



NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
OF
ZADAR VENTURES LTD.

Date of the Circular: March 18, 2021



ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE TO SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the shareholders of Zadar Ventures Ltd. (the “**Company**” or “**ZAD**”) will be held 10:30 a.m. PST on April 20, 2021, at 908-510 Burrard Street, Vancouver, BC, V6C 3A8 for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal years ended July 31, 2020 and July 31, 2019, together with the auditors’ report thereon;
2. to elect directors for the ensuing year. See the section entitled *Particulars of Matters to be Acted on at the Meeting – Election of Directors* in the Company’s information circular dated March 18, 2021 (the “**Circular**”);
3. to appoint Baker Tilly WM LLP (formerly Wolrige Mahon Collins Barrow LLP) as the auditors for the Company for the ensuing year and to authorize the directors to fix their remuneration. See the section entitled *Particulars of Matters to be Acted on at the Meeting – Appointment of Auditors* in the Circular;
4. to approve the continuation of the stock option plan of the Company;
5. to consider, and if thought advisable, to approve a reorganization of the Company’s business and assets involving the transfer of the Company’s mineral property interests to Zadar Minerals Corp., the Company’s wholly owned subsidiary; in exchange for ZMC issuing its shares to the Company’s shareholders on a pro-rata basis;
6. to approve delisting of the Company’s common shares from the TSX Venture Exchange; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Circular, which is attached to this Notice of Meeting. Shareholders may be asked to consider other items of business that may be properly brought before the meeting. Information respecting the use of discretionary authority to vote on any such other business may be found in the section entitled *Particulars of Matters to be Acted on at the Meeting – Other Matters* in the Circular.

Accompanying the Notice of Meeting is a proxy or voting instruction form (“**VIF**”), as applicable, enabling you to vote at the Meeting. Please review the Circular prior to voting.

Dated at Vancouver, British Columbia, this 18th day of March, 2021.

ON BEHALF OF THE BOARD OF DIRECTORS

Paul Gray

Paul Gray
Director, President and Chief Executive Officer



MANAGEMENT INFORMATION CIRCULAR

Dated: March 18, 2021

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Zadar Ventures Ltd. (the “**Company**”) for use at the annual general and special meeting (the “**Meeting**”) of shareholders of the Company to be held at 10:30 a.m. PST on Thursday, April 20, 2021, at 908-510 Burrard Street, Vancouver, BC, V6C 3A8 and at any adjournments thereof for the purposes set out in the accompanying Notice of Meeting.

The board of directors of the Company (the “**Board of Directors**”) has fixed the record date for the Meeting as of the close of business on March 18, 2021 (the “**Record Date**”). Shareholders of record as of the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date.

GENERAL PROXY INFORMATION

Solicitation of Proxies

The solicitation of proxies will be primarily by mail, but proxies may also be solicited personally or by telephone by directors, officers or regular employees of the Company, none of whom will receive extra compensation for these activities. The cost of this solicitation will be borne by the Company.

If you are a Registered Shareholder, you can vote in person at the Meeting or by proxy as explained below. If you are a Beneficial Shareholder, follow the instructions provided by your Intermediary.

Appointment of Proxies

As a Registered shareholder, you may wish to vote by proxy whether or not you are able to attend the Meeting in person.

The persons named in the accompanying form of proxy (the “**Proxy**”) are directors or officers of the Company. **A shareholder has the right to appoint a person (who need not be a shareholder of the Company) to attend and represent him or her at the Meeting, other than those persons named in the enclosed form of proxy. A shareholder who wishes to appoint some other person to present him or her at the Meeting may do so either by inserting that other person's name in the blank space provided in the form of proxy and signing the form of proxy, or by completing another proper form of proxy.**

Registered shareholders electing to submit a proxy may do so by completing, dating and signing the Proxy or some other suitable form of proxy and returning it to the Company's transfer agent, Computershare Investor Services Inc. (“**Computershare**”), by fax within and outside North America at 604 661 9401 or by mail or by hand to 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9.

The proxy must be received by Computershare at least 48 hours (excluding Saturdays, Sundays and holidays) before the time of the Meeting or the adjournment thereof at which the proxy is to be used.

Voting by Proxy

Your common shares (the “**Shares**”) will be voted for or against or withheld from voting on each item listed on the proxy in accordance with your instructions on your proxy.

If you do not specify how you want to vote on any item listed on the Proxy, the directors or officers named in the Proxy will vote the Shares represented by the proxy FOR the approval of that item.

If you choose to appoint someone other than the directors or officers named in the Proxy to vote on your behalf at the Meeting, he or she will vote your Shares in accordance with your instructions. On items for which you do not specify how you want to vote, your proxyholder will vote your Shares as he or she sees fit.

The Proxy also gives discretionary authority to the proxyholder, whether a director or officer of the Company or a person named by you, to vote your Shares as he or she sees fit on any other matter that may properly come before the Meeting.

Beneficial Shareholders

The information set forth in this section is of importance to many shareholders, as a substantial number of shareholders are non-registered holders whose Shares are not registered in their own names (“Beneficial Shareholders”).

The Shares of a Beneficial Shareholder will be registered in the name of one of the following:

- (a) an intermediary that you deal with in respect of your Shares, such as, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans; or
- (b) a clearing agency (such as The Canadian Depository for Securities Limited in Canada or Cede & Co. in the United States) of which your intermediary is a participant,

all of which are referred to as “**Intermediaries**” in this Circular.

NI 54-101 requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Without specific instructions, Intermediaries are prohibited from voting Shares held for Beneficial Shareholders. The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. The voting instruction form supplied to a Beneficial Shareholder by its Intermediary is substantially similar to the form of proxy provided directly to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (i.e., the Intermediary) how to vote on behalf of the Beneficial Shareholder.

The vast majority of Intermediaries now delegate responsibility of obtaining voting instructions from clients to Broadridge Financial Solutions Inc. (“**Broadridge**”) in Canada. Broadridge typically prepares a machine-readable voting instruction form (“**VIF**”), mails the VIFs to Beneficial Shareholders and asks Beneficial Shareholders to return the VIFs to Broadridge, or otherwise communicate their voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A Beneficial Shareholder who receives a Broadridge VIF cannot use the VIF to vote shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted.

If you are a Beneficial Shareholder who has received a VIF and you wish to attend the Meeting or have someone else attend on your behalf, you may complete the appointment section of the VIF, inserting the name of the person (yourself or someone else) whom you wish to appoint to attend and vote your Shares at the Meeting. **Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered. If you have any questions respecting the voting of shares held through your broker or other Intermediary, please contact your broker or other Intermediary for assistance.**

Beneficial Shareholders fall into two categories – those who object to their identity being known to the issuers of securities that they own (“**Objecting Beneficial Owners**” or “**OBOs**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**” or “**NOBOs**”).

NI 54-101 permits the Company to obtain a list of its NOBOs from Intermediaries via its transfer agent, and to send Meeting materials to NOBOs directly or indirectly. The Company has elected to send Meeting materials directly to NOBOs. It may retain the services of its transfer agent to handle the mailing of Meeting materials to NOBOs and the tabulation of votes received from NOBOs. Pursuant to NI 54-101, the Company advises as follows:

By choosing to send these materials to you directly, the issuer (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Meeting materials will not be sent to OBOs directly by the Company, and the Company does not intend to pay for any Intermediary to deliver Meeting materials to OBOs. Accordingly, OBOs will not receive the Meeting materials unless their Intermediary assumes the costs of delivery.

Revocation of Proxy

A Registered Shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a Registered Shareholder or its attorney authorized in writing may revoke a proxy by an instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited with the offices of Computershare at 3rd Floor, 510 Burrard Street, Vancouver, BC V6C 3B9, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the Meeting (or an adjournment of the Meeting at which the proxy is to be used), or with the chair of the Meeting on the day of the Meeting. Any revocation made or delivered

at the Meeting or any adjournment thereof will be valid only with respect to matters not yet dealt with at the time such revocation is received by the chairman or the scrutineer of the Meeting.

Only Registered shareholders have the right to revoke a proxy. A Beneficial Shareholder who wishes to change his or her vote must provide instructions in advance of the cut-off date specified by the Intermediary, so that the Intermediary can change the voting instructions on the Beneficial Shareholder's behalf.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Shares. As of the Record Date, there are 23,429,134 Shares are issued and outstanding, with each Share entitled to one vote at the Meeting.

To the knowledge of the directors and senior officers of the Company, as at the date hereof, there are no persons that beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding Shares of the Company as at the date hereof.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the Board of Directors, the only matters to be placed before the Meeting are those matters set forth in the accompanying Notice of Meeting.

Presentation of the Audited Financial Statements for the Years ended July 31, 2020 and July 31, 2019.

The annual financial statements of the Company for the financial years ended July 31, 2020 and July 31, 2019, together with the report of the auditors thereon, and the related management discussion and analysis will be placed before the shareholders at the Meeting. The annual financial statements of the Company were filed under the Company's profile at www.sedar.com and mailed to shareholders in accordance with applicable laws and written instructions received from shareholders or Intermediaries. Additional copies may be obtained from the Company upon request and will be available at the Meeting. No action is required to be taken at the Meeting with respect to the financial statements.

I. Election of Directors

The Board of Directors is currently composed of four directors, all of whom are elected annually. At the Meeting, management proposes to nominate the persons named below for election as directors to hold office until the next annual meeting of shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (British Columbia) or the Company's articles.

Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the election of the four management nominees named in the table below.

The following table sets out the names of persons nominated by management for election as directors, all offices and positions with the Company and any of its significant affiliates each nominee now holds, each nominee's principal occupation, business or employment, the period of time during which each has been a director of the Company and the number of Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date of this Circular:

Name of Proposed Nominee, Province, Country of Residence and Proposed Position with the Company	Director Since	Principal Occupation During Last Five Years	Number of Shares Controlled ⁽¹⁾	Number of Shares Currently Under Option
Mark Tommasi ⁽²⁾⁽⁵⁾ British Columbia, Canada <i>Director</i>	April 9, 2010	Director of the Company; director of Strategic Resources Inc.; and director of Rojo Resources Ltd.	250,400	Nil
Yana Bobrovskaya ⁽³⁾⁽⁵⁾ British Columbia, Canada <i>Director and Secretary</i>	September 21, 2015	Officer and director of the Company; and director of Secova Metals Corp. from 2012-2015.	261,500	Nil
John Roozendaal ⁽⁴⁾⁽⁵⁾ Manitoba, Canada <i>Director</i>	April 9, 2010	Director of the Company; and director of Global Li-Ion Graphite Corp.	129,000	Nil
Paul Gray British Columbia, Canada <i>President, Chief Executive Officer and Director</i>	May 17, 2016	Principal of Paul D. Gray Geological Consultants; officer of Victoria Gold Corp.; officer of Banyan Gold Corp.; director of Blue River Resources Ltd.; director of Dawson Gold Corp.; and director of Tajiri Resources Corp.	Nil	Nil

Notes:

- (1) Shares beneficially directly or indirectly owned or over which control or direction is exercised, at the date of this Circular, based upon information furnished to the Company by the individual directors or obtained from the System for Electronic Disclosure by Insiders ("SEDI").
- (2) Mr. Tommasi indirectly owns 250,400 common shares through 622738 B.C. Ltd., a company which he controls. This number does not include 250,000 share purchase warrants of the Company held by Mr. Tommasi through 622738 B.C. Ltd.
- (3) Ms. Bobrovskaya directly owns 150,000 common shares and indirectly owns 111,500 common shares of the Company through 0868143 B.C. Ltd., a company which she controls. This number does not include 250,000 share purchase warrants of the Company held by Ms. Bobrovskaya.
- (4) Mr. Roozendaal directly owns 54,000 common shares and indirectly owns 75,000 common shares through 667981 B.C. Ltd., a company which he controls. This number does not include 50,000 share purchase warrants held by Mr. Roozendaal through 667981 B.C. Ltd.
- (5) Member of the Audit Committee.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that,
- (i) while that person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (ii) after that person had ceased to act in that capacity, but in respect of an event that occurred while the proposed director was so acting, resulted in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
 - (iii) while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (b) has, within the 10 years before the date of this 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.

Additional Information about the Board

For additional information about the Board of Directors, including compensation, corporate governance practices, independence and directorships, please see *Director and Named Executive Officer Compensation* and *Corporate Governance Disclosure – Board of Directors*.

II. Appointment of Auditors

Baker Tilly WM LLP, of Suite 900, 400 Burrard Street, Vancouver, British Columbia V6C 3B7 have been the auditors of the Company since November 26, 2014. The Board of Directors recommends that Baker Tilly WM LLP be reappointed as auditor of the Company, with their remuneration to be fixed by the Board.

Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the reappointment of Baker Tilly WM LLP as auditors for the ensuing year.

III. Approval for Continuation of Stock Option Plan

The Company has one incentive stock option plan (the “**Stock Option Plan**”). 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.

The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, key employees and consultants of the Company and of its subsidiaries and by providing them with the opportunity, through options, to acquire common shares of the Company, to align the personal interests of those directors, officers, key employees and consultants with the interests of the Company's shareholders. The Stock Option Plan was last approved and ratified by shareholders at the annual general meeting held on January 22, 2019.

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:
 9. one year from the death of the option holder; and
 10. the expiry date of the options in which to exercise any portion of options outstanding at the time of death of the optionee.
11. 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.

12. The options are not assignable or transferable by an optionee.
13. 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.
14. The Board of Directors may from time to time, subject to regulatory approval, amend or revise the terms of the Stock Option Plan.

A copy of the Stock Option Plan including the proposed amendment is attached hereto as Schedule "A".

At the Meeting, shareholders will be asked to consider and, if thought fit, to pass an ordinary resolution approving the Stock Option Plan, as follows:

"Be it resolved as an ordinary resolution of the shareholders that the Stock Option Plan, in the form attached to the Circular as Schedule A, be and hereby is confirmed and approved."

Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the approval for the continuation of the Stock Option Plan.

IV. Reorganization

At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve a reorganization of the Company's business and assets, involving the transfer by the Company to Zadar Minerals Corp. ("ZMC") of all of the Company's mineral property interests in exchange for ZMC assuming certain liabilities associated with the properties, and issuing to the Company's shareholders shares in the capital of ZMC.

For the assistance of Shareholders, the following is a glossary of terms used in this part of the Circular:

BCA	The <i>Business Corporations Act</i> (British Columbia), S.B.C. 1996, c.57, as amended from time to time.
Board of Directors or Board	The board of directors of the Company or ZMC, as applicable.
Circular	This Information Circular.
Closing	The completion of the Reorganization.
Closing Date	The date on which the Closing occurs.
Common Shares or ZAD Shares	The common shares without par value in the capital of the Company.
Company or ZAD	Zadar Ventures Ltd.
CSE	Canadian Securities Exchange
Dissent Notice	A validly delivered written objection to the Reorganization Resolution, as described under "Rights of Dissent."

Dissenting Shareholder	A Shareholder who delivers a Dissent Notice and validly exercises the right of dissent provided with respect to the Reorganization, as described under “Rights of Dissent.”
East Boundary Mineral Claims	All of ZAD’s right, title and interest in and to those 1,888 hectares known as the East Boundary Mineral Claims located in Northern B.C.
Effective Time	The time at which the Closing occurs and Reorganization become effective.
Meeting	The annual general and special meeting of Shareholders to be held on April 20, 2021.
NI 43-101	National Instrument 43-101 – Standards of Disclosure for Mineral Properties.
Pasfield Lake Project	All of ZAD’s right, title and interest in and to those mineral claims comprising 37,445 hectares located in the Athabasca Basin, Saskatchewan, Canada.
Properties	Collectively, the Whiskey Gap Project, the Pasfield Lake Project, the WSP/CR Claims, and the East Boundary Mineral Claims.
Property Liabilities	The aggregate amounts owed by ZAD in connection with expenses incurred in acquiring, exploring or maintaining the Properties, which liabilities are to be transferred to ZMC pursuant to the Reorganization.
Record Date	March 15, 2021.
Reorganization	The proposed reorganization between the Company and ZMC consisting of (i) the transfer by the Company of all of its interest in and to the Properties to ZMC, (ii) the assumption by ZMC of the Property Liabilities, (iii) the issuance by ZMC of ZMC Shares to ZAD Shareholders, and (iv) ZMC becoming a reporting issuer in each of British Columbia, Alberta and Ontario.
Reorganization Agreement	The reorganization agreement made as of February 26, 2021, between the Company and ZMC, a copy of which is set forth in Schedule D to this Circular, and any amendments made thereto.
Reorganization Resolution	The special resolution of the Shareholders approving the Reorganization, to be considered, and if deemed advisable, passed, with or without variation, by the Shareholders at the Meeting, the full text of which is set forth in Schedule C to this Circular.
SEDAR	The System for Electronic Document Analysis and Retrieval, the electronic filing system for the disclosure documents of public companies and investments funds across Canada, available at www.sedar.com .
Shareholders	Holders of one or more Common Shares.
Transfer Agent	Computershare Investor Services Inc.

TSXV	TSX Venture Exchange.
Whiskey Gap Project	All of ZAD's right, title and interest in and to those three mineral claims located in southern Alberta.
WSP/CR Claims	All of ZAD's right, title and interest in and to its two prospective lithium projects located in Nevada, USA.
XRApplied S.A.S.	A French based company which ZAD has agreed to acquire, which carries on an active business in the extended reality sector.
ZMC	Zadar Minerals Corp., a wholly owned subsidiary of the Company.
ZMC Shares	The common shares without par value in the capital of ZMC.

FORWARD LOOKING INFORMATION

Certain statements in this part of the Circular may constitute "forward-looking" statements involving known and unknown risks, uncertainties and other factors regarding the Company's and ZMC's intentions, beliefs, expectations and future results. This may cause the actual results, performance or achievements of each company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. This forward-looking information also includes information regarding the financial condition and business of the Company and ZMC, as they exist at the date of this Circular and as they are expected to be after the Financing.

Forward-looking statements may include, but are not limited to, statements regarding ZMC's opportunities, strategies, competition, expected activities and expenditures as ZMC pursues its business plan, the adequacy of ZMC's available cash resources and other statements about future events or results. In particular, and without limiting the generality of the foregoing, this Circular contains forward-looking information concerning:

- ZMC's exploration of the Properties;
- general market conditions;
- the availability of financing for proposed exploration programs on reasonable terms;
- the ability to contract outside service providers and the reliability of those outside service providers in delivering services in a satisfactory and timely manner;
- the use of ZMC's available funds;
- ZMC's expectations regarding expenses and anticipated cash needs;
- the regulatory and permitting process in B.C., Alberta, Saskatchewan, and Nevada;
- the expected timing and completion of ZMC's near-term objectives;
- laws and any amendments thereto applicable to ZMC;
- the identity of the NEOs of ZMC and the expected compensation payable to them; and
- corporate governance matters, including the adoption of Board committee mandates, the membership of such committees and the adoption of various corporate policies.

The forward-looking information is based on the beliefs, expectations and opinions of management of ZMC on the date the information is provided. Investors should not place undue reliance on forward-looking information.

In certain cases, forward-looking statements can be identified by the use of such words as “may”, “would”, “could”, “will”, “intend”, “expect”, “believe”, “plan”, “anticipate”, “estimate”, “seek”, “project”, “should”, “strategy”, “future”, “consider” and other similar terminology. These statements reflect ZMC’s current expectations regarding future events and operating performance and speak only as of the date of this Circular.

With respect to forward-looking statements and forward-looking information contained in this Circular, assumptions have been made regarding, among other things:

- future minerals prices;
- ZMC’s ability to obtain qualified staff and equipment in a timely and cost-efficient manner;
- the regulatory framework governing royalties, taxes and environmental matters in the jurisdictions in which ZMC conducts its business and any other jurisdictions in which ZMC may conduct its business in the future;
- future expenses and capital expenditures to be made by ZMC;
- future sources of funding for ZMC’s business;
- the geology of the areas in which ZMC is conducting exploration and development activities;
- the intentions of the Board with respect to the executive compensation plans and corporate governance programs described herein;
- ZMC’s ability to obtain financing on acceptable terms.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this Circular, including:

- general economic, market and business conditions;
- uncertainties surrounding the local, national and global impact of the COVID 19 pandemic;
- uncertainties surrounding the regulatory framework being applied to the Properties and ZMC’s ability to be, and remain, in compliance;
- volatility in market prices for mineral resources;
- potential conflicts of interest;
- risks related to the exploration for minerals;
- current global financial conditions, including fluctuations in interest rates, foreign exchange rates and stock market volatility;
- ZMC’s status and stage of development;
- geological, technical, drilling and processing problems, including the availability of equipment and access to the Properties;
- risks related to the timing of completion of ZMC’s work programs;
- competition for, among other things, capital and skilled personnel;
- operational hazards;
- actions by governmental authorities, including changes in government regulation and taxation;
- environmental risks and hazards;
- risks inherent in the exploration for minerals which may create liabilities to ZMC in excess of ZMC’s insurance coverage;
- failure to accurately estimate abandonment and reclamation costs;
- failure of third parties’ reviews, reports and projections to be accurate;
- the availability of capital on acceptable terms;
- changes to royalty or tax regimes;
- the failure of ZMC to maintain its mineral properties in good standing;

- competing claims made in respect of ZMC's properties or assets;
- operating and capital costs;
- unforeseen title defects;
- risks arising from future acquisition activities;
- the potential for management estimates and assumptions to be inaccurate;
- volatility in the market price of ZMC Shares;
- the effect that the issuance of additional securities by ZMC could have on the market price of its shares;
- discretion in the use of proceeds of the Financing; and
- the other factors discussed under "*Risk Factors*".

Although the forward-looking statements contained in this Circular are based upon what management of ZMC believes are reasonable assumptions, ZMC cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this Circular and are expressly qualified in their entirety by this cautionary statement; and we disclaim any obligation to update any forward-looking statements, whether because of new information or future events or results, except to the extent required by applicable securities laws. Accordingly, potential investors should not place undue reliance on forward-looking statements or the information contained in those statements.

Purpose of the Reorganization

The purpose of the Reorganization is to restructure the Company by spinning out the Properties to Zadar Minerals Corp. ("ZMC"), and having ZMC become eligible to be listed on the CSE.

As a consequence of the Reorganization:

- (i) ZAD shall cease to be the holder of the Properties,
- (ii) ZMC shall become the legal and beneficial owner of the Properties,
- (iii) ZMC will become responsible for the Property Liabilities,
- (iv) the ZAD Shareholders will become shareholders of ZMC on a pro-rata basis; and
- (v) ZMC will become a reporting issuer in each of British Columbia, Alberta and Ontario.

Subsequently, it is anticipated that ZMC will complete a private placement to raise sufficient funds to meet CSE listing requirements, and ZMC will be eligible to make application to list its common shares on the CSE.

The Company believes this will be beneficial to the shareholders of the Company, as it is intended that (i) ZMC will continue to develop the Properties, and Shareholders will continue to hold an interest therein; and (ii) the Company can then complete its acquisition of XRApplied S.A.S. and carry on business in the extended reality sector.

Proposed Timing for the Reorganization

The anticipated Closing Date is April 27, 2021. The Board of Directors will determine the Closing Date, based on its determination of when all conditions to the completion of the Reorganization are satisfied. Notice of the actual Closing Date will be given to Shareholders through a press release when all conditions to the Reorganization have been met.

The Closing Date may be amended at the discretion of the Company. It is uncertain as to when ZMC will be able to raise sufficient funds and obtain a listing on the CSE, and no assurance can be given that it will happen in a timely manner, or at all.

Assuming the Shareholders approve the Reorganization, the Board of Directors will still have discretion as to whether to complete the Reorganization. At the present time, the Board of Directors does not anticipate that this discretion will be exercised, and intends to complete the Reorganization. See *“The Reorganization – Amendment and Termination of the Reorganization Agreement.”*

Reorganization Agreement

The directors of each of the Company and ZMC have authorized the entering into, and each company has entered into, the Reorganization Agreement. A copy of the Reorganization Agreement is attached to this Circular as Schedule D.

Pursuant to the Reorganization Agreement, the respective obligations of the Company and ZMC to complete the Reorganization are subject to the satisfaction of the following conditions, among other things:

- The Reorganization must receive the approval of the Shareholders, as described under “Required Approvals – Shareholder Approval of Reorganization”.
- The Company has received all necessary orders and rulings from all applicable securities commissions and regulatory authorities.

Management of the Company believes that all consents, orders, regulations, approvals or assurances required for the completion of the Reorganization will be obtained prior to the Closing Date in the ordinary course and upon application therefor.

Upon fulfillment of the foregoing conditions, the Board of Directors intends to take such steps and make such filings as may be necessary for the Reorganization to be implemented. The Closing Date will be the date set out in such filings.

Shareholder Approval

The Company is seeking Shareholder approval to the Reorganization for the purpose of being able to rely on the prospectus exemption set out in subsection 2.11(b) of National Instrument 45-106 *Prospectus Exemptions*. Shareholder approval to the Reorganization is being sought by the passing of the Reorganization Resolution, with or without variation, by more than two-thirds of the votes cast with respect thereto by Shareholders present at the Meeting either in person or by proxy. Each ZAD Share carries the right to one vote. A copy of the Reorganization Resolution is attached as Schedule C to this Circular.

The Board of Directors has unanimously approved the Reorganization and recommends that Shareholders vote in favour of the Reorganization Resolution, and the persons named in the enclosed form of proxy intend to vote FOR such approval at the Meeting unless otherwise directed by the Shareholders appointing them.

At the present time the sole voting shareholder of ZMC is, and prior to implementation of the

Reorganization the sole voting shareholder will continue to be, the Company, which has approved the Reorganization.

Amendment and Termination of the Reorganization Agreement

The Reorganization Agreement provides that it may be amended by written agreement of the Company and ZMC before or after the Meeting, but prior to the Closing Date, provided those amendments made prior to the Meeting will be disclosed to the Shareholders at or prior to the meeting, and those amendments made after the Meeting are disclosed by way of public news release.

The Reorganization Agreement may, at any time before or after the holding of the Meeting but no later than the Closing Date, be terminated by the Board of Directors without further notice to, or action on the part of, Shareholders.

Failure to Complete Reorganization

In the event the Reorganization Resolution is not passed by Shareholders or the Reorganization does not proceed for some other reason, the Properties and associated liabilities will remain with the Company and the Company will carry on its mineral exploration business along with the business carried on by XRApplied S.A.S.

Canadian Federal Income Tax Considerations

No opinion from legal counsel or ruling from the CRA has been requested, or will be obtained, regarding the federal income tax consequences of the Reorganization. Shareholders who are subject to Canadian taxation should consult with their own professional advisers with regard to the Reorganization's tax implications.

No U.S. Legal Opinion or IRS Ruling

No legal opinion from U.S. legal counsel or ruling from the United States Internal Revenue Service has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Reorganization. Shareholders who are subject to U.S. taxation should consult with their own professional advisers with regard to the Reorganization's U.S. tax implications.

Securities Law Matters

The Reorganization is being structured to allow for the ZMC Shares being issued to be free-trading in Canada. However, delivery of ZMC Shares to U.S. residents may be restricted unless such U.S. residents meet available exemption criteria in the United States.

RIGHTS OF DISSENT

The following description of the rights of registered Shareholders to dissent and be paid fair value for their Common Shares is not a comprehensive statement of the procedures to be followed by a registered Shareholder and is qualified in its entirety by the reference to the full text of Sections 237 to 247 of the BCA, a copy of which is attached to this Circular as Schedules E. **A registered Shareholder who intends to exercise a right of dissent should carefully consider and comply with the provisions of Section 237 to 247 of the BCA and should seek independent legal advice.** Failure to comply with the provisions of those sections and to adhere to the procedures established therein may result in the loss of all rights thereunder.

A Shareholder who intends to exercise its right of dissent must deliver a written objection to the Reorganization Resolution (a “**Dissent Notice**”) to the registered office of the Company at 29th floor, 595 Burrard Street, Vancouver, British Columbia, V7Z 1J5, to be actually received by no later than 1:30 p.m. (Vancouver time) on the day preceding the date of the Meeting, and must not vote any Common Shares it holds in favour of the Reorganization Resolution. A Beneficial Shareholder who wishes to exercise its rights of dissent must arrange for the registered Shareholder holding its Common Shares to deliver the Dissent Notice.

If the Reorganization Resolution is passed at the Meeting, the Company must send by registered mail to every Dissenting Shareholder, prior to the date set for the hearing of the Final Order, a notice (a “**Notice of Intention**”) stating that, subject to the satisfaction of the conditions set out in the Reorganization Agreement, the Company intends to complete the Reorganization, and advising the Dissenting Shareholder that if the Dissenting Shareholder intends to proceed with its exercise of its rights of dissent it must deliver to the Company, within 14 days of the mailing of the Notice of Intention, its Dissent Notice, together with the certificates representing the Common Shares it holds.

A Dissenting Shareholder delivering such a written statement may not withdraw from its dissent and, at the Effective Date, will be deemed to have transferred to the Company all of the Common Shares it holds. The Company will pay to each Dissenting Shareholder the amount agreed between the Company and the Dissenting Shareholder for its Common Shares. Either the Company or a Dissenting Shareholder may apply to the Court if no agreement on the terms of the sale of the Common Shares held by the Dissenting Shareholder has been reached and the Court may:

- determine the fair value that the Common Shares had immediately before the passing of the Reorganization Resolution, excluding any appreciation or depreciation in anticipation of the Reorganization unless exclusion would be inequitable, or order that such fair value be established by arbitration;
- join in the application each other Dissenting Shareholder which has not reached an agreement for the sale of its Common Shares to the Company; and
- make consequential orders and give directions it considers appropriate.

If a Dissenting Shareholder fails to strictly comply with the foregoing requirements of its rights of dissent, it will lose such rights, the Company will return to the Dissenting Shareholder the certificates representing the Common Shares that were delivered to the Company, if any, and, if the Reorganization is completed, that Dissenting Shareholder will be deemed to have participated in the Reorganization on the same terms as other Shareholders who did not exercise their rights of dissent.

If a Dissenting Shareholder strictly complies with the foregoing requirements but the Reorganization is not completed, then the Company will return to the Dissenting Shareholder the certificates delivered to the Company, if any, pursuant to its rights of dissent.

INFORMATION CONCERNING THE COMPANY

Current information concerning the Company is available on SEDAR at www.sedar.com; and the Company hereby expressly incorporates by reference herein (i) its financial statements for the fiscal years ended July 31, 2020 and 2019 and for the three months ended October 31, 2020; (ii) its management discussion and analysis of such financial statements (MD&A); and (iii) all news releases and material change reports filed in the 12 months prior to the date of this Circular. The Company is undertaking a change of business

through the acquisition of XRApplied S.A.S, and implementing the Reorganization will allow the Company to transition from being involved in the mineral exploration business to being involved in the extended reality sector.

INFORMATION CONCERNING ZMC

The following information is presented on a post-closing basis and is reflective of the projected business, financial and share capital position of ZMC.

Corporate Structure

Name and Incorporation

Zadar Minerals Corp. was formed under the BCA on March 12, 2021. ZMC will maintain the same registered and records office, corporate domicile, and principal place of business as that of ZAD. Upon completion of the Reorganization, ZMC will be a reporting issuer in each of British Columbia, Alberta and Ontario. ZMC has no subsidiaries and holds no interest in any other companies or entities.

Narrative Description of the Business

ZMC will be a junior mineral exploration company, with its primary assets being the Properties. To satisfy minimum listing requirements of the CSE, ZMC will have to undertake a private placement to raise sufficient funds to undertake recommended work programs on one or more of the Properties, to pay its expected general and administrative expenses for the next 12 months, and a certain minimum amount of unallocated working capital (the “**Financing**”).

Description of the Properties

As a result of the Reorganization, ZMC will become the legal and beneficial owner of the Properties, being the Whiskey Gap Project, the Pasfield Lake Project, the WSP/CR Claims and the East Boundary Mineral Claims. There will be no change to the Properties, such that Shareholders can review ZAD’s historic disclosure concerning the Properties as available on SEDAR. Management of ZMC will determine which of the existing Properties will be deemed “material” to ZMC, and will develop work programs accordingly. As part of ZMC’s application to list on the CSE, it will be required to complete one or more technical reports on the Properties, which will be posted on SEDAR in due course.

Stated Business Objectives and Milestones

ZMC’s immediate short-term objectives will be to:

- (a) complete the Reorganization;
- (b) complete the Financing;
- (c) obtain CSE approval for listing of the ZMC Shares;
- (b) undertake initial work programs on its material Properties.

Financial Information

ZMC was incorporated on March 12, 2021, and has no history of operations. No financial statements have been prepared for ZMC, and no pro-forma statement of financial position have been prepared. ZMC will be required to complete a Financing in order to meet CSE listing requirements. There is no assurance such

Financing will occur on terms acceptable to ZMC, or at all; and such Financing may be dilutive to the ZMC shareholders.

Description of the Securities

The authorized capital of ZMC will consist of an unlimited number of ZMC Shares without par value. The holders of ZMC Shares are entitled to dividends, if, as and when declared by the ZMC Board, to one vote per share at shareholder meetings, and upon liquidation, to share equally in such assets of as are distributable to the Shareholders. All Shares to be outstanding will be fully paid and non-assessable, and will not be subject to any pre-emptive rights, conversion or exchange rights, redemption, retraction, purchase for cancellation or surrender provisions, sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or provisions requiring a Shareholder to contribute additional capital.

On closing of the Reorganization, ZMC will have 7,809,712 ZMC Shares outstanding, based on issuing one ZMC Share for every three outstanding ZAD Shares (of which there are 23,429,134 ZAD Shares outstanding as of the date of this Circular). It is not anticipated that any warrants, options or other convertible securities will be outstanding on Closing.

Stock Option Plan

It is anticipated ZMC will adopt a “rolling” stock option plan (the “**Stock Option Plan**”) similar to that used by ZAD, whereby ZMC will be authorized to grant stock options of up to 10% of its issued and outstanding shares, from time to time (calculated at the time of any particular grant). The Stock Option Plan will be administered by the Board and will provide that options may be issued to directors, officers, employees or consultants of ZMC or a subsidiary of ZMC.

The Stock Option Plan will be subject to the additional following restrictions:

- (a) options may not be granted to any one person in any 12-month period which could, when exercised, result in the issuance of common shares exceeding 5% of the issued and outstanding common shares of ZMC;
- (b) options may not be granted to any one consultant in any 12-month period which could, when exercised, result in the issuance of common shares exceeding 2% of the issued and outstanding common shares of ZMC;
- (c) options may not be granted, in any 12-month period, to persons employed or engaged by ZMC to perform investor relations activities which could, when exercised, result in the issuance of common shares exceeding, in the aggregate, 2% of the issued and outstanding common shares of ZMC;
- (d) if any option expires or otherwise terminates for any reason without having been exercised in full, the number of common shares in respect of which the option expired or terminated shall again be available for the purposes of the Stock Option Plan;
- (e) if an option holder dies, any vested option held by him or her at the date of death will become exercisable by the optionee’s lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such optionee and the date of expiration of the term otherwise applicable to such option;

- (f) if an option holder ceases to be a director, officer or employed by or provide services to ZMC, other than by reason of death, the options granted will expire on the 90th day following the date the option holder ceases to be affiliated with ZMC, subject to any regulatory requirements. If the option holder is engaged in investor relations activities, then the option granted shall expire on no later than the 30th day following the date that the option holder ceases to be employed or contracted by ZMC, subject to the terms and conditions set out in the Stock Option Plan;
- (g) all options granted to consultants performing investor relations activities will vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period; and
- (h) the Board may in its absolute discretion amend, suspend, terminate or discontinue the Stock Option Plan with respect to options which have not yet been granted under the Stock Option Plan, subject to regulatory approval.

Escrowed Securities

CSE Policy requires that all ZMC Shares and warrants held by Principals of ZMC on Listing are to be subject to escrow restrictions such that 10% are released upon Listing and an additional 15% are released every six months thereafter over a period of 36 months.

Until their release from escrow, holders of Escrow Securities may not sell, transfer, assign, mortgage, enter into a derivative transaction concerning, or otherwise deal in any way with the same except as permitted by the CSE. CSE permitted transfers or dealings within escrow include: (i) transfers to existing or, upon their appointment, incoming directors and senior officers of ZMC or of a material operating subsidiary; (ii) transfers to an RRSP or similar trustee plan; (iii) transfers upon bankruptcy to the trustee in bankruptcy or another person entitled to the Escrow Shares on bankruptcy; and (iv) pledges or mortgages to a financial institution as collateral for a loan.

Principal Securityholders

It is not anticipated that any person will own of record or beneficially, directly or indirectly, or exercise control or discretion over, more than 10% of ZMC Shares upon Closing.

Dividends

It is not contemplated that any dividends will be paid on ZMC's Shares in the immediate future following completion of the Reorganization, as it is anticipated that all available funds will be invested to finance the growth of ZMC's business. The Board will determine if, and when, dividends will be declared and paid in the future from funds properly applicable to the payment of dividends based on ZMC's financial position at the relevant time. All of ZMC's Shares are entitled to an equal share in any dividends declared and paid. See "*Forward-Looking Information*".

Directors, Officers and Promoters

At Closing, the directors, officers and promoters of ZMC will be comprised of John Roozendaal (CEO, President and director), Geoff Wason (CFO, Corporate Secretary and director), Yana Bobrovskay (director), and Mark Tommasi (director). Descriptions of each of these persons are set forth elsewhere in this Circular.

Auditor, Transfer Agent and Registrar

Auditor

The auditor of ZMC will be Baker Tilly WM LLP, Chartered Professional Accountants, of Suite 900, 400 Burrard Street, Vancouver, British Columbia, Canada V6C 3B7.

Transfer Agent and Registrar

ZMC's transfer agent and registrar will remain as Computershare Investor Services Inc., of Third Floor – 510 Burrard Street, Vancouver, British Columbia.

Legal Proceedings

As of the date of this Circular, there are no legal proceedings material to ZMC to which it is a party or of which either Property is the subject matter, nor are any such proceedings known to ZMC to be contemplated.

Risk Factors

ZMC's business, operating results and financial condition could be adversely affected by any of the risks outlined below. These risks and uncertainties are not the only ones facing ZMC. Additional risks and uncertainties not currently known to ZMC, or that ZMC currently deems immaterial, may also impair the operations of ZMC. If any such risks actually occur, the financial condition, liquidity and results of operations of ZMC could be materially adversely affected and the ability of ZMC to implement its growth plans could be adversely affected.

An investment in ZMC's Shares is speculative and will be subject to material risks; and investors should not invest in securities of ZMC unless they can afford to lose their entire investment.

General Risks Concerning the Securities of ZMC

High Risk, Speculative Nature of Investment

An investment in the Shares carries a high degree of risk and should be considered speculative by purchasers.

Public Market

An active trading market of ZMC's Shares may not develop or, if it does develop, may not be sustained. The lack of an active market may:

- (i) impair shareholders' ability to sell their Shares at the time they wish to sell them or at a price that they consider reasonable;
- (ii) reduce the fair market value and increase the volatility of the Shares; and
- (iii) impair ZMC's ability to raise capital by selling Shares and to acquire other exploration properties or interests by issuing Shares as consideration.

Volatility of Share Prices

Share prices are subject to change because of numerous factors including reports of new information, changes in our financial situation, the sale of Shares in the market, failure to achieve financial results in

line with the expectations of analysts, or announcements concerning results. There is no guarantee that the market price of the Shares will be protected from any such fluctuations in the future.

In the past, companies have experienced volatility in their share value and have been the subject of securities class action litigation. ZMC might become involved in securities class action litigation in the future. Such litigation often results in substantial costs and diversion of management's attention and resources and could have a negative effect on business and results of operation.

COVID-19 Outbreak

On March 11, 2020, the World Health Organization declared the outbreak of novel strain of coronavirus ("COVID-19") a global pandemic. In response to the outbreak, governmental authorities in Canada and other countries introduced various recommendations and measures to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, quarantines, self-isolations, shelters-in-place and social distancing. To date, the COVID-19 outbreak and the response of governmental authorities to try to limit it have had a significant impact on the eSport industry, in that while public events and tournaments have ceased, the number of players and quantity of time playing eSports has increased. An expanded global spread of COVID-19 could have an adverse impact on ZMC's investments and financial results. The continued spread of COVID-19 globally could also lead to a deterioration of general economic conditions including a possible global recession. Due to the speed with which the COVID-19 situation is developing and the uncertainty of its magnitude, outcome and duration, it is not possible to estimate its impact on ZMC's business, operations or financial results; however, the impact could be material.

General Risks Concerning the Business of ZMC

Limited History of Operations

ZMC has no history of mineral exploration and has no history of production, cash flow, revenue, or profitability. There are no known commercial quantities of mineral reserves on the Properties. There is no assurance that ZMC will ever discover any economic quantities of mineral reserves.

Requirement for Further Financing

ZMC will need to raise additional funds to carry out any secondary exploration activities on its properties. Its ability to arrange such financings in the future will depend in part upon prevailing capital market conditions, as well as ZMC's business success. There is no assurance ZMC will be able to raise additional funds or will be able to raise additional funds on terms acceptable to it. If the exploration programs are successful and favorable exploration results are obtained, a Properties may be developed into commercial production. ZMC will require significant additional funds to place any property into production.

As ZMC has no source of operating revenue, the only sources of future funds presently available are the sale of equity capital, debt or offering of interests in the properties to be earned by another party or parties by carrying out development work. There is no assurance that any such funds will be available to ZMC or be available on terms acceptable to it. If funds are available, there is no assurance that such funds will be sufficient to bring any property to commercial production. There is no assurance ZMC will be able to enter into any contract with a third party for such party to conduct work on any property held by ZMC. Failure to obtain additional financing, or to enter into an option or joint venture agreement, on a timely basis could have a material adverse effect on ZMC, and could cause it to forfeit its interest in some or all of its properties and reduce or terminate its operations.

Further Acquisitions

As part of its business strategy, ZMC may seek to grow by acquiring companies, assets or establishing joint ventures. ZMC may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel or acquire assets for our business. There is no guarantee that ZMC can complete any acquisition on favorable terms or that any acquisitions completed will ultimately benefit its business.

Exploration and Development

At present, the Properties are at the exploration stage and there are no bodies of ore, known or inferred, on any such properties. Mineral exploration and development involves a high degree of risk which even a combination of experience, knowledge and careful evaluation may not be able to mitigate. The vast majority of properties which are explored are not ultimately developed into producing mines. There is no assurance that any mineral exploration activities will result in any discoveries of commercial bodies of ore on any property. The business of exploration for precious or base metals involves a high degree of risk. Few exploration properties are ultimately developed into producing properties.

Government permits will be required to carry out proposed exploration programs. These programs will require application for permits at various government levels and ZMC may be required to post security equivalent to the costs of any reclamation work which will be required after completion of the proposed exploration work. Further, licenses and permits are subject to changes in regulations and in various operational circumstances. A substantial number of additional permits and licenses will be required should ZMC proceed beyond exploration. There can be no guarantee that any or all such licenses and permits will be obtained in a timely manner, or at all.

Supplies, Infrastructure, Weather and Inflation

The Properties are located in remote, undeveloped areas and the availability of infrastructure such as surface access, skilled labour, fuel and power at an economic cost, cannot be assured. Power may need to be generated on site. Bad weather can also disrupt exploration activities resulting in delays and added costs. ZMC can expect to experience difficulty in scheduling exploration activities such as drilling contracts, airborne geophysical surveys and other services that are key components of early stage exploration programs.

Reliability of Historical Information

The Technical Reports are based, in part, upon historical data compiled by previous parties involved with the Properties. To the extent that any of such historical data is inaccurate or incomplete, ZMC's exploration plans may be adversely affected.

Operating Hazards and Risks

Mineral exploration and development involves risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations will be subject to hazards and risks normally incidental to exploration, development and production of minerals, any of which could result in work stoppages, damage to or destruction of property, loss of life and environmental damage. ZMC does not currently carry any liability insurance for such risks, electing instead to ensure its contractors have adequate insurance coverage. The nature of these risks is such that liabilities might exceed any insurance policy limits, the liabilities and hazards might not be insurable or ZMC might not elect to insure against

such liabilities due to high premium costs or other factors. Such liabilities may have a materially adverse effect upon ZMC's financial conditions.

Title to Properties

While title to the Properties has been reviewed through on-line government sources, there may be unregistered claims by third parties, including indigenous or First Nations groups. Any successful third party claim would be very detrimental to the interests of ZMC.

Management

ZMC's success is largely dependent upon the performance of its management. The loss of the services of these persons may have a material adverse effect on ZMC's business and prospects. There is no assurance that it can maintain the service of its management or other qualified personnel required to operate its business.

Environmental Risks and other Regulatory Requirements

ZMC's current or future operations, including the exploration activities and possible commencement of production on the Properties, will require permits from various levels of federal and local governmental authorities, and such operations are and will be governed by laws and regulations governing exploration, development, production, taxes, labor standards, occupational health, waste disposal, toxic substances, land use, environmental protection, site safety, and other matters. There can be no assurance that all permits required for facilities and conduct of exploration and development operations will be obtainable on reasonable terms or that such laws and regulations would not have a material adverse effect on any exploration and development project which ZMC might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. ZMC may be required to compensate those suffering loss or damage by reason of ZMC's exploration and development activities and may have civil or criminal fines or penalties imposed upon it for violation of applicable laws or regulations.

Amendments to current laws, regulations, and permits governing the operations and activities of mineral companies, or more stringent enforcement thereof, could have a material adverse impact on ZMC and cause increases in capital expenditure or exploration and development costs or reduction in levels of production at producing properties or require abandonment or delays in development of new properties.

Industry Regulations

ZMC currently operates in a regulated industry. There can be no assurance that it may not be negatively affected by changes in federal, state or local legislation, or by any decisions or orders of any governmental or administrative body or applicable regulatory authority.

Uninsurable Risks

Exploration of mineral properties involves numerous risks, including unexpected or unusual geological

conditions, rock bursts, cave-ins, fires, floods, earthquakes and other environmental occurrences, and political and social instability. It is not always possible to obtain insurance against all such risks and ZMC may decide not to insure against certain risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of ZMC. ZMC does not currently maintain insurance against environmental risks.

Fluctuating Mineral Prices

The mining industry is heavily dependent upon the market price of the metals or minerals being mined. There is no assurance that even if commercial quantities of mineral resources are discovered, a profitable market will exist for the sale of the same. There can be no assurance that mineral prices will be such that the Properties can be mined at a profit. Factors beyond ZMC's control may affect the marketability of any minerals discovered.

Competition

Significant and increasing competition exists for mineral opportunities. There are a number of large established mineral exploration companies with substantial capabilities and greater financial and technical resources than ZMC. ZMC may be unable to acquire additional mineral properties or acquire such properties on terms considered acceptable.

Conflicts of Interest

ZMC's directors may, from time to time, serve as directors of, or participate in ventures with other companies involved in natural resource development. As a result, there may be situations that involve a conflict of interest for such directors. Each director will attempt not only to avoid dealing with such other companies in situations where conflicts might arise but will also disclose all such conflicts in accordance with the BCA and will govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

No Cash Dividends are expected to be paid in the Foreseeable Future.

ZMC has not declared any cash dividends to date. ZMC intends to retain any future earnings to finance its business operations and any future growth. As such, ZMC does not anticipate declaring any cash dividends in the foreseeable future.

Unless otherwise directed, the persons named in the enclosed Proxy intend to vote FOR the approval of the Reorganization Resolution.

V. DELISTING FROM THE TSX VENTURE EXCHANGE

As disclosed above, and as disclosed by the Company in its public news releases of June 11, 2020, July 31, 2020 and December 14, 2020, the Company has entered into a definitive share exchange agreement (the "Share Exchange Agreement") dated July 17, 2020 with XRApplied S.A.S. ("XRA") and the shareholders of XRA (the "XRA Shareholders"), whereby, among other things, the Company has agreed to (i) acquire all of the issued and outstanding common shares in the capital of XRA from the XRA Shareholders, in exchange for the issuance of 40,000,000 common shares in the capital of the Company to the XRA Shareholders, (ii) undertake a concurrent private placement financing to raise at least US\$500,000 and up to US\$3,000,000, (iii) delist from the TSX Venture Exchange (TSXV), (iv) list on the Canadian Securities Exchange (CSE); and (v) change its name to XRApplied Technologies Inc.

The Company is not obliged to seek Shareholders' approval to the acquisition of XRA; however to delist from the TSXV prior to listing on the CSE, the TSXV requires that the Company obtain the "majority of the minority" approval of its Shareholders, such that the directors and officers of the Company, all persons affiliated with XRA, and all associated entities to any of such persons, will be precluded from voting on the matter.

The Company has prepared and filed with the CSE, a draft Listing Statement in the form prescribed by the CSE. The Listing Statement provides details of the proposed transaction between the Company and XRA, details of the business of XRA, and details of the management, capital structure and business of the Company on a post-closing basis. Shareholders may obtain a copy of the draft Listing Statement upon request to the Company at Suite 908 - 510 Burrard Street, Vancouver, B.C. V6C 3A8, or on the Company's website at www.zadarventures.com.

Although shareholders may grant the Board the authority to delist from the TSXV, the directors may elect not to implement such resolution until it concludes the transaction involving XRA. Alternatively, the directors may effect the delisting notwithstanding that it would result in there being no new public market for the Company's common shares.

At the Meeting, Shareholders will be asked to consider, and if thought advisable, approve ordinary resolutions in substantially the following form:

1. That the directors be and are hereby authorized to apply to the TSX Venture Exchange ("TSXV") to delist the Company's common shares from trading on the TSXV.
2. Notwithstanding shareholders having approved the above resolution, the directors may implement such delisting, or elect not to implement such delisting, at its discretion, without further approval of the shareholders.

Unless otherwise directed, the directors or officers named in the Proxy intend to vote FOR the approval for the resolution to delist from the TSX Venture Exchange.

VI. Other Matters

Management of the Company knows of no other matter to come before the Meeting other than those referred to in the notice of Meeting. However, if any other matters which are not known to the 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.

DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION

In this section “named executive officer” or “NEO” means the CEO, the CFO, and the most highly-compensated executive officer other than the CEO and CFO and whose total compensation exceeded \$150,000, as well as any additional individuals for whom disclosure would have been provided except that the individual was not serving as a NEO of the Company at July 31, 2020.

At July 31, 2020, the NEOs were Paul Gray, CEO; and Geoff Watson CFO.

Director and NEO compensation excluding compensation securities							
Name and position	Year ended July 31	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Mark Tommasi ⁽¹⁾ Director	2020	5,000 ⁽²⁾	Nil	Nil	Nil	Nil	5,000
	2019	16,000 ⁽²⁾	Nil	Nil	Nil	Nil	16,000
Geoffrey Watson ⁽³⁾ CFO	2020	42,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	42,000
	2019	58,000 ⁽⁴⁾	Nil	Nil	Nil	Nil	58,000
John Roozendaal ⁽⁵⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Yana Bobrovskaya ⁽⁶⁾ Director and Secretary	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	2,500 ⁽⁷⁾	Nil	Nil	Nil	Nil	2,500
Paul Gray ⁽⁸⁾ Director, President and CEO	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) Mr. Tommasi has served as 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 of the Company 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; and secretary of the Company since May 17, 2016.
- (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; president of the Company since June 13, 2013; and CEO of the Company since May 17, 2016.

External Management Companies

All of the NEOs are independent contractors of the Company and none of them is an employee. No NEO is employed or retained by an external management company.

Stock options and Other Compensation Securities

No stock options and other compensation securities were awarded to each Named Executive Officer and directors of the Company during the most recently completed financial year.

No compensation securities were exercised by each Named Executive Officer and directors of the Company during the most recently completed financial year.

Stock Option Plans and Other Incentive Plans

The Company has one stock option or other incentive plan, namely the Stock Option Plan. See *Particulars of Matters to be Acted on – Material Terms of the Stock Option Plan* for particulars of the Stock Option Plan. A copy of the Stock Option Plan is attached as Schedule “A”. The Stock Option Plan was approved for continuation by Shareholders at the annual general meeting held on August 16, 2017 and approval of its continuation is being sought at the Meeting.

Employment, Consulting and Management Agreements

The Company has not entered into any employment or consulting contracts with its NEOs and directors as of the end of most recently completed financial year.

Oversight and Description of Director and Named Executive Officer Compensation

The Company does not have a compensation program other than paying consulting fees and incentive bonuses. The compensation of the executive officers is determined by the Board of Directors, based in part on recommendations from the CEO. The Board of Directors recognizes the need to provide a compensation package that will attract and retain qualified and experienced executives, as well as align the compensation level of each executive to that executive’s level of responsibility. The objectives of the Company’s compensation policies and practices are:

- to reward individual contributions in light of the Company’s performance;
- to be competitive with the companies with whom the Company competes for talent;
- to align the interests of the executives with the interests of the shareholders; and

- to attract and retain executives who could help the Company achieve its objectives.

Executive Compensation Policies and Programs

The Company's compensation policies and programs for executive officers may consist of a base salary/compensation, stock options and may include other customary employment benefits. Generally, for establishing compensation for executive officers, the Board of Directors considers the executive's performance, experience and position within the Company and the recommendations of the CEO, or in the case of the CEO, the recommendation of the Board of Directors. The Board of Directors uses its discretion to set compensation for executive officers at levels warranted by external, internal and individual circumstances. The early stage of the Company's business development is also a factor in setting the compensation. As the Company is in the early stages, compensation for executive officers relies solely on board discussion without any formal objectives, criteria and analysis.

Compensation of executive officers of the Company is generally reviewed on an annual basis or at a time of a material change in the business. Stock options are granted pursuant to the Stock Option Plan at the discretion of the Board of Directors. Options granted generally vest in varying amounts over three or four-year periods or as otherwise determined by the Board of Directors.

The CEO and the CFO invoice the Company for time spent on the business of the Company. The basic component of executive compensation consists only of a consulting fee component and going forward, the Company may include performance-based variable incentive compensation, which may be comprised of cash bonuses and/or stock option grants. The allocation of value to different compensation elements will not be based on a formula, but rather will be intended to reflect market practices as well as the Board of Directors' discretionary assessment of an executive officer's past contribution and the ability to contribute to future short and long-term business results.

Specifically, the objectives of consulting fees are to recognize market pay and acknowledge the competencies and skills of individuals. The rate established for each executive officer is intended to reflect each individual's responsibilities, experience, prior performance and other discretionary factors deemed relevant by the Board of Directors. In connection with setting appropriate levels of compensation, members of the Board of Directors base their decisions on their general business and industry knowledge and experience and publicly available information of comparable companies. The Board of Directors also considers specific conditions related to the Company and general market conditions as well as reference to the competitive market place for management talent at other publicly-held junior technology companies at a similar stage of development, market capitalization and size.

The Board of Directors believes that the Company's compensation plan is consistent with the companies the Company competes with for talent where the business plan is under development.

During its deliberations, the Board of Directors considers the implications of the risks associated with adopting the compensation practices currently in place. The Board of Directors does not believe that its current compensation practices create a material risk that the NEOs or any employee would be encouraged to take inappropriate or excessive risks, and no such risks have been detected to date. The Board of Directors will continue to include this consideration in its deliberations and believes that it would detect actions of management and employees of the Company that constitute or would lead to inappropriate or excessive risks.

The Company does not have a policy that would prohibit the NEOs or directors from purchasing financial instruments that are designed or would have the effect of hedging the value of equity securities granted to, or held by, these individuals.

Base Salary

The objectives of the base salary are to provide compensation in accord with market value, and to acknowledge the competencies and skills of individuals. The base salary paid to the NEOs is reviewed annually by the Board of Directors as part of the annual review of executive officers. The decision whether to grant an increase to the executive's base salary and the amount of any such increase shall be in the sole discretion of the Board of Directors.

Incentive Bonuses

Incentive bonuses in the form of cash payments are designed to add a variable component of compensation, based on corporate and individual performances for executive officers and employees. No incentive bonuses were paid to NEOs, other executive officers and employees during the most recently completed fiscal year.

Option Based Awards

The objectives of the stock option will be to reward achievement of long-term financial and operating performance and focus on key activities and achievements critical to the ongoing success of the Company. At this stage in the Company's development, greater emphasis may be put on incentive stock option compensation. The Company has no other forms of compensation, other than payments made from time to time to individuals or companies they control for the provision of consulting services. Such consulting services are paid for by the Company, to the best of its ability, at competitive industry rates for work of a similar nature by reputable arm's length service providers. Actual compensation will vary based on the performance of the executives relative to the achievement of goals and the price of the Company's securities, as well as the financial condition of the Company.

Pension and Retirement Plans

The Company does not have any pension or retirement plan at present.

Equity Plan Compensation Information

The following table sets forth information on the Company's equity compensation plans under which common shares were authorized for issuance as at July 31, 2020:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	Nil	Nil	2,342,913
Equity compensation plans not approved by securityholders	Nil	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

As of the date of this Circular, no director or executive officer of the Company is or has been indebted to the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth in this Circular, the management of the Company is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the Company's last financial year or any proposed nominee for election as a director, or any associate or affiliate of any of the foregoing persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors. All of the directors and officers may receive options pursuant to the Stock Option Plan, but the votes of Insiders (directors and officers) are being excluded from the voting to approve the amendment to increase the shares reserved for issuance under the Stock Option Plan.

CORPORATE GOVERNANCE DISCLOSURE

Canadian securities regulatory policy as reflected in National Instrument 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires that venture issuers like the Company must disclose on an annual basis their approach to corporate governance. National Policy 58-201 - *Corporate Governance Guidelines* ("**NP 58-201**") provides regulatory staff guidance on preferred governance practices, although the guidelines are not prescriptive, other than for audit committees. The Company's approach to corporate governance in the context of NI 58-101 and NP 58-201 (together the "**Policies**") as well as its compliance with the mandatory rules relating to audit committees is set out below.

Board of Directors

The Policies require that the board of directors of a venture issuer determine and disclose the status of each director as independent or not, based on each director's interest in or other relationship with the issuer. Under the Policies, the applicable definition of independence is that contained in National Instrument 52-110 – *Audit Committees* ("**NI 51-110**"), under which a director is "independent" where he or she "has no direct or indirect material relationship" with the issuer. A "material relationship" is a

relationship which could, in the view of the issuer’s board of directors, be reasonably expected to interfere with the exercise of a member’s independent judgement. However, the following individuals are deemed to have a material relationship with the issuer, and therefore not be independent:

- an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
- an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
- an individual who:
 - is a partner of a firm that is the issuer’s internal or external auditor,
 - is an employee of that firm, or
 - was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - is a partner of a firm that is the issuer’s internal or external auditor,
 - is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - was within the last three years a partner or employee of that firm and personally worked on the issuer’s audit within that time;
- an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer’s current executive officers serves or served at that same time on the entity’s compensation committee; and
- an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer or a subsidiary during any 12 month period within the last three years.

The Company has four directors and those same four directors are nominated for reappointment at the Meeting. Three of the four nominees are independent. John Roozendaal, Yana Bobrovskaya and Mark Tommasi are independent directors. Paul Gray is not independent because of his position as the President and CEO of the Company.

Mark Tommasi is the current chairman of the Board of Directors. Going forward, the independent directors will have the opportunity to meet regularly in an *in camera* session as part of board meetings and can otherwise communicate as they deem necessary. The Board of Directors believes that John Roozendaal, Yana Bobrovskaya and Mark Tommasi as a group are experienced, familiar with the expectations of independent directors, and capable of exercising independent judgment.

Directorships

The following directors act as directors of other reporting issuers (or the equivalent):

Director	Other Reporting Company
Mark Tommasi	Rojo Resources Ltd. HIT Technologies Inc.
John Roozendaal	Global Li-Ion Graphite Corp.

Paul Gray	Dawson Gold Corp. Victoria Gold Corp.
-----------	--

Orientation and Continuing Education

While the Company does not have formal orientation and training programs, each new director receives an orientation, minutes of meetings, written mandates, guidelines and other relevant corporate documents needed to understand the Company’s business and processes. The commitment needed from directors, particularly the commitment of time and energy, is emphasized to directors prior to their appointment nomination.

Directors are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to keep themselves up to date with best director and corporate governance practices. The Company provides continuing education for its directors as the need arises. Directors have full access to the Company’s records.

Ethical Business Conduct

The Board of Directors has adopted a written code of business conduct and ethics and a whistleblower policy for its directors, officers, employees, and contractors (the “Code”). The Board of Directors is responsible for monitoring compliance with the Code.

The Board of Directors takes appropriate measures to exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer may have a material interest. Where appropriate, directors absent themselves from portions of board or committee meetings to allow independent discussion of points in issue.

Nomination of Directors

The Board of Directors has not established a nominating committee. The Board of Directors as a whole is responsible for filling of vacancies on the Board of Directors and recommending potential nominees for directors, and uses an informal consultative process. The Board of Directors analyzes the needs of the board when vacancies arise and identifies and proposes new nominees who have the necessary competencies and characteristics to meet those needs. In order to foster an objective nomination process, the independent members of the Board of Directors are encouraged to recommend nominees for the Board of Directors.

Compensation

The Company has not established a compensation committee and to date, decisions regarding compensation for the directors and the executive officers have been made by the Board of Directors as a whole. The Board of Directors reviews directors’ compensation once a year, taking into consideration the compensation paid to directors of comparable publicly traded Canadian companies. The Board of Directors decides the compensation of the Company’s officers based on industry standards and the Company’s financial situation.

Other Board Committees

The Board of Directors has no committees other than the audit committee. The Company is small and so far, the duties of the recommended committees have been performed by the plenary Board of Directors. Going forward, the Board of Directors will review its corporate governance practices and consider, among other matters, whether it would be desirable to establish additional committees of the Board of Directors.

Assessments

The Board of Directors monitors the adequacy of information given to directors, communication between the Board of Directors and management and the strategic direction and processes of the Board of Directors and the audit committee.

AUDIT COMMITTEE

Audit Committee Charter

The Company's audit committee charter is attached as Schedule "B" to this Circular.

Composition of the Audit Committee

The following are the current members of the Audit Committee:

Name of Audit Committee Member	Independent	Financially literate
Mark Tommasi ⁽¹⁾	Independent	Financially literate
John Roozendaal	Independent	Financially literate
Yana Bobrovskaya	Independent	Financially literate

Note:

(1) Chair of the Audit Committee.

Audit Committee Member Education and Experience

Mark Tommasi served as 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 as a director of a public company, and as such, was responsible for reviewing financial statements on an ongoing basis.

Audit Committee Oversight

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

Reliance on Certain Exemptions

At no time since the commencement of the Company's most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110. The Company is relying upon the exemption in Section 6.1 of NI 52-110 (Venture Issuers) from the requirement of Part 5 (Reporting Obligations).

Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as part of its audit charter. The pre-approval requirement for such engagement is waived if (i) the aggregate amount of all non-audit services provided to the Issuer amounts to five percent or under of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided and (ii) the services were not recognized by the Company at the time of the engagement to be non-audit services and (iii) the services are promptly brought to the attention of the audit committee by the Company and approved by the audit committee (or one or more members of the audit committee to whom that authority to approve has been delegated by the audit committee, subject to the pre-approval being presented to the first scheduled meeting of the audit committee after the approval) prior to the completion of the audit.

External Auditor Services Fees

The following table provides the particulars of the external audit fees paid by the Company for the last two fiscal years.

Nature of Services	Fees billed by Auditor for the fiscal year ended	
	July 31, 2020 (\$)	July 31, 2019 (\$)
Audit Fees ⁽¹⁾	26,210	23,840
Audit-Related Fees ⁽²⁾	Nil	Nil
Tax Fees ⁽³⁾	1,224	1,020
All Other Fees ⁽⁴⁾	3,670	3,710
Total	31,104	28,570

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include aggregate fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include fees for services that are traditionally performed by the auditor. These audit-related services include aggregate fees for employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes aggregate fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes

assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

- (4) "All Other Fees" include all other non-audit services, in the aggregate.

APPROVAL OF DIRECTORS

This information circular has been approved by the Board of Directors.

ADDITIONAL INFORMATION

Additional information about the Company is available under the Company's profile on SEDAR at www.sedar.com. Financial information is provided in the Company's audited consolidated financial statements, the report of the auditor, and management's discussion and analysis for the years ended July 31, 2020 and July 31, 2019 (the "**Financial Statements**"). Shareholders may obtain copies of the Financial Statements upon request to the Company at Suite 908 - 510 Burrard Street, Vancouver, B.C. V6C 3A8, or on the Company's website at www.zadarventures.com.

BY ORDER OF THE BOARD

/s/ Paul Gray

Director, President and Chief Executive Officer

SCHEDULE "A"

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:

- (a) the Offer is not completed within the time specified therein;
- (b) the Optionee does not tender the Option Shares pursuant to the Offer, if applicable;
- (c) 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
- (d) 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.

SCHEDULE "B"

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 "C"

REORGANIZATION RESOLUTION

BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION:

1. The business reorganization (the "**Reorganization**") involving Zadar Ventures Ltd. ("**ZAD**") and Zadar Minerals Corp. ("**ZMC**"), all as more particularly described and set forth in Management Information Circular of ZAD dated March 18, 2021 (the "**Circular**") (as the Reorganization may be modified, supplemented or amended), is hereby authorized, approved and adopted.
2. The business reorganization agreement (the "**Reorganization Agreement**") between ZAD and ZMC, dated February 26, 2021, the actions of the directors of ZAD in approving the Reorganization, and the actions of the officers of ZAD in executing and delivering the Reorganization Agreement and any amendments thereto, are hereby ratified and approved.
3. Notwithstanding that this resolution has been passed (and the Reorganization adopted) by the Shareholders of ZAD, the directors of ZAD are hereby authorized and empowered, without further notice to, or approval of, the shareholders of ZAD:
 - (a) to amend the Reorganization Agreement or the Reorganization to the extent permitted by the Reorganization Agreement; or
 - (b) subject to the terms of the Reorganization Agreement, not to proceed with the Reorganization.
4. Any director or officer of ZAD is hereby authorized, for and on behalf and in the name of ZAD, to execute and deliver, whether under corporate seal of ZAD or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions, the Reorganization Agreement and the completion of the Reorganization in accordance with the terms of the Reorganization Agreement, including:
 - (a) all actions required to be taken by or on behalf of ZAD, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Reorganization Agreement or otherwise to be entered into by ZAD,such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE "D"

REORGANIZATION AGREEMENT

THIS AGREEMENT made as of the 26th day of February, 2021.

BETWEEN:

ZADAR VENTURES LTD.

Suite 908 - 510 Burrard Street, Vancouver, B.C. V6C 3A8

("ZAD")

AND:

ZADAR MINERALS CORP.

Suite 908 - 510 Burrard Street, Vancouver, B.C. V6C 3A8

("Subco")

WHEREAS ZAD is the owner of those mineral property interests and related assets listed in Schedule "A" hereto (collectively the "**Assets**");

AND WHEREAS ZAD wishes to reorganize its business and (i) transfer the Assets to Subco on the terms set forth herein, and (ii) close on its acquisition of XRApplied S.A.S. and carry on business in the extended reality sector;

AND WHEREAS this Agreement sets out the terms and conditions upon which Subco will exchange its securities with the shareholders of ZAD in consideration of ZAD transferring the Assets to Subco;

NOW THEREFORE, in consideration of the mutual promises hereinafter set forth and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties hereby agree as follows:

1. DEFINITIONS AND INTERPRETATION

1.1 **Purpose of Agreement:** This Agreement replaces and supersedes all prior agreements, understandings and arrangements between the Parties in their entirety; and contemplates (i) the transfer by ZAD of all of its right, title and interest in and to the Assets to Subco, (ii) the issuance by Subco of shares in the capital of Subco to the ZAD Shareholders (pro-rata as to their current shareholdings in ZAD), and (iii) Subco becoming a reporting issuer in each of British Columbia, Alberta and Ontario as a result of the arrangement (collectively the "**Reorganization**").

1.2 **Definitions.** In this Agreement the following words and phrases have the meaning ascribed below:

"**Agreement**" means this Agreement including all Schedules, and all amendments made to this Agreement or the Schedules by written agreement between the Parties.

“**Associated Liabilities**” mean the aggregate sum of \$100,000 owed by ZAD in connection with expenses incurred by it in acquiring, exploring or maintaining the Assets, which liabilities are to be transferred by ZAD to and assumed by Subco pursuant to the Reorganization;

“**Closing**” has the meaning ascribed thereto in Section 4.1.

“**Closing Date**” means the date upon which Closing occurs.

“**Record Date**” means that date set by ZAD for determining the ZAD Shareholders of record, who will be entitled to notice of, attend and vote at the ZAD Meeting.

“**Reorganization Resolution**” means the special resolution of the ZAD Shareholders approving the Reorganization, to be considered and, if deemed advisable, passed with or without variation, by the ZAD Shareholders at the ZAD Meeting; substantially in the form as set out in Schedule B hereto;

“**TSX**” means the TSX Venture Exchange.

“**ZAD Meeting**” means a meeting of the shareholders of ZAD, called for the purpose, inter alia, of approving the Reorganization Resolution.

“**ZAD Shareholders**” mean the holders of common shares in the capital of ZAD as of the Record Date who will be entitled to notice of, attend and vote at the ZAD Meeting.

1.3 **Schedules.** The following Schedules are attached to and form part of this Agreement:

Schedule A – List of Assets

Schedule B – Reorganization Resolution

2. REORGANIZATION

2.1 **Reorganization.** The Parties agree that the Reorganization will be implemented in accordance with and subject to the terms and conditions of this Agreement. Without limitation to the foregoing, on the Closing Date, the Reorganization shall become effective with the result that among other things, Subco will become the holder of all of ZAD’s interest in the Assets, Subco will assume responsibility for the Associated Liabilities, the ZAD Shareholders will become the sole shareholders of Subco, and Subco will become a reporting issuer in British Columbia, Alberta and Ontario.

Subject to satisfaction or waiver of all conditions precedent, ZAD hereby agrees to transfer and assign all of its right, title and interest in and to the Assets and Associated Liabilities to Subco for and in consideration of Subco issuing an aggregate of 7,809.712 Subco Shares to the ZAD Shareholders, pro-rata as to the number of ZAD Shares held by each ZAD Shareholder.

2.2 **Reorganization Resolution.** Subject to the terms of this Agreement, ZAD shall convene and conduct the ZAD Meeting as soon as reasonably practicable, for the purpose of considering the Reorganization Resolution. It is recognized by the parties that ZAD Shareholders will have a right to dissent to the Reorganization Resolution in accordance with the applicable provisions of the *Business Corporations Act* (British Columbia).

2.3 **Distribution to ZAD Shareholders.** Subco will engage the same registrar and transfer agent as is presently engaged by ZAD (the “**Transfer Agent**”). Subco and ZAD will coordinate with the Transfer Agent to (i) set the record date for purposes of determining those ZAD Shareholders entitled to receive Subco Shares (to be the same Record Date as set for the ZAD Meeting), and (ii) printing and mailing out the Subco Shares to the ZAD Shareholders.

3. CONDITIONS OF CLOSING

3.1 **Conditions of Closing.** The obligations of the Parties under this Agreement are subject to (i) receipt of all regulatory approvals, including the TSXV (if applicable), and (ii) approval of the Reorganization Resolution by the ZAD Shareholders.

4. CLOSING ARRANGEMENTS

4.1 **Closing.** The closing of the Reorganization (the “**Closing**”) will take place as expeditiously as possible following satisfaction or waiver of all conditions precedent at a time and place or in a manner agreed by the parties.

4.2 **Closing Transactions.** At Closing, the following transactions will occur:

- (a) ZAD will deliver, transfer and assign all of its interests in the Assets to Subco, together with the Associated Liabilities; and
- (b) Subco will receive the Assets and assume the Associated Liabilities; and issue and deliver, through the Transfer Agent, share certificates representing the Subco Shares, to the ZAD Shareholders.

5. JOINT DISCLOSURE

5.1 **Press Releases.** From time to time ZAD may issue press releases and otherwise publicly disclose the existence of this Agreement, its terms and conditions and the transactions contemplated hereby as may be required by applicable law, regulations, by-laws or policy statements of governmental and other regulatory authorities, including the TSXV.

6. TERMINATION

6.1 **Termination.** This Agreement may be terminated at any time prior to the Closing by mutual written consent of each Party.

7. GENERAL PROVISIONS

7.1 **Further Assurances.** Each of the Parties shall execute and deliver all such further documents and do such further acts and things as may be reasonably required from time to time to give effect to this Agreement.

7.2 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the Reorganization and supersedes all prior agreements, undertakings, negotiations and discussions whether oral or written, of the Parties, and there are no warranties, representations, covenants or agreements between the Parties except as set forth herein. The parties may amend this Agreement from time to time, before or after the ZAD Meeting, provided those amendments made prior to the ZAD Meeting will be disclosed to the ZAD Shareholders at or prior to the meeting, and those amendments made after the ZAD Meeting are disclosed by way of public news release.

7.3 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of British Columbia and the Parties to this Agreement submit and attorn, subject to clause 8.1, to the exclusive jurisdiction of the courts of British Columbia.

7.4 **Invalidity of Provisions.** Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision thereof.

7.5 **Waiver Amendment.** Except as expressly provided in this Agreement, no amendment or waiver of this Agreement shall be binding unless executed in writing by the Party to be bound thereby. No waiver of any provision of this Agreement shall constitute a waiver of any other provision nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

7.6 **Enurement.** This Agreement shall enure to the benefit of and shall be binding upon the Parties hereto and their respective successors and permitted assigns.

7.7 **Counterparts.** This Agreement may be executed in counterparts and in electronic form, each of which shall constitute an original and all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed effective the date first above written.

ZADAR VENTURES LTD.

Per: *"signed"*

ZADAR MINERALS CORP.

Per: *"signed"*

SCHEDULE "A"

LIST OF ASSETS

East Boundary Mineral Claims	All of ZAD's right, title and interest in and to those 1,888 hectares known as the East Boundary Mineral Claims located in Northern B.C.
Pasfield Lake Project	All of ZAD's right, title and interest in and to those mineral claims comprising 37,445 hectares located in the Athabasca Basin, Saskatchewan, Canada.
Whiskey Gap Project	All of ZAD's right, title and interest in and to those three mineral claims located in southern Alberta.
WSP/CR Claims	All of ZAD's right, title and interest in and to its two prospective lithium projects located in Nevada, USA.

SCHEDULE "B"

REORGANIZATION RESOLUTION

BE IT RESOLVED THAT, AS A SPECIAL RESOLUTION:

1. The business reorganization (the "Reorganization") involving Zadar Ventures Ltd. ("ZAD") and Zadar Minerals Corp. ("Subco"), all as more particularly described and set forth in the Management Information Circular (the "Circular") of ZAD dated March 18, 2021 (as the Reorganization may be modified, supplemented or amended), is hereby authorized, approved and adopted.
2. The business reorganization agreement (the "Reorganization Agreement") between ZAD and Subco, dated February 26, 2021, the actions of the directors of ZAD in approving the Reorganization, and the actions of the officers of ZAD in executing and delivering the Reorganization Agreement and any amendments thereto, are hereby ratified and approved.
3. Notwithstanding that this resolution has been passed (and the Reorganization adopted) by the Shareholders of ZAD, the directors of ZAD are hereby authorized and empowered, without further notice to, or approval of, the shareholders of ZAD:
 - (a) to amend the Reorganization Agreement or the Reorganization to the extent permitted by the Reorganization Agreement; or
 - (b) subject to the terms of the Reorganization Agreement, not to proceed with the Reorganization.
4. Any director or officer of ZAD is hereby authorized, for and on behalf and in the name of ZAD, to execute and deliver, whether under corporate seal of ZAD or otherwise, all such agreements, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to the foregoing resolutions, the Reorganization Agreement and the completion of the Reorganization in accordance with the terms of the Reorganization Agreement, including:
 - (a) all actions required to be taken by or on behalf of ZAD, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
 - (b) the signing of the certificates, consents and other documents or declarations required under the Reorganization Agreement or otherwise to be entered into by ZAD,such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE "E"

DISSENT PROVISIONS OF THE *BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)*

DEFINITIONS AND APPLICATION

237 (1) In this Division:

"dissenter" means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

"notice shares" means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

"payout value" means,

- (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,
- (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or
- (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

- (a) the court orders otherwise, or
- (b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

RIGHT TO DISSENT

238 (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution;

in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

- (a) prepare a separate notice of dissent under section 242 for
 - i. the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and
 - ii. each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,
- (b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and
- (c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

WAIVER OF RIGHT TO DISSENT

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
 - i. the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and
 - ii. each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and
- (b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

- (a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

- (b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.
- (4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

NOTICE OF RESOLUTION

- 240 (1)** If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.
- (2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,
- (a) a copy of the proposed resolution, and
 - (b) a statement advising of the right to send a notice of dissent.
- (3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,
- (a) a copy of the resolution,
 - (b) a statement advising of the right to send a notice of dissent, and
 - (c) if the resolution has passed, notification of that fact and the date on which it was passed.
- (4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

NOTICE OF COURT ORDERS

- 241** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent,
- (a) a copy of the entered order, and
 - (b) a statement advising of the right to send a notice of dissent.

NOTICE OF DISSENT

- 242 (1)** A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,
- (a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least one (1) day before the date on which the resolution is to be passed or can be passed, as the case may be,
 - (b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or
 - (c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of
 - i. the date on which the shareholder learns that the resolution was passed, and
 - ii. the date on which the shareholder learns that the shareholder is entitled to dissent.
- (2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must
- (a) send written notice of dissent to the company on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or
 - (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.
- (3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company
- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
 - (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.
- (4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:
- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and
 - i. the names of the registered owners of those other shares,
 - ii. the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - iii. a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
 - (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and
 - i. the name and address of the beneficial owner, and
 - ii. a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.
- (5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

NOTICE OF INTENTION TO PROCEED

- 243 (1)** A company that receives a notice of dissent under section 242 from a dissenter must,
- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - i. the date on which the company forms the intention to proceed, and
 - ii. the date on which the notice of dissent was received, or
 - (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.
- (2) A notice sent under subsection (1) (a) or (b) of this section must
- (a) be dated not earlier than the date on which the notice is sent,
 - (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
 - (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

COMPLETION OF DISSENT

- 244 (1)** A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,
- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,

- (b) the certificates, if any, representing the notice shares, and
 - (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.
- (2) The written statement referred to in subsection (1) (c) must
- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
 - (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - i. the names of the registered owners of those other shares,
 - ii. the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - iii. that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

PAYMENT FOR NOTICE SHARES

- 245 (1)** A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must
- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

LOSS OF RIGHT TO DISSENT

- 246** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:
- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;
 - (b) the resolution in respect of which the notice of dissent was sent does not pass;
 - (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
 - (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company;
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

SHAREHOLDERS ENTITLED TO RETURN OF SHARES AND RIGHTS

247 If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and
- (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.