



Suite 908 – 510 Burrard Street
Vancouver, BC V6C 2A8

**NOTICE OF ANNUAL GENERAL MEETING
OF SHAREHOLDERS
TO BE HELD ON AUGUST 16, 2017**

AND

INFORMATION CIRCULAR

July 12, 2017

This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should immediately contact your advisor.

Zadar Ventures Ltd.
Suite 908 – 510 Burrard Street
Vancouver, BC V6C 2A8

NOTICE

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of Zadar Ventures Ltd. (“**Zadar**”) will be held at the offices of Bacchus Law Corporation, located at Suite 200 – 1238 Homer Street, Vancouver, British Columbia V6B 2Y5, on Wednesday, August 16, 2017 at 10:00 a.m. (Vancouver time), for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended July 31, 2016 and the interim unaudited financial statements of the Company for the nine months ended April 30, 2017;
2. to elect the directors of the Company to hold office until the next annual meeting of Shareholders;
3. to appoint Wolrige Mahon LLP, as Zadar’s auditor for the ensuing fiscal year and to authorize the board of directors to fix the remuneration to be paid to the auditor;
4. to approve the stock option plan of Zadar; and
5. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting.

The board of directors of Zadar have fixed July 12, 2017 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered shareholder at the close of business on that date is entitled to such receive notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

If you are a registered shareholder of Zadar and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with Zadar’s transfer agent, Computershare Investor Services, 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9, no later than 10:00 a.m. on August 14, 2017, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

If you are a non-registered shareholder of Zadar and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

Dated at Vancouver, British Columbia, on July 12, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

“Mark Tommasi”
Mark Tommasi
Director

Zadar Ventures Ltd.
Suite 908 – 510 Burrard Street
Vancouver, BC V6C 2A8

INFORMATION CIRCULAR

INTRODUCTION

This information circular (“**Information Circular**”) accompanies the Notice of annual general meeting (the “**Notice**”) and is furnished to shareholders holding common shares in the capital of Zadar Ventures Ltd. (the “**Company**” or “**Zadar**”) in connection with the solicitation by the management of Zadar of proxies to be voted at the annual general meeting (the “**Meeting**”) of the shareholders of Zadar (the “**Shareholders**”) to be held at 10:00 a.m. on Wednesday, August 16, 2017 at the office of Bacchus Law Corporation, Suite 200 – 1238 Homer Street, Vancouver, British Columbia or at any adjournment or postponement thereof.

Date and Currency

The date of this Information Circular is July 12, 2017. Unless otherwise stated, all amounts herein are in Canadian dollars.

PROXIES AND VOTING RIGHTS

Management Solicitation

The solicitation of proxies by management of Zadar will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of Zadar. Zadar does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by Zadar.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by Zadar. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

Zadar has arranged for intermediaries to forward the Meeting materials to beneficial owners of common shares in Zadar held of record by those intermediaries. Zadar has distributed or made available for distribution, copies of the Notice, this Information Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to holders (the “**Beneficial Shareholders**”) of Zadar common shares held of record by those Intermediaries. Such Intermediaries are required to forward such documents to the Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. Zadar will pay the permitted fees and costs of the Intermediaries for reasonable fees and disbursements incurred in connection with the distribution of these materials.

The Company does not intend to pay for intermediaries to forward to objecting beneficial owners under NI 54-101 the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by*

Intermediary. An objecting beneficial owner will not receive such materials unless the objecting beneficial owner's intermediary assumes the cost of delivery.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Appointment of Proxy

Registered shareholders are entitled to vote at the Meeting. On a show of hands, every shareholder is entitled to one vote for each common share that such shareholder holds on July 12, 2017 (the "**Record Date**") on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting. The list of shareholders is available for inspection during normal business hours at the offices of Computershare Investor Services Inc. and will be available at the Meeting.

The persons named as proxyholders (the "**Designated Persons**") in the enclosed form of proxy are directors and/or officers of the Company.

A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE'S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER'S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.

In order to be voted, the completed form of proxy must be received by Zadar's registrar and transfer agent, Computershare Investor Services Inc. (the "**Transfer Agent**") at their offices located at 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9, by mail or fax, no later than 10:00 a.m. on Monday, August 14, 2017, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder's attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially certified copy thereof, must accompany the form of proxy.

Revocation of Proxy

A shareholder who has given a proxy may revoke it at anytime before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chairman of the Meeting prior to the vote on matters covered by the

proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF ZADAR'S BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations, or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "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 shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common 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). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to names of Beneficial Shareholders. Applicable regulatory policy requires 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. 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 Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly at the Meeting – the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have its common shares voted at the Meeting.**

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 at 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.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend the Meeting and vote his or her common shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the Record Date, determined by Zadar's Board of Directors to be the close of business on July 12, 2017, a total of 87,674,336 common shares in the authorized capital of Zadar were issued and outstanding. Each common share carries the right to one vote at the Meeting.

Only registered shareholders as of the Record Date are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement of the Meeting.

As of the date of this Information Circular, to the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding common shares of the Company, other than as set forth below:

Name of Shareholder	Number of Common Shares Owned	Percentage of Outstanding Common Shares ⁽¹⁾
CDS & Co. ⁽²⁾	61,777,536	70.46%

Notes:

(1) Based on 87,674,336 common shares issued and outstanding as of the date of this Information Circular.

(2) Management is unaware of the beneficial holders of the shares registered in the name of CDS & Co.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

PRESENTATION OF FINANCIAL STATEMENTS

The audited financial statements of the Company for the fiscal year ended July 31, 2016, together with the report of the auditors thereon, as well as the interim unaudited financial statements of the Company for the nine months ended April 30, 2017, will be placed before the Meeting. Receipt at the Meeting of the financial statements of Zadar will not constitute approval or disapproval of any matters referred to therein. No vote will be taken on the financial statements, which are available for viewing under the Company's SEDAR profile at www.sedar.com.

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* and National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, both of the Canadian Securities Administrators, a person or corporation who in the future wishes to receive annual and interim financial statements from Zadar must deliver a written request for such material to Zadar. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the Request form attached to this Information Circular and send it to the Transfer Agent.

ELECTION OF DIRECTORS

At present, the directors of Zadar are elected at each annual meeting and hold office until the next annual meeting or until their successors are duly elected or appointed in accordance with Zadar's Articles or until such director's earlier death, resignation or removal. In the absence of instructions to the contrary, the enclosed Form of Proxy will be voted for the nominees listed in the Form of Proxy, all of whom are presently members of the Board of Directors.

Management of Zadar proposes to nominate the persons named in the table below for election by the shareholders as directors of Zadar. Information concerning such persons, as furnished by the individual nominees, as of the date of this Information Circular, is as follows:

Name Province Country of Residence and Position(s) with Zadar	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Periods during which Nominee has Served as a Director	Number of Common Shares Controlled ⁽¹⁾⁽²⁾
Mark Tommasi ⁽³⁾⁽⁴⁾ British Columbia, Canada <i>Chief Executive Officer and Director</i>	Mr. Tommasi has acted as a director of the Company since April 2010. Mr. Tommasi is a Director of Clean Seed Capital Group Ltd. (February 2010 to present); a Director of Cougar Minerals Corp. (April 2013 to present); a Director of Strategic Resources Inc. (October 2014 to present); a Director of Rojo Resources Ltd., (November 2015 to present); and a Director of Shoshoni Gold Ltd (TSXV:SHJ) since January, 2003. Mr. Tommasi was a Director of Shoshoni Gold Ltd. (January 2001 to March 2015);	April 9, 2010 to Present	1,320,500 ⁽⁶⁾

Name Province Country of Residence and Position(s) with Zadar	Principal Occupation, Business or Employment for Last Five Years ⁽¹⁾	Periods during which Nominee has Served as a Director	Number of Common Shares Controlled ⁽¹⁾⁽²⁾
Yana Bobrovskaya ⁽³⁾ British Columbia, Canada <i>Director</i>	Ms. Bobrovskaya has acted as a director of the Company since September 2015. She acted as a Director of Secova Metals Corp (TSXV: SEK) from November 2012 to September 2015. She worked as Corporate Development Manager for Global Uranium from November 2010 to March 2014.	September 21, 2015 to Present	1,701,500 ⁽⁷⁾
John Roozendaal ⁽³⁾⁽⁴⁾ Manitoba, Canada <i>Director</i>	Mr. Roozendaal has acted as a director of the Company since April 2010. He has also acted as a director of Global Li-Ion Graphite Corp. since November 6, 2014. Mr. Roozendaal acted as a director of Scout Exploration Inc. (OTCQB:SCXN) from December 2007 until December 2016 and the President of Scout Exploration Inc. from May 2000 to December 2016. Mr. Roozendaal also served as a director of North American Nickel (TSXV:NAN) from April 2010 until June 2016 and as President and director VMS Ventures Inc. (TSXV:VMS) from June 2002 until April 2016. He served as President and director of Harvest Gold Corp. from December 2005 until February 2015. Mr. Roozendaal has also acted as a director of Thelon Diamonds Ltd. since November 6, 2014.	April 9, 2010 to Present	1,290,000 ⁽⁸⁾
Paul Gray British Columbia, Canada <i>President and Director</i>	Mr. Gray has acted as a President of the Company since June, 2013. Mr. Gray has worked extensively as an exploration geologist in the Mineral Exploration Industry in Canada, the United States, Asia and Central and South America for the past 14 years, concentrating on uranium, base and precious metals exploration and development. In particular, Mr. Gray has worked in the uranium exploration space since 2007 focused on uranium production in the Colorado Plateau district, and exploration within the Athabasca Basin and in South America. Additionally, Mr. Gray served as President and COO of Doublestar Resources Ltd. until it was acquired by Selkirk Metals Corp (SLK: TSXV) in July of 2007. Currently, as the principal of Paul D. Gray Geological Consultants, he sits on the Boards of Victoria Gold Corp. (formerly Victoria Resource Corporation) (TSXV VIT), Banyan Gold Corp (TSXV: BYN), Blue River Resources (TSXV: BXR), Dawson Gold Corp (TSXV: DYU), Tajiri Resources Corp (TSXV: TAJ)	May 17, 2016 to Present	Nil

Notes:

- (1) This information, including the number of common shares beneficially directly or indirectly owned or over which control or direction is exercised, at the date of this Information Circular, based upon information furnished to the Company by the individual directors.
- (2) Does not include options to purchase common shares of the Company.
- (3) Member of the Audit Committee.
- (4) Member of the Nominating and Corporate Governance Committee and Disclosure Committee.
- (5) Mr. Tommasi directly owns 707,500 common shares in the Company and indirectly owns 613,000 common shares 622738 B.C. Ltd., a company which he controls. This number does not include the 350,000 options held by Mr. Tommasi.
- (6) Ms. Bobrovskaya indirectly owns these common shares of the Company through 0868143 B.C. Ltd., a company which she controls. This number does not include the 200,000 options held by Ms. Bobrovskaya or the 1,000,000 share purchase warrants of the Company held by Ms. Bobrovskaya through 0868143 B.C. Ltd.
- (7) Mr. Roozendaal directly owns 540,000 common shares and indirectly owns 750,000 common shares through 667981 B.C. Ltd., a company which he controls. This number does not include the 150,000 options held by Mr. Roozendaal or the 500,000 share purchase warrants held by Mr. Roozendaal through 667981 B.C. Ltd.

Management recommends the approval of each of the nominees listed above for election as a director of the Company for the ensuing year.

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

Cease Trade Orders

Except as disclosed below, no proposed director of Zadar is, or within 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

John Roozendaal is a former director of Scout Exploration, Inc. ("**Scout**") which was cease traded by the B.C. Securities Commission on July 6, 2006 for failure to file financial statements. Scout was cease traded on February 24, 2009 for failure to file financial statements. The order was revoked on February 25, 2009. Furthermore, Scout was cease traded again on February 5, 2010 for failure to file financial statements. The order is still in effect.

Bankruptcies

No proposed director of Zadar is, or within 10 years before the date of this Information Circular, has been a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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 or made a proposal under any legislation relating to bankruptcies or insolvency.

Personal Bankruptcies

Except as disclosed below, no proposed director of Zadar has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Geoffrey Watson, the CFO and Secretary of the Company, filed for bankruptcy on May 12, 2009 and was discharged on February 13, 2010.

Securities Related Penalties and Sanctions

No proposed director has been subject to, or entered into a settlement agreement resulting from:

- (a) a court order relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

RE-APPOINTMENT OF AUDITOR

At the Meeting, Shareholders will be asked to pass a resolution re-appointing Wolrige Mahon LLP, as auditor of the Company to hold office until the next annual meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of Directors of Zadar to fix the remuneration to be paid to the auditor. Wolrige Mahon LLP of Vancouver, British Columbia has served as the auditor for Zadar since November 26, 2014.

Management recommends shareholders to vote for the approval of the re-appointment of Wolrige Mahon LLP, as auditor for the Company to hold office until the next annual general meeting of shareholders, at a remuneration to be fixed by the Board of Directors of the Company.

APPROVAL OF STOCK OPTION PLAN

At the Meeting, shareholders will be asked, if thought advisable, to approve the continuation of the stock option plan (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to encourage ownership of Zadar's common shares by persons who are directors, senior officers and key employees of, as well as consultants and employees of management companies providing services to, the Company ("**Eligible Persons**"). It is these individuals who are primarily responsible for the management and growth of Zadar's business. Management hopes that the Stock Option 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 the Company reserved for issuance under the Stock Option Plan is a maximum of 10% of the issued and outstanding share capital of the Company at the date of grant. As the number of shares reserved for issuance under the Stock Option Plan increases with the issuance of additional common shares by the Company, the Stock Option Plan is considered to be a "rolling" stock option plan under applicable TSX Venture Exchange (the "**Exchange**") policies.

If any options granted expire or terminate for any reason without having been exercised in full, the unpurchased common shares will again be available under the Stock Option Plan.

Terms of the Stock Option Plan

The following summary is a brief description of the Stock Option Plan:

- (1) The maximum number of shares that may be issued upon the exercise of stock options previously granted and those granted under the Stock Option 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 Eligible Persons of 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 Stock Option 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 Stock Option 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 Person 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 Stock Option Plan.
- (8) If an optionee ceases to be an Eligible Person 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 options in which to exercise any portion of options outstanding at the time of death of the optionee.
- (9) The Stock Option Plan will be administered by the Board of Directors who will have the full authority and sole discretion to grant options under the Stock Option 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 Stock Option Plan.

Management recommends shareholders to vote for the continuation of the Stock Option Plan until the next annual general meeting of shareholders. The Stock Option Plan is attached as Schedule B to this Information Circular.

STATEMENT OF EXECUTIVE COMPENSATION

Set out below is the Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* of the Company for the financial year ended July 31, 2016.

Interpretation

“named executive officer” (“**NEO**”) means:

- (a) each individual who, in respect of Zadar, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;

- (b) each individual who, in respect of Zadar, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
- (c) in respect of Zadar and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) above at the end of the most recently completed financial year whose total compensation was more than \$150,000, for that financial year; and
- (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of Zadar, and was not acting in a similar capacity, at the end of that financial year.

Mark Tommasi, the CEO of the Company, and Geoffrey Watson, the CFO and Secretary of the Company, are NEOs for the purposes of the following disclosure in this “Statement of Executive Compensation”.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets forth all direct and indirect compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by Zadar to each NEO and each director of Zadar, in any capacity, including, for greater certainty, all plan and non-plan compensation, direct and indirect pay, remuneration, economic or financial award, reward, benefit, gift or perquisite paid, payable, awarded, granted, given or otherwise provided to the NEO or director for services provided and for services to be provided, directly or indirectly, to Zadar, for each of Zadar’s two most recently completed financial years:

Name and Principal Position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or Meeting Fees (\$)	Value of Perquisites (\$)	Value of All Other Compensation (\$)	Total Compensation (\$)
Mark Tommasi CEO and a director ⁽¹⁾	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	12,000 ⁽²⁾	Nil	Nil	Nil	Nil	12,000
Geoffrey Watson CFO and Secretary ⁽³⁾	2016	10,500 ⁽⁴⁾	Nil	Nil	Nil	Nil	30,000
	2015	1,500 ⁽⁴⁾	Nil	Nil	Nil	Nil	1,500
John Roozendaal ⁽⁵⁾ Director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Yana Bobrovskaya ⁽⁶⁾ Director	2016	27,300 ⁽⁷⁾	Nil	Nil	Nil	Nil	27,300
	2015	10,500 ⁽⁷⁾	Nil	Nil	Nil	Nil	10,500
Paul Gray ⁽⁸⁾ President and a director	2016	Nil	Nil	Nil	Nil	Nil	Nil
	2015	N/A	N/A	N/A	N/A	N/A	N/A
Peter Wilson Former Director ⁽⁹⁾	2016	N/A	N/A	N/A	N/A	N/A	N/A
	2015	Nil	Nil	Nil	Nil	Nil	Nil
Kieran	2016	N/A	N/A	N/A	N/A	N/A	N/A

Downes Former Director ⁽¹⁰⁾	2015	Nil	Nil	Nil	Nil	Nil	Nil
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Notes:

- (1) Mr. Tommasi has served as CEO and a director of the Company since April 9, 2010.
- (2) The Company incurred management fees payable to 622738 B.C. Ltd., a company wholly owned by Mr. Tommasi.
- (3) Mr. Watson has served as CFO and Secretary of Zadar since December 31, 2011.
- (4) The Company incurred management fees payable to GRW Inc., a company controlled by Mr. Watson.
- (5) Mr. Roozendaal has served as a director of the Company since April 9, 2010.
- (6) Ms. Bobrovskaya has served as a director of the Company since September 21, 2015.
- (7) The Company incurred consulting fees payable to 0868143 B.C. Ltd., a company wholly owned by Ms. Bobrovskaya.
- (8) Mr. Gray has served as a director of the Company since May 17, 2016.
- (9) Mr. Wilson served as a director of the Company from April 9, 2010 to September 21, 2015.
- (10) Mr. Downes served as a director of the Company from April 17, 2013 to March 31, 2015.

Stock Options and Other Compensation Securities

As at the Company's most recently completed financial year ended July 31, 2016, the directors and NEOs held the following compensation securities:

Name and Position	Type of Compensation Security	Number of Compensation Securities and Number of Underlying Securities and Percentage of Class ⁽¹⁾⁽²⁾	Date of Grant	Exercise Price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$) ⁽³⁾	Expiry Date
Mark Tommasi Director	Stock Options	200,000 (<1%)	April 19, 2016	\$0.15	0.185	0.155	April 19, 2018
Geoffery Watson CFO	Stock Options	200,000 (<1%)	April 19, 2016	\$0.15	0.185	0.155	April 19, 2018
John Roozendaal Secretary and a director	Stock Options	150,000 (<1%)	April 19, 2016	\$0.15	0.185	0.155	April 19, 2018
Yana Bobrovskaya Director	Stock Options	200,000 (<1%)	April 19, 2016	\$0.15	0.185	0.155	April 19, 2018
Paul Gray President, CEO and a director	Stock Options	500,000 (2%)	April 19, 2016	\$0.15	0.185	0.155	April 19, 2018

Notes:

- (1) Percentage based on 2,500,000 issued and outstanding stock options.
- (2) Stock Options vest immediately.
- (3) As at July 29, 2016, last trading day prior to the Company's most recently completed financial year end.

Exercise of Compensation Securities by NEOs

During the Company's most recently completed financial year, no director or named executive officer exercised any compensation securities.

Long-Term Incentive Compensation – Share Options

The only security based compensation arrangement that Zadar has in place is the Stock Option Plan.

All of the Company's officers, directors, employees and consultants are eligible to participate in Zadar's Stock Option Plan. The Stock Option Plan provides a long-term incentive designed to focus and reward eligible participants for enhancing total shareholder return over the long-term both on an absolute and relative basis. The Stock Option Plan promotes an ownership perspective among and encourages the retention of key employees. Additionally, it provides an incentive to enhance shareholder value by furthering Zadar's growth and profitably.

Options are normally recommended by management and approved by the Board of Directors upon the commencement of an individual's employment with the Company based on the individual's level of responsibility within our organization and their contribution to our success. Additional grants may be made periodically to ensure that the number of options granted to any particular individual is commensurate with the individual's level of ongoing responsibility within Zadar. Previous grants are taken into account when considering new grants.

The use of options by the Company results in a significant portion of senior officer compensation being "**at risk**" and directly linked to the achievement of business results and long-term value creation for the Company's shareholders.

As at July 31, 2016, there were 2,500,000 stock options issued and outstanding:

Number of Options	Exercise Price	Expiry Date
2,500,000	\$0.15	April 19, 2018

The decision to grant options is made by the board of directors of Zadar as a whole, and a grant is approved by directors' resolutions or at a meeting of the directors. Zadar has a Stock Option Plan which provides for the issuance of stock options to acquire up to that number that is 10% of the issued and outstanding common shares of the Company as at the date of the respective grant. A copy of the Stock Option Plan is available for review at the registered and records office of the Company, Suite 1780 – 400 Burrard Street, Vancouver, British Columbia V6C 3A6 during normal business hours up to and including the date of the Meeting. For more information see "Approval of Stock Option Plan".

Employment, Consulting and Management Agreements

Other than as set out below, Zadar does not have any formal employment, consulting, or management agreements or arrangements with any of the Corporation's NEOs or directors.

The Company entered into a contract for services agreement with Bua Group Holdings Ltd. ("**Bua Group**"), a private company which Mr. Watson is a principal of, on December 30, 2016 (the "**Bua Group Agreement**"). Pursuant to the terms of the Bua Group Agreement, the Company has engaged Bua Group to provide administrative services to the Company for CAD\$4,200 per month. The Bua Group Agreement terminates December 30, 2017.

On January 1, 2017, Zadar entered into a contract for services agreement with Bua Capital Management Ltd. ("**Bua Capital**"), a private company which Mr. Watson is also a principal of (the "**Bua Capital Agreement**"). Pursuant to the terms of the Bua Capital Agreement, the Company has engaged Bua Capital to provide managerial services to the Company for CAD\$7,500 per month. The Bua Capital Agreement terminates January 1, 2018.

Oversight and Description of Director and NEO Compensation

Zadar does not have a compensation committee at this time and 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 NEOs, directors, consultants and employees with those of Zadar's shareholders over the longer term and to provide a retention incentive for each NEO and director. 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 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, 2016, 2,500,000 Options were granted to Eligible Persons pursuant to Zadar's stock option plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth details of the Company's equity compensation plans as of July 31, 2016:

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))⁽¹⁾
Equity compensation plans approved by security holders	2,500,000	\$0.15	2,826,320
Equity compensation plans <u>not</u> approved by security holders	N/A	N/A	N/A
Total	2,500,000	N/A	2,826,320

Note:

(1) Based on 53,263,203 common shares issued and outstanding as at July 31, 2016.

Warrants

As at July 31, 2016, there were 41,610,851 share purchase warrants issued and outstanding, 10,245,072 of which have either expired or been exercised as at the date of this Information Circular.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of July 12, 2017, no director, executive officer or employee of the Company or any of its subsidiaries; former director, executive officer or employee of the Company or any of its subsidiaries; proposed nominee for election as a director of the Company; or any associate of any of the foregoing: (i) is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year, or (ii) is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the

Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no: (a) director, proposed director or executive officer of Zadar; (b) person or company who beneficially owns, directly or indirectly, common shares or who exercises control or direction of common shares, or a combination of both carrying more than ten percent of the voting rights attached to the common shares outstanding (an "**Insider**"); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of Zadar's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect Zadar, except with an interest arising from the ownership of common shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of common shares.

AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 of the Canadian Securities Administrators requires Zadar, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

The Audit Committee Charter

The Company adopted an audit committee charter on February 27, 2012, the text of which is included as Schedule A to this Information Circular.

Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Audit Committee:

Name of Audit Committee Member	Independent	Financially literate
Mark Tommasi ⁽¹⁾	Not independent	Financially literate
John Roozendaal	Independent	Financially literate
Yana Bobrovskaya	Independent	Financially literate

Note:

(1) *Chair of the Audit Committee.*

Relevant Education and Experience

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

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

John Roozendaal served as the interim CEO and President of VMS Ventures Inc. ("**VMS**"), a public company listed on the TSX Venture, and as such was responsible for reviewing the financial statements of VMS on an ongoing basis.

Yana Bobrovskaya has served on boards and audit committees of public companies over the last 10 years.

Audit Committee Oversight

Since the commencement of Zadar's most recently completed financial year, Zadar's Board of Directors has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on an exemption in or from NI 52-110, other than the exemption in section 6.1 as described below.

Reliance on Section 6.1

Pursuant to section 6.1 of NI 52-110, as a venture issuer the Company is relying on the exemption from the audit committee composition requirements and certain reporting obligations found in Parts 3 and 5 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Company'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.

Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter under the heading "**External Auditors**".

External Auditor Service Fees

In the following table, "**audit fees**" are fees billed by Zadar's external auditor for services provided in auditing Zadar's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of Zadar's financial statements. "**Tax fees**" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by Zadar's external auditor in the last two fiscal years, by category, are as set out in the table below.

Financial Year Ended July 31	Audit Fees (\$)	Audit-Related Fees (\$)	Tax Fees (\$)	All Other Fees (\$)
2016	20,400	Nil	Nil	Nil
2015	15,000	Nil	Nil	Nil

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.

CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board of Directors of Zadar and Zadar's management believes that effective corporate governance will help create and maintain shareholder value in the long term. A description of Zadar's corporate governance practices, which addresses the matters set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, is set out below.

Board of Directors

The Board of Directors facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

Independence of Directors

Mark Tommasi is the Chief Executive Officer and Paul Gray is the President, therefore, are not considered independent directors.

Directorships

The following directors of the Company also serve as directors of other reporting issuers as at the date of this Information Circular:

Name	Name of Reporting Issuer	Exchange or Market
Mark Tommasi	Rojo Resources Ltd.	TSXV
	International Samuel Exploration Corp.	TSXV
	Clean Seed Capital Group Ltd.	TSXV
	Strategic Resources Inc.	TSXV
John Roozendaal	Global Li-Ion Graphite Corp.	CSE
Paul Gray	Tajiri Resources Corp.	TSXV
	Blue River Resources Ltd.	TSXV
	Dawson Gold Corp.	TSXV

Nominating and Corporate Governance Committee

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

- (1) develop and recommend to the Board of Directors 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 of Directors consistent with criteria approved by the Board of Directors and to recommend to the Board of Directors nominees for election to the Board of directors at each annual general meeting of shareholders or to fill vacancies on the Board; and

(3) develop and oversee the annual Board of Directors evaluation process.

The Nominating and Corporate Governance Committee is composed of Mark 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

The Company briefs all new directors with respect to the policies of the Board of Directors and other relevant corporate and business information. The Company does not provide any continuing education, but does encourage directors to individually and as a group keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board undertakes strategic planning sessions with management.

Ethical Business Conduct

The Board of Directors have 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.

Compensation

The Board of Directors conducts reviews with regard to the compensation of the directors and CEO once a year. To make its recommendations on such compensation, the Board of Directors informally takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

At present, no compensation (other than the grant of incentive stock options) is paid to the directors of the Company in their capacity as directors. The Board of Directors do not have a compensation committee.

Other Board Committees

The Company 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.

Assessments

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

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who was a director or executive officer since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of common shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

ADDITIONAL INFORMATION

Additional information relating to Zadar is available under the Company's SEDAR profile at www.sedar.com.

Shareholders may contact the Company at its head office by mail at Suite 908 – 510 Burrard Street, Vancouver, BC V6C 3A8 to request copies of the Company's financial statements and related management's discussion and analysis (the "MD&A").

Financial information is provided in the audited financial statements and MD&A for Zadar for the year ended July 31, 2016.

OTHER MATTERS

Management of Zadar knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting included at the beginning of this Information Circular. However, if any other matters that are not known to management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

APPROVAL OF THE BOARD OF DIRECTORS

The content of this Information Circular has been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of Directors of the Company.

Dated at Vancouver, British Columbia on July 12, 2017.

ON BEHALF OF THE BOARD OF DIRECTORS

Zadar Ventures Ltd.

"Mark Tommasi"
Mark Tommasi
CEO and Director

SCHEDULE A

ZADAR VENTURES LTD. (the "Company")

AUDIT COMMITTEE CHARTER

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.

SCHEDULE B

ZADAR VENTURES LTD. (the "Company")

STOCK OPTION PLAN

ARTICLE 1 PURPOSE

- 1.1 The purpose of this stock option plan (the "**Stock Option Plan**") is to authorize the grant to Eligible Persons of Zadar Ventures Ltd. ("**Zadar**") incentive stock options to purchase common shares in the capital of Zadar and thus benefit Zadar. This will allow Zadar to attract, retain and motivate service providers by providing them with the opportunity, through share purchase options, to acquire a proprietary interest in Zadar.

ARTICLE 2 INTERPRETATION

- 2.1 In this Stock Option Plan, in addition to terms which are parenthetically defined, the following terms shall have the following meanings respectively:

- (a) "Associate" has the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (b) "Board" means the board of directors of Zadar;
- (c) "Cessation Date" means the date an Optionee ceases to be an Eligible Person;
- (d) "Change of Control" includes situations where after giving effect to the contemplated transaction and as a result of such transaction:
 - (i) any one Person holds a sufficient number of voting shares of Zadar or resulting company to affect materially the control of Zadar or resulting company, or,
 - (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, hold in total a sufficient number of voting shares of Zadar or its successor to affect materially the control of Zadar or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially control of Zadar or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of Zadar or its successor is deemed to materially affect the control of Zadar or its successor;

- (e) "Change of Management" means:
 - (i) a reconstitution of the board of directors of Zadar so that the majority of the board of directors is comprised of Persons who were not members of the board of directors before the reconstitution; or,
 - (ii) a reconstitution in both the senior management and the board of directors of Zadar so that the control and direction over Zadar's business and affairs is predominantly in the hands of Persons who, before the reconstitution, were not senior officers or directors of Zadar;
- (f) "Common Shares" means common shares in the capital of Zadar;

- (g) “Consultant” means, in relation to Zadar or a Subsidiary of Zadar, an individual or Consultant Company, other than an Employee or a Director of Zadar, that:
- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to Zadar or a Subsidiary of Zadar, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between Zadar or a Subsidiary of Zadar and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of Zadar, spends or will spend a significant amount of time and attention on the affairs and business of Zadar or a Subsidiary of Zadar; and
 - (iv) has a relationship with Zadar or a Subsidiary of Zadar that enables the individual to be knowledgeable about the business and affairs of Zadar;
- (h) “Consultant Company” means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (i) “Director” has the meaning set out in Policy 4.4 of the Exchange;
- (j) “Eligible Person” means:
- (i) a Director or Employee of Zadar or a Subsidiary of Zadar;
 - (ii) a Consultant; or
 - (iii) a Management Company Employee;
- provided that an exemption from the registration and prospectus requirements under the applicable securities legislation is available to Zadar;
- (k) “Employee” has the meaning set out in Policy 4.4 of the Exchange;
- (l) “Exchange” means the TSX Venture Exchange or any such stock exchange or quotation system on which the Common Shares are then listed or quoted;
- (m) “Exchange Policies” means the policies of the Exchange;
- (n) “Existing Options” means stock options granted prior to the Shareholder Approval Date which have not been exercised or cancelled;
- (o) “Expiry Date” of an Option means the day on which an Option lapses;
- (p) “Insider” has the meaning ascribed thereto in the Exchange Policies;
- (q) “Investor Relations Activities” has the meaning ascribed thereto in the Exchange Policies;
- (r) “Management Company Employee” means an individual employed by a Person providing management services to Zadar or a Subsidiary of Zadar, which are required for the ongoing successful operation of the business enterprise of Zadar, but excluding a Person engaged in Investor Relations Activities;
- (s) “Option” means a stock option granted pursuant to the Stock Option Plan;
- (t) “Optionee” means an individual to whom an Option is granted by Zadar under this Stock

Option Plan;

- (u) "Outstanding Issue" means the number of Common Shares which are issued and outstanding as of a particular time, on a non-diluted basis;
- (v) "Person" means a company or an individual;
- (w) "Post Cessation Date Exercise Period" means the period after the Cessation Date during which an Optionee may continue to exercise its options;
- (x) "Reserved for Issuance" at any particular time refers to Common Shares which may be issued in the future upon the exercise of Options and Existing Options which are outstanding at that time;
- (y) "Shareholder Approval Date" means the date disinterested shareholders approve this Stock Option Plan; and
- (z) "Subsidiary" has the meaning ascribed thereto in the *Business Corporations Act* (British Columbia).

ARTICLE 3 ADMINISTRATION OF THE PLAN

- 3.1 The Stock Option Plan shall be administered by the Board. Options to purchase unissued Common Shares may be granted from time to time under this Stock Option Plan by the Board only to Eligible Persons.
- 3.2 Subject to the provisions hereof, the Board shall have full and final authority to determine whether and when Options are to be granted, to determine which Eligible Persons are to be granted Options under the Stock Option Plan, the number of shares subject to each Option, and all other terms and conditions applicable to each Option.
- 3.3 For every grant of stock options to Employees, Consultants or Management Company Employees, Zadar shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee of Zadar or a Subsidiary of Zadar, as the case may be.

ARTICLE 4 SHARES SUBJECT TO PLAN

- 4.1 Subject to the requirements of the Exchange and to adjustment under the provisions of Article 13 hereof, the aggregate number of Common Shares that may be issuable pursuant to Options granted under the Stock Option Plan and Existing Options will not exceed 10% of the number of issued Common Shares of the Company at the time of the granting of Options under the Stock Option Plan.
- 4.2 If any Common Shares cannot be issued to any Optionee for whatever reason, the obligation of Zadar to issue such Common Shares shall terminate and any option exercise price paid to Zadar shall be returned to the Optionee. Common Shares in respect of which Options or Existing Options have expired unexercised shall be available for subsequent Options granted under the Stock Option Plan.
- 4.3 No fractional shares may be issued or purchased under the Stock Option Plan. If Options are surrendered, terminated or expire in accordance with the terms of the Stock Option Plan without being exercised, new Options may be granted covering Common Shares not purchased under such lapsed Options.
- 4.4 All Existing Options which are outstanding as of the date the Stock Option Plan becomes effective shall thereafter be governed by the Stock Option Plan.

**ARTICLE 5
GRANT LIMITATIONS**

- 5.1 Options granted under the Stock Option Plan will be subject to the following limitations:
- (a) the number of Common Shares reserved for issuance to holders of Options or Existing Options who are Insiders at the time of the particular grant may not exceed, without disinterested shareholder approval, 10% of the Outstanding Issue at the time of such grant;
 - (b) the number of Options granted within a 12 month period to Optionees who are Insiders at the time of issuance, may not exceed, without disinterested shareholder approval, 10% of the Outstanding Issue at the time of such grant;
 - (c) the number of Options granted to any one Optionee within any 12 month period may not exceed, without disinterested shareholder approval, 5% of the Outstanding Issue at the time of such grant;
 - (d) the number of Options granted to any one Consultant in any 12 month period may not exceed 2% of the Outstanding Issue; and
 - (e) the aggregate number of Options granted to persons employed to provide Investor Relations Activities in any 12 month period may not exceed 2% of the Outstanding Issue.

**ARTICLE 6
PRICE**

- 6.1 The option price of any Common Share in respect of which an Option may be granted under the Stock Option Plan shall be fixed by the Board but shall be not less than the minimum price permitted by the Exchange. The Board may determine that the option price per Common Share may escalate at a specified rate dependent upon the year in which any Option to purchase Common Shares may be exercised by the Optionee.
- 6.2 Disinterested Shareholder approval will be obtained for any reduction in the exercise price if the Optionee is an Insider of Zadar at the time of the proposed amendment.

**ARTICLE 7
PERIOD OF OPTION, RIGHTS TO EXERCISE AND WITHHOLDING TAXES**

- 7.1 Subject to the provisions of this Article 7 and Articles 8, 9 and 10 below, Options will be exercisable in whole or in part, and from time to time, during the currency thereof. Options can be exercisable for a maximum of ten years from the date of grant. The Common Shares to be purchased upon the exercise of any Option ("Option Shares") shall be paid for in full at the time of such exercise. Except as provided in Articles 9 and 10 below, no Option may be exercised unless the Optionee is at the time of exercise an Eligible Person.
- 7.2 Should the expiry date of an Option fall within a Black Out Period or within nine business days following the expiration of a Black Out Period, such expiry date of the Option shall be automatically extended without any further act or formality to that date which is the tenth business day after the end of the Black Out Period, such tenth business day to be considered the expiry date for such Option for all purposes under the Plan. The ten business day period referred to in this paragraph may not be extended by the Board. "Black Out Period" means the period during which the relevant Optionee is prohibited from exercising an Option due to trading restrictions imposed by Zadar pursuant to any policy of Zadar respecting restrictions on trading that is in effect at that time.
- 7.3 The exercise of an Option will be subject to the policies, procedures and conditions adopted by the Board from time to time to comply with Zadar's obligations imposed under any

law or regulation of any governmental authority whatsoever, including, without limitation, Zadar's withholding, remittance and other funding liabilities under applicable tax law.

- 7.4 Subject to paragraph 7.5 hereof, 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 (the "Tax Obligation"), which amount will be determined by Zadar in its sole discretion. Without limiting the generality of the foregoing, and unless otherwise prohibited by the Board or by applicable law, Zadar may fund the Tax Obligation by any of the following methods or by a combination of such methods as determined by Zadar in its sole discretion:
- (a) require, as a condition of the issuance of Option Shares to an Optionee, that the Optionee make, in addition to the exercise price for the Options, a cash payment to Zadar equal to the Tax Obligation and Zadar, in its sole discretion, may withhold the issuance or delivery of Option Shares until the Optionee makes such payment;
 - (b) elect, in its sole discretion, to withhold from the Option Shares being issued upon exercise of the Options such number of Option Shares as Zadar determines are required to be sold by Zadar, as trustee, to satisfy the Tax Obligation (net of selling costs). The Optionee consents to such sale and grants to Zadar an irrevocable power of attorney to effect the sale of such Option Shares and acknowledges and agrees that Zadar does not accept responsibility for the price obtained on the sale of such Option Shares;
 - (c) withhold from any cash payment otherwise due by Zadar to the Optionee, including salaries, directors fees, consulting fees and any other forms of remuneration, such amount of cash as is required to pay and satisfy the Tax Obligation; or
 - (d) make such other arrangements satisfactory to the Optionee and Zadar.
- 7.5 Any methods to fund the Tax Obligation shall not result in, or potentially result in, a contravention of any Exchange policies.
- 7.6 The Optionee (or their beneficiaries) shall be responsible for any taxes or other required source deductions which Zadar is required by law or regulation of any governmental authority whatsoever to remit with respect to any Options granted or exercised under the Plan.
- 7.7 Neither the Board nor Zadar makes any representations or warranties of any nature or kind whatsoever to any person regarding the tax treatment of Options or payments on account of the Tax Obligation made under the Plan and none of the Board, Zadar, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.

ARTICLE 8 VESTING RESTRICTIONS

- 8.1 Except as otherwise provided for in this section, vesting restrictions, if any, for all Options granted pursuant to this Stock Option Plan will be determined at the discretion of the Board at the time of the grant in accordance with the policies of the Exchange. Vesting restrictions shall be required in the case of options issued to Consultants performing Investor Relations Activities; the vesting period must be at least 12 months with no more than 1/4 of the options vesting in any three month period.
- 8.2 If the Board determines with respect to an Optionee that is desirable to alter the vesting periods of any particular Option, it may fix the vesting of that Option before or after its grant in such manner as it determines in its discretion provided such alterations are in compliance with Exchange Policies.

8.3 If a *bona fide* offer (an "Offer"):

- (a) is made to all shareholders of Zadar for Common Shares, which Offer, if accepted in whole or in part, would result in the offeror becoming a control person of Zadar, within the meaning of subsection 1(1) of the *Securities Act* (British Columbia);
- (b) is made for all or substantially all of the assets of Zadar (as such concept is interpreted under the *Business Corporations Act* (British Columbia)); or
- (c) is made for a proposed transaction which a majority of the Board determines is reasonably likely to have a similar effect as either of the transactions referred to in subparagraph (a) or (b) above;

then Zadar shall, immediately upon receipt of notice of the Offer, notify each Optionee of full particulars of the Offer. Subject to Exchange approval, any Options that may not be fully vested shall become vested on the date of Exchange approval. Such Options may be exercised in whole or in part by the Optionee so as to permit the Optionee to tender or to vote, as applicable, the Option Shares received upon such exercise, pursuant to the Offer. If:

- (d) the Offer is not completed within the time specified therein;
- (e) the Optionee does not tender the Option Shares pursuant to the Offer, if applicable;
- (f) all of the Option Shares tendered by the Optionee pursuant to the Offer are not taken up or paid for by the offeror in respect thereof; or
- (g) the sale or reorganization does not close in accordance with its terms,

then the Option Shares received upon such exercise, or in the case of clause (f) above, the Option Shares that are not taken up and paid for, shall be returned by the Optionee to Zadar and reinstated as authorized but unissued Common Shares and with respect to such returned Option Shares, the Option shall be reinstated as if it had not been exercised and the terms upon which such Option Shares were to become vested pursuant to paragraph 8.1 shall be reinstated. If any Option Shares are returned to Zadar under this paragraph 8.3, Zadar shall immediately refund the exercise price to the Optionee for such Option Shares. In no event shall the Optionee be entitled to sell the Option Shares otherwise than pursuant to the Offer (in the case of an Offer pursuant to paragraph 8.3(a) hereof) or to sell the Option Shares prior to the closing of any transaction (in the case of an Offer pursuant to paragraph 8.3(b) or (c) hereof).

ARTICLE 9 CESSATION OF PROVISION OF SERVICES

9.1 If an Optionee ceases to be an Eligible Person for any reason (except as provided in paragraphs 9.2, 9.4 or 9.5 of this Article or in Article 10), the Options held by the Optionee will expire on the later of:

- (a) a reasonable period following the Cessation Date, which period shall be determined by the Board, but in any event, shall not exceed twelve (12) months following the Cessation Date; or
- (b) if the directors have not determined a period following the Cessation Date at the time of the grant or within 30 days subsequent to the Cessation Date, 30 days after the Cessation Date;

such period referred to as the "Post Cessation Date Exercise Period".

The determination by the Board of any period pursuant to paragraph 9.1(a) shall be made within 30 days subsequent to the Cessation Date. Unless the Post Cessation Date Exercise

Period is set out in an option agreement, Zadar shall provide notice to the Optionee of the Post Cessation Date Exercise Period within five (5) business days of the date of determination.

The Optionee shall only be entitled to exercise Options which have vested at the Cessation Date. Notwithstanding the foregoing, in no event shall an Optionee be entitled to exercise any Options beyond the Expiry Date of the Optionee's Option.

9.2 If an Optionee ceases to be an Eligible Person for cause, no Option held by such Optionee may be exercised following the Cessation Date.

9.3 An Optionee ceases to be an Eligible Person if the Optionee's employment has been terminated by Zadar or a Subsidiary of Zadar:

(a) other than for cause, either:

(i) on the day specified by Zadar or such Subsidiary in writing to the Eligible Person as being the last day on which the Eligible Person is to report for work for Zadar or a Subsidiary of Zadar; or

(ii) if such Eligible Person is given pay in lieu of advance notice of a pending effective date of termination, on the day on which such notice of termination is given in writing by Zadar or such Subsidiary to the Eligible Person, and

(b) for cause, on the day on which the notice of termination was given.

9.4 If an Optionee ceases to be an Eligible Person by reason of death of the Optionee during the currency of the Optionee's Option, the Optionee's legal personal representative may, within the period of one year after the Cessation Date and in no event after the expiry date of the Option, exercise any Options vested at the Cessation Date.

9.5 Notwithstanding the provisions set out in paragraph 9.1, if a Change of Control or Change of Management occurs and if an Optionee ceases to be an Eligible Person as a result of the Change of Control or Change of Management, the Optionee may, within the period of ninety days after the Cessation Date and in no event after the Expiry Date of the Optionee's Option, exercise any Options which were vested at the Cessation Date. Notwithstanding Article 8 and any vesting provisions set out in any agreement relating to the Option, subject to regulatory approval, all Options held by the Optionee shall immediately become vested on the Cessation Date and shall become fully exercisable.

ARTICLE 10 EXTENSION OF OPTION

10.1 Notwithstanding the provisions of Article 9, the Board may extend the period of time within which an Option held by an Optionee who has ceased to be an Eligible Person may be exercised, but such an extension shall not be granted beyond the original Expiry Date of the Option. Any extensions of Options granted under this Stock Option Plan are subject to applicable regulatory approval.

ARTICLE 11 GRANT OF MULTIPLE OPTIONS

11.1 The grant of an Option to any Eligible Person shall not prevent the Board from granting further Options to the same Eligible Person and any such further grant of an Option shall, for the purposes of Article 3, be treated as a separate Option.

ARTICLE 12 NON-TRANSFERABILITY OF OPTIONS

12.1 No Option granted under the Stock Option Plan shall be transferable or assignable by an

Optionee, or subject to any other alienation, sale, pledge or encumbrance, otherwise than by will or by the laws of descent and distribution, and, therefore, such Option shall be exercisable, during an Optionee's lifetime, only by the Optionee.

ARTICLE 13 ADJUSTMENTS IN SHARES SUBJECT TO PLAN

- 13.1 Following the date an Option is granted, the exercise price for and the number of Option Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, in the events and in accordance with the provisions and rules set out in this Article 13, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved notwithstanding the occurrence of such events. Any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules will be conclusively determined by the Board, and any such determination will be binding on Zadar, the Optionee and all other affected parties.
- 13.2 If the outstanding Common Shares are changed into or exchanged for a different number of shares or into or for other securities of Zadar or securities of another company or entity, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the Option which occurs following such events, for each Option Share for which the Option is exercised, the Optionee shall instead receive the number and kind of shares or other securities of Zadar or other company into which such Option Share would have been changed or for which such Option Share would have been exchanged if it had been outstanding on the date of such event and the exercise price will be similarly adjusted so that the aggregate price to exercise the Option is preserved.
- 13.3 If the outstanding Common Shares are changed into or exchanged for a different number of shares or into or for other securities of Zadar or securities of another company or entity, in a manner other than as specified in paragraph 13.2, then the Board, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board in its sole and absolute discretion determines to be equitable to give effect to the principle described in paragraph 13.1, and such adjustments shall be effective and binding upon Zadar and the Optionee for all purposes.

ARTICLE 14 AMENDMENT OF THE PLAN

- 14.1 The Board of Directors may amend or terminate this Stock Option Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of Zadar or any Optionee whose Option is amended or terminated, in order to conform this Stock Option Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.
- 14.2 The Board of Directors may amend or terminate this Stock Option Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in paragraph 14.1 hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of Zadar if required by the Exchange or such regulatory authority. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- 14.3 The Stock Option Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

- 14.4 Subject to the prior approval of the Exchange and/or any other applicable regulatory authority, the Board may at any time supersede and replace the Stock Option Plan with a new stock option plan (a "New Plan"). If a New Plan is adopted in place of the Stock Option Plan, such New Plan may provide that all Options granted under the Stock Option Plan which are outstanding as of the date of adoption of the New Plan shall thereafter be governed by the New Plan; provided, however, that no amendment of the Stock Option Plan, or termination of the Stock Option Plan and adoption of a New Plan, may adversely affect the rights under any Option granted prior to such action without the consent of the Optionee.

ARTICLE 15 EVIDENCE OF OPTIONS

- 15.1 A written agreement will be entered into between Zadar and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to Option, the exercise price, provisions as to vesting (if any) and the expiry date, and any other terms approved by the Board, all in accordance with the provisions of this Stock Option Plan. The agreement will be in such form as the Board may from time to time approve, or authorize the officers of Zadar to enter into, and may contain such terms as may be considered necessary in order that the Option will comply with this Stock Option Plan and any regulatory body having jurisdiction over Zadar.

ARTICLE 16 EXERCISE OF OPTION

- 16.1 Subject to the provisions of the Stock Option Plan and the particular Option, an Option may be exercised from time to time by delivering to Zadar at its office a written notice of exercise specifying the number of Common Shares with respect to which the Option is being exercised and accompanied by payment for the full amount of the purchase price of the Common Shares then being purchased.
- 16.2 The full purchase price of Common Shares purchased under the Option must be paid by certified cheque made payable to Zadar.
- 16.3 Subject to the provisions of the Stock Option Plan and the particular Option, upon receipt of a treasury order directing the issue of Common Shares purchased under the Stock Option Plan, the transfer agent is authorized and directed to issue and countersign share certificates for the Option Shares in the name of such Optionee or the Optionee's legal personal representative or as may be directed in writing by the Optionee's legal personal representative.

ARTICLE 17 RIGHTS PRIOR TO EXERCISE

- 17.1 An Optionee shall have no rights whatsoever as a shareholder in respect of any of the Option Shares (including any right to receive dividends or other distributions therefrom or thereon) other than in respect of Option Shares in respect of which the optionee shall have exercised the Option to purchase hereunder and which the Optionee shall have actually taken up and paid for.

ARTICLE 18 GOVERNING LAW

- 18.1 This Stock Option Plan shall be construed in accordance with and be governed by the laws of the Province of British Columbia and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

**ARTICLE 19
EXPIRY OF OPTION**

- 19.1 On the expiry date of any Option granted under the Stock Option Plan, and subject to any extension of such expiry date permitted in accordance with the Stock Option Plan, such Option shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Option Shares in respect of which the Option has not been exercised.
- 19.2 On the expiry date of any Option granted under the Stock Option Plan, and subject to any extension of such expiry date permitted in accordance with the Stock Option Plan, such Option shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Option Shares in respect of which the Option has not been exercised.

**ARTICLE 20
PRIOR PLANS**

- 20.1 On the effective date (as set out in paragraph 21.1 hereof), subject to Exchange approval and, if required, shareholder approval, this Stock Option Plan shall entirely replace and supercede the prior stock option plan approved at the shareholders' meeting held on October 12, 2011.

**ARTICLE 21
EFFECTIVE DATE OF THE PLAN**

- 21.1 This Stock Option Plan shall become effective as of and from, and the effective date of the Plan shall be December 28, 2012, subject to its approval by the shareholders of Zadar and acceptance for filing by the Exchange.