Zara Resources Inc. Announces Blacklist Holdings Inc. Completes First Tranche of Institutionally Oversubscribed Financing

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VANCOUVER, British Columbia, Nov. 27, 2018 -- Zara Resources Inc. ("**Zara Resources**" or the "**Company**") is pleased to announce that, further to the Company's news release dated September 20, 2018 (the "**September Release**") in respect to the proposed business combination transaction (the "**Proposed Transaction**") between the Company and Blacklist Holdings Inc., a private Washington company, ("**Blacklist**"), Blacklist has completed the first tranche of its proposed up to $10 million financing (the "**Financing**"), raising gross proceeds of approximately $5.44 million and completing a $1 million debt settlement.

The remainder of the $10 million Financing is expected to be completed on or about November 29, 2018.

The closing of the first tranche of the Financing is comprised of a non-brokered private placement offering of approximately 8.1 million subscription receipts of Blacklist Finco Inc. ("**Blacklist Finco**"), a wholly-owned BC incorporated subsidiary of Blacklist, (the "**Subscription Receipts**") for gross proceeds of approximately $4.05 million, and a non-brokered private placement offering of convertible debentures of Blacklist (the "**Debentures**") in the principal amount of approximately $1.39 million for gross proceeds of approximately $1.39 million, for total gross proceeds of approximately $5.44 million, and $1 million debt settlement by way of an issuance of 2 million shares of common stock of Blacklist (the "**Blacklist Shares**"). Blacklist intends to use the proceeds of the Financing, including the proceeds from the sale of the Debentures upon closing of the Financing, and the proceeds from the sale of the Subscription Receipts, subject to the satisfaction of the Escrow Release Conditions (as defined below), to evaluate potential investments in the US cannabis industry and provide general working capital.

John Gorst, Blacklist CEO & Chairman, states "We are extremely pleased with the closing of the first tranche of our $10 million proposed Financing. We believe that this demonstrates solid investor interest in our business and we are excited about our future growth prospects upon the successful completion of the Proposed Transaction and the remainder of the concurrent Financing. My Executive team and I look forward to using this capital to build strong shareholder value."

The terms of the Financing were amended since the September Release. The brokered private placement of subscription receipts for gross proceeds of up to $6,000,000 referenced in the September Release was terminated and Blacklist is no longer pursuing a brokered financing. Instead of pursuing a brokered financing, the previously announced non-brokered private placement of subscription receipts has been increased from a financing for gross proceeds of up to $4,000,000 to a financing for gross proceeds to up to $10,000,000 and includes a non-brokered private placement of Subscription Receipts and Debentures and the debt settlement described above.

Each Subscription Receipt was sold at an issue price of $0.50. Subject to the satisfaction of the Escrow Release Conditions (as defined below), each Subscription Receipt entitles the holder to receive, without payment of additional consideration or taking of further action, one common share of Blacklist Finco (each a "**Blacklist Finco Share**"), provided that upon completion of the Proposed Transaction, which is expected to occur immediately following the issuance of such Blacklist Finco Share, each such Blacklist Finco Share will then be exchanged in accordance with the terms of the Proposed Transaction at an exchange ratio of one Blacklist Finco Share for one common share of the Company, following an expected share consolidation as set out in the September Release (each a "**Zara Share**").

The gross proceeds from the issuance of Subscription Receipts have been deposited with Odyssey Trust Company (the "**Subscription Receipt Agent**"), as the subscription receipt agent, in escrow (the "**Escrowed Proceeds**") pursuant to a subscription receipt agreement (the "**Subscription Receipt Agreement**"). The Escrowed Proceeds will be released by the Subscription Receipt Agent to Blacklist Finco upon receipt of a notice (the "**Release Notice**") to the Subscription Receipt Agent from Blacklist Finco on or prior to 5:00 pm (Toronto time) on March 26, 2019 (as the same may be extended in accordance with the terms of the Subscription Receipt Agreement) (the "**Termination Time**") indicating (a) the completion or satisfaction, as the case may be, of all conditions precedent to the Proposed Transaction shall have occurred, been satisfied or been waived, other than the issuance of the consideration contemplated by the Proposed Transaction or the filing of the articles of amalgamation or other applicable documentation as may be required pursuant to corporate law; and (b) the receipt of all required shareholder, third party and regulatory approvals in connection with the Proposed Transaction, including the conditional approval of the listing of the Zara Shares on the Canadian Securities Exchange (the "**CSE**") ((a) and (b) together, the "**Escrow Release Conditions**"). Upon and subject to the receipt by the Subscription Receipt Agent of the Release Notice the Escrowed Proceeds shall be released to Blacklist Finco and the holders of Subscription Receipts will be issued Blacklist Finco Shares, which are to be then exchanged for Zara Shares upon completion of a three-cornered amalgamation between Blacklist Finco, a wholly owned subsidiary of Zara and Zara as part of the Proposed Transaction.

If the Escrow Release Conditions have not been satisfied, or Blacklist Finco advises the Subscription Receipt Agent, or publicly announces, that it does not intend to satisfy the Escrow Release Conditions, prior to the Termination Time, holders of Subscription Receipts will be refunded the gross proceeds paid for the Subscription Receipts, plus any accrued interest.

The Debentures bear interest at a rate of 0% per annum payable, maturing two years from the date of issuance of the

Debenture, provided that if the Proposed Transaction is not completed then the Debenture will no longer be convertible, will bear interest at a rate of 9.0%, accruing three months after the date of the termination, and mature one year from the date of issuance. In accordance with terms of the Debenture, the Debenture is automatically convertible into previously unissued Blacklist Shares at a conversion price of CDN$0.50 per share upon satisfaction or waiver of the conditions to closing of the Proposed Transaction, all upon and subject to the terms and conditions set forth in the Debenture. Each Blacklist Share will then be exchanged for one Zara Share pursuant to the terms of the Proposed Transaction. The Debentures are secured by a general security agreement of Blacklist.

As part of the Financing, Blacklist also issued 2 million Blacklist Shares at an issue price of $0.50 per share to settle amounts owing to an arm's length third party equal to $1 million.

In connection with the Financing, Blacklist will pay finders' fees to a group of finders consisting of the payment of aggregate cash fees of $310,650, being up to 8% of the gross proceeds of the first tranche of the Financing, and the issuance of an aggregate of 621,650 common share purchase warrants, being up to 8% of the Subscription Receipts and Debentures issued pursuant to the first tranche of the Financing, with each whole common share purchase warrant entitling the holder thereof to purchase one additional Blacklist Share at an exercise price of $0.50 per share at any time up until eighteen (18) months from the date of the closing of the Proposed Transaction, upon completion of the Proposed Transaction. These share purchase warrants are expected to be assumed by the Company in the Proposed Transaction, and are consequently expected to become exercisable into Zara Shares.

All securities issued in connection with the Financings will be subject to a statutory hold period in Canada until the later of four months plus a day from the date of issuance and the date the issuer of the security becomes a reporting issuer in any province or territory of Canada, in accordance with applicable Canadian securities laws.

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 Proposed Transaction or the Financing has 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 Proposed Transaction and the concurrent Financing to persons in the United States, including but not limited to Blacklist Shares upon the conversion of the Debentures and the Blacklist Finco Shares upon the conversion of the Subscription Receipts 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 Proposed Transaction and the concurrent Financing to persons in United States under an exemption from the registration requirements of the U.S. Securities Act, as well as the Debentures and underlying Blacklist Shares to be issued to all persons, 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.

About Blacklist Holdings Inc.

Blacklist, a privately held company based in Washington State, owns the IONIC brand and which is a leading cannabis vape pen and cannabis cartridge producer and distributor in Washington State. With its recent expansion into Oregon, Blacklist currently intends to build a leadership position in the growing cannabis concentrate segment.

Disclosure and Caution

The Proposed Transaction remains subject to a number of closing conditions including, without limitation, (a) completion of customary due diligence, (b) negotiation and execution of a definitive agreement (the "**Definitive Agreement**"), (c) the receipt of all required regulatory and third party approvals, including approval of the CSE, and, if applicable, the approval of the shareholders of the Company and Blacklist, respectively, and (e) any other conditions to the Proposed Transaction to be contained in the Definitive Agreement. There can be no guarantees that the Proposed Transaction will be completed as contemplated or at all.

Further details about the Proposed Transaction and the Financing 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 Proposed Transaction. Investors are cautioned that, except as disclosed in the disclosure document, any information released or received with respect to the Proposed Transaction may not be accurate or complete and should not be relied upon.

Additional information in respect of the Proposed Transaction and the Financing will be included in Zara's filing statement to be filed in connection with the Proposed Transaction and which will be available on Zara's SEDAR profile at www.sedar.com.

For further information, please contact Zara, Interim CEO & Director - Ken Cotiamco at (604) 687-7130; Skanderbeg Capital Advisors - Mario Vetro, at (604) 687-7130; or Blacklist Holdings Inc. - John Gorst, CEO & Chairman at (253) 248-7922.

ON BEHALF OF THE BOARD OF DIRECTORS

"Kenneth Cotiamco"

Kenneth Cotiamco
Interim CEO and Director

Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

All statements, other than statements of historical fact, included herein are forward-looking information or statements within the meaning of applicable securities law and involve various risks and uncertainties. Generally, such forward-looking information or statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and statements contained herein may include, but are not limited to, the Proposed Transaction; the ability to complete and the timing of the Proposed Transaction; the terms of the Proposed Transaction; the Financing; the ability to complete and timing of additional tranches of the Financing; expectations for the effects of the Proposed Transaction; the business objectives and expansion plans of Blacklist and the proposed combined entity with the Company; the future plans of Blacklist, the conversion of the Subscription Receipts and/or the Debentures; and the use of proceeds of the Financing. There can be no assurance that such information or statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such information or statements. Important factors that could cause actual results to differ, materially from the Company's expectations include, but are not limited to, the ability to complete the Proposed Transaction or additional tranches of the Financing; the ability to obtain the required regulatory, third party and, if applicable, shareholder approvals; the ability to satisfy the conditions to the Proposed Transaction; the ability to satisfy the conditions of the Financing; the ability to meet the Escrow Release Conditions or the conditions to the automatic conversion of the Debentures; and other risks that 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 Securities Commission. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this news release are made as of the date of this news release, and the Company does not undertake to update any forward-looking information or statements that are contained herein, except in accordance with applicable securities laws.

None of the securities issued pursuant to the Proposed Transaction will be registered under the U.S. Securities Act, or any state securities laws, and any securities issued pursuant to the Proposed Transaction or concurrent Financing will be issued in reliance upon available exemptions from such registration under the U.S. Securities Act and applicable exemptions under state securities laws. In addition, the Debentures and Blacklist Shares, issued under an exemption from the registration requirements of the U.S. Securities Act, as well as the Subscription Receipts and underlying Blacklist Finco Shares issued to persons in the United States are "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.