MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED MARCH 31, 2021

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at May 20, 2021 and should be read in conjunction with the condensed consolidated interim financial statements of Lara Exploration Ltd. (the "Company" or "Lara") for the three months ended March 31, 2021 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.sedar.com.

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.

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company's business or results of operations at this time.

Lara's operating plan is dependent 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 as of 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 shareholder value enhancement of a major discovery. Lara's experienced management team has already made multiple discoveries and is well established in South America. Currently, the Company is focused and most active in Brazil and Peru.

COMPANY HIGHLIGHTS FOR THE QUARTER ENDED MARCH 31, 2021

- Positive preliminary metallurgical test work based on the recent drilling of the Homestead discovery on the Planalto copper project in Brazil.

- Option agreements signed on two new properties to extend the strike potential of the Homestead discovery.

- Geophysical surveys completed over potential extensions of the Homestead discovery ahead of the next diamond drilling program planned to start in Q2.

- Hochschild's diamond drilling program started in Q4-2020, continues to report significant gold and silver intercepts from Lara's Corina epithermal gold-silver project in Peru, including 31.55m averaging 4.9g/t Au and 43 g/t Ag.

- Ramp-up of operations continued on the Celesta copper mine in Brazil where the company holds a 2% NSR and a 5% preferred equity interest. The Company reported drill results from the new Osmar-2 pit during the period.

- Additional sampling of the drill cores from the Itaituba vanadium project shows that the extensive host gabbros are disseminated with magnetite that can be separated into a vanadium-rich concentrate.

EXPLORATION REVIEW

Despite the challenges of the Covid-19 pandemic, which has hit both Brazil and Peru very hard, we had a productive Q1, with significant progress on three of our most important projects.

The new property acquisitions at Planalto effectively double the strike potential of the Homestead discovery, giving us an opportunity to significantly grow this target and the preliminary metallurgical test work shows a straightforward path to a high-quality copper concentrate. The Celesta copper mine is behind on its production targets, but Q1 saw the new Osmar-2 pit starting production, both improving mill feed and allowing a cut-back on Osmar-1 to access the highest-grade portion of that deposit. The equipment to more than double the milling and flotation capacity for the Celesta plant, ordered in Q4-2020, was landed in Brazil in late April. At our Itaituba vanadium project we were pleased to report vanadium mineralization in the gabbro host rocks, which are much more widespread than the originally targeted magnetite cumulate bodies.

In Peru, Hochschild secured new community agreements and permits, which allowed drilling to resume on the Corina gold-silver discovery in Q4-2020 and we have been very pleased be able to report an number of well mineralized intercepts from that period, along with a couple of good intercepts from the holes drilled in Q1.

OUTLOOK

Travel restrictions and the need to keep our people and those around us safe, continue to limit our generative exploration efforts, but at the project level where it is easier to put protocols in place, we continue to see progress. In Brazil, the Celesta mine continues to operate and Q2 will see work begin on the plant expansion, we are also working to organise the start of the next drilling campaign at Planalto in this quarter. In Peru, Hochschild has budgeted another 2,000 metres of diamond drilling for the Q2 period.

BRAZIL EXPLORATION

Planalto Copper Project

Q1-2021 was a busy period for us at Planalto. Having secured options on two mineral properties that could double the strike length of the Homestead discovery to the north, we undertook a program of surface work and IP geophysics over those areas and other potential extensions of Homestead, defining a number of new drill targets and we have relogged a lot of the drill core to try to build a more coherent geological model.

Our preliminary metallurgical test work at Homestead has returned very positive results, summarised as follows:

- Flotation rougher and cleaner test work has shown that it is possible to achieve a commercial quality copper concentrate, grading 30-33% copper, with recoveries of 85-87%, after a regrind of the rougher concentrate product to 20 microns.

- A locked-cycle test conducted on a master composite with a primary grind of 75 microns achieved a copper recovery of 90% to a final concentrate grade of 29% copper, with very low contents of deleterious elements and halides such as arsenic, antimony, mercury, chlorine and fluorine.

- The test work indicated that a commercial quality chalcopyrite copper concentrate could be achieved using a simple flow sheet with the readily available collector and frothing agents after a primary grind of nominal P80 at 75 microns and a regrind of the flotation concentrate of P80 at 20 microns.

Despite the challenges of the pandemic, our team, our neighbours and the local authorities have all found ways to safely continue working together and we hope to be in a position to start drilling again at Planalto in Q2.

Celesta Copper Project

The Celesta copper mine continued to operate through the period, though despite incremental improvements, still at a level below commercial production. A second mining front was opened up at Osmar-2, with some excellent drill results reported in the period, allowing work on the Osmar-1 pit to focus on a cutback to access the next section of the higher-grade resource there. The equipment ordered to expand the plant in Q4-2020 was landed in Brazil post the end of Q1, will be moved up to site in Q2 and should be fully operational in Q3.

Itaituba Vanadium Project

During the period we completed a reappraisal of the diamond drilling and ground magnetometer survey results for its Itaítuba vanadium project, in the Tapajós region of northern Brazil. Project work initially focused on vanadium-bearing magnetite bodies, but this recent work has shown that the host gabbros also contain disseminated vanadium-bearing magnetite that can be concentrated to enrich the vanadium grade. Surface mapping and the magnetic survey show these gabbros to be extensive within the Lara property and the Company plans to undertake further geophysical surveys and follow-up drilling later in the year.

PERU EXPLORATION

Corina Gold Project

During the period we were pleased to be able to report drill intercepts from Hochschild's 2,318 metres of drilling at Corina from Q4-2020 and a further 2,095 metres completed this quarter (see Company news releases of February 2 and April 26, 2021 for details). We have been advised that Hochschild plans to complete an additional 2,000 metres of drilling in Q2.

Qualified Person

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, 2021

For the three months ended March 31, 2021 the Company had a loss of $116,067 or $0.00 per share compared to a loss of $198,785 or $0.01 per share in 2020. The variance was due to lower exploration expenditures and a gain on sale of investments partially offset by a higher foreign exchange loss, and lower other income.

Net exploration expenditures were lower in 2021 due to less activity in Brazil. In 2021 there was a gain on sale of Valor Resources Limited shares compared to a significant loss in market value of those shares in 2020. In 2020 there was a large foreign exchange gain due to holding US dollars while they appreciated in value compared to the Canadian dollar. In 2021 there was no comparable gain in the value of US dollars, and there were modest losses on the translation of assets denominated in Peruvian soles and Brazilian reals. In 2021 the main source of other income was from Celesta royalties and an operator's fee from the Planalto Copper Project, but these were less than other income in 2020 which was from a Celesta penalty payment.

SUMMARY OF QUARTERLY RESULTS

	2021	2020	2020	2020
Quarter Ended	**Mar. 31**	**Dec. 31**	**Sept. 30**	**Jun. 30**
Net exploration expenditures	$ 68,848	$ 38,034	$ 99,397	$ 83,581
Share-based payments	-	-	640,882	-
Net income (loss) for the period	(116,067)	(93,487)	(796,332)	108,063
Net income (loss) per share (basic and diluted)	(0.00)	(0.00)	(0.02)	0.00

	2020	2019	2019	2019
Quarter Ended	**Mar. 31**	**Dec. 31**	**Sept. 30**	**Jun. 30**
Net exploration expenditures	$ 86,018	$ 364,846	$ 567,884	$ 14,297
Share-based payments	5,918	52,123	7,562	7,397
Net income (loss) for the period	(198,785)	200,318	(741,575)	(92,231)
Net loss per share (basic and diluted)	(0.01)	0.01	(0.02)	(0.00)

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

Exploration Expenditures

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

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

Exploration spending is also dependent on a healthy treasury. The Company closely monitors its cash position and reduces exploration expenditures if there is not enough funding to cover all administration expenses and planned exploration expenditures each year.

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 are first accounted for by recovering any exploration costs incurred by Lara, then any capitalized acquisition costs effect and finally, any excess payments that are received are credited to other income. Option payments can be significant during the later stages of an option agreement. If they are accounted for as exploration expense recoveries or other income, the payments will have a material effect on the Company's net income or loss for a given quarter.

Share-based Compensation

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 2020 and 2017. More recently, Lara has granted options to recognize a specific achievement by senior management, to compensate a new director, or to recognize ongoing contributions from current directors. The greater the number of options granted, and the higher the exercise price, the greater the amount of share-based payment expense that 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 the succeeding quarters and do not generally cause a significant variation in net income or loss over those quarters.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

The Company had working capital of $1,459,672 at March 31, 2021 compared to $1,375,394 as at December 31, 2020. Working capital increased by $84,278 in the three months ended March 31, 2021 due to proceeds from the sale of investments and the drawdown of advances from JV partners. These were partially offset by working capital consumed in operations. The Company is anticipating that it will continue to receive Celesta royalty payments and further Celesta penalty payments in future months. Lara also expects that it will receive a US$1 million option payment on its Corina property this summer. However, Lara may need to raise additional working capital in order to sustain operations for the next twelve months.

OUTSTANDING SHARE DATA

There are 39,627,608 common shares issued and outstanding. In addition, there are 3,750,000 fully vested stock options outstanding with exercise prices ranging from $0.50 to $1.02 per option with terms expiring between May 27, 2021, and September 1, 2025. The Company also has 2,000,000 common share purchase warrants outstanding with an exercise price of $0.70, which expire on March 26, 2022.

INVESTMENTS IN ASSOCIATED COMPANY

Minas Dixon S.A.

The Company owns a 45% interest in Minas Dixon S.A. ("Minas"). As at December 31, 2020, Lara had a net investment of $Nil in Minas. During the three months ended March 31, 2021 the Company did not make any further investment in Minas and therefore had a net investment of $Nil in Minas at the quarter-end.

RELATED PARTY TRANSACTIONS

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

For the three months ended March 31, 2021	Salary or fees	Share-based payments	Total
Chief Executive Officer	$ 31,000	$ -	$ 31,000
VP Corporate Development	12,000	-	12,000
VP Exploration	42,653	-	42,653
Seabord Services Corp.	53,400	-	53,400
	$ 139,053	$ -	$ 139,053

The above payments for management compensation are payments 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.

The outstanding balances due to or from related parties are as follows:

Related party assets and liabilities	Service or items	March 31, 2021	December 31, 2020
Amounts due from (to):			
CEO	Fees and Expenses	$ -	$ (946)
VP Exploration	Fees and expenses	(13,894)	(2,677)
VP Corporate Development	Fees and expenses	(2,898)	-
Seabord Services		10,000	10,000

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

As at March 31, 2021	FVTPL	Amortized Cost	Total
Cash and cash equivalents	$ -	$ 1,500,265	$1,500,265
Restricted cash equivalents	-	57,500	57,500
Receivables	-	25,599	25,599
Long-term investments	178,668	-	178,668
Accounts payable and accrued liabilities	-	(125,729)	(125,729)
	$ 178,668	$ 1,457,635	$1,636,303

Fair Value

The carrying value of receivables and accounts payable and accrued liabilities approximated their fair value due to the short-term nature of these instruments.

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 by holding funds in the highest yielding accounts with a major Canadian bank. By 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, which include currency risk, credit risk, liquidity risk, and interest rate risk.

Foreign Currency Risk

The Company operates mainly in Canada, Brazil, and Peru and is therefore exposed to financial risk related to the fluctuation of foreign exchange rates. The Company funds cash calls to its subsidiary companies outside of Canada in Canadian or US dollars, and a portion of its expenditures are incurred in the local currencies. The risk is that a significant change in the exchange rate of the Canadian dollar relative to the US dollar, the Brazilian real and the Peruvian sol could have an adverse effect on the Company's results of operations, financial position, or cash flows. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through assets and liabilities denominated in these foreign currencies. A 10% change in the exchange rate of these foreign currencies to the Canadian dollar would result in an increase or decrease of approximately $117,500 to the net loss or income from operations.

Market and Interest Rate Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in values 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 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 GIC's and accordingly, credit risk is minimized. The Company generally does not accrue receivables for scheduled option payments, only recording them when they have been received. That procedure significantly reduces the risk of recording uncollectible receivables.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to 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 that there are sufficient committed financial resources to meet its business requirements for a minimum of twelve months.

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, that 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 carry out 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, and 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, 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.

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 be able to raise enough capital to satisfy exploration and other expenditure terms in a joint venture agreement. As a result, 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 on its own.

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.

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

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.

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 such amounts as 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.

Key Personnel Risk
Lara's success is dependent upon the performance of 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 results of operations.

Environmental Risks and Hazards
The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve 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 which are unknown to the Company at present.

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

COVID-19
In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected workforces, economies, and financial markets globally, potentially leading to an economic downturn. It is not possible for the Company to predict the duration or magnitude of the adverse results of the outbreak and its effects on the Company’s business or results of operations at this time.