



Financial Statements

November 30, 2017 and 2016

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of Zimtu Capital Corp.:

We have audited the accompanying financial statements of Zimtu Capital Corp. (the "Company"), which comprise the statements of financial position as at November 30, 2017 and 2016, and the statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Zimtu Capital Corp. as at November 30, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Vancouver, Canada
March 21, 2018


Chartered Professional Accountants

Zimtu Capital Corp.
Statements of Financial Position
As at November 30,
(Expressed in Canadian Dollars)

	2017	2016
Assets		
Current		
Cash	\$ 134,918	\$ 124,745
Investments (Note 6)	12,556,514	7,384,255
Advances and amounts receivable (Note 7)	729,161	1,094,838
Prepaid expenses (Note 8)	180,675	381,888
Due from related parties (Note 9)	283,429	708,704
	13,884,697	9,694,430
Deposits	18,873	18,873
Mineral property interests (Note 10)	510,705	167,288
	\$ 14,414,275	\$ 9,880,591
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 197,875	\$ 343,861
GST/HST payable	16,216	73,579
Liability for flow-through shares	-	425
Due to related parties (Note 9)	-	90,922
Unearned revenue (Note 11)	239,017	635,072
Promissory notes payable (Note 12)	90,100	145,725
	543,208	1,289,584
Equity		
Share capital (Note 13)	9,346,662	9,346,662
Reserves	4,647,746	4,647,746
Deficit	(123,341)	(5,403,401)
	13,871,067	8,591,007
Shareholders' equity	13,871,067	8,591,007
	\$ 14,414,275	\$ 9,880,591

On behalf of the Board:

"David Hodge" Director _____
"Sean Charland" Director

The accompanying notes are an integral part of these financial statements.

Zimtu Capital Corp.
Statements of Income and Comprehensive Income
For the years ended November 30,
(Expressed in Canadian Dollars)

	2017	2016
Revenue		
Administrative fees	\$ 770,000	\$ 1,483,220
Corporate development and marketing	2,030,150	1,789,357
Loss on sale of investments	(821,931)	(810,266)
Income from property sales	515,351	538,917
	2,493,570	3,001,228
Expenses		
General and administrative expenses (Note 14)	2,650,825	3,261,961
	(157,255)	(260,733)
Loss before other items	(157,255)	(260,733)
Other items		
Interest income	249	5,266
Foreign exchange gain (loss)	53	(929)
Penalties and interest	(8,099)	-
Bad debts	(309,404)	(178,821)
Loss on purchase of debt	-	(431,274)
Gain (loss) on settlement of debt (Note 6a)	(7,000)	945,786
Impairment of mineral properties (Note 10)	(49,052)	(46,170)
Unrealized gain on investments	5,955,591	1,047,711
Write off marketable securities (Note 6)	(250,000)	(95,390)
Other income (expense)	104,552	(55,331)
	5,436,890	1,190,848
Income before income taxes (recovery)	5,279,635	930,115
Income taxes (recovery) (Note 18)		
Deferred tax (recovery)	(425)	(7,929)
	(425)	(7,929)
Net income for the year	\$ 5,280,060	\$ 938,044
Basic earnings per share	\$ 0.34	\$ 0.06
Diluted earnings per share	\$ 0.34	\$ 0.06
Weighted average number of shares outstanding		
- Basic	15,394,483	15,394,483
- Diluted	15,394,483	15,394,483

The accompanying notes are an integral part of these financial statements.

Zimtu Capital Corp.
Statements of Changes in Equity
As at November 30, 2017 and 2016
(Expressed in Canadian Dollars)

	Share Capital				Total Equity
	Number of Shares	Amount	Reserves	(Deficit)	
Balance, November 30, 2015	15,394,483	\$ 9,346,662	\$ 4,254,328	\$(6,341,445)	\$7,259,545
Share-based payments	-	-	393,418	-	393,418
Net income for the year	-	-	-	938,044	938,044
Balance, November 30, 2016	15,394,483	9,346,662	4,647,746	(5,403,401)	8,591,007
Net income for the year	-	-	-	5,280,060	5,280,060
Balance, November 30, 2017	15,394,483	\$ 9,346,662	\$ 4,647,746	\$(123,341)	\$13,871,067

The accompanying notes are an integral part of these financial statements.

Zimtu Capital Corp.
Statements of Cash Flows
For the years ended November 30,
(Expressed in Canadian Dollars)

	2017	2016
Operating Activities		
Net income for the year	\$ 5,280,060	\$ 938,044
Items not involving cash:		
Unrealized (gain) of investments	(5,955,591)	(1,047,711)
Non-cash Income from property sale	(515,351)	(538,917)
Bad debt expenses	309,404	178,821
Loss on sale of investment	(821,931)	810,266
Share based payment	-	393,418
Shares received for finder's fees	-	(5,000)
Gain(loss) on settlement of debt	7,000	(945,786)
Impairment of mineral property	49,052	46,170
Write off marketable securities	250,000	95,390
Share received for services	(42,875)	(10,000)
Share issued for fees	-	19,000
Share received for other income	(152,833)	-
Shares received for debt	-	(323,365)
Gain on purchase of debt	-	431,274
Deferred income taxes	(425)	(7,929)
Changes in non-cash working capital:		
Advances and amounts receivable	231,910	(684,054)
Prepaid expenses and deposit	201,213	(24,848)
Accounts payable and accrued liabilities	(256,091)	(164,072)
Unearned revenue	(396,055)	364,056
Due to (from) related parties	334,353	(464,501)
Promissory notes payable	(55,625)	-
Cash provided by (used in) operating activities	(1,533,785)	(939,744)
Investing Activities		
Acquisition of investments	(2,589,785)	(2,882,227)
Proceeds on disposition of investments	4,266,749	3,842,155
Loans repayment	-	72,692
Mineral property acquisitions	(352,631)	(170,934)
Proceeds on disposition of mineral properties	219,625	150,000
Cash generated from investing activities	1,543,958	1,011,686
Change in cash during the year	10,173	71,942
Cash, beginning of year	124,745	52,803
Cash, end of year	\$ 134,918	\$ 124,745

Supplemental disclosure with respect to cash flows (Note 16)

The accompanying notes are an integral part of these financial statements.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS AND CONTINUANCE 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's principal business activities are investments in junior resource companies, mineral resource property acquisitions and dispositions, and the provision of management services. The Company is traded on the TSX Venture Exchange ("TSX-V") under the symbol 'ZC'. The Company also trades on the Frankfurt Stock Exchange under the symbol 'ZCT1'.

The head office and principal address are located at Suite 1450, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2 and the registered and records office of the Company is located at Suite 800, 885 West Georgia Street, Vancouver, BC, Canada V6C 3H1.

These audited financial statements were authorized for issue by the Audit Committee and Board of Directors on March 21, 2018.

2. BASIS OF PREPARATION

a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

b) Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure.

Judgement is used mainly in determining how a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

Significant areas where management's judgement has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, *Financial instruments: recognition and measurement*; and
- The recoverability of the carrying value of the mineral property interests is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Significant areas requiring the use of management estimates and assumptions include:

- The inputs used in assessing the recoverability of deferred tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

- The inputs used in accounting for investment in warrants;
- The inputs used in accounting for share-based payments; and
- The recoverability of accounts receivable balances.

4. SIGNIFICANT ACCOUNTING POLICIES

Cash

Cash consist of cash on hand and deposits in banks.

Investments

Investments consist of investments in shares, warrants and options of public and private companies and fixed term deposit held at the bank with a maturity of more than three months and less than twelve months at the time of issuance, which are recorded at fair value, except for those investments in shares that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which is recorded at cost.

The Company classifies its investments in shares into at fair value through profit or loss and available-for-sale categories. Investments that are bought and held principally for the purpose of selling them in the near term are classified as fair value through profit or loss and are reported at fair value, with unrealized gains and losses recognized in earnings. The fair value of substantially all investments is determined by quoted market prices, except for those investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, which are measured at cost. The investments in warrants and options of public and private companies are fair valued using Black-Scholes option model if there is no active market for the warrants and options, as this is a commonly used valuation technique by market participants. If there exists an active market for the warrants and options, they are valued at closing ask prices at reporting year end.

Mineral property interests

Mineral property interests involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Mineral property interests incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, mineral property interests incurred are capitalized. All capitalized mineral property interests are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statements of income (loss) and comprehensive income (loss) to the extent that they are not expected to be recovered. No amortization is taken during the exploration and evaluation phase.

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 statements of income and comprehensive income.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currency transaction

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities that are measured at historical costs are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of income and comprehensive income.

Financial instruments

Financial Assets

Financial assets are classified into one of the following categories: fair value through profit or loss, loans and receivables, available-for-sale, or held-to-maturity investments. The classification depends on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. Management determines the classification of its financial asset at initial recognition.

The Company's accounting policy for each category is as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and are classified as current assets. Financial assets at FVTPL are initially recognized at fair value with changes in fair value recorded through income. Cash, fixed term deposits held at the bank with a maturity more than three months ("GIC"), and investment in public company shareholdings are included in this category of financial assets. Investments in warrants and options are also classified as FVTPL and are carried at fair market value by using Black-Scholes option model if there is no active market for the warrants and options, as this is a commonly used valuation technique by market participants. If there exists an active market for the warrants and options, they are valued at closing ask prices at year-end.

(ii) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as "trading" assets, have not been designated at fair value through profit or loss or as available-for-sale and for which the holder may recover substantially all of its initial investment, other than because of credit deterioration. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in the profit or loss when the loans and receivable are derecognized or impaired, as well as through the amortization process. Advances and amounts receivable, deposits and due from related parties are classified as loans and receivables. They are recorded at cost, which on initial recognition represents their fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial Assets (continued)

(iii) Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally of the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Purchase and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost. Investments in equity instruments not classified as at fair value through profit or loss 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 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 does not have any assets classified as available-for-sale investments.

(iv) Held-to-maturity investments

The held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs. The Company does not have any assets classified as held-to-maturity investments.

Impairment on Financial Assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each period end. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include the following:

- Significant financial difficulty of the issuer or counterparty;
- Default or delinquency in interest or principal payments; or
- It has become probable that the borrower will enter bankruptcy or financial reorganization.

For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of all financial assets, excluding trade receivables, is directly reduced by the impairment loss. The carrying amount of trade receivables is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of AFS equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease relates to an event occurring after the impairment was recognized; the previously recognized impairment loss is reversed through profit or loss. On the date of impairment reversal, the carrying amount of the financial asset cannot exceed its amortized cost had impairment not been recognized.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

Financial Liabilities

Financial liabilities are all classified as other financial liabilities, based on the purpose for which the liability was incurred. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability in the statements of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding. The Company's due to related parties, promissory notes payable, and accounts payable and accrued liabilities are classified as other financial liabilities.

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 and corporate development and marketing services is recognized upon completion of the service, and when collectability is reasonably assured.
- (iii) Realized gains on investments are recorded upon disposal of the investment, on a trade date basis;
- (iv) 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. 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 statements of income and comprehensive income; and
- (v) Revenue from property advisory services is recognized when the service is performed, collection is reasonably assured, and the price is determinable.

Share-based payment transactions

The Company grants stock options to buy common shares of the Company to directors, officers and employees. The board of directors grants such options for periods of up to five years, which vest immediately and are priced at the previous day's closing price.

The fair value of the options is measured at grant date, using the Black-Scholes option pricing model, and is recognized over the vesting period of the options. The fair value is recognized as an expense with a corresponding increase in equity. The amount recognized as expense is adjusted to reflect the number of share options expected to vest.

Where the terms of a stock option is modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the stock-based compensation arrangement, or is otherwise beneficial to the employee as measured at the date of modification over the remaining vesting period.

Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received.

Share capital

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the common shares are issued.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recorded using the statement of financial position liability method, providing for temporary differences, between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities on an undiscounted basis, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Earnings/Loss per share

Basic earnings/loss per share is computed by dividing the net income or loss attributable to the owners of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per share is determined by adjusting the earnings or loss attributable to the owners of the Company and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of "in-the-money" stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

Future Accounting Pronouncements

Pronouncements that are not applicable to the Company have not been included in these financial statements.

IFRS 2 – Share-based Payments

In June 2016, the IASB issued an amendment to address certain issues related to the accounting for cash settled awards, and the accounting for equity settled awards that include a “net settlement” feature in respect of employee withholding taxes. The mandatory effective date of the amendment to IFRS 2 is for annual periods beginning on or after January 1, 2018. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 9 - Financial instruments (“IFRS 9”)

In July 2014, the International Accounting Standards Board (IASB) issued the final version of IFRS 9 (2014), incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in February 2015, as a complete standard including the requirements previously issued and the additional amendments to introduce a new expected loss impairment model and limited changes to the classification and measurement requirements for financial assets. This standard will replace IAS 39 Financial Instruments: Recognition and Measurement.

IFRS 9 (2014) is effective for reporting periods beginning on or after January 1, 2018 with early adoption permitted (subject to local endorsement requirements). The extent of the impact of adoption of the standard has not yet been determined.

IAS 7 - Statement of Cash Flows (Amendment)

In January 2016, the International Accounting Standards Board (IASB) issued amendments to IAS 7 which were incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in April 2016. The amendments are part of the IASB’s Disclosure Initiative to address some of the concerns expressed about existing presentation and disclosure requirements. The amendments require entities to provide disclosures that enable users of the financial statements to evaluate both cash flow and non-cash changes in liabilities arising from financing activities.

These amendments are effective for annual periods beginning on or after January 1, 2017. Earlier application is permitted. The extent of the impact of adoption of the standard has not yet been determined.

IFRS 16 - Leases

On January 13, 2016, the International Accounting Standards Board published a new standard, IFRS 16, Leases, eliminating the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lease becomes an on-balance sheet liability that attracts interest, together with a new right-of-use asset. In addition, lessees will recognize a front-loaded pattern of expense for most leases, even when cash rentals are constant. IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with earlier adoption permitted. The extent of the impact of adoption of the standard has not yet been determined.

5. 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 interest rate, credit, currency, liquidity and market risk. A discussion of the Company’s use of financial instruments and their associated risk is provided below:

- a) Fair value - The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company’s investments. The hierarchy of inputs and description of inputs is described as follows:

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or
Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

Assets measured at fair value as at	November 30, 2017			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Fair value through profit or loss				
Cash	134,918	-	-	134,918
GIC (Note 6c)	34,500	-	-	34,500
Investment in public company shareholdings (Note 6)	9,999,972	-	-	9,999,972
Investment in private company shareholdings (Note 6)	-	-	7,500	7,500
Investment in warrants (Note 6)	-	2,514,542	-	2,514,542
	10,169,390	2,514,542	7,500	12,691,432

Assets measured at fair value as at	November 30, 2016			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Fair value through profit or loss				
Cash	124,745	-	-	124,745
GIC (Note 6c)	34,500	-	-	34,500
Investment in public company shareholdings (Note 6)	5,646,959	-	-	5,646,959
Investment in private company shareholdings (Note 6)	-	-	250,000	250,000
Investment in warrants (Note 6)	-	1,452,796	-	1,452,796
	5,806,204	1,452,796	250,000	7,509,000

b) Interest rate risk - The Company is not exposed to significant interest rate risk even though the Company has cash balances, and its current policy is to invest excess cash in certificates of deposit or money market funds of major Canadian chartered banks. The GIC included in investment bear interest at a fixed rate, and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The sensitivity of the Company to a variation of 1% in the interest rate would not have a significant impact. The Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

c) Credit risk - The Company is not exposed to significant credit risk on its cash and GIC due to its cash is placed with major financial institutions and investments are placed with a Canadian chartered bank or with independent investment dealer member of the Canadian Investor Protection Fund. 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 advances and amounts receivables is remote. One customer accounted for 47% (2016: 44%) of the Company's administrative revenue.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

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.

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 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, potash, precious metals, base metals, coal, graphite, rare earth elements, and rare 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. The Company 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 opportunities.

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 years ended November 30, 2017 and 2016. The Company is not subject to externally imposed capital requirements.

ZIMTU CAPITAL CORP.**Notes to the Financial Statements****For the years ended November 30, 2017 and 2016****(Expressed in Canadian Dollars)****6. INVESTMENTS**

Investment in public company shareholdings	Investments at fair value through profit or loss as at November 30, 2017				
	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
92 Resources	2,326,720	216,541	0.09	232,673	0.100
Altamira Gold	297,916	180,564	0.61	58,094	0.195
ALX Uranium	2,431,998	404,949	0.17	182,400	0.075
Arctic Star Exploration	4,019,858	377,556	0.09	562,780	0.140
Belmont Resources	4,378,000	231,115	0.05	218,900	0.050
Berkwood Resources	303,500	86,775	0.29	115,330	0.380
Canadian Mining	66,666	3,000	0.04	21,333	0.320
Canadian Zeolite	333,334	115,000	0.35	130,000	0.390
Castle Silver	866,666	106,310	0.12	216,667	0.250
Cobalt Power Group	26,250	15,682	0.60	5,250	0.200
Cobaltech Mining	182,500	89,478	0.49	62,050	0.340
Commerce Resources	17,584,178	2,674,294	0.15	1,406,734	0.080
Copper North	150,000	66,135	0.44	11,250	0.075
Cresval Capital	500,000	100,000	0.20	25,000	0.050
Crown Mining	866,666	60,000	0.07	147,333	0.170
Electra Stone	1,873,581	116,858	0.09	9,368	0.005
Emerita Gold	1,835,000	148,250	0.08	165,150	0.090
Equitorial Resources	900,000	74,008	0.08	117,000	0.130
Fanlogic Interactive	100,000	50,000	0.50	55,000	0.550
Far Resources	463,000	39,618	0.09	407,440	0.880
Genius Properties	167,047	33,409	0.20	26,728	0.160
Georox Resources	1,500,000	105,000	0.07	75,000	0.050
Golden Dawn	600,000	130,823	0.22	153,000	0.255
Greatbanks Resources	1,000,000	30,000	0.03	35,000	0.035
Group Ten Metals	1,000,000	60,000	0.06	215,000	0.215
Indigo Exploration	715,000	200,653	0.28	21,450	0.030
Intact Gold	600,000	45,000	0.08	9,000	0.015
Kapuskasing Gold	5,800,000	408,363	0.07	232,000	0.040
King's Bay Gold	8,101,135	538,633	0.07	1,053,148	0.130
Maple Gold Mines	1,039,000	109,273	0.11	254,555	0.245
MGX Minerals	555,700	146,176	0.26	527,915	0.950
Montan Mining	232,000	27,924	0.12	3,480	0.015
Montego Resources	80,000	60,000	0.75	28,000	0.350
Mountain Boy Minerals	1,667,000	100,020	0.06	141,695	0.085
Nickel One	1,408,820	92,537	0.07	56,353	0.040
Nouveau Life	230,000	50,051	0.22	-	0.000
NRG Metals	1,265,000	110,645	0.09	721,050	0.570
Pacific Potash	170,000	139,536	0.82	8,500	0.050
Parcelpal	2,250,000	116,572	0.05	416,250	0.185
Pistol Bay	3,525,000	159,925	0.04	141,000	0.040
Rainmaker Resources	6,218	86,250	13.87	311	0.050
Red Oak Mining	52,100	32,423	0.62	10,681	0.205
Rewardstream Solutions	28,600	75,880	2.65	1,144	0.040
Rockcliff Metals	1,807,000	111,240	0.06	135,525	0.075
Saville Resources	9,000	930	0.10	675	0.075
Sharc International System	76,428	68,758	0.90	41,271	0.540
Sunvest Metals	2,150	5,072	2.36	204	0.095
True Leaf Medicine	1,303,063	198,103	0.15	1,159,725	0.890
Ultracharge	240,000	53,758	0.22	6,071	0.025
Umbral Energy	285,000	19,400	0.07	39,900	0.140
Vatic Resources	1,402,566	70,128	0.05	84,154	0.060
Voltaic Minerals (Note 7(a))	5,580,181	1,427,792	0.26	223,207	0.040
White Metal Resources	180,000	4,500	0.03	10,800	0.060
WPC Resources	435,000	21,750	0.05	17,400	0.040
Western Resources	66	175	2.65	28	0.420
		9,996,832		9,999,972	

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

6. INVESTMENTS (continued)

Investment in private company shareholdings	Investments at fair value through profit or loss as at November 30, 2017				
	# of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Adent Capital	1,666	525	0.32	525	Cost
Gemtec International	150,000	7,500	0.05	7,500	Cost
Goldport	18,906	-	0.00	-	Cost
Jack's Fork Exploration	2,307,500	239,388	0.10	239,388	0.10
Kittson Metals	200,000	10,000	0.05	10,000	Cost
MEP Petroleum	750,000	7,500	0.01	7,500	Cost
Mogul Ventures	1,000,000	250,000	0.25	250,000	Cost
Pacific Polar Energy Group	2,000,000	20,000	0.01	20,000	0.01
Portovello Gold	2,000,000	100,000	0.05	100,000	Cost
Pucara Resources	350,000	52,500	0.15	52,500	Cost
Silver Stallion	1,000,000	50,000	0.05	50,000	Cost
Tru Vision	166,667	75,000	0.45	75,000	Cost
Provision (b)				(804,913)	
		812,413		7,500	

Investments in warrants	Number of Warrants	Expiry Date	Weighted	Fair Value	Fair Value \$/Warrant
			Average Exercise Price		
92 Resources	2,398,360	Various	0.13	70,620	0.029
ALX Resources	1,200,000	29-Jan-2018	0.10	6,171	0.005
Altamira Gold Corp.	628,333	Various	0.94	4,593	0.007
Arctic Star Exploration	4,122,361	Various	0.14	349,913	0.085
Belmont Resources	3,978,000	Various	0.12	69,328	0.017
Berkwood Resources	838,650	Various	0.39	270,015	0.322
Bonterra Resources	171,429	19-Aug-2018	0.50	25,013	0.146
Castle Silver Resources	666,666	16-Mar-2019	0.10	122,523	0.184
Cheetah Canyon	57,142	15-Mar-2018	0.53	16	0.000
Commerce Resources	14,000,000	26-May-2019	0.10	357,828	0.026
Copper North	120,000	4-Nov-2020	0.50	7,095	0.059
Crown Mining	866,666	Various	0.16	96,732	0.112
Electra Stone	2,015,000	Various	0.09	765	0.000
Emerita	1,200,000	27-May-2018	0.10	36,860	0.031
First Mining	189,832	16-Jun-2018	0.83	3,566	0.019
Georox Resources	750,000	22-May-2019	0.14	14,175	0.019
Golden Dawn	600,000	7-Sep-2019	0.30	62,756	0.105
Group Ten	1,000,000	27-Feb-2020	0.12	198,907	0.199
Intact gold	600,000	12-Aug-2018	0.10	446	0.001
King's Bay	4,386,703	Various	0.13	281,225	0.064
Kapuskasing	3,500,000	Various	0.11	58,015	0.017
Maple Gold Mines	465,000	July 25, 2019	0.13	78,934	0.170
MGX	95,479	21-Sep-2018	0.20	71,931	0.753
Montego Resources	40,000	22-Aug-2018	1.00	4,476	0.112
Mountain Boy	1,667,000	15-Mar-2019	0.10	70,129	0.042
Nickel One	2,145,160	Various	0.11	22,225	0.010
Parcelpal	1,000,000	24-Oct-2019	0.08	157,126	0.157
Pistol Bay	1,060,000	29-Aug-2018	0.08	8,614	0.008
RewardStream Solutions	120,000	27-Jul-2018	0.50	45	0.000
Rockcliff copper	1,667,000	29-Aug-2019	0.12	60,625	0.036
Vatic Resources	666,666	21-Oct-2018	0.15	3,875	0.006
Balance, November 30, 2017				2,514,542	
Investment in GIC, November 30, 2017 (c)				34,500	
Total value of investments, November 30, 2017				\$12,556,514	

ZIMTU CAPITAL CORP.**Notes to the Financial Statements****For the years ended November 30, 2017 and 2016****(Expressed in Canadian Dollars)****6. INVESTMENTS (continued)**

Investment in public company shareholdings	Investments at fair value through profit or loss as at November 30, 2016				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
92 Resources	1,026,720	60,106	0.06	123,206	0.120
ALX Uranium	2,432,000	404,949	0.17	158,080	0.065
Arctic Star Exploration	139	125	0.90	8	0.060
Aurvista Gold	1,039,000	109,273	0.11	171,435	0.165
Belmont Resources	2,000,000	114,500	0.06	130,000	0.065
Bonterra Resources	171,428	60,000	0.35	40,286	0.235
Canadian International	354,001	40,895	0.12	10,620	0.030
Canadian Zeolite	333,334	100,000	0.30	303,334	0.91
Cardiff Energy	500,000	45,913	0.09	5,000	0.010
Castle Silver	200,000	6,310	0.03	12,000	0.060
CMC Metals	211,428	65,125	0.31	25,371	0.120
Cobalt Power Group	26,250	15,682	0.60	1,838	0.070
Cobaltech	277,500	136,028	0.49	80,475	0.29
Commerce Resources	3,584,178	1,834,294	0.51	215,051	0.060
Copper North	150,000	66,135	0.44	18,000	0.120
Cresval Capital	500,000	100,000	0.20	17,500	0.035
Crown Mining	866,666	60,000	0.07	91,000	0.105
Electra Stone	3,852,305	313,612	0.08	154,092	0.040
Emerita Gold	1,200,000	60,000	0.05	90,000	0.075
Equitas Resources	6,065,833	419,794	0.07	242,633	0.040
Far Resources	150,000	7,500	0.05	9,750	0.065
Golden Dawn	352,941	60,000	0.17	79,412	0.225
Greatbanks Resources	1,000,000	30,000	0.03	100,000	0.100
Indigo Exploration	715,000	200,653	0.28	17,875	0.025
Intact Gold	600,000	45,000	0.08	36,000	0.060
International Wastewater	442,000	118,365	0.27	172,380	0.390
Kapuskaing Gold	2,875,000	264,900	0.09	71,875	0.025
King's Bay Gold	5,021,432	177,986	0.04	451,929	0.090
Lithex Resources	240,000	53,758	0.22	14,211	0.059
MGX Minerals	1,731,791	359,046	0.21	727,352	0.420
Montan Mining	232,000	27,924	0.12	12,760	0.055
Montego Resources	800,000	60,000	0.08	56,000	0.070
Nevada Clean	1,200,000	60,000	0.05	54,000	0.045
Nickel One	918,500	101,450	0.11	78,073	0.085
Nouveau Life Pharmaceuticals	230,000	50,051	0.22	23	0.000
NRG Metals	1,210,000	61,000	0.05	133,100	0.110
Open Gold	800,000	67,500	0.08	8,000	0.010
Pacific Potash	170,000	139,536	0.82	5,950	0.035
Pasinex Resources	48,000	3,149	0.07	5,760	0.120
Pistol Bay	3,550,000	153,190	0.04	266,250	0.075
Prospero Silver	36,000	63,000	1.75	12,600	0.350
Rainmaker Resources	67,647	86,250	1.28	6,088	0.090
Red Oak Mining	1,946,000	121,808	0.06	38,920	0.020
Rewardstream Solutions	286,000	75,880	0.27	44,330	0.155
Scientific Metals	100,000	11,500	0.12	4,500	0.045
Spriza Media	500,000	50,000	0.10	17,500	0.035
Sunvest Minerals	2,150	5,072	2.36	323	0.150
True Leaf Medicine	1,813,063	252,706	0.14	398,874	0.220
Umbral Energy	1,350,000	54,000	0.04	47,250	0.035
Vatic Resources	1,206,666	85,580	0.07	96,533	0.080
Voir	314,000	32,926	0.10	29,830	0.095
Voltaic Minerals (a)	14,326,181	3,618,768	0.25	714,464	0.075
White Metal Resources	180,000	4,500	0.03	8,100	0.045
WPC Resources	435,000	21,750	0.05	36,975	0.085
Western Potash	333	175	0.53	43	0.13
		10,537,664		5,646,959	

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

6. INVESTMENTS (continued)

Investment in private company shareholdings	Investments at fair value through profit or loss as at November 30, 2016				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Adent Capital	5,000	525	0.11	525	Cost
Jack's Fork Exploration	2,395,000	239,388	0.10	239,388	0.10
Kittson Metals	200,000	10,000	0.05	10,000	Cost
MEP Petroleum	750,000	7,500	0.01	7,500	Cost
Mogul Ventures	1,000,000	250,000	0.25	250,000	Cost
Pacific Polar Energy Group	2,000,000	20,000	0.10	20,000	0.01
Portovello Gold	2,000,000	100,000	0.05	100,000	Cost
Pucara Resources	350,000	52,500	0.15	52,500	Cost
Silver Stallion	1,000,000	50,000	0.05	50,000	Cost
Tru Vision	500,000	75,000	0.45	75,000	Cost
Provision (b)				(554,913)	
		804,913		250,000	

Investments in warrants	Number of Warrants	Expiry Date	Weighted	Fair	Fair Value
			Average Exercise Price		
92 Resources	898,360	17-Mar-2018	0.10	71,763	0.08
ALX Uranium	1,700,000	Various	0.13	25,445	0.01
Arctic Star Exploration	4,292,000	Various	0.06	232,195	0.05
Aurvista Gold	465,000	25-Jul-2019	0.13	63,370	0.14
Belmont Resources	1,200,000	28-Apr-2018	0.10	32,104	0.03
Bonterra Resources	171,428	07-Jul-2018	0.50	10,222	0.06
Canadian Zeolite	333,334	06-Sep-2017	0.40	187,142	0.56
Cardiff Energy	1,050,000	Various	0.15	1,075	0.00
CMC Metals	171,428	08-Jun-2017	0.42	512	0.00
Copper North	120,000	04-Nov-2020	0.50	13,137	0.11
Crown Mining	866,666	Various	0.28	73,221	0.08
Electra Stone	500,000	22-Jan-2018	0.20	3,238	0.01
Emerita Resources	1,200,000	27-May-2018	0.10	45,833	0.04
Equitas Resources	10,874,001	Various	0.12	76,603	0.01
First Mining	189,832	16-Jun-2018	0.83	59,903	0.32
Golden Dawn	352,941	22-Jul-2018	0.18	42,976	0.12
Intact Gold	600,000	12-Aug-2018	0.10	23,156	0.04
Kapuskasing Gold	1,300,000	Various	0.14	15,117	0.01
MGX Minerals	95,479	21-Sep-2018	0.20	28,886	0.30
Montego Resources	400,000	22-Aug-2018	0.10	15,918	0.04
Nickel One	400,000	23-Feb-2018	0.15	12,908	0.03
NRG Metals	1,200,000	12-May-2019	0.10	121,715	0.10
Northern Dynasty	31,250	14-Sep-2017	3.00	7,025	0.23
Pasinex Resources	2,178,572	07-Apr-2017	0.12	79,974	0.04
Pistol Bay	3,985,000	Various	0.06	148,594	0.04
RT Minerals	83,333	2-Apr-2017	0.05	504	0.01
Rewardstream Solutions	120,000	6-Jul-2018	0.50	9,538	0.08
Sunvest Minerals	20,000	29-Sep-2017	2.50	339	0.02
Vatic Resources	1,700,000	Various	0.11	50,383	0.03
Balance, November 30, 2016				1,452,796	
Investment in GIC, November 30, 2016 (c)				34,500	
Total value of investments, November 30, 2016				\$7,384,255	

ZIMTU CAPITAL CORP.**Notes to the Financial Statements****For the years ended November 30, 2017 and 2016****(Expressed in Canadian Dollars)****6. INVESTMENTS (continued)**

Investment continuity schedule	Investment in public companies	Investment in private companies	Warrants	GIC	Total
Balance, November 30, 2015	\$ 4,235,239	\$ 589,913	\$ 758,078	\$ 34,500	\$ 5,617,730
Cost of Shares acquired/warrants addition	4,134,831	-	177,291	-	4,312,122
Shares disposed/exercise of warrants	(4,779,200)	-	(188,122)	-	(4,967,322)
Fair value change	(1,742,429)	-	705,550	-	(1,036,879)
Reclassification (private to public)	179,750	(179,750)	-	-	-
Reclassification (Equity method to FVTPL)	3,618,768	-	-	-	3,618,768
Impairment	-	(160,163)	-	-	(160,163)
Balance, November 30, 2016	\$ 5,646,959	\$ 250,000	\$ 1,452,796	\$ 34,500	\$ 7,384,255
Cost of Shares acquired/warrants addition	4,831,436	7,500	2,191,362	-	7,030,298
Shares disposed/exercise of warrants	(5,372,268)	-	(638,458)	-	(6,010,726)
Fair value change	4,893,845	-	(491,158)	-	4,402,687
Impairment	-	(250,000)	-	-	(250,000)
Balance, November 30, 2017	\$ 9,999,972	\$ 7,500	\$ 2,514,542	\$ 34,500	\$ 12,556,514

(a) Voltaic Minerals Corp. (formerly Prima Diamond Corp.)

As of May 4, 2016, the investment ceased to be an equity investment due to Voltaic's share consolidation and subsequent private placement, with the Company owning 9.15% of Voltaic's shares. The investment was then reclassified to financial assets at FVTPL and was valued at fair market value. On June 3, 2016, the Company received 13,504,681 common shares of Voltaic in exchange for the settlement of the outstanding debt of \$675,234. 8,150,000 of the shares received from the settlement of debt is held in trust on behalf of a number of individuals (the "Trustees") at \$0.03 per share pursuant to the trust agreement signed on the same day. The individuals are insiders, consultants and employees of the Company. The Company recorded the gain of \$945,786 for the debt settlement during the year ended November 30, 2016.

The shares held in trust have been sold to the Trustees during the year ended November 30, 2017. Given that the Company no longer has significant influence over Voltaic, Voltaic is not considered to be a related party for the year ended November 30, 2017.

(b) Provision of private company shareholdings

The market rate of private company investments is not available. Given that inputs into prices are not observable and cannot be verified, the Company has made a provision for the investments that the Company believe are impaired.

(c) Investment in GIC

As at November 30, 2017, the Company had two guaranteed investment certificates totalling \$34,500 (2016: \$34,500). Of the total, \$23,000 matures on March 8, 2018 with an interest rate of prime minus 2.1%. The remaining \$11,500 matures on July 5, 2018 with an interest rate of prime minus 2.1%.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

7. ADVANCES AND AMOUNTS RECEIVABLE

The Company's current advances and amounts receivable consist mainly of amounts billed and outstanding for providing marketing, managerial, and administrative services. The amounts are unsecured, non-interest bearing, and have no specific terms of repayments.

8. PREPAID EXPENSES

The Company's current prepaid expenses consist mainly of payments made for future investments, development expenses for a software program, marketing expenses paid in advance of service, and advance payments made on the Company's credit card or as employee advances.

	2017	2016
	\$	\$
Software development expenses	164,679	133,205
Investments, shares issued subsequent to the year	-	241,390
Others	15,996	7,292
Total prepaid expenses	180,675	381,888

9. RELATED PARTY TRANSACTIONS

The Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount.

Years Ended November 30,	2017	2016
Key management compensation*	\$	\$
Key management compensation	624,800	845,572
Share-based payments	-	191,175

Years ended November 30,	2017	2016
Revenue**	\$	\$
Management administration fees	360,000	645,720
Corp development and advertising income	27,789	-
Other income	2,309	-

ZIMTU CAPITAL CORP.**Notes to the Financial Statements****For the years ended November 30, 2017 and 2016****(Expressed in Canadian Dollars)****9. RELATED PARTY TRANSACTIONS (continued)**

	2017	2016
Amounts due from (to) related parties	\$	\$
Commerce Resources Corp.	187,429	612,005
Voltaic Minerals Corp. (Note 6a)	-	43,945
David Hodge, a director	-	(82,537)
Sven Olsson, a director	-	(8,385)
Total amount due from (to) related parties	187,429	565,028
Loan receivable due from related parties		
David Hodge, CEO and director	21,000	23,844
Jody Bellefleur, CFO	24,000	5,067
Sean Charland, director	42,000	23,843
Chris Grove, director	9,000	-
Total amount due from related parties	96,000	52,754
Total amount and loan due from (to) related parties	283,429	617,782
Total amount due to related parties	-	90,922
Total amount due from related parties	283,429	708,704

* Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. Key management personnel include the Company's executive officers and certain members of its Board of Directors.

** The Company provides Management and Administrative services to related parties. These services include rent, office costs, administration, and staffing.

The amounts due to related parties are unsecured, non-interest bearing, and have no specific terms of repayments.

ZIMTU CAPITAL CORP.**Notes to the Financial Statements****For the years ended November 30, 2017 and 2016****(Expressed in Canadian Dollars)****10. MINERAL PROPERTY INTERESTS**

Property Name	Partner	Balance, November 30, 2016 \$	Additions \$	Impairment \$	Property sales \$	Balance, November 30, 2017 \$
AB Peace River (o)	Dahrouge	596	-	-	(596)	-
AB Potash (α)	Dahrouge	84	-	-	-	84
Broadback Claims (n)	N/A	553	-	-	(553)	-
Carlow Lithium (α)	Dahrouge	5,193	-	-	-	5,193
Covette Property (α)	N/A	-	335,999	-	-	335,999
Covette II Property (α)	N/A	-	3,712	-	-	3,712
Deep Bay/Simon Lake (α)	Dahrouge	7,339	-	-	-	7,339
Deep Lake Cobalt (p)	N/A	80	3,160	-	(3,240)	-
Eastmain River (k) (α)	N/A	3,041	-	-	-	3,041
Johnson Croft (q)	N/A	-	360	-	-	360
Lac Gueret Graphite (α)	N/A	239	-	-	-	239
Lepidolite Claims (m)	N/A	-	2,252	(2,252)	-	-
Munn Lake (b) (α)	Dahrouge	90,652	42,550	-	-	133,202
Ninuk Lake (n)	N/A	5,483	1,722	-	(7,205)	-
Nunavut (r) (α)	Various	-	12,037	-	-	12,037
Pashkokogan Lake (α)	N/A	10,800	-	(10,800)	-	-
Pelican Frac Sands (α)	Dahrouge	7,049	-	-	-	7,049
Roberge Cobalt (n)	N/A	179	-	-	(179)	-
St Joseph (α)	N/A	36,000	-	(36,000)	-	-
Tucha Claims (α)	N/A	-	2,450	-	-	2,450
		167,288	404,242	(49,052)	(11,773)	510,705

ZIMTU CAPITAL CORP.**Notes to the Financial Statements****For the years ended November 30, 2017 and 2016****(Expressed in Canadian Dollars)****10. MINERAL PROPERTY INTERESTS (continued)**

Property Name	Partner	Balance, November 30, 2015 \$	Additions \$	Impairment \$	Property sales \$	Balance, November 30, 2016 \$
AB Peace River (o)	Dahrouge	-	596	-	-	596
AB Potash (α)	Dahrouge	84	-	-	-	84
AB Lithium & Two Creeks (d)	Ridge/ Dahrouge	2,710	3,426	-	(6,136)	-
Broadback Claims (n)	N/A	-	553	-	-	553
Carlow Lithium (α)	Dahrouge	-	5,193	-	-	5,193
Deep Bay/Simon Lake (α)	Dahrouge	7,339	-	-	-	7,339
Deep Lake Cobalt (p)	N/A	-	80	-	-	80
Eastmain River (k) (α)	N/A	-	3,041	-	-	3,041
Garland Peninsula (c) (α)	N/A	2,600	-	(2,600)	-	-
Green Energy (e)	N/A	-	10,000	-	(10,000)	-
HC Claims (α)	N/A	-	1,314	(1,314)	-	-
Kibby Basin (g)	N/A	-	33,808	-	(33,808)	-
Lac Queret Graphite (α)	N/A	-	239	-	-	239
Lepidolite Claims (m)	N/A	-	6,268	(6,268)	-	-
Munn Lake (b) (α)	Dahrouge	62,137	28,515	-	-	90,652
Marchel Lake (α)	Dahrouge	18,241	-	(18,241)	-	-
Ninuk Lake (n)	N/A	-	5,483	-	-	5,483
Parallel Creek Frac (α)	Dahrouge	1,818	181	(1,999)	-	-
Pashkokogan Lake (α)	N/A	-	10,800	-	-	10,800
Pelican Frac Sands (α)	Dahrouge	15,573	6,635	(15,159)	-	7,049
St Joseph (α)	N/A	-	36,000	-	-	36,000
Sturgeon Lake (l)	N/A	-	40,000	-	(40,000)	-
Tule Valley (h)	N/A	-	26,485	-	(26,485)	-
Screech (α)	Ridge	589	-	(589)	-	-
Roberge Cobalt (n)	N/A	-	179	-	-	179
Windy Tungsten (i)	Ridge	1,154	-	-	(1,154)	-
		112,245	218,797	(46,170)	(117,583)	167,288

(α) Properties Held for Sale

Joint Venture Partners

Dahrouge Geological Consulting Corp., 877384 Alberta Ltd., and DG Resource Management Ltd.
 (“Dahrouge”)

The Company entered into verbal mutual agreements with Dahrouge Geological Consulting Corp. (“Dahrouge”), 877384 Alberta Ltd. (“877384”), and DG Resource Management Ltd. (“DG Resource”), in which Dahrouge, 877384, and/or DG Resource will stake and hold the ownerships of the properties on behalf of the Company.

Ridge Resources Ltd. (“Ridge”)

The Company entered into verbal mutual agreements with Ridge Resources Ltd. (“Ridge”) that either Ridge or the Company will stake and hold the ownerships of the partnered properties.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties

(a) Garland / Voisey's Bay Property

On July 10, 2014, the Company and its prospecting partners DG Resource Management Ltd. and Ridge Resources Ltd., collectively the "Vendors", entered into an agreement with Altamira Gold Corp. ("Altamira") (formerly Equitas Resources Corp.) whereby Altamira has the right to acquire a 100% interest in the Garland Property, located in Labrador, Canada. In consideration, the Company will receive 3,000,000 shares over a 36 month period (1,000,000 shares received and fair valued at \$35,000 in 2014 and 1,000,000 shares received with a fair value of \$70,000 during the year ended November 30, 2016) and \$40,000 cash (received). The agreement was accepted by the TSX-V on November 17, 2014. On April 7, 2017, the Company, its prospecting partners, and Altamira amended the property option agreement to take into consideration the consolidation of common shares by Altamira in January 2017. Under the amendment, the Company's final share payment will be 222,222 common shares of Altamira. The amendment was approved by the TSX on April 26, 2017. Altamira has defaulted on the final share payment and the property will be returned to the Company. During the year ended November 30, 2017, \$nil (2016: \$70,000) was recognized as revenue from the property sale. Subsequent to November 30, 2017, Altamira lapsed on their final payment of shares and relinquished the property back to the Company and its partners.

(b) Munn Lake Diamond Property

On August 24, 2016, the Company and its prospecting partner, DG Resource, entered into a property option agreement with Saville Resources Inc. ("Saville"), whereby Saville can acquire a 100%-interest in 19 claims, known as the Munn Lake Diamond Property, located in the Slave Province, Northwest Territories. For its participation in the transaction, the Company will receive staged cash payments of \$100,000 and staged share issuances of 3,000,000 common shares over a two year period. The Company and DG Resource will retain a 2% Gross Overriding Royalty ("GORR") on all diamond production divided equally between the vendors. Saville shall be entitled at any time to purchase 1% GORR from the Company for \$2,000,000 in respect of all minerals other than diamonds. The Company and DG Resource will also retain a 2% Net Smelter Return ("NSR") on all other production divided equally between the vendors. Saville shall be entitled to at any time purchase 1% of the NSR for \$2,000,000 payable 50% to each of the vendors. The Agreement is subject to final acceptance of the TSX-V. On April 28, 2017, the agreement between the Company and Saville was terminated.

(c) Garland Peninsula

On October 16, 2015, the Company signed an option agreement with Pistol Bay Mining Inc. (TSX-V - PST) ("Pistol Bay") whereby Pistol Bay can acquire a 100%-interest in 40 claims (1,000 hectares) in Newfoundland and Labrador, Canada. These claims will be added to Pistol Bays' existing Garland Peninsula Group. For its participation in the transaction, the Company will receive staged cash and share payments from Pistol Bay as follows: (i) \$2,500 on signing; (ii) 500,000 common shares within five days of TSX-V approval; (iii) \$2,500 within five days of TSX-V approval; (iv) 750,000 common shares 12 months from the date of TSX-V approval; (v) \$10,000 within 12 months from the date of TSX-V approval. The Company will retain a 2% Net Smelter Returns Royalty on the Property. The claims were originally acquired by the Company by staking. The agreement was cancelled on August 15, 2016 and the Company impaired the claims.

(d) Alberta Lithium & Two Creeks

On February 1, 2016, the Company announced that the Company and two of its prospecting partners have signed an agreement with MGX Minerals Inc. ("MGX Minerals") whereby MGX Minerals can acquire a 100%-interest in 12 Metallic and Industrial Mineral Permits and Permit Applications encompassing 96,000 hectares throughout the Province of Alberta (the "Properties"). For its participation in the transaction, the Company will receive cash and share payments from MGX Minerals as follows: (i) \$10,000 on signing (received), 250,000 common shares within 10 days of signing (received with a fair value of \$52,500), 250,000 common shares within 12 months of signing (received with a fair value of \$140,000), and 250,000 common shares within 24 months of signing (received subsequent to November 30, 2017, Note 19b). During the year ended November 30, 2017, \$140,625 (2016: \$56,364) is recognized as revenue from the property sale.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

(e) Green Energy Lithium Property

On February 18, 2016, the Company and its prospecting partner Mesa Exploration Corp. (“Mesa”) have entered into a property purchase agreement with Voltaic Minerals Corp. (formerly Prima Diamond Corp.) (“Voltaic”) whereby Voltaic can acquire a 100%-interest in the Green Energy Lithium Property located in Utah. For its participation in the transaction, the Company will receive \$10,000 cash (received) for reimbursed acquisition costs. The agreement was approved by the TSX-V on May 19, 2016.

(f) Hidden Lake Lithium Property

On March 1, 2016, the Company announced that the Company and two of its prospecting partners have signed a property purchase agreement with 92 Resources Corp. (“92 Resources”) whereby 92 Resources can acquire a 100%-interest in the Hidden Lake Lithium Property. For its participation in the transaction, the Company will receive share payments from 92 Resources as follows: 500,000 upon receipt of regulatory approval (received with a fair value of \$45,000) and 500,000 common shares within 12 months of regulatory approval (received with a fair value of \$47,500). The agreement was approved by the TSX-V on April 21, 2016. During the year ended November 30, 2017, \$47,500 (2016: \$45,000) is recognized as revenue from the property sale.

(g) Kibby Basin Property

On March 30, 2016, the Company announced it has signed a property purchase agreement with Belmont Resources Inc. (“Belmont”) whereby Belmont can acquire a 100%-interest in the Kibby Basin Property. The Kibby Basin Property consists of thirteen placer mineral claims totaling approximately 1,036 hectares and is located 65 kilometers north of Clayton Valley, Nevada, USA. For its participation in the transaction, the Company will receive staged cash and share payments from Belmont as follows: \$5,000 on signing (received), 500,000 common shares upon TSX-V approval (received with a fair value of \$32,500), \$20,000 on TSX-V approval (received), and 500,000 common shares 6 months from the date of TSX-V acceptance (received with a fair value of \$35,000). The Company will retain a 1.5% Net Smelter Returns Royalty on the Property, and Belmont has the right to purchase half the royalty from the Company for \$1,000,000. The agreement was approved by the TSX-V on May 27, 2016. During the year ended November 30, 2017, \$nil (2016: \$58,692) is recognized as revenue from the property sale.

(h) Tule Valley Project

On April 26, 2016, the Company announced it has signed a property purchase agreement with Umbral Energy Corp. (“Umbral”) whereby Umbral can acquire a 100%-interest in the Tule Valley Project. The Tule Valley Project is 4,800 acres and is located approximately 190km southwest of Salt Lake City, Utah. For its participation in the transaction, the Company will receive staged cash and share payments from Umbral as follows: \$10,000 (received) and 1,500,000 common shares on signing (received with a fair value of \$60,000), \$20,000 within two months of signing (received), \$30,000 within three months of signing (received), and \$100,000 (received) and 1,500,000 common shares (received with a fair value of \$120,000) within twelve months of signing. The Company will retain a 1.5% Net Smelter Returns Royalty on the Property, and Umbral has the right to purchase half the royalty from the Company for \$1,000,000. During the year ended November 30, 2017, \$220,000 (2016: \$93,516) is recognized as revenue from the property sale.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

(i) Windy Tungsten

On April 21, 2016, the Company announced it has signed a property purchase agreement with Greatbanks Resources Inc. (“Greatbanks”) whereby Greatbanks can acquire a 100% interest in the Windy Tungsten Property. The Windy Tungsten Property consists of one claim located in British Columbia, Canada. For its participation in the transaction, the Company received 1,000,000 common shares with a fair value of \$30,000. During the year ended November 30, 2017, \$nil (2016: \$28,846) is recognized as revenue from the property sale.

(j) Deep Valley Lithium

On April 22, 2016, the Company and its prospecting partner announced it has signed a property purchase agreement with Scientific Metals Corp. (“Scientific Metals”) whereby Scientific Metals can acquire a 100% interest in the Deep Valley Lithium Property. The Deep Valley Lithium Property consists of one claim located in Alberta, Canada. For its participation in the transaction, the Company received \$5,000 and 100,000 common shares with a fair value of \$11,500. During the year ended November 30, 2017, \$nil (2016: \$16,500) is recognized as revenue from the property sale.

(k) Eastmain River Lithium Project

On June 15, 2016, the Company announced that it signed a property purchase agreement with Cardiff Energy Corp. (“Cardiff”) whereby Cardiff can acquire a 100%-interest in the Eastmain River Lithium Project, comprised of 22 mineral claims in the James Bay area of Quebec. For its participation in the transaction, the Company will receive cash payments of \$12,000 on signing and \$300,000 on or before November 30, 2016 and share payments of 1,500,000 common shares upon TSX-V approval and 1,500,000 common shares one year from signing. The agreement is subject to TSX-V approval. On November 8, 2016, the property purchase agreement was cancelled.

(l) Sturgeon Lake Lithium Brine Property

On August 16, 2016, the Company signed a property purchase agreement with MGX Minerals Inc. (“MGX”) whereby MGX can acquire a 100%-interest in the Sturgeon Lake Lithium Brine Property, consisting of 15 contiguous mineral claims in the Town of Valleyview area of Alberta. For its participation in the transaction, the Company will receive a cash payment of \$40,000 on signing (received) and share payments of 1,000,000 common shares (received with a fair value of \$170,000) within 5 days of acceptance. During the year ended November 30, 2017, \$nil (2016: \$170,000) is recognized as revenue from the property sale.

(m) Lepidolite Claims

On August 30, 2016, the Company signed a property purchase agreement with Benz Mining Corp. (“Benz”) whereby Benz can acquire a 100%-interest in the Lepidolite Claims, consisting of 3 mineral claims in the province of Newfoundland and Labrador. For its participation in the transaction, the Company will receive a cash payments of \$100,000 one year after signing and receive 2,000,000 common shares in staged payments within one year of signing the agreement. The Company will retain a 1.5% Net Smelter Returns Royalty on the Property, and Benz has the right to purchase half the royalty from the Company for \$1,000,000. On October 31, 2016, Benz terminated the option agreement with the Company.

(n) Broadback, Ninuk, and Roberge Claims

On December 16, 2016, the Company signed an agreement with King’s Bay Gold Corp. (“King’s Bay”), whereby King’s Bay can earn a 100% interest in and to three properties, known as the Broadback Claims, the Ninuk Lake Claims, and the Roberge Cobalt Claims. For its participation in the transaction, the Company received \$39,000. During the year ended November 30, 2017, \$31,063 (2016: \$nil) is recognized as revenue from the property sale.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

10. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

(o) Peace River Property

On January 31, 2017, the Company and its prospecting partners signed an agreement with Dahrouge Geological Consulting Inc. whereby Dahrouge can earn a 100% interest in and to Peace River Property. For its participation in the transaction, the Company will reduce its outstanding debt to Dahrouge by \$40,000. During the year ended November 30, 2017, \$39,404 (2016: \$nil) is recognized as revenue from the property sale.

(p) Deep Lake Cobalt Property

On June 19, 2017, the Company signed an agreement with Horizon Cobalt Inc. (“Horizon”) whereby Horizon can earn a 100% interest in and to the Deep Lake Cobalt Property. For its participation in the transaction, the Company received \$40,000. During the year ended November 30, 2017, \$36,760 (2016: \$nil) is recognized as revenue from the property sale.

(q) Johnson Croft Property

On November 17, 2017, the Company signed an agreement with Karim Rayani (“Mr. Rayani”) whereby Mr. Rayani can earn a 100% interest in and to the Johnson Croft Property. For its participation in the transaction, the Company will receive \$7,500 (\$2,500 received subsequent to November 30, 2017). During the year ended November 30, 2017, \$nil (2016: \$nil) is recognized as revenue from the property sale.

(r) Nunavut Property

On November 23, 2017, the Company and its prospecting partners signed an agreement with John Tugak (“Mr. Tugak”) to acquire certain rights to approximately 579 hectares in the Huckleberry Exploration Area, to be called the Nunavut Property, located in Nunavut, Canada. The total cost of property is \$612,525 in staged payments over 20 years (\$10,000 paid subsequent to November 30, 2017). The Company will own 29% of the property.

11. UNEARNED REVENUE

The Company has entered into agreements with multiple companies to provide corporate development and marketing services for a twelve-month period. These services are billed for in advance and recorded as revenue on the first of the month. Amounts received for services provided in the future are included as unearned revenue.

12. PROMISSORY NOTES PAYABLE

The Company entered into an agreement whereby the Company was assigned the rights and obligations to \$556,555 of accounts payable of an independent company. The Company simultaneously entered into fifteen individual agreements whereby the outstanding obligations acquired were settled with the issuance of short-term promissory notes payable. The promissory notes had a principal balance totalling \$55,625, are non-interest bearing, and were payable within 60 days of the share consolidation of the independent company. The Company recorded a gain on the acquisition of debt of \$500,929. During the year ended November 30, 2016, the Company sold a portion of the debt to three individuals, reducing its gain on the acquisition of debt to \$86,513. The promissory notes were paid during the year ended November 30, 2017.

The Company entered into an agreement to privately acquire shares from an individual. The promissory note has a principal balance totaling \$90,100, is non-interest bearing, and due to be paid by June 21, 2016. The parties have mutually agreed to extend this promissory until June 17, 2018.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

13. SHARE CAPITAL

- a) Authorized: Unlimited common shares without par value
- b) Issued: There were no common shares issued during the years ended November 30, 2017 and 2016.
- c) Share purchase warrants:

A summary of the share purchase warrant transactions is presented below:

	2017		2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	529,456	\$ 0.30	2,758,146	\$ 0.66
Expired	(529,456)	0.30	(2,228,690)	0.75
Outstanding, end of year	-	\$ -	529,456	\$ 0.30
Weighted average life (years)	-		0.64	

- d) Finder's Warrants/Agent's Options:

A summary of the finders' warrants/agents' options transactions is presented below:

	2017		2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	84,908	\$ 0.265	144,588	\$ 0.36
Expired/	(84,908)	0.265	(59,680)	0.50
Outstanding, end of year	-	\$ -	84,908	\$ 0.265
Weighted average life (years)	-		0.53	

- e) Stock Option Plan

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. At the Company's Annual General Meeting on April 18, 2017, the shareholders approved the "2017 Stock Option Plan", and set the number of options granted under the Plan to be fixed at 3,078,896 (2016: 3,078,000), which is equal to 20% of the issued and outstanding shares. Options granted under the Plan have a maximum life of five years. Options granted to employees vest fully on grant. Options issued to investor relations consultants vest in stages over 12 months with one quarter of the options vesting in any three-month period.

On June 10, 2016, the Company granted 1,955,000 stock options to directors, officers, employees and consultants, of which 950,000 were granted to the Company's officers and directors.

ZIMTU CAPITAL CORP.**Notes to the Financial Statements****For the years ended November 30, 2017 and 2016****(Expressed in Canadian Dollars)****13. SHARE CAPITAL** (continued)

e) Stock Option Plan (continued):

A summary of the stock option transactions under the Company's stock option plan is presented below:

	2017		2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	2,955,000	\$ 0.35	1,100,000	\$ 0.50
Granted	-	-	1,955,000	0.28
Cancelled	(815,000)	0.39	(100,000)	0.50
Outstanding, end of year	2,140,000	\$ 0.34	2,955,000	\$ 0.35
Weighted average life (years)	2.91		3.79	

As at November 30, 2017 and 2016, the Company had the following stock options outstanding:

Expiry Date	Exercise Price	2017	2016
		Number of options	Number of options
February 25, 2019	\$0.50	100,000	100,000
March 31, 2019	\$0.50	210,000	500,000
April 30, 2019	\$0.50	300,000	400,000
June 10, 2021	\$0.28	1,530,000	1,955,000
		2,140,000	2,955,000

During the year ended November 30, 2017, no stock options were granted. As a result, share-based payment expense of \$nil was recognized. During the year ended November 30, 2016, 1,955,000 stock options were granted and share-based payment of \$393,418 was recognized for the above granted stock options using the Black-Scholes option pricing model with the following assumptions:

	2016
Risk-free interest rate	0.62%
Expected life of options	5 years
Expected volatility	96%
Expected dividends	0%
Estimated forfeiture rate	0%

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

14. GENERAL AND ADMINISTRATIVE EXPENSES

During the years ended November 30, 2017 and 2016, the Company incurred the following general and administrative expenses:

	2017	2016
Expenses		
Advertising and promotion	\$ 537,999	\$ 528,444
Filing fees and transfer agent expenses	25,238	23,497
Office, rent and telephone	305,919	303,081
Professional fees	188,480	227,076
Share-based payments (Note 10e)	-	393,418
Wages and benefits	1,593,189	1,786,445
	2,650,825	3,261,961

15. SEGMENT INFORMATION

All of the Company's business is located in Canada. The Company's segment information is presented by industry according to the nature of their operations and the products and services they provide. Each of the Company's industry segments represents a strategic business unit offering products and services subject to different risks and returns from those of the other industry segments. Summary details of the industry segments are as follows:

- (a) Investment in stock, warrants and others
- (b) Investments in mineral resource property acquisitions and dispositions segment and project management;
- (c) Management services segment;
- (d) Corporate segment

For the year ended November 30, 2017

	Investment in stock, warrants and others	Investment in mineral properties	Management services	Corporate	Total
	\$	\$	\$	\$	\$
Revenue					
Administrative fees	-	-	770,000	-	770,000
Corporate development fees	-	-	2,030,150	-	2,030,150
Loss on sale of investments	(821,931)	-	-	-	(821,931)
Income from property sale	-	515,351	-	-	515,351
	(821,931)	515,351	2,800,150	-	2,493,570
Segment assets	12,556,514	510,705	-	1,347,056	14,414,275
Expenditure for segment capital assets	-	404,241	-	-	404,241

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

15. SEGMENT INFORMATION (continued)

For the year ended November 30, 2016

	Investment in stock, warrants and others \$	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue					
Administrative fees	-	-	1,483,220	-	1,483,220
Corporate development fees	-	-	1,789,357	-	1,789,357
Loss on sale of investments	(810,266)	-	-	-	(810,266)
Income from property sale	-	538,917	-	-	538,917
	(810,266)	538,917	3,272,577	-	3,001,228
Segment assets	7,384,255	167,288	-	2,329,047	9,880,591
Expenditure for segment capital assets	-	218,797	-	-	218,797

16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	2017	2016
Accounts payable portion of mineral property	\$ 51,612	\$ 73,482
Payable (Prepaid) expenses for share subscription	\$ 58,493	\$ (241,390)
Due from related party balance settled in share (Note 10a)	\$ -	\$ (698,341)
Shares received for property sales	\$ (307,500)	\$ (596,500)
Shares received for other income	\$ (152,833)	\$ -
Shares received for services	\$ (42,875)	\$ -
Shares received on exercise of warrant	\$ -	\$ 188,122

17. LONG-TERM LEASE OBLIGATIONS

The Company leases its main office premises under a long-term lease that expires September 1, 2019. The basic rent under the lease agreement 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 Company also paid one month's basic rent to the landlords as the deposit and will be applied to the last month of rent in the Company's lease. This amount was recorded as deposits and has been classified as long-term assets.

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

November 30, 2018	120,192
November 30, 2019	90,144
	<u>\$ 210,336</u>

The Company also leases a second office premises under a sub-lease effective June 1, 2017 that expires May 31, 2020. The basic rent under the lease agreement 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 three fiscal years is as follows:

November 30, 2018	29,284
November 30, 2019	30,065
November 30, 2020	15,227
	<u>\$ 74,576</u>

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

18. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the statement of income (loss) and comprehensive income (loss) for the years ended November 30, 2017 and 2016.

	2017	2016
	\$	\$
Net income (loss) before tax	5,279,635	930,115
Statutory tax rate	26%	26%
Expected income tax expense (recovery)	1,372,705	241,830
Non-deductible (taxable) items	(518,496)	(271,193)
Change in estimates	-	(347,937)
Change in deferred tax asset not recognized	(855,280)	431,513
Tax effect of flow-through shares	(425)	(7,929)
Others	1,071	(54,213)
Income tax expense (recovery)	(425)	(7,929)

	2017	2016
	\$	\$
Current tax expense (recovery)	-	-
Deferred tax expense (recovery)	(425)	(7,929)
Total tax expense (recovery)	(425)	(7,929)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes. Deferred tax assets at November 30, 2017 and 2016 are comprised of the following:

	2017	2016
	\$	\$
Non-capital losses carry forwards	137,890	43,495
Mineral property interests	(137,890)	(43,495)
Capital loss carry forwards	402,194	-
Investments	(402,194)	-
Net deferred tax asset (liability)	-	-

The unrecognized deductible temporary differences are as follows:

	2017	2016
	\$	\$
Non-capital losses carry forwards	364,203	2,496,447
Capital loss carry forwards	1,528,230	1,153,694
Investments	-	2,734,618
Equipment	50,398	99,368
Financing costs	34,328	59,741
Unrecognized deductible temporary differences	1,977,159	6,543,868

The Company has non capital loss carryforwards of approximately \$364,203 (2016: \$2,496,447) which may be carried forward to apply against future years' net income for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in 2035.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the years ended November 30, 2017 and 2016

(Expressed in Canadian Dollars)

19. EVENTS AFTER THE REPORTING PERIOD

- a. Subsequent to November 30, 2017, the Company received \$2,500 in connection with the Johnson Croft Property agreement.
- b. Subsequent to November 30, 2017, the Company received 250,000 shares of MGX Minerals in connection with the Alberta Lithium and Two Creeks Property Agreement