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• **Lara Exploration** (LRA.V; C\$1.11) is a well managed company developing a portfolio of South American mining, exploration and royalty properties. It's focused on gold, nickel, tin and copper. Like other companies, however, it's opportunistic.

Lara is part of a private joint venture that owns the rights to the Mantaro Phosphate Deposit in Peru, one of the largest undeveloped phosphate deposits in the Pacific Rim region. A pre-feasibility study by Bateman Phosphate Technologies indicated a non-compliant 43-101 inferred resource of 61 million tonnes, and noted the potential of 300 million to 750 million tonnes.

If placed into production, Mantaro would give Lara an opportunity to participate in the growing market for phosphate-based fertilizers.

To move the project along, the joint venture recently inked a deal with **Sprott Resource Corp** (SCP.TO). Sprott will take on exploration work, beneficiation studies and market analysis to develop a resource estimate and complete a prefeasibility study.

Assuming the results of this work are positive and Sprott exercises its purchase option, Lara will get 10% of the issued shares of a new project company formed to advance the project. Lara will also be entitled to a 0.5% royalty on any production from Mantaro.

I'm not sure what Lara's cost base is for Mantaro, but it can't be much. So the deal provides long-term upside without much risk. In short, this is yet another example of what a talented, aggressive and well-connected management team can do for shareholders. In anticipation of similar deals in the months ahead, Lara remains a buy. ▲

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