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208 Queens Quay West, Suite 2506, Toronto, Ontario, M5J 2Y5 Phone: (416) 628 9879

Zara Acquires Pigeon River Claims from Pele

Toronto, Ontario, January 7, 2013 – Zara Resources Inc (CNSX: ZRI) ("Zara") and Pele Mountain Resources (TSXV: GEM) ("Pele") are pleased to announce the execution of a definitive agreement whereby Zara will acquire 100% of the Pigeon River claims ("Pigeon River") owned by Pele for a purchase price of \$700,000.

Pigeon River is located about 80 kilometers to the west of Thunder Bay in the Pigeon River area of Northwest Ontario, and covers an unexplored magnetic target with potential to host nickel, copper and platinum group elements mineralization. Pigeon River lies in the Proterozoic Superior Mid Continent Rift, a geological setting with proven potential to host mafic/ultramafic systems. Alan Aubut P.Geol, an independent geological consultant with expertise in nickel/copper/platinum exploration in the Mid Continent Rift stated "The Pigeon River property possess many similarities to a number of world class nickel districts around the world including the Thompson Nickel Belt in Canada, where there has been continuous production since the early 1960's of high grade nickel."

The purchase price of \$700,000 will be payable by the issuance of 2,250,000 Common Shares of Zara at an issue price of \$0.10 per share, and 4,750,000 Non Voting Convertible 5% Preference Shares of Zara at an issue price of \$0.10 per share. The Preference Share annual yield of 5% will be payable in common shares of Zara at the prevailing market price. The property is also subject to a 2% NSR, of which 0.5% is granted to Pele and 1.5% is granted to 2212150 Ontario Inc operating as Vanex Exploration ("Vanex"). Pele may buy up to 1.0% of the NSR from Vanex for \$1,000,000.

The closing of Zara's purchase of the Pigeon River property remains subject to standard closing conditions, including regulatory approval of the issuance of Zara stock.

Pele President and CEO Al Shefsky stated "We are pleased to continue our involvement in the Pigeon River project by way of our investment in Zara Resources."

Danny Wettreich, the CEO of Zara said "Zara will pursue exploration of Pigeon River, and build on the early stage work undertaken by Pele."

This press release has been reviewed and approved by Alan Aubut, P.Geo, an independent geological consultant and a Qualified Person under National Instrument 43-101.

About Zara Resources

Zara is a Toronto based mineral company developing its Riverbank nickel-copper project, in Ontario, Canada, as well as the acquisition and development of other Canadian natural resource properties.

For more information please see www.ZaraResourcesInc.com or contact Danny Wettreich at (416) 628 9879 or dw@winstonresourcesinc.com

Forward-Looking Information: This press release may include forward-looking information within the meaning of Canadian securities legislation, concerning the business and trading in the common stock of Zara Resources Inc. The forward-looking information is based on certain key expectations and assumptions made by the company's management. Although the company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the company can give no assurance that they will prove to be correct. These forward-looking statements are made as of the date of this press release and the company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

The CNSX has not reviewed, approved or disapproved the content of this press release

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