



Management Discussion and Analysis For the Three Months Ended February 28, 2017

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, 2017, and should be read in conjunction with the condensed interim financial statements for the three months ended February 28, 2017 and the audited financial statements for the year ended November 30, 2016, all of which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards (“IFRS”).

The effective date of this report is April 27, 2017.

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 and was listed on the TSX Venture Exchange (the “TSX-V”) as a Capital Pool Company on January 31, 2007. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades as a Tier 2 Financial Services Issuer on the TSX-V under the symbol ‘ZC’. The Company also trades on the Frankfurt Stock Exchange under the symbol ‘ZCT1’.

Year-to-date Highlights

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.

On January 19, 2017, the Company announced it had signed an agreement with Mountain Boy Minerals Ltd. for its ZimtuADVANTAGE program.

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 receive \$40,000.

On February 14, 2017, the Company announced it had signed an agreement with 92 Resources Corp. for its ZimtuADVANTAGE program.

On March 31, 2017, the Company announced it had signed an agreement with Castle Silver Resources Inc. for its ZimtuADVANTAGE program.

On April 18, 2017, the Company received \$100,000 and 1,500,000 common shares of Umbral Energy Corp. in connection with the Tule Valley property agreement.

On April 21, 2017, the Company received 500,000 common shares from 92 Resources Corp. in connection with the Hidden Lake property agreement.

On April 26, 2017, the Company announced it had signed an agreement with Kapuskasing Gold Corp. for its ZimtuADVANTAGE program.

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 four distinct segments: 1. Investment in stock, warrants, and others, 2. Property acquisitions, dispositions, and management, 3. Company management services, and 4. Corporate development and marketing services.

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.

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 three members of the Board of Directors and may also include any consultants with relevant experience to the opportunity. On a weekly 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: A complete list of the specific shareholdings of the Company is listed in Notes 6 and 7 of the Company's condensed interim financial statements for the three months ended February 28, 2017. The Company considers the following as its core portfolio shareholdings:

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. Commerce 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 Company currently has 3,584,178 common shares of Commerce, with a market value of \$250,892 (\$0.07 per share, as at April 26, 2017).

Voltaic Minerals Corp. (formerly Prima Diamond Corp.) (TSX-V: VLT) ("Voltaic") recently entered into a property option agreement to acquire a 100% interest in the Green Energy Lithium Property in Grand County, Utah. The Company currently has 5,580,181 common shares of Voltaic, with a market value of \$613,820 (\$0.11 per share, as at April 26, 2017).

King's Bay Gold Corp. (TSX-V: KBG) ("King's Bay") is focused on the exploration of cobalt, and other high-tech metals in North America. The company believes in this emerging fast-growth sector, and will continue to seek out and evaluate properties that show promise for development. The Company currently has 6,958,135 common shares of King's Bay, with a market value of \$904,558 (\$0.13 per share, as at April 26, 2017).

True Leaf Medicine International Ltd.. (CSE: MJ) ("True Leaf") is currently focusing on its new division, True Leaf Pets, and is providing a hemp-based product line of pet chews. The Company currently has 1,653,063 common shares of True Leaf with a market value of \$562,041 (\$0.34 per share, as at April 26, 2017).

2. Property Acquisitions, Dispositions, and 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 February 28, 2017, the Company has interests in the following mineral resource properties:

Property Name	Partner	Balance, November 30, 2016 \$	Additions \$	Impairment \$	Property sales \$	Balance, February 28, 2017 \$
AB Peace River	Dahrouge	596	-	-	(596)	-
AB Potash	Dahrouge	84	-	-	-	84
Broadback Claims	N/A	553	-	-	(553)	-
Carlow Lithium	Dahrouge	5,193	-	-	-	5,193
Deep Bay/Simon Lake	Dahrouge	7,339	-	-	-	7,339
Deep Lake Cobalt	N/A	80	-	-	-	80
Eastmain River	N/A	3,041	-	-	-	3,041
Covette Property	N/A	-	277,374	-	-	277,374
Lac Gueret Graphite	N/A	239	-	-	-	239
Lepidolite Claims	N/A	-	2,252	(2,252)	-	-
Munn Lake	Dahrouge	90,652	-	-	-	90,652
Ninuk Lake	N/A	5,483	1,722	-	(7,205)	-
Pashkokogan Lake	N/A	10,800	-	-	-	10,800
Pelican Frac Sands	Dahrouge	7,049	-	-	-	7,049
St Joseph	N/A	36,000	-	-	-	36,000
Roberge Cobalt	N/A	179	-	-	-	179
		167,288	281,348	(2,252)	(8,533)	437,851

The following is a list of the farmed out properties during the past two fiscal years:

Property Name	Sold to	Consideration
Garland Property	Equitas Resources Corp.	\$40,000 cash (received) 3,000,000 common shares (2,000,000 received)
AB Lithium/Two Creeks	MGX Minerals Inc.	\$10,000 (received) 750,000 common shares (250,000 shares received at November 30, 2016 and 250,000 received at February 28, 2017)
Green Energy Lithium	Voltaic Minerals Corp.	\$10,000 (received)
Hidden Lake Lithium	92 Resources Corp.	1,000,000 common shares (500,000 common shares received at February 28, 2017 and 1,500,000 shares received subsequent to February 28, 2017)
Kibby Basin	Belmont Resources Inc.	\$25,000 (received) 1,000,000 common shares (received)
Tule Valley Project	Umbral Energy Corp.	\$160,000 (\$60,000 received at February 28, 2017 and \$100,000 received subsequent to February 28, 2017) 3,000,000 common shares (1,500,000 common shares received at February 28, 2017 and 1,500,000 shares received subsequent to February 28, 2017)
Windy Tungsten	Greatbanks Resources Inc.	1,000,000 common shares (received)
Deep Valley Lithium	Scientific Metals	\$5,000 cash (received) 100,000 common shares (received)
Sturgeon Lake	MGX Minerals Inc.	\$40,000 (received) 1,000,000 common shares (received)
Ninuk Lake, Roberge Cobalt, and Broadback Claims	King's Bay Gold Corp.	\$39,000 (received)
Peach River Property	Dahrouge Geological	\$40,000 (received)

Mineral Resource – Joint Ventures

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.

3. *Company Management Services*

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

During the three months ended February 28, 2017, the Company has contracts in place with Commerce Resources Corp., Voltaic Minerals Corp., GEMTEC Int'l Corp., and King's Bay Gold Corp.

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.

4. *Corporate Development and Marketing Services*

The Company offers corporate development services and a cooperative marketing program to companies through its ZimtuADVANTAGE program. ZimtuADVANTAGE is a program designed to provide opportunities, guidance, cost savings and assistance to companies covering multiple aspects of being a public company. The services may include building financial networks, building business networks, shared costs with other public companies, building a social media presence, conference opportunities, media outlets and guidance and special group pricing provided by Zimtu's network of public company professionals. The program provides the flexibility to allow companies to customize the products and services to best support their needs. The program also provides participating companies access to and meetings with Zimtu's market participants in Europe and North America.

Summary:

In keeping with its business model, the Company has successfully:

- a) Increased its investment shareholdings through participation in private placements in several publicly listed companies;
- b) Acquired or increased its investment shareholdings through the sale of interest in several mineral property claims and/or permits, either by selling the property in its entirety or by optioning the property;
- c) Provided corporate development and administrative assistance to both private and public companies; and
- d) Provided assistance and support to select equity holdings in their dissemination and corporate awareness activities.

Selected Annual Information

The following is a summary of the financial data of the Company for the last three fiscal years ending November 30, and are derived from the audited financial statements of the Company:

	2016 \$	2015 \$	2014 \$
Total Revenues	3,001,228	328,319	262,134
Loss before other items and income taxes	(260,733)	(2,282,645)	(2,858,595)
Loss before other items and income taxes (per share)	(0.02)	(0.16)	(0.24)
Loss before other items and income taxes (per share, fully diluted)	(0.02)	(0.16)	(0.24)
Net Income (loss)	938,044	(210,136)	(1,377,269)
Net Income (loss) (per share)	0.06	(0.01)	(0.11)
Net income (loss) (per share, fully diluted)	0.06	(0.01)	(0.11)
Net comprehensive income (loss)	938,044	(210,136)	(1,377,269)
Net comprehensive income (loss) (per share)	0.06	(0.01)	(0.11)
Net comprehensive income (loss) (per share, fully diluted)	0.06	(0.01)	(0.11)
Total assets	9,880,591	8,146,032	7,544,561
Total long term financial liabilities	Nil	Nil	Nil
Cash dividend declared per share	Nil	Nil	Nil

The Company recorded an income of \$938,044 for the current year and losses in each of its two previous completed fiscal years. The Company's revenue provided from corporate development and marketing increased significantly during the year and administration fees income has remained consistent. Total revenues have been significantly affected by the losses on the sale of marketable securities during the past three years.

Results of Operations

Net income for the three months ended February 28, 2017, was \$4,407,127 compared to net loss of \$2,021,982 for the three months ended February 29, 2016, for a difference of \$6,429,109.

During the three months ended February 28, 2017, the Company:

- recorded administration fees of \$180,000 (February 29, 2016: \$361,430) which have decreased due to a reduction in the number of companies for which the services are provided and a reduction in rates for one Company due to reduced business activities,
- recorded corporate development services income of \$635,560 (February 29, 2016: \$146,145) which have increased substantially due to the initiation of the ZimtuADVANTAGE program,
- recorded a loss on sale of investments of \$1,325,048 (February 29, 2016: \$837,042),
- recorded income from property sales of \$210,466 (February 29, 2016: \$nil),
- recorded unrealized gains on investments of \$5,357,063 (February 29, 2016: \$858,200 loss) as the market share prices of the Company's investments appreciated significantly during the period,
- recorded a bad debt of \$7,000 (February 29, 2016: \$nil) for an amount receivable that has been deemed uncollectible,
- recorded interest expense of \$8,099 (February 29, 2016: \$nil) for interest paid for flow through funds renounced under the look-back rule,
- recorded a loss on the purchase of debt of \$nil (February 29, 2016: \$84,340) for third party debt that was acquired by the Company for a gain in the prior period and subsequent sold,
- recorded impairment of mineral properties of \$2,252 (February 29, 2016: \$nil) for property titles that were allowed to lapse or would not be explored, and

- recorded general and administrative expenses of \$633,988 (February 29, 2016: \$730,389) as detailed below.

General and administrative expenses

During the three months ended February 28, 2017 and February 29, 2016, Company incurred the following general and administrative expenses:

	February 28, 2017	February 29, 2016
Expenses		
Advertising and promotion	\$ 119,389	\$ 124,954
Filing fees and transfer agent expenses	7,518	10,653
Office, rent and telephone	82,427	78,955
Professional fees	42,558	80,642
Wages and benefits	382,096	435,185
	633,096	730,389

The overall operating expenses of the Company decreased when compared to the prior period:

- advertising & promotion expenses (February 28, 2017: \$119,389, February 29, 2016: \$124,954) were relatively consistent with the prior year's period,
- filing fees and transfer agent costs (February 28, 2017: \$7,518, February 29, 2016: \$10,653) for regulatory filings,
- office, rent and telephone expenses increased slightly compared to the prior year's period (February 28, 2017: \$82,427, February 29, 2016: \$78,955),
- professional fees, including legal, accounting, and consulting fees, decreased in the current year's period (February 28, 2017: \$42,558, February 29, 2016: \$80,642) due to a reduction in the hiring of consultants for project specific work, and
- wages and benefits decreased compared to the prior year's period due to reduced staffing requirements (February 28, 2017: \$382,096, February 29, 2016: \$435,185).

Summary of Quarterly Results

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

	February 28, 2017	November 30, 2016	August 31, 2016	May 31, 2016
	\$	\$	\$	\$
Revenue (loss)	(299,022)	1,328,139	1,530,929	471,627
Net Income (loss)	4,407,127	(2,574,043)	3,506,609	2,027,460
Total assets	14,107,810	9,880,591	12,816,484	8,533,257
Working capital	12,541,410	8,404,846	8,248,322	6,961,099
Total liabilities	1,109,676	1,289,584	1,651,434	1,268,234
Equity	12,998,134	8,591,007	11,165,050	7,265,023

	February 29, 2016	November 30, 2015	August 31, 2015	May 31, 2015
	\$	\$	\$	\$
Revenue (loss)	(329,467)	208,025	594,443	(358,556)
Net Income (loss)	(2,021,982)	849,944	510,720	(746,376)
Total assets	5,910,039	8,146,032	6,907,401	6,002,001
Working capital	4,992,196	7,002,981	5,990,819	4,875,837
Total liabilities	672,476	886,487	497,800	547,727
Equity	5,237,563	7,259,545	6,409,601	5,454,274

The fluctuations between the eight quarters shown above are generally caused by the gains or losses on the sale of investments and/or the unrealized gains or losses for the investments held by the Company. Income from property sales changes each quarter, and is market dependent. Revenues from services provided to other companies has increased over the last four quarters, as have the advertising costs and wages, in order to earn this income. Share-based compensation costs were incurred in the third quarter of 2016 due to the granting of options.

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 \$11,128,444 held at fair market value and mineral properties valued at \$437,851. 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, 2017, the Company had total assets of \$14,107,810 as compared to \$9,880,591 for the year ended November 30, 2016.

The primary assets of the Company as at February 28, 2017 are investments of \$11,128,444 (November 30, 2016: \$7,384,255) held at fair market value, advances and accounts receivables of \$1,079,105 (November 30, 2016: \$1,094,838), due from related parties of \$838,046 (November 30, 2016: \$708,704), prepaid expenses of \$298,464 (November 30, 2016: \$381,888), deposits of \$18,873 (November 30, 2016: \$18,873), and mineral property interests of \$437,851 (November 30, 2016: \$167,288).

The Company has long-term liabilities of \$nil (November 30, 2016: \$nil) and has working capital of \$12,541,410 (November 30, 2016: \$8,404,846).

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

Cash Used in Operating Activities: Cash used in operating activities during the three months ended February 28, 2017 was \$370,185, compared with \$621,218 of cash used in operating activities during the three months ended February 29, 2016.

Cash was mostly spent on advertising, investor relations, general office expenses, professional fees, and wages and benefits and adjusted for items not involving cash.

Cash Provided by Investing Activities: Total cash provided by investing activities during the three months ended February 28, 2017 was \$552,467, compared to \$580,351 of cash provided by investing activities during the three months ended February 29, 2016.

During the three months ended February 28, 2017, the Company:

- spent \$1,010,455 (February 29, 2016 – \$215,780) on the acquisition of investments,
- received \$1,765,271 (February 29, 2016 – \$784,934) from the proceeds of disposition of investments,
- received \$nil (February 29, 2016 – \$33,417) for loans receivable,
- received \$79,000 (February 29, 2016 – \$10,000) for the sale of mineral property interests,
- spent \$281,349 (February 29, 2016 – \$32,220) on the acquisition and exploration of mineral property interests,

Related Party Transactions

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

	February 28, 2017	February 29, 2016
Key management compensation*	\$	\$
Key management compensation	166,700	222,386
Revenue**	\$	\$
Management administration fees	127,500	198,930
	February 28, 2017	November 30, 2016
Amounts due from (to) related parties	\$	\$
Commerce Resources Corp.	687,879	612,005
Voltaic Minerals Corp. (Note 7(a))	52,413	43,945
David Hodge, a director	-	(82,537)
Sven Olsson, a director	-	(8,385)
Total amount due from (to) related parties	740,292	565,028
	\$	\$
Loan receivable due from related parties	\$	\$
David Hodge, CEO and director	23,844	23,844
Jody Bellefleur, CFO	17,067	5,067
Sean Charland, director	53,843	23,843
Chris Grove, director	3,000	-
Total amount due from related parties	97,754	52,754

* 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 companies, included two 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.

Other MD&A Requirements

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, 2017	February 28, 2017	November 30, 2016	November 30, 2015
Common Shares	15,394,483	15,394,483	15,394,483	15,394,483
Stock Options	2,955,000	2,955,000	2,955,000	1,100,000
Warrants	529,456	529,456	529,456	2,758,146
Finders Warrants	84,908	84,908	84,908	144,588
Fully Diluted Shares	18,963,847	18,963,847	18,963,847	19,397,217

For additional details of outstanding share capital, refer to the condensed interim financial statements for the three months ended February 28, 2017.

Additional Disclosure Regarding Significant Investees

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 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 as of February 28, 2017.

Segmented 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 three months ended February 28, 2017

	Investment in stock, warrants and others \$	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue					
Administrative fees	-	-	180,000	-	180,000
Corporate development fees	-	-	688,164	-	688,164
Loss on sale of investments	(1,325,048)	-	-	-	(1,325,048)
Income from property sale	-	210,466	-	-	210,466
	(1,325,048)	210,466	868,164	-	(246,418)

Segment assets	11,128,444	437,851	-	2,541,515	14,107,810
Expenditure for segment capital assets	-	281,349	-	-	281,349

For the three months ended February 29, 2016

	Investment in stock, warrants and others \$	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue					
Administrative fees	-	-	361,430	-	361,430
Corporate development fees	-	-	146,145	-	146,145
Loss on sale of investments	(837,042)	-	-	-	(837,042)
Income from property sale	-	-	-	-	310,313
	(837,042)	-	507,575	-	(329,467)

For the year ended November 30, 2016

Segment assets	7,384,255	167,288	-	2,329,047	9,880,591
Expenditure for segment capital assets	-	218,797	-	-	218,797

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.

Changes in Accounting Policies

There have been no changes in the accounting policies.

Future Accounting Standards, Amendments, and Interpretations Not Yet Effective

For details of the Company's Future Accounting Standards, including accounting standards not yet adopted, new accounting standards adopted, and accounting standards amended but not yet effective, please refer to Note 4 of the Company's audited financial statements for the year ended November 30, 2016.

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:

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 February 28, 2017			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
Fair value through profit or loss				
Cash on hand and bank balances	307,027	-	-	307,027
GIC	34,500	-	-	34,500
Investment in public company shareholdings	8,380,713	-	-	8,380,713
Investment in private company shareholdings	-	-	250,000	250,000
Investment in warrants	-	2,463,231	-	2,463,231
	8,722,240	2,463,231	250,000	11,435,471

	Assets measured at fair value as at November 30, 2016			
	Level 1 \$	Level 2 \$	Level 3 \$	Level 1 \$
Fair value through profit or loss				
Cash on hand and bank balances	124,745	-	-	124,745
GIC	34,500	-	-	34,500
Investment in public company shareholdings	5,646,959	-	-	5,646,959
Investment in private company shareholdings	-	-	250,000	250,000
Investment in warrants	-	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 cash equivalents and investments due to its cash and cash equivalents are 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 50% (November 30, 2016: 44%) of the Company's administrative revenue.

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 three months ended February 28, 2017 or the year ended November 30, 2016. The Company is not subject to externally imposed capital requirements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

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; and
- the Company expects its Management Services Revenue to continue.
- the Company expects its corporate development and marketing revenue to continue.

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.

Proposed Transactions and Subsequent Events

- a. Subsequent to February 28, 2017, the Company received \$100,000 and 1,500,000 shares of Umbral Energy Corp. in connection with the Tule Valley Property agreement.
- b. On April 7, 2017, the Company, its prospecting partners, and Equitas amended the property option agreement for the Garland Property to take into consideration the consolidation of common shares by Equitas in January 2017. Under the amendment, the Company’s final share payment will be 222,222 common shares of Equitas. The amendment is subject to approval by the TSX.
- c. Subsequent to February 28, 2017, the Company received 500,000 shares of 92 Resources Corp. in connection with the Hidden Lake Property agreement.

Directors and Officers

As at April 27, 2017, the Company had the following directors and officers:

David Hodge – Director, President and CEO
Sean Charland* – Director
Chris Grove* – Director
Jody Bellefleur – CFO

* Member of the Company’s Audit Committee

Approval

The Board of Directors of Zimtu Capital Corp. has approved the disclosure contained in this MD&A.

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.