

**ZADAR VENTURES LTD.**

609 - 475 Howe Street  
Vancouver, BC V6C 2B3

**INFORMATION CIRCULAR**

INFORMATION PROVIDED AS AT FEBRUARY 25, 2013 FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON MARCH 28, 2013 (THE "MEETING").

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**This Information Circular is furnished in connection with the solicitation of proxies by management of Zadar Ventures Ltd. ("Zadar") for use at the Meeting (or any adjournment thereof), at the time and place and for the purposes set forth in the Notice of Meeting. It is expected that the solicitation will be primarily by mail. Proxies may also be solicited personally or by telephone by directors, officers or arms-length third parties appointed by Zadar. Management is unable at this time to accurately estimate what the cost of such solicitation may be.**

All costs of this solicitation will be borne by Zadar. Zadar will also pay the broker-dealers, banks or other nominee shareholders of record of Zadar their reasonable expenses in mailing copies of the foregoing material to beneficial owners of shares.

All dollar amounts in this Information Circular are in Canadian currency unless otherwise specified.

**This document is on SEDAR at [www.sedar.com](http://www.sedar.com) and, upon request, a copy of this document will be provided free of charge to any security holder of Zadar.**

**RECORD DATE**

Zadar directors have set February 25, 2013 as the record date for determining which shareholders shall be entitled to receive notice of the Meeting. Only shareholders of record at the close of business on February 25, 2013, who either attend the Meeting personally or complete and deliver the form of proxy in the manner and subject to the provisions discussed below, will be entitled to vote or to have their shares voted at the Meeting.

**APPOINTMENT OF PROXYHOLDERS AND REVOCATION OF PROXIES**

The persons named in the form of proxy as proxyholders are directors of Zadar. **A shareholder desiring to appoint some other person (who need not be a shareholder) to represent him or her at the Meeting may do so, either by striking out the printed names and inserting the desired person's name in the blank space provided in the form of proxy or by completing another proper form of proxy.** In either case, the completed proxy must be delivered to the office of Computershare Investor Services, 100 University Avenue, 9<sup>th</sup> Floor, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed or any adjournment thereof at which the form of proxy is to be used.

A shareholder who has given a proxy may revoke it by an instrument in writing, duly executed by the shareholder or where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation and delivered to Zadar's registered office, Suite 300 – 576 Seymour Street, Vancouver, BC V6B 3K1, at any time up to and including the last business day that precedes the day of the Meeting or, if adjourned, the day that precedes any reconvening thereof, or in any manner provided by law.

## VOTING OF PROXIES

If the form of proxy is completed, signed and delivered as prescribed above, the persons named as proxyholders in the form of proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them. The form of proxy confers discretionary authority upon the proxyholders with respect to all other matters or variations to matters which may properly come before the Meeting or any adjournment thereof. As of the date of this Information Circular, management of Zadar knows of no such amendments, variations or other matters to come before the Meeting, other than matters referred to in the Notice of Meeting. If other matters should properly come before the Meeting, however, the form of proxy will be voted on such matters in accordance with the best judgement of the person or persons voting the proxy.

**If no choice is specified by a shareholder in the form of proxy with respect to a matter identified in the form of proxy or any amendment or variations to such matters, it is intended that the person designated by management will vote the shares therein represented in favour of each matter identified on the form of proxy and for the nominees of management for directors and auditors.**

## BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many shareholders as a substantial number of shareholders do not hold common shares in their own name. Shareholders who do not hold their shares in their own name ("Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of Zadar as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases those common shares will not be registered in the Beneficial Shareholder's name on the records of Zadar. Such common shares will more likely be registered under the name of the Beneficial Shareholder's broker or an agent of that broker. In the United States, the vast majority of such shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholders. **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person.**

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the form of proxy provided to registered shareholders by Zadar; however, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Services ("Broadridge"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of common shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote common shares directly at the Meeting. The**

**voting instruction form must be returned to Broadridge (or instructions respecting the voting of common shares must be communicated to Broadridge) well in advance of the Meeting in order to have the common shares voted.**

This Information Circular and accompanying materials are being sent to both registered shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities which they own (“Objecting Beneficial Owners”, or “OBOs”) and those who do not object to their identity being made known to the issuers of the securities they own (“Non-Objecting Beneficial Owners”, or “NOBOs”). Subject to the provision of National Instrument 54-101 – Communication with Beneficial Owners of Securities of Reporting Issuers (“NI 54-101”) issuers may request and obtain a list of their NOBOs from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and Zadar or its agent has sent these materials directly to you, your name, address and information about your holdings of common shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the common shares on your behalf.

Zadar has decided to take advantage of the provisions of NI 54-101 that permit it to deliver proxy related materials directly to its NOBOs. By choosing to send these materials to you directly, Zadar (and not the intermediary holding common shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. As a result, if you are a NOBO of Zadar, you can expect to receive a scannable Voting Instruction Form (“VIF”) from the Transfer Agent. Please complete and return the VIF to the Transfer Agent in the envelope provided or by facsimile. In addition, telephone voting and internet voting can be found in the VIF. The Transfer Agent will tabulate the results of the VIFs received from Zadar’s NOBOs and will provide appropriate instructions at the Meeting with respect to the shares represented by the VIFs they receive.

Zadar’s OBOs can expect to be contacted by Broadridge or their brokers or their broker’s agents as set out above.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.**

#### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

As at February 25, 2013, the record date, there were a total of 9,305,000 shares outstanding. Each common share entitles the holder thereof to one vote.

To the knowledge of Zadar’s directors and executive officers no person or company beneficially owns, controls or directs, directly or indirectly, voting shares carrying 10% or more of the voting rights attached to Zadar’s issued and outstanding common shares:

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Except as otherwise disclosed in this Information Circular, no director, executive officer, proposed management nominee, or any associate or affiliate thereof has any material interest, direct or indirect, by way of beneficial ownership of shares of Zadar or otherwise in the matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

## FIXING THE SIZE OF THE BOARD OF DIRECTORS

It is intended that the number of directors to be elected by the shareholders be established at three (3). This requires the approval of the shareholders of Zadar by an ordinary resolution which approval will be sought at the Meeting.

## ELECTION OF DIRECTORS

At the Meeting, shareholders will be called upon to elect three (3) directors for the ensuing year or until their successors are duly elected or appointed, unless the director's office is earlier vacated in accordance with the Articles of Zadar, or unless that person becomes disqualified to act as a director. While management does not contemplate that any of its nominees will be unable to serve as a director, if any management nominee should become unavailable, the form of proxy will be voted for substitute nominees as may be nominated by management. Set forth below is information regarding each management nominee for election at the Meeting as a director of Zadar:

Name, Residence and Present Position with Zadar	Principal Occupation or Employment and, if not an Elected Director, Occupation During the Past Five Years <sup>(1)</sup>	Director Since	No. of Shares Beneficially Owned Directly or Indirectly as of the Date Hereof <sup>(1)</sup>
Mark T. Tommasi <sup>(2) (3) (4)</sup> BC Canada Director, CEO and President	Self-employed management consultant	April 9, 2010	750,000 <sup>(5)</sup>
Peter Wilson <sup>(2)</sup> BC Canada Director	President and CEO of Sterling Grant Capital Inc.	April 9, 2010	1,030,500 <sup>(6)</sup>
John Roozendaal <sup>(2) (3)</sup> BC Canada Director	President of VMS Ventures Ltd., a public company listed on the TSX Venture Exchange	April 9, 2010	750,000 <sup>(7)</sup>

Notes:

- (1) Based upon information provided by the Directors.
- (2) Member of the Audit and Finance Committee.
- (3) Member of the Nominating and Corporate Governance Committee.
- (4) Member of the Disclosure Committee along with Geoffrey R. Watson, Zadar's CFO.
- (5) 250,000 of these shares are held by 622738 B.C. Ltd., a private company wholly owned by Mr. Tommasi.
- (6) 530,500 of these shares are held by Sterling Grant Capital Inc., a company wholly owned by Peter Wilson.
- (7) 250,000 of these shares are held by 667981 B.C. Ltd., a company wholly owned by John Roozendaal.

Zadar does not have an executive committee of the Board of Directors.

Except as disclosed below, to the knowledge of Zadar, no director is, at the date of this Information Circular, or has been within 10 years before the date of the Information Circular, a director or executive officer of any company ( including Zadar) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Peter Wilson was a director of Mainland Resources Inc. which was cease traded by the B.C. Securities Commission on November 18, 2009 for failure to file annual financial statements and corporate disclosure concerns regarding annual oil and gas disclosure records. The cease trade order was revoked on January 29, 2010. Mainland Resources Inc. was cease traded on July 6, 2012. The order is still in effect.

John Roozendaal is a director of Scout Exploration, Inc. which was cease traded by the B.C. Securities Commission on July 6, 2006 for failure to file financials. This was revoked. Scout Exploration Inc. was cease traded on February 24, 2009. The order was revoked on February 25, 2009. It was cease traded on February 5, 2010. The order is still in effect.

#### **STATEMENT OF CORPORATE GOVERNANCE**

National Instrument 58-101, *Disclosure of Corporate Governance Practices*, requires all companies to provide certain annual disclosure of their corporate governance practices with respect to the corporate governance guidelines (the “Guidelines”) adopted in National Policy 58-201. These Guidelines are not prescriptive, but have been used by Zadar in adopting its corporate governance practices. Zadar’s approach to corporate governance is set out below.

##### *Board of Directors*

The Board currently consists of three (3) directors: Mark T. Tommasi, Peter Wilson and John Roozendaal.

The Guidelines suggest that the Board of every listed company should be constituted with a majority of individuals who qualify as “independent” directors under section 1.4 of NI 52-110 which provides that a director is independent if he or she has no direct or indirect “material relationship” with Zadar. A “material relationship” is a relationship which could, in the view of Zadar’s board of directors, be reasonably expected to interfere with the exercise of a director’s independent judgement. Of the current Board, the following members are independent: Peter Wilson and John Roozendaal and the following members are not independent: Mark T. Tommasi. Mark T. Tommasi is not independent as he is the President and CEO of Zadar.

### *Directorships*

The following table sets forth the directors of Zadar who currently serve as directors and/or officers of other reporting issuers:

Name of Director	Name of Reporting Issuer	Position
Mark T. Tommasi	Shoshoni Gold Ltd.	Director
	International Samuel Exploration Corp.	Director
	Clean Seed Capital Group Ltd.	Director
Peter Wilson	HLD Land Development Limited Partnership	Director
	Guerrero Exploration Inc.	Director
John Roozendaal	North American Nickel Inc.	Director
	VMS Ventures Inc.	Director
	Thelon Capital Ltd.	Director
	Scout Exploration Inc.	Director
	Harvest Gold Corp.	Director

### *Nominating and Corporate Governance Committee*

Zadar has appointed a Nominating and Corporate Governance Committee, the primary purposes of which are to:

1. develop and recommend to the Board corporate governance guidelines for Zadar and make recommendations to the Board with respect to corporate governance practices;
2. identify individuals qualified to become members of the Board consistent with criteria approved by the Board and to recommend to the Board nominees for election to the Board at each annual meeting of shareholders or to fill vacancies on the Board; and
3. develop and oversee the annual Board and Board Committee evaluation process.

The Nominating and Corporate Governance Committee is composed of Mark T. Tommasi and John Roozendaal.

### *Nomination of Directors*

The Nominating and Corporate Governance Committee is responsible for considering, recruiting and recommending candidates for board nomination.

### *Orientation and Continuing Education*

Zadar does not provide a formal orientation and education program for new directors; however, any new directors will be given the opportunity to familiarize themselves with Zadar, the current directors and members of management. The Nominating and Corporate Governance Committee also encourages and provides opportunities for directors to pursue continuing education opportunities relating to their role as directors.

### *Compensation Committee*

The Board has not, to date, constituted a compensation committee. The Board, as a whole, determines compensation; however, a formal process has not been adopted.

### *Assessments*

The Nominating and Corporate Governance Committee assumes the responsibility of assessing the effectiveness of the Board, the committees of the Board and the contribution and effectiveness of individual directors on an annual basis.

### *Ethical Business Conduct*

The Board has adopted a written Code of Business Conduct and Ethics applicable to directors, officers, employees and consultants of Zadar to promote integrity and to deter wrongdoing with respect to issues including conflicts of interest; protection and proper use of corporate assets; confidentiality of corporate information; compliance with laws, rules and regulations; and reporting of illegal or unethical behaviour.

### *Other Board Committees*

Zadar has three committees: the Audit Committee; Nominating and Corporate Governance Committee and Disclosure Committee. For additional information concerning the Audit Committee, please refer to the "Audit Committee" section of this Information Circular.

The Disclosure Committee's function is to ensure that information required to be disclosed by the Company in reports that it files or submits under applicable securities legislation is recorded, processed, summarized and reported within the time periods specified in the applicable rules and forms.

## **STATEMENT OF EXECUTIVE COMPENSATION**

This disclosure is intended to communicate the compensation provided to Zadar's President and Chief Executive Officer (the "CEO"), the Chief Financial Officer (the "CFO") and the three other most highly compensated officers of Zadar (if they individually received more than \$150,000 of total compensation during the most recently completed financial year) during the year ended July 31, 2012 (collectively, the "Named Executive Officers") and the directors of Zadar. For the year ended July 31, 2012, Zadar's Named Executive Officers were Mark T. Tommasi, President and CEO, Geoffrey R. Watson, current CFO and Jason Walsh, former CFO. Mr. Walsh resigned as CFO on December 31, 2011 and Mr. Watson was appointed CFO in his stead.

### *Compensation Discussion and Analysis*

Zadar relies solely on board discussion to determine compensation paid to executives and directors, without any formal objectives, criteria or analysis. As Zadar is still in the developmental stage as a junior mining company, Zadar's compensation program consists primarily of stock options.

The long-term incentive program is intended to align the interests of the Named Executive Officers, directors, consultants and employees with those of Zadar's shareholders over the longer term and to provide a retention incentive for each Named Executive Officer. This component of the compensation package consists of grants of options to purchase common shares ("Options") as permitted under the Stock Option Plan of Zadar (the "Stock Option Plan") and applicable stock exchange rules. Numerous factors and taken into consideration by the Board of Directors in determining grants of Options,

including: a review of the previous grants (including value both at the current share prices and potential future prices), the remaining time to expiry, overall corporate performance, share price performance, the business environment and the role and performance of the individual in question.

During the year ended July 31, 2012, 150,000 stock options were granted to directors, officers, employees, consultants and other eligible optionees pursuant to Zadar’s stock option plan.

*Summary Compensation*

The following table sets forth a summary of all compensation paid during the year ended July 31, 2012 to the Named Executive Officers.

Name and Principal Position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Mark T. Tommasi, President and CEO	2012	Nil	N/A	5,299 <sup>(6)</sup>	N/A	N/A	N/A	12,000 <sup>(2)</sup>	17,299
Geoffrey R. Watson, current CFO <sup>(3)</sup>	2012	Nil	N/A	5,299 <sup>(7)</sup>	N/A	N/A	N/A	Nil <sup>(5)</sup>	5,299
Jason Walsh, former CFO <sup>(3)</sup>	2012	Nil	N/A	N/A	N/A	N/A	N/A	6,000 <sup>(4) (5)</sup>	6,000

Notes:

- (1) The option-based awards dollar value was calculated using a Black-Scholes model, which included assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of Zadar’s common shares and the expected life of the options.
- (2) Since June 1, 2010, 622738 B.C. Ltd., a private company wholly owned by Mr. Tommasi, has been compensated by Zadar at \$1,000 per month for services provided by Mr. Tommasi as President and CEO.
- (3) Jason Walsh resigned as CFO effective on December 31, 2011 and Geoffrey R. Watson was appointed CFO in his stead.
- (4) Effective September 1, 2011, Mr. Walsh was compensated for his services to Zadar in his capacity as Chief Financial Officer for a fee of \$1,500 per month pursuant to the terms of a contract for services agreement (the “Walsh Contract”) among Zadar, Mr. Walsh and Bua Capital Management Ltd. (“Bua Capital”), a private company partially owned by Mr. Walsh. Upon the resignation of Mr. Walsh as the CFO of the Company on December 31, 2011, the Walsh Contract was terminated.
- (5) Bua Group, a private company, has had a contract for services agreement with Zadar for management of the Company since June 1, 2010. Bua Group is paid a monthly services fee of \$1,500 and a monthly fee of approximately \$1,545 for office expenses. The amount paid for office expense is variable and is dependent upon expenses incurred by Bua Group. Mr. Walsh is an officer of Bua Group. Mr. Watson is a shareholder of Bua Group. Mr. Walsh received no part of the monthly fee that Zadar pays to Bua Group pursuant to the contract for services agreement. Mr. Watson receives no part of the monthly fee that Zadar pays to Bua Group pursuant to the contract for services agreement.
- (6) 150,000 options were issued to 622738 B.C. Ltd., a private company wholly owned by Mr. Tommasi, on October 14, 2010 but as the stock options were not exercisable until the date of listing of Zadar’s shares on the TSX Venture Exchange, no stock based compensation was recorded prior to the date of listing (May 28, 2012).
- (7) 150,000 options were issued to Bua Group on September 11, 2011 but as the stock options were not exercisable until the date of listing of Zadar’s shares on the TSX Venture Exchange, no stock based compensation was recorded prior to the date of listing (May 28, 2012).

*Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth information in respect of all outstanding share-based awards and option-based awards outstanding by Zadar to each of the Named Executive Officers at the end of Zadar’s most recently completed financial year ended July 31, 2012.

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (m/d/y)	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of sharer or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (#)
Mark T. Tommasi, President and CEO	150,000 <sup>(2)</sup>	\$0.25	05/28/17	Nil	N/A	N/A
Geoffrey R. Watson, current CFO	150,000 <sup>(3)</sup>	\$0.25	05/28/17	Nil	N/A	N/A
Jason Walsh, former CFO	Nil	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) The “Value of unexercised in-the-money options” is calculated on the basis of the difference between the closing price of Zadar’s common shares on the TSX Venture Exchange on July 31, 2012 and the Exercise Price of the options. The closing price of Zadar’s common shares on the TSX Venture Exchange on June 19, 2012, the last date on which Zadar’s shares traded in during the year ended July 31, 2012, was \$0.25.
- (2) Held through 622738 B.C. Ltd. a private company wholly owned by Mr. Tommasi.
- (3) Held through Bua Group Holdings Ltd., a private company of which Mr. Watson is a shareholder.

*Incentive Plan Awards – value vested or earned during the year*

The following table sets forth for each Named Executive Officer, the value of option-based awards and share-based awards which vested during the year ended July 31, 2012 and the value of non-equity incentive plan compensation earned during the year ended July 31, 2012.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Mark T. Tommasi	Nil	N/A	N/A

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Geoffrey R. Watson	Nil	N/A	N/A
Jason Walsh	Nil	N/A	N/A

Notes:

- (1) Calculated based on the difference between the market price of the common shares on the vesting date and the exercise price of the options on the vesting date. A nil amount indicates that no options held by the Named Executive Officer vested during the year ended July 31, 2012 at an “in the money” amount when the exercise price was compared to the closing price of Zadar’s common shares on the TSX Venture Exchange on the date of vesting.

### *Pension Plan Benefits*

Zadar does not have a pension plan or provide any benefits following or in connection with retirement.

### *Termination and Change of Control Benefits*

Zadar does not have any contracts, agreements, plans or arrangements that provide for payment to an NEO at, following or in connection with any termination, resignation, retirement, a change in control of Zadar or a change in an NEO’s responsibilities.

### *Director Compensation*

The following table sets forth all amounts of compensation provided to each of our directors other than directors who are also Named Executive Officers, for the year ended July 31, 2012.

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards <sup>(1)</sup> (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Peter Wilson	Nil	N/A	5,299 <sup>(2)</sup>	N/A	N/A	Nil	5,299
John Roozendaal	Nil	N/A	5,299 <sup>(3)</sup>	N/A	N/A	Nil	5,299

Notes:

- (1) The option-based awards dollar value was calculated using a Black-Scholes model, which included assumptions for risk-free interest rates, dividend yields, volatility of the expected market price of Zadar’s common shares and the expected life of the options.
- (2) 150,000 options were issued to Sterling Grant Capital Inc., a private company of which Mr. Wilson is a principal, on October 14, 2010 but as the stock options were not exercisable until the date of listing of Zadar’s shares on the TSX Venture Exchange, no stock based compensation was recorded prior to the date of listing (May 28, 2012).
- (3) 150,000 options were issued to 667981 B.C. Ltd., a private company of which Mr. Roozendaal is a principal, on October 14, 2010 but as the stock options were not exercisable until the date of listing of Zadar’s shares on the TSX Venture Exchange, no stock based compensation was recorded prior to the date of listing (May 28, 2012).

*Incentive Plan Awards – Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth for each of our directors other than directors who are also Named Executive Officers, all option-based awards and share-based awards outstanding at the end of the year ended July 31, 2012.

Name	Option-based Awards				Share-based Awards	
	Number of Securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date (m/d/y)	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (#)
Peter Wilson	150,000 <sup>(2)</sup>	\$0.25	05/28/17	Nil	N/A	N/A
John Roozendaal	150,000 <sup>(3)</sup>	\$0.25	05/28/17	Nil	N/A	N/A

Notes:

- (1) The “Value of unexercised in-the-money options” is calculated on the basis of the difference between the closing price of Zadar’s common shares on the TSX Venture Exchange on July 31, 2012 and the Exercise Price of the options. The closing price of Zadar’s common shares on the TSX Venture Exchange on June 19, 2012, the last date on which Zadar’s shares traded in during the year ended July 31, 2012, was \$0.25.
- (2) Held through Sterling Grant Capital Inc., a private company of which Mr. Wilson is a principal.
- (3) Held through 667981 B.C. Ltd., a private company of which Mr. Roozendaal is a principal

*Incentive Plan Awards – value vested or earned during the year*

The following table sets forth for each of Zadar’s directors, other than directors who are also Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended July 31, 2012 and the value of non-equity incentive plan compensation earned during the year ended July 31, 2012.

Name	Option-based awards – Value vested during the year <sup>(1)</sup> (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Peter Wilson	Nil	N/A	N/A
John Roozendaal	Nil	N/A	N/A

Notes:

- (1) Calculated based on the difference between the market price of the common shares on the vesting date and the exercise price of the options on the vesting date. A nil amount indicates that no options held by the directors vested during the year ended July 31, 2012 at an “in the money” amount when the exercise price was compared to the closing price of Zadar’s common shares on the TSX Venture Exchange on the date of vesting.

Zadar has no plans to compensate its directors for services in their capacity as directors other than through the granting of stock options.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out, as of the end of the Zadar's financial year ended July 31, 2012, all information required with respect to compensation plans under which equity securities of Zadar are authorized for issuance:

	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Plan Category	(a)	(b)	(c)
Equity compensation plans approved by security holders	600,000 <sup>(1)</sup>	N/A	330,500 <sup>(2)</sup>
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	600,000	N/A	330,500

Notes:

- (1) Options outstanding as at July 31, 2012 which have been granted pursuant to Zadar's current Stock Option Plan, including those granted to the Named Executive Officers.
- (2) Zadar currently has a rolling stock option plan. The aggregate number of common shares reserved for issuance is a maximum of 10% of the issued and outstanding share capital of Zadar at the date of grant. As at July 31, 2012, a total of 330,500 options remained available for issuance.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

None of the executive officers, directors, employees and former executive officers, directors and employees of Zadar had amounts outstanding as at February 25, 2013 in connection with (a) a purchase of securities; and (b) all other indebtedness.

Except as disclosed below, no person who is, or at any time during the most recently completed financial year was, a director or executive officer of Zadar, a proposed nominee for election as a director of Zadar, or an associate of any of the foregoing individuals, has been indebted to Zadar at any time since the commencement of Zadar's last completed financial year.

During the year ended July 31, 2012, the Company advanced \$2,400 to Bua Capital Management Ltd., as an unsecured, non-interest bearing loan due on demand. The advance has been repaid to the Company. Jason Walsh, the former CFO and Secretary of the Company, is a director and shareholder of Bua Capital Management Ltd.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as disclosed herein or in the Financial Statements, no informed person of Zadar, any proposed director of Zadar, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction since the commencement of its most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Zadar or any of its subsidiaries. An “informed person” means a director or executive officer of a reporting issuer; a director or executive officer of a person or company that is itself an informed person or subsidiary of a reporting issuer; any person or company who beneficially owns, directly or indirectly, voting shares of a reporting issuer or who exercises control or direction over shares of a reporting issuer, or a combination of both carrying more than 10% of the voting rights attached to all outstanding voting securities of a reporting issuer and could include a reporting issuer if the reporting issuer has purchased, redeemed or otherwise acquired any of its own securities, for so long as it hold any of its securities.

## MANAGEMENT CONTRACTS

Management functions of Zadar are substantially performed by directors or senior officers (or private companies controlled by them, either directly or indirectly) of Zadar and not, to any substantial degree, by any other person with whom Zadar has contracted.

## APPOINTMENT OF AUDITORS

The persons named as proxyholders in the form of proxy intend to vote for the continued appointment of MacKay LLP, Chartered Accountants, as Zadar’s auditors until the next annual general meeting at a rate of remuneration to be fixed by the Board. MacKay LLP were first appointed auditors on December 14, 2010.

## AUDIT COMMITTEE

### *The Audit Committee Charter*

A copy of Zadar’s Audit Committee Charter is attached as Schedule “B” to this Information Circular.

### *Composition of the Audit Committee*

The following directors are members of the Audit Committee:

	Independent <sup>(1)</sup>	Financially Literate <sup>(1)</sup>
Mark T. Tommasi	N	Y
Peter Wilson	Y	Y
John Roozendaal	Y	Y

Notes:

(1) As defined in National Instrument 52-110 (“NI 52-110”).

Zadar is relying on the exemption provided under Section 6.1 of NI 52–110 for venture issuers which exempts venture issuers from the requirements of Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*) of NI 52-110.

*Relevant Education and Experience*

All of the Audit and Finance Committee members are businessmen with experience in financial matters; each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, as well as the internal controls and procedures necessary for financial reporting, garnered from working in their individual fields of endeavor.

Mr. Tommasi is the Chief Financial Officer of Electra Gold Ltd. and Shoshoni Gold Ltd., both of which are public companies, and he is on the Audit Committee of both companies.

Mr. Roozendaal serves as President of Harvest Gold Corp. and VMS Ventures Inc., both of which are public companies, and as such is responsible for reviewing the financial statements of both companies.

Mr. Wilson was, until May 2012, the Chief Executive Officer of Morgan Creek Energy Corp., a public company, and as such was responsible for reviewing financial statements of that company.

*Audit Committee Oversight*

At no time since the commencement of Zadar’s most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

*Reliance on Certain Exemptions*

At no time since the commencement of Zadar’s most recently completed financial year has Zadar relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. Section 2.4 enumerates other methods by which an audit committee can satisfy the pre-approval requirements of section 2.3(4) of all non-audit services to be provided to Zadar or its subsidiary entities by Zadar’s external auditor. Part 8 permits the securities regulatory authority or regulator to grant an exemption from NI 52-110, in whole or in part, subject to such conditions or restrictions as may be imposed in the exemption.

*Pre-Approval Policies and Procedures*

The Audit Committee for Zadar has not adopted specific policies and procedures for the engagement of non-audit services.

*External Auditor Service Fees (By Category)*

The aggregate fees billed by Zadar’s external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>
2012	\$31,000	Nil	Nil	Nil
2011	Nil	Nil	Nil	Nil

Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit and quarterly reviews of Zadar’s consolidated financial statements and fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit fees also include audit or other attest services required by legislation or regulation.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Zadar’s financial statements and are not disclosed in the ‘Audit Fees’ column.

- (3) The aggregate fees billed for tax compliance, tax advice, and tax planning services. These services involved the preparation of Canadian Corporation Income Tax Returns.
- (4) The aggregate fees billed for professional services other than those listed in the other three columns.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Stock Option Plan**

As a result of changes to the *Income Tax Act* (Canada) relating to “source deduction requirements”, public companies, such as Zadar, must withhold and remit to the Canada Revenue Agency amounts from the employment benefit realized upon the exercise of options when common shares are issued to optionees. Zadar wishes to adopt a new stock option plan (the “2013 Plan”) which will replace and supercede the current plan in order to ensure compliance with the withholding requirements. As a result, Shareholders are being asked to approve the 2013 Plan.

The purpose of the 2013 Plan is to encourage ownership of Zadar’s common shares by persons (“Eligible Persons”) who are directors, senior officers and key employees of, as well as consultants and employees of management companies providing services to, Zadar. It is these individuals who are primarily responsible for the management and growth of Zadar’s business. Management hopes that the 2013 Plan will advance the interests of Zadar by providing additional incentive for superior performance by all eligible recipients.

The aggregate number of common shares in the capital of Zadar reserved for issuance under the 2013 Plan is a maximum of 10% of the issued and outstanding share capital of Zadar at the date of grant. If any options granted expire or terminate for any reason without having been exercised in full, the unpurchased shares will again be available under the 2013 Plan. The 2013 Plan is subject to approval of the TSX Venture Exchange (the “Exchange”).

#### *Terms of the 2013 Plan*

The following summary is a brief description of the 2013 Plan:

1. The maximum number of shares that may be issued upon the exercise of stock options previously granted and those granted under the 2013 Plan will be a maximum of 10% of the issued and outstanding common shares at the time of the grant.
2. Stock options can be issued to persons who are directors, senior officers, employees, advisory board members and consultants of, or employees of management companies providing services to, Zadar or its subsidiaries, if any.
3. The option price of any common share in respect of which an option may be granted under the 2013 Plan shall be fixed by the board of directors but shall be not less than the minimum price permitted by the Exchange.
4. The number of options granted to any one individual may not exceed 5% of the outstanding listed shares in any 12 month period unless Zadar has obtained disinterested shareholder approval to exceed such limit.
5. The number of options granted to any one consultant may not exceed 2% of Zadar’s outstanding listed shares in any 12 month period.

6. All options granted under the 2013 Plan may be exercisable for a maximum of ten years from the date they are granted.
7. If the optionee ceases to be (other than by reason of death) an eligible recipient of options, then the option granted shall expire within a reasonable period of time, as determined by the board of directors, following the date that the option holder ceases to be eligible, subject to the terms and conditions set out in the 2013 Plan.
8. If an optionee ceases to be an eligible recipient of options by reason of death, an optionee's heirs or administrators shall have until the earlier of:
  - (a) one year from the death of the option holder; and
  - (b) the expiry date of the optionsin which to exercise any portion of options outstanding at the time of death of the optionee.
9. The 2013 Plan will be administered by Zadar's board of directors who will have the full authority and sole discretion to grant options under the 2013 Plan to any eligible recipient, including themselves.
10. The options are not assignable or transferable by an optionee.
11. Zadar shall have the authority to deduct and withhold, or require the Optionee to remit to Zadar, the amount of any taxes or other required source deductions which Zadar is required by law or regulation of any governmental authority whatsoever to remit in connection with any issuance of shares upon the exercise of options.
12. The board of directors may from time to time, subject to regulatory approval, amend or revise the terms of the 2013 Plan.

Accordingly, Shareholders will be asked to consider, and if thought appropriate, to approve, with or without amendment, the 2013 Plan Resolution set out in Schedule "A" to this Information Circular. The full text of the 2013 Plan will be available for review at the Meeting.

### **ADDITIONAL INFORMATION**

Additional information concerning Zadar is available on SEDAR at [www.sedar.com](http://www.sedar.com). Zadar will provide a copy of its financial statements and MD&A free of charge to any security holder of Zadar upon written request. Financial information concerning Zadar is provided in Zadar's comparative financial statements and Management's Discussion and Analysis for the financial year ended July 31, 2012 are also available on SEDAR.

MANAGEMENT KNOWS OF NO OTHER MATTERS TO COME BEFORE THE MEETING OTHER THAN THOSE REFERRED TO IN THE NOTICE OF MEETING; HOWEVER, SHOULD ANY OTHER MATTERS WHICH ARE NOT KNOWN TO MANAGEMENT PROPERLY COME BEFORE THE MEETING, THE SHARES REPRESENTED BY THE FORM OF PROXY SOLICITED HEREBY WILL BE VOTED ON SUCH MATTERS IN ACCORDANCE WITH THE BEST JUDGEMENT OF THE PERSONS VOTING THE SHARES REPRESENTED BY THE PROXY.

**THIS INFORMATION CIRCULAR HAS BEEN APPROVED BY ZADAR'S BOARD OF DIRECTORS.**

**BY ORDER OF THE BOARD**

*"Mark T. Tommasi"*

Mark T. Tommasi  
President and CEO

SCHEDULE "A"

**SHAREHOLDERS' RESOLUTIONS**

**STOCK OPTION PLAN RESOLUTION**

**"BE IT RESOLVED** that:

1. the Stock Option Plan as set forth in the Information Circular dated February 25, 2013 be approved and that the Board of Directors of Zadar be authorized in their absolute discretion to establish and administer the Stock Option Plan in accordance with its terms and conditions;
2. the Board of Directors be authorized on behalf of Zadar to make any amendments to the Stock Option Plan as may be required by regulatory authorities, without further approval of Zadar's Shareholders, in order to ensure regulatory approval and adoption of the Stock Option Plan; and
3. any one director of Zadar be and he is hereby authorized and directed to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances as in his opinion may be necessary or desirable to give effect to this resolution."

SCHEDULE "B"  
**ZADAR VENTURES LTD.**  
(the "Company")

**AUDIT COMMITTEE CHARTER**

(Dated for Reference February 25, 2013)

**MANDATE**

The audit committee (the "Committee") will assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reporting process, the system of internal control and the audit process.

**COMPOSITION**

The Committee shall be comprised of at least three members. Each member must be a director of the Company. A majority of the members of the Committee shall not be officers or employees of the Company or of an affiliate of the Company. At least one member of the Committee shall be financially literate. All members of the Committee who are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of this Audit Committee Charter, the term "financially literate" means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

The members of the Committee shall be appointed by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership. The Chair shall be financially literate and an independent director as defined in Section 1.4 of National Instrument 52-110 *Audit Committees*.

**MEETINGS**

Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly. Unless all members are present and waive notice, or those absent waive notice before or after a meeting, the Chairman will give Committee members 24 hours' advance notice of each meeting and the matters to be discussed at it. Notice may be given personally, by telephone, facsimile or e-mail.

The external auditor shall be given reasonable notice of, and be entitled to attend and speak at, each meeting of the Committee concerning the Company's annual financial statements and, if the Committee feels it is necessary or appropriate, at any other meeting. On request by the external auditor, the Chair shall call a meeting of the Committee to consider any matter that the external auditor believes should be brought to the attention of the Committee, the Board of Directors or the shareholders of the Company.

At each meeting of the Committee, a quorum shall consist of a majority of members that are not officers or employees of the Company or of an affiliate of the Company. A member may participate in a meeting of the Committee in person or by telephone if all members participating in the meeting, whether in person

or by telephone or other communications medium, are able to communicate with each other. A member may participate in a meeting of the Committee by a communications medium other than telephone if all members participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other and if all members who wish to participate in the meeting agree to such participation.

As part of its goal to foster open communication, the Committee may periodically meet separately with each of management and the external auditor to discuss any matters that the Committee or any of these groups believes would be appropriate to discuss privately. In addition, the Committee should meet with the external auditor and management annually to review the Company's financial statements.

The Committee may invite to its meetings any director, any manager of the Company, and any other person whom it deems appropriate to consult in order to carry out its responsibilities. The Committee may also exclude from its meetings any person it deems appropriate to exclude in order to carry out its responsibilities.

## **RESPONSIBILITIES AND DUTIES**

### ***Financial Accounting and Reporting Process and Internal Controls***

The Committee is responsible for reviewing the Company's financial accounting and reporting process and system of internal control. The Committee shall:

- (a) Review the annual audited financial statements to satisfy itself that they are presented in accordance with international financial reporting standards ("IFRS") and report thereon to the Board and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. The Committee shall also review the interim financial statements.
- (b) With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditor and have meetings with the Company's auditor without management present, as and when the Committee deems it appropriate to do so. The Committee shall satisfy itself that the information contained in the annual audited financial statements is not significantly erroneous, misleading or incomplete and that the audit function has been effectively carried out.
- (c) Review any internal control reports prepared by management and the evaluation of such report by the external auditor, together with management's response.
- (d) Review the Company's financial statements, management's discussion and analysis and annual and interim profit or loss, and any press releases related thereto before the Company publicly discloses this information.
- (e) Review and satisfy itself that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the public disclosure referred to in paragraph (d) above, and periodically assess the adequacy of those procedures.

- (f) Meet no less frequently than annually with the external auditor and the Chief Financial Officer to review accounting practices, internal controls and such other matters as the Committee or Chief Financial Officer deem appropriate.
- (g) Inquire of management and the external auditor about significant financial risks or exposures, both internal and external, to which the Company may be subject, and assess the steps management has taken to minimize such risks.
- (h) Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
- (i) Review the post-audit or management letter containing the recommendations of the external auditor and management's response and subsequent follow-up to any identified weaknesses.
- (j) Establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### ***Audit***

#### **External Auditor**

The Committee has primary responsibility for the selection, appointment, dismissal and compensation and oversight of the external auditor, subject to the overall approval of the Board of Directors. In carrying out this duty, the Committee shall:

- (a) Require the external auditor to report directly to the Committee.
- (b) Recommend to the Board of Directors the external auditor to be nominated at the annual general meeting for appointment as the external auditor for the ensuing year for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company and the compensation for the external auditor, or, if applicable, the replacement of the external auditor.
- (c) Review, annually, the performance of the external auditor.
- (d) Review and confirm the independence of the external auditor.
- (e) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the external auditor and former independent external auditor of the Company.
- (f) Pre-approve all non-audit services to be provided to the Company or its subsidiaries by the Company's external auditor.

### Audit and Review Process and Results

The Committee is directly responsible for overseeing the work by the external auditor (including resolution of disagreements between management and the external auditor regarding financial reporting) engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Company. The Committee shall:

- (a) Review the external auditor's audit plan, including the scope, procedures and timing of the audit.
- (b) Review the results of the annual audit with the external auditor, including matters related to the conduct of the audit.
- (c) Obtain timely reports from the external auditor describing critical accounting policies and practices, alternative treatments of information with IFRS that were discussed with management, their ramifications, and the external auditor's preferred treatment.
- (d) Ensure that all material written communications between the Company and the external auditor are sent to the Committee.
- (e) Review fees paid by the Company to the external auditor and other professionals in respect of audit and non-audit services on an annual basis.
- (f) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former auditor of the Company.

### ***Other***

- (a) Perform such other duties as may be assigned to it by the Board of Directors from time to time or as may be required by applicable regulatory authorities or legislation.
- (b) Report regularly and on a timely basis to the Board of Directors on matters coming before the Committee.
- (c) Review and reassess the adequacy of this Charter annually and recommend any proposed changes to the Board of Directors for approval.

### **AUTHORITY**

The Committee is authorized to:

- (a) to seek any information it requires from any employee of the Company in order to perform its duties;
- (b) to engage, at the Company's expense, independent legal counsel or other professional advisors on any matter within the scope of the role and duties of the Committee under this Charter;
- (c) to set and pay the compensation for any advisors engaged by the Committee; and
- (d) to communicate directly with the internal and external auditor of the Company.

This Charter supersedes and replaces all prior charters and other terms of reference pertaining to the Committee.