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ZARA TO SPIN OFF LEO RESOURCES

Toronto, Ontario, March 20, 2013 – Zara Resources Inc. (CNSX: ZRI) (“Zara”) is pleased to announce that its board of directors has unanimously approved a proposal to spin off to its shareholders 100% of its wholly-owned subsidiary, Leo Resources Inc (“Leo”). Following the spin-off, Leo will apply for listing of its common shares on the CNSX.

Leo owns 100% of the Riverbank nickel-copper project located in the Kasabonika-McFauld’s Greenstone Belt about 540 km to the north east of Thunder Bay and 350 km north of Geraldton, Ontario. It consists of 8 unpatented mining claims comprising 87 claim units covering an area of approximately 1392 ha. The property is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel-copper mineralization.

The spin-off will be transacted by way of a statutory plan of arrangement (the “Plan of Arrangement”) under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Zara will distribute 13,737,500 common shares of Leo to holders of common shares of Zara on the Share Distribution Record Date. Each Zara shareholder of record on the Share Distribution Record Date will receive 1 common share in the capital of Leo for every 2 common shares in the capital of Zara.

A Special Meeting (“Meeting”) of Zara shareholders will be held on May 14, 2013 at which the shareholders will be asked to vote on a special resolution approving the Plan of Arrangement. The Share Distribution Record Date, and the Record Date for determining shareholders entitled to receive notice of and vote at the Meeting, is March 20, 2013. If approved, the spin-off would be completed shortly thereafter, subject to the receipt of all necessary approvals. A further press release will be issued by the Company when the exact effective date of the Plan of Arrangement is known. The spin-off is subject to numerous conditions including shareholder and court approval, and completion of all regulatory filings.

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 Pigeon River nickel-copper project in Ontario, Canada, and has agreed to acquire the Forge Lake gold project in Ontario, Canada. It continues to seek the acquisition of other Canadian natural resource properties.

For more information please see www.ZaraResourcesInc.com or contact Danny Wettreich at (647) 931 9775 or dw@zararesourcesinc.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