FORM 7

MONTHLY PROGRESS REPORT

Name of CNSX Issuer: Zara Resources Inc. (the "Issuer").

Trading Symbol: ZRI

Number of Outstanding Listed Securities: 10,505,486

Date: January 1, 2018 (for the month of December 2017)

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the CNSX Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the CNSX.ca website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the CNSX Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

(a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.

(b) The term "Issuer" includes the Issuer and any of its subsidiaries.

(c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

   The Issuer proceeded with its due diligence on the Fox Automotive Switzerland AG transaction

2. Provide a general overview and discussion of the activities of management.

During the month, the Zara management continued due diligence discussions with Fox..

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

   None applicable to Zara during the month

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

   None applicable to Zara during the month

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

   None applicable to Zara during the month

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

   None applicable to Zara during the month

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

   None applicable to Zara during the month

8. Describe the acquisition of new customers or loss of customers.

   None applicable to Zara during the month

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None applicable to Zara during the month

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

None applicable to Zara during the month

11. Report on any labour disputes and resolutions of those disputes if applicable.

None applicable to Zara during the month

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

None applicable to Zara during the month

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None applicable during the month

14. Provide details of any securities issued and options or warrants granted.

The Company issued no securities and granted no options or warrants during the month

Security	Number Issued	Details of Issuance	Use of Proceeds(1)

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

    None applicable to Zara during the month

16. Provide details of any changes in directors, officers or committee members.

    None

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

    Fluctuations in the price of gold per ounce are commonplace, however a significant drop in the price of gold, were it to be long-lasting, could have adverse implications for the company.

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.

2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.

3. The undersigned hereby certifies to CNSX that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all CNSX Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated January 1, 2018.

/s/ Danny Wettreich

Name of Director or Senior Officer

/s/ Danny Wettreich
Signature
Chief Executive Office.
Official Capacity

Issuer Details Name of Issuer Zara Resources Inc.	For Month End December 2017	Date of Report January 1, 2018
Issuer Address 100 King Street West, Suite 5700,		
City/Province/Postal Code Toronto, Ontario, M5X 1C7	Issuer Fax No. ( )	Issuer Telephone No. (647) 931-9775
Contact Name Daniel Wettreich	Contact Position CEO	Contact Telephone No. (647) 931-9775
Contact Email Address dw@ZaraResourcesInc.com	Web Site Address www.ZaraResourcesInc.com	