Management Discussion and Analysis
For the Three Months ended February 28, 2011

The following is a discussion and analysis of the operations, results, and financial position of Zimtu Capital Corp. (the "Company") for the three months ended February 28, 2011, and should be read in conjunction with the unaudited financial statements for the three months ended February 28, 2011 as well as the audited financial statements for the years ended November 30, 2010 and 2009, all of which were prepared in accordance with Canadian generally accepted accounting principals.

The effective date of this report is April 28, 2011.

Nature of Business and Overall Performance

History of the Company

The Company was incorporated on July 4, 2006, under the Business Corporations Act of British Columbia under the name "Flow Energy Ltd."

On January 29, 2007, the Company completed its initial public offering with Northern Securities Inc. acting as agent. The Company was listed on the TSX Venture Exchange (the "TSX-V") as a Capital Pool Company on January 31, 2007.

On March 7, 2008, the Company entered into a Share Purchase Agreement with Petrol One Corp. and 0755032 BC Ltd. Under the terms of the Agreement, the Company acquired all of the issued common shares of Zimtu Capital Corp., a private investment company that had assets consisting of a portfolio of equity investments, cash and equipment, totaling approximately $6.0 million.

On July 31, 2008, the Company completed its Qualifying Transaction, defined under section 2.4 of the TSX policies. The Company acquired all of the issued and outstanding common shares of 0755032 BC Ltd., completed a private placement of 10,292,658 units for proceeds to the Company of $1,235,119 and changed its name to Zimtu Capital Corp. Subsequent to the completion of the Qualifying Transaction, the Company changed its year end from August 31 to November 30, to be concurrent with that of its wholly owned subsidiary, 0755032 BC Ltd. On December 1, 2008, the Company completed a consolidation of share capital on a 10:1 basis

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades as a Tier 2 Financial Services Issuer on the TSX Venture Exchange under the symbol 'ZC'. The Company also trades on the Frankfurt Stock Exchange under the symbol 'ZCT1'.

Business of the Company

The business of the Company focuses on giving its shareholders the opportunity to indirectly invest in diverse early-stage resource investments. The Company's goal is to take advantage of the favourable investment opportunities that arise between the private and public phases of a given investment in the natural resources sector. To that end, the Company conducts its business along two distinct lines: investment and project advisory/management.

1. Investment

The principal investment objectives of the Company are:

- to seek and identify high return investment opportunities in the resource sector through direct investments in project interests or indirect investments by means of equity shareholdings;

- to minimize the risk associated with investments in securities by offering assistance to the target investment through management's industry contacts;

- to preserve its capital and limit the downside risk of its capital;

- to achieve a reasonable rate of capital appreciation; and

- to seek liquidity in its investments.

In pursuit of greater returns and to achieve investment objectives while mitigating risk, the Company, when appropriate, shall focus on natural resource industries, concentrating on early stage exploration and development companies. The Company will obtain detailed knowledge of the relevant business that the investment shall be made in, as well as knowledge about the investee company. The Company will endeavour to work closely with the investee company's management and boards and in some cases, assist in sourcing experienced and qualified persons to add to the board and/or management of the investee companies. The Company will maintain a flexible position with respect to the form of investment taken. Investments will be made in either private or public companies or directly into project title. As a result, the Company may own 100% of the opportunity in the initial stages.

In keeping with its business model, the Company:

a) Has increased its investment shareholdings through participation in private placements and/or Initial Public Offerings ("IPO") of several TSX-V listed companies;

b) Has acquired or disposed of interests in several mineral property claims and/or permits. An objective of the Company is to evaluate and acquire prospective resource properties to make available for sale or joint venture. In this manner, the Company has acquired and disposed of property interests either by selling the property in its entirety or by optioning the property;

c) Provides mineral property advisory services to individuals and/or companies and helps to connect companies with mineral properties of interest; and

d) Provides management & administrative assistance to private or public companies.

Composition of Investment Portfolio*:* The nature and timing of the Company's investments depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company. Subject to the availability of capital, the Company intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

Investment Committee*:* The Company has an investment committee to monitor its investment portfolio on an ongoing basis. The investment committee's mandate is to review the status of each investment as well as the status of potential investments at least once a month or on an as needed basis. Nominees for the investment committee are recommended by the Board of Directors.

Trading Committee*:* The Company has a trading committee consisting of all members of the Board of Directors and may also include any consultants with relevant experience to the opportunity. On a monthly basis, the trading committee discusses and evaluates the investments of the Company.

Market Conditions: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. The market for the common shares of the Company will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the common shares of the Company will be affected by such volatility.

Shareholdings: The specific shareholdings of the Company are listed in the Company's financial statements for the three months ended February 28, 2011. The Company considers the following as its core portfolio shareholdings:

Western Potash Corp. (TSX-V: WPX) ("Western Potash") is a junior mineral exploration company engaged in the acquisition, evaluation and exploration of potash mineral properties in Western Canada. Western Potash's objectives are to define and develop a world-class potash deposit while providing its shareholders with a unique opportunity to participate in the blue-chip dominated potash mining industry. The Company currently has 2,148,821 common shares of Western Potash with a market value of $2,771,979 ($1.29 per share, as at April 26, 2011).

Commerce Resources Corp. (TSX-V: CCE) ("Commerce") is an exploration and development company with a particular focus on tantalum, niobium and rare earth element deposits with a potential for economic grades and large tonnages. The Company is developing its Upper Fir Tantalum and Niobium Deposit in British Columbia, at the Blue River Project, and is also exploring its Eldor Rare Earth Project in northern Quebec. The Blue River Project has defined NI 43-101 compliant resources and a preliminary economic assessment is to be completed for the project this year. The Eldor Project has defined NI 43-101 compliant resources and additional drilling is underway at the property. The Company currently has 3,636,178 common shares of Commerce, with a market value of $2,908,942 ($0.80 per share, as at April 26, 2011).

Triple Dragon Resources Inc. (CNSX: TDN) ("Triple Dragon") is a mineral exploration company focused on gold properties in the Gordon Lake area of south-central Northwest Territories, Canada. The Company holds a total of 17,117,500 common shares of Triple Dragon, representing 69.83% of the total issued and outstanding share capital of Triple Dragon. As such, Triple Dragon's results of operations have been consolidated into the financial statements of the Company. The common shares of Triple Dragon were acquired for investment purposes and the Company may from time to time acquire or dispose of some or all of the securities that it holds of Triple Dragon or continue to hold its share position. The current market value of the Company's shareholdings in Triple Dragon is $2,567,625 ($0.15 per share, as at April 26, 2011).

Quantum Rare Earth Development Corp. (TSXv: QRE) ("Quantum") is a Canadian based exploration company focused on creating shareholder value through the strategic acquisition and advancement of highly prospective niobium and rare earth element projects in politically stable, mining-friendly locations. The company's flagship project is the Elk Creek Carbonatite located in southeastern Nebraska, U.S.A. which contains a niobium resource and is also prospective for rare earth element and phosphate mineralization. The Company currently has 3,507,750 common shares of Quantum, with a market value of $1,666,181 ($0.475 per share, as at April 26, 2011).

Camisha Resources Corp. (TSXv: CRN.P) ("Camisha") is a Capital Pool Company within the meaning of the policies of the TSX Venture Exchange. Zimtu owns 26.79% of the issued and outstanding common shares of Camisha. As a major shareholder, Zimtu will assist Camisha in finding a suitable Qualifying Transaction. The Company currently has 3,000,000 common shares of Camisha, with a market value of $750,000 ($0.25 per share, as at April 26, 2011).

Equitas Resources Corp. (TSXv: EQT) ("Equitas") is in the early stages of the value creation process with the recent acquisition of the Day Copper-Gold Porphyry Project. This core asset will be the Company's flagship project and consists of ~7,100 hectares located to the northwest of Prince George, B.C. and 50 kms directly south of Northgate Minerals' Kemess South Mine in the prolific "Toodoggone Region" of B.C. The Company currently has 5,228,000 common shares of Equitas, with a market value of $836,480 ($0.16 per share, as at April 26, 2011).

Lakeland Resources Inc. (TSXv: LK) ("Lakeland") is focused on gold exploration in Canada. The company commenced trading on the TSX Venture Exchange on August 19th 2010 after completing its Qualifying Transaction. Lakeland recently completed a five hole winter drill program at its Midas Property in north-central Ontario for a total of approximately 850 metres. Drill results are pending. The Company currently has 5,165,000 common shares of Lakeland, with a market value of $929,700 ($0.18 per share, as at April 26, 2011).

2. Project Advisory/Management

Mineral Resource Project Management

The Company evaluates and acquires prospective resource properties to make available for sale, option or joint venture. The Company has interests in several mineral property claims.

As at the date hereof, the Company has interests in the following mineral resource properties:

Name	Location	Mineral Type	Interest
Grace Claims	BC	REE & Niobium	100%
Montveil Claims	Quebec	REE	100%
Port Hope	Newfoundland	REE	100%
Michikamatas Project	Newfoundland	REE	100%
Red Wine Property	Newfoundland	REE	100%
Joint Venture with 877384 Alberta Ltd.:			
Alberta consort. claims	Alberta	Potash	50%
AB Potash	Alberta	Potash	50%
AB Frac Sands	Alberta	Frac Sands	50%
Chickadee Creek	Alberta	Lithium	50%
BC Gold – Bella Coola	BC	Gold	50%
BC Gold – Snow Lake	BC	Gold	50%
Day Property	BC	Gold	50%
JD Property	BC	Gold	50%
Quebec Gold	Quebec	Gold	50%
Apollo, Carbo Area, Perry River & Giscome	BC	REE	50%
Bear Lake Area in BC	BC	REE	50%
Bearpaw Ridge	BC	REE	50%
Blais Claims	BC	REE & Niobium	50%
Blanchford Claims	NWT	REE	50%
Cap Claims	BC	REE	50%
Ren Claims	BC	REE & Niobium	50%
Seebach Claims	BC	REE	50%
Snip Claims	BC	REE	50%
Lac Le Claire	Quebec	REE	50%
Says Claims	BC	Silver	50%
Sul-Sud Claims	BC	Base & Precious Metals	50%
Joint Venture with C&C:			
Hiren Claims	BC	REE	50%
Trident Claims	BC	REE	50%
Zen Claims	BC	REE	50%
Joint Venture with David Javorsky:			
Zirconium Mountain	BC	REE	50%
Cerium Mountain	BC	REE	50%
Odin Creek Cerium	BC	REE	50%
Old Lime Stone	BC	REE	50%

The following is a list of the properties that have been sold as at the three months ended February 28, 2011:

Name	Sold to	Consideration
Cap and Seebach Properties	Arctic Star Diamond Corp.	$87,500 cash (received) 2,500,000 common shares (received) 10% administration fee to be received on exploration expenditures

The following is a list of the properties that have sales pending as at the three months ended February 28, 2011:

Name	Sold to	Consideration
Michikamatas Project	Fieldex Exploration Inc.	$80,000 over 3 years ($30,000 received) 2,000,000 common shares (1,000,000 received) 2% NSR with 1% buyback for $1,000,000
Day Property	Equitas Resources Corp. (formerly Trivello Energy Corp.)	$25,000 cash (not received) 2,500,000 common shares (not received)
Australia Lithium	Max Pozzoni	$50,000 cash, in 6 month installments ($30,000 received)
Red Wine/Letitia Lake	Rare Earth Metals Inc.	$75,000 cash ($25,000 received) 1,000,000 common shares (500,000 received)
Snip and Seebach Properties	Remstar Resources Ltd.	$175,000 cash ($25,000 received) 10% administration fee to be received on exploration expenditures
7 Rare Earth Elements Properties	Critical Elements (formerly First Gold Exploration)	$62,500 cash (received) 2,000,000 common shares (1,000,000 shares received) 2% NSR with 1% buyback for $1,000,000
Old Lime Stone	Arctic Star Diamond Corp.	$12,500 cash (received) 1,000,000 common shares (500,000 received)
Goeland Rare Earth Property	Canada Rare Earth Inc. (formerly Canada Gas Corp.)	$12,500 cash (received) 1,250,000 common shares (500,000 received)

The following is a list of the properties that the Company sold during the year ended November 30, 2010:

Name	Sold to	Consideration
Athena Lithium Property	Max Pozzoni	$20,000 cash
Archie Lake	Quantum Rare Earth Developments Corp.	$20,000 cash 1,000,000 common shares
NWT Gold/Tom Mine Bella Coola/Snow Lake	Equitas Resources Corp. (formerly, Trivello Energy Corp.)	$50,000 cash 1,000,000 common shares

Mineral Resource - Advisory Services

The Company also provides mineral resource advisory services to individuals and/or companies and helps to connect companies with mineral properties of interest.

The following is a list of the properties the Company provided property advisory services as at the three months ended February 28, 2011:

Name	Sold to	Consideration
Deadhorse Creek Rare Earth Property	Canadian International Minerals	100,000 shares on signing (received) $5,000 of shares + 30,000 shares on first anniversary (received) $5,000 of shares on second anniversary $5,000 of shares on third anniversary $5,000 of shares on fourth anniversary
Terrax Rare Metal Project	BonTerra Resources Inc.	1,000,000 common shares 2% NSR with 1% buyback for $1,000,000
Jungle Well & Laverton Projects	Quantum Rare Earth Developments & Silver Mountain Mines Corp.	$33,333 cash (received) 500,000 shares of Quantum Rare Earth
Marksmen Capital	Brixton Metal Corp.	285,000 shares for finders fees (received) 500,000 escrow shares upon closing of Qualifying Transaction
Range Capital Corp.	Open Gold Corp. (formerly Knob Hill Silver Corp.)	425,000 shares for finders fees (received)

Canadian International Minerals Inc.: During the year ended November 30, 2009, the Company assisted Canadian International Minerals Inc. ("CIN") in the optioning of 52 mineral claims in the Thunder Bay Mining Division, Ontario known as the Deadhorse Creek Rare Earth Property. In consideration for its assistance, the Company received 100,000 shares in the first year and 92,500 shares on the first anniversary.

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 $33,333 ($15,365 received at November 30, 2010 and the balance received subsequent to February 28, 2011) following completion of a merger between Quantum and Silver Mountain.

Terrax Rare Metal Project: 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 Reture "(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.

Marksmen Capital Inc.: On August 5, 2010, the Company announced that it has acted as an agent in a transaction between Marksmen Capital Inc. ("Marksmen") and Brixton Metal Corporation ("Brixton"). The transaction constituted Marksmen's qualifying transaction. For its participation in the deal, the Company received 500,000 shares of Marksmen's escrow shares on closing of the qualifying transaction and received a finder's fee equal to 285,000 shares.

Open Gold Corp.: On June 9, 2010, Open Gold Corp. (formerly Range Capital Corp.) ("Open Gold"), a TSX-V listed CPC, announced that it had entered into a letter agreement with Knob Hill Silver Inc. ("Knob Hill"), whereby Range will acquire 100% of the outstanding shares of Knob Hill. Knob Hill is a private British Columbia incorporated mineral exploration company that holds a 100% interest in 16 mineral claims located in the Greenwood mining division of British Columbia, subject only to a 2.5% net smelter return. Upon closing of the transaction, Range issued 425,000 common shares as a finders fee to the Company.

<u>Mineral Resource – Joint Ventures</u>

Cazador Resources Ltd. and Cathro Resources Corp.: During the year ended November 30, 2009, the Company entered into an agreement with Cathro Resources Corp. and Cazador Resources Ltd. ("C&C") for the joint exploration of rare earth element claims of merit in Western Canada, known as the C&C Rare Earth Properties. The claims included in the C&C Rare Earth Properties are the Hiren, Trident and Zen Claims. The Company and the other joint venturers contributed $10,000 (paid) each for the acquisition costs of the C&C Rare Earth Properties. The Company will commit $100,000 towards the advancement of the C&C Rare Earth Properties. The C&C Rare Earth Properties 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. The Company has a pending sale with Critical Elements on a portion of these claims.

Javorsky Properties: During the year ended November 30, 2010, the Company entered into an agreement for the joint exploration of four rare earth element claims of merit in Western Canada, known as the Old Lime Stone, Zirconium Mountain, Cerium Mountain, and Odin Creek Cerium. The Company and the other joint venturer, Dave Javorsky, each contributed for the acquisition costs 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 venturer. The Company has a pending sale with Arctic Star Diamond Corp. for the Old Lime Stone property.

Strategic Resource Management: In August, 2010, the Company entered into a partnership with Strategic Resource Management ("Strategic") for a rare earth property in Tanzania. The Company spent $8,400 US for field work and had the exclusive option to acquire the project for $45,000 US. This project has been terminated and the value of the project written off.

3. Company Management

The Company provides management and administrative services to various private and public companies.

The Company currently has contracts in place with Commerce Resources Corp., Camisha Resources Corp., Equitas Resources Corp. and Triple Dragon Resources Inc. Commerce, Triple Dragon and Camisha have a director(s) in common with the Company.

Under the terms of the contracts, these services may include rent and office administration, continuous disclosure services and compliance services. These contracts generate sufficient cash for the Company to meet its operating needs in the current market environment and the Company expects these contracts to continue.

Selected Annual Information

The following is a summary of the financial data of the Company for the years ended November 30, 2010, 2009, and 2008:

	2010	2009	2008
Total Revenues	5,310,511	3,980,551	1,205,714
Income (loss) from continuing operations	3,302,633	1,591,944	(6,178,682)
Income (loss) from continuing operations (per share)	0.40	0.25	(2.86)
Income (loss) from continuing operations (per share, fully diluted)	0.25	0.18	(0.71)
Net Income (loss)	2,860,649	1,076,431	(4,733,511)
Net Income (loss) (per share)	0.35	0.17	(2.20)
Net income (loss) (per share, fully diluted)	0.22	0.12	(0.54)
Net comprehensive income (loss)	2,860,649	1,076,431	(4,733,511)
Net comprehensive income (loss) (per share)	0.35	0.17	(2.20)
Net comprehensive income (loss) (per share, fully diluted)	0.22	0.12	(0.54)
Total assets	13,978,205	6,348,913	3,678,181
Total long term financial liabilities	587,401	196,583	Nil
Cash dividend declared per share	Nil	Nil	Nil

Summary of Quarterly Results

The following is a summary of the results from the eight most recently completed financial quarters ending:

	February 28, 2011	November 30, 2010	August 31, 2010	May 31, 2010	February 28, 2010	November 30, 2009	August 31, 2009	May 31, 2009
Revenue	3,027,367	4,168,092	1,330,349	(212,515)	24,585	1,267,120	127,089	1,621,132
Net Income (loss)*	2,650,082	2,887,575	722,084	(572,917)	(176,093)	308,090	(700,166)	934,482
Total assets	18,437,251	13,978,205	8,116,866	6,993,530	7,194,857	6,348,913	5,155,353	5,664,700
Working capital	14,006,394	11,409,091	6,460,215	5,533,029	6,024,083	4,940,127	4,386,996	4,899,419
Total liabilities	2,716,312	1,605,687	755,225	668,975	569,864	830,569	706,649	575,040
Shareholders' equity	15,720,939	12,372,518	7,361,641	6,324,555	6,624,993	5,518,344	4,448,704	5,089,660

* Net income (loss) after unrealized gains or losses on investments, and taxes.

Results of Operations

Net income for the three months ended February 28, 2011, was $2,650,082 as compared to a net loss of $176,093 for the three months ended February 28, 2010.

This difference is due primarily to the gain on sales of investments, unrealized gain on investments, and other income.

During the three months ended February 28, 2011, the Company:

- recorded a gain on sale of investments of $601,711 (February 28, 2010: $176,577),
- recorded an unrealized gain on investments of $2,110,656 (February 28, 2010: $421,992 loss), and
- earned other income of $185,356 (February 28, 2010: $446,080) for property sales and finders' fees.

For the three months ended February 28, 2011, there was an increase in the revenue generated from administrative fees (2011: $315,000; 2010: $270,000). The overall operating expenses of the Company remained fairly consistent compare to the prior year:

- advertising & promotion expenses increased as the Company continued to increase awareness of its activities through tradeshows and other media (2011: $48,053, 2010: $24,469), including website and internet (2011: $4,676, 2010: $655) and investor relations (2011: $21,362, 2010: $16,085),
- amortization increased due to the purchase of fixed assets and leasehold improvements (2011: $21,762, 2010: $18,800),
- bank charges and interest decreased (2011: $1,380, 2010: $2,617),
- filing and transfer agent fees decreased (2011: $11,150, 2010: $24,743) due to fewer shares issued during the quarter,
- office, rent & telephone decreased due to cost saving initiatives (2011: $65,217, 2010: $83,967),
- professional fees, including legal and accounting fees, decreased (2011: $50,113, 2010: $97,365),
- stock based compensation decreased (2011: $nil, 2010: $106,074) as no options were granted in the current year, and
- wages and benefits increased due to additional staffing requirements as the Company increased its activities (2011: $334,086, 2010: $300,841).

Liquidity and Capital Resources

The Company has had to rely upon the sale of equity securities for the cash required for capital acquisitions, exploration and development, and administration, among other things.

The capital resources of the Company include investments of $13,573,589 held at fair market value, investments of $489,665 held at cost and cash of $3,090,189. The Company's intention is to commit further funds for continuing its investment strategies.

The Company will continue to require funds to meet its investment objectives of giving its shareholders the opportunity to indirectly invest in a diversified series of early stage resource investments, which would not otherwise be available to them. As a result, the Company will have to continue to rely on equity and debt financing during such period as well as rely on the income generated through the provision of administration and management services to other companies.

There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

As the Company's revenues are expected to be in large part derived from provision of management and administration services to other companies, there can be no assurance that those management and administration contracts currently in place will continue at the rates that they are at or that the companies will continue to pay the Company for the services being provided.

Working Capital: As at February 28, 2011, the Company had total assets of $18,437,251 as compared to $13,978,205 for the year ended November 30, 2010.

The primary assets of the Company are investments of $13,573,589 (2010: $9,563,352) held at fair market value, investments of $489,665 (2010: $489,665) held at cost, cash of $3,090,189 (2010: $2,056,883), advances/accounts receivables of $54,423 (2010: $46,061), subscriptions receivable of $nil (2010: $576,132), prepaid expenses & deposits of $4,505 (2010: $34,181), loan receivable of $34,675 (2010: $34,675), deposits of $15,562 (2010: $15,562), equipment of $191,086 (2010: $211,499), and mineral property interests of $837,659 (2010: $804,297).

The Company has long-term liabilities of $476,438 (2010: $476,438) and has working capital of $14,006,394.

Cash and Cash Equivalents: On February 28, 2011, the Company had cash and cash equivalents of $3,090,189 (November 30, 2010 - $2,056,883).The $1,033,306 increase in cash position is mainly due to recovering $627,550 of cash on working capital and $698,338 raised through the exercise of warrants.

Management of cash balances is conducted in-house based on internal investment guidelines.

Cash Used in Operating Activities: Cash recovered in operating activities during the three months ended February 28, 2011 was $627,550, compared with $624,651 of cash used in operating activities during the three months ended February 28, 2010.

Cash was mostly spent on advertising, investor relations, general office expenses, professional fees, and wages and benefits. The increase in cash recovered on operating costs is due to the income tax accrual for the year ended.

Cash Used in Investing Activities: Total cash used in investing activities during the three months ended February 28, 2011 was $292,581 compared to $291,987 of cash used during the three months ended February 28, 2010. During the three months ended February 28, 2011, the Company spent:

- $1,213,586 (February 28, 2010 – $324,389) on the acquisition of investments,
- $1,349 (February 28, 2010 - $29,302) on the acquisition of equipment,
- $53,006 (February 28, 2010 - $39,586) on the acquisition of mineral exploration properties,
- $955,716 (February 28, 2010 - $79,931) was recovered on the proceeds on disposition of investments, and

- $19,644 (February 28, 2010 - $nil) was recovered on the proceeds of disposition of mining properties.

Cash Generated by Financing Activities

During the three months ended February 28, 2011, the Company received $698,338 (February 28, 2010 – $1,236,668) from the issuance of shares.

Related Party Transactions

(a) During the three months ended February 28, 2011, the Company earned administrative fees of $270,000 (2010: $1,080,000) from Commerce Resources Corp, a company with common directors. The Company also received $7,500 from Camisha Resources Corp., a company accounted for as an investment under the equity method.

(b) Total amount due to a related party, Commerce Resources Corp., is $21,447 (2010: $45,798) for expenses incurred on its behalf. This amount is unsecured, non-interest bearing and due on demand;

(c) Included in wages and benefits expense is $48,000 (2010: $185,000) paid to Dave Hodge, a director of the Company;

(d) Included in wages and benefits expense is $33,000 (2010: $123,500) paid to Ryan Fletcher, a director of the Company; and

(e) Included in wages and benefits expense is $33,386 (2010: $128,876) paid to Sven Olsen, a director 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.

Other MD&A Requirements

Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	Year ended November 30, 2010	Year ended November 30, 2009
Capitalized or Expensed Exploration and Development Costs	154,999	191,780
General and Administration Expenses	3,071,446	2,905,176
Gain (loss) on sale of Investments	872,273	257,872
Unrealized gain (loss) on Investments	3,247,938	2,642,679

Disclosure of Outstanding Share Capital

The Company has an authorized share capital of an unlimited number of common shares without par value. The following table describes the issued and outstanding share capital of the Company:

	April 27, 2011	February 28, 2011	November 30, 2010	November 30, 2009
Common shares	9,992,566	9,959,166	9,482,739	6,533,264
Stock Options	1,443,600	1,477,000	1,477,000	1,194,333
Warrants	1,585,338	1,585,338	2,061,765	1,029,265
Agent's Options	0	0	0	0
Fully Diluted Shares	13,021,504	13,021,504	13,021,504	8,756,862

For additional details of outstanding share capital, refer to the unaudited financial statements for the three months ended February 28, 2011.

Additional Disclosure Regarding Significant Investee

859404 BC Ltd

As at the year ended November 30, 2009, the Company was a significant shareholder of 0859404 BC Ltd., a private British Columbia incorporated company ("859404"). The Company held 50,000 common shares of 859404, representing a 20.83% interest in the company.

859404, through its wholly owned Nebraskan subsidiary, Elk Creek Resources Corp., secured individual agreements to acquire the mineral rights to the Elk Creek Carbonatite Project. The agreements are in the form of a five-year pre-paid lease, with an option to purchase the mineral rights at the end of the lease. The Company was instrumental in the organization and management of 859404 from its inception in August, 2009, to the successful completion of the acquisition of the Elk Creek Carbonatite Project.

During the year ended November 30, 2010, 0859404 issued additional common shares, of which Zimtu acquired 2,131,250 additional shares. Following the issuance of shares, Zimtu's holdings decreased to 15% of the total issued and outstanding shares of 0859404. As a result, the investment is no longer being accounted for using the equity method. Subsequent to the year ended November 30, 2010, the shares of 0859404 were converted into shares of Quantum Rare Earth Development.

Camisha Resources Corp.

As at February 28, 2011, the Company owns 27% of the total outstanding shares of Camisha Resources Corp. The Company exerts significant influence over Camisha and therefore Camisha is accounted for as an investment under the equity method. The investment in Camisha is recorded at cost of $150,000 and is adjusted for $18,743 of equity loss.

Lakeland Resources Inc.

During the year ended November 30, 2010, Zimtu acquired 2,165,000 common shares and Triple Dragon received 3,000,000 common shares for the CAM Property, for a total of 5,165,000 common shares of Lakeland Resources Inc. ("Lakeland"). The value of the shares is $437,975, which represents 34% of total issued and outstanding shares of Lakeland. The investment in Lakeland is recorded at cost of $437,975 and is adjusted for $79,567 of equity loss.

Proposed Transactions and Subsequent Events

a) Subsequent to the three months ended February 28, 2011, 33,400 options were exercised for proceeds of $30,060,

b) Subsequent to the three months ended February 28, 2011, Zimtu and three prospecting partners announced that they signed an agreement with Electric Metals Inc. (TSXv: EMI) (“Electric”) whereby Electric can earn a 100% interest in eight rare earth element properties located in the Abitibi region of Quebec near Geomega's (TSXv: GMA) Montviel Rare Earth Property. For its participation in the transaction, Zimtu will receive staged cash and share payments from Electric as follows: (i) $2,500 on signing (received); (ii) $10,000 and 500,000 common shares on acceptance by the TSX Venture Exchange ("TSXv"); (iii) $18,750 and 500,000 on the first anniversary of TSXv acceptance; and (iv) $31,250 and 375,000 on the second anniversary. Zimtu's three prospecting partners will each receive cash and share considerations equal to that of Zimtu. The vendors will collectively retain a 2% Net Smelter Royalty on the properties; 1% of which can be purchased by Electric for $500,000. The transaction is subject to acceptance by the TSXv.

Risk Factors

The following is factors, trends and risks may affect the Company’s liquidity, capital resources and solvency. Readers are cautioned that this is not an exhaustive list and should refer to the Company’s Filing Statement dated July 25, 2008, which can be found at www.sedar.com.

Business History: The Company has a limited business history and a limited history of operating earnings and the likelihood of success of the Company therefore must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business.

Limited Financial Resources: The Company has limited financial resources and there is no assurance that additional funding will be available to it. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans. The Company may require additional financing to continue its operations and there can be no assurance that the Company will be able to obtain adequate financing in the future. Failure to obtain such additional financing could result in delay or indefinite postponement of further investments of the Company. The Company may issue additional securities from time to time which may be dilutive to Shareholders.

The Company will be neither a mutual fund nor an investment fund and due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of its common shares, at any time, may vary significantly from the Company’s net asset value per share. This risk is separate and distinct from the risk that the market price of the common shares may decrease.

Revenue & Investments: Revenues received by the Company has been generated by management fees paid by corporations which may have directors and officers in common. In the event that there is a change in the management of these corporations there is no certainty that these management contracts will continue.

Composition of Portfolio: The composition of the Company’s securities portfolio taken as a whole may vary widely from time to time. Investments by the Company in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. This shall impair the Company’s ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk and are subject to indefinite hold periods.

The Company may make investments in securities that have low trading volumes. Accordingly, it may be difficult for the Company to make trades in these securities without adversely affecting the price of such securities.

Stock Price and Performance: The Company's stock price may vary according to the value of the securities in which it invests, which will depend, in part, upon the performance of the issuers of such securities. The value of the securities acquired by the Company will be affected by business factors and risks that are beyond the control of the Company. In addition, the performance of certain of the securities may be affected by business factors and risks other than their exposure to metal and mineral prices, which may be more determinative of such securities' performance. Some of these factors and risks are: (i) some of the issuers in which the Company invests may have limited operating histories; (ii) operational risks related to specific business activities of the respective issuers; (iii) quality of underlying assets; (iv) financial performance of the respective issuers and their competitors; (v) volatility in the price of metal and mineral prices; (vi) environmental risks; (vii) political risks; (viii) fluctuations in exchange rates; (ix) fluctuations in interest rates; and (x) government regulations, including regulations to prices, taxes, royalties, land tenure, land use, importing and exporting of materials and environmental protection.

There is no assurance that the investment objectives of the Company will actually be achieved. The value of the shares of the Company will increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Company's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

Key Personnel: Prospective investors assessing the risks and rewards of an investment in the Company should appreciate that they will, in large part, be relying on the good faith and expertise of the Company and will have to rely on the discretion and ability of the Company in determining the composition of the portfolio of assets, and in negotiating the pricing and other terms of the agreements leading to the acquisition of assets.

Conflicts of Interest: Directors and officers of the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other investment companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The ability to liquidate investments held by the Company in corporations with common directors may be impaired by trading black-out periods imposed in insiders of such entities.

The Company and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict is obligated to disclose any interest in the potential investment. In the event that a conflict is detected, the target company may be notified of the conflict. Depending on the circumstances of the potential investment, the director in conflict may be asked to abstain from voting for or against the approval of such participation. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Changes in Accounting Policies

There have been no changes in the accounting policies other than those already disclosed in the Note #3 (q) to the consolidated financial statements.

International Financial Reporting Standards

On February 13, 2008, Canada's Accounting Standard Board confirmed January 1, 2011 as the effective date for complete convergence of Canadian GAAP to International Financial Reporting Standards ("IFRS"). The official changeover date will apply for interim and financial statements relating to fiscal years beginning on or after January 1, 2011. The Company has determined that the key elements of this IFRS changeover on the Company will be in the areas of accounting for resource properties' acquisition and exploration costs, impairment of long-lived assets, accounting for share capital including stock options and warrant valuations and general IFRS disclosure requirements.

Impact of Adopting IFRS on the Company's Financial Statements

The adoption of IFRS will result in some changes to the Company's accounting policies that are applied in the recognition, measurement and disclosure of balances and transactions in its financial statements. The opening balance sheet figures will also need to be audited by the Company's auditors. To comply with these requirements, the Company will gather additional information and the current reporting processes will be modified to provide the appropriate level of detail in order to prepare the Company's financial statements under IFRS.

Impact on the Internal Controls over Financial Reporting

The Company will make the appropriate changes to maintain the integrity of the Company's internal controls over financial reporting for the initial transition to IFRS, including the related note disclosures, as well as on-going financial reporting.

Impact on the Disclosure Controls and Procedures

IFRS requires additional disclosures in a number of areas including estimates, related party transactions, income taxes and impairment. In the year of adoption of IFRS, additional disclosures are required to show the transition from GAAP to IFRS for the opening balance sheet figures as of December 1, 2010. Reconciliations of equity and earnings (loss) are required with disclosure of the key differences.

Financial Reporting Expertise

The Company will ensure that the appropriate management oversight is in place and appropriate management review and approval is obtained for all additional financial and other material disclosures. The Company's accounting personnel will be trained in IFRS, and the Audit Committee will assess the Board of Director's IFRS knowledge and recommend any additional training that may be required.

Impact on the Business

The Company has reviewed its significant business activities to date and believes that none of these will be impacted by the transition to IFRS. Business process will be monitored during the following months to detect and address any previously not identified IFRS conversion issues.

Conversion Plan

The Company's conversion plan to transition from Canadian GAAP to IFRS consists of three phases:

• Phase 1 (Scoping and diagnostic) – A preliminary diagnostic review which included the determination, at a high level, of the financial reporting differences and options under IFRS and the key areas that may be impacted was completed in 2010.

• Phase 2 (Impact analysis, quantification and evaluation) – In this phase, the Company will perform a detailed assessment and technical analysis of each area identified from Phase 1 that will result in the conclusion of IFRS transitional adjustments, decisions on accounting policy choices and the drafting of accounting policies. The Company has started this second phase with completion expected in the second quarter of 2011.

• Phase 3 (Implementation phase) – This phase includes the collection of financial information necessary to compile IFRS compliant financial statements and the preparation of the opening balance sheet as at December 1, 2011 and will be carried out in the first half of 2012.

Based on the review in Phase 1 and the work to date under Phase 2, a number of key accounting areas were identified where IFRS differs from current GAAP, which are expected to have an impact on the Company's financial statements. These key areas are explained below. IFRS will require more extensive disclosure and analysis of balances and transaction in the notes to the financial statements. The Company's review has not identified significant impact on its accounting processes, financial reporting systems and controls.

IFRS 1, First-time Adoption of IFRS

IFRS 1 provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective applications of IFRS. The purpose of the options is to provide relief to companies and simplify the conversion process by not requiring them to recreate information that may not exist or may not have been collected at the inception of the transaction. We have analyzed the various exemptions available and are working towards implementing those most appropriate in our circumstances.

Property, Plant and Equipment

IFRS currently allows property, plant and equipment to be either recorded using the cost or revaluation models. Depreciation must be based on the useful lives of each significant component within property, plant and equipment. We have the option to record items of property, plant and equipment at their fair value on transition to IFRS. This value becomes the deemed cost of the asset. The Company expects to continue to record property, plant and equipment at their historical costs due to the complexity and resources required to determine fair values on an annual basis.

Mineral Properties, Exploration and Development Costs

IFRS currently allows exploration and evaluation expenses to be either capitalized or expensed. The Company expects to continue to capitalize its exploration and evaluation expenses.

Impairment of Mineral Properties

Canadian GAAP provides for a 2 step test with no impairment being required if the undiscounted future expected cash flows relating to an asset are higher than the carrying value of that asset. Under IFRS, the undiscounted cash flows are not considered and an impairment is recorded when the recoverable amount (defined as the higher of ‘value in use’ and `fair value less costs to sell’) is below the asset’s carrying value.

The Company will be required to adopt the discounted future cash flow approach with respect to impairment analysis of its mineral properties. Impairment under this approach may generate a greater likelihood of write-down in future.

Write down to net realizable value can be reversed under IFRS if the conditions of impairment ceased to exist. This difference in approach between Canadian GAAP and IFRS could result in potentially significant volatility in earnings.

Share Based Payments

Under IFRS, each instalment is to be treated as a separate share option grant with graded-vesting features, forfeitures are to be estimated at time of grant and revised if actual forfeitures are likely to differ from previous estimates and options granted to parties other than employees are measured on the date the goods or services received. The concept of employees and other providing similar services under IFRS is a broader concept under IFRS. The Company is currently recording its stock based compensation expenses at the grant date, vesting immediately, and forfeitures as they occur. The transition to IFRS would likely result in more variability in the compensation expenses.

Business Combinations

Under IFRS, there is an option to apply IFRS 3, Business Combinations, retrospectively or prospectively. The Company plans to apply IFRS 3 prospectively to all business combinations that occurred after the transition date. The application of this policy prospectively means that there will be no impact on the financial statements for previous business combinations.

Consolidated Financial Statements

In accordance with IFRS 1, if a company elects to apply IFRS 3 Business Combinations retrospectively, IAS 27 Consolidated and Separate Financial Statements must also be applied retrospectively. As the Company will be electing to apply IFRS 3 prospectively, the Company will also be electing to apply IAS 27 prospectively.

Revenue Recognition

Under GAAP, the Company recognizes revenue of mineral property interests following the transfer of title and risk of ownership based on the contractual arrangements. Title is usually transferred on receipt of the final payment.

On adoption of IFRS, revenue will only be recognized when persuasive evidence exists indicating that all of the following criteria are met: (i) the significant risks and rewards of ownership have been transferred to the customer; (ii) neither continuing managerial involvement to the degree associated with ownership nor effective control over the goods sold has been retained; (iii) the amount of revenue can be reliably measured; (iv) it is probable that the economic benefits associated with the sale will flow to the Company; and, (v) the costs incurred or to be incurred in respect of the sale can be measured reliably.

The Company does not expect that changes to revenue recognition will have a material impact on its financial statements.

Financial Instruments and Other Instruments

The Company has classified its financial instruments as follows:

- 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.

- Accounts payable and accrued liabilities and unearned revenue are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

Forward Looking Statements

All statements other than statements of historical fact contained in this Management Discussion & Analysis are forward looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving the Company. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Readers can identify many of these statements by looking for words such as "believes", "expects", "will", "intends", "projects", "anticipates", "estimates", "continues" or similar words or the negative thereof. Examples of forward looking statements in this Management Discussion & Analysis include that:

- the Company's goal is to take advantage of the favourable investment opportunities that arise between the private and public phases of a given investment in the natural resources sector and to seek and identify high return investment opportunities in the resource sector through direct investments in project interests or indirect investments by means of equity shareholdings;

- the Company's objective is to preserve its capital and limit the downside risk of its capital and to achieve a reasonable rate of capital appreciation;
- the Company shall focus on natural resource industries, concentrating on early stage exploration and development companies
- the Company may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments.
- the Company intends to create a diversified portfolio of investments, which composition will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk;
- the Company expects its Management Services Revenue to continue;
- the Company's conversion to IFRS will be completed in a timely manner;
- the Company believes it has the necessary financial expertise and resources available for the conversion to IFRS.

There can be no assurance that the plan, intentions or expectations upon which these forward looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions. Readers are cautioned not to put undue reliance on forward looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

Additional Information

Additional information related to the Company can be found on the Company's website at www.zimtu.com or on SEDAR at www.sedar.com.