



**Condensed Interim Financial Statements**

**For the Nine Months Ended August 31, 2019**

(Unaudited - Expressed in Canadian Dollars)

## Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements of Zimtu Capital Corp. for the nine months ended August 31, 2019, 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**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

	August 31, 2019	November 30, 2018
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 105,750	\$ 287,870
Investments (Note 6)	2,917,922	6,474,729
Advances and amounts receivable (Note 7)	920,065	961,603
Prepaid expenses (Note 8 and 17)	565,459	100,387
Convertible note receivable (Note 6f)	47,597	-
Derivative assets (Note 6g)	2,573	-
Due from related parties (Note 9)	1,634,161	1,008,826
	<b>6,193,527</b>	<b>8,833,415</b>
<b>Deposits (Note 17)</b>	<b>15,562</b>	<b>-</b>
<b>Investment in associates (Note 6)</b>	<b>264,197</b>	<b>193,992</b>
<b>Mineral property interests (Note 10)</b>	<b>142,738</b>	<b>142,413</b>
	<b>\$ 6,616,024</b>	<b>\$ 9,169,820</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 68,901	\$ 204,162
GST/HST payable	9,518	24,099
Unearned revenue (Note 11)	229,839	337,240
Promissory notes payable (Note 12)	79,100	83,100
	<b>387,358</b>	<b>648,601</b>
<b>Equity</b>		
Share capital (Note 13)	9,521,822	9,346,662
Reserves	4,920,817	4,920,817
Deficit	(8,213,973)	(5,746,260)
<b>Shareholders' equity</b>	<b>6,228,666</b>	<b>8,521,219</b>
	<b>\$ 6,616,024</b>	<b>\$ 9,169,820</b>

**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 Operation and Comprehensive Income (Loss)**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

	Three months ended August 31,		Nine months ended August 31,	
	2019	2018	2019	2018
<b>Revenue</b>				
Administrative fees	\$ 148,500	\$ 165,000	\$ 473,000	\$ 557,500
Corporate development services	170,906	181,711	608,901	820,252
Income from property sale (Note 10)	23,500	17,736	23,500	467,376
	<b>342,906</b>	<b>364,447</b>	<b>1,105,401</b>	<b>1,845,128</b>
<b>Expenses</b>				
General and administrative expenses (Note 14)	550,292	567,593	1,780,714	2,180,843
<b>Income (loss) before other items</b>	<b>(207,386)</b>	<b>(203,146)</b>	<b>(675,313)</b>	<b>(335,715)</b>
<b>Other items</b>				
Interest income	583	447	959	1,236
Unrealized gain (loss) on investments	488,623	(2,228,320)	(14,942)	(3,756,697)
Unrealized gain (loss) on note receivable	75,250	-	112,875	-
Gain on purchase/sale of debt	-	-	-	648
Gain on settlement of debt (Note 18)	-	-	-	54,750
Gain (loss) on sale of investments	(1,943,085)	261,681	(1,850,607)	(168,247)
Income from sale of software (Note 19)	-	135,321	-	135,321
Unrealized gain (loss) on derivative assets (Note 6g)	(208)	-	(208)	-
Write off marketable securities	-	-	(1,932)	-
Bad debts	(4,500)	-	(4,500)	-
Equity gain (loss) on affiliate (Note 6e)	(26,495)	-	(54,895)	-
Other income (expense)	20,850	-	20,850	278
	<b>(1,388,982)</b>	<b>(1,830,871)</b>	<b>(1,792,400)</b>	<b>(3,732,711)</b>
<b>Net income (loss) and comprehensive income for the period</b>	<b>\$ (1,596,368)</b>	<b>\$ (2,034,017)</b>	<b>\$ (2,467,713)</b>	<b>\$ (4,068,426)</b>
<b>Basic earnings (loss) per share</b>	<b>\$ (0.10)</b>	<b>\$ (0.13)</b>	<b>\$ (0.16)</b>	<b>\$ (0.26)</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ (0.08)</b>	<b>\$ (0.11)</b>	<b>\$ (0.13)</b>	<b>\$ (0.22)</b>
<b>Weighted average number of common shares outstanding</b>				
– basic	16,106,483	15,394,483	15,714,395	15,394,483
– diluted	19,578,483	18,404,483	19,186,395	18,404,483

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

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Changes in Equity**  
**As at August 31, 2019 and 2018**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

<b>Share Capital</b>					
	<b>Number of Shares</b>	<b>Amount</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Equity</b>
<b>Balance, November 30, 2017</b>	<b>15,394,483</b>	<b>\$ 9,346,662</b>	<b>\$ 4,647,746</b>	<b>\$ (123,341)</b>	<b>\$ 13,871,067</b>
Share-based compensation	-	-	273,071	-	273,071
Net (loss) for the period	-	-	-	(4,068,426)	(4,068,426)
<b>Balance, August 31, 2018</b>	<b>15,394,483</b>	<b>\$ 9,346,662</b>	<b>\$ 4,920,817</b>	<b>\$ (4,191,767)</b>	<b>\$ 10,075,712</b>

<b>Share Capital</b>					
	<b>Number of Shares</b>	<b>Amount</b>	<b>Reserves</b>	<b>Deficit</b>	<b>Total Equity</b>
<b>Balance, November 30, 2018</b>	<b>15,394,483</b>	<b>\$ 9,346,662</b>	<b>\$ 4,920,817</b>	<b>\$ (5,746,260)</b>	<b>\$ 8,521,219</b>
Shares issued for cash	712,000	178,000	-	-	178,000
Share issuance costs	-	(2,840)	-	-	(2,840)
Net (loss) for the period	-	-	-	(2,467,713)	(2,467,713)
<b>Balance, August 31, 2019</b>	<b>16,106,483</b>	<b>\$ 9,521,822</b>	<b>\$ 4,920,817</b>	<b>\$ (8,213,973)</b>	<b>\$ 6,228,666</b>

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

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Cash Flows**  
**For the nine months ended August 31, 2019 and 2018**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

	<b>2019</b>	<b>2018</b>
<b>Operating Activities</b>		
Net income (loss) for the period	\$ (2,467,713)	\$ (4,068,426)
Items not involving cash		
Loss on sale of investments	(1,850,607)	168,247
Unrealized (gain) loss of investments	14,942	3,756,697
Income from property revenue	(23,500)	(467,375)
Gain on purchase of debt	-	(648)
Gain on settlement of debt	-	(54,750)
Income from sale of software	-	(135,321)
Shares received from spinoff of investment	(20,850)	-
Interest income accrued	(378)	-
Loss on derivative assets	208	-
Equity loss of affiliates	54,895	-
Unrealized loss on promissory notes	(112,875)	-
Shares received for debt	-	(321,392)
Investment shares issued for finder's fees	9,200	-
Share-based payments	-	273,071
Write-off marketable securities	1,932	-
Changes in non-cash working capital		
Advances and amounts receivable	(485,503)	(20,637)
Prepaid expenses	(480,634)	(5,675)
Promissory notes	(4,000)	(7,000)
Unearned revenue	(107,401)	327,915
Accounts payable and accrued liabilities	(135,261)	(634,741)
<b>Cash provided by (used in) operating activities</b>	<b>(5,607,545)</b>	<b>(1,190,035)</b>
<b>Investing Activities</b>		
Acquisition of investments	(1,394,983)	(1,776,201)
Proceeds on disposition of investments	6,672,073	3,074,839
Purchase of convertible notes	(50,000)	-
Mineral property expenditures	(26,825)	(86,388)
Proceeds on disposition of mineral properties	50,000	363,750
<b>Cash provided by (used) in investing activities</b>	<b>5,250,265</b>	<b>1,576,000</b>
<b>Financing Activities</b>		
Issuance of shares	178,000	-
Share issuance costs	(2,840)	-
<b>Cash provided by (used) in investing activities</b>	<b>175,160</b>	<b>-</b>
<b>Change in cash during the period</b>	<b>(182,120)</b>	<b>385,965</b>
<b>Cash, beginning of period</b>	<b>287,870</b>	<b>134,918</b>
<b>Cash, end of period</b>	<b>\$ 105,750</b>	<b>\$ 520,883</b>

Supplemental disclosure with respect to cash flows (Note 16)

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 Nine Months Ended August 31, 2019 and 2018 Expressed in Canadian Dollars (Unaudited – prepared by management)

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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 October 23, 2019.

### 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
- 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.
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;

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

## **Zimtu Capital Corp.**

### **Notes to the Condensed Interim Financial Statements For the Nine Months Ended August 31, 2019 and 2018 Expressed in Canadian Dollars (Unaudited – prepared by management)**

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

##### **Income Taxes**

Deferred tax assets and liabilities are determined based on differences between the financial statement carrying values of assets and liabilities and their respective income tax bases (“temporary differences”) and losses carried forward. The determination of the ability of the Company to utilize tax loss carry-forwards to offset deferred tax liabilities requires management to exercise judgement and make certain assumptions about the future performance of the Company. Management is required to assess whether it is “probable” that the Company will benefit from these prior losses and other deferred tax assets. Changes in economic conditions and other factors could result in revisions to the estimates of the benefits to be realized or the timing of utilization of the losses.

##### **Fair value of investment in warrants**

Management uses Black-Scholes option pricing model in measuring the fair value of investment in warrants, where active market quotes are not available. In applying the valuation technique, management is required to determine and make assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

##### **Fair value of share-based compensation**

Management measures the fair value of equity-settled share-based transactions with employees and directors by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. The Company uses Black-Scholes option pricing model. This estimate also requires determining and making assumptions about the most appropriate inputs to the valuation model including the expected life, volatility, dividend yield and forfeiture rate. Such assumptions are inherently uncertain and changes in these assumptions affect the fair value estimates.

##### **Valuation of accounts receivable**

The Company reviews the accounts receivable balances on a regular basis and estimates the likelihood of collection and records allowance for estimated losses. Management bases its estimates on historical experience and other relevant factors.

##### **Fair value of promissory notes receivable**

Management uses valuation techniques in measuring the fair value of promissory notes receivable, where active market quotes are not available. Details of the assumptions used are given in the note 7 to these financial statements. In applying the valuation technique, management makes use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

#### **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, 2018. Therefore, these condensed interim financial statements should be read in conjunction with the Company’s audited financial statements for the year ended November 30, 2018.



## Zimtu Capital Corp.

Notes to the Condensed Interim Financial Statements  
For the Nine Months Ended August 31, 2019 and 2018  
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### 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.

	August 31, 2019			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Fair value through profit or loss</b>				
Cash	105,750	-	-	105,750
Promissory note receivables (Note 7)	624,083	-	-	624,083
Promissory note receivables – related parties (Note 9)	376,167	-	-	376,167
GIC (Note 6d)	34,500	-	-	34,500
Convertible note receivable (Note 6f)	47,597	-	-	47,597
Derivative asset (Note 6g)	2,573	-	-	2,573
Investment in public company shareholdings (Note 6a)	2,328,807	-	-	2,328,807
Investment in private company shareholdings (Note 6c)	-	-	212,504	212,504
Investment in warrants (Note 6b)	-	342,111	-	342,111
	<u>3,519,477</u>	<u>342,111</u>	<u>212,504</u>	<u>4,074,092</u>

	November 30, 2018			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Fair value through profit or loss</b>				
Cash	287,870	-	-	287,870
Promissory note receivables (Note 7)	516,208	-	-	516,208
Promissory note receivables – related parties (Note 9)	319,417	-	-	319,417
GIC (Note 6d)	34,500	-	-	34,500
Investment in public company shareholdings (Note 6a)	5,126,697	-	-	5,126,697
Investment in private company shareholdings (Note 6c)	-	-	277,349	277,349
Investment in warrants (Note 6b)	-	1,036,183	-	1,036,183
	<u>6,284,692</u>	<u>1,036,183</u>	<u>277,349</u>	<u>7,598,224</u>

## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements For the Nine Months Ended August 31, 2019 and 2018 Expressed in Canadian Dollars (Unaudited – prepared by management)

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

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 57% (November 30, 2018: 50%) of the Company's administrative revenue.

d) Currency risk - The Company is not exposed to significant currency risk on fluctuations considering that its assets and liabilities are stated in Canadian dollars.

e) Liquidity risk - Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they come due. The Company's liquidity and operating results may be adversely affected as a result of downturn in stock market conditions generally or related to matters specific to the Company, or if the value of the Company's investments declines, resulting in losses upon disposition. The Company generates cash flow primarily from its administrative activities and proceeds from the disposition of its investments. The Company has sufficient investments that are freely tradable and relatively liquid to fund its obligations as they become due under normal operating conditions.

f) Market risk - Market risk is the risk that the fair value of or future cash flows from the Company's financial instruments will significantly fluctuate because of changes in market prices. The Company is exposed to market risk in trading its investments and unfavourable market conditions could result in dispositions of investments at less than favourable prices.

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily across several sectors in the natural resource industry, potash, precious metals, base metals, coal, graphite, rare earth elements, and rare metals. The Company also has set thresholds on purchases of investments. Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar. The Company is not exposed to commodity price at this time.

g) Capital management - The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to meet its daily operating expenses. The Company may raise additional capital for additional cash required. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to identify and acquire new investment or business opportunities.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended August 31, 2019 and the year ended November 30, 2018. The Company is not subject to externally imposed capital requirements.

## Zimtu Capital Corp.

Notes to the Condensed Interim Financial Statements  
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### 6. INVESTMENTS

#### Investment continuity schedule

	Investment in public companies	Investment in private companies	Warrants	GIC	Total
	(a)	(b)	(c)		
<b>Balance, November 30, 2017</b>	<b>\$ 9,999,972</b>	<b>\$ 7,500</b>	<b>\$ 2,514,542</b>	<b>\$ 34,500</b>	<b>\$ 12,556,514</b>
Cost of Shares/warrants acquired	3,200,503	29,936	395,596	-	3,626,034
Shares disposed/warrants exercised	(4,408,778)	(52,500)	(303,413)	-	(4,575,374)
Fair value change	(3,665,000)	292,413	(1,570,542)	-	(5,132,445)
<b>Balance, November 30, 2018</b>	<b>\$ 5,126,697</b>	<b>\$ 277,349</b>	<b>\$ 1,036,183</b>	<b>\$ 34,500</b>	<b>\$ 6,474,729</b>
Cost of Shares/warrants acquired	939,885	208,000	139,583	-	1,287,468
Shares disposed/ warrants exercised	(4,679,467)	-	(139,583)	-	(4,819,050)
Investment reclassification	272,844	(272,844)	-	-	-
Shares received from spinoff	20,850	-	-	-	20,850
Write-off	(1,932)	-	-	-	(1,932)
Shares issued for finder's fees	(9,200)	-	-	-	(9,200)
Fair value change	659,130	(1)	(694,072)	-	(34,943)
<b>Balance, August 31, 2019</b>	<b>\$ 2,328,807</b>	<b>\$ 212,504</b>	<b>\$ 342,111</b>	<b>\$ 34,500</b>	<b>\$ 2,917,922</b>

## Zimtu Capital Corp.

Notes to the Condensed Interim Financial Statements  
For the Nine Months Ended August 31, 2019 and 2018  
Expressed in Canadian Dollars  
(Unaudited – prepared by management)

### 6. INVESTMENTS (continued)

#### (a) Investment in public company shareholdings

	Number of Shares	Investments at fair value through profit or loss as at August 31, 2019			
		Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
92 Resources	3,126,720	251,941	0.08	140,702	0.045
ALX Uranium	1,181,998	196,799	0.17	47,280	0.040
Alpha Lithium	647,250	96,037	0.15	64,725	0.100
Arctic Star Exploration	3,067,358	276,909	0.09	107,358	0.035
Aston Bay Holdings	1,024,432	185,088	0.18	56,344	0.055
Belmont Resources	462,500	77,020	0.17	25,438	0.055
Blue Star Gold	435,000	21,750	0.05	28,275	0.065
Bluenose Gold	33,333	7,105	0.21	4,667	0.140
Canadian Energy Materials	350,000	56,000	0.16	19,250	0.055
Commerce Resources	260,099	282,803	1.09	80,631	0.310
Cresval Capital	500,000	100,000	0.20	15,000	0.030
Crown Mining	570,000	39,530	0.07	28,500	0.050
Emerita Gold	1,040,000	304,018	0.29	72,800	0.070
Fanlogic Interactive	100,000	50,000	0.50	1,000	0.010
Greatbanks Resources	100,000	30,000	0.30	6,000	0.060
Group Ten Metals	800,000	48,000	0.06	144,000	0.180
Indigo Exploration	715,000	200,653	0.28	7,150	0.010
Indiva Exploration	6,218	86,250	13.87	2,238	0.360
International Montoro	600,000	30,000	0.05	24,000	0.040
Khiron Life Sciences	208	525	2.52	300	1.44
King's Bay Resources	5,600,000	372,428	0.07	224,000	0.040
Maple Gold Mines	1,299,000	163,810	0.13	116,910	0.090
Margaret Lake Diamonds	760,000	91,200	0.12	22,800	0.030
Maxtech Ventures	661,000	160,100	0.24	19,830	0.030
Megastar Development	150,000	9,770	0.07	22,500	0.150
MGX Minerals	964,846	659,487	0.68	164,024	0.170
MGX Renewables	628,399	156,780	0.25	69,124	0.110
MinKap Resources	1,008,333	413,363	0.41	50,417	0.050
Mountain Boy Minerals	100,000	30,000	0.30	23,000	0.230
Nouveau Life	230,000	50,051	0.22	138	0.001
Pacific Silk Road	145,000	119,011	0.82	3,625	0.025
Parcelpal	13,500	1,012	0.07	2,093	0.155
Pistol Bay	3,200,000	184,872	0.06	112,000	0.035
Prospera Energy	1,500,000	105,000	0.07	75,000	0.050
Red Oak Mining	100,000	12,000	0.12	3,000	0.030
Sanatana Resources	300,000	12,150	0.04	10,500	0.035
Saville Resources	6,871,000	354,260	0.05	343,550	0.050
Ultracharge	1,200,000	53,758	0.04	1,072	0.001
Vatic Resources	467,522	35,070	0.15	46,760	0.100
VOIP	226,000	26,217	0.12	3,606	0.016
White Metal Resources	180,000	4,500	0.03	7,200	0.040
Ximen Mining	300,000	142,815	0.48	132,000	0.440
<b>Balance, August 31, 2019</b>		<b>5,498,082</b>		<b>2,328,807</b>	

## Zimtu Capital Corp.

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### 6. INVESTMENTS (continued)

#### (a) Investment in public company shareholdings (continued)

	Investments at fair value through profit or loss as at November 30, 2018				
	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
92 Resources	3,126,720	251,941	0.08	109,435	0.035
Altamira Gold	100,000	60,627	0.61	7,500	0.075
ALX Uranium	2,431,998	404,949	0.17	194,560	0.080
Arctic Star Exploration	4,241,358	468,161	0.11	275,688	0.065
Belmont Resources	5,540,667	256,766	0.05	277,033	0.050
Bluenose Gold	33,333	7,105	0.21	5,333	0.160
Canadian Energy Materials	350,000	56,000	0.16	52,500	0.150
Canada Cobalt Works	100,000	19,469	0.19	56,000	0.560
Cobalt Power Group	26,250	15,682	0.60	394	0.015
Commerce Resources	17,784,178	2,691,494	0.15	1,067,051	0.060
Cresval Capital	500,000	100,000	0.20	25,000	0.050
Crown Mining	723,166	50,098	0.07	75,932	0.105
Emerita Gold	3,200,000	283,218	0.09	48,000	0.015
Equitorial Resources	400,000	16,230	0.04	18,000	0.045
Fanlogic Interactive	100,000	50,000	0.50	3,000	0.030
First Cobalt	48,034	89,478	1.86	11,048	0.230
Greatbanks Resources	1,000,000	30,000	0.03	15,000	0.015
Group Ten Metals	900,000	54,000	0.06	130,500	0.145
Indigo Exploration	715,000	200,653	0.28	10,725	0.015
Indiva Exploration	6,218	86,250	13.87	3,233	0.520
Kapuskasing Gold	6,050,000	413,363	0.07	90,750	0.015
Khiron Life Sciences	208	525	2.52	308	1.480
King's Bay Resources	6,026,135	400,553	0.07	241,045	0.040
Maple Gold Mines	1,299,000	163,810	0.13	123,405	0.095
Margaret Lake Diamonds	833,333	100,000	0.12	29,167	0.035
Maxtech Ventures	661,000	160,100	0.24	125,590	0.190
Megastar Development	150,000	9,770	0.07	6,000	0.040
MGX Minerals	859,179	621,992	0.72	386,630	0.450
Montan Mining	5,333	1,932	0.36	187	0.035
Mountain Boy Minerals	331,400	99,420	0.30	71,251	0.215
Nickel One	2,051,000	102,550	0.05	51,275	0.025
Nouveau Life	230,000	50,051	0.22	138	0.001
NRG Metals	300,000	26,230	0.09	27,000	0.090
Pacific Silk Road	145,000	119,011	0.82	2,900	0.020
Parcelpal	1,055,000	54,432	0.05	258,475	0.245
Pistol Bay	4,007,500	268,475	0.07	120,225	0.030
Prospera Energy	1,500,000	105,000	0.07	135,000	0.090
Redfund Capital	533,333	100,000	0.19	160,000	0.300
Red Oak Mining	100,000	12,000	0.12	32,000	0.320
Sanatana Resources	300,000	12,150	0.04	16,500	0.055
Saville Resources	6,671,000	345,110	0.05	233,485	0.035
Sunvest Metals	2,150	5,072	2.36	86	0.040
True Leaf Medicine	1,003,063	152,500	0.15	436,332	0.435
Ultracharge	1,200,000	53,758	0.04	11,653	0.010
Vatic Resources	467,522	70,128	0.15	28,051	0.060
VOIP	226,000	26,217	0.12	22,504	0.100
Voltaic Minerals	647,250	96,037	0.15	110,033	0.170
White Metal Resources	180,000	4,500	0.03	9,900	0.055
WPC Resources	435,000	21,750	0.05	10,875	0.025
<b>Balance, November 30, 2018</b>		<b>8,788,557</b>		<b>5,126,697</b>	

**Zimtu Capital Corp.****Notes to the Condensed Interim Financial Statements****For the Nine Months Ended August 31, 2019 and 2018****Expressed in Canadian Dollars****(Unaudited – prepared by management)****6. INVESTMENTS (continued)****(b) Investments in warrants**

	<b>Number of Warrants</b>	<b>Expiry Date</b>	<b>Weighted Average Exercise Price</b>	<b>Fair Value</b>	<b>Fair Value \$/Warrant</b>
ALX Uranium Corp.	500,000	May 16, 2020	0.20	3,353	0.007
Alpha Lithium	645,000	April 23, 2020	0.20	-	0.000
Arctic Star Exploration	260,500	June 30, 2020	0.40	-	0.000
Arctic Star Exploration	1,219,361	November 23, 2019	0.15	355	0.000
Arctic Star Exploration	1,000,000	June 4, 2020	0.25	811	0.001
Arctic Star Exploration	1,100,000	March 26, 2021	0.08	9,559	0.009
Belmont Resources	162,500	March 8, 2020	0.40	1,026	0.006
Belmont Resources	250,000	July 23, 2020	0.64	1,581	0.006
Belmont Resources	162,500	February 14, 2020	0.40	872	0.005
Belmont Resources	200,000	June 28, 2021	0.08	10,852	0.054
Canadian Energy Materials	175,000	January 5, 2020	0.25	-	0.000
Copper North	120,000	November 4, 2020	0.50	-	0.000
Emerita Resources	100,000	December 20, 2019	1.00	-	0.000
Golden Dawn	300,000	September 7, 2019	0.60	-	0.000
Group Ten	1,000,000	February 27, 2020	0.12	68,870	0.069
International Montoro	600,000	March 20, 2021	0.10	9,347	0.016
King's Bay Resources	3,386,703	December 30, 2019	0.12	2,284	0.001
King's Bay Resources	2,625,000	June 8, 2020	0.10	18,289	0.007
MGX Renewables	400,000	November 30, 2020	0.35	14,632	0.037
Margaret Lake Diamonds	833,333	April 16, 2021	0.20	10,280	0.012
Maxtech Ventures	286,000	March 9, 2020	0.45	-	0.000
MGX Minerals	100,000	December 27, 2020	1.15	409	0.004
MGX Minerals	416,667	December 21, 2021	0.67	12,342	0.030
MinKap Resources	83,333	October 24, 2020	0.30	1,230	0.015
Palladium One	512,750	March 19, 2020	0.20	11,722	0.023
Pistol Bay	2,250,000	April 25, 2020	0.06	11,690	0.005
Pistol Bay	2,000,000	November 28, 2020	0.06	24,671	0.012
Redfund Capital	533,333	August 1, 2020	0.55	17,703	0.033
Saville Resources	2,000,000	September 28, 2020	0.10	27,016	0.014
Vatic Resources	233,800	January 11, 2021	0.10	10,976	0.047
Ximen Mining	300,000	January 4, 2021	0.30	72,241	0.241
<b>Balance, August 31, 2019</b>				<b>342,111</b>	

## Zimtu Capital Corp.

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### 6. INVESTMENTS (continued)

#### (b) Investments in warrants (continued)

	Number of Warrants	Expiry Date	Weighted Average Exercise Price	Fair Value	Fair Value \$/Warrant
92 Resources	2,750,000	Various	0.14	2,378	0.001
Altamira Gold Corp.	58,333	April 5, 2019	0.33	-	0.000
ALX Uranium Corp.	500,000	May 16, 2019	0.20	6,127	0.012
Arctic Star Exploration	3,747,361	Various	0.17	25,641	0.007
Belmont Resources	7,575,667	Various	0.08	130,027	0.017
Berkwood Resources	838,650	Various	0.39	2,786	0.003
Canada Cobalt Works	416,666	March 16, 2019	0.20	151,656	0.364
Canadian Energy Materials	175,000	January 5, 2020	0.25	2,387	0.014
Commerce Resources	14,000,000	May 26, 2019	0.10	65,782	0.005
Copper North	120,000	November 4, 2020	0.50	428	0.004
Crown Mining	666,666	May 13, 2019	0.15	21,356	0.032
Emerita Resources	500,000	December 20, 2019	0.20	-	0.000
Golden Dawn	300,000	September 7, 2019	0.60	-	0.000
Group Ten	1,000,000	February 27, 2020	0.12	55,614	0.056
Kapuskasung	3,000,000	Various	0.12	4,537	0.002
King's Bay	7,011,703	Various	0.16	43,065	0.006
Maple Gold Mines	465,000	July 25, 2019	0.13	7,034	0.015
Margaret Lake Diamonds	833,333	April 16, 2021	0.20	13,777	0.017
Maxtech Ventures	286,000	March 9, 2020	0.45	23,849	0.083
MGX	100,000	December 27, 2020	1.15	15,347	0.153
Mountain Boy	333,400	March 15, 2019	0.50	4,579	0.014
Nickel One	2,770,660	Various	0.10	12,867	0.005
Parcelpal	750,000	October 24, 2019	0.075	132,479	0.177
Pistol Bay	2,250,000	April 25, 2020	0.08	20,366	0.009
Prospera Energy	750,000	May 22, 2019	0.14	28,634	0.038
Redfund Capital	533,333	August 1, 2020	0.55	133,384	0.250
Rockcliff Metals	555,667	August 29, 2019	0.36	28,855	0.052
Saville Resources	6,000,000	September 28, 2020	0.10	99,660	0.017
Vatic Resources	467,522	February 1, 2019	0.30	-	0.000
Voltaic Minerals	645,000	April 23, 2020	0.20	3,568	0.006
<b>Balance, November 30, 2018</b>				<b>1,036,183</b>	

#### (c) Investment in Private Companies

	Investments at fair value through profit or loss as at August 31, 2019				
	# of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Avalon Bridge	500,000	25,000	0.05	25,000	0.050
District One Exploration	160,000	8,000	0.05	8,000	0.050
Corsurex Resources	18,906	-	0.00	1,890	0.100
Hexa Resources	601,809	55,142	0.09	127,614	0.201
S1 Capital	100,000	50,000	0.50	50,000	0.500
<b>Balance, August 31, 2019</b>		<b>138,142</b>		<b>212,504</b>	
	Investments at fair value through profit or loss as at November 30, 2018				
	# of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Avalon Bridge	500,000	25,000	0.05	25,000	0.050
Corsurex Resources	18,906	-	0.00	1,890	0.100
Hexa Resources	601,809	55,142	0.09	127,615	0.201
Jack's Fork Exploration	2,307,500	239,388	0.10	72,844	0.030
S1 Capital	100,000	50,000	0.50	50,000	0.500
<b>Balance, November 30, 2018</b>		<b>369,530</b>		<b>277,349</b>	

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**6. INVESTMENTS (continued)**

**(d) Investment in GIC**

As at August 31, 2019, the Company had two guaranteed investment certificates totaling \$34,500 (November 30, 2018: \$34,500). Of the total, \$23,000 matures on March 5, 2020 with an interest rate of prime minus 2.6%. The remaining \$11,500 matures on July 8, 2020 with an interest rate of prime minus 2.7%.

**(e) Investment in Associates**

	Core Assets	Dimension Five	Total
At November 30, 2017	\$ -	\$ -	\$ -
Shares received for sale of software (Note 19)	-	300,000	300,000
Sale of shares (Note 19)	-	(180,000)	(180,000)
Purchase of shares in private placement	-	100,000	100,000
Loss from equity investee	-	(26,008)	(26,008)
At November 30, 2018	-	193,992	193,992
Acquisition of shares	105,100	-	105,100
Fair market value adjustment	-	20,000	20,000
Loss from equity investee	(1,519)	(53,376)	(54,895)
At August 31, 2019	\$ 103,581	\$ 160,616	\$ 264,197

On July 1, 2018, the Company received 10,000,000 shares of Dimension Five Technologies Inc. (“D5”) valued at \$300,000 for the sale of the Zimtu App (see Note 19) and immediately sold 6,000,000 of the received shares to management and employees of the Company, for \$0.03 per share for gross proceeds of \$180,000, all covered by promissory notes. On July 27, 2018, the Company acquired 2,000,000 shares valued at \$0.05 in a private placement. During the nine months ended August 31, 2019, the investment was adjusted for \$53,376 (August 31, 2018: \$nil) of equity loss due to the decrease of net assets of D5. As at August 31, 2019, the Company holds 6,000,000 shares of D5, equal to 26% (November 30, 2018: 26%) of D5’s outstanding common shares.

On August 14, 2019, the Company acquired 5,250,000 shares of Core Assets Corp. (“Core”), a private company with common directors, valued at \$105,100. During the nine months ended August 31, 2019, the investment was adjusted for \$1,519 (August 31, 2018: \$nil) of equity loss due to the decrease of net assets of Core. As at August 31, 2019, the Company holds 5,250,000 shares of Core, equal to 34% (November 30, 2018: nil%) of Core’s outstanding common shares. See Note 10f and Note 10g.

The financial information of D5 and Core as of August 31, 2019 and November 30, 2018 are presented as follows:

	Core August 31, 2019	Core November 30, 2018	D5 August 31, 2019	D5 November 30, 2018
	\$	\$	\$	\$
Current assets	344,291	-	270,867	443,018
Non-current assets	86,664	-	300,000	300,000
Current liabilities	(11,859)	-	(56,336)	(28,267)
Shareholders’ equity	(419,096)	-	(514,531)	(714,751)

<b>Dimension Five</b>	December 1, 2018 to August 31, 2019	July 1, 2018 to November 30, 2018
	\$	\$
Revenue	112,814	50,000
Total expenses	318,116	165,656
Net loss for the period	(205,302)	(115,656)



## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements For the Nine Months Ended August 31, 2019 and 2018 Expressed in Canadian Dollars (Unaudited – prepared by management)

#### 6. INVESTMENTS (continued)

##### (e) Investment in Associates (continued)

Core Assets	December 1, 2018 to August 31, 2019	July 1, 2018 to November 30, 2018
	\$	\$
Revenue	-	-
Total expenses	14,780	-
Net loss for the period	(14,780)	-

##### (f) Convertible Note Receivable

On August 8, 2019, the Company acquired a convertible note in the principal amount of \$50,000 from King's Bay Resources Corp. ("King's Bay"), a public company on the TSX Venture Exchange. The note will mature in one year and bears interest at 12% per annum, payable at maturity. The principal amount of the note is convertible at the option of the subscriber at any time into units ("Units") of the Company at a conversion of \$0.20 per Unit. Each Unit consists of one common share of the Issuer and one common share purchase warrant ("Warrant"). Each Warrant shall entitle the holder to purchase one common shares of the Company for a period of 2 years at an exercise price of \$0.35 during the first year and \$0.60 during the second year. See Note 6g.

	August 31, 2019	November 30, 2018
	\$	\$
Balance, beginning of period	-	-
Principal amount	50,000	-
Fair value of conversion feature, inception (Note 6g)	(955)	-
Fair value of warrants, inception (Note 6g)	(1,826)	-
Interest receivable	378	-
Balance, end of period	47,597	-

##### (g) Derivative Assets

Details of the Company's derivative assets are as follows:

Derivative assets are comprised of the conversion feature of the Note and the of the warrants associated with the Note. The fair value of these derivative assets was calculated as follows:

	August 31, 2019	August 31, 2018
	\$	\$
Fair value of conversion feature, inception	955	-
Mark to market derivative gain	(112)	-
	843	-
Fair value of warrants, inception	1,826	-
Mark to market derivative gain	(96)	-
	1,730	-
Balance, end of period	2,573	-

The change in fair value of the conversion feature and warrants resulted in an increase in the Company's net loss, due to a decrease of \$208 (August 31, 2018 - \$nil) in the fair value for the nine months ended August 31, 2019.

## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements For the Nine Months Ended August 31, 2019 and 2018 Expressed in Canadian Dollars (Unaudited – prepared by management)

#### 6. INVESTMENTS (continued)

##### (g) Derivative Assets (continued)

###### Black-Scholes Assumptions

The fair value of the conversion feature and common share purchase warrants were determined using the Black-Scholes option pricing model under the following assumptions:

	August 31, 2019	August 31, 2018
Expected dividend yield (%)	0%	n/a
Average risk-free interest rate (%)	1.41%	n/a
Expected life (years)	1.0	n/a
Expected volatility (%)	118.18%	n/a

#### 7. ADVANCES AND AMOUNTS RECEIVABLE

The Company's current advances and amounts receivable consists 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.

Promissory notes are issued to management and employees for the private sale of shares. These notes are non-interest bearing, have specific dates of repayment but due on demand, and hold share certificates as collateral. The borrowers have the option of repaying by either cash based on the nominal amount of the notes or the underlying shares. The fair values of the promissory notes as at each reporting date are determined as the lower of the market value of the underlying shares and the nominal loan amount.

	August 31, 2019 \$	November 30, 2018 \$
Accounts receivable	359,837	509,250
Allowance for doubtful accounts	(63,855)	(63,855)
Accounts receivable – net of allowance:	295,982	445,395
Promissory note receivable – nominal value	649,500	609,750
Promissory note receivable – Fair value Change	(25,417)	(93,542)
Promissory note receivable – Fair value	624,083	516,208
Total advances and amounts receivable:	920,065	961,603

As at August 31, 2019, accounts receivable of \$63,855 (November 30, 2018: \$63,855) were impaired and fully provided by allowance. See below for the movements in the provision for impairment of receivable:

	\$
As of November 30, 2017	309,403
Charge for the year	16,787
Utilized	(262,335)
As of August 31, 2019 and November 30, 2018	63,855

## Zimtu Capital Corp.

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### 8. PREPAID EXPENSES

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

	August 31, 2019	November 30, 2018
	\$	\$
Prepaid share subscriptions	484,677	55,000
Deposits (Note 17)	3,310	18,873
Others	77,472	26,514
Total prepaid expenses	565,459	100,387

### 9. RELATED PARTY TRANSACTIONS

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

Nine Months ended August 31, Key management compensation*	2019	2018
	\$	\$
Key management compensation	505,281	492,196
Share-based compensation	-	129,286

Nine Months ended August 31, Revenue**	2019	2018
	\$	\$
Management administration fees	270,000	270,000
Corp development and advertising income	11,111	9,700
Other income	-	1,500
<b>Expenses</b>		
Licensing fees (Note 19)	96,300	-

Amounts due from related parties	August 31, 2019	November 30, 2018
	\$	\$
Commerce Resources Corp.	1,257,994	684,309
<b>Promissory note receivable - Fair Value</b>		
David Hodge, CEO and director	57,500	52,250
Jody Bellefleur, CFO	32,000	25,000
Kevin Bottomley, director	116,500	113,750
Sean Charland, director	50,000	43,000
Chris Grove, director	120,167	85,417
<b>Loan receivable</b>		
Core Assets Corp.	-	5,100
Total amount due from related parties	1,634,161	1,008,826

## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements

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

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

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

#### 10. MINERAL PROPERTY INTERESTS

Property Name	Partner	Balance, November 30, 2018 \$	Additions \$	Impairment \$	Property sales \$	Balance, August 31, 2019 \$
Blue Property (f)	N/A	26,500	-	-	(26,500)	-
Carbonatite Ridge (α)	N/A	-	888	-	-	888
Covette II Property (α)	N/A	3,712	-	-	-	3,712
Deep Bay/Simon Lake (α)	Dahrouge	4,847	-	-	-	4,847
Glenora/Bay Horse (α)	N/A	-	1,500	-	-	1,500
Mell & Tucha Claims (α)	Dahrouge	7,045	-	-	-	7,045
Munn Lake (α)	Dahrouge	62,416	14,088	-	-	76,504
Nunavut (c) (α)	Various	27,005	(2,151)	-	-	24,854
Rare Metal Belt (α)	N/A	-	10,000	-	-	10,000
Pell Claims (α)	Dahrouge	2,888	-	-	-	2,888
Silver Lime (g)	N/A	8,000	-	-	-	8,000
Sunny Boy (α)	N/A	-	2,500	-	-	2,500
		142,413	26,825	-	(26,500)	142,738

Property Name	Partner	Balance, November 30, 2017 \$	Additions \$	Impairment \$	Property sales \$	Balance, November 30, 2018 \$
AB Potash (α)	Dahrouge	84	-	(84)	-	-
Blue Property (f)	N/A	-	26,500	-	-	26,500
Carlow Lithium (α)	Dahrouge	5,193	-	(5,193)	-	-
Covette Property (d)	N/A	335,999	1,255	-	(337,254)	-
Covette II Property (α)	N/A	3,712	-	-	-	3,712
Deep Bay/Simon Lake (α)	Dahrouge	7,339	1,069	(3,561)	-	4,847
Eastmain River (α)	N/A	3,041	-	(3,041)	-	-
Johnson Croft (b)	N/A	360	-	-	(360)	-
Lac Gueret Graphite (α)	N/A	239	-	(239)	-	-
Lac Patu Vanadium (e)	S. Jamal	-	6,261	-	(6,261)	-
Mell & Tucha Claims (α)	Dahrouge	2,450	4,595	-	-	7,045
Munn Lake (α)	Dahrouge	133,202	44,064	(114,850)	-	62,416
Nunavut (c) (α)	Various	12,037	14,968	-	-	27,005
Pelican Frac Sands (α)	Dahrouge	7,049	-	(7,049)	-	-
Pell Claims (α)	Dahrouge	-	2,888	-	-	2,888
Silver Lime (g)	N/A	-	8,000	-	-	8,000
Two Creeks (α)	Dahrouge	-	648	(648)	-	-
		510,705	110,248	(134,665)	(343,875)	142,413

(α) Properties Held for Sale

## Zimtu Capital Corp.

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### 10. MINERAL PROPERTY INTERESTS (continued)

#### 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.

#### Farmed-out Properties

##### *(a) Alberta Lithium & Two Creeks*

On February 1, 2016, the Company announced that the Company and two of its prospecting partners have signed an agreement with MGX Minerals Inc. (“MGX Minerals”) whereby MGX Minerals can acquire a 100%-interest in 12 Metallic and Industrial Mineral Permits and Permit Applications encompassing 96,000 hectares throughout the Province of Alberta (the “Properties”). For its participation in the transaction, the Company will receive cash and share payments from MGX Minerals as follows: (i) \$10,000 on signing (received), 250,000 common shares within 10 days of signing (received with a fair value of \$52,500), 250,000 common shares within 12 months of signing (received with a fair value of \$140,000), and 250,000 common shares within 24 months of signing (received with a fair value of \$447,500). During the nine months ended August 31, 2019, \$nil (November 30, 2018: \$447,500) is recognized as revenue from the property sale.

##### *(b) Johnson Croft Property*

On November 17, 2017, the Company signed an agreement with Karim Rayani (“Mr. Rayani”) whereby Mr. Rayani can earn a 100% interest in and to the Johnson Croft Property. For its participation in the transaction, the Company will receive \$7,500 (\$7,500 received). During the nine months ended August 31, 2019, \$nil (November 30, 2018: \$7,140) is recognized as revenue from the property sale.

##### *(c) Nunavut Property*

On November 23, 2017, the Company and its prospecting partners signed an agreement with John Tugak (“Mr. Tugak”) to acquire certain rights to approximately 579 hectares in the Huckleberry Exploration Area, to be called the Nunavut Property, located in Nunavut, Canada. The total cost of property is \$612,525 in staged payments over 20 years (\$40,000 paid). The Company will own 29% of the property.

##### *(d) Covette Property*

On November 27, 2017, the Company signed an agreement with Saville Resources Inc. (“Saville”) whereby Saville can earn a 100% interest in and to the Covette Property, in the James Bay Region of Quebec. For its participation in the transaction, the Company received \$350,000. During nine months ended August 31, 2019, \$nil (November 30, 2018: \$12,746) is recognized as revenue from the property sale.

##### *(e) Lac Patu Vanadium Project*

On August 15, 2018, the Company and one of its prospecting partners signed an agreement with Maxtech Ventures Inc. (“Maxtech”) whereby Maxtech can earn a 100% interest in and to the Lac Patu Vanadium Project. For its participation in the transaction, the Company will receive \$92,500 (\$22,500 received) and 1,625,000 common shares of Maxtech over a 2 year period (375,000 received). The vendors will collectively retain a 2% Net Smelter Royalty on production, of which 1% can be purchased by Maxtech for \$1 million. During the nine months ended August 31, 2019, \$76,240 (November 30, 2018: \$76,240) is recognized as revenue from the property sale.

## **Zimtu Capital Corp.**

### **Notes to the Condensed Interim Financial Statements For the Nine Months Ended August 31, 2019 and 2018 Expressed in Canadian Dollars (Unaudited – prepared by management)**

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#### **10. MINERAL PROPERTY INTERESTS (continued)**

##### **Farmed-out Properties (continued)**

###### *(f) Blue Property*

On December 10, 2018, the Company signed an agreement with Core Assets Corp. (“Core”) whereby Core can earn a 100% interest in and to the Blue Property, in the British Columbia. For its participation in the transaction, the Company will receive \$100,000 (\$50,000 received during the nine months ended August 31, 2019) and 3,000,000 common shares of Core in staged payments (1,000,000 shares received subsequent to August 31, 2019 with a fair value of \$50,000). During nine months ended August 31, 2019, \$23,500 (November 30, 2018: \$nil) is recognized as revenue from the property sale. See also Note 6e.

###### *(g) Silver Lime Property*

On August 1, 2019, the Company signed an agreement with Core Assets Corp. (“Core”) whereby Core can earn a 100% interest in and to the Silver Lime Property, in the British Columbia. For its participation in the transaction, the Company will receive 1,000,000 common shares of Core (1,000,000 shares received subsequent to August 31, 2019 with a fair value of \$50,000). During nine months ended August 31, 2019, \$nil (November 30, 2018: \$nil) is recognized as revenue from the property sale. See also Note 6e.

#### **11. UNEARNED REVENUE**

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

#### **12. PROMISSORY NOTES PAYABLE**

The Company entered into an agreement to privately acquire shares from an individual. The promissory note has a principal balance totaling \$83,100 (November 30, 2018 - \$83,100), is non-interest bearing, and due to be paid by June 21, 2016. The parties have mutually agreed to extend this promissory until June 17, 2020. During the nine months ended August 31, 2019, the Company paid \$4,000 towards this promissory note, leaving a balance due of \$79,100.

#### **13. SHARE CAPITAL**

- a) Authorized: Unlimited common shares without par value.
- b) Issued:

On March 20, 2019, the Company closed a non-brokered private placement (the “Private Placement”) of 712,000 units (the “Units”) at a price of \$0.25 per Unit, for gross proceeds of \$178,000. Each Unit is comprised of one common share and one non-transferable share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to purchase one additional common share in the capital of the Company for a period of 24 months from the date of closing at an exercise price of \$0.30. All securities will be subject to a four-month hold period from the closing date. The Company intends to use the proceeds from the Private Placement for working capital.

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### 13. SHARE CAPITAL (continued)

c) Share purchase warrants:

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

	<b>August 31, 2019</b>		<b>November 30, 2018</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	-	\$ -	-	\$ -
Issued	712,000	0.30	-	-
Outstanding, end of period	712,000	\$ 0.30	-	\$ -
Exercisable, end of period	712,000	\$ 0.30	-	\$ -

As at August 31, 2019 and November 30, 2018, the Company had the following share purchase warrants outstanding:

Expiry Date	Exercise Price	<b>August 31, 2019</b> Number of Warrants	<b>November 30, 2018</b> Number of Warrants
March 21, 2021	\$0.30	712,000	-
		712,000	-

d) Finder's Warrants/Agent's Options: There are no outstanding finder's warrants/agent's options as at August 31, 2019 and November 30, 2018.

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 "2018 Stock Option Plan", and set the number of options granted under the Plan to be fixed at 3,221,297 (November 30, 2018: 3,078,896), 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 and consultants 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 March 26, 2018, the Company granted 930,000 stock options at an exercise price of \$0.325 for a term of 5 years. Of the total, 570,000 were issued to directors and officers of the Company. The fair value of each option was calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 2.09%, a dividend yield of nil, an expected volatility of 89.29% and an average expected life of 5 years. The share-based compensation related to these stock options have been determined to be \$210,940.

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.

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### 13. SHARE CAPITAL (continued)

e) Stock Option Plan (continued)

On April 12, 2018, the Company granted 300,000 stock options to a consultant at an exercise price of \$0.355 for a term of 3 years. The fair value of each option was calculated using the Black-Scholes pricing model assuming a risk-free interest rate of 2.01%, a dividend yield of nil, an expected volatility of 91.20% and an average expected life of 3 years. The share-based compensation related to these stock options have been determined to be \$62,131.

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

	August 31, 2019		November 30, 2018	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	3,010,000	\$ 0.32	2,140,000	\$ 0.34
Granted	-	-	1,230,000	0.33
Cancelled/Expired	(250,000)	0.50	(360,000)	0.50
Outstanding and exercisable, end of period	2,760,000	\$ 0.30	3,010,000	\$ 0.32

As at August 31, 2019 and November 30, 2018, the Company had the following stock options outstanding:

Expiry Date	Exercise Price	August 31, 2019 Number of Options	November 30, 2018 Number of Options
February 25, 2019	\$0.50	-	100,000
April 30, 2019	\$0.50	-	150,000
June 10, 2021	\$0.28	1,530,000	1,530,000
March 26, 2023	\$0.325	930,000	930,000
April 12, 2021	\$0.355	300,000	300,000
		2,760,000	2,140,000

### 14. GENERAL AND ADMINISTRATIVE EXPENSES

During the three and nine months ended August 31, 2019 and 2018, the Company incurred the following general and administrative expenses:

	Three months ended August 31,		Nine months ended August 31,	
	2019	2018	2019	2018
<b>Expenses</b>				
Advertising and promotion	\$ 109,468	\$ 99,909	\$ 405,000	\$ 324,664
Filing fees and transfer agent	4,342	647	16,014	17,188
Office, rent and telephone	78,452	70,917	221,064	213,383
Professional fees	17,490	14,238	58,000	151,397
Share-based payments	-	-	-	273,071
Wages and benefits	340,540	381,882	1,080,636	1,201,140
	550,292	567,593	1,780,714	2,180,843



## Zimtu Capital Corp.

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### 15. SEGMENT INFORMATION

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

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

#### For the nine months ended August 31, 2019

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
<b>Revenue</b>				
Administrative fees	-	473,000	-	473,000
Corporate development fees	-	608,901	-	608,901
Income from property sale	23,500	-	-	23,500
	23,500	1,081,901	-	1,105,401
Segment assets	142,738	-	6,473,286	6,616,024
Expenditure for segment capital assets	26,825	-	-	26,825

#### For the nine months ended August 31, 2018

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
<b>Revenue</b>				
Administrative fees	-	557,500	-	557,500
Corporate development fees	-	820,252	-	820,252
Income from property sale	467,376	-	-	467,376
	467,376	1,377,752	-	1,845,128

#### For the year ended November 30, 2018

Segment assets	142,413	-	9,027,407	9,169,820
Expenditure for segment capital assets	110,248	-	-	110,248

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### 16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	Nine months ended August 31, 2019	Nine months ended August 31, 2018
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Gain on settlement of debt	\$ -	\$ 54,750
Gain on purchase of debt	\$ -	\$ 648
Shares received for debt	\$ -	\$ 321,392
Investment shares issued for finder's fees	\$ 9,200	\$ -
Shares received for sale of software	\$ -	\$ 300,000
Loss on derivative assets	\$ 208	\$ -
Shares received for property	\$ -	\$ 447,500

### 17. LONG-TERM LEASE OBLIGATIONS

The Company leases its main office premises under a long-term lease that expires August 31, 2021. 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 of \$15,562 to the landlords as the deposit which will be applied to the last month of rent in the Company's lease. This amount was recorded as deposits and was classified as a current asset as at November 30, 2018, prior to renewal of the lease. With the subsequent renewal, the amount was reclassified to long term assets.

The rent payable in the next three fiscal years is as follows:

November 30, 2019	126,452
November 30, 2020	146,484
November 30, 2021	112,680
Total	<u>385,616</u>

The Company also leases a second office premises under a sub-lease effective June 1, 2017 that expires May 31, 2020. The basic rent under the lease agreement is set out in the table below. In addition, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises. The Company also paid one month's basic rent of \$3,310 to the landlords as the deposit which 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 a current asset as at August 31, 2019 and November 30, 2018.

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

November 30, 2019	30,065
November 30, 2020	15,227
	<u>\$ 45,292</u>

### 18. GAIN ON SETTLEMENT OF DEBT

In December 2017, the Company received 3,650,000 shares of Saville Resources Ltd. with a deemed price of \$0.06 per share to settle \$219,000 of debt. On the day the shares were received, the fair value of the shares was \$273,750, or \$0.075 per share. The gain of \$54,750 has been recorded in the statement of income for the year ended November 30, 2018.

## **Zimtu Capital Corp.**

### **Notes to the Condensed Interim Financial Statements For the Nine Months Ended August 31, 2019 and 2018 Expressed in Canadian Dollars (Unaudited – prepared by management)**

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#### **19. SALE OF SOFTWARE**

On July 1, 2018, the Company entered into an agreement with Dimension Five Technologies Inc. (“D5”) to sell the Zimtu App, a software program developed by the Company. For its part in the transaction, the Company received 10,000,000 common shares of D5, valued at \$0.03 per share. During the three months ended August 31, 2019, \$nil (August 31, 2018: \$nil) is recognized as income from sale of software.

On July 1, 2018, the Company entered into a licensing agreement with D5 for access to the Zimtu App for \$10,000 per month for 18 months. Of the total shares received, 6,000,000 shares were sold to private individuals at \$0.03 per share and promissory notes were issued to the purchasers which will come due in five years but due on demand (see Note 7 and Note 9).

On September 11, 2018, the Company has entered into an App Further Development Agreement with D5. The Company will pay for the app development and marketing services provided by D5 for a cost of \$100,000. As of August 31, 2019, \$50,000 (November 30, 2018: \$nil) has been paid by the Company to D5.

#### **21. RECLASSIFICATION OF COMPARATIVE AMOUNTS**

Certain comparative amounts for the prior period have been reclassified to conform to current period presentation. Such reclassifications had no effect on net income or shareholders' equity.

#### **22. SUBSEQUENT EVENTS**

- i. On September 25, 2019, the Company received 1,000,000 from Core Assets Corp., valued at \$50,000, in connection with the Silver Lime Property agreement (see Note 10).
- ii. On September 30, 2019, the Company received 1,000,000 from Core Assets Corp., valued at \$50,000, in connection with the Blue Property agreement (see Note 10).