no assurance that this will be successful.
- The technical and cost estimates are at the scoping stage; therefore, further technical, economic and permitting-related work is required to be completed in order to achieve a prefeasibility level of study ("**PFS**"). Only when a positive PFS is issued will it be possible to convert Indicated and Measured Mineral Resources to Mineral Reserves.
- The PEA assumes that Planalto would be eligible for SUDAM tax benefits, but Lara has not yet made an application to determine eligibility.

Celesta Copper-Gold Project

The Celesta Copper-Gold Project comprises multiple high-grade iron oxide copper gold (IOCG) breccias and drilling on one of these, Osmar, 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 and plant construction were 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 dams to reinstate operating permits. In October 2024, operations resumed with mining from the Osmar pit and processing ore and material from stockpiles. The Company has received a few modest royalty payments earlier in the year, but these have been suspended again.

Itaituba Vanadium Project

In August 2025, the Company signed a binding letter of intent with a non-reporting Ontario company (the "Optionee") to fund further exploration and development of the Company's Itaituba Vanadium Project, located in the Tapajos Mineral Province of northern Brazil. Under the terms of the agreement, Lara will receive staged payments or minimum expenditures totalling US$500,000 in 2025 (US$350,000 received at the date of this MD&A), US$600,000 in 2026, and US$900,000 in 2027 to fund exploration and development of the Project. Lara is currently the project operator and has already mobilized a team to the site and completed approximately 1,200 metres of diamond and reverse circulation drilling.

The Optionee has advised that it plans to seek a stock exchange listing (the "Public Transaction") for this project, either on a standalone basis or as part of a basket of vanadium projects. Lara will be issued with equity of the vehicle ("PubCo") at a valuation of not less than $1,000,000 and 9.9% ownership on a fully diluted basis, in exchange for 90% ownership of the project. PubCo will then have the option to acquire the residual 10% interest in the project for a payment to Lara of $250,000 and an additional 1,000,000 PubCo shares, with Lara having the right to force exercise on the third anniversary of the Public Transaction. Lara is entitled to receive an additional payment of US$1,000,000 within 90 days of publication of the first Feasibility Study and will also receive a 2% NSR royalty on any production from the project and any other properties acquired within a 5km area of interest.

PERU EXPLORATION

Alli Allpa Phosphate Project

The Alli Allpa Phosphate Project covers part of a substantial sedimentary phosphate deposit 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 its western side. It is 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 has been on community engagement and technical studies. We recovered and relogged the 53 diamond drill holes completed by Stonegate in 2009-2010 and recovered the data and results of process studies. The Company completed some additional project work during the period and is seeking a partner to fund the next steps.

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 holds a 45% ownership stake. 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, indicating the potential for a substantial mineralized porphyry copper body. In 2020, the Company and its 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 operates the Mina Justa open-pit copper mine near Marcona, in the same district as the Lara project.

In 2024, Minsur secured access agreements with the local communities and undertook a program of detailed archaeological studies in 2025 as the first step in the permitting process for additional diamond drilling. Subsequent to the end of the period, Minsur notified the Company of its intention to drop its option.

CHILE EXPLORATION

Bifox Phosphate Project

The Bifox Phosphate Project comprises a block of exploration licenses and mining rights in the Bahia Inglesa basin, near Copiapó in northern Chile. Bifox Limited ("Bifox") has reinstated its permits and resumed operations and is now seeking pre-IPO 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 50,000 tonnes 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.

RESULTS OF OPERATIONS

Three months ended September 30, 2025

For the three months ended June 30, 2025, the Company reported a loss of $675,309 or $0.01 per share compared to an income of $61,153 or $0.00 per share in the comparative quarter. The variance was primarily due to a gain on sale of the Curionópolis Iron Project of $744,600 in the comparative quarter.

Nine months ended September 30, 2025

For the nine months ended September 30, 2025, the Company reported a loss of $2,055,254 or $0.04 per share compared to an income of $209,979 or $0.00 per share in the comparative period. The variance was primarily due to a gain on sale of the Curionópolis Iron Project of $2,603,100 in the comparative period.

SUMMARY OF QUARTERLY RESULTS

For the quarter ended	September 30 2025	June 30 2025	March 31 2025	December 31 2024
Net exploration expenditures	$ 482,119	$ 553,901	$ 427,993	$ 647,716
Share-based payments	-	-	-	-
Net income (loss) for the period	(675,309)	(864,352)	(515,593)	(1,304,485)
Net income (loss) per share[1]	(0.01)	(0.02)	(0.01)	(0.03)
For the quarter ended	**September 30 2024**	**June 30 2024**	**March 31 2024**	**December 31 2023**
Net exploration expenditures	$ 388,473	$ 504,329	$ 321,919	$ 349,374
Share-based payments	-	-	153,159	-
Net income (loss) for the period	61,153	869,543	(720,717)	(372,321)
Net income (loss) per share[1]	0.00	0.02	(0.02)	(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 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 result in 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 $3,365,306 as at September 30, 2025, compared to $5,153,800 as at December 31, 2024. The change during the period was due primarily to cash used 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.

RELATED PARTY TRANSACTIONS

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

For the nine months ended September 30, 2025		Amounts
Chief Executive Officer	$	247,991
Chairman		161,355
VP Exploration		135,000
VP Corporate Development		90,000
Seabord Management Corp.		159,000
	$	793,346

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

As at September 30, 2025, the Company had $38,315 (December 31, 2024 - $Nil) due to management-related to fees and expense reimbursement, which have been included in accounts payable and accrued liabilities.

INVESTMENT IN ASSOCIATED COMPANY

The Company has a 45% interest in Minas Dixon S.A. ("Minas Dixon"), which had a carrying amount of $26,137 as at December 31, 2024. For the nine months ended September 30, 2025, the Company recognized its share of Minas Dixon's loss of $17,854 (2024 - $33,858). As a result, the Company's investment in Minas Dixon was $8,283 as at September 30, 2025.

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

		September 30 2025		December 31 2024
Financial assets - FVTPL:				
Long-term investments	$	3,310,534	$	3,314,444
Financial assets - amortized costs:				
Cash		3,536,976		5,144,036
Restricted cash equivalents		57,976		57,976
Receivables		12,277		26,640
Financial liabilities - amortized costs:				
Accounts payable and accrued liabilities		164,542		109,093
Advance from joint venture partner		101,575		-

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.

EVENTS AFTER REPORTING DATE

Subsequent to September 30, 2025, the Company:

- entered into an agreement with Atlantica do Brasil Mineração Ltda. ("Atlantica") to acquire an exploration license adjacent to the Company's own Planalto Copper Project in Brazil. The Company has agreed to:
  - issue common shares (equivalent to $350,000) to Atlantica on acceptance of the agreement by the TSX-V;
  - drill a minimum of 2,000 metres;
  - prepare a NI 43-101-compliant Technical Report by the end of the year 2027;
  - pay a Success Fee equivalent to US$0.06/lb of copper contained in Measured and Indicated Resources in the Technical Report by December 2027;
  - pay an additional Success Fee equivalent to US$0.06/lb of copper contained in any additional Measured and Indicated Resources included in an updated Technical Report by December 2028; and
  - pay an additional Success Fee equivalent to US$0.08/lb of copper contained in any additional Measured and Indicated Resources estimated in any subsequent Technical Report after the end of 2028.

  The Success Fee can be paid in installments annually, in either cash or common shares at the Company's discretion, with a maximum of US$1.25 million due in any one year. There is a minimum payment of US$500,000 regardless of the resource size discovered, due at the end of 2027. Atlantica and an underlying vendor will each be entitled to a 1% NSR royalty on any production derived from the license; and

- was notified by Minsur of its intention to drop its option to acquire the Lara Copper Project.

OUTSTANDING SHARE DATA

There are 50,541,322 common shares issued and outstanding. In addition, 2,700,000 stock options are outstanding, with exercise prices ranging from $0.54 to $1.20 per option and terms expiring between June 28, 2026, and October 11, 2029.

NON-IFRS AND OTHER PERFORMANCE MEASURES

The 43-101 Planalto PEA contains certain non-IFRS financial performance measures (including "All-in Sustaining Costs", "Total Site Costs", "Total Adjusted Operating Costs", "Average Annual Net Revenue", "Average Annual Free Cashflow", "Initial Capital/NPV Ratio", and "Payback"), which are not performance measures reported in accordance with IFRS. These performance measures are included because these statistics are key performance measures that management uses to monitor performance. Management uses these statistics to assess the overall effectiveness and efficiency of the contemplated mining operations. These performance measures do not have a standardized meaning under IFRS and, therefore, amounts presented may not be comparable to similar data presented by other mining companies. The data presented is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. As the Planalto Project is not in production, the prospective non-IFRS financial measures presented may not be compared or reconciled to the equivalent historical non-IFRS measure, if any. Note: All Planalto project dollar amounts are in US dollars unless otherwise denoted.

Non-IFRS financial measures or ratios	Definition	Why management uses the measure and why it may be useful to investors
All-in Sustaining Costs ("AISC")	Total Adjusted Operating Costs plus sustaining capital and closure	AISC is a useful measure to understand the full cost of producing and selling metal at the Company's contemplated mining operation and its ability to generate cash while sustaining production.
Total Site Costs	Mining, processing, tailings, and G&A only	These measures are useful for assessing the operating performance of the Company's contemplated mining operation and its ability to generate cash. The inclusion of by-product credits incorporates the benefits of other metals extracted during the production of the primary metal.
Total Adjusted Operating Costs	Total Site Costs plus treatment charge ("TC"), refining charge ("RC"), freight, and royalties (underlying owner and government), net of Au credits	
Average Annual Net Revenue	Revenue, net of TC, RC, freight, and royalties (underlying owner and government)	
Average Annual Free Cashflow	Net Revenue, net of Total Adjusted Operating Costs, taxes, and total capital expenditures	Free Cashflow is indicative of the Company's contemplated mining operation's ability to generate cash after consideration of required capital expenditures.
Initial Capital/NPV Ratio	Initial Capital Cost over NPV at 8% discount rate	These measures are useful for assessing the overall long-term performance of the Company's contemplated mining operation and return on investments.
Payback	Time after construction when the cumulative Annual Free Cash flow becomes positive	

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.

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.

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.

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.

Appendix A

Mineral Resource Statement as at July 3, 2024, for the Planalto Deposit
(Table 11 in the 43-101 Technical Report on a Mineral Resources Estimate for the Planalto Project, Canãa dos Carajás, Pará, Brazil, September 2024)

Resource Category	Domain	Tonnage (Mt)	Cu Grade (%)	CuEq Grade (%)	Au Grade (g/t)	Cu (kt)	Cu (Mlb)	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.