

EARLY WARNING REPORT

This report is made pursuant to Section 102.1 of the *Securities Act (Ontario)* and similar provisions of other Provincial Securities Legislation

(a) ***Name and Address of Offeror:***

Hudson River Minerals Ltd. (the “**Company**”)
75 Portland Street
Toronto, Ontario, Canada
M5V 2M9

(b) ***The designation and number or principal amount of securities and the offeror’s security holdings percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:***

On April 16, 2013, the Company acquired 5,715,780 common shares (the “**Consideration Shares**”) of Zara Resources Inc. (“**Zara**”) representing approximately 17.16% of the total issued and outstanding common shares of Zara. The 5,715,780 were acquired by the Company from Zara by way of private agreement.

(c) ***The designation and number of principal amount of securities and the offeror’s security holding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:***

The Company owns 5,715,780 common shares of Zara representing approximately 17.16% of the total issued and outstanding common shares of Zara.

(d) ***The designation and number or principal amount of securities and percentage of outstanding securities of the class of securities referred to in paragraph (c) over which:***

(i) ***the offeror, either alone or together with any joint actors, has ownership and control:***

The Company, alone, owns 5,715,780 common shares of Zara representing approximately 17.16% of the total issued and outstanding common shares of Zara.

(ii) ***the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:***

The Company has entered into a Voting Trust Agreement pursuant to which the Company has granted all voting rights under its shares of Zara to Danny Wettreich, CEO of Zara, for a period of 18 months following the closing date. However, in the event the Company distributes the Consideration Shares to its shareholders before the expiration of 18 months, the Voting Trust Agreement will be terminated.

- (iii) *the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:*

N/A

- (e) *The name of the market in which the transaction or occurrence that gave rise to the reporting obligation took place:*

The transaction occurred by way of private agreement.

- (f) *The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:*

See item (g) below

- (g) *The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:*

On April 16, 2013 the Company closed a transaction pursuant to which the Company assigned all of its rights, title and interest in and to the mining claims over its Forge Lake Property to Zara Resources Inc. (“Zara”) in exchange for 5,715,780 common shares of Zara (the “**Consideration Shares**”) which were issued by Zara at a deemed issue price of \$0.10 per Consideration Share. The Company will be restricted from transferring or disposing the Consideration Shares for a period of 18 months following the closing date, however, the Company is permitted to distribute the Consideration Shares to its shareholders on a pro-rata basis at any time following the closing. Additionally, the Company has entered into a Voting Trust Agreement pursuant to which the Company has granted all voting rights under the Consideration Shares to Danny Wettreich, CEO of Zara, for a period of 18 months following the closing date. However, in the event the Company distributes the Consideration Shares to its shareholders before the expiration of 18 months, the Voting Trust Agreement will be terminated.

(h) ***The names of any joint actors in connection with the disclosure required by this report:***

N/A

(i) ***In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror;***

See item (g) above

(j) ***If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 in respect of the reporting issuer's securities:***

Not applicable.

Signed the 16th day of April, 2013

“Stephen J. Balch” (Signed)