

VANCOUVER, BRITISH COLUMBIA--(Marketwired - Nov 7, 2016) - [Lara Exploration Ltd.](#) ("Lara" or the "Company") (TSX VENTURE:LRA) is pleased to provide an update on progress of its transaction to develop the phosphate and coal interests it holds under alliances with Kiwanda Mines LLC ("Kiwanda") to [Phillips River Mining Ltd.](#) ("Phillips River").

Phillips River has now signed definitive option agreements with the underlying owners of the Bifox phosphate rock mine and processing facilities at Bahia Inglesa in northern Chile and will assume management of the operations. The BiFox mine produces direct application natural fertilizer, with average grades between 18%-20% P<sub>2</sub>O<sub>5</sub>. The phosphate rock is mined and processed in a dry processing plant, producing both fine and pelleted products, which are sold primarily into the agricultural markets of southern Chile. Phillips River expects to commence production and phosphate rock sales by year end and is targeting an initial production capacity of 5,000 tons per month, with an aim to gradually expand production to over 100,000 tons per annum within the first 18 months.

Phillips River has engaged MEC Mining Pty Ltd, a Brisbane-based global mining consultancy, to design the initial mine plan. Dr. Ernesto Lima, an engineer with over 20 years of experience in mine management and mine construction, has been engaged as the lead technical consultant to implement the mine plan and commence plant production immediately. Dr. Lima is overseeing the implementation of the work program aimed at delivery a target JORC-compliant resource of at least 40 million tons across all resource categories.

Phillips River will seek to list its shares on the Australian Securities Exchange by the end of Q1 2017, which will also mark the completion of the transaction with Lara for the sale of all its direct project rights under the Kiwanda alliances to Phillips River in exchange for reimbursement of US\$570,000 of project expenses, issue to Lara of 50% of the vendor shares by Phillips River and a 2% production royalty on the phosphate assets once production capacity of 50,000 tonnes per annum has been achieved and a 2% production royalty on the coal assets (see Lara news release of October 15, 2014 for more details).

#### Qualified Person

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".

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

#### Contact

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