

No. S132476
Vancouver Registry

In the Supreme Court of British Columbia

LEO RESOURCES INC. and ZARA RESOURCES INC.

Petitioners

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

ORDER MADE AFTER APPLICATION

BEFORE)
) THE HONOURABLE JUSTICE)
) WATCHUK) 2 /AUG/2013
))
))

ON THE APPLICATION of the Petitioners, Leo Resources Inc. ("Leo") and Zara Resources Inc. ("Zara"), coming on for hearing at Vancouver, B.C. on August 2, 2012 and on hearing Chilwin Cheng, counsel for the Petitioners;

AND UPON READING the Notice of Application filed on July 22, 2013; the Affidavit #1 of Danny Wettreich made April 5, 2013; the Affidavit #2 of Danny Wettreich made July 18, 2013; and the Interim Order of Master Tokarek pronounced on April 11, 2013 (the "Interim Order");

AND UPON being satisfied that Zara's participation in the proceeding is necessary to ensure that all matters in the proceeding may be effectually adjudicated on;

AND UPON the representation by Zara that it consents to being added as a petitioner to this proceeding, that it has participated with Leo in the furtherance of these proceedings, and that it need not be served with an amended petition and copy of an entered order adding Zara to this proceeding;

AND UPON all of the terms of the Interim Order having been complied with and the requisite approval of the shareholder of Leo having being obtained at the Special Meeting of Leo called and held in accordance with the Interim Order;

AND UPON the requisite approval of the shareholders of Zara having been obtained by special resolution, as required by the *Business Corporations Act*, S.B.C. 2002, c.57 as amended, to enter into an arrangement with Leo;

AND UPON BEING ADVISED by counsel for the Petitioners that this Honourable Court's approval of the Arrangement will serve as the basis of a claim to an exemption for the distribution of securities pursuant to the Plan of Arrangement, from the registration requirements of the United States *Securities Act of 1933*, pursuant to Section 3(a)(10) thereof;

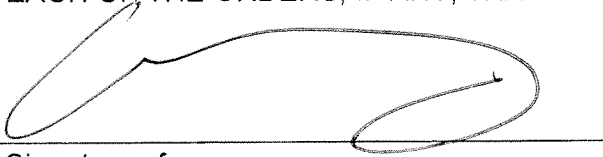
AND UPON IT APPEARING that the terms and conditions of the Arrangement, as described in the Plan of Arrangement which is attached hereto as Schedule "B", may properly be approved by this Honourable Court;

THIS COURT ORDERS that:

1. Zara Resources Inc. be added as a petitioner to this proceeding;
2. the Petition originating this proceeding, Vancouver Registry No. S132476, be amended by adding Zara Resources Inc. as a petitioner;
3. Zara Resources Inc. may file the amended Petition in the form attached as Schedule "A" in the Vancouver Registry as soon as practicable after the entry of this order, but will not be later than three days after the entry of this order;
4. Rule 6-2(8)(b) is dispensed with in this proceeding; and, Leo Resources Inc. need not serve on Zara Resources Inc. a copy of the entered order adding Zara Resources Inc. as a petitioner to this Petition or a filed amended Petition;
5. the Arrangement, as provided for in the Plan of Arrangement which is attached hereto as Schedule "B", including the terms and conditions thereof and the issuances and exchanges of securities contemplated therein, is fair and reasonable;
6. the Arrangement, as provided for in the Plan of Arrangement, be and hereby is approved pursuant to the provisions of section 291(4)(a) of the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended; and

7. The Petitioners shall be entitled to seek the advice and direction of this Court as to the implementation of this Order or to apply for such further Order or Orders as may be appropriate.

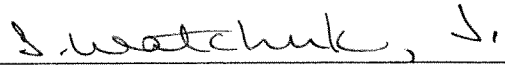
THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of
 party lawyer for Petitioners

Chilwin Cheng

By the Court.



Registrar

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Schedule A

No. S132476
Vancouver Registry

In the Supreme Court of British Columbia

LEO RESOURCES INC. AND ZARA RESOURCES INC.

Petitioners

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

PETITION TO THE COURT

THIS IS THE PETITION OF:

Leo Resources Inc.
c/o 3000 – 1055 West Georgia Street
Vancouver, British Columbia V6E 3R3

and

Zara Resources Inc.
c/o 3000 – 1055 West Georgia Street
Vancouver, British Columbia V6E 3R3

ON NOTICE TO:

The Shareholders of the Petitioner, Leo Resources Inc. ("Leo" or "the Petitioner").

This proceeding has been started by the petitioner for the relief set out in Part 1 below.

If you intend to respond to this petition, you or your lawyer must

- (a) file a response to petition in Form 67 in the above-named registry of this court within the time for response to petition described below, and
- (b) serve on the petitioner
 - (i) 2 copies of the filed response to petition, and
 - (ii) 2 copies of each filed affidavit on which you intend to rely at the hearing.

Orders, including orders granting the relief claimed, may be made against you, without any further notice to you, if you fail to file the response to petition within the time for response.

Time for response to petition

A response to petition must be filed and served on the petitioner,

- (a) if you were served with the petition anywhere in Canada, within 21 days after that service,
- (b) if you were served with the petition anywhere in the United States of America, within 35 days after that service,
- (c) if you were served with the petition anywhere else, within 49 days after that service, or, and
- (d) if the time for response has been set by order of the court, within that time.

(1)	The address of the registry is: The Law Courts 800 Smithe Street Vancouver, British Columbia V6Z 2E1
(2)	The ADDRESS FOR SERVICE of the petitioner is: Bull, Housser & Tupper LLP 3000 - 1055 West Georgia Street Vancouver, British Columbia V6E 3R3 Fax number address for service (if any) of the petitioner: (604) 646-2562 E-mail address for service (if any) of the petitioner: cwc@bht.com
(3)	The name and office address of the petitioner's(s') lawyer is: Bull, Housser & Tupper LLP 3000 - 1055 West Georgia Street Vancouver, British Columbia V6E 3R3 Attention: Chilwin Cheng

Claim of the Petitioner

Part 1: ORDERS SOUGHT

1. An interim order (the "Interim Order") pursuant to Section 291 of the Business Corporations Act, S.B.C. 2002, c. 57, as amended, (the "BCBCA"), in the form attached as Schedule "A" to this Petition, providing directions for:
 - (a) the convening and conducting by Leo of a special meeting (the "Joint Meeting") of the registered holders of common shares of Leo (the "Leo Shareholders"), which will be held jointly with a meeting of the registered holders of common shares of Zara Resources Inc. ("Zara") (the "Zara Shareholders") to be held at the Albany Club, 91 King Street East, Toronto, Ontario on May 14, 2013 at 10:00 a.m. (Toronto time) (or such other date and time as this Honourable Court may direct), to consider and, if deemed advisable, pass, with or without variation, a special resolution (the "Arrangement Resolution") authorizing, approving and

agreeing to adopt a plan of arrangement (the "Plan of Arrangement") involving Leo, Zara, the Leo Shareholders and the Zara Shareholders.

- (b) the giving of notice of the Joint Meeting and the provision of materials relating to the application for a final order with respect to the Plan of Arrangement to the Leo Shareholders and the Zara Shareholders, including the approval as to form of the Notice of Hearing for the application to this Honourable Court for the final order approving the Plan of Arrangement attached to this Petition as Schedule "B".
 - (c) such other directions relating to the Plan of Arrangement as are more specifically described in the draft Interim Order attached as Schedule "A" to this Petition.
2. A final order pursuant to Section 291 of the BCBCA, and the inherent jurisdiction of the Court (the "Final Order"), that:
- (a) the Plan of Arrangement be approved;
 - (b) the Plan of Arrangement be binding on Leo, Zara, the Zara Shareholders, and the Leo Shareholders on the Effective Date, as defined in the Plan of Arrangement;
 - (c) if Zara is continued as a corporation under the BCBCA, then the Plan of Arrangement be binding on Zara and the Zara Shareholders on the Effective Date, as defined in the Plan of Arrangement; and,
 - (d) a declaration that the Plan of Arrangement is fair and reasonable to both the Leo Shareholders and the Zara Shareholders.
3. Such further and other relief as counsel may advise and this Honourable Court may deem just.

Part 2: FACTUAL BASIS

1. The Petitioner, Leo, is a corporation existing under the BCBCA and is the wholly-owned subsidiary of Zara. Leo's head office is located at Suite 2506, 208 Queens Quay West, Toronto, Ontario, and its registered and records office is located at 2760 – 200 Granville Street, Vancouver, British Columbia.
2. The Petitioner, Zara, is was a corporation existing under the Ontario Business Corporations Act (the "OBCA") whose —Zara's head office was is located at Suite 2506, 208 Queens Quay West, Toronto, Ontario and its registered and records office is also located at the same address. Zara was continued as, and is, a corporation existing under the BCBCA.
3. Leo and Zara have entered into an agreement (the "Arrangement Agreement") pursuant to which Zara ~~will~~ would apply to continue as a corporation under the BCBCA, and then 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.

4. Leo and Zara have identified the following advantages of the Plan of Arrangement:
- (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 Riv erbank property and needs to raise additional capital which Zara believes will be assisted by Leo 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; and
 - (c) as a further result of the Arrangement, on the completion of the Plan of Arrangement two companies will exist, Zara and Leo.

The Arrangement

5. Pursuant to the Plan of Arrangement, 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 contained in the Plan of Arrangement, but subject to the provisions of Article 3 of the Plan of Arrangement and subject to the successful continuation of Zara under the BCBCA:
- (a) Zara shall transfer the specified assets set out in Schedule B of the Plan of Arrangement 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 clause §2.4(d) of the Plan of Arrangement and as defined herein this Petition at paragraph 5(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.
6. Pursuant to the Plan of Arrangement, Leo must apply to the Supreme Court of British Columbia for an Interim Order providing for the calling of the Joint Meeting and any other matters relating to the Arrangement.

7. Completion of the Plan of Arrangement is subject to the satisfaction or waiver of a number of specified conditions, including:
- (aaa) the Arrangement Agreement must be approved by both the Leo Shareholders and the Zara Shareholders at the Joint Meeting in accordance with the Arrangement provisions, the BCBCA, the consisting documents of both Leo and Zara, the Interim Order, if any, applicable securities regulations, and the requirements of any applicable regulatory authorities;
 - (b) the Zara Shareholders must approve the continuation of Zara as a corporation under the BCBCA;
 - (c) Zara must have obtained all consents necessary for its continuation as a corporation under the BCBCA;
 - (d) Zara must be continued as a corporation under the BCBCA;
 - (eee) the Final Order shall have been granted in form and substance satisfactory to each of Leo and Zara acting reasonably, and shall not have been set aside or modified in a manner unacceptable to such parties on appeal or otherwise;
 - (fff) there shall not be in force any order or decree restraining, enjoining or prohibiting the consummation of the transactions contemplated by the Arrangement Agreement and the Arrangement, or that would result in a judgment or assessment of damages, directly or indirectly, relating to the transactions contemplated therein that is materially adverse;
 - (ggg) all approvals shall have been obtained and all other consents, waivers, permits, orders and approvals of any Governmental Entity or other Person (as defined in the Arrangement Agreement), 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 party to the Arrangement Agreement, or materially impede the completion of the Arrangement, shall have been obtained or received on terms reasonably satisfactory to each party of the Arrangement Agreement;
 - (hhh) the Arrangement Agreement shall not have been terminated in accordance with the provisions thereof; and
 - (iii) 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.

Fairness

8. Based on a full review of Leo's and Zara's situation, the board of directors of both Leo and Zara have determined that the Plan of Arrangement is in the best interests of both Leo and Zara and is fair to the Leo Shareholders and the Zara Shareholders upon the following factors:

- (aaa) 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;
 - (bbb) the benefits to Leo of becoming a publicly listed CNSX reporting issuers as permitted by applicable securities laws;
 - (ccc) the opportunity for any of the Leo Shareholders or the Zara 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
 - (ddd) the Leo Shareholders and the Zara Shareholders are not required to sell or exchange their Common Shares.
9. The board of directors of both Leo and Zara are recommending that both the Leo Shareholders and the Zara Shareholders vote in favour of the Arrangement Resolution.
 10. The rights of creditors of both Leo and Zara will not be adversely affected by the Plan of Arrangement. The creditors of both Leo and Zara have to date been paid in the normal course, and will continue to be so paid following completion of the Arrangement.

Rights of Dissent

11. Pursuant to the terms of the Plan of Arrangement, Leo and Zara have granted to each of the Leo Shareholders and the Zara Shareholders the right to dissent. If the Plan of Arrangement becomes effective, each Leo and Zara Share held by a Leo Shareholder or Zara Shareholder who dissents under Division 2 of Part 8 of the BCBCA as set out in the Plan of Arrangement, and in the Information Circular, the Interim Order and the Final Order, will be purchased for cancellation by Leo or Zara for an amount to be determined and paid in the manner described in the Plan of Arrangement.

The Joint Meeting

12. Pursuant to the Articles of Leo and Zara, the Leo and Zara Shares entitle the holders thereof to attend and vote at all meetings of the Leo Shareholders and the Zara Shareholders, on the basis of one vote for each Leo and Zara common share held respectively.
13. Leo and Zara intend to convene the Joint Meeting to consider and, if thought fit, to pass, with or without amendment, the Arrangement Resolution.
14. It is a condition precedent of the Arrangement that both the Leo Shareholders and the Zara Shareholders approve the Arrangement Resolution by special resolution, in accordance with the provisions of section 289(1)(a)(i) of the BCBCA.

Part 3: LEGAL BASIS

- 1. The Petitioner relies upon sections 288 to 299 of the Business Corporations Act, S.B.C. 2002, c-57, as amended, and the inherent jurisdiction of the British Columbia Supreme Court.

Part 4: MATERIALS TO BE RELIED ON

- 1. Affidavit#1 of Danny Wettreich, made 5/Apr/2013.
- 2. Affidavit #2 of Danny Wettreich, made ##/July/2013.

The petitioner estimates that the hearing of the petition will take 150 minutes.

Bull, Housser & Tupper LLP

per:

Date: XXX8/JulyApr/2013

 Signature of
 petitioner lawyer for petitioner

Chilwin Cheng

To be completed by the court only:

Order made

in the terms requested in paragraphs _____ of Part 1 of this petition

with the following variations and additional terms:

Date: _____

Signature of Judge Master

SCHEDULE "A"

INTERIM ORDER

SCHEDULE "B"

PLAN OF ARRANGEMENT

No. _____
Vancouver Registry

In the Supreme Court of British Columbia

LEO RESOURCES INC.

Petitioner

IN THE MATTER OF SECTIONS 288 TO 299 OF
THE BUSINESS CORPORATIONS ACT, S.B.C. 2002,
CHAPTER 57, AS AMENDED

PETITION

BULL, HOUSSER & TUPPER LLP
Barristers & Solicitors
3000 - 1055 West Georgia Street
Vancouver, B.C. V6E 3R3
Telephone: (604) 641-4898
Attention: Chilwin Cheng

cwc/hes

Matter#13-2531

Schedule "A" to the Petition

No. _____
Vancouver Registry

In the Supreme Court of British Columbia

LEO RESOURCES INC.

Petitioner

IN THE MATTER OF SECTIONS 288 TO 299 OF THE *BUSINESS CORPORATIONS ACT*,
S.B.C. 2002, CHAPTER 57, AS AMENDED

INTERIM ORDER

BEFORE) MASTER _____) ___/Apr/2013
)
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ON THE APPLICATION of the Petitioner, Leo Resources Inc. ("Leo" or the "Petitioner") without notice coming on for hearing at Vancouver, British Columbia on 11/Apr/2013 and on hearing Helen Sevenoaks, Articled Student on behalf of Chilwin Cheng, solicitor for the Petitioner, and upon reading the Petition herein dated 8/Apr/2013 and the Affidavit of Danny Wettreich made on 5/Apr/2013; THIS COURT ORDERS that:

1. Leo be permitted to convene, hold and conduct a special meeting (the "Joint Meeting") of the registered holders of common shares of Leo (the "Leo Shareholders"), which will be held jointly with a special meeting of the registered holders of common shares of Zara (the "Zara Shareholders") to, inter alia, consider and, if deemed advisable, pass with or without amendment, a special resolution (the "Arrangement Resolution") authorizing, approving and agreeing to the arrangement (the "Arrangement") involving the Petitioner, Zara, the Leo Shareholders and the Zara Shareholders, as described in the plan of arrangement (the "Plan of Arrangement") attached as Schedule "A" to the arrangement agreement (the "Arrangement Agreement") attached as Exhibit "A" to the Affidavit of Danny Wettreich and incorporated by reference to the Information Circular, and to transact such other business as may properly come before the Joint Meeting.
2. The Joint Meeting shall be held on May 14, 2013 at 10:00 ET at the Albany Club, 91 King Street East, Toronto, Ontario and conducted in accordance with the provisions of the BCBCA, applicable securities legislation and the Articles of the Petitioner, subject to the terms of this Order.
3. The following information:
 - (a) the Notice of Special Meeting for the Joint Meeting; and

- (b) the Information Circular and the notice of hearing to this Honourable Court for a final order approving the Arrangement attached as Schedule B to the Petition (the "Notice of Hearing"),

(collectively with the form of Proxy and the letter of transmittal, the "Joint Meeting Materials"),

in substantially the form referred to in the Affidavit of Danny Wettreich with such amendments, insertions and deletions as counsel for the Petitioner may deem necessary or desirable, provided that such amendments, insertions and deletions are not inconsistent with the terms of this Order, shall be sent to both the Leo Shareholders and the Zara Shareholders at their respective registered addresses as they appear on the books of the Petitioner and Zara at the close of business on April 4, 2013 being the record date fixed by the Board of Directors of both Leo and Zara for the determination of the Leo Shareholders and the Zara Shareholders entitled to notice of the Joint Meeting (the "Record Date") at least twenty-one (21) days prior to the date of the Joint Meeting, excluding the date of mailing or delivery and excluding the date of the Joint Meeting, by one of the following methods:

- (a) by prepaid ordinary mail, addressed to the Leo Shareholders and Zara Shareholder at his, her or its address as it appears on the share register of Leo or Zara respectively, as at the Record Date; or
- (b) by delivery to any Leo or Zara Shareholder at his, her or its address as it appears on the share register of Leo or Zara respectively, as at the Record Date,

or in the case of beneficial owners of Leo and Zara Shares that are non-registered holders of Leo or Zara Shares, by Leo and Zara complying with its obligations under National Instrument 54-101 Communications with Beneficial Owners of Securities of a Reporting Issuer of the Canadian Securities Administrators, and that service of the Notice of Hearing substantially as herein described shall constitute good and sufficient service of such Notice of Hearing upon all who may wish to appear to these proceedings, and no other service need be made, and such service shall be effective on the fifth day after the Joint Meeting Materials are mailed.

4. Delivery of the Joint Meeting Materials as ordered herein shall constitute compliance with the requirements of Section 290(1)(a) of the BCBCA.
5. The accidental omission to give notice of the Joint Meeting or Notice of Hearing to, or the non-receipt of such notices by, one or more of the persons specified herein shall not invalidate any resolution passed or proceedings taken at the Joint Meeting.
6. The Chair of the Joint Meeting shall be the person specified for that purpose in the Articles of Leo or Zara or such other person as may be appointed by the Leo Shareholders and Zara Shareholders for that purpose.

7. The Chair of the Joint Meeting shall be at liberty to call on the assistance of legal counsel to the Petitioner and Zara at any time and from time to time, as the Chair of the Joint Meeting may deem necessary or appropriate, during the Joint Meeting.
8. The Joint Meeting shall otherwise be conducted in accordance with the provisions of the BCBCA and the Articles of Leo and Zara, subject to the terms of this Interim Order.
9. Notwithstanding the provisions of the BCBCA, Leo, if it deems advisable, is specifically authorized to adjourn or postpone the Joint Meeting on one or more occasions, without the necessity of first convening the Joint Meeting or first obtaining any vote of the Leo Shareholders and the Zara Shareholders respecting the adjournment or postponement and without the need for approval of the Court. Notice of any such adjournments or postponements shall be given by press release, or newspaper advertisement, or by notice sent to the Leo Shareholders and the Zara Shareholders by one of the methods specified in paragraph 3 of this Interim Order.
10. The Record Date (as defined in paragraph 3 herein) shall not change in respect of adjournments or postponements of the Joint Meeting.
11. The Joint Meeting may be adjourned for any reason upon the approval of the Chair of the Joint Meeting and, if the Joint Meeting is adjourned, it shall be reconvened at a place and time to be designated by the Chair of the Joint Meeting to a date which is not more than 30 days thereafter except for the reason of lack of quorum.
12. The quorum required at the Joint Meeting shall be the quorum required by the articles of Leo. The articles of Leo both 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.
13. If a quorum of the Leo Shareholders is not present within one-half hour from the time set for the holding of the Joint Meeting, the Joint Meeting shall stand adjourned to the same day in the next week if such day is a business day and, if such day is not a business day, the Joint Meeting shall be adjourned to the next business day following one week after the day appointed for the Joint Meeting at the same time and place and, if at such adjourned Joint Meeting a quorum is not present within one-half hour of the time set for the Joint Meeting, the Leo Shareholders present, and being, or representing by proxy, one or more Leo Shareholders entitled to attend and vote at the Joint Meeting shall constitute a quorum.
14. At the Joint Meeting, each Leo Shareholder shall be entitled to one vote on the Arrangement Resolution for each Leo Share held by him, her or it respectively.
15. Leo is authorized to use the form of Proxy for the Leo Shareholders substantially in the form attached as Exhibit "C" to the Affidavit of Danny Wettreich, and Leo is authorized at its expense to solicit proxies directly through its directors, officers and employees and through such agents or representatives as it may retain for that purpose and by mail, telephone or such other form of personal or electronic communication as it may determine.

16. The vote of the Leo Shareholders required to adopt the Arrangement Resolution at the Joint Meeting shall be the affirmative vote of not less than 66 $\frac{2}{3}$ % of the votes cast by the Leo Shareholders who vote on the Arrangement Resolution in person or by proxy at the Joint Meeting.
17. The Chair, Secretary, or other director or officer of Leo present at the Joint Meeting shall, in due course, file with the Court an affidavit verifying the actions taken and the decisions reached by both the Leo Shareholders with respect to the Arrangement.
18. Pursuant to the Plan of Arrangement, a Leo Shareholder may dissent from the Arrangement Resolution (a "Dissenting Shareholder") and each Leo held by a Dissenting Shareholder who dissents in compliance with Division 2 of Part 8 of the BCBCA (as set out in the Plan of Arrangement and described in the Information Circular) will be purchased for cancellation by Leo respectively, in consideration for an amount to be determined under the Plan of Arrangement.
19. The only persons entitled to receive notice of and to attend the Joint Meeting or any adjournment(s) thereof either in person or by proxy shall be the registered holders of Leo Shares as at the close of business of the Record Date (and, under applicable securities legislation and policies, the beneficial owners of the Leo Shares registered in the name of intermediaries) and the directors, auditors and counsel of Leo.
20. The Petitioner shall be at liberty to give notice of this application to persons outside the jurisdiction of this Honourable Court in the manner specified herein.
21. Unless the directors of Leo by resolution determine to abandon the Arrangement, the Application for the Final Order ("Final Application") be set down for hearing before the presiding Judge in Chambers at the Courthouse at 800 Smithe Street, Vancouver, British Columbia, on or about May 15, 2013 at 9:45 a.m., or so soon thereafter as counsel may be heard, and that, upon approval by both the Leo Shareholders and the Zara Shareholders at the Joint Meeting of the Arrangement Resolution, all in the manner required by Section 289 of the BCBCA, the Petitioner be at liberty to proceed with the Final Application on that date.
22. The form of Notice of Hearing of Petition, attached as Schedule "B" to the Petition, is hereby approved as the form of Notice of Proceedings for such approval.
23. Any Leo or Zara Shareholder or other interested party may appear and make submissions at the Final Application provided that such person shall file a Response, in the form prescribed by the Rules of Court of the Supreme Court of British Columbia, with this Court and deliver a copy of the filed Response, together with a copy of all material on which such person intends to rely at the Final Application, including an outline of such person's proposed submissions, to the solicitors for the Petitioner at its address for delivery as set out in the Petition, on or before 4:00 p.m. on May 27, 2013 or as this Court may otherwise direct.
24. Subject to other provisions in this Order, no material other than that contained in the Information Circular need be served on any persons in respect of these proceedings.

- 25. The Information Circular is deemed to represent sufficient and adequate disclosure, including for the purpose of section 290(1)(a) of the BCBCA, and Leo shall not be required respectively to send the Leo Shareholders any other or additional statement pursuant to section 290(1)(a) of the BCBCA.
- 26. If the Final Application is adjourned, only those persons who have filed and delivered a Response in accordance with this Interim Order need to be served and provided with notice of the adjourned date.
- 27. The provisions of Rule 8-1 and Rule 16-1 be hereby dispensed with for the purpose of any further application to be made pursuant to this Petition.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:

Signature of

party lawyer for the Petitioner

Chilwin Cheng

By the Court

Registrar

No. _____
Vancouver Registry

In the Supreme Court of British Columbia

LEO RESOURCES INC.

Petitioner

IN THE MATTER OF SECTIONS 288 TO 299 OF
THE BUSINESS CORPORATIONS ACT, S.B.C. 2002,
CHAPTER 57, AS AMENDED

ORDER MADE AFTER APPLICATION

BULL, HOUSSER & TUPPER LLP
Barristers & Solicitors
3000 - 1055 West Georgia Street
Vancouver, B.C. V6E 3R3
Telephone: (604) 641-4898
Attention: Chilwin Cheng

cwc/hes

Matter#13-2531

Schedule "B" to the Petition

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);

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).

15 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 B

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;

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- 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
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No. _____
Vancouver Registry

In the Supreme Court of British Columbia

LEO RESOURCES INC.

Petitioner

IN THE MATTER OF SECTIONS 288 TO 299 OF
THE BUSINESS CORPORATIONS ACT, S.B.C. 2002,
CHAPTER 57, AS AMENDED

PETITION

BULL, HOUSSER & TUPPER LLP
Barristers & Solicitors
3000 - 1055 West Georgia Street
Vancouver, B.C. V6E 3R3
Telephone: (604) 641-4898
Attention: Chilwin Cheng

cwc/hes

Matter#13-2531