Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name & Address of Company

Lara Exploration Ltd. (the "Company")
Suite 501 - 543 Granville Street
Vancouver, British Columbia
V6C 1X8

Item 2. Date of Material Change

July 08, 2011

Item 3. News Release

A press release dated July 08, 2011 was issued to the British Columbia, Alberta, and Ontario Commissions, the TSX Venture Exchange and through the facilities of Marketwire via Canadian Timely Disclosure.

Item 4. Summary of Material Change
Item 5. Full Description of Material Change

The Company announced the issuance of bonus shares and implementation of a stock grant program.

Item 5.1 Full Description of Material Change

Please refer to the press release of the Company disseminated on July 08, 2011, attached hereto.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

None.

Item 8. Executive Officer

The following executive officer of the Company is knowledgeable about the material change and this report:

Kim Casswell, Corporate Secretary
Phone: 604-669-8777
Email: kcasswell@seabordservices.com

Item 9. Date of Report

July 08, 2011

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TSX-Venture: LRA

News Release

ISSUANCE OF BONUS SHARES AND IMPLENTATION OF STOCK GRANT PROGRAM

July 8, 2011 (TSX Venture: LRA) **-** Lara Exploration Ltd., ("Lara" or the "Company") is pleased to report that the proposed share issuance of an aggregate of 250,000 common shares as a bonus to certain officers and employees of the Company was approved by a majority of disinterested shareholders at the Company's Annual General Meeting held on June 9, 2011. The bonus shares will be issued over a period of three years, with the initial tranche of 83,333 shares being issued upon final receipt of TSX Venture Exchange approval (the "Exchange"), and a further 83,333 shares on each of the first and second anniversaries. The shares will be subject to restrictions on transfer for a period of four months from issuance.

In addition, the Company also announces the implementation of a stock grant program (the "Program") for the benefit of officers, employees and consultants of the Company in order to reward and provide an incentive to the individuals for their ongoing efforts towards the continuing successes and goals of the Company as many of these successes directly result from their very significant efforts. The Program provides that up to 250,000 common shares could be awarded annually and in such amounts to each individual as determined by the Compensation Committee and independent directors of the Company. The shares awarded would vest and be issued in three equal tranches over a three year period, on the first, second and third anniversaries of being awarded. The Program was also approved by the majority of disinterested shareholders at the Company's Annual General Meeting held on June 9, 2011 and is subject to final Exchange approval. Any shares issued pursuant to the Program will be subject to restrictions on transfer for a period of four months from issuance.

About Lara: Lara is an exploration company following the Prospect Generator business model, which aims to minimize shareholder dilution and financial risk by generating prospects and then exploring them in joint ventures funded by partners. The Company currently holds a diverse portfolio of prospects and deposits in Brazil, Peru, Colombia and China. Lara's common shares trade on the TSX Venture Exchange under the symbol "LRA".

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

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