Zara Resources Inc.
1128 – 789 West Pender Street,
Vancouver, BC, V6C 1H2

CSE: ZRI

For Immediate Release

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ZARA RESOURCES TO ACQUIRE BLACKLIST HOLDINGS INC. AND COMPLETE CONCURRENT FINANCINGS FOR UP TO $10 MILLION

VANCOUVER, BRITISH COLUMBIA, CANADA / September 20, 2018, Zara Resources Inc. ("**Zara Resources**" or the "**Company**") is pleased to announce that it has entered into an assignment and novation agreement dated September 18, 2018 (the "**Assignment Agreement**") with an arm's length private British Columbia company (the "**Assignor**"), pursuant to which the Assignor has assigned to the Company the rights and obligations of the Assignor pursuant to a letter agreement dated June 18, 2018 (the "**LOI**") between the Assignor and Blacklist Holdings Inc. ("**Blacklist**"), a private Washington company. The LOI contemplates a proposed business combination transaction (the "**Acquisition**") pursuant to which the Company will acquire all the issued and outstanding common shares of Blacklist ("**Blacklist Shares**") in exchange for common shares of the Company ("**Zara Shares**"). The Acquisition is an arm's length transaction and is expected to constitute a fundamental change under the policies of the Canadian Securities Exchange (the "**CSE**").

Details of the Acquisition

Pursuant to the terms of the LOI, shareholders of Blacklist will receive one Zara Share for each Blacklist Share held at the closing of the Acquisition (the "**Closing**"). It is anticipated that 80,185,000 Zara Shares will be issued *pro rata* at a deemed price of $0.50 per Zara Share to the shareholders of Blacklist. In addition, each performance warrant issued and outstanding entitling holders to acquire Blacklist Shares upon meeting certain performance milestones (the "**Blacklist Performance Warrants**") will be exchanged for one common share purchase warrant of the Company on financially identical terms (the "**Replacement Performance Warrants**"). It is currently expected that an aggregate of 18,000,000 Replacement Performance Warrants will be issued to the holders of Blacklist Performance Warrants.

The LOI sets out certain terms and conditions pursuant to which the Acquisition will be completed. The Acquisition remains subject to certain closing conditions including, without limitation, the (a) completion of customary due diligence, (b) negotiation and execution of a definitive agreement (the "**Definitive Agreement**"), (c) completion of two concurrent equity financings to raise in aggregate minimum gross proceeds of $5,000,000 and up to $10,000,000, (d) the receipt of all required regulatory and third party approvals and, if applicable, the approval of the shareholders of the Company and Blacklist, respectively, and (e) any other conditions to

Closing contained in the Definitive Agreement ((a) through (e), collectively, the "**Conditions Precedent**"). There can be no guarantees that the Acquisition will be completed as contemplated or at all.

The Company anticipates that certain of the Zara Shares issued pursuant to the Acquisition may be subject to escrow requirements and hold periods required by CSE policies and applicable securities laws.

Prior to Closing, the Company will consolidate its issued and outstanding share capital on a 31.64303012 old Zara Share for one (1) new Zara Share basis. The Zara Shares to be issued in connection with the Acquisition and detailed in this press release will be issued on a post-consolidated basis.

Pursuant to the terms of the Assignment Agreement, the Company will, upon the Closing, issue 4,000,000 Zara Shares to the Assignor (or its nominee) at a deemed price of $0.50 per Zara Share. In connection with the Acquisition, the Company will also issue 1,250,000 common shares to an arm's length third party at a deemed price of $0.50 per Common Share as a finder's fee.

Concurrent Financings

Prior to the Closing, Blacklist will complete a brokered "best efforts" marketed private placement of subscription receipts ("**Subscription Receipts**") at a price of $0.50 per Subscription Receipt for gross proceeds of up to $6,000,000 (the "**Brokered Offering**"). If the Conditions Precedent are completed, satisfied or waived, as the case may be, by December 17, 2018 (the "**Outside Date**"), each Subscription Receipt will be automatically exchanged, for no additional consideration and with no further action by the holder, for one Blacklist Share immediately prior to Closing. If the Conditions Precedent are not completed, satisfied or waived, as the case may be, by the Outside Date, the proceeds of the Brokered Offering will be returned to the holders, plus any accrued interest.

Clarus Securities Inc. will act as sole agent in respect of the Subscription Receipt Offering.

Concurrently with the Brokered Offering, Blacklist will also complete a non-brokered financing ("**Non-Brokered Offering**" and together with the Brokered Offering, the "**Concurrent Financings**") of up to 8,000,000 Subscription Receipts (having the same terms as conditions as the Subscription Receipts issued in connection with the Brokered Financing) for gross proceeds of up to $4,000,000.

Closing of the Concurrent Financings is subject to a number of conditions, including receipt of all necessary corporate and regulatory approvals, including the approval of the CSE.

All securities issued in connection with the Concurrent Financings will be subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities laws. A finder's fee may be paid in connection with the Concurrent Financings to eligible arm's length finders in accordance with CSE policies. The aggregate net proceeds from the Concurrent Financings will be used to evaluate potential investments in the cannabis and blockchain industries and to provide general working capital.

This news release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. None of the securities to be issued pursuant to the Acquisition or the Concurrent Financings have been or will be registered under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and any securities issued pursuant to the Acquisition and the Concurrent Financings are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act and applicable exemptions under state securities laws. In addition, the securities to be issued pursuant to the Acquisition and the Concurrent Financings under an exemption from the registration requirements of the U.S. Securities Act will be "restricted securities" as defined under Rule 144(a)(3) of the U.S. Securities Act and will contain the appropriate restrictive legend as required under the U.S. Securities Act. Any public offering of securities of Zara Resources to be made in the United States must be made by means of a prospectus containing detailed information about Zara Resources and management, as well as financial statements.

About Blacklist Holdings Inc.

Blacklist, a privately held company based in Washington State, USA, owns the IONIC brand and is the #1 cannabis vape pen and cannabis cartridge manufacturer and distributor in Washington State and is currently entering the states of California and Oregon with the same proven formula. Since its founding in 2012, Blacklist has built and reinforced a dominate leadership in the fast-growing concentrate segment. Blacklist has a professional management team with proven history of sales and marketing success in the alcohol and beverage industries and has applied the same methods to dominate a large and growing segment of Washington State's growing cannabis industry. Blacklist recently expanded into the state of Oregon and met its target of having a presence in 30 cannabis dispensaries within nine months. The IONIC brand is now targeting aggressive expansion in the state of California and has built a complete action plan based on its success in Washington and Oregon to penetrate the largest recreational use cannabis market in the United States. Blacklist sees opportunities to expand horizontally by increasing its penetration through Washington and California and vertically with the acquisition of early-stage cannabis production facilities to ensure the high-quality cannabis oils and concentrate its sizable and growing customer base expects from the IONIC brand.

Disclosure and Caution

Further details about the proposed Acquisition and the Concurrent Financings will be provided in a comprehensive press release issued upon the entering into of the Definitive Agreement and in the disclosure document to be prepared and filed in respect of the Acquisition. Investors are cautioned that, except as disclosed in the disclosure document, any information released or received with respect to the Acquisition may not be accurate or complete and should not be relied upon.

ON BEHALF OF THE BOARD OF DIRECTORS

"Kenneth Cotiamco"

Kenneth Cotiamco
Interim CEO and Director

The CSE does not accept responsibility for the adequacy or accuracy of this release.

All statements, other than statements of historical fact, included herein are forward-looking statements that involve various risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ, materially from the Company's expectations are disclosed in the Company's documents filed from time to time with the Canadian Securities Exchange, the British Columbia Securities Commission, the Ontario Securities Commission and the Alberta ommission and the Alberta Securities Commission.