

News Release

New Exploration Licenses Issued for the Planalto Copper Project in Brazil

June 6, 2016 (TSX Venture: LRA) - Lara Exploration Ltd., (“Lara” or the “Company”) is pleased to report that new exploration licenses have been issued for the Planalto Copper Project, located near Vale S.A.’s Sossego copper mine, in the Carajás Mineral Province of northern Brazil. The original licenses were cancelled by the Brazilian Department of Mines (“DNPM”), based on perceived deficiencies in the application paperwork, which have been definitively rectified this year under the normal administrative appeals process. The Company originally optioned the property in early 2013 (see Company news release of February 25, 2013 for details) and the terms of the option have been amended to reflect the delay.

Past exploration work includes surface sampling, which outlined two copper-in-soil anomalies with values in excess of 300 parts per million (“ppm”) copper, one approximately 1.3 kilometres (“km”) by 0.9 km in size, the other 2.9 km by 0.3 km. The historical reporting also includes results of two drill holes executed approximately 100 metres (“m”) apart on the same East-West section on one of the copper-in-soil anomalies. Hole FD-73 has a reported intercept value of 188m of 0.4% copper, including 15m at 0.67%, 14m at 0.68% and 10m at 1.18% copper. Hole FD-74 has a reported intercept of 50m at 0.38% copper, including 21m at 0.6% copper.

The project comprises three exploration licenses, totalling 4,726 hectares in area, covering meta-volcano-sedimentary sequences and intrusives of early Proterozoic-age that are deeply weathered and have an extensive lateritic cover. Data provided by the vendors, includes reports of previous exploration work including soil sampling and two diamond drill holes (the Company does not have access to the drill cores or samples to confirm these historic results).

Planalto Purchase Option

Under the amended terms of the option agreement to acquire 100% of the properties, Lara has agreed to make staged cash payments totalling up to US\$500,000 as follows:

Milestone/Date	Payment US\$
Upon signing the Definitive Agreement (paid)	25,000
Upon issue of Exploration Licenses (paid)	25,000
12 months from issue of the Exploration Licenses	50,000
24 months from issue of the Exploration Licenses	100,000
36 months from issue of the Exploration Licenses	100,000
DNPM approval of the Final Exploration Report	200,000

Lara may defer 50% of the annual cash payments in the event it is unable to secure third party finance or a partner. The vendor will also be entitled to a 2% net smelter return royalty on any production; Lara retains the right to purchase 50% of this royalty for a cash payment of US\$2 million.

Quality Control and Qualified Person

Certain information and data in this news release concerning the past work done and results is historical. The reliability of this historical data is unknown, but is considered relevant by Company management. The historical data may not be compliant with National Instrument 43-101 and should not be relied upon. It is the Company's intention to verify the historical data, however confirmation work may produce results that differ substantially from the historic results. There is a risk that current exploration and test work will not result in the Company replicating historical results.

Michael Bennell, Lara's Vice President Exploration and a Fellow of the Australasian Institute of Mining and Metallurgy (AusIMM), is a Qualified Person as defined by National Instrument 43-101 *Standards of Disclosure for Mineral Projects* and has approved the technical disclosure and verified the technical information in this news release.

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 Chile. 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
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