ZARA RESOURCES INC.
LEO RESOURCES INC.
208 Queens Quay West, Suite 2506, Toronto, Ontario, M5J 2Y5

JOINT INFORMATION CIRCULAR
GENERAL PROXY INFORMATION

PURPOSE OF SOLICITATION

THIS INFORMATION CIRCULAR (THE "INFORMATION CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF ZARA RESOURCES INC. ("ZARA") AND LEO RESOURCES INC. ("LEO") FOR USE AT THE JOINT SPECIAL MEETING OF SHAREHOLDERS ("SHAREHOLDERS") OF ZARA AND LEO (THE "MEETING") TO BE HELD ON MAY 14, 2013 AT 10:00 AM TORONTO TIME, AT THE ALBANY CLUB, 91 KING STREET EAST, TORONTO, ONTARIO, M5C 1G3 AND AT ANY ADJOURNMENT THEREOF FOR THE PURPOSES SET OUT IN THE ACCOMPANYING NOTICE OF MEETING (THE "NOTICE OF MEETING"). Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone by directors or officers of Zara or Leo. Arrangements will also be made with brokerage houses and other custodians, nominees, and fiduciaries to forward proxy solicitation material to the beneficial owners of the common shares of Zara (the **"Common Shares"**) pursuant to the requirements of National Instrument 54-101 Communication with Beneficial Owners of Securities of a Reporting Issuer. The cost of any such solicitation will be borne by Zara.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **IN THE ABSENCE OF ANY SUCH SPECIFICATIONS, THE MANAGEMENT DESIGNEES OF ZARA AND LEO, IF NAMED AS PROXY, WILL VOTE IN FAVOUR OF ALL THE MATTERS SET OUT HEREIN.**

THE ENCLOSED INSTRUMENT OF PROXY CONFERS DISCRETIONARY AUTHORITY UPON THE MANAGEMENT DESIGNEES OF ZARA AND LEO, OR OTHER PERSONS NAMED AS PROXY, WITH RESPECT TO AMENDMENTS TO OR VARIATIONS OF MATTERS IDENTIFIED IN THE NOTICE OF MEETING AND ANY OTHER MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING. AT THE DATE OF THIS INFORMATION CIRCULAR, ZARA AND LEO ARE NOT AWARE OF ANY AMENDMENTS TO, OR VARIATIONS OF, OR OTHER MATTERS WHICH MAY COME BEFORE THE MEETING. IN THE EVENT THAT OTHER MATTERS COME BEFORE THE MEETING, THE MANAGEMENT DESIGNEES OF ZARA AND LEO INTEND TO VOTE IN ACCORDANCE WITH THE DISCRETION OF SUCH MANAGEMENT DESIGNEES.

Pursuant to Notice and Access regulations shareholders can access the meeting materials on Zara's website at www.ZaraResourcesInc.com/filings/ and on www.SEDAR.com under Zara's profile. Please review the materials before voting. Shareholders who have requested Full Sets of printed materials will receive Full Sets and other Shareholders will receive Notices only. Requests by Shareholders requiring Full Sets mailed to them should be received at least 5 business days in advance of the proxy deposit date and time as set out in the proxy or voting instruction form in order to receive the meeting materials in advance of such date and the meeting date. Disclosure of the items to be voted can be found in the Information Circular section titled "Particulars of Matters To Be Acted Upon". To get further information on Notice and Access or request a Full Set of meeting materials to be mailed please call toll free 1-800-340-3085.

Proxies, to be valid, must be deposited at the proxy department of the Registrar and Transfer Agent of Zara, Capital Transfer Agency Inc., located at 121 Richmond Street West, Suite 401,Toronto, Ontario M5H 2K1, or faxed to (416) 350-5008 not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

APPOINTMENT OF PROXY

A SHAREHOLDER HAS THE RIGHT TO DESIGNATE A PERSON (WHO NEED NOT BE A SHAREHOLDER OF ZARA OR LEO) OTHER THAN DANIEL WETTREICH AND MARK WETTREICH, THE MANAGEMENT DESIGNEES OF ZARA AND LEO, TO ATTEND AND ACT FOR HIM OR HER AT THE MEETING. Such right may be exercised by inserting in the blank space provided, the name of the person to be designated and deleting therefrom the names of the management designees or by completing another proper instrument of proxy and, in either case, depositing the instrument of proxy with the registrar and transfer agent of Zara and Leo, Capital Transfer Agency Inc., at their proxy department located at 121 Richmond Street West, Suite 401,Toronto, Ontario M5H 2K1, or faxed to (416) 350-5008 at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting.

REVOCATION OF PROXIES

A shareholder of Zara or Leo who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. A shareholder of Zara or Leo may revoke a proxy by depositing an instrument in writing, executed by him or her or his or her attorney authorized in writing:

(a) with the proxy department of Capital Transfer Agency Inc., located at 121 Richmond Street West, Suite 401,Toronto, Ontario M5H 2K1, or faxed to (416) 350-5008 at any time, not less than 48 hours, excluding Saturdays, Sundays and holidays, preceding the Meeting or any adjournment of the Meeting at which the proxy is to be used;

(b) at the registered office of Zara or Leo, Suite 2506, 208 Queens Quay West, Toronto, Ontario, Canada, M5J 2Y5, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or

(c) with the chairman of the Meeting on the day of the Meeting or any adjournment of the Meeting.

In addition, a proxy may be revoked by the shareholder of Zara or Leo personally attending the Meeting and voting his or her shares.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES ON VOTING COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders of Zara, as a substantial number of Zara shareholders do not hold Common Shares in their own name. Zara shareholders who do not hold their shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Zara shareholders whose names appear on the records of Zara as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of Zara. Such Common Shares will likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the majority of such shares are registered under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depositary for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory rules require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Services Inc. ("**Broadridge**"). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. A Beneficial Shareholder receiving a proxy with a Broadridge sticker on it cannot use that proxy to vote Common Shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted at such meeting.

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

APPROVAL OF MATTERS

As used herein, "**special resolution**" means a resolution approved by a minimum majority of 66 2/3% of the votes cast by both of the Zara shareholders and Leo shareholders at the Meeting. Approval of matters to be placed before the Meeting is by a special resolution as required for the Continuation Resolution and the Arrangement Resolution.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

Zara is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which as at the date hereof 27,475,000 Common Shares are issued and outstanding. The holders of Common Shares of record at the close of business on April 4, 2013 (the "**Record Date**"), are entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held. The articles (the "**Articles**") of Zara provide that one person present and representing in person and entitled to vote at the Meeting shall constitute a quorum for the transaction of business at the Meeting.

To the knowledge of the directors and senior officers of Zara, as at the date hereof, the only Persons who beneficially own, directly or indirectly, or exercise control or direction over, ten percent (10%) or more of the issued and outstanding Common Shares are the following:

Name and Municipality of Residence	Number of Common Shares Currently Owned [1]	Percentage of Outstanding Common Shares
Daniel Wettreich, Ontario [2]	1,076,000	3.92
Winston Resources Inc, Ontario (2) (3)	8,959,102	27.24
GreenBank Capital Inc, Ontario (2) (3)	13,460,000	48.99

(1) Based on public filings or information provided to Zara by the holder, shareholdings as of April 5, 2013
(2) Mr Wettreich is a director and a control person of Winston Resources Inc ("Winston") and GreenBank Capital Inc ("GreenBank") and accordingly, by his exercise of control or direction of the shares owned by Winston and GreenBank, Mr Wettreich has voting control of 80.15% of the outstanding common shares
(3) Assumes the Winston Plan of Arrangement announced February 8, 2013 is completed. More information about the Winston Plan of Arrangement is available on www.SEDAR.com under the Winston profile

Leo is authorized to issue an unlimited number of Common Shares, without nominal or par value, of which as at the date hereof one Common Share is issued and outstanding, and 13,737,500 shares are subscribed for but not yet issued. The holders of Common Shares of record at the close of business on April 4, 2013 (the "**Record Date**"), are entitled to vote such Common Shares at the Meeting on the basis of one (1) vote for each Common Share held. The articles (the "**Articles**") of Leo provide that one person present and representing in person and entitled to vote at the Meeting shall constitute a quorum for the transaction of business at the Meeting.

To the knowledge of the directors and senior officers of Leo, as at the date hereof, the only Persons who beneficially own, directly or indirectly, or exercise control or direction over, ten percent (10%) or more of the issued and outstanding Common Shares are the following:

Name and Municipality of Residence	Number of Common Shares Currently Owned [1]	Percentage of Outstanding Common Shares
Zara Resources Inc., Toronto, Ontario	13,737,501	100%

(1)One common share is issued and outstanding, and 13,737,500 shares are subscribed for but will only be issued upon completion of the Plan of Arrangement

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the directors of Zara and Leo, the only matters to be dealt with at the Meeting are those matters set forth in the accompanying Notice of Meeting, and the shareholders of Zara and Leo (collectively, the "**Shareholders**") will be asked to consider and, if thought fit, pass with or without variation, (1) a special resolution (the "**Continuation Resolution**") of the Zara Shareholders, authorizing, confirming and approving to continue Zara into British Columbia under the British Columbia *Business Corporations Act* (the "**BCBCA**") (2) a special resolution (the "**Arrangement Resolution**") of the Zara and Leo Shareholders, authorizing, confirming and approving an arrangement agreement (the "**Arrangement Agreement**") dated April 3, 2013 among Zara and Leo which Arrangement Agreement is subject to the shareholders of Zara and Leo approving the continuation and all the necessary consents and approvals related to such continuation having been obtained, and a plan of arrangement (the "**Plan of Arrangement**") pursuant to the BCBCA. A copy of the Arrangement Agreement (with the Plan of Arrangement attached thereto) is appended to this Information Circular as Schedule "E".

(1) THE PLAN OF ARRANGEMENT

Purpose of the plan of Arrangement

The purpose of the Plan of Arrangement is to restructure Zara and Leo by continuing Zara into British Columbia under the BCBCA, transferring certain assets of Zara (as described below) to its wholly-owned subsidiary, Leo, and to distribute 100% of the common shares of Leo to the shareholders of Zara. Leo will thereby become a reporting issuer in the Provinces of British Columbia, Alberta and Ontario. As a result of the foregoing, on the completion of the Plan of Arrangement two companies will exist, Zara and Leo. The Plan of Arrangement is being proposed to facilitate the separation of Zara's current business activities into its constituent parts to reflect the different activities that are intended to be pursued by Zara and Leo. Further, Zara believes that the ability of Leo to raise its needed capital will be assisted by Leo becoming a reporting issuer.

Details of the plan of Arrangement

The Plan of Arrangement will occur by statutory arrangement under Division 5 of Part 9 of the British Columbia Business Corporations Act (the "**BCBCA**") involving Zara and the wholly-owned subsidiary of Zara, Leo. The principal features of the Plan of Arrangement are summarized below, and the following is qualified in its entirety by reference to the full text of the Arrangement Agreement and the Plan of Arrangement, which are incorporated by reference into this Information Circular, and copies of which are attached hereto as Schedule "E". These items may also be reviewed at www.sedar.com under Zara's profile.

The Plan of Arrangement shall become effective under the BCBCA on the business day following the date of the Final Order (the "**Effective Date**"). Pursuant to the Arrangement Agreement, subject to the satisfaction or waiver of all conditions set out therein, on the Effective Date the following shall occur:

Zara will continue into British Columbia under the BCBCA, subject to approval of the shareholders of Zara and all other necessary continuation consents related thereto, including all consents required pursuant to the BCBCA and the Ontario *Business Corporations Act* (the "**OBCA**").

Zara shall transfer to its shareholders, on a pro rata basis, 13,737,500 common shares of Leo as a dividend in kind (the "**Leo Distribution Shares**"). The Leo Distribution Shares will be distributed on the basis of 1 common share of Leo for every 2 shares of Zara. Shareholders who own less than 2 shares will not receive any Leo Distribution Shares pursuant to the dividend.

Following the completion of the Plan of Arrangement, Leo will continue to focus on pursuing the development of the Riverbank Nickel-Copper Project in Northwestern Ontario ("**Riverbank Property**"). The Riverbank Property consists of 8 unpatented mining claims comprising 87 claim units covering an area of approximately 1392 ha. The property is located in the Kasabonika-McFauld's Greenstone belt, part of the Precambrian Shield area of Northwestern Ontario, approximately 540 km north-north east of Thunder Bay, Ontario and 350 km north of Geraldton, Ontario.

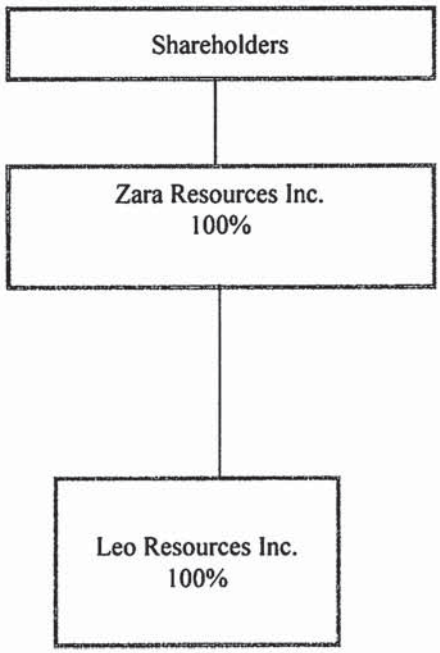
The project area is located along the western margin of the James Bay Lowlands within the Tundra Transition Zone consisting primarily of string bog and muskeg whereby the water table is very near the surface. Average elevation is approximately 170 m above mean sea level. The property area is predominantly flat muskeg with poor drainage due to the lack of relief. Glacial features are abundant in the area and consist of till deposits, eskers, and drumlins, all of which are typically overlain by marine clays from the Hudson Bay transgression.The property is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel –copper mineralization. Prior to the acquisition of the property by Zara, an airborne VTEM survey and associated aeromagnetic survey were completed by Geotech. This was followed by one diamond drill hole in 2011 totaling 216 m. A number of conductive trends are present on the Riverbank property.

The work to date indicates that the property is underlain by rocks that include ultramafic bodies. The geophysics done to date indicates that the target model of mafic-ultramafic associated nickel bearing magmatic sulphides is valid. Exploration over the properties to date has consisted primarily of geophysics followed by limited diamond drilling.

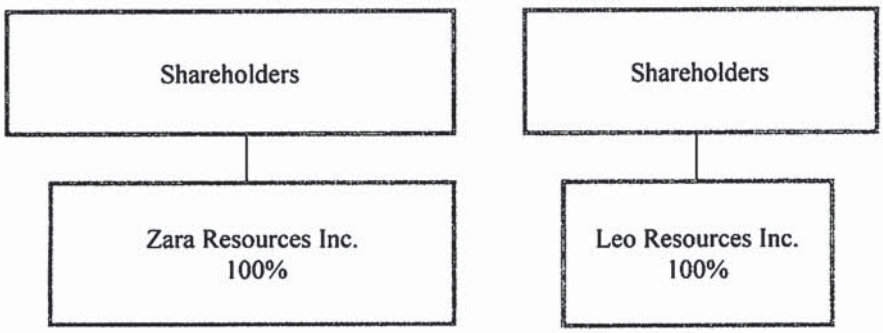
As a result of the Arrangement, Leo will cease to be a subsidiary of Zara. The corporate headquarters of Leo are located at Suite 2506, 208 Queens Quay West, Toronto, Ontario, M5J 2Y5.

Corporate Structure. Presented below is the anticipated corporate structure of Zara before and after completion of the Plan of Arrangement:

a) Corporate Structure Prior to the Plan of Arrangement



b) Corporate structure after plan of arrangement



Reasons for the Arrangement

The decision to proceed with the Arrangement was based on the following primary determinations:

(a) Zara's current business focus is on its Pigeon River nickel-copper project and its Forge Lake gold project. Leo is focused on developing the Riverbank Property and needs to raise additional capital which Zara believes will be assisted by becoming a reporting issuer, and

(b) as a result of the Arrangement, Leo will become a reporting issuer in British Columbia, Ontario and Alberta, and subject to the approval of the Canadian National Stock Exchange (the "**CNSX**"), is expected to be listed for trading on the CNSX.

Fairness of the Arrangement

The Plan of Arrangement was determined to be fair to the Shareholders by the Board based upon the following factors, among others:

(a) the procedures by which the Arrangement will be approved, including the requirement for approval by special resolution, being two-thirds of the vote, and approval by the Court after a hearing;

(b) the benefits to Leo of becoming a reporting issuer publicly listed on the CNSX as permitted by applicable securities laws;

(c) the opportunity for any Shareholders who are opposed to the Arrangement to exercise their rights of dissent in respect of the Arrangement and to be paid fair value for their Common Shares in accordance with the BCBCA, to the extent applicable to dissenters' rights; and

(d) the Shareholders are not required to sell or exchange their Common Shares.

Authority of the Board

By passing the Arrangement Resolution, the Shareholders will also be giving authority to the Board of Directors of Zara and Leo to use their best judgment to proceed with and cause Zara and Leo to complete the Arrangement without any requirement to seek or obtain any further approval of the Shareholders. The Arrangement Resolution also provides that the Plan of Arrangement may be amended by the Boards before or after the Meeting without further notice to the Shareholders. The Boards have no intention to amend the Plan of Arrangement as of the date of this Information Circular, however, it is possible that the Boards may determine in the future that it is appropriate that amendments be made.

Conditions to the Arrangement

The Arrangement Agreement provides that the Plan of Arrangement will be subject to the fulfillment of certain conditions, including the following:

(a) the continuation of Zara into British Columbia must be approved by the shareholders of Zara and the shareholders of Leo and all other necessary consents required in order to continue Zara into British Columbia must be obtained, including all consents required pursuant to the BCBCA and the OBCA;

(b) the Arrangement Agreement must be approved by the Shareholders at the Meeting;

(c) the Plan of Arrangement must be approved by the Court in the manner referred to under "Court Approval of the Arrangement";

(d) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders, required, necessary or desirable for the completion of the Arrangement must have been obtained or received, each in a form acceptable to Zara and Leo; and

(e) the Arrangement Agreement must not have been terminated.

If any condition set out in the Arrangement Agreement is not fulfilled or performed, the Arrangement Agreement may be terminated, or, in certain cases, one or more of the parties thereto, as the case may be, may waive the condition in whole or in part. Management of Zara and Leo believe that all material consents, orders, regulations, approvals or assurances required for the completion of the Arrangement will be obtained in the ordinary course upon application thereof.

Recommendation of the Boards

After reviewing all of the foregoing factors, the Board of Directors of Zara and Leo unanimously determined that the Arrangement is: (i) in the best interests of both of Zara and Leo and is fair to the Shareholders; and (ii) the Boards recommend that Shareholders vote in favor of the Arrangement Resolution.

Approval by the Shareholders

The Arrangement Resolution must be approved by special resolution, being at least two-thirds of the votes cast by the Shareholders of each of Zara and Leo present in person or by proxy at the Meeting. Notwithstanding the foregoing, the Arrangement Resolution will authorize the Board, without further notice, consent or approval of the Shareholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement, and to decide not to proceed with the Arrangement at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

Approval by the Shareholders of Leo

The Meeting will be a joint meeting of the shareholders of Zara and Leo; and Zara, being the sole shareholder of all shares in the capital of Leo will approve the Plan of Arrangement at the Meeting.

Court Approval of the Arrangement

The Plan of Arrangement as structured requires the approval of the Court. Assuming the Continuance Resolution and the Arrangement Resolution are approved by the Shareholders at the Meeting, the hearing for the order (the "**Final Order**") of the Court approving the Plan of Arrangement is expected to take place at 10 am (Vancouver time) on or about 10 June 2013 at the Courthouse located at 800 Smithe Street, Vancouver, B.C., or at such other date and time as the Court may direct. At this hearing, any security holder, director, auditor or other interested party of Zara who wishes to participate or to be represented or present evidence or argument may do so, subject to filing an appearance and satisfying certain other requirements. A draft Notice of Hearing for the Final Order is attached as Schedule B. Anyone who would like to attend the court hearing for the Final Order should contact Mark Wettreich, Secretary of Zara either by telephone at (647) 931-9775 or by email to mw@ZaraResourcesInc.com. The Court has broad discretion under the BCBCA when making orders in respect of arrangements and the Court may approve the Arrangement as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court believes to be suitable. The Court, in hearing the application for the Final Order, will consider, among other things, the fairness of the terms and conditions of the Arrangement to the Shareholders.

Proposed Timetable for the Plan of Arrangement
The anticipated timetable for the completion of the Plan of Arrangement is as follows:

Event	Date
Shareholder Meeting	May 14, 2013
Share Distribution Record Date	April 4, 2013
Approval by Ontario Ministry of Finance of Zara continuation	On or about May 21, 2013
Approval by British Columbia Registrar of Companies of continuation of Zara	On or about May 28, 2013
Final Court Approval	On or about June 10, 2013
Effective date of the Arrangement	On or about June 10, 2013
Mailing of Certificates for Shares of Leo	To be determined

Notice of the actual effective date of the Plan of Arrangement will be given to the Shareholders through one or more press releases. The Effective Date of the Plan of Arrangement will be the date upon which the Arrangement becomes effective under the BCBCA.

Relationship between Zara and Leo after the Plan of Arrangement

Following the completion of the Arrangement, Zara and Leo will have the following common directors: Daniel Wettreich, Mark Wettreich, Peter Wanner and Scott White.

Resale of Shares Issued Pursuant to the Arrangement

The issue of Leo shares pursuant to the Plan of Arrangement will be made pursuant to exemptions from the registration and prospectus requirements contained in applicable securities laws. Under such applicable securities laws, the Leo shares may be resold in Canada without hold period restrictions. The foregoing discussion is only a general overview of the requirements of Canadian securities laws for the resale of the Leo shares received upon completion of the Plan of Arrangement. All holders of such shares are urged to consult with their own advisors to ensure compliance with applicable securities requirements upon resale.

Expenses of the Arrangement

Pursuant to the Arrangement Agreement, the costs relating to the Plan of Arrangement, including without limitation, financial, advisory, accounting and legal fees will be borne by Zara.

(1)Text of the Continuation Resolution

The complete text of the Continuation Resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, by Zara Shareholders is substantially as follows:

"BE IT HEREBY RESOLVED as a Special Resolution of the Shareholders that:

> The continuation of the Corporation into British Columbia under the British Columbia *Business Corporations Act* is hereby authorized, confirmed and approved subject to the Corporation obtaining all necessary consents and approvals related to such continuation, and the directors are authorized to proceed with making an application to continue the Corporation into British Columbia and obtain any consents required under applicable law. Any one or more directors or officers of the Corporation be and are hereby authorized, for and on behalf of the Corporation, to execute and deliver any documents, agreements and instruments and to perform all such other acts and things in such person's opinion as may be necessary or desirable to give effect to the provisions of this Special Resolution, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments and the doing of any such act or thing."

IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY AT THE MEETING IN FAVOUR OF THE SPECIAL RESOLUTION OF SHAREHOLDERS APPROVING THE CONTINUATION

(2)Text of the Arrangement Resolution

The complete text of the Arrangement Resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, by the Shareholders is substantially as follows:

"BE IT HEREBY RESOLVED as a Special Resolution of the Shareholders that:

> The entering into, execution and delivery of an Arrangement Agreement and Plan of Arrangement (the "**Arrangement Agreement**") among the Corporation and Leo Resources Inc. is hereby approved and confirmed. Notwithstanding that this resolution has been duly passed by the Shareholders, approval is hereby given to the board of directors of the Corporation to amend the terms of the Arrangement Agreement in any manner, to the extent permitted by the Arrangement Agreement and subject to its terms, the execution of same being conclusive evidence of approval of such amendments; to determine not to proceed with the Arrangement; and, to revoke this resolution at any time prior to the effective date of the Arrangement. The Corporation is authorized and directed to fully perform its obligations under the Arrangement Agreement and to carry out the Arrangement as set out in the Plan of Arrangement, as may be amended, included therein, including the authorization of issuance of any securities and the taking or omission from taking of any further action. Any one or more directors or officers of the Corporation be and are hereby authorized, for and on behalf of the Corporation, to execute and deliver any documents, agreements and instruments and to perform all such other acts and things in such person's opinion as may be necessary or desirable to give effect to the provisions of this Special Resolution, the Arrangement Agreement, and the matters contemplated by the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments and the doing of any such act or thing."

IF NAMED AS PROXY, THE MANAGEMENT DESIGNEES INTEND TO VOTE THE COMMON SHARES REPRESENTED BY SUCH PROXY AT THE MEETING IN FAVOUR OF THE SPECIAL RESOLUTION OF SHAREHOLDERS APPROVING THE ARRANGEMENT.

Dissent Rights to the Continuation or the Arrangement

Any shareholder of Zara may send notice of dissent to Zara in respect of the Arrangement Resolution or the Continuation Resolution, and any shareholder of Leo may send notice of dissent to Leo in respect of the Arrangement Resolution (collectively, the "**Dissent Rights**" and each, a "**Dissent Right**"). Non-Registered Shareholders who wish to dissent should contact their broker or other intermediary for assistance with the Dissent Rights. The Dissent Rights are summarized below, but the Shareholders are referred, in respect of the right of dissent related to the Arrangement Resolution, to the full text of Sections 237 to 247 of the BCBCA set out in Schedule C attached to this Information Circular, and, in respect of the right of dissent related to the Continuation Resolution, to the full text of Section 185 of the OBCA set out in Schedule D attached to this Information Circular, and may consult their legal counsel for a complete understanding of such Dissent Rights. A Dissenting Shareholder who wishes to exercise his or her Dissent Right must give written notice of dissent to Zara or Leo, as applicable, by depositing such notice of dissent with Zara or Leo, as applicable, or by mailing it to Zara or Leo, as applicable, by registered mail at its head office at 208 Queens Quay West, Suite 2506, Toronto Ontario M5J 2Y5 marked to the attention of the Secretary not later than the close of business on the day that is two business days before the Meeting, being close of business on May 10, 2013. A Shareholder who wishes to dissent must prepare a separate notice of dissent for (i) the Registered Shareholder, if the Shareholder is dissenting on its own behalf and (ii) each person who beneficially owns Common Shares of Zara or Leo, as applicable, in the Shareholder's name and on whose behalf the Beneficial Shareholder is dissenting. The following summary is qualified in its entirety by the provisions of Sections 237 to 247 of the BCBCA and Section 185 of the OBCA, as applicable.

To be valid, a notice of dissent must:

(a) identify in each notice of dissent the person on whose behalf dissent is being exercised;

(b) identify whether the dissent is to the Arrangement Resolution or the Continuation Resolution, or both;

(c) set out the number of Common Shares in respect of which the Shareholder is exercising the Dissent Right (the "**Notice Shares**"), which number cannot be less than all of the Common Shares held by the Beneficial Shareholder on whose behalf the Dissent Right is being exercised;

(d) if the Notice Shares constitute all of the shares of which the Dissenting Shareholder is both a Registered Shareholder and Beneficial Shareholder and the Dissenting Shareholder owns no other Common Shares as a Beneficial Shareholder, a statement to that effect;

(e) if the Notice Shares constitute all of the Common Shares of which the Dissenting Shareholder is both a Registered Shareholder and Beneficial Shareholder but the Dissenting Shareholder owns other Common Shares as a Beneficial Shareholder, a statement to that effect, and

(i) the names of the Registered Shareholders of those other Common Shares,

(ii) the number of those other Common Shares that are held by each of those Registered Shareholders, and

(iii) a statement that Notices of Dissent are being or have been sent in respect of all those other Common Shares;

(f) if dissent is being exercised by the Dissenting Shareholder on behalf of a Beneficial Shareholder who is not the Dissenting Shareholder, a statement to that effect, and

(i) the name and address of the Beneficial Shareholder, and

(ii) a statement that the Dissenting Shareholder is dissenting in relation to all of the Common Shares beneficially owned by the Beneficial Shareholder that are registered in the Dissenting Shareholder's name.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Arrangement Resolution or the Continuation Resolution. A vote against the Arrangement Resolution, the Continuation Resolution or the execution or exercise of a proxy does not constitute a Notice of Dissent. A Shareholder is not entitled to exercise a Dissent Right with respect to any Common Shares if the Shareholder votes (or instructs or is deemed, by submission of any incomplete proxy, to have instructed his or her proxy holder to vote) in favour of the Arrangement Resolution or the Continuation Resolution, as applicable. A Dissenting Shareholder, however, may vote as a proxy for a Shareholder whose proxy required an affirmative vote, without affecting his or her right to exercise the Dissent Right.

If Zara or Leo intends to act on the authority of the Arrangement Resolution or the Continuation Resolution, as applicable, it must send a notice (the "**Notice to Proceed**") to the Dissenting Shareholder within the time period set out in the BCBCA or the OBCA, as applicable, that the Arrangement Resolution or the Continuation Resolution have been adopted.

The Notice to Proceed must be dated not earlier than the date on which it is sent and state that Zara or Leo, as applicable, intends to act or has acted on the authority of the Arrangement Resolution or the Continuation Resolution, as applicable, and advise the Dissenting Shareholder of the rights of the Dissenting Shareholder and the procedures to be followed to exercise those rights. On receiving a Notice to Proceed, the Dissenting Shareholder is entitled to require Zara or Leo, as applicable, to purchase all of the Common Shares in respect of which the Notice of Dissent was given. A Dissenting Shareholder who receives a Notice to Proceed, and who wishes to proceed with the dissent, must send to Zara or Leo, as applicable, within, in the case of a Notice to Proceed

provided under the BCBCA, one month after the date of the Notice to Proceed and, in the case of a Notice to Proceed provided under the OBCA, 20 days after receiving such notice:

(a) a written statement that the Dissenting Shareholder requires Zara or Leo, as applicable, to purchase all of the Notice Shares for the fair value of such shares;

(b) the certificates representing the Notice Shares; and

(c) if dissent is being exercised by the Shareholder on behalf of a Beneficial Shareholder who is not the Dissenting Shareholder, a written statement signed by the Beneficial Shareholder setting out whether the Beneficial Shareholder is the Beneficial Shareholder of other Common Shares and if so, setting out

(i) the names of the Registered Shareholders of those other Common Shares,

(ii) the number of those other Common Shares that are held by each of those Registered Shareholders, and

(iii) that dissent is being exercised in respect of all of those other Common Shares, whereupon Zara or Leo, as applicable, is bound to purchase them in accordance with the Notice of Dissent.

Zara or Leo, as applicable, and the Dissenting Shareholder may agree on the amount of the payout value of the Notice Shares within the time period set out under applicable legislation and, in that event, Zara or Leo must either promptly pay that amount to the Dissenting Shareholder or send a notice to the Dissenting Shareholder that it is unable lawfully to pay Dissenting Shareholders for their shares as it is insolvent or if the payment would render it insolvent. If Zara or Leo, as applicable, and the Dissenting Shareholder do not agree on the amount of the payout value of the Notice Shares, the Dissenting Shareholder or Zara or Leo, as applicable, may apply to, with respect to the Dissent Right relating to the Arrangement Resolution, the Supreme Court of British Columbia or, with respect to the Dissent Right relating to the Continuation Resolution, the Ontario Superior Court of Justice, in accordance with the applicable legislation, and such Court may:

(a) determine the payout value of the Notice Shares or order that the payout value of the Notice Shares be established by arbitration or by reference to the registrar or a referee of the Court;

(b) join in the application each Dissenting Shareholder who has not agreed with Zara or Leo, as applicable, on the amount of the payout value of the Notice Shares; and

(c) make consequential orders and give directions it considers appropriate.

Promptly after a determination of the payout value of the Notice Shares has been made, Zara or Leo, as applicable, must either pay that amount to the Dissenting Shareholder or send a notice to the Dissenting Shareholder that it is unable lawfully to pay Dissenting Shareholders for their shares as it is insolvent or if the payment would render it insolvent. If the Dissenting Shareholder receives a notice that Zara or Leo, as applicable, is unable to lawfully pay Dissenting Shareholders for their Common Shares, the Dissenting Shareholder may, within 30 days after receipt, withdraw his or her Notice of Dissent. If the Notice of Dissent is not withdrawn, the Dissenting Shareholder remains a claimant against Zara or Leo, as applicable, to be paid as soon as Zara or Leo is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of Zara or Leo but in priority to the Shareholders. Any notice required to be given by Zara, Leo, or a Dissenting Shareholder to the other in connection with the exercise of the Dissent Right will be deemed to have been given and received, if delivered, on the day of delivery, or, if mailed, on the earlier of the date of receipt and the second business day after the day of mailing, or, if sent by fax or other similar form of transmission, the first business day after the date of transmittal.

A Dissenting Shareholder who:

(a) properly exercises the Dissent Right by strictly complying with all of the procedures (**"Dissent Procedures"**) required to be complied with by a Dissenting Shareholder, will cease to have any rights as a Shareholder other than the right to be paid the fair value of the Common Shares by Zara or Leo in accordance with the Dissent Procedures, or

(b) seeks to exercise the Dissent Right, but who for any reason does not properly comply with each of the Dissent Procedures required to be complied with by a Dissenting Shareholder loses such right to dissent.

A Dissenting Shareholder may not withdraw a Notice of Dissent without the consent of Zara or Leo, as applicable. A Dissenting Shareholder may, with the written consent of Zara or Leo, as applicable, at any time prior to the payment to the Dissenting Shareholder of the full amount of money to which the Dissenting Shareholder is entitled, abandon such Dissenting Shareholder's dissent to the Arrangement giving written notice to Zara or Leo, as applicable, withdrawing the Notice of Dissent, by depositing such notice with Zara or Leo, or mailing it to Zara or Leo by registered mail, at its head office at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5. The Shareholders who wish to exercise their Dissent Right should carefully review the dissent procedures described in Sections 237 to 247 of the BCBCA or Section 185 of the OBCA, as applicable, and seek independent legal advice, as failure to adhere strictly to the Dissent Right requirements may result in the loss of any right to dissent.

Information concerning the new issuer Leo that would result from the completion of the proposed Plan of Arrangement appears below under "Information Concerning Leo".

.

FINANCIAL STATEMENTS AND MANAGEMENT DISCUSSION AND ANALYSIS

Attached hereto as Schedule F are copies of the audited financial statements of Leo for the period ended March 31, 2013, and Management Discussion and Analysis related thereto.

INFORMATION CONCERNING LEO

Leo was incorporated by a certificate of incorporation under the *Business Corporations Act* (British Columbia) dated March 18, 2013. The head office of Leo is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario, M5J 2Y5

General Description of the Business

The business of Leo is the development of its 100% owned Riverbank Nickel/Copper/Platinum Project located in the Kasabonika-McFauld's Greenstone Belt about 540 km to the north east of Thunder Bay and 350 km north of Geraldton, Ontario, an area commonly known as the Ring of Fire. The property is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel-copper mineralization. The property consists of 8 unpatented mining claims comprising 87 claim units covering an area of approximately 1392 ha. The project area is located along the western margin of the James Bay Lowlands within the Tundra Transition Zone consisting primarily of string bog and muskeg whereby the water table is very near the surface. Average elevation is approximately 170 m above mean sea level. The property area is predominantly flat muskeg with poor drainage due to the lack of relief. Glacial features are abundant in the area and consist of till deposits, eskers, and drumlins, all of which are typically overlain by marine clays from the Hudson Bay transgression. Until Leo completes an evaluation and analysis of its intended development program of the Riverbank Property it is unable to determine the costs and cash flow requirements and the expected financial performance of such a development program, but it anticipates that any additional capital required for exploration and development will be raised from the equity markets, subject to market conditions prevailing at the time. Riverbank is subject to a pre-existing 2% NSR.

Additional information on the Riverbank Property can be obtained by reviewing the Riverbank Property NI43-101 Technical Report which is incorporated by reference into this Circular. **The Riverbank Property Technical Report dated January 14, 2013 "Riverbank Property, McFauld's Lake Area, Ontario, Canada; Porcupine Mining Division, NTS 43C and 43D Geology Technical Report" by Alan Aubut of Sibley Basin Group is available on SEDAR at www.sedar.com under the SEDAR profile of Zara, and on Zara's website at www.ZaraResourcesInc.com . In addition, a copy of the Riverbank Property Technical Report will be mailed, free of charge, to any holder of common shares who requests a copy,**

in writing, from the Secretary of Zara. Any such requests should be mailed to Zara, at its head office, to the attention of Corporate Secretary.

Until the completion of the Plan of Arrangement, Zara will be the sole shareholder of Leo.

Corporate History

On March 18, 2013 Leo was founded for the purpose of acquiring the Riverbank Property and other interests in mineral exploration projects located in North America that have potential natural resource minerals. Leo is authorized to issue an unlimited number of Common Shares, of which as at the date hereof one Common Share is issued and outstanding, and 13,737,500 shares are subscribed for but not yet issued. On April 3, 2013 Leo entered into the Arrangement Agreement with Zara. Upon completion of the Plan of Arrangement and the distribution of the Leo Distribution Shares, Leo will be a reporting issuer in the Provinces of British Columbia, Alberta and Ontario.

Stated Business Objectives and Milestones

Upon completion of the Plan of Arrangement, Leo's business will be that of mineral development of its Riverbank Nickel/Copper/Platinum Project. Leo intends to list the common shares of Leo on the CNSX, subject to obtaining all necessary approvals of the CNSX.

Description of the Securities of the Resulting Issuer

There is currently one common share of Leo issued and outstanding, and upon completion of the Plan of Arrangement there will be 13,737,501 common shares and 100,000 preferred shares issued and outstanding. On the Effective Date, Leo shall immediately transfer to Shareholders, on a pro rata basis, 13,737,200 common shares of Leo as a distribution.

Pro Forma Capitalization of the Resulting Issuer

Based on the audited balance sheet of Leo as at March 31, 2013 set out in Schedule F attached hereto, the unaudited pro forma share capital of Leo upon completion of the Plan of Arrangement shall be as follows:

Designation of Security	Amount Authorized	Outstanding Common Shares
Common Shares Preferred Shares	Unlimited Unlimited	13,737,500 100,000
Indebtedness	N/A	0
Shareholders Equity	N/A	$458,000

Available Funds and Principal Purposes

Management of Zara estimates that Leo will have $100,000 in available cash funds immediately following the completion of the Plan of Arrangement. Leo will seek to raise additional working capital by issuing equity in private placements as appropriate. There is no guarantee that Leo will be successful in raising additional capital or that if capital is available that it will be on terms deemed favorable by Leo.

Dividend Policy

It is not contemplated that any dividends will be paid in the immediate or foreseeable future as it is anticipated that all available funds will be applied to finance Leo's business. Leo's board of directors will determine if and when dividends are to be declared and paid from funds properly applicable to the payment of dividends based on Leo's financial position at the relevant time

PRINCIPAL SECURITY HOLDERS OF LEO

To the knowledge of the directors and officers of Zara and Leo, the only persons who immediately following the completion of the Plan of Arrangement, will own beneficially and of record, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding common shares of Leo are set out below:

Name and Municipality of Residence.	Number of Common Shares of Leo after Plan of Arrangement	Percentage of Issued and Outstanding Common Shares of Leo after Plan of Arrangement (3)
Daniel Wettreich, Ontario (1) (2)	538,000	3.92
Winston Resources Inc, Ontario (1) (2)	4,479,551	27.24
GreenBank Capital Inc, Ontario (1) (2)	6,730,000	48.99

Note
(1) Mr Wettreich is a director and a control person of Winston and GreenBank and accordingly, by his exercise of control or direction of the shares owned by Winston and GreenBank, Mr Wettreich has voting control of 80.15% of the outstanding common shares of Leo
(2) Assumes the Winston Plan of Arrangement announced February 8, 2013 is completed. More information about the Winston Plan of Arrangement is available on www.SEDAR.com under the Winston profile
(3) Based on 13,737,501 shares issued and outstanding

DIRECTORS, OFFICERS AND PROMOTERS

Name, Address, Occupation and Securities Holdings

The following chart provides certain information with respect to each proposed director and officer of Leo, including the approximate number of securities of Leo that will be beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them:

Name and Municipality of Residence	Proposed Position with Leo	Principal Occupation During the Past Five Years	Number and Percentage of Common Shares Beneficially Held as at the date hereof	Number and Percentage of Common Shares Beneficially Held assuming completion of Plan of Arrangement(1)
Daniel Wettreich, Ontario (2)	Chairman, CEO, CFO and Director	CEO of Churchill Venture Capital LP, Churchill Natural Resource Partners, LP, Winston Resources Inc, Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc	Nil	538,000 3.92%
Mark Wettreich Texas, USA	Vice President, Corporate Secretary and Director	Vice President of Churchill Venture Capital LP, Churchill Natural Resource Partners LP, Winston Resources Inc, Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc	Nil	Nil

Scott F. White, Ontario [2]	Director	Director of Parlay Games Inc.; Minsud Resources Inc.; Taggart Capital Corp.; TriumphVentures II Corp. Winston Resources Inc, Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc	Nil	5,400 0.0004%
Peter Wanner, Ontario [2]	Director	Managing Director, IG Aviation Tax Services Inc.; CFO & Director, First National Energy Corp.; CFO & Director Hear At Last Holdings Inc.; Director & President, Scorpio Capital Corp.; Director & CEO, Triumph Ventures II Corp; Director of Winston Resources Inc, Zara Resources Inc, GreenBank Capital Inc, Hadley Mining Inc	Nil	Nil

Notes:
(1) Based on 13,737,501 Leo common shares being issued and outstanding after completion of the Plan of Arrangement
(2) Member of Leo's audit committee.

Management Team and Board of Directors

Daniel Wettreich is a director and the Chairman, CEO and CFO of Leo Resources Inc, CNRP Mining Inc, GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources Inc. He has more than 38 years' experience in venture capital, private equity, and management of publicly traded companies. He has been Chairman and CEO of Churchill Venture Capital LP, a Dallas, Texas private equity business, for more than 20 years, and is Managing Partner of Churchill Natural Resource Partners, LP, which invests in small cap mining companies. He has been a director of public companies listed on the CNSX, NASDAQ, the American Stock Exchange, the London Stock Exchange, the AIM Market of the London Stock Exchange, and the Vancouver Stock Exchange, a predecessor to the TSX Venture Exchange. These public companies have been in diverse businesses in mineral development, internet technologies, oil and gas, retailing, telecommunications, media, and real estate. He has facilitated 13 reverse takeover transactions in the USA, Canada and the UK. He is a graduate of the University of Westminster with a BA in Business.

It is anticipated that Mr. Wettreich will devote such time and expertise as is reasonably required by Leo.

Mark Wettreich is a director and Vice President of Administration and Corporate Secretary of Leo Resources Inc, CNRP Mining Inc, GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources Inc. He is Vice President of Churchill Venture Capital LP and of Churchill Natural Resource Partners, LP which invests in small cap mining companies. Previously, he was President of European Art Gallery, fine art dealers in London, England, and Dallas, Texas. He is a B.A. graduate of the University of Texas.

It is anticipated that Mr. Wettreich will devote such time and expertise as is reasonably required by Leo.

Scott F. White is a director and member of the Audit Committee of Leo Resources Inc, CNRP Mining Inc, GreenBank Capital Inc, Winston Resources Inc , Hadley Mining Inc and Zara Resources Inc., Mr. White is a director and founder of Parlay Games, Inc., a company focused on the development and license of internet gaming products. Mr. White is a director of several public corporations listed on the TSXV and is active as a shareholder and director of numerous private corporations. Previously Mr. White was the Founding and Managing Partner of Bush, Frankel, & White, Barristers & Solicitors. He has a B.A. from the University of Toronto and an LLB from the University of Windsor.

It is anticipated that Mr. White will devote such time and expertise as is reasonably required by Leo.

Peter D. Wanner is a director and member of the Audit Committee of Leo Resources Inc, CNRP Mining Inc, GreenBank Capital Inc, Winston Resources Inc, Hadley Mining Inc and Zara Resources. He is the Managing Director of IG Aviation Tax Services Inc providing accounting services to the aviation industry. Mr Wanner is a director and CEO of Triumph Ventures II Corp, which is a Capital Pool company. He is a director and CEO of First National Energy Corp, a public company on the OTC in the USA and has been a director and officer of a number of public companies. Peter received his Certified General Accountant designation in 1981 and after working in public accounting he became VP & Controller of Worldways Canada – then Canada's 3rd largest airline. He has 25 years' experience in accounting and financial consulting, and has worked with companies in Canada, the United States, Mexico and the United Kingdom.

It is anticipated that Mr. Wanner will devote such time and expertise as is reasonably required by Leo.

Cease Trade Orders, Bankruptcies, Penalties, and Sanctions

Other than as disclosed below, no director or executive officer of Zara or proposed director of Zara is, as at the date hereof, or has been, within the 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any corporation (including Zara) that:

(a) was subject to an order that was issued and which was in effect for a period of more than 30 consecutive days, while the director or executive officer was acting in the capacity as director, chief executive officer or financial officer; or

(b) was subject to an order that was issued and which was in effect for a period of more than 30 consecutive days, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer, or chief financial officer.

No director or executive officer of Zara, proposed director of Zara, or a shareholder holding a sufficient number of securities of Zara to affect materially the control of Zara:

(a) is, at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including Zara) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of Zara, proposed director of Zara, or a shareholder holding a sufficient number of Zara's securities to affect materially the control of Zara has been subject to:

(a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b)

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Scott F. White was an officer and a director of Parlay Entertainment Inc ("**Parlay**"). Parlay was the subject of a cease trade order **(a "CTO")** issued by the Ontario Securities Commission (the "**OSC**") and by the British Columbia Securities Commission on or around May 17, 2011, for failing to file a comparative financial statement for its financial year ended December 31, 2010, and a Form 51-102F1 Management's Discussion and Analysis for the period ended December 31, 2010. Parlay subsequently filed all required financial statements and the CTO was lifted on July 25, 2012. On May 6, 2011, the Parlay appointed BDO Canada Limited ("**BDO**") to assist it in a restructuring and to act as its proposal trustee in the filing of a notice of intention to make a proposal (the "**Proposal**") to its creditors with the Superior Court of Justice, Province of Ontario, pursuant to the *Bankruptcy and Insolvency Act* (Canada). On September 29, 2011, the creditors of the Applicant rejected the Proposal and, as a result Parlay was deemed bankrupt and BDO was appointed Bankruptcy Trustee. On November 29, 2011, the Bankruptcy Trustee executed a letter of intent with a third party in anticipation of a transaction and, based on the letter of intent, the Bankruptcy Trustee offered a new proposal to the creditors (the "**New Proposal**") and on January 19, 2012, the creditors accepted the New Proposal. The New Proposal of Parlay under the *Bankruptcy and Insolvency Act* (Canada) was approved by the Court on February 6, 2012 and Parlay ceased to be deemed bankrupt.

Personal Bankruptcies

No proposed director, officer or promoter of Leo is, or has, within the ten years preceding the date hereof, been declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that individual.

Conflicts of interest

Certain of the directors of Leo currently, or in the future, may serve as directors of, have significant shareholdings in, or provide professional services to other companies and, to the extent that such other companies may participate in ventures with Leo, the directors of Zara may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises, a director who has such a conflict must disclose, at a meeting of the board, the nature and extent of his interest to the meeting and abstain from voting for or against the approval of such participation. Conflicts will be subject to the procedures and remedies similar to these provided under the BCBCA.

Other Reporting Issuer Experience

The following table sets forth the names of the directors, officers, and promoters of Leo that are, or have been within the last five years, directors, officers, and promoters of other reporting issuers.

Name of Director, Officer, or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market (1)	Position	From	To
Daniel Wettreich	Camelot Corporation	OTC-BB	CEO/Director	September 1988	May 2010
	Winston Resources Inc	CNSX	CEO/Director	June 2012	Present
	Zara Resources Inc	CNSX	CEO/Director	November 2012	Present
	Hadley Mining Inc	CNSX	CEO/Director	November 2012	Present
Peter Wanner	First National Energy Corp.	OTCBB	CFO/Director	May 2004	Present
	Hear At Last Holdings Inc.	PK	CFO	July 2006	September 2009
	Trophy Capital Inc.	TSX-V	Director	July 2003	March 2004
	Ribbon Capital Corp.	TSX-V	Director	June 2004	September 2006
	Scorpio Capital Corp.	TSX-V	Director/President	September 2004	January 2007
	Triumph Ventures II Corp.	TSX-V	CFO/Director	November 2010	Present
	Triumph Ventures III Corp.	TSX-V	CFO/Director	August 2011	January 2013
	Zara Resources Inc	CNSX	Director	January 2012	Present
	Winston Resources Inc	CNSX	Director	December 2012	Present
	Hadley Mining Inc	CNSX	Director	December 2012	Present

Name of Director, Officer, or Promoter	Name and Jurisdiction of Reporting Issuer	Name of Trading Market (1)	Position	From	To
Scott F. White	Parlay Entertainment Inc. Rattlesnake Ventures Inc. Minsud Resources Inc. Taggart Capital Corp. Triumph Ventures II Corp Winston Resources Inc Zara Resources Inc Hadley Mining Inc	TSXV TSXV TSXV TSXV TSXV CNSX CNSX CNSX	CEO/Director CEO/Director CEO/Director Director Director Director Director Director	November 2006 October 2007 May 2011 January 2011 July 2011 June 2012 November 2012 November 2012	July 2012 May 2011 Present Present Present Present Present Present
Mark Wettreich	Winston Resources Inc Zara Resources Inc Hadley Mining Inc	CNSX CNSX CNSX	Secretary/Director Secretary/Director Secretary/Director	June 2012 December 2012 December 2012	Present Present Present

Note:
(1) CNSX = Canadian National Stock Exchange; OTC-BB = Over the Counter Bulletin Board; TSXV = TSX Venture Exchange; and PK means "Pink Sheets"

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Resulting Issuer Board anticipates, upon completion of the Plan of Arrangement, that the size of the Resulting Issuer will facilitate a direct management structure and that Leo's Board will decide compensation matters relating to executive management. Leo intends to compensate Daniel Wettreich for services as CEO of Leo in the amount of $8,000 per month and Mark Wettreich for services as Secretary of the Resulting Issuer in the amount of $2,000 per month, commencing upon the completion of the Plan of Arrangement. Daniel Wettreich and Mark Wettreich have advised the Company that these management fees will accrue and not be paid until further notice in order to improve the liquidity of the Company.

Option-based Awards and Incentive Plan Awards

Leo does not intend to grant any incentive stock options in connection with the completion of the Plan of Arrangement but may grant options to directors, officers, employees and consultants of Leo pursuant to Leo's Stock Option Plan. See Schedule A. All future option grants will be at the discretion of Leo's Board.

Pension Plan Benefits

Leo does not intend to enact any deferred compensation plan or pension plan that provides for payments or benefits at, following or in connection with retirement.

Termination and Change of Control Benefit

Leo does not intend to enter into employment agreements with its management team upon completion and there will be no termination or change of control benefits in favour of such persons.

Director Compensation

Upon Completion of the Plan of Arrangement, it is anticipated that the size of Leo will facilitate a direct management structure whereby the directors will determine how much, if any, cash compensation will be paid

to directors for services rendered to Leo by them in that capacity, however, it is not anticipated that directors who are otherwise employed by or engaged to provide services to Leo, will be paid an annual director's fee.

Share-Based Awards, Option based Awards and Non-Equity Incentive Plan Compensation

The Resulting Issuer Board will consider whether share-based awards, option based awards or whether to establish any non-equity incentive plans, as the case may be, should be established from time to time.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director, executive officer or other senior officer of Leo, or any Associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of Leo, indebted to Leo nor is, or at any time since the incorporation of Leo has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Leo.

INVESTOR RELATIONS ARRANGEMENTS

Neither Leo nor Zara has entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for Zara, or Leo or its securities.

AUDITORS, TRANSFER AGENT AND REGISTRAR

Auditors

As at the date of this Information Circular, the auditors of Leo are Schwartz Levitsky Feldman LLP, Chartered Accountants, of 2300 Yong Street, Suite 1500, Ontario, M4P 1E4 who will continue in that capacity for the ensuing year at a remuneration to be fixed by the Directors.

Transfer Agent and Registrar

The transfer agent and registrar of Leo is Capital Transfer Agency Inc of 121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1,

RISK FACTORS

Upon completion of the Plan of Arrangement, Leo's primary assets will consist of the Riverbank mineral development property in the Ring of Fire area of Ontario. The business of Leo will be subject to numerous risk factors, as more particularly described below. Certain of the information set out in this Information Circular includes or is based upon expectations, estimates, projections or other "forward looking information." Such forward looking information includes projections or estimates made by Leo and its management as to Leo's future business operations. While statements concerning forward looking information, and any assumptions upon which they are based, are made in good faith and reflect Leo's current judgment regarding the direction of their business, actual results will almost certainly vary, sometimes materially, from any estimates, predictions, projections, assumptions or other performance suggested herein.

Public Market Risk

Upon completion of the Plan of Arrangement, Leo intends to apply for listing on the CNSX. There can be no assurance that Leo will obtain all the necessary approvals of the CNSX for listing. It is not possible to predict the price at which the Common Shares will trade and there can be no assurance that an active trading market for the Common Shares will be sustained. A publicly traded company will not necessarily trade at values determined solely by reference to the value of its assets. Accordingly, the Common Shares may trade at a premium or a discount to values implied by the value of its underlying assets. The market price for the

Common Shares may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of Leo.

Liquidity and Additional Financing

Leo believes that cash on hand, will be adequate to meet Leo's working capital needs for the next 12 months following the completion of the Plan of Arrangement. Additional funds, by way of equity financings will need to be raised to finance Leo's future activities. There can be no assurance that Leo will be able to obtain adequate financing in the future or that the terms of such financing will be favorable. Failure to obtain such additional financing could cause Leo to reduce or terminate its operations.

Regulatory Requirements

Governmental regulation may affect Leo's activities and Leo may be affected in varying degrees by government policies and regulations. Any changes in regulations or shifts in political conditions are beyond the control of Leo and may adversely affect its business.

Permits and Licenses

The operations of Leo may require licenses and permits from various governmental authorities. There can be no assurance that Leo will be able to obtain all necessary licenses and permits that may be required.

Competition

The mineral development industry is intensely competitive in all its phases. Leo competes with many companies possessing greater financial resources than itself for investment opportunities as well as for the recruitment and retention of qualified employees. Factors beyond the control of Leo may affect its business activities. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Leo not receiving an adequate return on invested capital or losing its invested capital.

Environmental Regulations

Leo's operations may be subject to environmental regulations promulgated by government agencies from time to time. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. There is no assurance that future changes in environmental regulation, if any, will not adversely affect Leo's operations. Leo intends to fully comply with all environmental regulations.

Fluctuating Price

The price of commodities has fluctuated widely, particularly in recent years, and is affected by numerous factors beyond Leo's control including international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates, consumption patterns, speculative activities and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of base and precious metals and therefore the economic viability of Leo's activities cannot be accurately predicted.

Reliance on Key Personnel

The Resulting Issuer's performance is substantially dependent on the performance and efforts of its board of directors and management, and in particular Daniel Wettreich the Chairman and CEO. The loss of the services of any member of Leo's Board could have a material adverse effect on its business, results of operations and financial condition. Leo does not carry any key man insurance.

INTERESTS OF EXPERTS

To the knowledge of management of Zara and Leo, no professional person providing an expert opinion in these materials or any Associate or Affiliate of such person has any beneficial interest, direct or indirect, in any securities or property of Zara or Leo and no professional person is expected to be elected, appointed or employed as a director, senior officer or employee of Leo or an Associate or Affiliate thereof.

APPLICATION FOR LISTING APPROVAL

Upon the completion of the Plan of Arrangement, Leo intends to apply to the Canadian National Stock Exchange for approval of the proposed listing of Leo shares on the CNSX. As of the date of this Information Circular no application has been made and therefore Leo has not received conditional approval of the listing and no assurances can be provided that Leo will obtain conditional approval of the listing. The proposed listing is subject to Leo fulfilling all of the requirements of the Exchange.

OTHER MATERIAL FACTS

Zara is not aware of any other material facts relating to Zara, Leo or to the Plan of Arrangement that are not disclosed under the preceding items and are necessary in order for the Information Circular to contain full, true and plain disclosure of all material facts relating to Zara and Leo other than those set forth herein.

TAX CONSIDERATIONS

THIS INFORMATION CIRCULAR DOES NOT CONTAIN ANY INFORMATION CONCERNING THE TAX CONSEQUENCES OF THE PLAN OF ARRANGEMENT. THERE MAY BE MATERIAL TAX CONSEQUENCES OF THE PLAN OF ARRANGEMENT TO SHAREHOLDERS. EACH SHAREHOLDER SHOULD CONSULT WITH SUCH SHAREHOLDER'S OWN TAX ADVISOR AS TO THE TAX CONSEQUENCES OF THE PLAN OF ARRANGEMENT APPLICABLE TO SUCH SHAREHOLDER.

BOARD APPROVAL

This Information Circular has been approved by the directors of Zara and Leo. Where information contained in this Information Circular rests particularly within the knowledge of a Person other than Zara and Leo, Zara and Leo have relied upon information furnished by such Person.

Other Business

Management is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting accompanying this Information Circular. If any other business properly comes before the Meeting, it is the intention of the persons named in the accompanying form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to Zara may be found on SEDAR. Financial information of Zara and Leo is provided in the comparative financial statements and management discussion and analysis of Zara and Leo for the most recently completed financial period. Under NI 51-102, any person or company who wishes to receive interim financial statements from Zara may deliver a written request for such material to Zara or Zara's agent, together with a signed statement that the person or company is the owner of securities of Zara. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed mail card, together with

the completed form of proxy, in the addressed envelope provided, to Zara's transfer agent, Capital Transfer Agency Inc., at their proxy department located at121 Richmond Street West, Suite 401, Toronto, Ontario M5H 2K1 or faxed to (416) 350-5008. Zara maintains a supplemental mailing list of persons or companies wishing to receive interim financial statements.

DIRECTORS' APPROVAL

The contents and the sending of this Information Circular to the Shareholders of Zara have been approved by the Board of Directors of Zara and Leo. Unless otherwise specified, information contained in this Information Circular is given as of April 5, 2013

DATED at Toronto, Ontario this April 5, 2013

BY ORDER OF THE BOARD OF DIRECTORS OF ZARA RESOURCES INC.

(Signed) *"Daniel Wettreich"*

Daniel Wettreich
Chairman

BY ORDER OF THE BOARD OF DIRECTORS OF LEO RESOURCES INC.

(Signed) *"Daniel Wettreich"*

Daniel Wettreich
Chairman

SCHEDULE A
STOCK OPTION PLAN

LEO RESOURCES INC.
(the "Corporation")

STOCK OPTION PLAN

1. Purpose

The purpose of the Plan is to: (i) provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer objectives of the Corporation; (ii) give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and (iii) attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

(a) **"Board of Directors"** means the Board of Directors of the Corporation;

(b) **"Common Shares"** means common shares in the capital of the Corporation;

(c) **"Corporation"** means Leo Resources Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;

(d) **"Discounted Market Price"** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;

(e) **"Exchange"** means the Canadian National Stock Exchange or any other stock exchange on which the Common Shares are listed;

(f) **"Exchange Policies"** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;

(g) **"Insider"** has the meaning ascribed thereto in Exchange Policies;

(h) **"Market Price"** at any date in respect of the Common Shares shall be the closing price of such Common Shares on any Exchange (and if listed on more than one Exchange, then the highest of such closing prices) on the last business day prior to the date of grant (or, if such Common Shares are not then listed and posted for trading on the Exchange, on such stock exchange in Canada on which the Common Shares are listed and posted for trading as may be selected for such purpose by the Board of Directors). In the event that such Common Shares did not trade on such business day, the Market Price shall be the average of the bid and asked prices in respect of such Common Shares at the close of trading on such date. In the event that such Common Shares are not listed and posted for trading on any stock exchange, the Market Price shall be the fair market value of such. Common Shares as determined by the Board of Directors in its sole discretion;

(i) **"Option"** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;

(j) **"Option Period"** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;

(k) **"Optionee"** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan;

(I) **"Plan"** shall mean the Corporation's incentive stock option plan as embodied herein and as from time to time amended;

(m) **"Securities Act"** means the *Securities Act* (Ontario), as amended, or such other successor legislation as may be enacted, from time to time; and

(n) **"Securities Laws"** means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject, including, without limitation, the Securities Act.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Consultant", "Disinterested Shareholder Approval", "Employee", "Insider", "Investor Relations Activities" and "Management Company Employee".

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. Administration

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret die provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan, All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. Eligibility

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

5. Participation

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to

continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. Common Shares Subject to Options

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

(a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;

(b) the grant to Insiders within a 12-month period, of a number of Options exceeding 10% of the outstanding Common Shares;

(c) the grant to any one (1) Optionee within a twelve month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares unless the Corporation obtains the requisite Disinterested Shareholder Approval;

(d) the grant to all persons engaged by the Corporation to provide Investor Relations Activities, within any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares; or

(e) the grant to any one Consultant, in any twelve-month period, of Options reserving for issuance a number of Common Shares exceeding in the aggregate 2% of the Corporation's issued and outstanding Common Shares.

Appropriate adjustments shall be made as set forth in Section 15 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

7. Option Agreement

A written agreement will be entered into between the Corporation 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 and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the **"Stock Option Agreement").** The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the "**Expiry Date**"), subject to earlier termination as provided in Sections 11 and 12 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulator)' authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

In addition to any resale restrictions under Securities Laws, any Option granted under this Plan and any Common Shares issued upon the due exercise of any such Option so granted will be subject to a four-month Exchange hold period commencing from the date of grant of the Option, if the exercise price of the Option is granted at less than the Market Price, in which case the Option, and the Common Shares issued upon due exercise of the Option, if applicable, will bear the following legend:

"Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until [four months and one day from the date of grant]."

9. Exercise of Options

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 11 and 12 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Notwithstanding any other provision hereof, Options granted to persons engaged to provide Investor Relations Activities shall vest in stages over a period of 12 months from the date of grant with no more than 1/4 of any such Options granted vesting in any three-month period.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of: (i) a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised; (ii) cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised; and (iii) make suitable arrangements with the Corporation, in accordance with Section 10, for the receipt by the Corporation of an amount sufficient to satisfy any withholding tax requirements under applicable tax legislation in respect of the exercise of an Option (the **"Withholding Obligations").**

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

10. Withholding Taxes

Upon the exercise of an Option by an Optionee, the Corporation shall have the right to require the Optionee to remit to the Corporation an amount sufficient to satisfy any Withholding Obligations relating thereto under applicable tax legislation. Unless otherwise prohibited by the Board of Directors or by applicable law, satisfaction of the amount of the Withholding Obligations (the **"Withholding Amount")** may be accomplished by any of the following methods or by a combination of such methods as determined by the Corporation in its sole discretion:

(i) the tendering by the Optionee of cash payment to the Corporation in an amount less than or equal to the Withholding Amount; or

(ii) the withholding by the Corporation from the Common Shares otherwise due to the Optionee such number of Common Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the Withholding Amount (net of selling costs). By executing and delivering the option agreement, the Optionee shall be deemed to have consented to such sale and have granted to the Corporation an irrevocable power of attorney to effect the sale of such Common Shares and to have acknowledged and agreed that the Corporation does not accept responsibility for the price obtained on the sale of such Common Shares;

(iii) the withholding by the Corporation from any cash payment otherwise due by the Corporation 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 Withholding Amount; provided, however, in all cases, that the sum of any cash so paid or withheld and the fair market value of any Common Shares so withheld is sufficient to satisfy the Withholding Amount.

The provisions of the option agreement shall provide that the Optionee (or their beneficiaries) shall be responsible for all taxes with respect to any Options granted under the Plan and an acknowledgement that neither the Board of Directors nor the Corporation shall make 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 Withholding Amount made under the Plan and none of the Board of Directors, the Corporation, nor any of its employees or representatives shall have any liability to an Optionee (or its beneficiaries) with respect thereto.

11. Ceasing to be a Director, Officer, Employee or Consultant

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

12. Death of Optionee

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

(a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and

(b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

13. Optionee's Rights Not Transferable

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

14. Takeover or Change of Control

The Corporation shall have the power, in the event of:

(a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or

(b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

15. Anti-Dilution of the Option

In the event of:

(a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;

(b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change; or

(c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

16. Costs

The Corporation shall pay all costs of administering the Plan.

17. Termination and Amendment

(a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this 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.

(b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 17(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, Disinterested Shareholder Approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. 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.

(c) The 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.

18. Applicable Law

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

19. Effective Date

This Plan will become effective as of and from April 4, 2013

SCHEDULE "B" **DRAFT**

NOTICE OF HEARING

No. Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA
IN THE MATTER OF SECTION 288 OF THE
BUSINESS CORPORATIONS ACT,
S.B.C. 2002, C.57, AS AMENDED

AND

IN THE MATTER OF A PROPOSED ARRANGEMENT AMONG
ZARA RESOURCES INC AND LEO RESOURCES INC

ZARA RESOURCES INC and LEO RESOURCES INC **Petitioners**

NOTICE OF HEARING

TO LEO INC

TAKE NOTICE that the Petition of Zara Resources Inc and Leo Resources Inc dated XX April 2013 shall be heard before the presiding judge in Chambers at the courthouse at 800 Smithe Street, Vancouver, British Columbia on 10 June 2013 at 10 a.m. or as soon thereafter as counsel may be heard.

1. Date of hearing

[ ] The parties have agreed as to the date of the hearing of the petition.

( ] The parties have been unable to agree as to the date of the hearing but notice of the hearing will be given to the petition respondents in accordance with Rule 16-1(8)(b) of the Supreme Court Civil Rules.

[x] The petition is unopposed, by consent or without notice.

2. Duration of hearing

[x] It has been agreed by the parties that the hearing will take 5 minutes. [ ] The parties have been unable to agree as to how long the hearing will take and

(a) the time estimate of the petitionees) is ..... minutes, and

(b) the time estimate of the petition respondent(s) is..... minutes.

[ ] The petition respondents) has(ve) not given a time estimate.

3. Jurisdiction

[ ] This matter is within the jurisdiction of a master.

[xj This matter is not within the jurisdiction of a master.

Date: ___2013

Signature of [ ] Filing party X] Lawyer for filing party

SCHEDULE "C"

BCBCA DISSENT PROVISIONS

DIVISION 2 — DISSENT PROCEEDINGS

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;

(h) 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 2 days 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 send written notice of dissent to the company

(a) 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.

SCHEDULE "D"

OBCA DISSENT PROVISIONS

185. (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3),

a holder of shares of any class or series entitled to vote on the resolution may dissent. R.S.O. 1990, c. B.16, s. 185 (1).

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6). R.S.O. 1990, c. B.16, s. 185 (2).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares. 2006, c. 34, Sched. B, s. 35.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986. R.S.O. 1990, c. B.16, s. 185 (3).

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the

resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted. R.S.O. 1990, c. B.16, s. 185 (4).

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (5).

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent. R.S.O. 1990, c. B.16, s. 185 (6).

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6). R.S.O. 1990, c. B.16, s. 185 (7).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection. R.S.O. 1990, c. B.16, s. 185 (8).

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights. R.S.O. 1990, c. B.16, s. 185 (9).

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares. R.S.O. 1990, c. B.16, s. 185 (10).

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent. R.S.O. 1990, c. B.16, s. 185 (11).

Note: On a day to be named by proclamation of the Lieutenant Governor, subsection (11) is amended by striking out "the certificates representing" and substituting "the certificates, if any, representing". See: 2011, c. 1, Sched. 2, ss. 1 (9), 9 (2).

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section. R.S.O. 1990, c. B.16, s. 185 (12).

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (13).

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10), and the dissenting shareholder is entitled, upon presentation and surrender to the corporation or its transfer agent of any certificate representing the shares that has been endorsed in accordance with subsection (13), to be issued a new certificate representing the same number of shares as the certificate so presented, without payment of any fee. R.S.O. 1990, c. B.16, s. 185 (14).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (15).

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms. R.S.O. 1990, c. B.16, s. 185 (16).

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made. R.S.O. 1990, c. B.16, s. 185 (17).

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder. R.S.O. 1990, c. B.16, s. 185 (18).

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow. R.S.O. 1990, c. B.16, s. 185 (19).

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19). R.S.O. 1990, c. B.16, s. 185 (20).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders. R.S.O. 1990, c. B.16, s. 185 (21).

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions. R.S.O. 1990, c. B.16, s. 185 (22).

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22)(a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application. R.S.O. 1990, c. B.16, s. 185 (23).

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (24).

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders. R.S.O. 1990, c. B.16, s. 185 (25).

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b). R.S.O. 1990, c. B.16, s. 185 (26).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment. R.S.O. 1990, c. B.16, s. 185 (27).

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares. R.S.O. 1990, c. B.16, s. 185 (28).

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders. R.S.O. 1990, c. B.16, s. 185 (29).

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. R.S.O. 1990, c. B.16, s. 185 (30).

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission. 1994, c. 27, s. 71 (24).

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation. 1994, c. 27, s. 71 (24).

SCHEDULE E

ARRANGEMENT AGREEMENT and PLAN OF ARRANGEMENT

-attached hereto-

ARRANGEMENT AGREEMENT

THIS AGREEMENT is dated as of April 3, 2013

AMONG

ZARA RESOURCES INC, a company existing under the *Business Corporations Act* (Ontario)

("Zara")

AND

LEO RESOURCES INC., a company existing under the *Business Corporations Act* (British Columbia) and a wholly-owned subsidiary of Zara Resources Inc.

("Leo")

WHEREAS:

A. Zara wishes to reorganize its business by completing a spin-off of certain assets to its wholly-owned subsidiary, Leo, in consideration for common and preference shares of Leo, following which it will then transfer 100% of the Leo common shares to the Zara shareholders; and

B. Immediately prior to the Arrangement (defined below), Zara will continue into British Columbia under the *BusinessCorporations Act* (British Columbia);

C. The transactions will be completed by way of a statutory arrangement under the *Business Corporations Act* (British Columbia), subject to the terms and conditions hereinafter contained.

NOW THEREFORE in consideration of the covenants and agreements hereinafter contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows: I

ARTICLE 1

DEFINITIONS, INTERPRETATION AND SCHEDULES

1.1 Definitions

In this Agreement

"Agreement" means this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not any particular section, article, schedule or other portion hereof;

"Arrangement" means the arrangement of the Parties pursuant to the BCA on the terms and conditions set forth in the Plan of Arrangement;

"Arrangement Provisions" means Part 9, Division 5 of the BCA;

"Arrangement Resolution" means the special resolution in respect to the Arrangement at the Joint Meeting;

"Assets" means the assets of Zara to be transferred to Leo, pursuant to the Arrangement, as more particularly described in Schedule "A" attached hereto;

"BCA" means the *Business Corporations Act* (British Columbia), as amended;

"Business Day" means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;

"Circular" means the management information circular to be prepared and sent to the Zara Shareholders in connection with the Meeting;

"Court" means the Supreme Court of British Columbia;

"Dissenting Shareholder" means a Zara Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its Zara Shares in accordance with the Interim Order, the Final Order and the Plan of Arrangement;

"Dissenting Shares" means the Zara Shares in respect of which Dissenting Shareholders have exercised a right of dissent;

"Effective Date" means the Business Day following the date of the Final Order, the date that Arrangement shall become effective under the BCA;

"Exchange" means the Canadian National Stock Exchange;

"Final Order" means the order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Governmental Entity" means any (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, agency, domestic or foreign; (ii) any subdivision, agent, commission, board or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"Leo Shareholder" means the sole holder of Leo Shares, which shall remain Zara until the completion of the Plan of Arrangement;

"Leo Shares" means the common shares in the capital of Leo;

"IFRS" means International Financial Reporting Standards as issued by the IASB applicable to publicly accountable enterprises under applicable securities laws;

"Interim Order" means an interim order of the Court concerning the Arrangement, containing declarations and directions with respect to the Arrangement and the holding of the Joint Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Joint Meeting" means the special meeting of the Zara Shareholders and the Leo shareholders to be held on May 14, 2013 or such other date as may be deemed advisable by the board of directors of Zara, and any adjournment(s) or postponement(s) thereof;

"Laws" means all laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Governmental Entity;

"Parties" means Zara and Leo, and "Party" means either one of them;

"Person" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

"Plan of Arrangement' means the plan of arrangement substantially in the form and content annexed as Schedule "B" hereto and any amendment or variation thereto made in accordance with this Agreement;

"Registrar" means the Registrar of Companies for the Province of British Columbia duly appointed under the BCA;

"Securities Authorities" means all securities regulatory authorities with jurisdiction over the affairs of the Parties;

"Taxes" means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including, without limitation, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and ail capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada and Quebec Pension Plan premiums, employer health taxes, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest, fines and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing or that may become payable in respect thereof; and liability for any of the foregoing as a transferee or successor, guarantor or surety or in a similar capacity under any contract, arrangement, agreement, understanding or commitment (whether written or oral);

"Tax Act means the *Income Tax Act* (Canada);

"Tax Returns" means all returns, schedules, elections, forms, notices, declarations, reports, information returns and statements filed or required to be filed with any taxing authority

relating to Taxes;

"Termination Date" means such date as may be agreed upon by the Parties;

"Zara Shareholders" means the holders of Zara Shares;

"Zara Shares" means the common shares in the capital of Zara;

In addition, words and phrases used herein and defined in the BCA shall have the same meaning herein as in the BCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into articles, sections, subsections, paragraphs, and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. The terms "this Agreement", "hereof, "herein", "hereto", "hereunder", and similar expressions refer to this Agreement and the schedules attached hereto and not to any particular article, section, or other portion hereof and include any agreement, schedule, or instrument supplementary or ancillary hereto or thereto.

1.3 Number and Gender

In this Agreement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter, and the word person and all words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture, or government (including any Governmental Entity, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required to be taken hereunder by any party hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

All references to money in this Agreement are expressed in the lawful currency of Canada.

1.7 Entire Agreement

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede alt prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

1.8 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 hereof. To the extent permitted by applicable Law, the parties hereto waive any provision of Law which renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties shall engage in good faith negotiations to replace any provision hereof or any part thereof which is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof which it replaces.

1.9 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

1.10 Schedules

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

Schedule "A" - Plan of Arrangement

Schedule "B" - Assets

ARTICLE 2

THE ARRANGEMENT

2.1 Initial Court Proceeding

As soon as is reasonably practicable after the date of execution of this Agreement, and if deemed advisable, Zara shall file with the Court, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the Joint Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution. Upon receipt of the Interim Order, Zara and Leo will proceed to carry out the terms of the Interim Order as soon as practicable, to the extent applicable to each.

2.2 Information Circular and Joint Meeting

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order, the BCA, the Securities Laws and any other applicable laws, Zara shall:

(a) prepare the Circular and cause such circular to be mailed to the Zara Shareholders and the Leo Shareholder and filed with all applicable regulatory authorities in all jurisdictions where the same are required to be mailed and filed; and

(b) call and convene the Joint Meeting.

2.3 Final Court Proceeding

Provided all necessary approvals for the Arrangement Resolution are obtained from the Zara Shareholders and the Leo Shareholder, upon the completion of the Meeting Zara shall forthwith submit the Arrangement to the Court for approval and apply for the Final Order.

2.4 Arrangement Procedure

Unless this Agreement is terminated pursuant to the provisions herein, upon issuance by the Court of the Final Order and subject to the conditions precedent in Article 5, the Arrangement shall be carried out substantially on the terms set forth in the Plan of Arrangement, subject to such changes as may be mutually agreed to in writing by the Parties on the advice of their respective legal, tax, and financial advisors, and closing of the Arrangement shall proceed in accordance with Section 2.5.

2.5 Closing

The Parties convene at such other time as may be agreed upon, on the Effective Date for the purposes of closing and giving effect to the Arrangement. Upon closing, the transactions comprising the Arrangement shall occur and shall be deemed to have occurred without any further act or formality in the order set out in the Plan of Arrangement. On closing, each Party shall deliver

(a) all documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and

(b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour set forth in Article 5 herein.

ARTICLE 3

COVENANTS

3.1 Covenants Regarding the Arrangement

From the date hereof until the Effective Date, Zara and Leo respectively, will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws to complete the Arrangement, including using reasonable efforts:

(a) to obtain all necessary waivers, consents and approvals required to be obtained by it from any third parties to loan agreements, leases and other contracts;

(b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and

(c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.

3.2 Covenants Regarding Execution of Documents

Zara and Leo respectively, will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

ARTICLE 4

REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties

Each Party hereby represents and warrants to the other Parties that:

(a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;

(b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;

(c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constating or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound; and

(d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings has been commenced or is pending or proposed in respect of it.

ARTICLE 5

CONDITIONS PRECEDENT

5.1 Mutual Conditions

The obligations of the Parties to complete the transactions contemplated hereby are subject to fulfillment of the following conditions on or before the Effective Date or such other time as is specified below:

a) the Arrangement Resolution shall have been passed by the Zara Shareholders at the Joint Meeting in accordance with the Arrangement provisions, the BCA, the constating documents of Zara, the Interim Order, if any, applicable securities regulations, and the requirements of any applicable regulatory authorities;

b) the Final Order shall have been granted in form and substance satisfactory to each of Zara and Leo, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such Parties on appeal or otherwise;

c) there shall be not be in force any order or decree restraining, enjoining or prohibiting the consummation of the transactions contemplated by this Agreement and the Arrangement, or that would result in a judgment or assessment of damages, directly or indirectly, relating to the transactions contemplated herein that is materially

adverse;

d) all approvals shall have been obtained and all other consents, waivers, permits, orders and approvals of any Governmental Entity or other Person, and the expiry of any waiting periods, in connection with, or required to permit, the consummation of the Arrangement, the failure of which to obtain or the non-expiry of which would be materially adverse to any Parry, or materially impede the completion of the Arrangement, shall have been obtained or received on terms reasonably satisfactory to each Party;

e) this agreement shall not have been terminated under Section 6.2;

f) the shares issuable under the Arrangement shall be eligible for issuance pursuant to a prospectus exemption and shall not be subject to resale restrictions in Canada other than in respect of restrictions applicable to sales of control block shares, seasoning periods and requirements of general application; and

g) Zara shall have continued into British Columbia as a company under the BCA.

The foregoing conditions are for the mutual benefit of the Parties and may be waived, in whole or in part, by Zara or Leo at any time without prejudice to such Parry's right to rely on any other of such conditions. If any of the said conditions precedent shall not be satisfied or waived as aforesaid on or before the date required for the performance thereof, either Zara or Leo may rescind and terminate this Agreement by written notice to the other Parties and the rescinding Party shall have no other right or remedy.

5.2 **Merger of Conditions**

The conditions set out in Section 5.1 shall be conclusively deemed to have been satisfied, waived or released upon the Effective Date and the depositing of an entered copy of the Final Order with Zara' records office.

ARTICLE 6

GENERAL MATTERS

6.1 **Amendment**

This Agreement may, at any time and from time to time before or after the holding of the Joint Meeting, be amended by mutual written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of their respective shareholders provided that no such amendment reduces or materially adversely affects the consideration to be received by a Zara Shareholder without approval by the Zara Shareholders, given in the same manner as required for the approval of the Arrangement Resolution or as may be ordered by the Court.

6.2 **Termination**

This Agreement may be terminated in accordance with Section 5.1 or by mutual agreement of the Parties at any time prior to the Effective Date, in each case without further action on the part of the Zara Shareholders. This Agreement will terminate automatically if the Arrangement has not been effected by the Termination Date. The right of any Party to terminate this Agreement shall be extinguished upon the occurrence of the Effective Date.

6.3 **Expenses**

All costs and expenses of the transactions contemplated hereby, including legal fees, financial advisory fees, regulatory filing fees, all disbursements by advisors and printing and mailing costs shall be paid and borne by Zara.

6.4 **Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to the other Party shall be in writing and may be given by delivering same or sending same by facsimile transmission or by delivery addressed to the Party to which the notice is to be given at its address set out below or such other address as a Party may, from time to time, advise to the other Party by notice in writing made in accordance with this section. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a business day, if not, then on the next succeeding business day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless received after 4:00 p.m. at the point of delivery in which case it shall be deemed to have been given and received on the next business day as follows:

if to Zara:

Zara Resources Inc, 208 Queens Quay
West, Suite 2506, Toronto, Ontario
M5J2Y5

if to Leo:

Leo Resources Inc.,208 Queens Quay West,
Suite 2506, Toronto, Ontario M5J 2Y5

6.5 **Third Party Beneficiaries**

The Parties intend that this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties.

6.6 **Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Each Party hereby attorns to the exclusive jurisdiction of the Courts of the Province of British Columbia, sitting in the City of Vancouver, in respect of all matters arising under or in relation to this Agreement.

6.7 Waiver

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

6.8 Enurement and Assignment

This Agreement shall enure to the benefit of and be binding upon the Parties and their respective successors and permitted assigns. This Agreement is personal to the Parties and may not be assigned by any Party without the prior written consent of the other Party. For greater certainty, a change of control shall be deemed to be an assignment in respect of which such prior written consent shall be required.

6.9 Execution in Counterparts

This Agreement may be executed in counterparts and delivered by electronic methods of communication, and each electronic signature shall be deemed to be an original and all counterparts collectively shall constitute one and the same instrument.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first above written.

ZARA RESOURCES INC.

Pen _____

Authorized Signatory

LEO RESOURCES INC.

Pen _____

Authorized Signatory

SCHEDULE A

PLAN OF ARRANGEMENT

ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement the following capitalized words and terms shall have the following meanings:

"Arrangement", "herein", "hereof, "hereto", "hereunder" and similar expressions mean and refer to the proposed arrangement involving Zara and Leo and the Zara Shareholders pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

"Arrangement Agreement' means the arrangement agreement among Zara and Leo dated April 3, 2013 and all amendments thereto;

"Arrangement Provisions" means Division 5 of Part 9 of the BCA;

"Arrangement Resolution" means the special resolution in respect to the Arrangement and other related matters to be considered at the Joint Meeting;

"Assets" means the assets of Zara described in Schedule "B" to the Arrangement Agreement;

"BCA" means the *Business Corporations Act,* (British Columbia), as amended or replaced from time to time;

"Business Day" means any day other than Saturday, Sunday and a statutory holiday in the Province of British Columbia;

"Circular" means the management information circular to be sent to the Zara Shareholders in connection with the Joint Meeting;

"Court" means the Supreme Court of British Columbia;

"Effective Date" means the Business Day following the date of the Final Order, the date that Arrangement shall become effective under the BCA;

"Final Order" means the final order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Joint Meeting" means the special meeting of Zara Shareholders and Leo Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

"Leo" means Leo Resources Inc., a private company incorporated under the Business

Corporations Act (British Columbia);

"Leo Distribution Shares" means the Leo Shares that are to be distributed to the Zara Shareholders pursuant to §2.4

"Leo Shareholder" means the sole holder of Leo Shares, which shall remain Zara until the completion of the Plan of Arrangement;

"Leo Shares" means the common shares without par value in the authorized share structure of Leo;

"Interim Order" means an interim order of the Court concerning the Arrangement, containing declarations and directions with respect to the Arrangement and the holding of the Joint Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

"Parties" means Zara and Leo, and **"Party"** means any one of them;

"Plan" or **"Plan of Arrangement"** means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and the Arrangement Agreement;

"Registrar" means the Registrar of Companies for the Province of British Columbia duly appointed under the BCA;

"Share Distribution Record Date" means the Record Date for the Joint Meeting, which date establishes the Zara Shareholders who will be entitled to receive Leo Shares pursuant to this Plan of Arrangement;

"Tax Act" means the *Income Tax Act* (Canada), as amended;

"Transfer Agent" means Capital Transfer Agency Inc.;

"Zara" means Zara Resources Inc., a company incorporated under the laws of Ontario and, as of the Effective Date, shall have been continued into British Columbia;

"Zara Shareholder" means a holder of Zara Shares;

"Zara Shares" means the common shares without par value in the authorized share structure of Zara;

"Zara Shareholders" means the holders of Zara Common Shares;

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement.

1.3 Article References

Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Plan of Arrangement

1.4 Number and Gender

In this Plan of Arrangement, unless the contrary intention appears, words importing the singular include the plural and vice versa; words importing gender shall include all genders; and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof).

1.5 Capitalized Terms

Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Arrangement Agreement.

1.6 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties falls on a day that is not a Business Day, such action is required to be taken on the next succeeding day which is a Business Day.

1.7 Currency

All references to currency in this Plan of Arrangement are to Canadian dollars.

ARTICLE 2

ARRANGEMENT

2.1 Arrangement Agreement and Effective Date

This Plan of Arrangement is made pursuant and subject to the provisions of the Arrangement Agreement as it may be amended and in accordance with the directions of the Court. The Arrangement as set forth in the Plan of Arrangement will become effective on the Effective Date in accordance with the terms thereof and hereof.

2.2 Conditions Precedent

The implementation of this Plan of Arrangement is expressly subject to the fulfillment and/or waiver by the Party or Parties entitled of the conditions precedent set out in the Arrangement Agreement.

2.3 Binding Nature

The Arrangement shall become final and conclusively binding on the Zara Shareholders, the Leo Shareholder, Zara and Leo, on the Effective Date.

2.4 Arrangement Procedure

On the Effective Date the following shall occur and be deemed to occur in the following chronological order without further act or formality, notwithstanding any other provisions hereof, but subject to the provisions of Article 3:

a) Zara shall transfer the specified Assets set out in Schedule B hereof to Leo, and Leo shall issue 13,737,500 common shares of Leo as consideration for the specified Assets;

b) Zara shall subscribe for 100,000 Non-Voting Series A Preferred Shares of Leo for consideration of $100,000 cash;

c) Zara shall transfer 13,737,200 Leo Shares (the **"Leo Distribution Shares"**) to the Zara Shareholders, as contemplated by §2.4 (d);

d) Zara shall transfer the Leo Distribution Shares to each Zara Shareholder on the basis of 1 Leo Distribution Share for every 2 Zara Shares held as of the Share Distribution Record Date; and

e) each holder of Leo Distribution Shares shall be added to the central securities register of Leo.

2.5 Fractional Shares

Notwithstanding §2.4(b) and (e), no fractional Leo Shares shall be distributed to the Zara Shareholders and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any Leo Distribution Shares not distributed as a result of such rounding shall be dealt with as determined by the board of directors of Zara in its absolute discretion.

2.6 Valid Issuance of Shares

All shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCA.

2.7 Further Acts

Notwithstanding that the transactions or events set out in this Article 2 occur and shall be

deemed to occur in the order herein set out without any further act or formality, both Zara, and Leo agree to make, do and execute or cause to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required by it in order to further document or evidence any of the transactions or events set out in this Article 2 including, without limitation, any resolutions of directors authorizing the issue, transfer or cancellation of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor and any necessary additions to or deletions from share registers.

2.8 Trades after the Share Distribution Record Date

Zara Shares traded after the Share Distribution Record Date shall not carry any right to receive a portion of the Leo Distribution Shares.

ARTICLE 3

DISSENTING SHAREHOLDERS

3.1 Notwithstanding Article 2 hereof, holders of Zara Shares may exercise rights of dissent (the **"Dissent Right")** in connection with the Arrangement pursuant to the Interim Order, if any, and in the manner set forth in sections 237 to 247 of the BCA (appended to the Information Circular for the Joint Meeting) (collectively, the **"Dissent Procedures").**

3.2 Zara Shareholders who duly exercise Dissent Rights with respect to their Zara Shares **("Dissenting Shares")** and who:

(a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to Zara for cancellation immediately before the Effective Date; or

(b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Zara Shareholder and shall receive Leo Distribution Shares on the same basis as every other non-dissenting Zara Shareholder.

3.3 If a Zara Shareholder exercises the Dissent Right, Zara shall on the Effective Date set aside and shall not distribute that portion of the Leo Distribution Shares that is attributable to the Zara Shares for which the Dissent Right has been exercised. If the dissenting Zara Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Zara shall distribute to such Zara Shareholder his, her or its pro rata portion of the Leo Distribution Shares. If a Zara Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Zara shall retain the portion of the Distributed Leo Shares attributable to such Zara Shareholder (the **"Non-Distributed Shares"),** and the Non-Distributed Shares shall become assets of Zara and shall be dealt with as determined by the board of directors of Zara in its absolute discretion.

ARTICLE 4

AMENDMENTS

4.1 The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:

(a) set out in writing;

(b) filed with the Court and, if made following the Joint Meeting, approved by the Court; and

(c) communicated to holders of Zara Shares, and Leo Shares, as the case may be, if and as required by the Court.

4.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Zara at any time prior to the Joint Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Joint Meeting (other than as may be required under the Interim Order, if any), shall become part of this Plan of Arrangement for all purposes.

4.3 Zara, with the consent of Leo, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Joint Meeting and prior to the Effective Date with the approval of the Court.

4.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by all of the Parties, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of the Parties, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of the Parties or any former Zara Shareholder, or Leo Shareholder, as the case may be.

ARTICLE 5

REFERENCE DATE AND TERMINATION

5.1 This Plan of Arrangement is dated for reference the date first written in the Arrangement Agreement.

5.2 At any time up until the time the Final Order is made, the Parties may mutually determine not to proceed with this Plan of Arrangement, or to terminate this Plan of Arrangement, notwithstanding any prior approvals given at the Joint Meeting. In addition to the foregoing, this Plan of Arrangement shall automatically, without notice, terminate immediately and be of no further force or effect, upon the termination of the Arrangement Agreement in accordance with its terms.

SCHEDULE B - Assets

100% of all rights, title and interest to those certain mining claims commonly known as the Riverbank property located in North-western Ontario, Canada, approximately 540 km north-north east of Thunder Bay, Ontario and 350 km north of Geraldton, Ontario. The 8 unpatented mining claims, 4243106, 4243116, 4243110, 4243105, 4243107, 4243109, 4243108, 4243111, comprising 87 claim units are located within NTS 43D in UTM zone 16 (NAD 83). The Riverbank property is centred at approximately 575860E and 5863520N.

SCHEDULE F

FINANCIAL STATEMENTS

Leo Resources Inc (from inception to March 31, 2013)

Management Discussion & Analysis (from inception to March 31, 2013)

- attached hereto -

Schwartz Levitsky Feldman llp
CHARTERED ACCOUNTANTS
LICENSED PUBLIC ACCOUNTANTS
TORONTO • MONTREAL

SLF

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of
Leo Resources Inc.

We have audited the accompanying financial statements of Leo Resources Inc., which comprise the statement of financial position as at March 31, 2013 and the statements of operations and comprehensive loss, changes in equity and cash flows for the period from March 18, 2013 (date of incorporation) to March 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

2300 Yonge Street, Suite 1500
Toronto, Ontario M4P 1E4
Tel: 416 785 5353
Fax: 416 785 5663

SLF

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Leo Resources Inc. as at March 31, 2013, and its financial performance and its cash flows for the period from March 18, 2013 (date of incorporation) to March 31, 2013 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw your attention to Note 2 in the financial statements which indicates that the Company is in its exploration stage, has not yet determined whether its mineral properties contain reserves that are economically recoverable, and will require additional financing to continue its exploration and development activities. These conditions, along with other matters as set forth in Note 2 indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

Without qualifying our opinion, we draw your attention to note 8 in the financial statements which provides pro-forma information in respect of a significant transaction that the company entered into prior to the period end.

Schwartz Levitsky Feldman LLP

Toronto, Ontario, Canada
April 5, 2013

Chartered Accountants
Licensed Public Accountants

LEO RESOURCES INC.

FINANCIAL STATEMENTS

FOR THE PERIOD FROM
MARCH 18, 2013
(DATE OF INCORPORATION)

to MARCH 31, 2013

(EXPRESSED IN CANADIAN DOLLARS)

Leo Resources Inc.

Statement of Financial Position

(Expressed in Canadian Dollars)

As at March 31, 2013

	March 31, 2013
Asset	
Current Asset	
Cash	$ 1
Total Current Asset	1
Shareholder's Equity	
Issued Capital *(Note 7)*	$ 1
Contributed Surplus	7,500
Deficit	(7,500)
Equity Attributable to Owners of the Company and Total Equity	$ 1

Going concern *(Note 2)*

Approved by the Board:

_____ Director

The accompanying notes are an integral part of these financial statements

Leo Resources Inc.
Statement of Operations and Comprehensive Loss

(Expressed in Canadian Dollars)

	Period from March 18, 2013 (date of incorporation) to March 31, 2013
Operating Expenses	
Legal fees	$ 7,500
Net loss and comprehensive loss for the period attributable to Owners of the Company	$ (7,500)
Basic and Diluted Loss per Common Share	(7,500)
Weighted average number of common shares outstanding	1

The accompanying notes are an integral part of these financial statements

Leo Resources Inc.

Statement of Changes in Equity

(Expressed in Canadian Dollars)

For the Period from March 18, 2013 (date of incorporation) to March 31, 2013

	Common Share Capital				
	Number of Shares	Amount	Contributed Surplus	Deficit	Total Equity
Issued for cash consideration:					
Common shares issued for cash upon incorporation date of March 18, 2013	1	$ 1	$ -	$ -	$ 1
Non-cash consideration:					
Expenses assumed by Parent Company	-	-	7,500	-	7,500
Net loss for the period	-	-	-	(7,500)	(7,500)
Balance – March 31, 2013	**1**	**$ 1**	**$ 7,500**	**$ (7,500)**	**$ 1**

The accompanying notes are an integral part of these financial statements

Leo Resources Inc.
Statement of Cash Flows
(Expressed in Canadian Dollars)

	Period from March 18, 2013 (date of incorporation) to March 31, 2013
Operating Activities	
Net loss for the period	$ (7,500)
Expenses assumed by Parent Company	7,500
Cash Provided By Operating Activities	-
Financing Activities	
Proceeds from share issuance	1
Cash Provided from Financing Activities	1
Investing Activities	
Investing	-
Cash Used in Investing Activities	-
Increase in Cash during the period and Cash – End of Period	$ 1

The accompanying notes are an integral part of these financial statements

Leo Resources Inc.

Notes to the Financial Statements

For the period from March 18, 2013 *(date of incorporation)* to March 31, 2013

(Expressed in Canadian Dollars)

1. Governing Statutes and Nature of Operations

Leo Resources Inc. ("Leo" or "Company") was incorporated on March 18, 2013 in the Province of British Columbia. The Company is engaged principally in the business of acquisition, exploration and development of mining properties in Canada. The registered office of the Company is located at 208 Queens Quay West, Suite 2506, Toronto, Ontario M5J 2Y5. The financial year end of the Company is July 31.

2. Going Concern Assumption

These financial statements have been prepared on the basis of accounting principles applicable to a going concern. The use of these principles assumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge its liabilities in the normal course of operations. The Company is in the process of acquiring its first mineral exploration property therefore its exploration of this property and has not commenced. As such, it is unknown whether the property contains reserves that are economically recoverable. As a newly incorporated Company, that is commencing active operations; it incurs operating losses, which casts doubt about the Company's ability to continue as a going concern.

The business of mining and exploration involves a high degree of risk, as such there is no assurance that the Company's expected exploration programs will result in profitable mining operations. Until it is determined that the property it is acquiring contains mineral reserves or resources that can be economically mined, it is classified as an exploration and evaluation asset. The Company's continued existence is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in its properties, and making the required payments pursuant to mineral property share purchase agreements. The Company has not yet completed any acquisitions and it has yet to generate income and cash flows from its operations. There is also no assurance that the Company will be able to obtain the external financing necessary to explore, develop and bring to commercial production the property that it is acquiring.

3. Basis of Presentation and Statement of Compliance

Statement of Compliance

The financial statements have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS"), which includes the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"). The policies applied in these interim financial statements are based on IFRS issued and outstanding as of April 1, 2013, being the date the board of director approved these interim financial statements.

Basis of Preparation

The financial statements have been prepared on the historical cost basis, except for the measurement of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income.

3. Basis of Presentation and Statement of Compliance (Continued)

Functional and Presentation Currency
The financial statements are presented in Canadian dollars, which is also the Company's functional currency.

4. Significant Accounting Policies

These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

Significant Estimates and Judgments
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods as well as the related notes to financial statements. Actual results could differ from those estimates.

The most significant estimates relate to impairment testing. The most significant judgments relate to the determination of the economic viability of a project. In determining these estimates, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events.

Related Party Transactions
Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Provisions
Provisions are recognized when the Company has a present legal or constructive obligation that arose as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

4. Significant Accounting Policies (Continued)

Current Income Taxes

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute current income tax assets and liabilities are measured at income tax rates, which have been enacted or substantively enacted at the reporting date.

Current income taxes are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the applicable taxes are recognized in other comprehensive income or directly in equity.

Deferred Income Taxes

Deferred income taxes are provided using the liability method on temporary differences, at the date of the statement of financial position, between the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused income tax credits and unused income tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the expected income tax rates that are expected to apply in the year in which the asset is to be realized or the liability is to be settled. The expected income tax rate utilized is based upon income tax laws that have been enacted or substantively enacted at the date of the statement of financial position.

The deferred income taxes related to equity transactions are recognized directly in equity and not in the statement of comprehensive income.

Deferred income tax assets and liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

4. Significant Accounting Policies (Continued)

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive income in the period of impairment, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

Exploration and evaluations assets ("E&E")

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment.

E&E costs consist of:

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory drilling, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The treasury stock method is used for the assumed proceeds upon exercise of the options and warrants that are used to purchase common shares at the average market price during the period.

4. Significant Accounting Policies (Continued)

Comprehensive income (loss)
Comprehensive income (loss) is the change in equity of the Company during a reporting period from transactions and other events and circumstances from non-owner sources. It includes all changes to equity during a period except those resulting from investments by owners and distributions to owners.

Comprehensive income (loss) is comprised of net income for the period and other comprehensive income. The standard requires certain gains and losses that would otherwise be recorded as part of net earnings to be presented in "other comprehensive income" until it is considered appropriate to recognize into net earnings.

The Company had no comprehensive income or loss transactions, other than its net loss, nor has the Company accumulated other comprehensive income during periods that have been presented.

Equity Settled Share –Based Payment Transactions
The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the goods or services are received. The Company measures the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received then the Company measures their fair value, and the corresponding increase in equity by reference to the fair value of the equity instruments issued as payment.

Share Capital
Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary common shares are classified as equity instruments. Incremental direct costs directly attributable to the issue of new shares are recognized in equity as a reduction from the gross proceeds received from the issued shares.

Financial Assets and Financial Liabilities

Recognition: All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Valuation of Financial Instruments: The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

4. Significant Accounting Policies (Continued)

Financial Assets and Financial Liabilities *(continued)*

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly; i.e. as prices; or indirectly; i.e., derived from prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active, or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

De-recognition: The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting: Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under IFRSs, or for gains and losses arising from a group of similar transactions.

Amortized cost measurement: The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

Identification and measurement of impairment: At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a Company of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably.

4. Significant Accounting Policies (Continued)

Financial Assets and Financial Liabilities *(continued)*

Objective evidence that financial assets, including equity securities, are impaired may include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Company that would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a Company of assets such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by comparing together loans and receivables with similar risk characteristics.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Designation at fair value through profit or loss: The Company has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract.

4. Significant Accounting Policies (Continued)

Future Accounting Policies

The International Accounting Standards Board ("IASB") issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after January 1, 2013. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company has consistently adopted all new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB issued the following Standards that are effective for reporting periods ending after these financial statements and which the Company may be required to adopt in future reporting periods.

- IFRS 9 'Financial Instruments: Classification and Measurement' – effective for annual periods beginning on or after January 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

- IAS 32 'Financial Instruments: Presentation' - effective for annual periods beginning on or after January 1, 2014, amended, addresses inconsistencies when applying the offsetting requirements for financial assets and financial liabilities.

The Company is currently assessing what impact the application of these standards may have on the financial statements of the Company.

5. Financial Risk Management

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Market Risk

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly

5. Financial Risk Management (Continued)

Fair Value Risk
Fair value risk is the potential for fair value fluctuations in the value of a financial instrument. The level of market risk to which the Company is exposed varies depending on market conditions, and expectations of future price and yield movements. The Company believes the carrying amounts of its financial assets and financial liabilities are a reasonable approximation of fair value.

Interest Rate Risk
The savings accounts are at variable rates. Consequently, the Company is exposed to a fluctuation of the interest rate on the market which could vary the interest income on the savings accounts. The Company does not use financial derivatives to decrease its exposure to interest risk.

Liquidity Risk
Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. Liquidity needs are monitored in various time bands, including 30-day, 180-day and 360-day lookout periods. The Company anticipates having sufficient funds to carry out an exploration and acquisition program, pursue and evaluate new resources projects and meet its corporate and administrative expenses for the next twelve months.

The carrying values, which approximate fair values, of the Company's financial instruments are as follows:

	March 31, 2013
Financial Assets	
Fair value through profit and loss	
Cash	$ 1

6. Capital Management

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

(Expressed in Canadian Dollars)

6. Capital Management (Continued)

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

7. Share Capital

The Company's authorized share capital consists of:

(i) an unlimited number of common shares, no par value
(ii) an unlimited of Series A preferred shares – non-voting, non-retractable, non-redeemable, without dividend, no par value

	As at March 31, 2013
Issued:	
1 common share	$0.10*

* rounded to the nearest dollar

8. Commitments and Related Party Transaction

a) On March 20, 2013, the Company entered into a Purchase Agreement (the "Agreement") with its parent company, Zara Resources Inc. ("Zara"), signed by both parties. Under the terms of the Agreement, the Company agreed to purchase from Zara, all of its rights, interests, obligations and benefits of the Riverbank property ("Riverbank") for $358,000. The Riverbank property consists of 8 unpatented mining claims comprising 87 claim units covering an area of approximately 1,392 hectares. The claims are located in the Kasabonika-McFauld's Greenstone Belt about 550 km northeast of Thunder Bay and 350 north of Geraldton, Ontario.

Riverbank is subject to a pre-existing 2% net smelter royalty (NSR) payable to a third party, Melkior Resources Inc.

In consideration, the Company will issue 13,737,500 common shares of the Company at an attributed issue price of $0.02606 per share for a total of $358,000.

b) On March 20, 2013, the vendor also subscribed for 100,000 non-voting Series A Preferred Shares of the Company for the sum of $100,000 cash. As at March 31, 2013, no subscription amount was paid by the vendor and no shares were issued.

(Expressed in Canadian Dollars)

8. Commitments and Related Party Transactions (Continued)

The Company entered into a statutory Plan of Arrangement with Zara Resources Inc. where each Zara common shareholder will receive one common share of the Company for every two common shares in the capital of Zara Resources Inc. A special meeting ("Meeting") of Zara and Leo's shareholders will be held on May 14, 2013 at which the shareholders will be asked to vote on a special resolution approving the Plan of Arrangement. As stipulated by the Plan, the Company will seek a listing for its common shares on CNSX subsequent to the approval of Zara Resources Inc.'s shareholders and the completion of the Plan of Arrangement.

c) Pro-forma illustration of the above.

The following presents the above graphically, by way of the following pro-forma financial position of the company on the date of closing, expected to be May 14, 2013, subject to the above mentioned conditions being satisfied.

Asset		
Current Asset		
Cash	$	100,001
Total current assets		100,001
Mineral Property – Exploration and Evaluation Costs		358,000
Total assets	$	458,001
Shareholder's Equity		
Common Share Capital		358,001
Preferred shares		100,000
Contributed Surplus		7,500
Deficit		(7,500)
Total shareholder's equity	$	458,001

LEO RESOURCES INC

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE PERIOD FROM INCEPTION TO MARCH 31, 2013

(Prepared by Management on April 5, 2013)

208 Queens Quay West, Suite 2506

Toronto, Ontario, M5J2Y5

Tel: (647) 693 9414

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) AS OF MARCH 31, 2013 TO ACCOMPANY THE UNAUDITED COMBINED FINANCIAL STATEMENTS OF LEO RESOURCES INC (THE "COMPANY" OR "LEO") FOR THE PERIOD ENDED MARCH 31, 2013.

The following Management's Discussion and Analysis should be read in conjunction with the audited combined financial statements of the Company for the period from March 18, 2013 (date of incorporation) to March 31, 2013, which were prepared in accordance with International Financial Reporting Standards ("IFRS) and the notes thereto. All financial amounts are stated in Canadian currency unless stated otherwise.

This MD&A contains certain forward-looking statements based on the best beliefs, and reasonable assumptions of the management of the Company. There are many risks and uncertainties attached to the mineral exploration business. Given these risks and uncertainties, the reader should not place undo reliance on these forward-looking statements. (See "Risks and Uncertainties" in this MD&A for more information).

DESCRIPTION OF THE BUSINESS

Overview

Leo Resources is a newly formed minerals company focusing its main efforts on developing its Riverbank property in Ontario. The NI43-101 Technical reports for Riverbank is available under Leo's profile on SEDAR at www.sedar.com, and on the Company's website at www.LeoResourcesInc.com

During the reporting period, the parent company of Leo, Zara Resources Inc announced a spin off to its shareholders of 100% of its holdings in Leo. The spin-off will be transacted by way of a statutory plan of arrangement (the "Plan of Arrangement") under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan of Arrangement, Zara will distribute the outstanding common shares of Leo to holders of common shares of Zara such that each Zara shareholder of record on the effective date of the Plan of Arrangement will receive one common share in the capital of Leo Resources for every two common shares in the capital of Zara. Leo Resources intends to apply for listing on the CNSX.

On March 20, 2013 Leo entered into an agreement with Zara to acquire 100% of the Riverbank claims ("Riverbank") for $358,000 to be satisfied by the issuance of 13,737,500 common shares of Leo. In addition Zara also subscribed for 100,000 Non-Voting Series A Preferred Shares for the sum of $100,000 cash. Riverbank is also subject to a pre-existing 2% NSR.

Riverbank is located in the Kasabonika-McFauld's Greenstone Belt about 540 km to the north east of Thunder Bay and 350 km north of Geraldton, Ontario. It consists of 8 unpatented mining claims comprising 87 claim units covering an area of approximately 1392 ha. The property is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel-copper mineralization.

The spin-off will be transacted by way of a statutory plan of arrangement (the "Plan") under the Business Corporations Act (British Columbia). Pursuant to the terms of the Plan, Zara will distribute 13,737,200 common shares of Leo to holders of common shares of Zara on the Share Distribution Record Date. A Special Meeting ("Meeting") of Zara and Leo shareholders will be held on May 14, 2013 at which the shareholders will be asked to vote on a special resolution approving the Plan.

The Share Distribution Record Date and the Record Date for determining shareholders entitled to receive notice of and vote at the Meeting, is April 4, 2013. If approved the spin-off would be completed shortly hereafter, subject to the receipt of all necessary approvals. The spin-off is subject to numerous conditions including shareholder approval and court approval, and completion of all regulatory filings.

MINERAL PROPERTIES

Riverbank Nickel-Copper Project

The Riverbank property consists of 8 unpatented mining claims comprising 87 claim units covering an area of approximately 1392 ha. The property is located in the Kasabonika-McFauld's Greenstone belt, part of the Sachigo sub-province of the Precambrian Shield area of Northwestern Ontario, approximately 540 km north-north east of Thunder Bay, Ontario and 350 km north of Geraldton, Ontario

The project area is located along the western margin of the James Bay Lowlands within the Tundra Transition Zone consisting primarily of string bog and muskeg whereby the water table is very near the surface. Average elevation is approximately 170 m above mean sea level. The property area is predominantly flat muskeg with poor drainage due to the lack of relief. Glacial features are abundant in the area and consist of till deposits, eskers, and drumlins, all of which are typically overlain by marine clays from the Hudson Bay transgression. The Riverbank property is believed to be underlain in part by mafic to ultramafic rocks that potentially could host nickel –copper mineralization. Prior to the acquisition of Leo's interest in the property the previous owners completed an airborne VTEM survey and associated aeromagnetic survey by Geotech. This was followed by one diamond drill hole in 2011 totaling 216 m. A number of conductive trends are present on the Riverbank property. The work to date indicates that the property is underlain by rocks that include ultramafic bodies. The geophysics done to date indicates that the target model of mafic-ultramafic associated nickel bearing magmatic sulphides is valid. Exploration over the property to date has consisted primarily of geophysics followed by limited diamond drilling.

INTEREST IN MINERAL PROPERTIES

The Plan of Arrangement and spin off will occur after the approval of Zara and Leo shareholders and the British Columbia Court.

RESULTS OF OPERATIONS

The Company is in the development stage and therefore did not have revenues from operations. For the period ended March 31, 2013 the Company incurred a comprehensive loss of $0 ($0.0 loss per share).

Selected Quarterly Financial Information

The following table provides selected financial information that should be read in conjunction with the audited Financial Statements and Notes of the Company for the applicable period, **and assumes the closing of the transactions contingent on the completion of the Plan of Arrangement.**

Summary of Results **Period from March 18, 2013 – March 31, 2013**

Interest Income	**$0**
Net Loss	**$7,500**
Interest in Mineral Properties	**$358,000**
Current Assets	**$100,001**
Total Assets	**$458,001**
Total Liabilities	**$0**
Shareholders Equity	**$458,001**

Liquidity and Solvency

At March 31, 2013 the Company had proforma cash of $100,001 and proforma working capital of $100,001, assuming completion of the Plan of Arrangement. The Company will need access to equity capital to pursue its business plan and there is no guarantee that equity may be available, and if available it may not be on terms that Management finds is in the interest of the Company.

The following table summarizes the Company's proforma cash on hand, working capital and cash flow as at March 31, 2013, assuming completion of the Plan of Arrangement

Cash	**$100,001**
Working Capital	**$100,001**
Cash Used in Operating Activities	**$0**
Cash Provided by Financing Activities	**$100,001**
Increase in Cash (being cash at the end of the period)	**$100,001**

The Company is dependent on the sale of newly issued shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Company will have to raise additional funds in the future to continue its operations. There can be no assurance, however, that the Company will be successful in its efforts. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

Capital Resources

The Company has no operations that generate cash flow and its long term financial success is dependent on discovering properties that contain mineral reserves that are economically recoverable. The Company's primary capital assets as at March 31, 2013 are cash and resource properties.

The following is a summary of the Company's outstanding share, warrant and stock options data as of March 31, 2013

Common Shares

The authorized capital of the issuer consists of an unlimited number of common shares without par value of which 13, 737,501 are outstanding (including to be issued) as of March 31, 2013. Holders of the issuer's common shares are entitled to vote at all meetings of shareholders declared by the directors, and subject to the rights of holders of any shares ranking in priority to or on a parity with the common shares, to participate rateably in any distribution of property or assets upon the liquidation, winding up or dissolution of the Issuer.

Preferred Shares The Authorized capital of the Issuer consists of an unlimited number of preferred shares without par value, of which 100,000 are issued or outstanding (including to be issued) as of March 31, 2013. The preferred shares rank in priority to the common shares upon the liquidation, winding up or other dissolution of the Issuer.

Stock Options

Options to purchase common shares in the capital of Leo Resources are granted by Leo's Board of Directors to eligible persons pursuant to Leo's 2013 Stock Option Incentive Plan. During the period ended March 31, 2013, Leo granted no stock options.

At March 31, 2013, no options were outstanding .

Warrants

At March 31, 2013 the Company had no warrants and brokers warrants outstanding.

Outlook and Capital Requirements

There is no guarantee that market conditions will be conducive to raising additional equity capital. Depending on future events, the rate of Company expenditures and general and administrative costs could increase or decrease.

Related Parties Transactions

Related party transactions were in the normal course of operations and were measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

During the period ended March 31, 201, no management fees were payable.

Off-Balance Sheet Arrangements

The Company does not utilize off-balance sheet transactions.

Proposed Transactions

There are no proposed transactions that will materially affect the performance of the Company other than those disclosed in this MD&A.

Accounting Policies

The accounting policies and methods employed by the Company determine how it reports its financial condition and results of operations, and may require management to make judgments or rely on assumptions about matters that are inherently uncertain. The Company's results of operations are reported using policies and methods in accordance with IFRS. In preparing financial statements in accordance with IFRS, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses for the period. Management reviews its estimates and assumptions on an ongoing basis using the most current information available. These financial statements have been prepared by management in accordance with IFRS. Outlined below are those policies considered particularly significant:

Significant Estimates and Judgments

The preparation of financial statements requires management to make estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the dates of the financial statements, and the reported amounts of revenues and expenses during the reporting periods as well as the related notes to financial statements. Actual results could differ from those estimates. The most significant estimates relate to the valuation of deferred income taxes, impairment testing of exploration and evaluation assets, and the calculation of share-based payments. The most significant judgments relate to recognition of deferred tax assets and liabilities and the determination of the economic viability of a project In determining these estimates, the Company relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. These assumptions are limited by the availability of reliable comparable data and the uncertainty of predictions concerning future events

Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be Individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation that arose as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Current Income Taxes

Current income tax assets and liabilities for the current periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute current income taxes are measured at income tax rates, which have been enacted or substantively enacted at the reporting date. Current income taxes are recognized in profit and loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the applicable taxes are recognized in other comprehensive income or directly in equity.

Deferred Income Taxes

Deferred income taxes are provided using the liability method on temporary differences at the end of each reporting period. These taxes represent the between in the tax bases of the assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, the carry forward of unused income tax credits and unused income tax losses, to the extent that it is probable that taxable income will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each date of the statement of financial position and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each date of the statement of financial position and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the expected income tax rates that are expected to apply in the year in which the asset is to be realized or the liability is to be settled The expected income tax rate utilized is based upon income tax laws that have been enacted or substantively enacted at the date of the statement of financial position. The deferred income taxes related to equity transactions are recognized directly equity and not in the statement of comprehensive income. Deferred income tax assets and liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities, which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

Impairment of non-financial assets

At each date of the statement of financial position, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent, if any, of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset the Company estimates the recoverable amount of the cash-generating unit to which

the assets belong. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, its carrying amount is reduced to its recoverable amount. An impairment loss is recognized in the statement of comprehensive income in the period of impairment, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years.

Exploration and evaluations assets C'E&E")

E&E assets consist of exploration and mining concessions, options and contracts. Acquisition costs, lease costs and exploration costs are capitalized and deferred until such time as the property is put into production or the properties are disposed of either through sale or abandonment

E&E costs consist oft

- Acquisition of exploration properties;
- Gathering exploration data through topographical and geological studies;
- Exploratory filing, trenching and sampling;
- Determining the volume and grade of the resource;
- Test work on geology, metallurgy, mining, geotechnical and environmental; and
- Conducting engineering, marketing and financial studies.

Cash

Cash is comprised of non-interest bearing cash deposit balances, which are subject to insignificant risk of changes in their fair value. Cash is used by the Company in the management of its short-term commitments. Cash is carried at fair value through profit or loss in the statement of financial position.

Equity Settled Share -Based Payment Transactions

The costs of equity settled transactions are recognized, together with a corresponding increase in equity, over the period in which the goods or services are received. The Company measures the goods or services received, unless that fair value cannot be estimated reliably. When the Company cannot estimate reliably the fair value of the goods or services received then the Company measures their fair value and the corresponding increase in equity by reference to the fair value of the equity instruments issued as payment.

Share Capital

Financial instruments issued by the Company are treated as equity only to the extent that they do not meet the definition of a financial liability. The Company's ordinary common shares are classified as equity instruments. .Incremental Direct costs directly attributable to the issue of new shares are recognized in equity as reductions from the gross proceeds received form the issued shares.

Financial Assets and Financial Liabilities

Recognition: The Company initially recognizes loans and advances, deposits and liabilities on the date at which they are originated. All other financial assets and liabilities, including assets and liabilities designated at fair value through profit or loss, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

Valuation of Financial Instruments: The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, cone The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument

Level 2: Valuation techniques based on observable inputs, either directly; i.e. as prices; or indirectly; i.e., derived from prices. This category includes instruments valued using quoted market prices in active markets for similar instruments, quoted prices for identical or similar instruments in markets that are considered less than active or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

De-recognition: The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Offsetting: Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to set off the recognized amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under EFRSs, or for gains and losses arising from a group of similar transactions.

Amortized cost measurement: The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount, minus any reduction for impairment.

Identification and measurement of impairment: At each reporting date the Company assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a Company of financial assets are impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the assets, and that the loss event has an impact on the future cash flows of the assets that can be estimated reliably. Objective evidence that financial assets, including equity securities, are impaired may include significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of a loan or receivable by the Company that would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, the disappearance of an active market for a security, or other observable data relating to a Company of assets such as adverse changes in the payment status of borrowers or issuers in the Company, or economic conditions that correlate with defaults in the Company. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by comparing together loans and receivables with similar risk characteristics.

Impairment losses on assets carried at amortized cost are measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognized in profit or loss and reflected in an allowance account against loans and receivables. Interest on impaired assets continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Designation at fair value through profit or loss: The Company has designated financial assets and liabilities at fair value through profit or loss in the following circumstances:

- The assets or liabilities are managed, evaluated and reported internally on a fair value basis.
- The designation eliminates or significantly reduces an accounting mismatch which would otherwise arise.
- The asset or liability contains an embedded derivative that significantly modifies the cash flows that would otherwise be required under the contract

Loss per share and comprehensive loss per share

Comprehensive loss per share is calculated based on the weighted average number of shares issued and outstanding during the quarter or year, as appropriate. In the years when the Company reports a net loss and comprehensive net loss, the effect of potential issuances of shares under options and warrants would be anti-dilutive and, therefore, basic and diluted loss per share is the same. For the period ended Jury 31, 2012, all the outstanding options and warrants were anti-dilutive.

Foreign currency transactions

Items included in the financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of each entity is the Canadian Dollar. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of the monetary assets and liabilities denominated in foreign currencies are recognized in operations.

Future Accounting Policies

The International Accounting Standards Board ("IASB") issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after August 1,2013. For the purpose of preparing and presenting the financial statements for the relevant periods, the Company has consistently adopted all new standards for the relevant reporting periods.

At the date of authorization of these financial statements, the IASB issued the following Standards that are effective for reporting periods ending after these financial statements and which the Company may be required to adopt in future reporting periods.

- IFRS 9 Financial Instruments: Classification and Measurement' - effective for annual periods beginning on or after March 1, 2015, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

- IFRS 10 'Consolidated Financial Statements' - effective for annual periods beginning on or after March 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

- IFRS 11 'Joint Arrangements' - effective for annual periods beginning on or after March 1,2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

- IFRS 12 'Disclosure of Interests in Other Entities' - effective for annual periods beginning on or after March 1,2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

- IFRS 13 'Fair Value Measurement* - effective for annual periods beginning on or after March 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

IFRS 13 Fair Value Measurement was issued in May 2011 and defines fair value, sets out in a single standard a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRSs require or permit fair value measurements. The main features of the new standard include the fact that fair value is the price that would be received to sell an asset or paid to transfer a liability in an

orderly transaction between market participants at the measurement date (i.e., an exit price). Fair value measurements are based on the assumptions that market participants would use when pricing the item being measured under current market conditions, including assumptions about risk (i.e., it is a market-based, rather than entity-specific, measurement). When measuring the fair value of a non-financial asset, an entity considers the highest and best use of the asset, and whether the asset is used in combination with other assets or on a stand-alone basis. A fair value hierarchy categorizes into three levels the inputs to valuation techniques used to measure fair value and gives priority to observable inputs. An entity discloses information about the valuation techniques and inputs it has used, as well as the uncertainty inherent in its fair value measurements.

The Company has not early adopted these standards, amendments and interpretations, however it is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company

Financial Instruments and Risk Management

The Company has designated its cash at fair value through profit and loss. Trade and other payables and advances from related party are designated as other financial liabilities, which are measured at amortized cost.

Financial Risk Management Objectives and Policies

The Company is exposed to various financial risks resulting from both its operations and its investments activities. The Company's management manages financial risks. Where material, these risks will be reviewed and monitored by the Board of Directors. The Company does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

Financial Risks

The Company's main financial risk exposure and its financial risk management policies are as follows:

Market Risk

Market risk is the risk of uncertainty arising primarily from possible commodity market price movements and their impact on the future economic viability of the Company's projects and ability of the Company to raise capital. These market risks are evaluated by monitoring changes in key economic indicators and market information on an on-going basis and adjusting operating and exploration budgets accordingly

Fair Value Risk

Fair value risk is the potential for fair value fluctuations in the value of a financial instrument The level of market risk to which the Company is exposed varies depending on market conditions, and expectations of future price and yield movements. The Company believes the carrying amounts of its financial assets and financial liabilities are a reasonable approximation of fair value.

Interest Rate Risk

The savings accounts are at variable rates. Consequently, the Company is exposed to a fluctuation of the interest rate on the market which could vary the interest income on the savings accounts. The Company does not use financial derivatives to decrease its exposure to interest risk.

Liquidity Risk

Liquidity risk is the risk the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity needs by carefully monitoring cash outflows due in day-to-day business. The Company anticipates having sufficient funds to carry out an exploration and acquisition program, pursue and evaluate new resources projects and meet its corporate and administrative expenses for the next twelve months.

Foreign currency risk

The Company is exposed to currency risks on its United States dollar denominated working capital balances due to changes in the USD/CAD exchange rate.

Capital Management

The Company's objective in managing capital is to ensure continuity as a going-concern and to safeguard its ability to continue its acquisition and exploration programs. The Company manages its capital structure and makes adjustment to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares and acquire or sell mining properties to improve its financial performance and flexibility.

The Company defines its capital as its shareholder's equity. To effectively manage the Company's capital requirements, the Company has in place a planning and budgeting process to help determine the funds required to ensure the Company has appropriate liquidity to meet its operating and growth objectives. As needed, the Company raises funds through private placements or other equity financings. The Company does not utilize long term debt as the Company does not currently generate operating revenues. There is no dividend policy.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development Companies in this industry are subject to many and varied kinds of risk, including but not limited to, environmental, metal prices, political and economical. The mineral exploration business is risky and most exploration projects will not become mines. The Company may offer an opportunity to a mining company to acquire an interest in a property in return for funding all or part of the exploration and development of the property. For the funding of property acquisitions and exploration that the Company conducts, the Company depends on the issue of shares from the treasury to investors. These stock issues depend on numerous factors including a positive mineral exploration environment, positive stock market conditions, a company's track record and the experience of management The Company has no significant source of operating cash flow and no revenues from operations. The Company has not yet determined whether its mineral property contains mineral reserves that are economically recoverable. The Company has limited financial resources. Substantial expenditures are required to be made by the Company to establish reserves. There is no guarantee that the Company will be able to contribute or obtain all necessary resources and funds for the exploration and exploitation of its permits, and may fail to meet its exploration commitments. Mineral exploration involves a high degree of risk and few properties, that are explored, are ultimately developed into producing mines. Exploration of the Company's mineral property may not result in any discoveries of commercial bodies of mineralization. If the Company's efforts do not result in any discovery of commercial mineralization, the Company will be forced to look for other exploration projects or cease operations. The Company is subject to the laws and regulations

relating to environmental matters in all jurisdictions in which it operates, including provisions relating to property reclamation, discharge of hazardous material and other matters.

Conflicts of Interest

Certain of the directors and officers of the Company may also serve as directors and officers of other companies involved in gold and precious metal or other natural resource exploration and development and consequently the possibility of conflict exists. Any decisions made by such directors or officers involving the Company will be made in accordance with the duties and obligations of directors and officers to deal fairly and in good faith with the Company and such other companies. In addition, such directors declare their interest and refrain from voting on any matters in which such directors may have a conflict of interest.

Management's Responsibility for Financial Statements

The information provided in this report is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future values for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the audited consolidated financial statements.

Other

Additional information relating to the Company's operations and activities can be found by visiting the Company's website at www.LeoResources.com and www.sedar.com.

Trends

Trends in the industry can materially affect how well any junior exploration company is performing. The price of precious metals remains stable and as a result worldwide exploration is being maintained. Company management believes that the general trend will continue and that prices will be higher over time.

Outlook

The outlook for precious metals continues to be positive and this is reflected in the Company's ongoing activity.

Cautionary Statement

This document contains "forward-looking statements" within the meaning of applicable Canadian securities regulations. All statements other than statements of historical fact herein, including, without limitation, statements regarding exploration plans and our other future plans and objectives are forward-looking statements that involve various risks and uncertainties. Such forward-looking statements include, without limitation, (i) estimates of exploration investment and scope of exploration programs, and (ii) estimates of stock-based compensation expense. There can be no assurance that such statements will prove to be accurate, and future events and actual results could differ materially from those anticipated in such statement Important factors that could cause actual results to differ materially from our expectations are disclosed in the Company's documents filed from time to time via SEDAR with the Canadian regulatory agencies to whose policies we are bound. Forward-looking statements are based on the estimates and opinions of management on the date of statements are made, and the Company endeavours to update corporate information and material facts on a timely basis. Forward-looking statements are subject to risks, uncertainties and other actors, including risks associated with mineral exploration, price volatility in the mineral commodities we seek, and operational and political risks.