



**Condensed Interim Financial Statements**

**Six Months Ended May 31, 2017**

(Unaudited - Expressed in Canadian Dollars)

### Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements of Zimtu Capital Corp. for the six months ended May 31, 2017, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Financial Position**  
**(Unaudited - Expressed in Canadian Dollars)**

	May 31, 2017	November 30, 2016
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 80,060	\$ 124,745
Investments (Note 6)	11,534,645	7,384,255
Advances and amounts receivable (Note 10)	1,137,091	1,094,838
Due from related parties (Note 15)	97,754	708,704
Prepaid expenses (Note 11)	328,110	381,888
	<u>13,177,660</u>	<u>9,694,430</u>
<b>Deposits (Note 18)</b>	<b>18,873</b>	<b>18,873</b>
<b>Mineral property interests (Note 8)</b>	<b>466,357</b>	<b>167,288</b>
	<u>\$ 13,662,890</u>	<u>\$ 9,880,591</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 120,182	\$ 343,861
GST/HST payable	23,476	73,579
Liability for flow-through shares (Note 20)	-	425
Due to related parties (Note 15)	-	90,922
Unearned revenue (Note 12)	549,826	635,072
Promissory notes payable (Note 13)	90,100	145,725
	<u>783,584</u>	<u>1,289,584</u>
<b>Equity</b>		
Share capital (Note 9)	9,346,662	9,346,662
Reserves	4,647,746	4,647,746
Deficit	(1,115,102)	(5,403,401)
<b>Shareholders' equity</b>	<b>12,879,306</b>	<b>8,591,007</b>
	<u>\$ 13,662,890</u>	<u>\$ 9,880,591</u>

**On behalf of the Board:**

\_\_\_\_\_  
*"David Hodge"* Director      \_\_\_\_\_  
*"Sean Charland"* Director

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

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Income (Loss) and Comprehensive Income (Loss)**  
**(Unaudited - Expressed in Canadian Dollars)**

	Three months ended May 31,		Six months ended May 31,	
	2017	2016	2017	2016
<b>Revenue</b>				
Administrative fees	\$ 180,000	\$ 358,930	\$ 360,000	\$ 720,360
Corporate development services (Note 16)	596,059	359,981	1,231,619	506,126
Gain (loss) on sale of investments	(145,770)	(408,865)	(1,470,818)	(1,245,907)
Income (loss) from property sale (Note 8)	268,125	161,581	478,591	161,581
	<b>898,414</b>	<b>471,627</b>	<b>599,392</b>	<b>142,160</b>
<b>Expenses</b>				
General and administrative expenses (Note 18)	685,317	724,625	1,319,305	1,455,014
<b>Income (loss) before other items</b>	<b>213,097</b>	<b>(252,998)</b>	<b>(719,913)</b>	<b>(1,312,854)</b>
<b>Other items</b>				
Interest income	151	5,114	151	5,114
Unrealized gain (loss) on investments	(335,191)	2,697,117	5,021,872	1,838,917
Gain (loss) on purchase/sale of debt	-	(430,950)	-	(515,290)
Bad debts	-	-	(7,000)	-
Foreign exchange loss	-	(111)	-	(945)
Impairment of mineral properties	-	-	(2,252)	-
Interest expense	-	-	(8,099)	-
Equity gain (loss) of affiliates (Note 7)	-	9,141	-	9,141
Other income (expense)	3,115	(3,272)	3,115	(25,331)
	<b>(331,925)</b>	<b>2,277,039</b>	<b>5,007,787</b>	<b>1,311,606</b>
<b>Income (loss) before income taxes</b>	<b>(118,828)</b>	<b>2,024,041</b>	<b>4,287,874</b>	<b>(1,248)</b>
Income tax recovery (expense)	-	3,419	425	6,726
<b>Net income (loss) and comprehensive income for the period</b>	<b>\$ (118,828)</b>	<b>\$ 2,027,460</b>	<b>\$ 4,288,299</b>	<b>\$ 5,478</b>
<b>Basic earnings (loss) per share</b>	<b>\$ (0.01)</b>	<b>\$ 0.13</b>	<b>\$ 0.28</b>	<b>\$ 0.00</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ (0.01)</b>	<b>\$ 0.10</b>	<b>\$ 0.23</b>	<b>\$ 0.00</b>
<b>Weighted average number of common shares outstanding</b>				
- basic	15,394,483	15,394,483	15,394,483	15,394,483
- diluted	18,963,847	19,397,217	18,963,847	19,397,217

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

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Changes in Equity**  
**(Unaudited - Expressed in Canadian Dollars)**

	Share Capital		Reserves	Retained Earnings/ (Deficit)	Total Equity
	No. of Shares	Amount			
<b>Balance, November 30, 2015</b>	15,394,483	\$ 9,346,662	\$ 4,254,328	\$(6,341,445)	\$ 7,259,545
Net loss for the period	-	-	-	5,478	5,478
<b>Balance, May 31, 2016</b>	15,394,483	\$ 9,346,662	\$ 4,254,328	\$(6,335,967)	\$ 7,265,023

  

	Share Capital		Reserves	Retained Earnings/ (Deficit)	Total Equity
	No. of Shares	Amount			
<b>Balance, November 30, 2015</b>	15,394,483	\$ 9,346,662	\$ 4,647,746	\$(5,403,401)	\$ 8,591,007
Net income for the period	-	-	-	4,288,299	4,288,299
<b>Balance, May 31, 2017</b>	15,394,483	\$ 9,346,662	\$ 4,647,746	\$(1,115,102)	\$ 12,879,306

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

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Cash Flows**  
**For the six months ended May 31,**  
**(Unaudited - Expressed in Canadian Dollars)**

	2017	2016
<b>Operating Activities</b>		
Net income (loss) for the period	\$ 4,288,299	\$ 5,478
Items not involving cash		
Loss on sale of investments	1,470,818	1,245,907
Unrealized (gain) loss of investments	(5,021,872)	(1,838,917)
Income from property sales	(478,591)	(126,581)
Shares received for finder's fees	-	(5,000)
Shares received for debt	-	(176,423)
Loss on sale of debt (Note 16)	-	515,900
Impairment of mineral property	2,252	-
Equity (gain) loss on affiliates	-	(9,141)
Deferred income tax recovery	(425)	-
Changes in non-cash working capital		
Amounts receivable	(155,357)	119,955
Prepaid expenses	(182,212)	(64,970)
Unearned revenue	(85,246)	452,122
Promissory notes payable	(55,625)	-
Liability for flow-through shares	-	(6,726)
Accounts payable and accrued liabilities	(571,026)	(241,059)
<b>Cash provided by (used in) operating activities</b>	<b>(788,985)</b>	<b>(129,455)</b>
<b>Investing Activities</b>		
Acquisition of investments	(1,557,034)	(1,676,040)
Proceeds on disposition of investments	2,432,188	1,776,881
Mineral property expenditures	(309,854)	(111,162)
Proceeds on disposition of mineral properties	179,000	-
Loans receivable	-	22,883
Proceeds from sale of equity investee	-	11,039
<b>Cash provided by (used in) investing activities</b>	<b>744,300</b>	<b>23,601</b>
<b>Financing Activities</b>		
Bank overdraft	-	53,051
<b>Cash provided by financing activities</b>	<b>-</b>	<b>53,051</b>
<b>Change in cash during the period</b>	<b>(44,685)</b>	<b>52,803</b>
<b>Cash, beginning of period</b>	<b>124,745</b>	<b>52,803</b>
<b>Cash, end of period</b>	<b>\$ 80,060</b>	<b>\$ -</b>

Supplemental disclosure with respect to cash flows (Note 17)

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

# ZIMTU CAPITAL CORP.

## Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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### 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 condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on June 29, 2017.

### 2. BASIS OF PREPARATION

#### a) Statement of Compliance

The condensed interim 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"), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

#### 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
- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, *Provisions, contingent liabilities and contingent assets*.
- 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;

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

#### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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;
- The assumptions used to calculate fair value of investments in private company securities not quoted in an active market;
- The inputs used in accounting for share-based payments; and
- The recoverability of accounts receivable balances.

#### 4. SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the financial statements for the year ended November 30, 2016. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2016.

#### 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:

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 May 31, 2017			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Fair value through profit or loss</b>				
Cash	80,060	-	-	80,060
GIC (Note 6(b))	34,500	-	-	34,500
Investment in public company shareholdings (Note 6)	8,438,683	-	-	8,438,683
Investment in private company shareholdings (Note 6)	-	-	257,500	257,500
Investment in warrants (Note 6)	-	2,803,962	-	2,803,962
	<u>8,553,243</u>	<u>2,803,962</u>	<u>257,500</u>	<u>11,614,705</u>



## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

#### 5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

	Assets measured at fair value as at November 30, 2016			
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Fair value through profit or loss</b>				
Cash	124,745	-	-	124,745
GIC (Note 6(b))	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 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.

## **ZIMTU CAPITAL CORP.**

### **Notes to the Condensed Interim Financial Statements**

**For the six months ended May 31, 2017**

**(Unaudited - Expressed in Canadian Dollars)**

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#### **5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)**

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 six months ended May 31, 2017 or the year ended November 30, 2016. The Company is not subject to externally imposed capital requirements.

**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2017****(Unaudited - Expressed in Canadian Dollars)****6. INVESTMENTS**

Investment in public company shareholdings	Investments at fair value through profit or loss as at May 31, 2017				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
92 Resources	2,326,720	216,541	0.09	186,138	0.080
Altamira Gold	297,916	180,564	0.61	81,927	0.275
ALX Uranium	2,431,998	404,949	0.17	218,880	0.090
Arctic Star Exploration	1,980,139	127,715	0.06	504,936	0.255
Aurvista Gold	1,039,000	109,273	0.11	285,725	0.275
Belmont Resources	2,100,000	117,635	0.06	126,000	0.060
Berkwood Resources	535,150	139,139	0.26	200,681	0.375
Canadian International	354,001	40,895	0.12	7,080	0.020
Canadian Zeolite	333,334	100,000	0.30	186,667	0.560
Castle Silver	866,666	106,310	0.12	225,333	0.260
CMC Metals	211,428	65,125	0.31	21,143	0.100
Cobalt Power Group	26,250	15,682	0.60	2,100	0.080
Cobaltech Mining	182,500	89,478	0.49	22,813	0.125
Commerce Resources	17,584,178	2,674,294	0.15	1,142,972	0.065
Copper North	150,000	66,135	0.44	11,250	0.075
Cresval Capital	500,000	100,000	0.20	17,500	0.035
Crown Mining	866,666	60,000	0.07	86,667	0.100
Electra Stone	3,740,305	242,425	0.06	74,806	0.020
Emerita Gold	1,525,000	117,172	0.08	190,625	0.125
Equitorial Resources	800,000	63,828	0.08	84,000	0.105
Far Resources	850,000	70,500	0.08	85,000	0.100
Glance Technologies	218,500	37,340	0.17	38,238	0.175
Golden Dawn	352,941	60,000	0.17	100,588	0.285
Greatbanks Resources	1,000,000	30,000	0.03	55,000	0.055
Group Ten Metals	1,000,000	60,000	0.06	210,000	0.210
Indigo Exploration	715,000	200,653	0.28	25,025	0.035
Intact Gold	600,000	45,000	0.08	18,000	0.030
International Wastewater	389,500	107,725	0.28	95,428	0.245
Kapuskasing Gold	2,875,000	264,900	0.09	143,750	0.050
King's Bay Gold	7,058,135	440,863	0.06	670,523	0.095
MGX Minerals	1,030,700	282,428	0.27	1,174,996	1.140
Montan Mining	232,000	27,924	0.12	11,600	0.050
Montego Resources	80,000	60,000	0.75	21,600	0.270
Mountain Boy Minerals	1,667,000	100,020	0.06	100,020	0.060
Nevada Clean	1,200,000	60,000	0.05	60,000	0.050
Nickel One	2,058,820	135,437	0.07	92,647	0.045
Nouveau Life	230,000	50,051	0.22	138	0.001
NRG Metals	1,210,000	61,000	0.05	145,200	0.120
Pacific Potash	170,000	139,536	0.82	5,950	0.035
Pistol Bay	3,525,000	152,925	0.04	229,125	0.065
Rainmaker Resources	67,647	86,250	1.28	3,382	0.050
Red Oak Mining	1,071,000	66,683	0.06	16,065	0.015
Rewardstream Solutions	286,000	75,880	0.27	22,880	0.080
Fanlogic Interactive	100,000	50,000	0.50	12,000	0.120
True Leaf Medicine	1,453,063	220,900	0.15	682,940	0.47
Ultracharge	240,000	53,758	0.22	4,813	0.020
Umbral Energy	2,285,000	151,400	0.07	125,675	0.055
Vatic Resources	1,206,666	71,060	0.06	72,400	0.060
Sunvet Minerals	2,150	5,072	2.36	204	0.095
Voltaic Minerals (Note 7(a))	5,580,181	1,427,792	0.26	502,216	0.090
White Metal Resources	180,000	4,500	0.03	9,900	0.055
WPC Resources	435,000	21,750	0.05	26,100	0.060
Western Resources	66	175	2.65	37	0.560
		<b>9,658,682</b>		<b>8,438,683</b>	

# ZIMTU CAPITAL CORP.

## Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

### 6. INVESTMENTS (continued)

Investment in private company shareholdings	Investments at fair value through profit or loss as at May 31, 2017				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Adent Capital	5,000	525	0.11	525	Cost
Gemtec International	150,000	7,500	0.05	7,500	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 (a)				(554,913)	
		<b>812,413</b>		<b>257,500</b>	

  

Investments in warrants	Number of Warrants	Expiry Date	Exercise Price	Fair Value	Fair Value \$/Warrant
92 Resources	898,360	March 17, 2018	0.10	21,929	0.024
92 Resources	1,500,000	February 24, 2019	0.15	67,077	0.045
Altamira Gold	935,733	Various	1.81	16,474	0.018
ALX Uranium	500,000	November 16, 2017	0.20	3,061	0.006
ALX Uranium	1,200,000	January 30, 2018	0.10	33,833	0.028
Arctic Star Exploration	260,500	June 30, 2020	0.40	59,429	0.228
Arctic Star Exploration	812,500	April 8, 2018	0.20	107,030	0.132
Arctic Star Exploration	1,830,000	November 28, 2018	0.08	427,962	0.234
Aurvista Gold	465,000	July 25, 2019	0.13	102,521	0.220
Belmont Resources	1,200,000	April 28, 2018	0.10	14,255	0.012
Belmont Resources	500,000	March 15, 2017	0.08	16,322	0.033
Berkwood Resources	535,150	May 26, 2019	0.35	197,258	0.369
Bonterra Resources	171,428	July 7, 2018	0.50	25,737	0.150
Canadian Zeolite	333,334	September 6, 2017	0.40	75,971	0.228
Cardiff Energy	57,143	March 15, 2018	0.525	1,126	0.020
Castle Silver	666,666	March 16, 2019	0.20	148,350	0.223
Commerce Resources	14,000,000	May 26, 2019	0.10	336,865	0.024
Copper North	120,000	November 4, 2020	0.50	7,683	0.064
Crown Mining	666,666	May 13, 2019	0.30	49,040	0.074
Crown Mining	200,000	June 8, 2018	0.20	9,448	0.047
Electra Stone	2,015,000	Various	0.09	8,574	0.004
Emerita Resources	1,200,000	May 27, 2018	0.10	38,673	0.032
First Mining	189,832	June 16, 2018	0.83	29,447	0.155
Golden Dawn	352,941	July 22, 2018	0.18	44,715	0.127
Group Ten Metals	1,000,000	February 23, 2020	0.12	205,323	0.205
Intact Gold	600,000	August 12, 2018	0.10	2,903	0.005
Kapuskasing Gold	1,000,000	February 4, 2019	0.15	30,240	0.030
King's Bay Gold	3,386,703	December 30, 2018	0.12	309,150	0.091
MGX Minerals	95,479	September 21, 2018	0.20	92,950	0.974
Montego Resources	40,000	August 22, 2018	1.00	8,007	0.200
Mountain Boy Resources	1,667,000	March 15, 2017	0.10	76,364	0.046
Nickel One	400,000	February 23, 2018	0.15	1,836	0.005
Nickel One	1,033,690	December 5, 2016	0.12	15,240	0.015
Nickel One	711,470	May 12, 2019	0.08	15,718	0.022
NRG Metals	1,200,000	May 12, 2019	0.10	123,672	0.103
Northern Dynasty	31,250	September 14, 2017	3.00	11,997	0.384
Pistol Bay	1,000,000	October 16, 2017	0.05	27,162	0.027
Pistol Bay	1,060,000	August 7, 2017	0.05	12,276	0.005
Rewardstream Solutions	120,000	July 6, 2018	0.50	388	0.003
Vatic Resources	500,000	August 12, 2018	0.15	27,956	0.042
<b>Balance, May 31, 2017</b>				<b>2,803,962</b>	
<b>Investment in GIC, May 31, 2017 (b)</b>				<b>34,500</b>	
<b>Total value of investments, May 31, 2017</b>				<b>\$11,534,645</b>	

**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2017****(Unaudited - 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
Kapuskasing 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	66,250	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 (Note 7(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
		<b>10,537,664</b>		<b>5,646,959</b>	

# ZIMTU CAPITAL CORP.

## Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - 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 (a)				(554,913)	
		<b>804,913</b>		<b>250,000</b>	

  

Investments in warrants	Number of Warrants	Expiry Date	Exercise Price	Fair Value	Fair Value \$/Warrant
92 Resources	898,360	March 17, 2018	0.10	71,763	0.080
ALX Uranium	500,000	November 16, 2017	0.20	2,991	0.006
ALX Uranium	1,200,000	January 30, 2018	0.10	22,454	0.019
Arctic Star Exploration	1,042,000	June 30, 2020	0.10	57,932	0.056
Arctic Star Exploration	3,250,000	April 8, 2018	0.05	174,263	0.054
Aurvista Gold	465,000	July 25, 2019	0.13	63,370	0.136
Belmont Resources	1,200,000	April 28, 2018	0.10	32,104	0.027
Bonterra Resources	171,428	July 7, 2018	0.50	10,222	0.060
Canadian Zeolite	333,334	September 6, 2017	0.40	187,142	0.561
Cardiff Energy	400,000	March 15, 2018	0.075	992	0.002
Cardiff Energy	650,000	June 19, 2017	0.20	83	0.000
CMC Metals	171,428	June 8, 2017	0.42	512	0.003
Copper North	120,000	November 4, 2020	0.50	13,137	0.109
Crown Mining	666,666	May 13, 2019	0.30	59,874	0.090
Crown Mining	200,000	June 8, 2018	0.20	13,347	0.067
Electra Stone	500,000	January 22, 2018	0.20	3,238	0.006
Emerita Resources	1,200,000	May 27, 2018	0.10	45,833	0.038
Equitas Resources	2,100,000	February 26, 2017	0.10	386	0.000
Equitas Resources	1,974,001	July 15, 2017	0.15	2,651	0.001
Equitas Resources	1,100,000	September 17, 2017	0.20	1,631	0.001
Equitas Resources	2,000,000	March 8, 2018	0.10	23,498	0.012
Equitas Resources	3,700,000	April 6, 2018	0.10	48,437	0.013
First Mining	189,832	June 16, 2018	0.83	59,903	0.316
Golden Dawn	352,941	July 22, 2018	0.18	42,976	0.122
Intact Gold	600,000	August 12, 2018	0.10	23,156	0.039
Kapuskasing Gold	1,000,000	February 4, 2019	0.15	14,829	0.015
Kapuskasing Gold	300,000	May 19, 2017	0.10	288	0.001
MGX Minerals	95,479	September 21, 2018	0.20	28,886	0.303
Montego Resources	400,000	August 22, 2018	0.10	15,918	0.040
Nickel One	400,000	February 23, 2018	0.15	12,908	0.032
NRG Metals	1,200,000	May 12, 2019	0.10	121,715	0.101
Northern Dynasty	31,250	September 14, 2017	3.00	7,025	0.225
Pasinex Resources	2,178,572	April 7, 2017	0.12	79,974	0.037
Pistol Bay	425,000	August 24, 2016	0.10	2,420	0.006
Pistol Bay	1,000,000	October 16, 2017	0.05	48,274	0.048
Pistol Bay	2,560,000	August 7, 2017	0.05	97,900	0.038
RT Minerals	83,333	April 2, 2017	0.05	504	0.006
Rewardstream Solutions	120,000	July 6, 2018	0.50	9,538	0.079
Sunvest Minerals	20,000	September 29, 2017	2.50	339	0.017
Vatic Resources	1,200,000	March 16, 2017	0.10	8,881	0.007
Vatic Resources	500,000	August 12, 2018	0.15	41,502	0.083
<b>Balance, November 30, 2016</b>				<b>1,452,796</b>	
<b>Investment in GIC, November 30, 2016 (b)</b>				<b>34,500</b>	
<b>Total value of investments, November 30, 2016</b>				<b>\$7,384,255</b>	

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

#### 6. INVESTMENTS (continued)

- (a) The market rate of private company investments cannot be verified so the Company has made a provision in the event that the investments become impaired.
- (b) As at May 31, 2017, the Company had two guaranteed investment certificates totalling \$34,500 (November 30, 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 6, 2017 with an interest rate of prime minus 2.1%.

#### 7. INVESTMENTS IN EQUITY METHOD INVESTEES

##### (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 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 during the six months ended May 31, 2017.

#### 8. MINERAL PROPERTY INTERESTS

Property Name	Partner	Balance, November 30, 2016 \$	Additions \$	Impairment \$	Property sales \$	Balance, May 31, 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
Deep Bay/Simon Lake (α)	Dahrouge	7,339	-	-	-	7,339
Deep Lake Cobalt (α)	N/A	80	-	-	-	80
Eastmain River (k) (α)	N/A	3,041	-	-	-	3,041
Covette Property (α)	N/A	-	302,168	-	-	302,168
Covette II Property (α)	N/A	-	3,712	-	-	3,712
Lac Gueret Graphite (α)	N/A	239	-	-	-	239
Lepidolite Claims (m)	N/A	-	2,252	(2,252)	-	-
Munn Lake (b) (α)	Dahrouge	90,652	-	-	-	90,652
Ninuk Lake (n)	N/A	5,483	1,722	-	(7,205)	-
Pashkokogan Lake (α)	N/A	10,800	-	-	-	10,800
Pelican Frac Sands (α)	Dahrouge	7,049	-	-	-	7,049
St Joseph (α)	N/A	36,000	-	-	-	36,000
Roberge Cobalt (n)	N/A	179	-	-	(179)	-
		167,288	309,854	(2,252)	(8,533)	466,357

**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2017****(Unaudited - Expressed in Canadian Dollars)****8. MINERAL PROPERTY INTERESTS (continued)**

Property Name	Partner	Balance,	Additions	Impairment	Property sales	Balance,
		November 30, 2015				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 (α)	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 Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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#### 8. 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. During the six months ended May 31, 2017, \$nil (November 30, 2016: \$70,000) was recognized as revenue from the property sale.

###### *(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.

###### *(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) AB 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. During the six months ended May 31, 2017, 2017, \$140,625 (November 30, 2016: \$56,364) is recognized as revenue from the property sale.

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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#### 8. 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. During the six months ended May 31, 2017, \$nil (November 30, 2016: \$nil) is recognized as revenue from the property sale.

###### *(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 six months ended May 31, 2017, \$47,500 (November 30, 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 six months ended May 31, 2017, \$nil (November 30, 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 six months ended May 31, 2017, \$220,000 (November 30, 2016: \$93,516) is recognized as revenue from the property sale.

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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#### 8. 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 six months ended May 31, 2017, \$nil (November 30, 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 six months ended May 31, 2017, \$nil (November 30, 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 six months ended May 31, 2017, \$nil (November 30, 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 six months ended May 31, 2017, \$31,063 (November 30, 2016: \$nil) is recognized as revenue from the property sale.

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

#### 8. 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 six months ended May 31, 2017, \$39,404 (November 30, 2016: \$nil) is recognized as revenue from the property sale.

#### 9. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value

b) Issued:

There were no common shares issued during the six months ended May 31, 2017 or the year ended November 30, 2016.

c) Share purchase warrants:

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

	May 31, 2017		November 30, 2016	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	529,456	\$ 0.30	2,758,146	\$ 0.66
Expired	-	-	(2,228,690)	0.75
Outstanding, end of period	529,456	\$ 0.30	529,456	\$ 0.30
Weighted average life (years)	0.14		0.64	

At May 31, 2017, the Company had the following share purchase warrants outstanding:

Expiry Date	Exercise Price	Number of warrants
July 21, 2017	\$0.30	529,456

**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2017****(Unaudited - Expressed in Canadian Dollars)****9. SHARE CAPITAL (continued)**

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

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

	<b>May 31, 2017</b>		<b>November 30, 2016</b>	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	84,908	\$ 0.265	144,588	\$ 0.36
Expired/cancelled	-	-	(59,680)	0.50
Outstanding, end of period	84,908	\$ 0.265	84,908	\$ 0.265
Weighted average life (years)	0.03		0.53	

At May 31, 2017, the Company had the following finders warrants outstanding:

Expiry Date	Exercise Price	Number of warrants/options
June 12, 2017	\$0.265	84,908

## 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 (November 30, 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.

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

	<b>May 31, 2017</b>		<b>November 30, 2016</b>	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	2,955,000	\$ 0.35	1,100,000	\$ 0.50
Granted	-	-	1,955,000	0.28
Expired/cancelled	-	-	(100,000)	0.50
Outstanding, end of period	2,955,000	\$ 0.35	2,955,000	\$ 0.35
Weighted average life (years)	3.29		3.79	

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

#### 9. SHARE CAPITAL (continued)

e) Stock Option Plan (continued):

As at May 31, 2017 and November 30, 2016, the Company had the following stock options outstanding:

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

During the six months ended May 31, 2017, share-based payment expense of \$nil (May 31, 2016: \$nil, November 30, 2016: \$393,418) was recognized for the above granted stock options using the Black-Scholes option pricing model with the following assumptions:

	May 31, 2017	November 30, 2016
Risk-free interest rate	N/A	0.62%
Expected life of options	N/A	5 years
Expected volatility	N/A	96%
Expected dividends	N/A	0%
Estimated forfeiture rate	N/A	0%

#### 10. 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.

#### 11. 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

Prepaid Expenses	May 31, 2017 \$	November 30, 2016 \$
Software development expenses	155,033	133,205
Investments, shares issued subsequent the period	100,000	241,390
Others	73,077	7,292
Total prepaid expenses	328,110	381,888

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

#### 12. 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.

#### 13. 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 six months ended May 31, 2017.

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

#### 14. GENERAL AND ADMINISTRATIVE EXPENSES

During the three and six months ended May 31, 2016 and 2015, the Company incurred the following general and administrative expenses:

	Three months ended May 31,		Six months ended May 31,	
	2017	2016	2017	2016
<b>Expenses</b>				
Advertising and promotion	\$ 157,173	\$ 167,411	\$ 276,562	\$ 292,365
Filing fees and transfer agent	10,599	7,580	18,117	18,233
Office, rent and telephone	79,611	68,958	162,038	147,913
Professional fees	35,240	44,070	77,798	124,712
Wages and benefits	402,694	436,606	784,790	871,791
	<b>685,317</b>	<b>724,625</b>	<b>1,319,305</b>	<b>1,455,014</b>

#### 15. RELATED PARTY TRANSACTIONS

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

	Six months ended May 31, 2017	Six months ended May 31, 2016
<b>Key management compensation*</b>	\$	\$
Key management compensation	319,400	427,023
<b>Revenue**</b>	\$	\$
Management administration fees	255,000	397,860

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

#### 15. RELATED PARTY TRANSACTIONS (continued)

<b>Amounts due from (to) related parties</b>	<b>May 31, 2017</b>	<b>November 30, 2016</b>
	<b>\$</b>	<b>\$</b>
Commerce Resources Corp.	-	612,005
Voltaic Minerals Corp. (Note 7(a))	-	43,945
David Hodge, a director	-	(82,537)
Sven Olsson, a director	-	(8,385)
<b>Total amount due from (to) related parties</b>	<b>-</b>	<b>565,028</b>
<b>Loan receivable due from related parties</b>	<b>\$</b>	<b>\$</b>
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	-
<b>Total amount due from related parties</b>	<b>97,754</b>	<b>52,754</b>

\* 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.

#### 16. 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



**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2017****(Unaudited - Expressed in Canadian Dollars)****16. SEGMENT INFORMATION (continued)****For the six months ended May 31, 2017**

	<b>Investment in stock, warrants and others \$</b>	<b>Investment in mineral properties \$</b>	<b>Management services \$</b>	<b>Corporate \$</b>	<b>Total \$</b>
<b>Revenue</b>					
Administrative fees	-	-	360,000	-	360,000
Corporate development fees	-	-	1,231,619	-	1,231,619
Loss on sale of investments	(1,470,818)	-	-	-	(1,470,818)
Income from property sale	-	478,591	-	-	478,591
	(1,470,818)	478,591	1,591,619	-	599,392
Segment assets	11,534,645	466,357	-	1,661,888	13,662,890
Expenditure for segment capital assets	-	309,855	-	-	309,855

**For the six months ended May 31, 2016**

	<b>Investment in stock, warrants and others \$</b>	<b>Investment in mineral properties \$</b>	<b>Management services \$</b>	<b>Corporate \$</b>	<b>Total \$</b>
<b>Revenue</b>					
Administrative fees	-	-	720,360	-	720,360
Corporate development fees	-	-	506,126	-	506,126
Loss on sale of investments	(1,245,907)	-	-	-	(1,245,907)
Income from property sale	-	161,581	-	-	161,581
	(1,245,907)	161,581	1,226,486	-	142,160

**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

**17. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

	<b>Six months ended May 31, 2017</b>	<b>Six months ended May 31, 2016</b>
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Loss on sale of debt	\$ -	\$ 515,900
Shares received for debt	\$ -	\$ 176,423
Shares received for finders' fees	\$ -	\$ 5,000
Shares received for property	\$ 307,500	\$ 126,581

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the six months ended May 31, 2017

(Unaudited - Expressed in Canadian Dollars)

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#### 18. 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 three fiscal years is as follows:

November 30, 2017	\$ 110,176
November 30, 2018	120,192
November 30, 2019	90,144
	<hr/>
	\$ 320,512
	<hr/>

The Company also leases a second office premises under a sub-lease effective June 1, 2014 that expires May 31, 2017. 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 the current fiscal year is as follows:

November 30, 2017	14,139
	<hr/>
	\$ 14,139
	<hr/>

#### 19. COMPARATIVE FIGURES

Certain comparative figures have been reclassified in order to conform to the current year's financial statements presentation.

#### 20. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES

Funds raised through the issuance of flow-through shares are required to be expended on qualified Canadian mineral exploration expenditures, as defined pursuant to Canadian income tax legislation. The flow-through gross proceeds, less the qualified expenditures made to date, represent the funds received from flow-through share issuances that have not been spent.

On June 12, 2015, the Company issued 1,132,170 shares on a flow-through basis at \$0.265 per share for gross proceeds of \$300,025, and recognized a liability on flow-through shares of \$nil, as the market price of the shares was less than the share price on the date of issuance. The funds are to be spent in Quebec, Canada. As at December 31, 2016, the amount of flow-through proceeds that went unspent was \$28,509 (November 30, 2016 - \$300,025) and the liability for flow-through shares related to this private placement is \$nil (November 30, 2016 - \$nil).

On July 21, 2015, the Company issued 238,680 shares on a flow-through basis at \$0.265 per share for gross proceeds of \$63,250, and recognized a liability on flow-through shares of \$8,354. The funds are to be spent in the North West Territories, Canada. At December 31, 2016, the Company has incurred \$63,250 (November 30, 2016 - \$61,720) of qualified expenditures resulting in the reversal of liability on flow-through shares and recorded the related net deferred tax effect of \$8,354 (November 30, 2016 - \$7,929). As at December 31, 2016, the amount of flow-through proceeds remaining to be spent is \$nil and the liability for flow-through shares related to this private placement is \$nil.

**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the six months ended May 31, 2017****(Unaudited - Expressed in Canadian Dollars)****20. LIABILITY AND INCOME TAX EFFECT ON FLOW-THROUGH SHARES (continued)**

	<b>Issued on June 12, 2015</b>	<b>Issued on July 21, 2015</b>	<b>Total</b>
<b>Balance, November 30, 2015</b>	\$ -	\$ 8,354	\$ 8,354
Settlement of flow-through share liability on incurring expenses	-	(7,929)	(7,929)
<b>Balance, November 30, 2016</b>	\$ -	\$ 425	\$ 425
Settlement of flow-through share liability on incurring expenses	-	(425)	(425)
<b>Balance, May 31, 2017</b>	\$ -	\$ -	\$ -

**21. EVENTS AFTER THE REPORTING PERIOD**

- a. On June 12, 2017, 84,908 agent's warrants priced at \$0.265 expired unexercised