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### ZARA CLOSES DEBT CONVERSION

Toronto, Ontario, January 23, 2017 - Zara Resources Inc. (CSE: ZRI) ("Zara") announces that its previously announced debt conversion ("Debt Conversion") has closed. Zara has settled indebtedness owing to two related parties in the total amount of \$193,411 by the issuance of a total of 3,868,220 common shares at \$0.05 per common share. No commission is payable in relation to the Debt Conversion. The common shares are subject to a hold period of four months and a day. There are now 10,505,486 common shares issued and outstanding

Immediately after the transaction, Daniel Wettreich a director and CEO of Zara, holds, directly and indirectly, an aggregate of 6,069,954 common shares of the Company, representing approximately 57.79% of the Company's issued and outstanding common shares.

The participation by Daniel Wettreich in the Debt Conversion is considered to be a related party transaction as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). A special committee consisting of independent directors established by the board of directors determined the related party transaction is fair and reasonable in the circumstances to the Company. The Company has relied on sections 5.5(b) and (c) of MI 61-101 for an exemption from the formal valuation requirement, and section 5.7(b) of MI 61-101 for an exemption from the minority shareholder approval requirements. A material change report in respect of the related party transaction was filed at least 21 days in advance of the closing of the Debt Conversion.

#### About Zara Resources

Zara is a Toronto based mineral company with ownership interest in the Forge Lake gold project and the Pigeon River nickel-copper project in Ontario, Canada. For further information contact Danny Wettreich at (647) 931 9768 or [dw@zararesourcesinc.com](mailto:dw@zararesourcesinc.com) or see [www.ZaraResourcesInc.com](http://www.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 CSE has not reviewed, approved or disapproved the content of this press release