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ZARA COMPLETES CONTINUATION IN BRITISH COLUMBIA AND PROCEEDS WITH LEO RESOURCES INC SPIN OFF

Toronto, Ontario, July 5, 2013 – Zara Resources Inc. (CNSX: ZRI) (“Zara”) announces that it received on July 3, 2013 its Certificate of Continuation and is now a company governed under the British Columbia Business Corporations Act. Zara is now able to proceed with completing the statutory Plan of Arrangement to spin off its wholly owned subsidiary Leo Resources Inc. (“Leo”).

As previously announced, the Record Date for determining the shareholders entitled to receive the Leo distribution is April 4, 2013 and following the spin-off, Leo will apply for listing of its common shares on the CNSX. 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 with each Zara shareholder receiving 1 common share in the capital of Leo for every 2 common shares in the capital of Zara.

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.

About Zara Resources

Zara is a Toronto based mineral company developing its Forge Lake gold project and its Pigeon River nickel-copper 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