



(formerly FLOW ENERGY LTD.)

CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2010 and November 30, 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

	February 28, 2010 (Unaudited)	November 30, 2009 (Audited)
ASSETS		
Current		
Cash	\$ 830,095	\$ 570,065
Investments (Note 5)	5,162,055	4,703,012
Advances and accounts receivable	138,248	20,337
Future income taxes (Note 13)	-	-
Prepaid expenses and deposits	50,713	45,482
	6,181,111	5,338,896
Future income taxes (Note 13)	79,827	79,827
Investments (Note 5 (b))	-	25,000
Equipment (Note 7)	264,607	254,105
Mineral property interests (Note 6)	522,892	504,665
Goodwill	146,420	146,420
	\$ 7,194,857	\$ 6,348,913
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$ 88,328	\$ 356,269
Unearned revenue	68,700	42,500
Future income taxes (Note 13)	196,583	196,583
	353,611	595,352
Non-controlling interests (Notes 9 and 10)	216,253	235,217
	569,864	830,569
Shareholders' equity		
Capital stock (Note 8 (b))	3,390,411	2,153,743
Contributed surplus (Note 8 (b))	3,468,185	3,362,111
Subscriptions receivable (Note 8 (b))	(60,000)	-
Retained earnings (deficit), per accompanying statement	(173,603)	2,490
	6,624,993	5,518,344
	\$ 7,194,857	\$ 6,348,913

Commitments (Notes 8, 11 and 12)

Subsequent events (Note 14)

Approved on behalf of the Board:

"David Hodge"

Director

"Patrick Power"

Director

See accompanying notes to the consolidated financial statements.

ZIMTU CAPITAL CORP.**(formerly Flow Energy Ltd.)****Consolidated Statements of Operations, Comprehensive Income (Loss) and Retained Earnings (Deficit)****For the Three Months ended February 28****(Unaudited)**

	2010	2009
Revenue		
Administrative fees (Note 11)	\$ 270,000	\$ 270,000
Expenses		
Advertising and promotion	24,569	13,121
Amortization	18,800	119
Bank charges and interest	2,617	270
Filing fees	24,743	21,996
Investor relations	16,085	17,291
Office, rent and telephone	83,967	26,558
Professional fees	97,365	36,147
Stock-based compensation	106,074	49,045
Wages and benefits	300,841	219,822
Website and internet	655	332
	<u>675,716</u>	<u>384,701</u>
Income (loss) before other items	<u>(405,716)</u>	<u>(114,701)</u>
Other items		
Unrealized gain (loss) on investments	(421,992)	673,291
Gain (loss) on sale of investments	176,577	21,919
Interest income	(6)	17,481
Other income	446,080	-
	<u>220,659</u>	<u>712,691</u>
Income (loss) before income taxes (recovery)	<u>(205,057)</u>	<u>597,990</u>
Income taxes (recovery) (Note 13)		
Current	-	(4,666)
Future	-	106,043
	<u>-</u>	<u>101,377</u>
Income (loss) before minority interest	<u>(205,057)</u>	<u>496,613</u>
Non-controlling interest	<u>28,964</u>	<u>37,412</u>
Net income (loss) and comprehensive income (loss) for the period	<u>(176,093)</u>	<u>534,025</u>
Retained earnings (deficit), beginning of period	<u>2,490</u>	<u>(1,073,941)</u>
Retained earnings (deficit), end of period	<u>\$ (173,603)</u>	<u>\$ (539,916)</u>
Basic and diluted earnings (loss) per share	<u>\$ 0.03</u>	<u>\$ (2.20)</u>
Weighted average number of shares outstanding	<u>6,743,811</u>	<u>2,156,259</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 February 28
(Unaudited)

	2010	2009
Cash flows provided by (used in)		
Operating activities		
Net income (loss) for the year	\$ (176,093)	\$ 534,025
Items not involving cash:		
(Gain) loss on sale of investments	(176,577)	(21,919)
Unrealized (gain) loss on investments	421,992	(673,291)
Shares received for revenue	(435,000)	-
Future income taxes	-	106,043
Non-controlling interest	(18,964)	261,088
Stock-based compensation	106,074	49,045
Amortization	18,800	119
	<u>(259,768)</u>	<u>255,110</u>
Changes in non-cash working capital:		
Advances and accounts receivable	(117,911)	209,222
Prepaid expenses and deposits	(5,231)	(26,634)
Unearned revenue	26,200	-
Income taxes payable	-	(4,666)
Accounts payable and accrued liabilities	(267,941)	(135,643)
	<u>(364,883)</u>	<u>42,279</u>
	<u>(624,651)</u>	<u>297,389</u>
Investing activities		
Acquisition of investments	(324,389)	(83,840)
Acquisition of mineral properties	(39,586)	(9,540)
Proceeds on disposition of investments	79,931	-
Proceeds on disposition of mineral properties	21,359	-
Acquisition of equipment	(29,302)	-
	<u>(291,987)</u>	<u>(93,380)</u>
Financing activities		
Subscriptions receivable	(60,000)	-
Shares issued, net of issue costs	1,236,668	16,000
	<u>1,176,668</u>	<u>16,000</u>
Increase (decrease) in cash during the period	260,030	220,009
Cash, beginning of period	570,065	754,570
Cash, end of period	\$ 830,095	\$ 974,579
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	\$ -	\$ -
Income tax	\$ -	\$ -
Supplemental non-cash transactions:		
Shares received for revenue	\$ 435,000	\$ -

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, 2010 and the Year Ended November 30, 2009

(Unaudited)

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 Company’s principal business activities are the provision of management services and investment in junior resource companies.

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

The consolidated financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”).

These consolidated financial statements include the accounts of Zimtu Capital Corp. (“Zimtu”) and its subsidiaries, 0755032 B.C. Ltd. (“0755032”), a wholly owned private company, Triple Dragon Resources Inc. (“TDN”), a publicly traded company in which the Company has a 70.08% investment, and Camisha Resources Corp. (“Camisha”), a private company in which the Company has a 60.00% investment.

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 three months ended February 28, 2010 and the year ended November 30, 2009 reflect the assets, liabilities, and results of operations of 0755032, 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 0755032.

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 0755032, in exchange for 50,000,000 Special Warrants at a fair 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 0755032.

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)**

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

The acquisition of the shares of 0755032 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 0755032 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 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 and unearned revenue 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, 2010 and the Year Ended November 30, 2009

(Unaudited)

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.
- (v) Revenue from mineral sales is recognized at the time that title and risk of ownership have passed, collection is reasonably assured and the price is determinable.

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
Leasehold Improvements	-	5 years (lease term)

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.

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Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

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 and carrying values included mineral properties, rates of amortization, allowance for doubtful accounts, asset retirement obligations, fair values of share based payments, 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

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral resource properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties are in good standing.

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.

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Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

h) Mineral property interests - Continued

From time to time, the Company may acquire or dispose of a mineral property interest, either by an option agreement or an acquisition agreement. As the consideration payable may consist of options, which 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. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations.

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) Financial instruments – disclosure and presentation, and Capital disclosure

- (i) The CICA handbook 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 (Note 4).
- (ii) The CICA handbook 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 4).
- (iii) The CICA handbook 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 adoption of this standard did not have a material effect on the financial position or earnings of the Company.

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Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

l) Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

m) Related party transactions

All monetary transactions in the normal course of operations are measured at the exchange value which is determined by management to approximate fair value. Non-monetary related party transactions in the normal course of operations that have commercial substance and do not involve the exchange of property or product held for sale are also measured at the exchange value. The commercial substance requirement is met when the future cash flows associated with the transfer of property are expected to change significantly as a result of the transaction. All other related party transactions are recorded at the carrying value.

n) Earnings (loss) per share

Earnings (loss) per share are calculated using the weighted average number of shares outstanding.

The Company uses the treasury stock method for computing diluted earnings (loss) per share. This method assumes that any proceeds obtained upon exercise of options or warrants would be used to purchase common shares at the average market price during the period.

Diluted earnings (loss) per share are equal to loss per share as the effect of applying the treasury stock method is anti-dilutive.

o) Stock-based compensation

The Company reports and records all stock-based transactions following the guidelines of CICA Handbook Section 3870 using the fair-value method for recording all stock-based compensation to employees or directors and consultants. The fair value of options and other stock based awards to employees or consultants, issued or altered in the period, are determined using the Black-Scholes option pricing model. The Company records the fair value of the awards to the appropriate expense account or property interest at the time of grant or alteration. Where vesting provisions exist for stock-based awards, the fair value is determined at the grant date and recognized over the expected service period. Upon the exercise of stock options or agents' warrants, the fair value of the share based award is allocated to share capital

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Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

(p) Long-lived assets and impairment

The carrying values of long-lived assets with fixed or determinable lives are reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management's estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management.

Assets with indefinite or indeterminable lives are not amortized and are reviewed for impairment on a reporting period basis using fair value determinations through management's estimate of recoverable value.

(q) Accounting standards newly adopted

(i) Section 1400, General Standards of Financial Statement Presentation

In June 2007, the CICA handbook Section 1400 was amended to include requirements to assess an entity's ability to continue as a going concern and disclose any material uncertainties that cast doubt on its ability to continue as a going concern. The mandatory effective date is for annual and interim financial statements for years beginning on or after January 1, 2008. This new requirement was adopted by the Company effective December 1, 2008. The adoption of this Section did not have an impact on the consolidated financial statements.

(ii) Section 3064, Goodwill and Intangible Assets

In February 2008, the CICA issued this new section to replace Section 3062, *Goodwill and Other Intangible Assets* and establish standards for the recognition, measurement and disclosure of goodwill and intangible assets. In addition, the CICA issued amendments to Section 1000, *Financial Statement Concepts* and AcG 11, *Enterprises in the Development Stage* and withdrew Section 3450, *Research and Development Costs*. EIC 27, *Revenues and Expenditures During the Pre-operating Period* is no longer applicable for entities that have adopted CICA 3064. The mandatory effective date is for annual and interim financial statements for years beginning on/after October 1, 2008. This new requirement was adopted by the Company effective December 1, 2008. The adoption of this Section did not have an impact on the financial statements

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For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

3. SIGNIFICANT ACCOUNTING POLICIES - Continued

(r) New accounting standards not yet adopted

- (i) Section 1582, Business Combinations
Section 1601, Consolidated Financial Statements
Section 1602, Non-controlling Interests

In January 2009, the CICA issued Handbook Sections 1582 Business Combinations, 1601 Consolidated Financial Statements, and 1602 Non-controlling Interests, which replaces CICA Handbook Sections 1581 Business Combinations and 1600 Consolidated Financial Statements. Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination accounting standard under International Financial Reporting Standards. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual financial statements for its fiscal year beginning December 1, 2011. Early adoption of this Section is permitted. If the Company chooses to early adopt any one of these Sections, the other two sections must also be adopted. The Company is in the process of assessing the impact of these new sections on its consolidated financial statements.

- (ii) International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standards Board ("AcSB") confirmed the changeover to IFRS from GAAP will be required for publicly accountable enterprises effective for annual and interim financial statements relating to fiscal years beginning on or after January 1, 2011. The eventual changeover to IFRS represents changes due to new accounting standards. The transition from current GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

The Company is assessing the potential impact of this changeover and is developing its IFRS change plan, which will include project structure and governance, resourcing and training, analysis of key GAAP difference and a phase plan to assess accounting policies under IFRS as well as potential IFRS 1 exemption.

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(Unaudited)

4. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

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, unearned revenue, 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.

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. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Management believes that the credit risk with respect to receivables is remote. One customer accounted for 100% (2009: 100%) of the Company's administrative revenue (Note 11 (a)).

d) Currency risk

The Company is not exposed to significant currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

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.

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For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

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4. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES - 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.

Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar. As the Company has not yet developed commercial mineral interests, it is not exposed to commodity price at this time.

g) Capital management

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. The Company may raise additional capital for additional cash required. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to identify and acquire new investment or business opportunity.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable.

There were no changes in the Company's approach to capital management during the three months ended February 28, 2010. The Company is not subject to externally imposed capital requirements

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)****5. INVESTMENTS**

Investments as at February 28, 2010 consisted of the following:

Stock	Investments as at February 28, 2010				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Western Potash	2,728,821	209,367	0.08	1,964,750	0.720
Commerce Resources	3,006,178	1,379,323	0.46	1,172,409	0.390
Butler Resources	590,000	550,000	0.93	283,200	0.480
La Camera Mining	1,250,000	250,000	0.20	250,000	Cost
Arctic Star Diamond	3,000,000	153,309	0.05	210,000	0.070
Discovery Harbour	2,020,000	202,000	0.10	202,000	Cost
PAX Food AG	46,800	149,688	3.20	149,688	Cost
Sandspring Resources	77,000	38,500	0.50	145,530	1.890
Ultra Lithium (Jantar)	2,000,000	197,107	0.10	130,000	0.065
Other Investments		808,466		654,478	
Balance, February 28, 2010		3,937,760		5,162,055	

Investments as at November 30, 2009 consist of the following:

Stock	Investments as at November 30, 2009				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Commerce Resources	3,006,178	1,379,323	0.46	1,923,953	0.640
Western Potash	2,778,821	213,217	0.08	1,194,893	0.430
La Camera Mining	1,250,000	250,000	0.20	250,000	Cost
Ultra Lithium	2,000,000	197,107	0.10	160,000	0.080
PAX Food AG	46,800	149,688	3.20	149,688	Cost
Sandspring Resources	154,000	49,000	0.32	112,420	0.730
Legend Power	200,000	100,000	0.50	112,000	0.560
Arctic Star Diamond	3,000,000	153,309	0.05	105,000	0.035
Other investments		565,082		695,058	
Balance, November 30, 2009		3,056,726		4,703,012	

(a) The Company classifies all of its investments as held-for-trading, except for the investments in 0859404 BC Ltd, Discovery Harbour, Doubloon Exploration Corp., Gold Mountain, Regal Uranium, La Camera Mining and PAX Food AG, which are classified as available-for-sale.

(b) During the year ended November 30, 2009, the Company acquired 50,000 common shares of 0859404 B.C. Ltd. ("0859404") for \$25,000. At November 30, 2009, the Company held 20.83% of the issued and outstanding common shares of 0859404, and the two companies were related by a common director and officer. As the Company exerted significant influence over 0859404, the Company accounted for its investment using the equity method. During the year, the Company incurred losses of \$nil as a result of its proportional share of equity losses recorded in 0859404. During the quarter ended February 28, 2010, 0859404 issued additional common shares. Zimtu acquired 100,000 additional shares. Following the purchase of shares, Zimtu's holdings decreased to 14% of the total issued and outstanding shares of 0859404. As a result, the investment is no longer being accounted for using the equity method.

ZIMTU CAPITAL CORP.

(formerly FLOW ENERGY LTD.)

Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

6. MINERAL PROPERTY INTERESTS

Triple Dragon Properties

The Company owns 70.08% (2009: 70.08%) of the issued and outstanding common shares of TDN and has therefore included descriptions of the properties owned by TDN below.

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, known as the Murray Property. There was a 1% net smelter return royalty and a 1% gross overriding royalty on the property, in favour of Jody Dahrouge, the original vendor of the property, which was relinquished on May 7, 2009.

CAM Property

TDN acquired, by staking, a 100% interest in two mineral claims northeast of Yellowknife, Northwest Territories, known as the CAM claims. The CAM claims are located 80 km northeast of Yellowknife and just 6 km east-southeast of the Murray Property. The CAM claims include the past producing Camlaren Gold Mine as well as other gold showings.

May Property

TDN entered into an agreement to purchase a 100% interest in one mineral claim in the Northwest Territories, known as the May Property. Pursuant to a Mineral Property Acquisition Agreement dated May 14, 2009, TDN shall pay to the Vendor the following:

- ? \$5,500 cash within 5 days of signing the agreement (paid);
- ? On the one year anniversary of the agreement, issue to the Vendor \$10,000 of common shares; and
- ? On the second year anniversary of the agreement, issue to the Vendor \$15,000 of common shares.

There is a 2% Net Smelter Return royalty on the Property.

ZIMTU CAPITAL CORP.

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Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

6. MINERAL PROPERTY INTERESTS - Continued

Triple Dragon Properties - Continued

Burnt Island Property

TDN entered into an agreement to purchase a 100% interest in two mineral claims in the Gordon Lake area of the Northwest Territories, known as the Burnt Island Property. Pursuant to a Mineral Property Acquisition Agreement dated August 11, 2009, TDN shall pay to the Vendor the following:

- ? \$10,000 cash within 5 days of signing the agreement (paid); and
- ? \$10,000, in either cash or shares, for every year that the Company holds the option.

There is a 3% Net Smelter Return royalty on the Property.

Staircase Property

TDN acquired a 100% interest in 83 mineral claims located north of Prince George, B.C., comprising approximately 36,600 hectares. TDN purchased the claims for \$30,000.

Zimtu Capital Corp. Properties

Zimtu Capital Corp. – Properties Available for Sale

During the year ended November 30, 2009, the Company acquired a 50% interest in various properties by staking. These properties include Fox Creek Lithium, Silvercreek/Simonette, Berland River, Athena Lithium, Vermillion, Archie Lake, Chickadee Creek, AB Frac Sands, BC Gold (Bella Coola), Bear Lake Area in BC, REE (Apollo, Carbo Area, Perry River and Giscome Claims) in BC, NWT – Gold (Sickle, Don and Tom Claims), BC – Gold(Snow Lake), Alberta Potash properties (Consort, Jantar and McElroy) and Quebec Gold properties. Also, the Company acquired a 100% interest in the Port Hope claims by staking.

During the three months ended February 28, 2010, the Company acquired a 50% interest in various properties by staking. These properties include AB Potash and Bearpaw Ridge.

Zimtu Capital Corp. – Joint Venture Properties

During the year ended November 30, 2009, the Company entered into an agreement for the joint exploration of rare earth element claims of merit in Western Canada, known as the Rare Earth Property. The Company and the other joint venturers contributed \$10,000 (paid) each for the acquisition costs of the property. The Company will commit \$100,000 towards the advancement of the property. The property will be held on a 50-50% joint venture basis, and the proceeds from the sale of the property will be shared equally by the Company and the other joint ventures.

ZIMTU CAPITAL CORP.

(formerly FLOW ENERGY LTD.)

Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

6. MINERAL PROPERTY INTERESTS - Continued

Zimtu Capital Corp. Properties - Continued

Zimtu Capital Corp. – Properties with Pending Sales

Australia Lithium Property

During the year ended November 30, 2009, the Company entered into an agreement with Max Pozzoni for the sale of its 50% interest in three lithium brine projects located in southwestern Australia. In consideration for the interest, the Company will receive a total of \$50,000 cash, which will be paid in 6 month instalments (\$20,000 paid). The lithium brine projects were acquired by staking. The final payment will be received by April 23, 2011.

Tom Claims

On February 1, 2010, the Company entered into an Acquisition Agreement with Trivello Energy Corp. (“TRV”) to sell its 50% interest in five mineral claims in the Northwest Territories. In consideration for the interest, the Company will receive \$50,000 and 1,000,000 common shares of TRV. The agreement is subject to TSX Venture Exchange acceptance.

Zimtu Capital Corp. – Property Advisory Services during the quarter ended February 28, 2010

Jungle Well and Laverton Projects

The Company is participating in Quantum Rare Earth Developments Corp (“Quantum”) and Silver Mountain Mines Corp. (“Silver Mountain”) acquisition of Northeast Minerals Pty. Ltd (“Northeast”), a private Australian company, that owns 100% interest in the Jungle Well and Laverton Rare Earth Projects. For its participation, the Company will receive 500,000 shares of Quantum and \$33,000 following completion of a merger between Quantum and Silver Mountain, and acceptance of the TSX Venture Exchange.

Zimtu Capital Corp. – Properties sold during the quarter ended February 28, 2010

Berland River Property

The Company entered into an agreement with Ultra Lithium Inc. (formerly Jantar Resources) (“ULI”) to sell its 50% interest in the Berland River lithium brine claims in Alberta, known as the Berland River Property. In consideration for the interest, the Company received \$25,000 cash and 1,000,000 common shares of the purchaser at a fair value of \$90,000.

Athena Lithium Property

The Company entered into an agreement with Max Pozzoni for the sale of its 50% interest in the Athena Lithium Brine Project in Alberta. In consideration for the interest, the Company received \$20,000 cash. The metallic and industrial metals permits (“MAIM Permits”) comprising the Athena Lithium Brine Project were acquired by application to the Alberta government. The sale was completed in January 2010.

ZIMTU CAPITAL CORP.

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Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

6. MINERAL PROPERTY INTERESTS - Continued

Zimtu Capital Corp. Properties - Continued

Zimtu Capital Corp. – Properties sold during the quarter ended February 28, 2010 - continued

Archie Lake Property

On February 24, 2010, Butler Resource Corp. (now known as Quantum Rare Earth Developments Corp. (“Quantum”)) received TSX Venture Exchange acceptance of the acquisition of the Company’s 50% interest in one mineral claim located approximately 50 kilometres west of Uranium City, Saskatchewan, known as the Archie Lake Property. In consideration for the acquisition of the interest, the Company received \$20,000 and 1,000,000 common shares of Quantum.

Zimtu Capital Corp. – Properties sold during the year ended November 30, 2009

Fox Creek Lithium Property

During the year ended November 30, 2009, the Company entered into an agreement with First Lithium Resources Inc (formerly Mountain Capital Inc.) (“MCI”) to sell its 50% interest in 41 metallic and industrial minerals permits, which consist of three separate properties located west to northwest of Edmonton, Alberta, known as the Fox Creek Lithium Property. In consideration for the interest, the Company received \$45,000 cash and 600,000 units of the purchaser at a fair value of \$75,000. Each unit consists of one common share and one share purchase warrant, exercisable at a price of \$0.25 for two years. In addition, there is a 1.5% net smelter return and a 2.5% gross overriding royalty on the gross production of diamonds. The purchaser can purchase 1% of the net smelter return for \$1,000,000. There is no buyback clause relating to the gross overriding royalty.

Vermillion Property

During the year ended November 30, 2009, the Company entered into an agreement with MCI to sell its 50% interest in the Vermillion potash property, located in east-central Alberta, known as the Vermillion Property. In consideration for the interest, the Company received \$65,000 cash and 841,667 units of the purchaser at a fair value of \$67,333. 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 the purchaser at a price of \$0.25 per share in the first year and at a price of \$0.35 in the second year.

Silvercreek/Simonette Property

During the year ended November 30, 2009, the Company entered into an agreement with Weststar Resources Corp. (“Weststar”) to sell its 50% interest in the Silver Creek and Simonette lithium brine claims in Alberta, known as the Silvercreek/Simonette Property. In consideration for the interest, the Company received \$12,500 cash and 500,000 common shares of the purchaser at a fair value of \$50,000.

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)****6. MINERAL PROPERTY INTERESTS - Continued**

Property expenditures for the three months ended February 28, 2010:

	TDN Properties	Zimtu Properties on hand	Zimtu Properties sold	Totals
Balance, beginning of year	\$ 371,030	\$ 112,372	\$ 21,359	\$ 504,665
Acquisition costs (recovery)	201	26,960	96	27,227
Accommodation and travel	1,237	-	-	1,237
Assay	84	-	-	84
Geological expenses	11,038	-	-	11,038
	12,560	26,960	96	39,586
Sale of properties	-	-	(21,359)	(21,359)
Balance, end of period	\$ 383,590	\$ 139,302	\$ -	\$ 522,892

6. MINERAL PROPERTY INTERESTS - Continued

Property expenditures for the year ended November 30, 2009:

	TDN Properties	Zimtu Properties on hand	Zimtu Properties sold	Totals
Balance, beginning of year	\$ 139,241	\$ 37,612	\$ 187,268	\$ 364,121
Acquisition costs (recovery)	40,009	96,023	(48,977)	87,055
Accommodation and travel	48,894	-	-	48,894
Administrative expenses	35	-	-	35
Assay	14,761	-	-	14,761
Consulting	23,416	-	-	23,416
Equipment rental	1,805	-	-	1,805
Geological expenses	88,207	-	-	88,207
Maps and reports	3,721	-	-	3,721
Supplies and rentals	10,941	-	-	10,941
	231,789	96,023	(48,977)	278,835
Sale of properties	-	-	(138,291)	(138,291)
Balance, end of year	\$ 371,030	\$ 133,635	\$ -	\$ 504,665

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)****7. EQUIPMENT**

	February 28, 2010		
	Cost	Accumulated Amortization	Net
Office furniture	\$ 161,898	\$ 14,738	\$ 147,160
Computer equipment	6,256	195	6,061
Leasehold improvements	117,277	5,891	111,386
	<u>\$ 285,431</u>	<u>\$ 20,824</u>	<u>\$ 264,607</u>

	November 30, 2009		
	Cost	Accumulated Amortization	Net
Office furniture	\$ 155,987	\$ 1,425	\$ 154,562
Leasehold improvements	100,141	599	99,542
	<u>\$ 256,129</u>	<u>\$ 2,024</u>	<u>\$ 254,105</u>

8. SHARE CAPITAL

- a) Authorized:
Unlimited common shares without par value
- b) Issued:

Common shares	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/0755032 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 (Note 8 (b) (iii))	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
Share consolidation (Note 8 (b) (ii))	(58,079,394)	-
Options exercised (Note 8 (b) (i))	80,000	135,505
Balance as at November 30, 2009	6,533,264	\$ 2,153,743
Private placement (Note 8 (b) (i))	1,067,500	1,281,000
Share issue costs	14,450	(44,332)
Share subscriptions receivable	-	(60,000)
Balance as at February 28, 2010	7,615,214	\$ 3,330,411

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)****8. SHARE CAPITAL - Continued**

(b) Issued: (continued)

Obligation to issue shares	
Balance as at November 30, 2008	(16,000)
Shares issued	16,000
Balance as at November 30, 2009 and February 28, 2010	\$ -

Contributed Surplus		Amount
Balance as at November 30, 2008		2,370,647
Options granted		394,809
Amendment to options and warrants		660,160
Fair value of options exercised		(63,505)
Balance as at November 30, 2009	\$	3,362,111
Options granted		106,074
Balance as at February 28, 2010	\$	3,468,185

(i) During the Three Months Ended February 28, 2010

On December 29, 2009, the Company completed a private placement of 1,067,500 units at \$1.20 per unit. Each unit consists of one common share and one warrant valued at \$1.50 in the first year and \$2.40 in the second year. Finder's fees of \$28,691 were paid and 14,450 common shares valued at \$17,340 were issued.

(ii) During the Year Ended November 30, 2009

On October 2, 2009, 80,000 options valued at \$0.90 were exercised with a fair value of \$135,505.

(iii) Share consolidation

Effective December 1, 2008 all of the issued common shares of the Company were consolidated on the basis of 10 pre-consolidation common shares for 1 post-consolidation common share. The weighted average number of shares outstanding at November 30, 2009 and 2008 has been retroactively adjusted and is determined as though the consolidation occurred at November 30, 2007.

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)****8. SHARE CAPITAL - Continued**

(c) Commitments:

Stock Options

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 1,290,653 (2008 – 1,200,000 post-consolidation), which is equal to 20% of the issued and outstanding shares. 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.

A summary of the stock option plan is presented below:

	February 28, 2010		November 30, 2009	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,194,333	\$ 0.90	11,780,000	\$ 0.14
Share consolidation	-	-	(10,602,000)	-
Granted	96,000	1.08	378,333	0.90
Exercised	-	-	(80,000)	0.90
Expired/cancelled	-	-	(282,000)	0.90
Outstanding, end of period	<u>1,290,333</u>	<u>\$ \$0.91</u>	<u>1,194,333</u>	<u>\$ \$0.90</u>

- (i) During the three months ended February 28, 2010, a compensation charge associated with stock-based compensation in the amount of \$106,074 (2009: \$443,004) has been recorded in the statements of operations.
- (ii) On December 3, 2009 the Company granted 96,000 incentive stock options to a director of the Company. Each stock option is exercisable into one common share at a price of \$1.08 and expires on December 3, 2014.

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

	2010	2009
Expected dividend yield	0.0%	0.0%
Expected volatility	110%	152% - 157%
Risk-free interest rate	2.38%	2.03 – 2.51%
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, 2010 and the Year Ended November 30, 2009****(Unaudited)****8. SHARE CAPITAL – Continued**

c) Commitments: (continued)

Stock Options – continued

(iii) In May 2009, the exercise price of 1,178,000 stock options granted prior to November 30, 2008 was re-priced to \$0.90 per share from a range of \$1.00 to \$1.50 per share.

The Company applies the fair value method in accounting for its modification to stock options using the Black-Scholes option pricing model. The option modification expense was \$17,693. The fair value of options modified as above is calculated using the following weighted average assumptions:

	<u>2009</u>	<u>2008</u>
Risk-free interest rate	2.51%	-
Expected life of options	4.26 years	-
Annualized volatility	153%	-
Dividend rate	0%	-

At February 28, 2010, the Company had 1,290,333 (2009: 1,194,333 post-consolidation) share purchase options outstanding entitling the holders thereof the right to purchase one common share as follows:

<u>February 28, 2010</u>	<u>November 30, 2009</u>	<u>Revised Exercise Price</u>	<u>Original Exercise Price</u>	<u>Expiry Date</u>
Number	Number			
18,000	18,000	\$0.90	\$1.00	September 11, 2011
588,000	588,000	\$0.90	\$1.50	August 27, 2013
223,333	223,333	\$0.90	\$1.20	August 27, 2013
290,000	290,000	N/A	\$0.90	May 4, 2014
75,000	75,000	N/A	\$0.90	June 1, 2014
96,000	-	N/A	\$1.08	December 3, 2014
1,290,333	1,194,333			

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)****8. SHARE CAPITAL – Continued**

(c) Commitments: (continued)

Warrants

A summary of the share purchase warrants is presented below:

	February 28, 2010		November 30, 2009	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding, beginning of year	1,029,265	\$ 2.40	10,292,658	\$ 0.24
Share consolidation	-	-	(9,263,393)	-
Granted	1,067,500	\$ 1.50/2.40	-	-
Outstanding, end of period	<u>2,096,765</u>	<u>\$ 2.17</u>	<u>1,029,265</u>	<u>\$ 2.40</u>

At February 28, 2010, the Company had 2,096,765 (2009: 1,029,265 post-consolidation) share purchase warrants outstanding entitling the holders thereof the right to purchase one common share as follows:

<u>Warrants Outstanding</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
1,029,265	\$2.40	July 31, 2011**
1,067,500	\$1.50/2.40	December 29, 2011
<u>2,096,765</u>		

**On June 29, 2009, the Company received TSX Venture Exchange approval for the extension to the expiry date of share purchase warrants that were to expire on July 31, 2009. The warrants have been extended until July 31, 2011. The Company applies the fair value method in accounting for its modification to warrants using the Black-Scholes option pricing model. The warrant modification expense was \$642,467. The fair value of warrants modified as above is calculated using the following weighted average assumptions:

	2009
Risk-free interest rate	1.20%
Expected life of options	2.08 years
Annualized volatility	143%
Dividend rate	0%

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)****8. SHARE CAPITAL – Continued**

c) Commitments: (continued)

Broker's Units

At February 28, 2010, the Company had nil (2009: nil post-consolidation) broker's units outstanding entitling the holders thereof the right to purchase one common share with a further warrant as follows:

	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 Consolidation 10:1			
Unit common share	41,667	\$1.20	July 31, 2009
Warrant	41,667	\$2.40	July 31, 2009
	83,534		
Expired	(83,534)		
November 30, 2009 and February 28, 2010	-		

d) Escrow Shares:

The Company issued 200,000 (post-consolidation) common shares at a price of \$0.50 per share to its directors, officers and founders for gross proceeds of \$100,000. These shares, subject to an escrow agreement, are released in accordance with the CPC policy guidelines.

As at February 28, 2010, 120,000 (2009 – 120,000 post-consolidation) 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. 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)
	\$	601,751

ZIMTU CAPITAL CORP.

(formerly FLOW ENERGY LTD.)

Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

9. ACQUISITION OF TRIPLE DRAGON RESOURCES INC. - Continued

Subsequent to the purchase and prior to November 30, 2008, the Company increased its interest in TDN to 76.10%. During the year ended November 30, 2009, the Company's interest was reduced to 70.08% and a dilution gain of \$150,005 was recorded. The remaining 29.92% was reflected on the consolidated balance sheets within non-controlling interests. TDN's losses were included in the Company's net income (loss) and adjusted to reflect the portion attributable to the non-controlling interests.

10. ACQUISITION OF CAMISHA RESOURCES CORP.

On October 15, 2009, the Company acquired 3,000,000 common shares of Camisha, which was incorporated on October 1, 2009 under the laws of British Columbia and did not hold any significant assets and liabilities at the date of acquisition. At February 28, 2010 and November 30, 2009, the Company held 60.00% of the issued and outstanding common shares of Camisha. As a result, the results of operations of Camisha have been consolidated from the date of acquisition. The remaining 40.00% was reflected on the consolidated balance sheets within non-controlling interests, and Camisha's losses were adjusted to reflect the portion attributable to the non-controlling interests.

11. RELATED PARTY TRANSACTIONS

- (a) During the three months ended February 28, 2010, the Company earned administrative fees of \$270,000 (2009: \$1,080,000) from a company with common directors.
- (b) Included in accounts payable is \$11,444 (2009: \$17,724) due to a company with common directors. This amount is unsecured, non-interest bearing and due on demand.
- (c) Included in wages and benefits expense is \$133,134 (2009: \$455,495) paid to directors 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.

Commitments related to these related party transactions are as follows:

The Company has entered into a Management Service Agreement with Commerce Resources Corp. ("Commerce"), a public company with common directors. Under the Management Service Agreement, the Company provides administrative and management services to Commerce for a fee of \$90,000 per month plus applicable taxes. The contract has a term of one year and may be renewed for further terms as agreed to by the parties.

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009*****(Unaudited)***

12. LONG-TERM LEASE OBLIGATIONS

The Company leases premises under a long-term lease that expires December 31, 2011. On July 31, 2009, the Company renegotiated the lease to add additional office space. The new lease is for five years starting September 1, 2009 and the basic rent for the combined space is set out in the table below. In addition, 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	\$103,504
November 30, 2011	104,269
November 30, 2012	109,690
November 30, 2013	110,176
November 30, 2014	82,632
	<hr/>
	\$510,271
	<hr/>

13. INCOME TAXES

The income taxes shown in the Consolidated Statements of Operations differ from the amounts obtained by applying statutory rates to income (loss) before income taxes due to the following:

	2010	2009
Statutory tax rate	30.0%	30.0%
Income (loss) before income taxes (recovery)	\$119,522	\$ 1,591,944
Expected income taxes (recovery)	(35,857)	477,584
Increase (decrease) in income taxes resulting from:		
Items deductible and not deductible for income tax purposes	(25,053)	217,867
Change in statutory rates	-	24,916
Change in valuation allowance	60,910	(112,235)
Income taxes (recovery)	\$ -	\$ 608,132

ZIMTU CAPITAL CORP.**(formerly FLOW ENERGY LTD.)****Notes to the Consolidated Financial Statements****For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009****(Unaudited)****13. INCOME TAXES - Continued**

Details of future income tax assets (liabilities) are as follows:

	2010	2009
Non-capital and net capital losses	\$ 435,600	\$ 390,045
Investments	(176,577)	(246,943)
Equipment and other	-	25,007
	<u>259,023</u>	<u>168,109</u>
Less: valuation allowance	(259,023)	(284,865)
	<u>\$ -</u>	<u>\$ (116,756)</u>
Future income tax assets	-	79,827
Future income tax liabilities	-	(196,583)
	<u>\$ -</u>	<u>\$ (116,756)</u>

The Company has approximately \$1,267,000 of non-capital losses available, which begin to expire in 2026 through to 2030 and may be applied against future taxable income. The Company also has approximately \$130,000 of capital losses that may be carried forward and applied against future capital gains. The potential future benefits associated with some of these losses are not reflected in the consolidated financial statements as it can not be considered more likely than not that they will be utilized.

14. SUBSEQUENT EVENTS

- a. On March 4, 2010, the Company announced it had acted as one of the property vendors in BonTerra Resources Inc's ("BonTerra") acquisition of the Terrax Rare Metal project, located in the James Bay Mining District of northern Quebec. For its participation, the Company received 1,000,000 common shares. The Vendors will retain a 2% Net Smelter Return ("NSR") royalty, 1% of which may be purchased by BonTerra for \$1,000,000. This agreement was approved by the TSX Venture Exchange on March 17, 2010.
- b. On March 18, 2010, the Company announced that it had participated in a private placement of Discovery Harbour Resources Corp., a private investment ("Discovery"). Discovery is currently in advanced stages of negotiations for projects of merit for steel-strategic mineral commodities and gold. The Company acquired 2,020,000 common shares of Discovery at a price of \$0.10 per share.
- c. On April 1, 2010, 133,333 stock options were exercised at a price of \$0.90 per share netting proceeds of \$120,000.
- d. On April 5, 2010, 100,000 options were issued at a price of \$1.35, expiring on April 5, 2015.

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Notes to the Consolidated Financial Statements

For the Three Months Ended February 28, 2010 and the Year Ended November 30, 2009

(Unaudited)

14. SUBSEQUENT EVENTS - Continued

- e. On April 6, 2010, the Company announced it had acted as one of the property vendors in Fieldex Exploration Inc's ("Fieldex") acquisition of the Michikamats Rare Earth Project located in Labrador south of Quest Uranium Corp.'s Misery Lake Project. For its participation in the transaction, the Company will receive 2,000,000 common shares and \$80,000 over a two-year period, subject to TSX-Venture Exchange acceptance. The Vendors will retain a 2% Net Smelt Return ("NSR") royalty, 1% of which may be purchased by Fieldex for \$1,000,000.

15. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.