



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2021**

GENERAL

This discussion and analysis of financial position and results of operations is prepared as at April 29, 2022, and should be read in conjunction with the consolidated financial statements of Lara Exploration Ltd. (the "Company" or "Lara") for the year ended December 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 active in Brazil, Peru and Chile.

COMPANY HIGHLIGHTS FOR THE YEAR ENDED DECEMBER 31, 2021

- Planalto Copper Project (Brazil) – Positive preliminary metallurgical test work based on the recent drilling of the Homestead discovery. Completed purchase of the original Planalto property and optioned two adjacent properties to the north, which could double the strike length of the Homestead discovery. Secured environmental permits and resumed drilling in late Q4-2021.
- Celesta Copper Mine (Brazil) – continued production of 300-400 tonnes per month of copper concentrates through the year. Working on a plant expansion to double production, which has suffered delays, but is now expected to start ramping up in Q2-2022.
- Itaituba Vanadium Project (Brazil) - Additional sampling of the drill cores shows that the extensive host gabbros are disseminated with magnetite that can be separated into a vanadium-rich concentrate.
- Corina Gold Project (Peru) - Hochschild's secured permits and resumed diamond drilling in late Q4-2020, and continued to report significant gold and silver intercepts, including 31.55m averaging 4.9g/t Au and 43 g/t Ag. Unfortunately drilling had to be suspended in the second half of 2021 as local communities blocked road access to the project.
- Lara Copper Project (Peru) – Minsur made a US\$200,000 option payment to our 45%-owned subsidiary and advised that it was starting community engagement and permitting for a drill program.
- Puituco-Kenita Polymetallic Project (Peru) - Acquired the Kenita licenses adjacent to the Company's Puituco Polymetallic Project in Peru from BHP.
- Picha Copper Project (Peru) - Valor Resources resumed work and reported encouraging sampling results on the Picha Copper Project in Peru, where Lara holds a 2% NSR royalty.
- Mantaro Phosphate Project (Peru) – Lara intermediated the sale of the Mantaro Phosphate project to Sprott Resource Corp., in 2008 and retained a royalty interest. Sprott spun the project out to Stonegate Agricom Ltd., which was subsequently acquired by Itafos Inc. Itafos returned the property in mid-2021, with Lara holding a one-third interest. In March 2022 the company agreed to increase its interest to 70% by funding US\$500,000.

EXPLORATION REVIEW

Lara currently holds or participates in exploration and royalty projects hosting copper, gold, iron, phosphate, vanadium, and zinc mineralization, with exploration drilling mostly funded through joint venture partnerships. The Company holds eight active projects in Brazil, two of which are partner funded joint ventures and five royalty interests, including on the Celesta copper mine that is already producing. The Peru portfolio comprises seven exploration projects, two of which are partner funded and three converted to royalty interests. The Company also has an equity and royalty interest in Bifox Limited ("Bifox"), that has a sporadically producing phosphate mine in northern Chile.

OUTLOOK

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 Brazilian miner Vale S.A. (“Vale”), where we continue to monitor progress through the Brazilian courts. Planalto is being more actively developed, and we are working with partner Capstone Copper Corp. (“Capstone”), to define and test extensions of the known mineralization and new targets on the property and on adjacent properties under option to the north. We are currently undertaking a 4,350m of diamond drilling program at Planalto to test extensions of the known mineralization at Homestead. Development work at Celesta has continued with the drilling of a new discovery opened as a second mining front and additions to the plant to increase throughput and recoveries, the operation is gradually ramping up to full production in Q2-2022. We are also planning to continue our generative efforts to acquire additional exploration properties through the new government license auction system.

In Peru, we made a new precious metals discovery at Corina with London-listed Hochschild Mining plc. (“Hochschild”) in 2019 and after a Covid hiatus resumed drilling in Q4-2020 and on into 2021 with up to four rigs working. The Corina project lies close to Hochschild’s Pallancata mine and mill at Selene that are running out of reserves, so Corina is reported as a high priority target. Unfortunately, in the second half of the year drilling had to be suspended due to local communities blocking road access to the project; we hope to see this resolved in 2022. Minsur, our partner for the Lara Copper Project, began community engagement and permitting in 2021 and we hope to see drilling there again once permits are in place. We reported very encouraging zinc-lead-silver results from surface channels at our 100%-owned Puituco zinc project in 2018, but potential was limited by the small size of Lara’s 400-hectare property, so we were very pleased to be able to acquire surrounding ground from BHP in 2021 and now hold an additional 2,200 hectares, which we plan to start evaluating in 2022. We were also pleased to see Valor Resources resume work on our Picha Copper Project, where we have retained a 2% NSR royalty. Another royalty project, Mantaro Phosphate, was returned to us by partner Itafos; we initially held a one-third interest, but have agreed now to raise that to 70% by sole-funding the next US\$500,000 of social licencing and studies. Our generative work included field programs at both Huaylas and Puituco-Kenita, in addition to reviewing a number of potential new areas and we plan to continue these efforts in 2022.

In January 2020 Bifox settled the long-standing legal case with the Chilean government that it inherited when the phosphate mining licenses at Bahia Inglesa were acquired and in Q3-2020, mining, processing and sales of direct application phosphate were able to resume intermittently in 2021. Bifox continues seek pre-IPO financing to build up phosphate production and sales and then complete an ASX listing. During the period we started looking at generative ideas and new properties in Chile and we plan to continue that work in 2022.

BRAZIL EXPLORATION

Planalto Copper Project

The Planalto Project comprises three licenses, covering an IOCG copper discovery, located near Vale’s Sossego copper mine and Oz Minerals’ Antas and Pedra Branca copper mines, in the Carajás Mineral Province of northern Brazil. The Project is being explored through an option and joint venture agreement with Canadian listed copper miner Capstone (see Company news release of February 4, 2019, for details) that is funding all costs through to production in exchange for a 70% interest in the project, with Lara currently the operator.

Drilling has defined a number of copper-gold targets, with the best results to date on the Homestead target. The 2019 round of drilling (see Company news release of April 20, 2020, for details) tested extensions of the mineralization intersected to the west and northwest of the Homestead mineralized zone. Another hole drilled to the east of the previously known mineralization intersected a new zone of blind copper-gold mineralization at a depth of approximately 200 metres below the surface. Two further holes in the Silica Cap target, at the southern end of Homestead, both intersected anomalous copper mineralization close to the granite-mafic volcanic contact similar to that seen in the previous drilling. Our expectation was that the Homestead mineralization would extend

further to the West, but the 2019 results suggested a more northerly direction, we did not drill in 2020 due to COVID-related challenges, but began negotiating the acquisition of two properties to the north, which potentially allow a doubling of the strike of the target northward (see Company news releases of January 11 and March 15, 2021, for details). The Company completed surface mapping, sampling and IP surveys over the new properties, defining drill targets to test the potential northly extension of the Homestead mineralization. The consolidation of the original Planalto property into a new special purpose subsidiary and the addition of the two new properties meant a new round of environmental permitting, which took longer than expected, but we were able to resume drilling in Q4-2021 with over 1,000 metres of the 4,350 metre program completed by the end of the period. This program, which should be completed in Q2-2022, aims to test extensions to the Homestead target within the original property and the northerly extension into the newly optioned properties.

In parallel with the step-out exploration drilling, the Company has been working to advance the main Homestead discovery. The Company reported positive preliminary metallurgical test work during the period and has initiated a number of technical and environmental studies which should be completed and filed with the Brazilian authorities in 2022.

Celesta Copper Project

The Celesta Copper Project comprises multiple high-grade IOCG breccias; drilling on one of these, Osmar-1 has 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% ownership interest in Celesta without the obligation to contribute to the start-up costs and a 2% royalty on any production that is already generating modest cashflow.

Mine development on Osmar-1 (now the Celesta Pit-1) and plant construction were completed in 2020 and Celesta produced first concentrates in July 2020. Drilling at a second breccia target outlined sulphide mineralization close to surface (see Company news release of February 2, 2021, for details) and the Celesta Pit-2 was developed and put into operation in 2021. However, the plant has not been able to achieve the projected 500 tonnes per day throughput and has been operating through 2021 at a loss as the partners funded operations and constructed a second milling and flotation circuit to raise throughput to 800 tonnes per day. As at year end, the mill expansion was complete, pending resolution of some maintenance issues and power connections to bring it online. The expectation is that the second mill will start operating in Q2-2022 and the plant ramp up to a targeted 800 tonnes per day production level in 2022.

Liberdade Copper Project

The Liberdade Copper Project comprises an exploration license of 8,491 hectares, located in the Municipality of São Felix do Xingú, Pará State, at the western end of the prolific Carajás District. Codelco do Brasil Mineração Ltda., a subsidiary of Chilean State-owned copper miner Codelco, has earned an initial 51% interest in the property by incurring US\$3,300,000 in exploration and may now elect to earn a further 24% interest by sole-funding such additional exploration works as are necessary to define a minimum resource of at least 500,000 tonnes of copper equivalent, independently reported under National Instrument (“NI”) 43-101 guidelines.

The Liberdade exploration license was originally published on October 19, 2010, and valid for three years. It was transferred to Codelco on March 21, 2011, under the terms of the option agreement between Lara and Codelco, with Codelco then having the right to renew the license for up to a further three years. Codelco completed several exploration and drill programs (see Company news releases of March 1, 2013, and October 7, 2013, for details) within the license period and then requested a three-year renewal on July 12, 2013. The Brazilian Mining Agency (“ANM”) has delayed analysis of the renewal, as Vale S.A. (“Vale”) has claimed to have a license dating back to 1986 that is still valid. Codelco filed a lawsuit with the Federal Courts in Brasília, against both the ANM and Vale to nullify Vale’s claims and safeguard its rights under the Liberdade exploration license. No further progress has been reported on the case during the period; all filings have been submitted by both sides and the parties now await a ruling from

the judge.

Itaituba Vanadium Project

This project covers gabbroic intrusives with massive and disseminated magnetite mineralization with significant titanium and vanadium content, located close to paved roads, 55 kilometres from the Miritituba Port on the Tapajós River, from where material could be barged to shipping terminals on the Amazon River.

In late 2019 the Company completed an initial four-hole (total of 250.65m) scout diamond drill program to determine the attitude and vertical depth extension of a number of the vanadium-bearing titanium-magnetite bodies identified from surface work and geophysics. Preliminary Davis tube tests run on core samples, selected for a range of magnetic susceptibility values in the host rocks of these titanium-magnetite bodies, produced magnetic concentrate recoveries from 6.6% to 42.6%, with several of these concentrate samples showing vanadium values at 1% V₂O₅ with a maximum of 1.03% V₂O₅ (see Company news release of February 26, 2019, for details).

During the period the Company completed a reappraisal of the diamond drilling and ground magnetometer survey results for its Itaituba vanadium project, in the Tapajós region of northern Brazil. Project work had initially focused on vanadium-bearing magnetite bodies, but the 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 once the license has been renewed.

Vertical Iron Royalty

The Curionópolis Iron Project comprises a 1,348-hectare license area, covering banded-massive iron formations and related colluvium and lateritic material with grades reaching over 60% iron, located adjacent to the Celesta Copper Mine where Lara holds a 5% ownership interest and a 2% NSR royalty. This property was optioned in 2009 to Vertical Mineração Ltda., under an agreement whereby Vertical would make cash payments and pay royalties of US\$1.50/ton on sales of granular iron ore and US\$0.75/ton on sales of fine-grained iron ore produced from the Project.

Vertical is in default with its obligations and payments and the Company filed for arbitration with the FARJ (Forum Arbitral do Rio de Janeiro) in 2016, over its Mineral Rights Transfer Agreement (“the Agreement”) with Vertical. Among the terms of the Agreement, signed in May 2009, whereby Lara transferred its rights to the Curionópolis Iron Project to Vertical, were obligations for Vertical to make purchase payments and pay minimum royalties to the Company. Despite several renegotiations extending payment terms and repeated notifications, Vertical has not completed these payments. Lara has requested that the Arbitrators rule on the unpaid amounts, plus interest and fines, as defined by the option agreement. Vertical has contested the qualification of the FARJ and the parties have yet to agree an alternative venue. Given the higher prevailing iron ore prices, Vertical received various expressions of interest in 2021 but no deal was completed, and Lara has embarked upon further legal action in 2022.

Cumarú Manganese Royalty

The Cumarú Manganese Project comprises two exploration licenses totalling 8,915 hectares in area, located near the town of Cumarú do Norte in Pará State, northern Brazil, registered as part of Lara’s on-going generative program for gold and copper around the Carajás Mineral Province. Exploration work did not encounter significant gold or copper values but did identify lateritic manganese mineralization. In September 2019 the Company completed an agreement transferring all its rights and obligations for the project to local mining company Seven Mineração Limitada, in exchange for BRL 250,000 in cash (equivalent to approximately US\$60,975) and a royalty of US\$2/ton of ore taken from the property. The Company has received the first BRL 125,000 payment. The second payment was due on July 19, 2020, but is still outstanding, and accordingly no amount receivable has been recorded.

PERU EXPLORATION

Corina Gold Project

The Corina Gold Project covers part of a belt of Tertiary-age volcanic rocks in southern Peru that also host Hochschild's Pallancata and Immaculada mining operations and past producer Selene, with Lara's project located approximately 15km north (approximately 25km by road) of the mill at Selene, which currently processes ore from the Pallancata mine, which is running out of reserves. Hochschild has the option to purchase the Corina Project from Lara by making staged cash payments totalling US\$4,150,000 (US\$650,000 has been paid to date) and pay a 2% net smelter return royalty on any future production (see Company news release of June 23, 2014, for details).

In 2019 Hochschild's first-pass drill program at Corina made a significant discovery, with multiple gold and silver intercepts in low sulphidation epithermal mineralization from two subparallel veins/structures (see Company news release of October 1, 2019, for details). Hochschild completed a further 2,318 metres of resource drilling in Q4-2020 on the Corina structure with excellent results (see Company news release of February 2, 2021, for details). Drilling continued into 2021, with resource and exploration drilling in the Corina and associated structures to the northeast of the system, with four rigs operating. Unfortunately, in the second half of the year drilling had to be suspended due to local communities blocking road access to the project and Hochschild declared Force Majeure. Hochschild is in discussion with the local communities involved and we hope to see this resolved in 2022.

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 has a 45% ownership. Geophysical surveys, mapping, geochemical sampling and 9,850 metres of drilling have been completed to date, outlining mineralization over an area approximately 2,000 metres by 1,000 metres, indicative of the potential for a substantial mineralized porphyry copper body.

In 2020 the Company and 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 is a Peruvian tin and gold miner that is just starting production at the US\$1.6 billion Capex Mina Justa open-pit copper mine near Marcona, in the same district as the Lara project. Under the terms of the Agreement Lara and GBM have granted Minsur an exclusive option to acquire a 100% interest in the Project by making staged cash payments of US\$5.759 million, based on permitting milestones (see Company news release of July 28, 2020, for details). Minsur has also granted a 1.5% Net Smelter Return Royalty ("NSR") to Lara (0.75%) and GBM (0.75%), payable on any production from the property. Minsur retains the right to purchase a 0.25% NSR from each of Lara and GBM (collectively one third) of the NSR for US\$5 million at any time before the commencement of commercial production. Minsur resumed community engagement and permitting with the goal to secure community support and drill permits to resume drilling.

Puituco Polymetallic Project

The Puituco project, located in the Huancavelica Department of Central Peru was acquired at auction in 2017, targeting a buried copper skarn-porphyry system. The property lies to the north of the Riqueza copper porphyry project, recently drilled by Inca Minerals Ltd. (IGC:ASX). Minera IRL Ltd.'s (MIRL:CSE) Corihuarmi high sulphidation epithermal gold mine and the Bethania polymetallic mine, being redeveloped by Kuya Silver Corp. (KUYA:CSE), also lie on the same trend to the northwest.

The Company has completed mapping and surface chip channel sampling program to evaluate polymetallic brecciated feeder structures and related mantos (see Company release of June 12, 2018, for details). A total of 63 samples were collected across vertical brecciated structures and two related low angle mantos that extend into the limestones. The best intervals were sampled across Manto-2 where a series of roughly horizontal channel samples

PUI-022 to PUI-030 averaged 4.65% zinc, plus 4.86% lead and 37 g/t silver over 42.6 metres; and PUI-031 to PUI-034 averaged 4.73% zinc, 2.6% lead and 16 g/t silver over a thickness of 17.3 metres (slightly oblique to the stratigraphy). This mineralization is hosted by Cretaceous-age limestones of the Jumasha Formation, which have been cut by Tertiary-age intrusives, with a diorite stock mapped to the SW of the sampled area and an andesitic sill extending into the property from the north. Mineralization comprises hydrothermal breccias filling NE-SW oriented tension structures (related to a major regional structure, the NW-SE oriented Chonta Fault) and related mantos, where fluids have been driven laterally into the limestone beds and recrystallized and brecciated them. Geological observations indicate that both Manto 1 and 2 are approximately 20m thick. The vertical orientation of the mineralization and its relationship with the intrusives, indicates potential for the presence of additional mantos deeper in the sedimentary sequence and for a larger skarn-porphyry intrusive at depth driving the system.

During the period the Company signed a Mining Rights Transfer Agreement with BHP World Exploration Inc. Sucursal del Peru ("BHP") to acquire the Kenita property in exchange for a commitment to pay a 1% net smelter returns royalty on any future production. The Kenita property comprises five exploration licenses, totalling 2,200 hectares in area, which are adjacent to and surround Lara's 400 hectare Puituco Project. The Company plans to start fieldwork on the expanded property in 2022.

Picha Copper Royalty

The Company sold the Picha project to Australian-listed Valor Resources Limited ("Valor") and retains a NSR royalty on any future production of 2% for precious metals and 1% for base metals. The project is in the Moquegua Department of southern Peru, approximately 17km ENE of Compañía de Minas Buenaventura S.A.'s San Gabriel construction ready gold project. Lara completed geological and alteration mapping, surface sampling and ground geophysics (158-line km of magnetic and 65-line km of induced polarization surveys) on the project. This work reported positive copper results from sampling, along with the widespread alteration, brecciation, vein stock working and geophysical anomalies, are indicative of potential to discover a porphyry system at depth. In 2021 Valor resumed work at Picha and reported widespread significant copper and silver mineralisation from its program of surface mapping and sampling (see Company news release of October 18, 2021, for details).

Mantaro Phosphate Project

The Mantaro Phosphate Project covers a substantial sedimentary phosphate belt in the Junin District of central Peru. Lara retained a royalty on the project dating back to its sale to Sprott Resource Corp., in 2008 (see Lara news release of June 13, 2008). The property was listed in Stonegate Agricom Ltd., who completed one drill program and then lost social license and was unable to complete any further work. Itafos Inc., subsequently acquired Stonegate in 2017 and has elected to return the Mantaro property to Lara and the original vendors. The property is now held by one of Lara's Peruvian subsidiaries, with Lara owning an initial one-third beneficial interest. In March 2022 Lara agreed to raise its interest to 70% by funding US\$500,000 by the end of 2025 to inform the local communities of the benefits of non-metallic mining of phosphate rock as a natural fertiliser product and how this project can also benefit them.

Mantaro is a marine sedimentary phosphate deposit located near the town of Sincos in the Junin Department of Central Peru. Previous exploration including trenching, drilling and technical studies, has identified an extensive zone of phosphate mineralization, that is amenable to beneficiation and production of phosphate rock concentrate. Stonegate Agricom Ltd. filed a NI 43-101 Technical Report on SEDAR on March 16, 2010 ("Technical Report on the Mantaro Phosphate Deposit Junin District Peru" authored by Donald H. Hains and Michelle Stone, of Hains Technology Associates). The property is located near a major rail line connecting Huancayo with Lima and the port of Callao. High tension transmission lines cross the property on its western side, and it is accessible from the national highway connecting Huancayo to Lima via gravel roads from the towns of Sincos, Aco, Mitu and other communities.

CHILE EXPLORATION

Bifox Phosphate Project

The Bifox Phosphate Project comprises a block of exploration licenses and the option to purchase mining rights in the Bahia Inglesa basin, near Copiapó in northern Chile. Bifox has completed agreements with the Chilean government (through the Consejo de Defensa del Estado) to settle outstanding environmental infractions and fines incurred by the vendors and lift the embargo on mining and processing (see Company news release of February 18, 2020, for details). Since settling environmental infractions and fines, Bifox has been working to reinstate its permits and resume operations and continues to seek 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 12% of the shares of Bifox and will receive a 2% royalty once production exceeds 50,000 per annum.

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 December 31, 2021

For the three months ended December 31, 2021, the Company had income of \$3,015,671 or \$0.08 per share compared to a loss of \$93,487 or \$0.00 per share in 2020. The favorable variance was due to a significant gain in fair value on long term investments, and a lower foreign exchange loss partially offset by higher exploration expenditures and lower other income. The fair value gain on investments was due to a much higher value for the Company's investment in Bifox Limited ("Bifox") shares. Exploration expenditures were higher due to increased activity in Brazil and the start of activity in Chile. Other income was higher in 2020 due to the sale of the Fofoca South Gold Prospect, whereas there was no comparable sale in 2021.

Year Ended December 31, 2021

For the year ended December 31, 2021, the Company had income of \$2,409,512 or \$0.06 per share compared to a loss of \$980,541 or \$0.02 per share in 2020. The favorable variance was due to a significant gain in the fair value of long term investments, equity income in an associated company, a lower foreign exchange loss and lower share-based payments, partially offset by higher exploration expenses and lower revenue from other items.

As noted above, the significant gain in fair value of investments was due to the higher value for the Company's investment in Bifox. Lara recorded equity income of an associated company because that company received a substantial option payment during the year, whereas in the prior year Lara reported a loss from its equity in the associated company. Share-based payments were lower in 2021 because only 50,000 stock options were granted compared to 1,565,000 in 2020. Exploration expense was higher in 2021 due to increased exploration activity in Brazil and the start up of exploration in Chile. Revenue from other items was lower in 2021 due to lower other income because there was no option payment received on the Corina property and no penalty payments from Celesta.

SUMMARY OF QUARTERLY RESULTS

	2021	2021	2021	2021
Quarter Ended	Dec. 31	Sept. 30	Jun. 30	Mar. 31
Net exploration expenditures	\$ 147,498	\$ 163,863	\$ 155,346	\$ 68,848
Share-based payments	-	-	16,636	-
Net income (loss) for the period	3,015,671	(160,706)	(329,386)	(116,067)
Net income (loss) per share (basic and diluted)	0.08	(0.00)	(0.01)	(0.00)

	2020	2020	2020	2020
Quarter Ended	Dec. 31	Sept. 30	Jun. 30	Mar. 31
Net exploration expenditures	\$ 38,034	\$ 99,397	\$ 83,581	\$ 86,018
Share-based payments	-	640,882	-	5,918
Net income (loss) for the period	(93,487)	(796,332)	108,063	(198,785)
Net loss per share (basic and diluted)	(0.00)	(0.02)	(0.00)	(0.01)

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.

SELECTED ANNUAL INFORMATION

Years Ended	December 31, 2021	December 31, 2020	December 31, 2019
Financial Results			
Exploration expenditures	\$ 535,555	\$ 307,030	\$ 416,241
Income (loss) for the year	2,409,512	(980,541)	(1,153,690)
Loss per common share - basic and diluted	\$0.06	(\$0.02)	(\$0.03)
Financial Position			
Working capital	\$ 701,423	\$ 1,375,394	\$ 1,636,419
Long-term Investments	3,385,514	375,068	183,595
Exploration and evaluation assets	73,811	84,289	93,640
Total Assets	5,813,069	2,229,600	2,571,454
Share Capital	26,806,296	26,806,296	26,433,900
Deficit	(32,280,150)	(34,689,662)	(33,709,121)

For the year ended December 31, 2021, the Company had income of \$2,409,512 or \$0.06 per share compared to a loss of \$980,541 or \$0.02 per share in 2020. The favorable variance was due to a significant gain in the fair value of long term investments, equity income in an associated company, a lower foreign exchange loss and lower share-based payments, partially offset by higher exploration expenses and lower revenue from other items. The significant gain in fair value of investments was due to the higher value for the Company's investment in Bifox. Lara recorded equity income of an associated company because that company received a substantial option payment during the year, whereas in the prior year Lara reported a loss from its equity in the associated company. Share-based payments were lower in 2021 because only 50,000 stock options were granted compared to 1,565,000 in 2020. Exploration expense was higher in 2021 due to increased exploration activity in Brazil and the start up of exploration in Chile. Revenue from other items was lower in 2021 due to lower other income because there was no option payment received on the Corina property and no penalty payments from Celesta.

For the year ended December 31, 2020, loss for the year was lower than 2019, due to lower exploration expenditures, higher other income, no write-off of associated company, and a smaller write-off of exploration and evaluation assets, partially offset by higher share-based payments and a higher foreign exchange loss. Working capital decreased compared to 2019 due to operations and an investment in Sereno Minerals (BVI) Ltd., partially offset by cash received from the exercise of stock options. Total assets decreased mainly due to cash consumed in operations. Share capital increased due to the exercise of stock options and the issuance of the final tranche of bonus shares to senior management.

FINANCIAL CONDITION, LIQUIDITY, AND CAPITAL RESOURCES

The Company had working capital of \$701,423 at December 31, 2021, compared to working capital of \$1,375,394 as at December 31, 2020. Working capital decreased by \$673,971 in the year ended December 31, 2021, due to funds consumed in operations, acquisition of mineral properties and the purchase of equipment partially offset by cash received from the sale of investments. The Company is expecting that it will continue to receive Celesta royalty payments and operator's fees on the Planalto Copper Project on a regular basis in 2022. Of the cash reported at December 31, 2021, of \$1,936,185, \$1,223,725 was provided by our JV partner on the Planalto Project and is intended for use on that project. Lara will need to raise additional working capital in order to sustain operations for the next twelve months, but expects that the Company will continue to receive royalty payments from Celesta and is optimistic that it will receive the next scheduled option payment of US\$1,000,000 on the Corina property in 2022. 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 2022.

OUTSTANDING SHARE DATA

There are 39,627,608 common shares issued and outstanding. In addition, there are 3,650,000 fully vested stock options outstanding with exercise prices ranging from \$0.50 to \$0.76 per option with terms expiring between November 21, 2022, and June 28, 2026.

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 year ended December 31, 2021, Lara's 45% share of Minas' net income was \$97,994 and Lara's investment in Minas increased by the same amount.

RELATED PARTY TRANSACTIONS

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

For the year ended December 31, 2021	Salary or fees	Share-based payments	Total
Chief Executive Officer	\$ 123,673	\$ -	\$ 123,673
VP Corporate Development	48,000	-	48,000
VP Exploration	169,038	-	169,038
Seabord Management Corp.	213,600	-	213,600
	\$ 554,311	\$ -	\$ 416,074

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	December 31, 2021	December 31, 2020
Amounts due from (to):			
CEO	Fees and Expenses	\$ (31,370)	\$ (946)
VP Exploration	Fees and expenses	(14,043)	-
VP Corporate Development	Fees and expenses	(12,600)	(2,677)
Seabord Management Corp.	Deposit	10,000	10,000

FINANCIAL INSTRUMENTS

The Company classified its financial instruments as follows:

As at December 31, 2021	FVTPL	Amortized Cost	Total
Cash and cash equivalents	\$ -	\$ 1,936,185	\$ 1,936,185
Restricted cash equivalents	-	57,500	57,500
Receivables	-	81,050	81,050
Long-term investments	3,385,514	-	3,385,514
Accounts payable and accrued liabilities	-	(251,976)	(251,976)
Advances from JV Partners	-	(1,223,725)	(1,223,725)
	\$3,385,514	\$ 599,034	\$ 3,984,548

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, market 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 \$189,000 (2020 - \$154,700) 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. The Company is exposed to liquidity risk.

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, 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.