

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

October 22, 2012

Item 3. News Release

A press release dated October 22, 2012 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 that it has completed a non-brokered private placement financing raising \$5,000,000 by the issuance of 4,000,000 units at \$1.25 per unit. Each unit was comprised of one common share (a "Share") and one non-transferable, common share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase an additional Share at \$1.85 until October 22, 2014.

Item 5.1 Full Description of Material Change

Please refer to the press release of the Company disseminated on October 22, 2012, 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

October 23, 2012



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TSX-Venture: LRA

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NEWS RELEASE

SUCCESSFUL COMPLETION OF \$5.0 MILLION PRIVATE PLACEMENT

Vancouver, British Columbia, October 22, 2012 (TSX Venture: LRA) – Lara Exploration Ltd., (“Lara” or the “Company”) is pleased to announce that it has completed a non-brokered private placement financing (the “Private Placement”) raising \$5,000,000 by the issuance of 4,000,000 units at \$1.25 per unit. Each unit was comprised of one common share (a “Share”) and one non-transferable, common share purchase warrant (a “Warrant”). Each Warrant entitles the holder to purchase an additional Share at \$1.85 until October 22, 2014. If, after February 22, 2013, the closing price of the Company’s shares on the TSX Venture Exchange is \$2.50 or greater for 10 consecutive trading days, the Company may, by notice given within five trading days thereof, accelerate the expiry of the warrants to the 21st trading day after such notice.

The Company paid finders' fees of \$169,500 (5%) in respect of subscriptions from investors introduced by various finders. The fee was paid in cash, or at the finder’s election, through the issuance of that number of units equal to 5% of the number of units issued pursuant to such subscriptions.

The Shares, and any Shares issued on the exercise of the Warrants, are subject to a restricted resale period under Canadian securities law and cannot be traded before February 23, 2013.

The proceeds of the offering will be used by Lara to support new business efforts and for general corporate purposes.

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 primarily in Brazil and Peru, where it has signed agreements for 15 Joint Ventures and three Strategic Alliances. 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.

Neither the TSX Venture Exchange nor the Investment Industry Regulatory Organization of Canada accepts responsibility for the adequacy or accuracy of this release.