

Sibley Basin

SBG

Group

National Instrument 43-101 Technical Report

**Forge Lake Property
Cowie Township
Wawa Area
Ontario, Canada
Sault Ste. Marie Mining Division,
NTS 42C01
Geology
Technical Report**

Prepared For

Zara Resources Inc.

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1. Summary

The Forge Lake Au Property is located in the northeast corner of Cowie Township approximately 255 km north of Sault Ste. Marie, Ontario and 37 km northeast of Wawa Ontario. It consists of 8 exploration claims covering approximately 717 ha. Zara Resources Inc. has acquired from Hudson River Minerals Inc. a 100% interest in a Mineral Exploration License Agreement granted by 3011650 Nova Scotia Limited, operating as Michipicoten Forest Resources.

The Forge Lake property covers a portion of the east-west trending highly sheared Forge Lake Deformation Zone (FLDZ). The FLDZ contains sheared metavolcanics and metasediments have been subjected to iron carbonate alteration and silicification and encloses sub-parallel quartz veining and with irregular quartz pods with silicification of the enclosing schist and with 1 to 3% pyrite as disseminations and narrow stringers scattered throughout zone. Drilling has defined gold mineralisation along 370 metres of strike length within deformation zone. Recent drilling has encountered anomalous mineralisation over fairly broad widths.

Recent work in 2011 and 2012 has been by Hudson River Minerals Inc. whereby they have drilled 27 diamond drill holes totalling 2534 metres. Significant intersections from this drilling include 3.25 g/t Au over 12.6 m in hole HR-FL-16 and 7.07 g/t Au over 5.5 m in hole HR-FL-20.

Work to date has focused on trying to locate high grade zones within the Forge Lake Deformation Zone. Where sampling has been continuous these high grade shoots have been shown to be enclosed in a lower grade but extensive mineralised envelope. The mineralization is open along strike and down dip and has a minimum defined strike length of 500 metres.

The mineralization is open along strike and down dip and has a minimum defined strike length of 500 metres. There are a significant number of assays, where sampling was actually done, that are 1 g/t or higher, generally the threshold required for economic extraction by open pit. There are apparently thick zones of anomalous gold mineralisation with a relatively shallow dip. It is concluded that the Forge Lake property has very good potential for hosting an economic high tonnage-low grade deposit that could be amenable to mining by open pit methods.

It is recommended that for the drill core from the recent Hudson River Resources drilling, the sampling be expanded to include all non-sampled intervals. It is also recommended that an IP survey be done over the property to be followed by additional diamond drilling. The estimated cost of this recommended program is \$1,000,000.