



**LARA EXPLORATION LTD.**

(An Exploration Stage Company)

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE THREE MONTHS ENDED MARCH 31, 2026  
(Expressed in Canadian dollars)**

## **GENERAL**

This discussion and analysis of the financial position and results of operations is prepared as at May 26, 2026, and should be read in conjunction with the condensed consolidated interim financial statements of Lara Exploration Ltd. (the “Company”, “Lara”, or “we”) for the three months ended March 31, 2026 and 2025, 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](http://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 reduced the technical and financial risk for the Company without losing exposure to the value enhancement of a significant discovery at the Planalto Copper-Gold Project in Brazil, where exploration drilling was completed by a partner, but the project is now owned and being developed 100% by Lara.

## COMPANY HIGHLIGHT FOR THE QUARTER

During the three months ended March 31, 2026 and subsequently:

- Planalto - confirmation, infill and exploration drilling commenced during the period, within the existing Planalto resources and along strike from the Silica Cap.
- Corporate - subsequent to the end of the period, closed a brokered private placement for gross proceeds of \$20,250,000 by issuing 6,750,000 common shares at \$3.00 per share and a concurrent non-brokered private placement for gross proceeds of \$13,500,000 by issuing 4,500,000 common shares at \$3.00 per share.

## 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. Planalto is being more actively developed, with over 26,000 m<sup>1</sup> 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 for the discovery of additional copper gold mineralisation over a 3 km<sup>2</sup> strike length. Infill and step-out drilling resumed at Planalto in Q1-2026.

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, and has since been making irregular debt and royalty payments to Lara. 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”). A favourable ruling was received from the lower courts in 2022, which is now in the appeals process.

In Peru, our efforts are focused on four 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 Mammoth Minerals (with support from BHP), where we retain a 1-2% net smelter return (“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, and we have begun the process of finding a new partner.

In Chile, Lara holds a minority interest and a royalty in Bifox Ltd., which has resumed low-level 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 is on advancing our 100% owned Planalto Copper Project in Brazil. 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](http://www.sedarplus.ca)) and the Company’s website ([www.laraexploration.com](http://www.laraexploration.com)). The plan for 2026 is to 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

---

<sup>1</sup> m: metres

<sup>2</sup> km: kilometres

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 completion around the end of 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 CoreX's (formerly BHP) Antas and Pedra Branca copper mines in the Carajás Mineral Province of northern Brazil. To the end of 2025, 26,016 metres of diamond drilling had been completed on the project, joining the two original discoveries, Homestead and Cupuzeiro, into a single body of mineralization extending over 1,500 m from north to south and ranging in width from 200 m to 500 m 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 for three kilometres to the SE. Infill and exploration drilling resumed in Q1-2026 and is expected to ramp up during the year.

In 2024, the Company completed an initial Mineral Resource Estimate (MRE) 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 Mt<sup>3</sup> 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<sup>4</sup> or 267 thousand tonnes (0.59 billion pounds) CuEq<sup>5</sup>. Inferred Resources are estimated to be 154 Mt at an average grade of 0.36% Cu and 0.04 g/t Au<sup>6</sup>, 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](http://www.sedarplus.ca)) and the Company's website ([www.laraexploration.com](http://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<sup>7</sup> (1.2 billion lb<sup>8</sup>) of copper and 111,000 oz<sup>9</sup> 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.

---

<sup>3</sup> Mt: million metric tonnes

<sup>4</sup> Cu: copper

<sup>5</sup> 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]

<sup>6</sup> Au: gold

<sup>7</sup> t: metric tonne

<sup>8</sup> lb: pounds

<sup>9</sup> oz: ounces

- 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<sup>10</sup> road from the state highway with high-tension powerlines alongside.
- 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.

## **PERU EXPLORATION**

### ***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 and a 1% NSR Royalty. 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 m by 1,000 m, 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 November 2025, Minsur notified the Company of its intention to drop its option. Lara and GBM have since resumed control of the project and started the search for a new partner.

### ***Picha Copper-Silver Royalty***

The Picha Copper Royalty covers a 3,800-hectare project in the Moquegua and Puno Departments of southern Peru. The core of the Picha project lies approximately 17 km ENE of the Buenaventura’s San Gabriel Au-Cu-Ag mine and significant copper and precious metal projects in the district include Berenguela, Trapiche, Antilla and Pinaya. Lara holds a 2% NSR on any precious metals produced and a 1% NSR on base metals on the Picha licenses. The Picha project is being explored by Australian-listed Mammoth Minerals, with the latter completing a 5,000 m diamond drill program on the main targets during 2024 and continued to advance the project via an exploration grant from BHP in 2025, which outlined the presence of two new porphyry centres.

### ***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 March 31, 2026***

For the three months ended March 31, 2026, the Company reported a loss of \$521,266 or \$0.01 per share compared to \$515,593 or \$0.01 per share in the comparative quarter. The variance was primarily due to increases in exploration expenditures, investor relations, and regulatory expenses, partially offset by payments received for past royalties and/or fees payable by Celesta Mineração.

## **SUMMARY OF QUARTERLY RESULTS**

	<b>March 31</b>	<b>December 31</b>	<b>September 30</b>	<b>June 30</b>
<b>For the quarter ended</b>	<b>2026</b>	<b>2025</b>	<b>2025</b>	<b>2025</b>
Net exploration expenditures	\$ 631,792	\$ 823,604	\$ 482,119	\$ 553,901
Share-based payments	-	-	-	-
Net loss for the period	(521,266)	(1,007,070)	(675,309)	(864,352)
Net loss per share <sup>1</sup>	(0.01)	(0.02)	(0.01)	(0.02)

  

	<b>March 31</b>	<b>December 31</b>	<b>September 30</b>	<b>June 30</b>
<b>For the quarter ended</b>	<b>2025</b>	<b>2024</b>	<b>2024</b>	<b>2024</b>
Net exploration expenditures	\$ 427,993	\$ 647,716	\$ 388,473	\$ 504,329
Share-based payments	-	-	-	-
Net income (loss) for the period	(515,593)	(1,304,485)	61,153	869,543
Net income (loss) per share <sup>1</sup>	(0.01)	(0.03)	0.00	0.02

<sup>1</sup>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 historically had 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 historically 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.

The Company is now focused on the development of the 100%-owned Planalto Copper-Gold open pit mining project, having completed a positive PEA study in late 2025. The Company has committed to increasing exploration and development expenditures to this project in 2026 and 2027. The Company plans to complete additional exploration and resource delineation drilling at Planalto and initiate technical studies to support a Pre-Feasibility Study.

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 major option grant, which included all directors, senior management, and consultants, occurred in April 2023. 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 \$16,192,236 as at March 31, 2026, compared to \$2,466,323 as at December 31, 2025. The change during the period was due primarily to subscriptions totalling \$14,502,323 received in advance for the private placements closed subsequently in April 2026, net of cash used to cover exploration and administration expenditures.

In April 2026, the Company closed a brokered private placement for gross proceeds of \$20,250,000 and a non-brokered private placement for gross proceeds of \$13,500,000. The Company paid common and agents' fees totalling \$1,176,705.

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 2026. 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:

<b>For the three months ended March 31, 2026</b>	<b>Amounts</b>
Chief Executive Officer	\$ 83,497
Chairman	55,625
VP Exploration	45,000
VP Corporate Development	30,000
Seabord Management Corp.	49,800
	<b>\$ 263,922</b>

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 March 31, 2026 and December 31, 2025, the Company has provided a \$10,000 deposit in connection with the service agreement with Seabord.

As at March 31, 2026, the Company had \$129,191 (December 31, 2025 - \$23,854) 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"). For the three months ended March 31, 2026, the Company recognized its share of Minas Dixon's loss of \$8,396 (2025 - \$4,954). As at the reporting date, the carrying amount of the Company's investment in Minas Dixon was \$5,901 (December 31, 2025 - \$Nil).

## FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

	March 31 2026	December 31 2025
<b>Financial assets - FVTPL:</b>		
Long-term investments	\$ 3,459,973	\$ 3,314,390
<b>Financial assets - amortized costs:</b>		
Cash	16,286,858	2,725,873
Restricted cash equivalent	57,976	57,976
Receivables	44,748	31,976
<b>Financial liabilities - amortized costs:</b>		
Accounts payable and accrued liabilities	380,610	497,350

### *Fair Value*

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.

### EVENTS AFTER REPORTING DATE

Subsequent to March 31, 2026, the Company closed a brokered private placement for gross proceeds of \$20,250,000 by issuing 6,750,000 common shares at \$3.00 per share. Concurrently, the Company closed a non-brokered private placement for gross proceeds of \$13,500,000 by issuing 4,500,000 common shares at \$3.00 per share. All common shares issued are subject to a statutory four-month holding period from the date of closing. The Company paid agents' fees totalling \$1,176,705.

### OUTSTANDING SHARE DATA

There are 61,997,362 common shares issued and outstanding. In addition, 2,650,000 stock options are outstanding, with exercise prices ranging from \$0.54 to \$1.20 per option and terms expiring between April 19, 2028, 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.

<b>Non-IFRS financial measures or ratios</b>	<b>Definition</b>	<b>Why management uses the measure and why it may be useful to investors</b>
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 reduce the economic return of contemplated development projects which in turn may impact their viability to be developed. 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, only the Company's Planalto project has demonstrated potential economic development viability through the positive PEA Study. 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	-	-	-	-	-	-	-
<b>Total Indicated</b>		<b>47.7</b>	<b>0.53</b>	<b>0.56</b>	<b>0.06</b>	<b>253</b>	<b>557</b>	<b>92</b>
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
<b>Total Inferred</b>		<b>154.0</b>	<b>0.36</b>	<b>0.38</b>	<b>0.04</b>	<b>549</b>	<b>1210</b>	<b>223.5</b>

*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”) =  $Cu\ grade + ((Au\ Recovery \times Au\ price \times Payable\ Au) / (Cu\ Recovery \times Cu\ price \times Percentage\ Payable\ for\ Cu\ in\ NSR)) \times Au\ grade$ , 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.