Resource Company Report: Lara Exploration Ltd.

Report Date	August 12, 2026	**Company Type**	Prospect & Royalty Generator (Cu-Au)
Company Name	Lara Exploration Ltd.	**Stock Symbol**	LRAXF (OTC) / LRA (TSXV)
Flagship Project	Planalto Cu-Au (Carajás, Brazil) – 100% owned	**Market Cap (approx.)**	~C$170 – 240 million
Planalto PEA (Nov 2025)	NPV8% US$378M base case; IRR 21% post-tax	**Recent Financing**	~C$33.75 million (April 2026)
Portfolio	14 projects; royalties; Liberdade (Codelco); minority mine interests	**Shares Outstanding**	~60 million
Business Model	Generate prospects; JV/partner fund; retain royalty/interest	**No Production**	Developer/explorer – no AISC yet

1. Company Overview & Investment Thesis

Lara Exploration Ltd. (TSXV: LRA; OTC: LRAXF) is a prospect and royalty generator focused on the identification, acquisition and exploration of precious and base-metal opportunities in South America, primarily Brazil and Peru. The company's flagship asset is the 100%-owned Planalto Copper-Gold Project in the world-class Carajás Mineral Province of Pará State, Brazil. A Preliminary Economic Assessment (November 2025) outlines an open-pit operation with an 18-year mine life, base-case post-tax NPV8% of US$378 million and IRR of 21% (at US$9,500/t Cu and US$2,500/oz Au). A 14,000-metre validation drilling program is underway. Lara raised approximately C$33.75 million in April 2026. Market capitalization is in the C$170–240 million range. The broader portfolio includes the Liberdade copper discovery (with Codelco), additional projects, royalties and minority interests in producing mines. As a pre-production developer/explorer, Lara has no current AISC.

Investment Thesis: Lara offers leveraged exposure to a PEA-stage copper-gold project in a premier Brazilian mining district, complemented by a generative royalty and prospect portfolio that can create additional value with limited capital. The recent financing strengthens the balance sheet for Planalto advancement. Key risks include the need to advance Planalto through feasibility and permitting, copper and gold price volatility, execution and financing risk for a potential mine build, and the binary nature of exploration success on the generative portfolio. Relative to pure explorers without a PEA, LRAXF ranks lower risk; relative to producing royalty companies, residual development and financing risk remain higher.

2. Mining and Development Projects

Lara's portfolio is led by the Planalto development project, with additional exploration, royalty and minority interests across Brazil, Peru and Chile.

2.1 Planalto Copper-Gold Project (Flagship – 100% Owned)

Location / Ownership	Carajás Mineral Province, Pará State, Brazil – 100% Lara; open-pit copper-gold project
Metals / Interest	Copper and gold – 100% ownership; PEA-stage
Status	PEA completed November 2025; 14,000 m validation drilling program underway (announced June 2026); >26,000 m historical diamond drilling
Key Metrics	PEA: 8 Mtpa; ~36 ktpa Cu early years; 560 kt Cu and 111 koz Au LOM (18 years); base-case NPV8% US$378M, IRR 21% post-tax; initial CAPEX ~US$546M; spot-price NPV materially higher
Notes	Core value driver; located in a world-class mining district with existing infrastructure and a trained workforce
Outlook / Catalysts	Validation drill results, further engineering/feasibility work, and potential partnerships or financing are primary near- to medium-term catalysts

2.2 Generative Portfolio, Royalties & Other Interests

Location / Ownership	Liberdade (Brazil – Codelco partnership); additional Brazil/Peru/Chile projects; 9+ royalties; minority interests in producing mines
Metals / Interest	Copper, gold, polymetallic, industrial minerals – royalties and minority/JV interests
Status	Exploration and royalty stage; Liberdade is a copper discovery with major-company partner
Key Metrics	Portfolio of ~14 projects; royalty interests provide potential long-term cash flow without capital intensity
Notes	Diversifies risk and provides optionality beyond Planalto; generative model aims to create new royalties and discoveries
Outlook / Catalysts	Partner-funded progress at Liberdade and other projects; new royalty generation; any production from minority mine interests

3. Exploration & Development Activity

Near-term focus is the 14,000-metre validation drilling program at Planalto, further de-risking of the PEA-stage project toward feasibility and permitting, and continued generative activity across the broader portfolio. The April 2026 financing of ~C$33.75 million provides funding capacity. Success metrics are positive validation drill results, advancement of Planalto engineering, and the creation or realization of additional royalty and discovery value.

4. Management and Board of Directors

Management

Name / Group	Title	Notes	Experience / Focus
Executive leadership	CEO / corporate	Strategy	Overall strategy, Planalto advancement, capital allocation and partner negotiations
Technical / exploration team	Exploration & development	Technical	South American copper-gold exploration, resource definition and PEA/feasibility support

Board of Directors

Name / Group	Role	Key Background
Board (collective)	Governance	Oversight of exploration strategy, Planalto advancement, capital structure and risk
Independent directors	Oversight	Mining, exploration and capital-markets experience

5. Financial Information

Lara is a pre-revenue exploration and development company. The company completed brokered and non-brokered offerings in April 2026 for aggregate proceeds of approximately C$33.75 million, significantly strengthening the balance sheet for Planalto advancement and generative activities. Cash position post-financing is robust relative to the company's scale. Market capitalization is in the C$170–240 million range with approximately 60 million shares outstanding. No material debt is reported. Ongoing expenditures are focused on the Planalto validation drilling program and portfolio maintenance.

Capital / Project Summary

Line Item	Amount / Notes
Market capitalization (approx.)	~C$170 – 240 million
Shares outstanding	~60 million
April 2026 Financing	~C$33.75 million (brokered + non-brokered)
Planalto PEA NPV8% (base case)	US$378 million post-tax
Planalto PEA IRR (base case)	21% post-tax
Planalto Initial CAPEX (PEA)	~US$546 million
Planalto LOM Cu production	~560 kt Cu (1.2 Blb) over 18 years

Corporate Summary

Item	Value / Notes
Primary listings	TSXV (LRA); OTC (LRAXF)
Flagship	Planalto Cu-Au, Carajás, Brazil (100%)
Business model	Prospect & royalty generator; PEA-stage developer
Key near-term work	14,000 m validation drilling at Planalto

6. Company Valuation

At a market capitalization of approximately C$170–240 million, Lara trades as a PEA-stage copper-gold developer with a generative portfolio. Valuation is commonly framed on the risked NPV of Planalto (base-case PEA US$378M), the optionality of the broader royalty and exploration portfolio, and the strengthened cash position post-financing.

Discounted NPV discussion: A practical framework starts with the Planalto PEA NPV (adjusted for development, permitting and financing risk), adds probability-weighted values for Liberdade and other generative assets/royalties, and includes net cash. Key sensitivities are copper and gold prices, the outcome of validation drilling, capital and operating cost estimates, and the discount rate applied to a development-stage project. Positive validation results, further engineering de-risking, and any partnership or offtake interest are the primary near- to medium-term valuation catalysts.

Merger & Acquisition Activity

Lara's business model is built around generating prospects and partnering (or retaining royalties) rather than large-scale corporate acquisitions. The company continues to evaluate new opportunities in South America while advancing Planalto. No formal public takeover offer for Lara has been announced. A PEA-stage copper project in the Carajás district, combined with a generative portfolio and a clean balance sheet, makes Lara a potential strategic interest for mid-tier or senior copper producers seeking Brazilian exposure, while management continues to execute independently on the current plan.

7. Risks

- Development, permitting and financing risk for Planalto (PEA-stage only).
- Copper and gold price volatility affecting project economics and valuation.
- Validation drilling and resource/engineering outcomes may differ from PEA assumptions.
- Capital intensity of a potential mine build (~US$546M initial CAPEX in PEA).
- Exploration success rates on the generative portfolio.
- Jurisdictional and operational risk in Brazil and other South American countries.
- Liquidity and capital-markets access for a junior developer.

8. Comparative Risk Analysis

On a relative-risk scale of 1 to 7 (1 = lowest risk, 7 = highest risk) versus other junior copper-gold developers and prospect generators, Lara Exploration is ranked **5**. The ranking reflects moderate-to-elevated risk: a PEA-stage flagship project (Planalto) with defined economics in a world-class district, a strengthened balance sheet from the recent financing, and a diversified generative/royalty portfolio, offset by the absence of production, the capital intensity of potential development, and typical junior-developer execution and financing risks. Positive factors include the quality of the Carajás location, the completed PEA, and the prospect-generator model that can create value with limited capital. Offsetting factors are the multi-year path to production and residual exploration risk. Relative to pure early-stage explorers, LRAXF ranks lower risk; relative to producing royalty or mining companies, residual development risk keeps the ranking above the midpoint. The net result is a risk ranking of 5.

Sources: Company PEA (November 2025), June 2026 Planalto drilling announcement, April 2026 financing, corporate presentations, and market data as of mid-August 2026.