Management Discussion and Analysis
For the Six Months Ended May 31, 2018

The following is a discussion and analysis of the operations, results, and financial position of Zimtu Capital Corp. (the "Company") for the six months ended May 31, 2018, and should be read in conjunction with the condensed interim financial statements for the six months ended May 31, 2018, all of which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards ("IFRS").

The effective date of this report is July 16, 2018.

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 February 8, 2018, the Company announced the appointment of Mr. Kevin Bottomley to the board of directors.

On March 18, 2018, the Company announced it had signed an agreement with Maxtech Ventures Inc. for its ZimtuADVANTAGE program.

On March 23, 2018, the Company announced that it retained Venture Liquidity Providers Inc. ("VLP") to initiate its market making service to provide assistance in maintaining an orderly trading market for the common shares of the Company.

On March 26, 2018, the Company announced that 930,000 incentive stock options have been granted to directors, officers, and employees of the Company. The stock options have an exercise price of $0.325 per share and are exercisable for a period of five years from the date of grant. Of the options granted, 570,000 are issuable to directors and officers of the Company.

On March 29,2018, the Company cancelled 210,000 stock options priced at $0.50 with an expiry date of March 31, 2019 and 150,000 stock options priced at $0.50 with an expiry date of April 30, 2019.

On April 12, 2018, the Company announced that 300,000 incentive stock options have been granted to a consultant of the Company. The stock options have an exercise price of $0.355 per share and are exercisable for a period of three years from the date of grant.

<u>Business of the Company</u>

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 Note 6 of the Company's condensed interim financial statements for the six months ended May 31, 2018. 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 17,784,178 common shares of Commerce, with a market value of $1,155,972 ($0.065 per share, as at July 13, 2018).

King's Bay Resources 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 8,401,135 common shares of King's Bay, with a market value of $504,068 ($0.060 per share, as at July 13, 2018).

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 1,103,063 common shares of True Leaf with a market value of $595,654 ($0.54 per share, as at July 13, 2018).

MGX Minerals Inc. (CSE: XMG) ("MGX") is currently leading the transition from fossil fuels to renewables through investments in battery commodities, extraction process and clean technologies. The Company currently has 857,179 common shares of MGX with a market value of $797,176 ($0.93 per share, as at July 13, 2018).

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 May 31, 2018, the Company has interests in the following mineral resource properties:

Property Name	Partner	Balance, November 30, 2017 $	Additions $	Impairment $	Property sales $	Balance, May 31, 2018 $
AB Potash	Dahrouge	84	-	-	-	84
Blue Property	N/A	-	11,797	-	-	11,797
Carlow Lithium	Dahrouge	5,193	-	-	-	5,193
Covette Property	N/A	335,999	71	-	-	336,070
Covette II Property	N/A	3,712	-	-	-	3,712
Deep Bay/Simon Lake	Dahrouge	7,339	1,069	-	-	8,408
Eastmain River	N/A	3,041	-	-	-	3,041
Johnson Croft	N/A	360	-	-	(360)	-
Lac Gueret Graphite	N/A	239	-	-	-	239
Munn Lake	Dahrouge	133,202	29,322	-	-	162,524
Nunavut	Various	12,037	3,001	-	-	15,038
Pelican Frac Sands	Dahrouge	7,049	-	-	-	7,049
Two Creeks	Dahrouge	-	648	-	-	648
Tucha Claims	N/A	2,450	-	-	-	2,450
		510,705	45,908	-	(360)	556,253

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

Property Name	Sold to	Consideration
Garland Property	Altamira Gold Corp. (formerly Equitas Resources Corp.)	$40,000 cash (received) 3,000,000 common shares (2,000,000 received) deal terminated – February 28, 2018
Alberta Lithium/Two Creeks	MGX Minerals Inc.	$10,000 (received) 750,000 common shares (received)
Hidden Lake Lithium	92 Resources Corp.	1,000,000 common shares (received)
Tule Valley Project	Heritage Cannabis Holdings Corp. (formerly Umbral Energy Corp.)	$160,000 (received) 3,000,000 common shares (received)
Ninuk Lake, Roberge Cobalt, and Broadback	King's Bay Resources Corp. (formerly King's Bay Gold Corp.)	$39,000 (received)
Peach River Property	Dahrouge Geological	$40,000 (received)
Deep Lake Cobalt Property	Horizon Cobalt Inc.	$40,000 (received)
Johnson Croft Property	Mr. Karim Rayani	$7,500 ($2,500 received)

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

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.

3. Company Management Services

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

During the six months ended May 31, 2018, the Company has contracts in place with Commerce Resources Corp., Saville Resources Inc., and King's Bay Resources 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:

	2017 $	2016 $	2015 $
Total Revenues	2,493,570	3,001,228	328,319
(Loss) before other items and income taxes	(157,255)	(260,733)	(2,282,645)
(Loss) before other items and income taxes (per share)	(0.01)	(0.02)	(0.16)
(Loss) before other items and income taxes (per share, fully diluted)	(0.01)	(0.02)	(0.16)
Net Income (loss)	5,280,060	938,044	(210,136)
Net Income (loss) (per share)	0.34	0.06	(0.01)
Net income (loss) (per share, fully diluted)	0.34	0.06	(0.01)
Net comprehensive income (loss)	5,280,060	938,044	(210,136)
Net comprehensive income (loss) (per share)	0.34	0.06	(0.01)
Net comprehensive income (loss) (per share, fully diluted)	0.34	0.06	(0.01)
Total assets	14,414,275	9,880,591	8,146,032
Total long term financial liabilities	Nil	Nil	Nil
Cash dividend declared per share	Nil	Nil	Nil

The Company recorded an income of $5,280,060 in the year ended November 30, 2017 compared to an income of $938,044 and a loss of $210,136 in the previous two years respectively. The Company's revenue provided from corporate development and marketing increased while administration fees income decreased. The significant increase in income in 2017 is due to the increase in the unrealized gain of investments held by the Company due to increased market values.

Results of Operations

Net loss for the six months ended May 31, 2018, was $2,034,409 compared to net income of $4,287,874 for the six months ended May 31, 2017, for a difference of $6,322,708.

During the six months ended May 31, 2018, the Company:

- recorded administration fees of $392,500 (2017: $360,000),
- recorded corporate development services income of $638,541 (2017: $1,231,619) for services provided by the ZimtuADVANTAGE program,
- recorded a loss on sale of investments of $429,928 (2017: $1,470,818),
- recorded income from property sales of $449,640 (2017: $478,591),
- recorded an unrealized loss on investments of $1,528,377 (2017: $5,021,872 gain) as the market share prices of the Company's investments appreciated more significantly in the prior year's period,
- recorded a bad debt of $nil (2017: $7,000) for amounts receivable that has been deemed uncollectible,
- recorded interest expense of $nil (2017: $8,099) for interest paid for flow through funds renounced under the look-back rule,
- recorded impairment of mineral properties of $nil (2017: $2,252) for property titles that were allowed to lapse were determined would not be explored,
- recorded a gain on the settlement of debt of $54,750 (2017 - $nil) for the settlement of shares for debt, and
- recorded general and administrative expenses of $1,613,250 (2017: $1,319,305) as detailed below.

General and administrative expenses

During the six months ended May 31, 2018 and 2017, Company incurred the following general and administrative expenses:

	2018	2017
Expenses		
Advertising and promotion	$ 224,755	$ 276,562
Filing fees and transfer agent expenses	16,541	18,117
Office, rent and telephone	142,466	162,038
Professional fees	137,159	77,798
Share-based payments	273,071	-
Wages and benefits	819,258	784,790
	1,613,250	1,319,305

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

- advertising & promotion expenses (2018: $224,755, 2017: $276,562) decreased as the Company used fewer external promotions and relied more on in-house staff,
- filing fees and transfer agent costs (2018: $16,541, 2017: $18,117) for regulatory filings were consistent with the prior year's period,
- office, rent and telephone expenses decreased slightly compared to the prior year's period (2018: $142,466, 2017: $162,038),
- professional fees, including legal, accounting, and consulting fees, increased in the current year's period (2018: $137,159, 2017: $77,798) due to an increase in the hiring of consultants for project specific work,

- share-based payments (2018: $273,071, 2017: $nil) increased due to options granted in the period, and
- wages and benefits increased compared to the prior year's period due to increased staffing requirements (2018: $819,258, 2017: $784,790).

Summary of Quarterly Results

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

	May 31, 2018	**February 28, 2018**	**November 30, 2017**	**August 31, 2017**
	$	$	$	$
Revenue (loss)	107,922	942,831	853,906	1,040,272
Net Income (loss)	(2,249,997)	215,588	1,364,453	(372,692)
Total assets	12,532,802	14,595,890	14,414,275	12,579,623
Working capital	11,534,603	13,532,538	13,341,489	11,993,660
Total liabilities	423,073	509,235	543,208	585,963
Equity	12,109,729	14,086,655	13,871,067	12,506,614

	May 31, 2017	**February 28, 2017**	**November 30, 2016**	**August 31, 2016**
	$	$	$	$
Revenue (loss)	898,414	(299,022)	1,328,139	1,530,929
Net Income (loss)	(118,828)	4,407,127	(2,574,043)	3,506,609
Total assets	13,662,890	14,107,810	9,880,591	12,816,484
Working capital	12,394,076	12,541,410	8,404,846	8,248,322
Total liabilities	783,584	1,109,676	1,289,584	1,651,434
Equity	12,879,306	12,998,134	8,591,007	11,165,050

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 decreased over the last four quarters, as have the associated advertising costs. Share-based compensation costs were incurred in the third quarter of 2016 and the second quarter of 2018 due to the granting of options.

Net loss for the three months ended May 31, 2018, was $2,249,997 compared to net loss of $118,828 for the three months ended May 31, 2017, for a difference of $2,131,169.

During the three months ended May 31, 2018, the Company:

- recorded administration fees of $190,000 (2017: $180,000),
- recorded corporate development services income of $298,333 (2017: $596,059) for services provided by the ZimtuADVANTAGE program,
- recorded a loss on sale of investments of $380,411 (2017: $145,770),
- recorded income from property sales of $nil (2017: $268,125),
- recorded an unrealized loss on investments of $1,475,688 (2017: $335,191) as the market share prices of the Company's investments appreciated more significantly in the prior year's period,
- recorded general and administrative expenses of $882,820 (2017: $685,317) as detailed below.

General and administrative expenses

During the three months ended May 31, 2018 and 2017, Company incurred the following general and administrative expenses:

		2018		2017
Expenses				
Advertising and promotion	$	109,457	$	157,173
Filing fees and transfer agent expenses		10,521		10,599
Office, rent and telephone		70,090		79,611
Professional fees		22,751		35,240
Share-based payments		273,071		-
Wages and benefits		396,930		402,694
		882,820		685,317

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

- advertising & promotion expenses (2018: $109,457, 2017: $157,173) decreased as the Company used fewer external promotions and relied more on in-house staff,
- filing fees and transfer agent costs (2018: $10,521, 2017: $10,599) for regulatory filings were consistent with the prior year's period,
- office, rent and telephone expenses decreased compared to the prior year's period (2018: $70,090, 2017: $79,611),
- professional fees, including legal, accounting, and consulting fees, decreased in the current year's period (2018: $22,751, 2017: $35,240) due to a decrease in the hiring of consultants for project specific work,
- share-based payments (2018: $273,071, 2017: $nil) increased due to options granted in the period, and
- wages and benefits decreased compared to the prior year's (2018: $396,930, 2017: $402,694).

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 $10,200,474 held at fair market value and mineral properties valued at $556,253. 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 May 31, 2018, the Company had total assets of $12,532,802 as compared to $14,414,275 for the year ended November 30, 2017.

The primary assets of the Company as at May 31, 2018 are investments of $10,200,474 (November 30, 2017: $12,556,514) held at fair market value, advances and accounts receivables of $681,699 (November 30, 2017: $729,161), due from related parties of $574,407 (November 30, 2017: $283,429), prepaid expenses of $337,395 (November 30, 2017: $180,675), deposits of $18,873 (November 30, 2017: $18,873), and mineral property interests of $556,253 (November 30, 2017: $510,705).

The Company has long-term liabilities of $nil (November 30, 2017: $nil) and has working capital of $11,534,603 (November 30, 2017: $13,341,489).

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 six months ended May 31, 2018 was $1,094,436, compared with $788,985 of cash used in operating activities during the six months ended May 31, 2017. 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 six months ended May 31, 2018 was $1,123,219, compared to $744,300 of cash provided by investing activities during the six months ended May 31, 2017.

During the six months ended May 31, 2018, the Company:

- spent $1,102,224 (2017 – $1,557,034) on the acquisition of investments,
- received $2,268,851 (2017 – $2,432,188) from the proceeds of disposition of investments,
- received $2,500 (2017 – $179,000) for the sale of mineral property interests, and
- spent $45,908 (2017 – $309,854) 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.

Six months ended May 31,	**2018**	**2017**
Key management compensation*	**$**	**$**
Key management compensation	327,196	319,400
Share-based compensation	129,286	-

Six months ended May 31,	**2018**	**2017**
Revenue**	**$**	**$**
Management administration fees	242,500	255,000
Corp development and advertising income	7,700	-
Other income	1,500	-

Amounts due from related parties	**May 31, 2018 $**	**November 30, 2017 $**
Commerce Resources Corp.	464,407	187,429
Total amount due from related parties	464,407	187,429

Loan receivable due from related parties		
David Hodge, CEO and director	21,000	21,000
Jody Bellefleur, CFO	24,000	24,000
Kevin Bottomley, director	9,000	-
Sean Charland, director	42,000	42,000
Chris Grove, director	14,000	9,000
Total amount due from related parties	110,000	96,000
Total amount due from related parties	574,407	283,429

* 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:

	July 16, 2018	May 31, 2018	November 30, 2017	November 30, 2016
Common Shares	15,394,483	15,394,483	15,394,483	15,394,483
Stock Options	3,010,000	3,010,000	2,140,000	2,955,000
Warrants	-	-	-	529,456
Finders Warrants	-	-	-	84,908
Fully Diluted Shares	18,404,483	18,404,483	17,534,483	18,963,847

For additional details of outstanding share capital, refer to the condensed interim financial statements for the six months ended May 31, 2018.

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 six months ended May 31, 2018

	Investment in stock, warrants and others $	Investment in mineral properties $	Management services $	Corporate $	Total $
Revenue					
Administrative fees	-	-	392,500	-	392,500
Corporate development fees	-	-	638,541	-	638,541
Loss on sale of investments	(429,928)	-	-	-	(429,928)
Income from property sale	-	449,640	-	-	449,640
	(429,928)	449,640	1,031,041	-	1,050,753
Segment assets	10,200,474	556,253	-	1,776,075	12,532,802
Expenditure for segment capital assets	-	45,908	-	-	45,908

For the six months ended May 31, 2017

	Investment in stock, warrants and others $	Investment in mineral properties $	Management services $	Corporate $	Total $
Revenue					
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
For the year ended November 30, 2017					
Segment assets	12,556,514	510,705	-	1,347,056	14,414,275
Expenditure for segment capital assets	-	404,241	-	-	404,241

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.

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, 2018**
	Level 1 **$**	**Level 2** **$**	**Level 3** **$**	**Total** **$**
Fair value through profit or loss				
Cash	163,701	-	-	163,701
GIC	34,500	-	-	34,500
Investment in public company shareholdings	7,870,286	-	-	7,870,286
Investment in private company shareholdings	-	-	105,142	105,142
Investment in warrants	-	2,190,546	-	2,190,546
	8,068,487	2,190,546	105,142	10,364,175

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

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 46% (November 30, 2017: 47%) 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' 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 six months ended May 31, 2018 or the year ended November 30, 2017. The Company is not subject to externally imposed capital requirements.

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, 2017.

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.

Directors and Officers

As at July 16, 2018, the Company had the following directors and officers:

David Hodge – Director, President and CEO
Sean Charland* – Director
Chris Grove* – Director
Kevin Bottomley* – 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.