

ZADAR VENTURES LTD.
Management Discussion and Analysis
(Expressed in Canadian Dollars, Unless Otherwise Stated)
For the Three Months Ended October 31, 2012

INTRODUCTION

This Management Discussion and Analysis (“MD&A”) of the operating results and financial condition of Zadar Ventures Ltd. (the “Company” or “Zadar”) for the three months ended October 31, 2012 is prepared in accordance with International Financial Reporting Standards (“IFRS”) and should be read in conjunction with the unaudited interim financial statements for the three months ended October 31, 2012, and the audited financial statements for the year ended July 31, 2012.

This MD&A is prepared as of December 31, 2012. All dollar figures stated herein are expressed in Canadian dollars, unless otherwise stated. Additional information relevant to the Company’s activities can be found on SEDAR at www.sedar.com.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

This MD&A contains certain statements that constitute forward-looking statements. When used in this document the words “anticipate”, “believe”, “estimate”, “expect”, “plan”, “future”, “intend”, “may”, “will”, “should”, “predicts”, “potential”, “continue”, and similar expressions, as they relate to Zadar Ventures Ltd. or its management, are intended to identify forward-looking statements. Such statements reflect current views of Zadar Ventures Ltd. with respect to future events and are subject to certain known and unknown risks, uncertainties, and assumptions. These statements should not be relied upon. Many factors could cause the actual results, performance, or achievements to be materially different for many future results, performance, or achievements that may be expressed or implied by such forward-looking statements. Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward looking statements prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, or expected. Zadar Ventures Ltd. does not intend, and does not assume, any obligation to update these forward looking statements.

DESCRIPTION OF THE BUSINESS

Zadar Ventures Ltd. is a public company incorporated under the *Business Corporations Act* of British Columbia on August 6, 2008. The common shares of Zadar commenced trading on the TSX Venture Exchange on May 28, 2012 under the trading symbol “ZAD”

The Company’s principal business activity is the acquisition and exploration of mineral properties.

The Company’s corporate office and principal place of business is at Suite 609 – 475 Howe Street, Vancouver, British Columbia, Canada, V6C 2B3.

The Company is engaged in the business of mineral exploration. It acquires, explores, and develops mineral resource properties. The Company's immediate goal is to undertake follow-up exploration for uranium in the Province of Alberta. It commenced operations in April, 2010 with exploration activities in Alberta.

The Whiskey Gap Property

The Company entered into an Option Agreement dated April 29, 2010 as amended on May 30, 2011, September 30, 2011 and June 1, 2012 with 1177129 Alberta Limited (the "Optionor"). The Optionor is a wholly owned subsidiary of International Ranger Corp. Jason Walsh, who is the President and Director of the Optionor, is also a Director of International Ranger Corp. and a shareholder and former Chief Financial Officer and Secretary of the Company.

The Option Agreement, as amended, provides that in order for the Company to earn a 60% interest in the Property (as hereinafter defined), the Company must pay the Optionor:

- a) \$12,500 (which has been paid) and issue and allot to the Optionor 100,000 shares of the Company (which have been issued);
- b) on or before the first anniversary of the execution of the Agreement, it must pay the Optionor a further \$12,500 (which has been paid) and issue and allot to the Optionor a further 200,000 shares (which have been issued);
- c) on or before the second anniversary of the execution of the Agreement, it must pay the Optionor a further \$25,000 (which has been paid) and issue and allot to the Optionor a further 300,000 shares (which have been issued);
- d) on or before the third anniversary of the execution of the Agreement, it must pay the Optionor a further \$50,000 and issue and allot to the Optionor a further 500,000 shares;
- e) on or before September 30, 2010, the Company shall expend not less than \$100,000 on Exploration Expenditures on the Property; (which has been incurred)
- f) on or before June 30, 2012, the Company shall pay \$100,000 to the Optionor (paid);
- g) on or before December 31, 2012, the Company shall pay a further \$50,000 and issue and allot to the Optionor a further 500,000 shares.

The Company has a further option to acquire an additional 15% interest in the Property by issuing the Optionor an additional 1,000,000 shares and expending an additional \$500,000 for Exploration Expenditures on or before September 30, 2013.

The Company will be the operator of the exploration work on the Property. It has a right to enter the Property. After earning a 60% interest in the Property by expending a total of not less than \$100,000 in Exploration Expenditures, paying \$250,000 and issuing 1,600,000 shares, the Company may elect to enter into a joint venture. If the Company elects to earn a further 15% interest, it must issue the additional shares and expend an additional \$500,000 for Exploration Expenditures on or before September 30, 2013. If this occurs, it may then elect to enter into a

joint venture. Each of the parties to the Option Agreement has a right of first refusal to purchase the party's interest if the other party intends to dispose of its interest. Either party may transfer its interest in the Property and the Option Agreement, provided that such transferring party's obligations under the Option Agreement will continue unless released in writing by the other party, and provided that any transferee of such interest enter into a written agreement with the other party whereby it agrees to take on the obligations of the transferring party under the Option Agreement. The Company may terminate the Option Agreement upon five days' written notice to the Optionor, provided that the Company is not in default of the Option Agreement at the time the notice is given. The Optionor may terminate the Option Agreement if the Company has failed to make any payments or failed to do anything on or before the last day provided for such payment or performance, but only if it has given the Company written notice of such failure and the Company has not, within sixty days of the delivery of such notice, cured the failure by appropriate payment or performance.

Surface access agreements have been signed with 2 land owners on June 1, 2010, for an area of 258 hectares (one square mile surrounding hole 06-22), granting the Company unrestricted surface access and the right to drill an unlimited number of holes for a period of one year. The agreements may be extended for an additional 2 years, at the Company's option, by paying the owners an aggregate annual fee of \$10,375 per year of extension, to a maximum of two additional years (the agreements were extended).

Metallic mineral production in Alberta is subject to a provincial royalty amounting to one percent gross mine mouth revenue until payout and the greater of one percent gross mine mouth revenue and 12 % net revenue, after payout.

RESULTS OF OPERATIONS

The Company's net loss for the three months ended October 31, 2012 was \$52,793 as compared to a net loss of \$63,755 for the three months ended October 31, 2011. The decrease in net loss is due mainly to a reduction in accounting and legal fees.

SUMMARY OF QUARTERLY RESULTS

Quarter ended	Revenue	Net loss	Loss per share
October 31, 2012	–	(52,793)	(0.01)
July 31, 2012	–	(136,847)	(0.03)
April 30, 2012	–	(28,422)	(0.00)
January 31, 2012	–	(20,787)	(0.00)
October 31, 2011	–	(55,755)	(0.01)

LIQUIDITY AND CAPITAL RESOURCES

As at October 31, 2012, the Company had working capital of \$115,074. To date, the Company has relied entirely upon the sale of Common Shares to generate working capital for exploration activities and to fund the administration expenses of the Company. Since the Company does not expect to generate any revenues in the near future, it will continue to rely primarily upon the sale of Common Shares to raise capital. There can be no assurance that financing will be available to the Company when required.

The Company has financed its operations primarily through the proceeds of the sale of its Common Shares. The Company incurred a total of \$186,500 for mineral property acquisition costs and \$131,128 in exploration expenditures on the Property from incorporation to October 31, 2012.

Current liabilities as at October 31, 2012 consisted of accounts payable and accrued liabilities of \$74,690 and due to related parties of \$4,000.

At present, there are no known demands, commitments, events or uncertainties that would adversely affect the trends and expected fluctuations in the Company's liquidity. After completion of the Offering, the Company received additional available funds of \$525,450. The Company believes that this amount will be adequate to meet its business objectives and projected working capital and other cash requirements for at least 12 months following completion of the Offering. However, there can be no assurance that these funds will be sufficient and the Company may have to evaluate additional means of financing, including additional debt or equity financings. See "Risk Factors".

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

During the three months ended October 31, 2012 the Company incurred an aggregate of \$7,500 (2011 – \$7,500) for management fees of which \$3,000 was payable to 622738 B.C. Ltd., a company wholly owned by Mark Tommasi, the President and director of the Company and \$4,500 was payable to Bua Capital Management Ltd. Office administration fees of \$8,175 (2011-\$8,475) were paid or accrued to Bua Group Holdings Ltd.

Amounts due to related parties comprise \$4,000 in advances from companies controlled by officers and directors. Such amounts are unsecured, non-interest bearing and without specific repayment terms.

As at October 31, 2012, accounts payable included amounts owed to Bua Capital (\$1,721) and 622738 B.C. Ltd. (\$1,360).

Jason Walsh, the former CFO and former Secretary of the Company, is a director of Bua Group Holdings Ltd. Geoffrey R. Watson, the CFO and Secretary of the Company, is a shareholder of Bua Group Holdings Ltd. Jason Walsh is also a director and shareholder of Bua Capital Management Ltd.

PROPOSED TRANSACTIONS

There are no proposed assets or business acquisitions or disposition, other than those in the ordinary course of business, before the board of directors for consideration.

COMMON SHARES OUTSTANDING

	Number	Issued price	Amount
August 1, 2010	1,100,000		\$ 11,000
Issued for cash	5,000,000	\$.059	295,000
Balance at January 31, 2011	6,100,000		306,000
Issued for property	200,000	\$ 0.065	13,000
Balance at July 31, 2011	6,300,000		319,000
Issued for exercise of warrants	505,000	\$ 0.10	50,500
Issued for property	300,000	\$ 0.065	19,500
Initial public offering	2,200,000	\$ 0.25	550,000
Share issuance costs	—		(144,755)
Balance at July 31, 2012 and December 31, 2012	9,305,000		\$ 794,245

WARRANTS OUTSTANDING

As of December 31, 2012, the Company has 2,495,000 share purchase warrants outstanding, which are exercisable at a price of \$0.10 per share and which expire on October 10, 2013.

AGENT'S WARRANTS OUTSTANDING

As of December 31, 2012, the Company has 176,000 agent's warrants outstanding, which are exercisable at a price of \$0.25 per share and which expire on May 28, 2015.

OPTIONS OUTSTANDING

As of December 31, 2012, the Company has 600,000 options outstanding, which are exercisable at a price of \$0.25 per share and which expire on May 28, 2017.

CRITICAL ACCOUNTING ESTIMATES

Mineral Properties and Exploration Costs

The Company records its interests in mineral properties and exploration cost at cost. All direct costs are capitalized until the properties to which they relate are placed into production, sold or abandoned. These costs will be amortized on the unit of production basis over the proven reserves of the related property following commencement of production. Proceeds received, as a result of the sale of a mineral property, will be applied first against the book value of the property, and any excess will be set off against deferred exploration costs.

The mineral properties and exploration costs are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. When there is evidence of impairment, the net carrying amount of the asset will be written down to its net recoverable amount which is the estimated undiscounted future net cash flows expected to result from the asset and its eventual disposition. The loss on impairment written off is not reversed even if circumstances change and the net recoverable amount subsequently increases.

The amounts shown as mineral properties and deferred exploration costs represent unamortized costs to date and do not necessarily reflect present or future values.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial instruments include cash, due from related parties, accounts payable and accrued liabilities and amounts due to related parties. In management's opinion, the Company is not exposed to significant interest rate, currency exchange rate, liquidity or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values because of their current nature. The Company is not exposed to derivative financial instruments.

The Company classifies financial assets and liabilities as fair value through profit and loss, available-for-sale, held-to maturity, loans and receivables or other financial liabilities depending on their nature. Financial assets and financial liabilities are recognized at fair value on their initial recognition.

The Company classified its cash as loans and receivables and its accounts payable and accrued liabilities and due to related parties as other financial liabilities.

OTHER RISKS AND UNCERTAINTIES

The Company is an exploration stage company with respect to its mineral interests. Based on the information available to date, the Company has not yet determined whether its mineral interests contain economically recoverable reserves. The recoverability of the amounts shown for mineral interests is dependent upon the confirmation of economically recoverable reserves, the ability of the Company to obtain necessary financing to successfully complete their development, and

upon future profitable production. In conducting its business, the Company is subject to a number of other risks and uncertainties that could have a material adverse effect on the Company's business prospects or financial condition that could result in a delay or indefinite postponement in the development of the Company's mineral interests.

Risks associated with exploration stage companies

Exploring for mineral resources involves a variety of operational, financial, and regulatory risks that are typical in the natural resource industry. The Company has not commenced commercial operations and has not proven history of performance, earnings, or success. There is no guarantee that the Company will ever be able to achieve profitable results or successfully execute its business plan. The Company's Common Shares must be considered speculative primarily due to the nature of the Company's business and early stage of development. The Company has no revenue or income from operations. The Company has limited capital resources and has to rely upon the sale of equity and/or debt securities for cash required for exploration and development purposes, for acquisitions, and to fund the administration of the Company. Since the Company does not expect to generate any revenues from operations in the near future, it must continue to rely upon the sales of its equity or debt securities or joint venture agreements to raise capital. There can be no assurance that financing, whether equity or debt, will be available to the Company in the amount required by the Company at any particular time or for any period, and that such financing can be obtained on terms satisfactory to the Company.

Exploration and development

At this time, the Company's primary mineral property is in the exploration stage and the Company does not have an operating history with respect to its exploration activities. Exploration and development of mineral resources involves a high degree of risk and few properties which are explored are ultimately developed into producing properties. The amounts attributed to the Company's interest in its properties as reflected in its financial statements represent acquisition and exploration expenses and should not be taken to represent realizable value. There is no assurance that the Company's exploration and development activities will result in any discoveries of commercial bodies of ore. The long term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs which may be affected by a number of factors such as unusual or unexpected geological formations, and other conditions.

Property title

Although the Company believes it has exercised commercially reasonable due diligence with respect to determining title to properties it owns, controls, or has the right to acquire by option, there is no guarantee that title to such properties will not be challenged or impugned. The Company's mineral interests may be subject to prior unrecorded agreements or transfers or

native land claims, and title may be affected by undetected defects. There may be valid challenges to the title of the Company's mineral interests which, if successful, could impair development and operations. This situation may be exacerbated due to the large number of title transfers historically involved with some properties.

Licenses and permits

The Company will require licenses and permits from various governmental authorities regarding the Company's mineral interests. There can be no assurance that the Company will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development, and mining operations for its mineral interests. Failure to obtain and maintain such licenses and permits may adversely affect the Company's business as the Company would be unable to legally conduct its intended exploration and development work which may result in its losing its interest in the subject property.

Operating hazards and risks

Fires, power outages, labour disputes, flooding explosions, cave-ins, landslides, and the inability to obtain suitable or adequate machinery, equipment, or labour are some of the risks involved in exploration programs. Unknowns with respect to geological structures and other conditions are involved. Existing and future environmental laws may cause additional expense and delays in the activities of the Company, and may render the Company's properties uneconomic. The Company has no liability insurance and the Company may become subject to liability for pollution, cave-ins, or hazards against which it cannot insure, or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect of the Company's financial position.

Competition

The mining industry is intensely competitive and the Company must compete in all aspects of its operations with a substantial number of other corporations which have greater technical and financial resources. The Company may be unable to acquire additional attractive mining properties on terms it considers acceptable.

Profitability of operations

The Company does not have profitable operations at this time and it should be anticipated that it will operate at a loss until such time as production is achieved from its properties, if production is in fact ever achieved. Investors also cannot expect to receive any dividends on their investment in the foreseeable future.

Foreign currency risk

At this time, the Company's primary mineral property is located in the United States. Future changes in exchange rates could materially affect the viability of exploring and development this property.

Market risks

Even if the Company's exploration programs are successful, factors beyond the control of the Company may affect the marketability of any mineral products discovered. Mineral prices have fluctuated widely in recent years. The marketability and price of minerals which may be produced or acquired by the Company will be affected by numerous factors beyond the control of the Company. These factors include delivery uncertainties related to the proximity of its reserves to processing facilities, and extensive government regulation relating to price, taxes, royalties, allowable production land tenure, the import and export of minerals, and many other aspects of the mining business. Declines in mineral prices may have a negative effect of the Company.

Future financings

If the Company's exploration programs are successful, additional funds will be required for further exploration and development to place a property into commercial production. The Company's available sources of funds are: existing cash; the further sale of equity capital; and the offering by the Company of an interest in its properties to be earned by another party or parties carrying out further exploration or development thereof. There is no assurance such sources will continue to be available on favourable terms or at all. If available, future equity financings may result in dilution to current shareholders.

Going concern

The Company's financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to obtain the necessary financing to meet its on-going commitments and further its mineral exploration programs.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com.