

**EARLY WARNING REPORT UNDER
NATIONAL INSTRUMENT 62-103**

This report is made by KONSTANTINE RESOURCES INC. (the “Offeror”) relating to securities of ZOOLANDER CORPORATION (the “Issuer”) pursuant to National Instrument 62-103 and Section 102.1 of the *Securities Act* (Ontario).

1. Name and Address of Offeror:

Konstantine Resources Inc.
197 Main Street
P.O. Box 3174
Road Town, Tortola
British Virgin Islands

2. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:

On August 30, 2012, the Offeror acquired direct ownership of 15,000,000 common shares of the Issuer (“Common Shares”) and 15,000,000 Common Share purchase warrants (“Warrants”) pursuant to a private placement (the “Private Placement”) of the Issuer. Each Warrant is exercisable to acquire one Common Share at a price of \$0.15 per Common Share for a period of two years from the date of issuance.

After giving effect to the Private Placement, the Offeror directly holds approximately 30.01% of the outstanding Common Shares. If the Warrants were to be exercised, the Offeror would directly hold approximately 46.16% of the then outstanding Common Shares. The percentage of issued and outstanding Common Shares held by the Offeror set out above has been calculated on a partially diluted basis, reflecting the exercise of the Warrants and no other increases in the issued and outstanding Common Shares.

3. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:

After giving effect to the Private Placement, the Offeror directly holds approximately 30.01% of the outstanding Common Shares. If the Warrants were to be exercised, the Offeror would directly hold approximately 46.16% of the outstanding Common Shares on a partially diluted basis as described above.

For purposes of calculating the percentage of Common Shares held by the Offeror, the Offeror has assumed that there were 34,987,500 Common Shares outstanding prior to completion of the Private Placement, as disclosed by the Issuer in the subscription agreement governing the terms and conditions of the Private Placement.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in paragraph 3 over which:

(i) the offeror, either alone or together with any joint actors, has ownership and control:

Paul Ekon (“Ekon”), indirectly, is a control person of the Offeror. Ekon may be considered to be a joint actor of the Offeror. Ekon directly holds 765,700 Common Shares.

In the event that Ekon is considered to be a joint actor of the Offeror, and after giving effect to the Private Placement, the Offeror and Ekon, collectively, would own or control an aggregate of 15,765,700 Common Shares representing approximately 31.54% of the outstanding Common Shares. Assuming the Offeror exercised all of the Warrants, the Offeror and Ekon, collectively, would own or control an aggregate of 30,765,700 Common Shares representing approximately 47.34% of the then outstanding Common Shares.

The percentage of issued and outstanding Common Shares owned or controlled by the Offeror and Ekon set out above has been calculated on a partially diluted basis, reflecting the exercise of the Warrants and no other increases in the issued and outstanding Common Shares. The actual percentage of Common Shares controlled by the Offeror and Ekon may be lower in the event that the Issuer issues additional Common Shares prior to the exercise of the Warrants, assuming the Offeror and/or Ekon do not purchase any Common Shares in connection with the relevant issuance of Common Shares.

(ii) the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:

Not applicable.

(iii) the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:

Not applicable.

5. The name of the market in which the transaction or occurrence that gave rise to the news release took place:

Not applicable.

6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release.

See paragraph 2. The Private Placement consisted of an offering of units (“Units”), each Unit consisting of one Common Share and one Warrant. The Units were offered at a price of \$0.10 per Unit.

7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:

The Offeror acquired the Common Shares and Warrants of the Issuer for investment purposes. The Offeror has entered into agreements with existing shareholders of the Issuer to acquire an aggregate of 10,000,000 Common Shares. The transactions are subject to certain conditions and there is no

assurance that such transactions will be completed. Either the Offeror or Ekon may from time to time acquire ownership of, or control over, additional securities of the Issuer, dispose of some or all of the existing or additional securities of the Issuer that either the Offeror or Ekon owns or controls, or may continue to own or continue to own or control the current position.

- 8. The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities:**

Pursuant to the terms of the subscription agreement in respect of the Private Placement, the Offeror became entitled to appoint three (3) members to the board of directors of the Issuer.

- 9. Name of any joint actors:**

See paragraph 4(i). The issuance of this report and the press release in connection with this report is not an admission that any person or entity named in this report is a joint actor with any other named person or entity.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value, in Canadian dollars of the consideration paid by the offeror:**

Please see paragraph 2 and paragraph 6 above.

- 11. If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements in respect of the reporting issuer's securities:**

Not applicable.

- 12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the facts supporting that reliance.**

Not applicable.

DATED this 30th day of August, 2012.

KONSTANTINE RESOURCES INC.

"Paul Ekon"

Per: Paul Ekon

Title: Director