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TSX-Venture: LRA

News Release

Production Update for the Celesta Copper Mine in Brazil

January 26, 2021 (TSX Venture: LRA) - Lara Exploration Ltd. ("Lara" or the "Company"), is pleased to report that during the ramp-up phase between July and December 2020 the Celesta Copper Mine shipped 1,195 dry metric tonnes of concentrate, containing 457 tonnes of copper metal and 1,286 ounces of gold.

The plant has so far achieved a maximum processing rate of 350 tonnes per day, below the targeted 500 tonnes per day commercial production as defined in the contract with Lara. Concentrate production has also been impacted by lower than projected recoveries from the part-oxidised transition material from the Osmar deposit. These production issues are being addressed with the addition of a second and larger ball mill, ordered in late 2020, along with additional flotation cells, which are scheduled to be delivered and installed in Q2-2021. The property is host to a number of high-grade breccia targets and drilling at what is now denominated the Osmar-2 body has outlined sulphide mineralization close to surface, which will be blended in to increase both the production rate and plant recoveries over the coming months. The current guidance provided to Lara is that the commercial production milestone will be achieved in Q2-2021 once the new mill is installed.

Celesta's mining program initially focused on the near-surface portion of Osmar target that has an Indicated Resource estimate of 2.14 million tonnes, with average grades of 4.2% copper and 0.66 parts per million gold. For details see the National Instrument 43-101 Technical Report entitled "Maravaia Copper-Gold Deposit, Carajás Mining District, Pará, Brazil", dated January 15, 2016 which is filed on SEDAR, and was prepared for Tessarema and Lara by João Batista G. Teixeira, Geologist, PhD, P.Geol. Production from a second pit, on the Osmar-2 target started in late 2020 and will be the source of material during Q1-2021 while a cut-back is completed on the Osmar pit, with mining from both pits in Q2-2021 to fill the increased plant capacity.

Lara owns a 2% net smelter returns royalty on the project and has been receiving regular payments from Celesta with each concentrate shipment made to Ocean Partners. Lara also holds a 5% carried (to commercial production) equity interest in Celesta Mineração S.A. ("Celesta"), which is jointly operated by partners Tessarema Resources Inc. (with 40% interest), and North Extração de Minério Ltda. (with 55% interest). Ocean Partners UK Ltd., has provided project finance in exchange for life of mine offtake rights. Lara is also owed a US\$1 million late penalty fee, of which US\$200,000 has been paid to date.

About Lara

Lara is an exploration company following the Prospect and Royalty Generator business model, which aims to minimize shareholder dilution and financial risk by generating prospects and exploring them in joint ventures funded by partners, retaining a minority interest and or a royalty. The Company currently holds a diverse portfolio of prospects, deposits and royalties in Brazil and Peru. Lara's common shares

trade on the TSX Venture Exchange under the symbol "LRA".

Michael Bennell, Lara's Vice President Exploration and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), is a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and has approved the technical disclosure and verified the technical information in this news release.

For further information on Lara Exploration Ltd. please consult our website www.laraexploration.com, or contact Chris MacIntyre, VP Corporate Development, at +1 416 703 0010.

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