

**ZIMTU CAPITAL CORP.  
(formerly FLOW ENERGY LTD.)**

**CONSOLIDATED INTERIM FINANCIAL STATEMENTS**

**February 28, 2009**

**(Unaudited)**

## **NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS**

These financial statements have been prepared by management of Zimtu Capital Corp. Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim consolidated financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

Zimtu Capital Corp.'s independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

**ZIMTU CAPITAL CORP.**  
**(formerly Flow Energy Ltd.)**  
**Consolidated Balance Sheets**  
**(Unaudited)**

	<b>February 28, 2009</b>	November 30, 2008
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 974,579	\$ 754,570
Investments (Note 5)	2,413,263	1,634,213
Advances and accounts receivable	24,404	233,626
Income taxes receivable	336,478	331,812
Future income taxes (Note 10)	50,889	156,932
Prepaid expenses and deposits	66,273	39,639
	<u>3,865,886</u>	<u>3,150,792</u>
<b>Equipment</b> (Note 7)	<b>4,156</b>	<b>4,275</b>
<b>Mineral property interest</b> (Note 6)	<b>373,661</b>	<b>364,121</b>
<b>Goodwill</b>	<b>158,993</b>	<b>158,993</b>
	<u>4,402,696</u>	<u>3,678,181</u>

**LIABILITIES AND SHAREHOLDERS' EQUITY**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 144,097	\$ 279,740
	<u>144,097</u>	<u>279,740</u>
<b>Non-controlling interest</b>	<b>360,585</b>	<b>99,497</b>
	<u>504,682</u>	<u>379,237</u>
<b>Shareholders' equity</b>		
Capital stock (Note 8)	2,018,238	2,018,238
Contributed surplus (Note 8 (b))	2,419,692	2,370,647
Subscriptions receivable (Note 8 (b))	-	(16,000)
Retained earnings, per accompanying statement	(539,916)	(1,073,941)
	<u>3,898,014</u>	<u>3,298,944</u>
	<u>4,402,696</u>	<u>3,678,181</u>

Nature of operations (Note 1)

Subsequent events (Note 13)

**Approved on behalf of the Board:**

***“David Hodge”***  
 Director

***“Shaun Ledding”***  
 Director

See accompanying notes to the consolidated financial statements.

**ZIMTU CAPITAL CORP.**  
**(formerly Flow Energy Ltd.)**  
**Consolidated Statements of Operations, Comprehensive Income (Loss) and Deficit**  
**For the Three Months Ended**  
**(Unaudited)**

	February 28, 2009	February 29, 2008
<b>Revenue</b>		
Administrative fees (Note 11)	\$ 270,000	\$ -
<b>Expenses</b>		
Advertising and promotion	13,121	-
Amortization	119	-
Bank charges and interest	270	27
Filing fees	21,996	48,077
Investor relations	17,291	-
Office, rent and telephone	26,558	537
Professional fees	36,147	1,500
Stock based compensation	49,045	-
Wages and benefits	219,822	-
Website and internet	332	-
	<u>384,701</u>	<u>50,868</u>
<b>Income (loss) before other items</b>	<u>(114,701)</u>	<u>(50,868)</u>
<b>Other items</b>		
Unrealized gain (loss) on investments	673,291	-
Gain (loss) on sale of investments	21,919	-
Interest income	17,481	1,246
	<u>712,691</u>	<u>1,246</u>
<b>Income (loss) before income taxes and non-controlling interest</b>	<u>597,990</u>	<u>(49,622)</u>
<b>Income taxes (recovery)</b>		
Current	(4,666)	-
Future	106,043	-
	<u>101,377</u>	<u>-</u>
<b>Income (loss) before minority interest</b>	<u>496,613</u>	<u>(49,622)</u>
<b>Non-controlling interest</b>	<u>37,412</u>	<u>-</u>
<b>Net income (loss) and comprehensive income for the year</b>	<u>534,025</u>	<u>(49,622)</u>
<b>Retained earnings, beginning of year</b>	<u>(1,073,941)</u>	<u>(79,081)</u>
<b>Retained earnings (deficit), end of year</b>	<u>\$ (539,916)</u>	<u>\$ (128,703)</u>

See accompanying notes to the consolidated financial statements.

**ZIMTU CAPITAL CORP.**  
**(formerly Flow Energy Ltd.)**  
**Consolidated Statements of Cash Flows**  
**For the Three Months ended**  
**(Unaudited)**

	February 28, 2009	February 29, 2008
<b>Cash flows provided by (used in)</b>		
<b>Operating activities</b>		
Net income (loss) for the period	\$ 534,025	\$ (49,622)
Items not involving cash:		
(Gain) loss on sale of investments	(21,919)	-
Unrealized (gain) loss on investments	(673,291)	-
Future income taxes (recovery)	106,043	-
Non-controlling interest	261,088	-
Stock-based compensation	49,045	-
Amortization	119	-
	<u>255,110</u>	<u>(49,622)</u>
Changes in non-cash working capital		
Advances and accounts receivable	209,222	552
Prepaid expenses and deposits	(26,634)	(4,167)
Accounts payable and accrued liabilities	(135,643)	35,065
Income taxes payable	(4,666)	-
	<u>42,279</u>	<u>31,450</u>
	<u>297,389</u>	<u>(18,172)</u>
<b>Investing activities</b>		
Acquisition of investments	(83,840)	-
Mining property expenditures	(9,540)	-
	<u>(93,380)</u>	<u>-</u>
<b>Financing activities</b>		
Shares issued, net of issue costs	16,000	-
	<u>16,000</u>	<u>-</u>
<b>Net cash flow</b>	<b>220,009</b>	<b>(18,172)</b>
<b>Cash, beginning of year</b>	<b>754,570</b>	<b>215,406</b>
<b>Cash, end of year</b>	<b>\$ 754,570</b>	<b>\$ 197,234</b>
<b>Supplemental disclosure of cash flow information:</b>		
<b>Cash paid for:</b>		
Interest	\$ -	\$ -
Income tax	\$ -	\$ -
<b>Supplemental non-cash financing information:</b>		
Shares received for administrative fees	\$ -	\$ -
Shares issued for assets	\$ -	\$ -
Shares issued for promissory note	\$ -	\$ -

See accompanying notes to the consolidated financial statements.

**ZIMTU CAPITAL CORP.**

**(formerly FLOW ENERGY LTD.)**

**Notes to the Consolidated Financial Statements**

**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**

**(Unaudited)**

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**1. NATURE OF OPERATIONS**

The Company was incorporated in the Province of British Columbia on July 4, 2006 under the Business Corporations Act of British Columbia. The Company was originally classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange (the “Exchange”) Policy 2.4. The Company completed its Qualifying Transaction (as defined) on July 31, 2008, and received shareholder and regulatory approvals. The Company is now classified as an investment issuer.

The Qualifying Transaction is described in detail in the following section “Basis of Presentation, Name Change, and Reverse Takeover”.

**2. BASIS OF PRESENTATION, NAME CHANGE AND REVERSE TAKEOVER**

**Basis of Presentation**

These consolidated financial statements include the accounts of Zimtu Capital Corp. (“Zimtu”) and its subsidiaries, 755032 B.C. Ltd. (“755032”), a wholly owned private company, and Triple Dragon Resources Inc. (“TDN”), a publicly traded company in which the Company has a 69.93% investment. The results of operations of TDN have been consolidated from April 16, 2008, the date of acquisition by 755032 B.C. Ltd. (“755032”).

Zimtu and its subsidiaries are collectively referred to as the “Company”.

Further to the Reverse Takeover (“RTO”) transaction described below, these consolidated financial statements for the year three months ended February 28, 2009 reflect the assets, liabilities, and results of operations of 755032, prior to the RTO, and the consolidated assets, liabilities, and results of the Company subsequent to the RTO. The consolidated financial statements are issued under the name of the legal parent but are considered to be a continuation of 755032.

All intercompany transactions and accounts have been eliminated upon consolidation.

**Name Change**

On July 31, 2008, Flow Energy Ltd. (“Flow”) changed its name to Zimtu Capital Corp.

**Reverse Takeover**

On July 31, 2008, Zimtu completed the acquisition of all the outstanding common shares of 755032, in exchange for 50,000,000 Special Warrants at a deemed price of \$0.12 per Special Warrant. The Special Warrants automatically converted to shares of Zimtu on December 1, 2008.

The transaction constituted a reverse takeover (the “RTO”) of Zimtu by 755032.

**ZIMTU CAPITAL CORP.**

**(formerly FLOW ENERGY LTD.)**

**Notes to the Consolidated Financial Statements**

**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**

**(Unaudited)**

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**2. BASIS OF PRESENTATION, NAME CHANGE AND REVERSE TAKEOVER**

**Reverse Takeover** (continued)

The net assets acquired were as follows:

Cash	\$	85,242
Receivables		7,471
Prepaid expenses		2,916
Accounts payable and accrued liabilities		(85,153)
	\$	<u>10,476</u>

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The acquisition of the shares of 755032 B.C. Ltd. was accounted for as an RTO transaction in accordance with guidance provided in Emerging Issues Committee (“EIC”) Abstract No. 10. Zimtu was classified as a Capital Pool Company (“CPC”) as defined in the TSX Venture Exchange Policy 2.4. It did not qualify as a business for accounting purposes, and accordingly the transaction was accounted for as an issuance of securities by 755032 for the net monetary assets of Zimtu for \$10,476.

Subsequent to the RTO, Zimtu changed its fiscal year end from August 31 to November 30. Its first year end after the RTO was November 30, 2008.

**3. SIGNIFICANT ACCOUNTING POLICIES**

a) Financial instruments

The Company classifies its cash as held-for-trading.

The Company classifies its investments into held-to-trading or available-for-sale categories, investments that are bought and held principally for the purpose of selling them in the near term are classified as held-for-trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Investments not classified as held-for-trading are classified as available-for-sale and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in shareholders’ equity. The fair value of substantially all investments is determined by quoted market prices, except for those investments that do not have a quoted market price in an active market, which are measured at cost.

The Company classifies its advances and accounts receivable and promissory notes receivable as loans and receivables. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

The Company classifies accounts payable and accrued liabilities as other financial liabilities. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

**ZIMTU CAPITAL CORP.**

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**Notes to the Consolidated Financial Statements**

**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**

**(Unaudited)**

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**3. SIGNIFICANT ACCOUNTING POLICIES - Continued**

b) Revenue recognition

Revenues are recognized on the following bases:

- (i) interest income is recorded on an accrual basis at the stated interest rate over the term of the related instrument;
- (ii) Revenue from management and administrative services is recognized upon completion of the service, and when collectability is reasonably assured. Fees received in advance of services provided are recorded as deferred revenue.
- (iii) Realized gains on investments are recorded upon disposal of the investment, on a trade date basis; and
- (iv) Unrealized gains and losses arising from market prices in effect at the balance sheet date for held-for-trading investments are recorded at the balance sheet date.

c) Accounts receivable

The Company estimates the allowance for doubtful accounts provision based upon management analysis of specific receivables that are considered to be uncollectible.

d) Amortization

Equipment is recorded at cost. Amortization is provided using the straight-line method at the following annual rates:

Computer equipment	-	2 years
Office furniture	-	3 years

Additions during the year are amortized on a pro-rata basis based on the annual amortization amount.

e) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively assumed. The amount of future income tax assets is limited to the amount of the benefit that is more likely than not to be realized.

**ZIMTU CAPITAL CORP.**

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**Notes to the Consolidated Financial Statements**

**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**

**(Unaudited)**

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**3. SIGNIFICANT ACCOUNTING POLICIES - Continued**

f) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of impairment of investments in securities with no quoted market values, rates of amortization, allowance for doubtful accounts, accrued liabilities, provision for income taxes, rates expected to apply when future income tax assets and liabilities are expected to be settled or recovered, the valuation allowance for future income tax asset, and the fair value of assets and liabilities acquired in a business combination. While management believes the estimates used are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

g) Goodwill

Goodwill represents the excess of the purchase price over the assigned value of net assets acquired. Goodwill is not amortized but is instead tested for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying amount may not be recoverable. Impairment is tested at the reporting unit level by comparing the reporting unit's carrying amount to its fair value. If the carrying value exceeds the reporting unit's fair value, there is a potential impairment in goodwill. Any impairment in goodwill is measured by allocation the fair value of the reporting unit in a manner similar to a purchase price allocation and comparing the notional goodwill from the fair value allocation to the carrying value of the goodwill.

h) Mineral property interests

The Company capitalized all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment. When the carrying value of a property interest expense exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments of the Company's assessment of its ability to sell the property interest for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time, The Company may acquire or dispose of a mineral property interest pursuant to the terms of an option agreement. As the options are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received.

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**Notes to the Consolidated Financial Statements**

**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**

**(Unaudited)**

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**3. SIGNIFICANT ACCOUNTING POLICIES - Continued**

i) Asset retirement obligations

The Company recognizes an estimate of the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to change in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual results incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. At present the Company has determined that it has no material AROs to record in the consolidated financial statements.

j) Non-controlling interest

Non-controlling interest exists in less than wholly-owned subsidiary of the Company and represented the outside interests' share of the carrying value of the subsidiary. When the subsidiary company issues its own shares to outside interests, a dilution gain or loss arises as a result of the difference between the Company's share of the proceeds and the carrying value of the underlying equity.

k) Accounting changes

Effective December 1, 2007, the Company adopted prospectively the following Canadian Institute of Chartered Accountants' Handbook ("CICA") new accounting standards for interim and annual financial statements for fiscal years beginning on or after October 31, 2007:

- (i) Section 1535, *Capital Disclosures*, which requires the disclosure of both qualitative and quantitative information that enables users of financial statements to evaluate the entity's objectives, policies and procedures for managing capital including disclosures of any externally imposed capital requirements and the consequences of non-compliance.
- (ii) Section 3862, *Financial Instruments - Disclosure*, which requires disclosure of information related to the significance of financial instruments to a company's financial position and performance. A company is also required to disclose information related to the risks of its use of financial instruments and how those risks are managed (Note 3).
- (iii) Section 3863, *Financial Instruments - Presentation*, which establishes standards for presentation of financial instruments. It deals with the presentation of financial instruments and the circumstances in which financial assets and financial liabilities are offset. The initial adoption of this standard did not have a material effect on the financial position or earnings of the Company.

**ZIMTU CAPITAL CORP.**

**(formerly FLOW ENERGY LTD.)**

**Notes to the Consolidated Financial Statements**

**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**

**(Unaudited)**

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**3. SIGNIFICANT ACCOUNTING POLICIES - Continued**

1) Future accounting changes

(i) International financial reporting standards (“IFRS”)

In 2006, the Canadian Accounting Standards Board (“AcSB”) published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles with IFRS over an expected five year transition period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRSs, replacing Canada’s own generally accepted accounting principles. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ending November 30, 2011. While the Company has begun assessing the adoption of IFRS for 2011, the financial reporting impact of the transition to IFRS cannot be reasonably estimated at this time.

(ii) Goodwill and intangible assets

In February 2008, the CICA issued Handbook Section 3064 *Goodwill and Intangible Assets*, replacing Section 3062 *Goodwill and Other Intangible Assets* and Section 3450, *Research and Development Costs*. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3862. The new section is effective on or after October 1, 2008. The Company is in the process of assessing the impact of this new section on its consolidated financial statements.

(iii) Going-concern

In June 2007, the CICA amended Handbook Section 1400, *General Standards of Financial Statement Presentation*, which requires management to make an assessment of the Company’s ability to continue as a going-concern. When financial statements are not prepared on a going-concern basis, that fact shall be disclosed together with the basis on which the financial statements are prepared and the reason why the Company is not considered a going-concern. The new section is effective for years beginning on or after January 1, 2008. The Company is in the process of assessing the impact of this new section on its consolidated financial statements.

**ZIMTU CAPITAL CORP.**

**(formerly FLOW ENERGY LTD.)**

**Notes to the Consolidated Financial Statements**

**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**

**(Unaudited)**

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**4. FINANCIAL INSTRUMENTS**

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including market, credit and liquidity risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value

The carrying values of cash, advances and accounts receivable, and accounts payable and accrued liabilities approximate their fair values due to the short-term maturity of these financial instruments.

The fair value of investments is based on quoted market values, except for those investments that do not have a quoted market price in an active market, which are measured at cost, as currently there is not an active market for those investments. The Company does not have a timeline as to the disposition of those investments that do not have a quote market price in an active market.

The carrying value of promissory notes receivable approximates fair value.

b) Interest rate risk

The Company is not exposed to significant interest rate risk due to the short-term maturity of its monetary current assets and current liabilities.

c) Credit risk

The Company is not exposed to significant credit risk on its cash and investments due to cash and investments being placed with major financial institutions. The Company is exposed to credit risk on its advances and accounts receivable and promissory notes, although its advances and accounts receivable are mainly due from companies in which the Company has investments.

d) Currency risk

The Company is not exposed to significant currency risk.

e) Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its administrative activities and proceeds from the disposition of its investments. The Company has sufficient investments that are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

**ZIMTU CAPITAL CORP.****(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008****(Unaudited)****4. FINANCIAL INSTRUMENTS - Continued**

## f) Market risk

Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity and commodity prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily across several sectors in the natural resource industry, uranium, potash, oil and gas, molybdenum, precious metals and base metals. The Company also has set thresholds on purchases of investments.

**5. INVESTMENTS**

Investments as at February 28, 2009 consist of the following:

Stock	Holdings as at February 28, 2009				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Arctic Star Diamond	3,000,000	192,619	0.06	90,000	0.030
Amarillo Gold Corp	16,000	12,260	0.77	9,120	0.570
Austin Developments	24,000	4,517	0.19	360	0.015
Commerce Resources	2,501,178	1,330,144	0.53	600,283	0.240
Cougar Minerals	141,931	5,951	0.04	4,258	0.030
Doubloon Exploration	1,580,002	27,902	0.02	27,902	Cost
Evolving Gold	469	127	0.27	183	0.390
Fulcrum Resources	41,867	21,874	0.52	1,675	0.040
Gold Mountain	1	1	-	1	Cost
Hybrid Fuels	230,000	50,051	0.22	11,500	0.050
Jantar Resources	1,040,000	111,388	0.11	67,600	0.065
Kingsman Resources	499,000	104,467	0.21	44,910	0.090
Remstar Resources	25,000	3,119	0.12	2,000	0.080
Solex Resources	130,411	83,463	0.64	5,216	0.040
Tribune Minerals	61,000	18,710	0.31	2,745	0.045
Western Potash	3,003,821	230,544	0.08	1,006,280	0.335
T-Bills	535,729	535,729	1.00	535,729	1.000
		<b>2,732,866</b>		<b>2,409,762</b>	

  

Options/Warrants		Exercise Price	Intrinsic Value	Market Value \$/Share
Commerce Resources	1,000,000	-	-	0.510
Commerce Resources	1,000,000	-	-	0.510
Kingsman Resources	250,000	-	-	0.175
<b>Balance, February 28, 2009</b>			<b>2,409,762</b>	

**ZIMTU CAPITAL CORP.****(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008****(Unaudited)****5. INVESTMENTS - Continued**

Investments as at November 30, 2008 consist of the following:

Stock	Holdings as at November 30, 2008				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Arctic Star Diamond	2,950,000	190,499	0.06	73,750	0.025
Amarillo Gold Corp	16,000	12,260	0.77	6,720	0.420
Austin Developments	24,000	4,517	0.19	480	0.020
Commerce Resources	2,401,178	1,312,954	0.55	432,212	0.180
Cougar Minerals	141,931	5,951	0.04	2,839	0.020
Doubloon Exploration	1,580,002	27,902	0.02	27,902	Cost
Evolving Gold	469	127	0.27	108	0.230
Gold Mountain	1	1	-	1	Cost
Hybrid Fuels	230,000	50,051	0.22	11,500	0.050
Jantar Resources	1,040,000	111,388	0.11	36,400	0.035
Kingsman Resources	499,000	104,467	0.21	44,910	0.090
Petrol One	60,821	41,565	0.68	15,205	0.250
Solex Resources	130,411	83,463	0.64	5,216	0.040
Tribune Minerals	61,000	18,710	0.31	1,830	0.030
Vital Resources	418,666	21,874	0.05	2,093	0.005
Western Potash	3,178,821	244,020	0.08	572,188	0.180
T-Bills	400,859	400,859	1.00	400,859	1.000
		<b>2,630,608</b>		<b>1,634,213</b>	

  

Options/Warrants		Exercise Price	Intrinsic Value	Market Value \$/Share
Commerce Resources	1,000,000	-	-	0.510
Commerce Resources	1,000,000	-	-	0.510
Kingsman Resources	250,000	-	-	0.175
<b>Balance, November 30, 2008</b>			<b>1,634,213</b>	

The Company classifies all of its investments as held-for-trading, except for the investments in Doubloon Exploration Corp. and Gold Mountain, which are classified as available-for-sale.

**6. MINERAL PROPERTY INTERESTS***Murray Property*

On April 17, 2008, the Company sold TDN a 100% interest in the Murray Claims in the Yellowknife Mining Division of the Northwest Territories. The property is subject to a 1% net smelter return royalty on minerals other than diamonds and a 1% gross overriding royalty on the production of diamonds. The Company can purchase 1% of the contributed royalty at any time for \$500,000.

The Company owns 69.93% of the issued and outstanding common shares of TDN.

**ZIMTU CAPITAL CORP.****(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008****(Unaudited)***Vermillion and Lithium Properties*

On August 29, 2008, the Company entered into an agreement with Mountain Capital Inc. ("MCI"), Jody Dahrouge and Spectre Investments Inc. pursuant to which MCI agreed to purchase a 100% interest in the Vermillion 15 potash property, located in east-central Alberta. In consideration for the interest, MCI was to pay the Vendors \$230,000 (\$100,000 paid thus far), and issue the vendors a total of 1.35 million units of the Company. Each unit consists of one common share and one non-transferable share purchase warrant, exercisable for a period of two years into one additional common share of MCI at a price of \$0.55 per share in the first year and at a price of \$0.70 in the second year. The agreement has not received TSX Venture Exchange approval.

On February 26, 2009, the Company entered into an agreement with MCI and 877834 Alberta Ltd. pursuant to which MCI agreed to purchase a 100% interest in 41 metallic and industrial minerals permits, which consist of three separate properties located west to northwest of Edmonton, Alberta, from the Company and 877834 Alberta Ltd.

In consideration for the interest, MCI was to pay the Vendors \$90,000 and issue the vendors 1,200,000 units, each unit consisting of one common share and one share purchase warrants, exercisable at a price of \$0.25 for two years. In addition, there is a 3% net smelter return and a 5% gross overriding royalty on the gross production of diamonds. MCI can purchase 1% of the net smelter return for \$1,000,000 in order to reduce the total net smelter return to 2%. There is no buyback clause relating to the gross overriding royalty.

	<b>Murray Property</b>		<b>Vermillion and Lithium Properties</b>		<b>Totals</b>	
Balance, beginning of period	\$	<b>139,241</b>	\$	<b>224,880</b>	\$	<b>364,121</b>
Acquisition costs		-		-		-
Accommodation and travel		<b>4</b>		-		<b>4</b>
Administrative expenses		-		-		-
Assay		<b>113</b>		-		<b>113</b>
Consulting		<b>465</b>		-		<b>465</b>
Geological expenses		<b>8,498</b>		-		<b>8,498</b>
Maps and reports		<b>447</b>		-		<b>447</b>
Supplies and rentals		<b>13</b>		-		<b>13</b>
		<b>9,540</b>		-		<b>9,540</b>
Balance, February 28, 2009	\$	<b>148,781</b>	\$	<b>224,880</b>	\$	<b>373,661</b>

**ZIMTU CAPITAL CORP.****(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008****(Unaudited)****7. EQUIPMENT**

	February 28, 2009			November 20, 2008	
	Cost	Accumulated Amortization	Net	Net	
Computer equipment	\$ 23,213	\$ 23,213	\$ -	-	
Office furniture	12,835	8,679	4,156	4,275	
	\$ 36,048	\$ 31,892	\$ 4,156	4,275	

**8. SHARE CAPITAL**

- a) Authorized:  
Unlimited common shares without par value

- b) Issued:

Common	Number of Shares	Amount
Balance as at November 30, 2007	8,737,862	\$ 2,127,543
Common shares re-acquired	(5,500,000)	(1,339,170)
Zimtu/755032 common shares prior to RTO	3,237,862	788,373
Pursuant to RTO Transaction of July 31, 2008	(3,237,862)	(220,465)
- Outstanding common shares of the Company prior to acquisition	4,000,000	220,465
- Exchange of shares for Special Warrants for fair value of Flow's net assets acquired	50,000,000	10,476
Private placement	10,292,658	1,235,119
Share issue costs	-	(71,400)
Options exercised	240,000	55,670
Balance as at November 30, 2008	64,532,658	2,018,238

**December 1, 2008 Rollback 10:1**

<b>Balance as at February 28, 2009</b>	<b>6,453,266</b>	<b>2,018,238</b>
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**Obligation to issue shares**

Balance as at November 30, 2007	\$ 45,000
Common shares re-acquired	(45,000)
Zimtu/755032 obligation to issue shares prior to RTO	0
Flow obligation to issue shares prior to RTO	6,000
Obligation to issue shares	(22,000)
Balance as at November 30, 2008	(16,000)
Payment in 2009	16,000
<b>Balance as at February 28, 2009</b>	<b>-</b>

**ZIMTU CAPITAL CORP.**  
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**Notes to the Consolidated Financial Statements**  
**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**  
**(Unaudited)**

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**8. SHARE CAPITAL – Continued**

b) Issued: (continued)

<u>Contributed Surplus</u>	<u>Amount</u>
Balance as at November 30, 2007	\$ 1,293,170
Zimtu/755032 contributed surplus prior to RTO	1,293,170
Flow contributed surplus prior to RTO	58,310
Pursuant to RTO Transaction of July 31, 2008	(58,310)
Options granted	846,820
Options exercised	(31,670)
Contributed surplus Triple Dragon (344,713 x 76.10%)	262,327
Balance as at November 30, 2008	\$ 2,370,647
Options granted – Triple Dragon	49,045
<b>Balance as at February 28, 2009</b>	<b>\$ 2,419,692</b>

During the Year Ended November 30, 2008

The Company completed a brokered and non-brokered private placement (the “Financing”) for a total of 10,292,658 units at a price of \$0.12 per unit for gross proceeds of \$1,235,119. Each unit consists of one common share and one share purchase warrant, exercisable into one additional common share of the Company at a price of \$0.24 per share until July 31, 2009.

c) Commitments

Stock-based compensation

The Company has a Stock Option Plan (the “Plan”) under which it is authorized to grant options to directors, officers, consultants or employees of the Company. The number of options granted under the Plan is fixed at 1,200,000 (2008 – 12,000,000). The exercise price of options granted under the Plan is between \$1.20 – \$1.50 per share. Options granted under the Plan have a maximum life of five years and vest according to conditions set at the time the options are granted.

**ZIMTU CAPITAL CORP.****(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008****(Unaudited)****8. SHARE CAPITAL – Continued**

c) Commitments: (continued)

A summary of the stock option plan is presented below:

	<b>February 28, 2009</b>		November 30, 2008	
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Opening balance		\$0.14	600,000	\$0.10
	11,780,000			
Granted	-	-	11,600,000	\$0.14
Exercised	-	-	(240,000)	\$0.10
Expired/cancelled	-	-	(180,000)	\$0.10
Outstanding, November 30, 2008	<u>11,780,000</u>	<u>\$0.14</u>	<u>11,780,000</u>	<u>\$0.14</u>
December 1, 2008 Rollback 10:1				
<b>Outstanding, end of period</b>	<b><u>1,178,000</u></b>	<b><u>\$1.40</u></b>	<u>11,780,000</u>	<u>\$0.14</u>
Exercisable, end of period	<u>1,178,000</u>	<u>\$1.40</u>	<u>600,000</u>	<u>\$0.10</u>

During the three months ended February 28, 2009, a compensation charge associated with stock-based compensation in the amount of \$49,045 (2008: \$1,191,533) has been recorded in the statements of operations. This is in respect of 250,000 incentive stock options granted in TDN.

The fair value of the compensation charges has been determined using the Black-Scholes option pricing model with the following assumptions:

	<b>2009</b>	<b>2008</b>
Weighted average fair value of options granted	\$0.25	\$0.14 - \$0.20
Expected dividend yield	0.0%	0.0%
Expected volatility	153.81%	75.6% - 107.1%
Risk-free interest rate	2.08%	4.00%
Expected term in years	5 years	5 years

**ZIMTU CAPITAL CORP.****(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008****(Unaudited)****8. SHARE CAPITAL – Continued**

## c) Commitments: (continued)

At February 28, 2009, the Company had 1,178,000 (2008: 11,780,000) share purchase options outstanding entitling the holders thereof the right to purchase one common share as follows:

<b>2009</b>	Number 2008	Exercise Price	Expiry Date
18,000	180,000	\$1.00	September 11, 2011
870,000	8,700,000	\$1.50	August 27, 2013
290,000	2,900,000	\$1.20	August 27, 2013
1,178,000	11,780,000		

At February 28, 2009, the Company had 1,029,266 (2008: 10,292,658) share purchase warrants outstanding entitling the holders thereof the right to purchase one common share as follows:

	Number <b>2009</b>	2008	Exercise Price	Expiry Date
November 30, 2008	10,292,658	10,292,658	\$0.24	July 31, 2009
December 1, 2008 Rollback 10:1				
End of period	1,029,266	10,292,658	\$2.40	July 31, 2009

**Broker's Units**

At February 28, 2009, the Company had 41,667 (2008: 416,666) broker's units outstanding entitling the holders thereof the right to purchase one common share with a further warrant as follows:

<b>2009</b>	Number	Exercise Price	Expiry Date
Unit common share	416,666	\$0.12	July 31, 2009
Warrant	416,666	\$0.24	July 31, 2009
November 30, 2008	835,340		
December 1, 2008 Rollback 10:1			
Unit common share	41,667	\$1.20	July 31, 2009
Warrant	41,667	\$2.40	July 31, 2009
End of Period	83,534		

**ZIMTU CAPITAL CORP.****(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008****(Unaudited)**

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**8. SHARE CAPITAL – Continued**

## d) Escrow Shares:

The Company issued 2,000,000 common shares at \$0.05 per share to its directors, officers and founders for gross proceeds of \$100,000. These shares are subject to an escrow agreement to be released in accordance with the CPC policy guidelines.

As at February 28, 2009, 180,000 (2008 – 1,800,000) remained in escrow.

**9. ACQUISITION OF TRIPLE DRAGON RESOURCES INC.**

On April 16, 2008, the Company acquired a 75.25% interest in Triple Dragon Resources Inc., a company that is changing its principle business to that of a mineral exploration company, for cash of \$601,751. The Company used the purchase method to account for the transaction. The purchase price has been allocated as follows:

Cash	\$	611,846
Accounts receivable		3,500
Prepaid expenses		63,000
Accounts payable		(12,357)
Goodwill		100,594
Non-controlling interest		(164,832)
	\$	<u>601,751</u>

Subsequent to the purchase and prior to November 30, 2008, the Company increased its interest in Triple Dragon Resources Inc., to 76.10%. At February 28, 2009 the Company's interest is 69.93%.

**10. INCOME TAXES**

A reconciliation of income taxes at the statutory rate with the reported taxes is as follows:

	<b>February 28, 2009</b>	<b>November 30, 2008</b>
Net income (loss) before income taxes	\$ <u>635,402</u>	\$ <u>(6,178,682)</u>
Income taxes payable (recovery) at statutory rate of 31.5% (2007: 31.5%)	\$ 200,152	\$ (1,946,285)
Non-deductible items and others	(587,519)	1,457,541
	\$ <u>(387,367)</u>	\$ <u>(488,744)</u>

**ZIMTU CAPITAL CORP.**

**(formerly FLOW ENERGY LTD.)**

**Notes to the Consolidated Financial Statements**

**For the Three Months ended February 28, 2009 and the Year Ended November 30, 2008**

**(Unaudited)**

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**11. RELATED PARTY TRANSACTIONS**

- (a) During the three months ended February 28, 2009, the Company earned administrative fees of \$270,000 (November 30, 2008: \$1,095,000) from a Company with common directors; and
- (b) Included in advances and accounts receivable is \$20,000 (November 30, 2008: \$Nil) due from a shareholder of the Company;

All of the above transactions and balances are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

**12. LONG-TERM LEASE OBLIGATIONS**

The Company leases premises under a long-term lease that expires December 31, 2011. Under the lease the Company is required to pay an annual rental of \$30,024 for the first four years and \$30,858 for the last year. In addition to the above rentals, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises.

The rent payable in each of the next five fiscal years is as follows:

November 30, 2010	\$30,024
November 30, 2011	30,788
November 30, 2012	2,571
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	\$63,384

**13. SUBSEQUENT EVENTS**

On April 7, 2009, MCI received TSX approval of the Lithium Property agreement and the Company was issued \$45,000 cash and 600,000 units of MCI.