Management Discussion and Analysis
For the Six Months Ended May 31, 2010

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, 2010, and should be read in conjunction with the unaudited financial statements for the six months ended May 31, 2010 as well as the audited financial statements for the year ended November 30, 2009 and 2008, all of which were prepared in accordance with Canadian generally accepted accounting principals.

The effective date of this report is July 26, 2010.

Forward Looking Statements

Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. 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 are cautioned not to put undue reliance on forward looking statements.

An investment in an Investment Issuer involves a significant degree of risk, including risks related to cash flow and liquidity, experience of management, the general risks inherent in an investment business, reliance on key personnel, regulatory constraints and financial history.

Nature of Business and Overall Performance

<u>History</u>

The Company was incorporated on July 4, 2006, under the *Business Corporations Act* of British Columbia under the name "Flow Energy Ltd."

Originally listed as a Capital Pool Company ("CPC"), the Company completed its initial public offering with Northern Securities Inc. acting as agent and was listed on the TSX Venture Exchange (the "TSX") on January 31, 2007.

In March, 2008, the Company entered into a Share Purchase Agreement with Petrol One Corp. and 0755032 BC Ltd. pursuant to which the Company acquired all of the issued common shares of Zimtu Capital Corp., a private investment company that had assets consisting of a portfolio of equity investments, cash and equipment, totaling approximately $6.0 million.

The Company completed its Qualifying Transaction in July, 2008, thereby acquiring all of the issued and outstanding common shares of the private investment company, completing a private placement of 10,292,658 units for proceeds to the Company of $1,235,119 and changed its name to Zimtu Capital Corp. The Company resumed listing on the TSX as an investment issuer.

Subsequent to the completion of the Qualifying Transaction, the Company changed its year end from August 31 to November 30, to be concurrent with that of its wholly owned subsidiary, 0755032 BC Ltd.

The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades as a Tier 2 Investment Issuer on the TSX Venture Exchange under the symbol 'ZC'. The Company also trades on the Frankfurt Stock Exchange under the symbol 'ZCT1'.

Business of the Company

As an Investment Issuer, the Company has a specific focus on giving its shareholders the opportunity to indirectly invest in a 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.

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.

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. 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.

In keeping with its business model, the Company:

a) Has increased its investment shareholdings through participation in private placements and/or Initial Public Offerings ("IPO") of several TSX listed companies;

b) Has acquired or disposed of interests in several mineral property claims and/or permits. An objective of the Company is to evaluate and acquire prospective resource properties to make available for sale or joint venture. In this manner, the Company has acquired and disposed of property interests either by selling the property in its entirety or by optioning the property;

c) Provides mineral property advisory services to individuals and/or companies and helps to connect companies with mineral properties of interest; and

d) Provides management & administrative assistance to private or public companies.

Composition of Investment Portfolio: The nature and timing of the Company's investments will 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 all 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: A*s an Investment Issuer, the Company is subject to uncertainties due to current economic conditions. With the decline in metal, oil and gas prices, the stock markets and credit markets have deteriorated in the last two years. The underlying value of investments held by the Company has been affected by economic conditions and continues to fluctuate.

<u>Shareholdings</u>

The specific shareholdings of the Company are listed in the Company's financial statements for the six months ended May 31, 2010 and the year ended November 30, 2009.

The Company considers the following as its core portfolio shareholdings:

Western Potash Corp. (TSX-V: WPX) ("Western Potash") is a junior mineral exploration company engaged in the acquisition, evaluation and exploration of potash mineral properties in Western Canada. Western Potash's objectives are to define and develop a world-class potash deposit while providing its shareholders with a unique opportunity to participate in the blue-chip dominated potash mining industry. The Company currently has 2,778,821 common shares of Western Potash with a market value of $1,250,469 ($0.45 per share, as at July 23, 2010).

Commerce Resources Corp. (TSX-V: CCE) ("Commerce") is a junior mineral exploration company focused on its exploration activities with respect to tantalum and niobium. Commerce holds a 100% interest in three mineral deposits located in the Kamloops Mining Division of central British Columbia, Canada, collectively known as the Blue River Project. The Blue River Project has defined NI 43-101 compliant resources and a scoping study is to be completed for the project this year. In addition, Commerce holds a 100% interest in its Eldor Property, located in the Labrador Trough area of Quebec, Canada and the Carbo Property, located in British Columbia. Each of the Eldor and the Carbo are at a relatively early-stage of exploration, with a focus on rare earth elements. The Company currently has 3,001,678 common shares of Commerce Resources, with a market value of $765,427 ($0.255 per share, as at July 23, 2010).

Triple Dragon Resources Inc. (CNSX: TDN) ("Triple Dragon") is a mineral exploration company focused on the Murray and Camlaren gold properties in south-central Northwest Territories. The Company holds a total of 17,117,500 common shares of Triple Dragon, representing 70.08% of the total issued and outstanding share capital of Triple Dragon. As such, Triple Dragon's results of operations have been consolidated into the financial statements of the Company. The common shares of Triple Dragon were acquired for investment purposes and the Company may from time to time acquire or dispose of some or all of the securities that it holds of Triple Dragon or continue to hold its share position. The current market value of the Company's shareholdings in Triple Dragon is $1,711,750 ($0.10 per share, as at July 23, 2010).

<u>Property interests</u>

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.

Zimtu Capital Corp. – Properties Available for Sale

During the year ended November 30, 2009, the Company acquired a 50% interest in various properties by staking. These properties include Fox Creek Lithium, Silvercreek/Simonette, Berland River, Athena Lithium, Vermillion, Archie Lake, Chickadee Creek, AB Frac Sands, BC Gold (Bella Coola), Bear Lake Area in BC, REE (Apollo, Carbo Area, Perry River and Giscome Claims) in BC, NWT – Gold (Sickle, Don and Tom Claims), BC – Gold (Snow Lake), Alberta Potash properties (Consort, Jantar and McElroy) and Quebec Gold properties. Also, the Company acquired a 100% interest in the Port Hope claims by staking.

During the six months ended May 31, 2010, the Company acquired a 50% interest in various properties by staking. These properties include AB Potash, Bearpaw Ridge, Day Property, and JD Property. The Company also acquired a 100% interest in various properties by staking. These properties include the Red Wine Property, Michikamatas Project, Zirconium Mountain, Cerium Mountain, Odin Creek Cerium, and Old Lime Stone.

Zimtu Capital Corp. – Joint Venture Properties

During the year ended November 30, 2009, the Company also entered into an agreement with Cazador Resources Ltd. and Cathro Resources Corp. ("C&C") for the joint exploration of rare earth element properties of merit in Western Canada. The Company and C&C each agreed to contribute $10,000 (paid) for the acquisition costs of potential mineral claims/properties. C&C's cash contribution was met by the vesting of 17 mineral claims (the "Rare Earth Property") into the joint venture. The Company has committed $100,000 towards the advancement of the Rare Earth Property. The Rare Earth Property will be held on a 50-50% joint venture basis, and the proceeds from the sale of the property will be shared equally by the Company and C&C.

Zimtu Capital Corp. – Properties with Pending Sales

Australia Lithium Property

During the year ended November 30, 2000, the Company entered into an agreement with Max Pozzoni for the sale of its 50% interest in three lithium brine projects located in southwestern Australia. In consideration for the interest, the Company will receive a total of $50,000 cash, which will be paid in 6 month installments ($30,000 paid). The lithium brine projects were acquired by staking. The final payment will be received by April 23, 2011.

Tom Claims

On February 1, 2010, the Company entered into an Acquisition Agreement with Trivello Energy Corp. ("TRV") to sell its 50% interest in five mineral claims in the Northwest Territories. In consideration for the interest, the Company will receive $50,000 and 1,000,000 common shares (shares received subsequent to May 31, 2010) of TRV. The agreement received TSX acceptance on June 4, 2010.

Michikamatas Project

On April 6, 2010, the Company announced it had acted as one of the property vendors in Fieldex Exploration Inc's ("Fieldex") acquisition of the Michikamats Rare Earth Project located in Labrador, south of Quest Uranium Corp.'s Misery Lake Project. For its participation in the transaction, the Company will receive 2,000,000 common shares (1,000,000 received) and $80,000 ($30,000 received) over a two-year period. The Vendors will retain a 2% Net Smelt Return ("NSR") royalty, 1% of which may be purchased by Fieldex for $1,000,000. The agreement received TSX acceptance on May 6, 2010.

Zimtu Capital Corp. – Properties sold during the six months ended May 31, 2010

Athena Lithium Property

The Company entered into an agreement with Max Pozzoni for the sale of its 50% interest in the Athena Lithium Brine Project in Alberta. In consideration for the interest, the Company received $20,000 cash. The metallic and industrial metals permits ("MAIM Permits") comprising the Athena Lithium Brine Project were acquired by application to the Alberta government. The sale was completed in January 2010.

Archie Lake Property

On February 24, 2010, Quantum Rare Earth Developments Corp. (formerly known as Butler Resource Corp.)("Quantum") received TSX Venture Exchange acceptance of the acquisition of the Company's 50% interest in one mineral claim located approximately 50 kilometres west of Uranium City, Saskatchewan, known as the Archie Lake Property. In consideration for the acquisition of the interest, the Company received $20,000 and 1,000,000 common shares of Quantum.

Zimtu Capital Corp. – Properties sold during the year ended November 30, 2009

Fox Creek Lithium Property

During the year ended November 30, 2009, the Company entered into an agreement with First Lithium Resources Inc (formerly Mountain Capital Inc.) ("MCI") to sell its 50% interest in 41 metallic and industrial minerals permits, which consist of three separate properties located west to northwest of Edmonton, Alberta, known as the Fox Creek Lithium Property. In consideration for the interest, the Company received $45,000 cash and 600,000 units of the purchaser at a fair value of $75,000. Each unit consists of one common share and one share purchase warrant, exercisable at a price of $0.25 for two years. In addition, there is a 1.5% net smelter return and a 2.5% gross overriding royalty on the gross production of diamonds. The purchaser can purchase 1% of the net smelter return for $1,000,000. There is no buyback clause relating to the gross overriding royalty.

Vermillion Property

During the year ended November 30, 2009, the Company entered into an agreement with MCI to sell its 50% interest in the Vermillion potash property, located in east-central Alberta, known as the Vermillion Property. In consideration for the interest, the Company received $65,000 cash and 841,667 units of the purchaser at a fair value of $67,333. Each unit consists of one common share and one non-transferable share purchase warrant, exercisable for a period of two years into one additional common share of the purchaser at a price of $0.25 per share in the first year and at a price of $0.35 in the second year.

Silvercreek/Simonette Property

During the year ended November 30, 2009,, the Company entered into an agreement with Weststar Resources Corp. ("Weststar") to sell its 50% interest in the Silver Creek and Simonette lithium brine claims in Alberta, known as the Silvercreek/Simonette Property. In consideration for the interest, the Company received $12,500 cash and 500,000 common shares of the purchaser at a fair value of $50,000**.**

Berland River Property

The Company entered into an agreement with Ultra Lithium Inc. (formerly Jantar Resources) ("ULI") to sell its 50% interest in the Berland River lithium brine claims in Alberta, known as the Berland River Property. In consideration for the interest, the Company received $25,000 cash and 1,000,000 common shares of the purchaser at a fair value of $90,000.

Mineral Property Advisory Services

The Company also provides mineral property advisory services to individuals and/or companies and helps to connect companies with mineral properties of interest.

Jungle Well and Laverton Projects

The Company is participating in Quantum Rare Earth Developments Corp ("Quantum") and Silver Mountain Mines Corp. ("Silver Mountain") acquisition of Northeast Minerals Pty. Ltd ("Northeast"), a private Australian company that owns 100% interest in the Jungle Well and Laverton Rare Earth Projects. For its participation, the Company will receive 500,000 shares of Quantum and $33,333 ($15,365 received at May 31, 2010) following completion of a merger between Quantum and Silver Mountain, and acceptance of the TSX Venture Exchange.

Terrax Rare Metal Project

On March 4, 2010, the Company announced it had acted as one of the property vendors in BonTerra Resources Inc's ("BonTerra") acquisition of the Terrax Rare Metal project, located in the James Bay Mining District of northern Quebec. For its participation, the Company received 1,000,000 common shares. The Vendors will retain a 2% Net Smelter Reture "(NSR") royalty, 1% of which may be purchased by BonTerra for $1,000,000. This agreement was approved by the TSX Venture Exchange on March 17, 2010.

During the year ended November 30, 2009, the Company assisted Canadian International Minerals Inc. (“CIN”) in the optioning of 52 mineral claims in the Thunder Bay Mining Division, Ontario known as the Deadhorse Creek Rare Earth Property. In consideration for its assistance, the Company received 100,000 common shares of CIN.

Management Services Revenue

The Company provides management and administrative services to various private and public companies. The Company has contracts in place with Commerce, Triple Dragon and Camisha Resources Corp., all of which companies have a director in common with the Company. The Company also has a management and administration contract in place with Trivello Energy Corp. (“Trivello”).

Under the terms of the contracts, services provided 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.

Selected Annual Information

The following is a summary of the financial data of the Company for the years ended November 30, 2009, 2008 and 2007:

	2009	2008	2007
Total Revenues	1,080,000	1,205,714	1,159,190
Income (loss) from continuing operations	1,591,944	(6,178,682)	4,753,568
Income (loss) from continuing operations (per share)	0.25	(0.10)	1.47
Income (loss) from continuing operations (per share, fully diluted)	0.24	(0.07)	1.47
Net Income (loss)	1,076,431	(4,733,511)	3,659,570
Net Income (loss) (per share)	0.17	(2.20)	1.13
Net income (loss) (per share, fully diluted)	0.17	(2.20)	1.13
Net comprehensive income (loss)	1,076,431	(4,733,511)	3,659,570
Net comprehensive income (loss) (per share)	0.17	(2.20)	1.13
Net comprehensive income (loss) (per share, fully diluted)	0.17	(2.20)	1.13
Total assets	6,348,913	3,678,181	6,942,188
Total long term financial liabilities	Nil	Nil	Nil
Cash dividend declared per share	Nil	Nil	Nil

Summary of Quarterly Results

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

	May 31, 2010	February 28, 2010	November 30, 2009	August 31, 2009	May 31, 2009	February 28, 2009	November 30, 2008	August 31, 2008
Revenue	270,000	270,000	270,000	270,000	270,000	270,000	270,000	270,000
*Net Income (loss)	(572,917)	(176,093)	823,603	(700,166)	934,482	534,025	(4,920,048)	(1,408,719)
Total assets	6,993,530	7,194,857	6,348,913	5,155,353	5,664,700	4,402,696	3,678,181	6,515,944
Working capital	5,279,379	5,611,247	4,743,544	3,950,876	4,899,419	3,721,789	2,871,052	5,668,178
Total liabilities	668,975	569,864	830,569	706,649	575,040	144,097	379,237	592,754
Shareholders' equity	6,324,555	6,624,993	5,518,344	4,448,704	5,089,660	3,898,014	3,298,944	5,923,190

* Net income (loss) after unrealized gains or losses on investments, and taxes.

Second Quarter

Net loss for the three months ended May 31, 2010 was $572,917 as compared to a net gain of $934,482 for the comparative quarter ended May 31, 2009 for a difference of $1,507,399. The main component of this difference is the unrealized loss on investments of 454,251 (May 31, 2009: $1,332,801 gain) as well as a loss on the sale of investments of $28,264 (May 31, 2009: $18,332 gain). These differences are a reflection of lower market prices.

For the three months ended May 31, 2010, there was an increase in the other revenue generated from property sales and advisory services to $249,906 (May 31, 2009: $151,229) however the increase was offset by increases in the overall expenses of the Company: advertising & promotion increased to $108,801 (May 31, 2009: $68,508) due to additional promotion of the Company, amortization increased to $19,301 (May 31, 2009: $594) due to additional capital purchases, including leasehold improvements, and wages and benefits increased to $328,557 (May 31, 2009: $218,157) due to additional staffing requirements.

There was also a decrease in stock based compensation to $96,229 (May 31, 2009: $218,157) which can be attributed to fewer stock options issued by both the Company and Triple Dragon during the quarter.

Results of Operations

General and Administrative

Net loss for the six months ended May 28, 2010 was $749,010 as compared to a net income of $1,468,507 for the same period in the prior year.

This difference is due primarily to the gain on sales of investments, unrealized loss on investments, and other income. During the six months ending May 31, 2010 the Company recorded a gain on sale of investments of $148,313 (May 31, 2009: $40,251), an unrealized loss on investments of $876,243 (May 31, 2009: $2,006,092 gain), and earned other income of $695,986 (May 31, 2009: $151,229) for property sales and finders' fees.

For the six months ended May 31, 2010, there was no change in the revenue generated from administrative fees (2010: $540,000; 2009: $540,000) and there was an increase in the overall operating expenses of the Company: advertising & promotion expenses increased as the

Company continued to promote itself through tradeshows and other media (2010: $133,370, 2009: $81,629), amortization increased due to fixed assets and leasehold improvements purchased during the first quarter for office renovation (2010: $38,101, 2009: $713), bank charges and interest increased (2010: $3,184, 2009: $1,022), filing fees decreased due to fewer transactions (2010: $22,265, 2009: $33,160), website and internet increased slightly compared to the prior year (2010: $1,868, 2009: $418), professional fees, including legal and accounting fees, increased significantly due to increased business activities (2010: $102,065, 2009: $87,559), stock based compensation decreased (2010: $202,303, 2009: $306,209) due to fewer options granted, wages and benefits increased due to additional staffing requirements as the Company took on more projects (2010: $629,398, 2009: $437,979) and office, rent & telephone increased due to office renovations and expansion completed in the first quarter (2010: $141,819, 2009: $49,978).

Investor Relations

During the six months ended May 31, 2010, the Company incurred total charges relating to investor relations of $45,647 compared to $42,692 during the six months ended May 31, 2009. Most investor relations activities and inquiries are handled internally by office staff.

Liquidity and Solvency

As at May 31, 2010, the Company had total assets of $6,993,530 as compared to $6,348,913 for the year ended November 30, 2009. The primary assets of the Company are investments of $5,563,840 (2009: $4,703,012), cash of $329,099 (2009: $570,065), advances/accounts receivables of $9,785 (2009: $20,337), and prepaid expenses & deposits of $45,630 (2009: $45,482).

The Company has no long-term liabilities and has working capital of $5,279,379.

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 $5,563,840 and cash of $329,099. 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.

Other MD&A Requirements

Additional Disclosure for Venture Issuers without Significant Revenue

As the Company has not had significant revenue from operations in either of its last two financial years, the following is a breakdown of the material costs incurred:

	Year ended November 30, 2009	Year ended November 30, 2008
Capitalized or Expensed Exploration and Development Costs	Nil	Nil
General and Administration Expenses	2,905,176	2,587,307
Gain (loss) on sale of Investments	257,872	(263,651)
Unrealized gain (loss) on Investments	2,642,679	(4,550,119)

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 26, 2010	May 31, 2010	November 30, 2009	November 30, 2008
Common shares	7,838,547	7,838,547	6,533,264	64,532,658
Stock Options	1,167,000	1,167,000	1,194,333	11,780,000
Warrants	2,096,765	2,096,765	1,029,265	10,292,658
Agent's Options	0	0	0	835,340
Fully Diluted Shares	11,102,312	11,102,312	8,756,862	87,440,656

For additional details of outstanding share capital, refer to the financial statements for the six months ended May 31, 2010.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Related Party Transactions

(a) During the six months ended May 31, 2010, the Company earned administrative fees of $540,000 (2009: $1,080,000) from a Company with common directors,

(b) Included in accounts payable is $25,794 (2009: $17,724) due to a related company (Commerce) for expenses incurred on its behalf. This amount is unsecured, non-interest bearing and due on demand; and

(c) Included in wages and benefits expense is $184,834 (2009: $455,495) paid to directors of the Company.

All of the above transactions and balances are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Proposed Transactions and Subsequent Events

1. The sale of the Tom Mine claims to Trivello received TSX acceptance on June 4, 2010. As consideration of the sale, the Company will receive 1,000,000 common shares (received June 15, 2010) of Trivello and $50,000. The Company also participated in a private placement that Trivello was conducting, which received TSX acceptance on June

2, 2010. The Company now holds 4,853,000 common shares of Trivello, equal to 19.9% of Trivello's issued and outstanding share capital.

2. Ryan Fletcher was appointed to the Board of Directors at the Company's Annual General Meeting, held on June 18, 2010. An amendment to the Company's fixed Stock Option Plan also received shareholder approval and as such, the total number of common shares reserved for issuance under the Stock Option Plan was increased to 1,549,709, which is equal to 20% of the Company's issued and outstanding share capital.

Changes in Accounting Policies

There have been no changes in the accounting policies other than those already disclosed in the Note #3 (q) to the consolidated financial statements.

International financial reporting standards ("IFRS"): In 2006, AcSB published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with IFRS over an expected five year transitional period. In February 2008, the AcSB announced that 2011 is the changeover date for publicly-listed companies to use IFRS, replacing Canada's own GAAP. To meet the change over date, the Company is required to issue its first IFRS compliant Financial Statements for the year ending November 30, 2012. To provide comparative information, an opening Balance Sheet will be necessary on December 1, 2010.

Management has addressed this issue by researching methods to identify the items materially impacted on the Company's financial statements. The Company is also evaluating the impact of adopting IFRS. The analysis will be completed and a plan to implement the conversion will be devised before Q3 of the 2010 fiscal year. Management expects to complete the conversion in Q4 of the 2010 fiscal year and believes it has the necessary financial expertise and resources available.

Financial Instruments and Other Instruments

The Company has classified its financial instruments as follows:

- The Company classifies its cash as held-for-trading.

- The Company classifies its investments into held-to-trading or available-for-sale categories, investments that are bought and held principally for the purpose of selling them in the near term are classified as held-for-trading securities and are reported at fair value, with unrealized gains and losses recognized in earnings. Investments not classified as held-for-trading are classified as available-for-sale and are carried at fair market value, with the unrealized gains and losses, net of tax, included in the determination of comprehensive income and reported in shareholders' equity. The fair value of substantially all investments is determined by quoted market prices, except for those investments that do not have a quoted market price in an active market, which are measured at cost.

- The Company classifies its advances and accounts receivable as loans and receivables. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

- Accounts payable and accrued liabilities and unearned revenue are classified as other liabilities. They are initially measured at fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

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.

The Company has also become active in social media channels in order to meet its shareholders and investors online to share information, thoughts and opinions. Investors are invited to join us on Facebook at http://www.facebook.com/Zimtu or follow the Company on Twitter at http://www.twitter.com/ZimtuCapital.