



## **Condensed Interim Financial Statements**

**Nine Months Ended August 31, 2013**

(Unaudited - Expressed in Canadian Dollars)

*The accompanying unaudited condensed interim financial statements of Zimtu Capital Corp. for the nine months ended August 31, 2013, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.*

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

	August 31, 2013	November 30, 2012
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 189,373	\$ 223,341
Investments (Note 5)	7,286,601	7,790,306
Advances and amounts receivable (Note 10)	153,284	26,799
Due from related parties (Note 18)	221,602	287,777
Prepaid expenses (Note 11)	35,337	75,490
	<u>7,886,197</u>	8,403,713
<b>Loan receivable</b> (Note 12)	<b>166,905</b>	178,930
<b>Deposits</b> (Note 13)	<b>17,562</b>	17,562
<b>Investments in equity method investees</b> (Note 6)	<b>167,417</b>	1,177,953
<b>Deferred tax asset</b>	<b>666,399</b>	666,399
<b>Equipment</b> (Note 8)	<b>33,548</b>	50,616
<b>Mineral property interests</b> (Note 7)	<b>307,847</b>	334,850
	<u>\$ 9,245,875</u>	<u>\$ 10,830,023</u>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 14)	\$ 83,176	\$ 109,235
GST/HST payable	7,442	25,982
Due to related parties (Note 18)	226,363	14,296
Income taxes payable	4,505	4,783
	<u>321,486</u>	154,296
<b>Equity</b>		
Share capital (Note 9)	7,874,331	7,874,331
Reserves (Note 9)	3,779,648	3,779,648
Retained earnings	(2,729,590)	(978,252)
<b>Common shareholders' equity</b>	<u>8,924,389</u>	10,675,727
	<u>\$ 9,245,875</u>	<u>\$ 10,830,023</u>

On behalf of the Board:

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"David Hodge" Director                      "Patrick Power" Director

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

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

	Three months ended August 31,		Nine months ended August 31,	
	2013	2012	2013	2012
<b>Revenue</b>				
Administrative fees (Note 20)	\$ 297,350	\$ 362,033	\$ 1,023,147	\$ 1,062,521
Gain (loss) on sale of investments	(305,715)	(718,885)	(737,927)	(126,285)
Income from property sale	18,125	250,104	420,545	1,314,136
	<b>9,760</b>	<b>(106,748)</b>	<b>900,965</b>	<b>2,250,372</b>
<b>Expenses</b>				
General and administrative expenses (Note 19)	530,802	550,497	1,881,147	1,902,401
<b>Income (loss) before other items</b>	<b>(521,043)</b>	<b>(657,245)</b>	<b>(1,175,382)</b>	<b>347,971</b>
<b>Other items</b>				
Interest income	204	354	640	3,602
Unrealized gain (loss) on investments	(1,546,614)	(1,197,980)	(720,552)	(2,608,993)
Foreign exchange loss	-	-	(20)	(2,030)
Loss on loss of control of subsidiary (Note 5)	-	-	-	(47,103)
Impairment of mineral properties	-	-	(2,811)	(2,080)
Gain on transaction (Note 6)	-	-	186,538	-
Equity (loss) of affiliates (Note 6)	338,257	(135,557)	(97,251)	(254,017)
Penalties	-	(6,788)	-	(6,788)
Other income (expenses)	52,500	217,855	57,500	220,043
	<b>(1,155,653)</b>	<b>(1,122,116)</b>	<b>(575,956)</b>	<b>(2,697,366)</b>
<b>Net income (loss) and comprehensive income for the period</b>	<b>\$ (1,676,696)</b>	<b>\$ (1,779,361)</b>	<b>\$ (1,751,338)</b>	<b>\$ (2,349,395)</b>
<b>Basic earnings (loss) per share</b>	<b>\$ (0.15)</b>	<b>\$ (0.16)</b>	<b>\$ (0.16)</b>	<b>\$ (0.23)</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ (0.13)</b>	<b>\$ (0.14)</b>	<b>\$ (0.14)</b>	<b>\$ (0.20)</b>
<b>Weighted average number of common shares outstanding</b>				
- basic	11,275,487	11,274,979	11,275,487	10,426,219
- diluted	12,690,387	12,689,879	12,690,387	11,841,119

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

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

<b>Equity attributable to the owners of the Company</b>							
	<b>Share Capital</b>			<b>Retained</b>		<b>Non-</b>	<b>Total</b>
	<b>No. of Shares</b>	<b>Amount</b>	<b>Reserves</b>	<b>Earnings/ (Deficit)</b>		<b>controlling interest</b>	<b>Equity</b>
<b>Balance, November 30, 2011</b>	<b>10,003,266</b>	<b>\$ 6,463,704</b>	<b>\$ 3,779,648</b>	<b>\$ 425,627</b>	<b>\$ 10,668,979</b>	<b>\$ 112,095</b>	<b>\$ 10,781,074</b>
Loss of control of a subsidiary (Note 5)	-	-	(524,748)	859,147	334,397	(112,095)	222,302
Shares issued	1,261,221	1,514,665	-	-	1,514,665	-	1,514,665
Share issuance cost	-	(45,284)	-	-	(45,284)	-	(45,284)
Net loss for the period	-	-	-	(2,349,395)	(2,349,395)	-	(2,349,395)
<b>Balance, August 31, 2012</b>	<b>11,265,487</b>	<b>\$ 7,933,085</b>	<b>\$ 3,254,900</b>	<b>\$ (1,064,623)</b>	<b>\$ 10,123,362</b>	<b>\$ -</b>	<b>\$ 10,123,362</b>
<b>Balance, November 30, 2012</b>	<b>11,265,487</b>	<b>\$ 7,874,331</b>	<b>\$ 3,779,648</b>	<b>\$ (978,252)</b>	<b>\$ 10,675,727</b>	<b>\$ -</b>	<b>\$ 10,675,727</b>
Net loss for the period	-	-	-	(1,751,338)	(1,751,338)	-	(1,751,338)
<b>Balance, August 31, 2013</b>	<b>11,265,487</b>	<b>\$ 7,874,331</b>	<b>\$ 3,779,648</b>	<b>\$(2,729,590)</b>	<b>\$ 8,924,389</b>	<b>\$ -</b>	<b>\$ 8,924,389</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,  
(Unaudited - Expressed in Canadian Dollars)

	2013	2012
<b>Operating Activities</b>		
Net income (loss) for the period	\$ (1,751,338)	\$ (2,470,719)
Items not involving cash		
Loss on sale of investments	737,927	-
Unrealized (gain) loss of investments	720,553	2,608,993
Shares received for property revenue	(404,045)	(1,378,504)
Shares received for finder's fees	(5,000)	-
Administration fees	32,073	-
Amortization	19,028	60,935
Gain on sale of shares in subsidiary	-	(722,284)
Gain on loss of control of subsidiary	-	(575,578)
Gain on loss of equity investment	-	47,103
Impairment of mineral property	2,811	2,080
Equity loss on affiliates	97,251	275,496
Non-controlling interest	-	121,324
Gain on transaction (note 6)	(186,538)	-
Changes in non-cash working capital		
Advances and amounts receivable	(145,025)	16,349
Prepaid expenses	40,153	124,704
Current income taxes payable	(278)	(113,739)
Accounts payable and accrued liabilities	252,183	(488,047)
<b>Cash provided by (used in) operating activities</b>	<b>(590,245)</b>	<b>(1,340,731)</b>
<b>Investing Activities</b>		
Acquisition of investments	(1,019,195)	(1,611,652)
Proceeds on disposition of investments	1,593,428	1,519,922
Mineral property expenditures	(43,231)	(409,395)
Proceeds on disposition of mineral properties	15,210	169,362
Loans receivable	12,025	(194,280)
Acquisition of equipment	(1,960)	(7,114)
<b>Cash used in investing activities</b>	<b>556,277</b>	<b>(533,157)</b>
<b>Financing Activities</b>		
Proceeds from issuance of shares	-	1,514,665
Share issue costs	-	(45,284)
<b>Cash provided by financing activities</b>	<b>-</b>	<b>1,469,381</b>
<b>Change in cash during the period</b>	<b>(33,968)</b>	<b>(404,507)</b>
<b>Cash, beginning of period</b>	<b>223,341</b>	<b>1,017,035</b>
<b>Cash, end of period</b>	<b>\$ 189,373</b>	<b>\$ 612,528</b>

Supplemental disclosure with respect to cash flows (Note 15)

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, 2013

(Unaudited - Expressed in Canadian Dollars)

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### 1. NATURE OF OPERATIONS AND CONTINUANCE OF OPERATIONS

The Company was incorporated in the Province of British Columbia on July 4, 2006, under the Business Corporations Act of British Columbia. The Company's principal business activities are investments in junior resource companies, mineral resource property acquisitions and dispositions, and the provision of management services. The Company is traded on the TSX Venture Exchange ("TSX-V") under the symbol 'ZC'. The Company also trades on the Frankfurt Stock Exchange under the symbol 'ZCT1'.

The head office and principal address are located at Suite 1450, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2 and the registered and records office of the Company is located at Suite 800, 885 West Georgia Street, Vancouver, BC, Canada V6C 3H1.

These financial statements were authorized for issue by the Audit Committee and Board of Directors on October 30, 2013.

### 2. BASIS OF PREPARATION

#### a) Statement of Compliance

These condensed interim statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

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, 2012. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2012.

#### b) Basis of Measurement

These financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, this financial statement has been prepared using the accrual basis of accounting.

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates, and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses, and related disclosure.

Judgement is used mainly in determining how a balance or transaction should be recognized in the financial statements. Estimates and assumptions are used mainly in determining the measurement of recognized transactions and balances. Actual results may differ from these estimates.

Significant areas where management's judgement has been applied include:

- Classifying categories of financial assets and financial liabilities in accordance with IAS 39, *Financial instruments: recognition and measurement*; and
- Evaluating if the criteria for recognition of provisions and contingencies are met in accordance with IAS 37, *Provisions, contingent liabilities and contingent assets*.

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

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

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

- 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;
- The determination of useful lives of equipment;
- The inputs used in assessing the recoverability of deferred tax assets to the extent that the deductible temporary differences will reverse in the foreseeable future and that the Company will have future taxable income;
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods;
- The assumptions used to calculate fair value of investments in private company securities not quoted in an active market; and
- The inputs used in accounting for share-based payments.

### 4. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

The investment operations of the Company's business involve the purchase and sale of securities and, accordingly, the majority of the Company's assets are currently comprised of financial instruments. The use of financial instruments can expose the Company to several risks, including interest rate, credit, currency, liquidity and market risk. A discussion of the Company's use of financial instruments and their associated risk is provided below:

a) Fair value - The Company classifies its financial instruments using a fair value hierarchy as a framework for disclosing fair value of financial instruments based on inputs used to value the Company's investments. The hierarchy of inputs and description of inputs is described as follows:

Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or

Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

	Assets measured at fair value as at August 31, 2013			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Fair value through profit or loss</b>				
Cash on hand and bank balances	189,373	-	-	189,373
GIC	34,500	-	-	34,500
Investment in public company shareholdings	4,822,364	-	-	4,822,364
Investment in private company shareholdings	-	-	1,652,216	1,652,216
Investment in warrants	-	777,521	-	777,521
	<u>5,461,119</u>	<u>777,521</u>	<u>1,652,216</u>	<u>7,475,974</u>

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

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

	Assets measured at fair value as at November 30, 2012			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
<b>Fair value through profit or loss</b>				
Cash on hand and bank balances	199,474	-	-	199,474
Cash equivalents - money market funds	23,867	-	-	23,867
GIC	34,500	-	-	34,500
Investment in public company shareholdings	5,134,130	-	-	5,134,130
Investment in private company shareholdings	-	-	1,907,716	1,907,716
Investment in warrants	-	713,960	-	713,960
	<u>5,391,971</u>	<u>713,960</u>	<u>1,907,716</u>	<u>8,013,647</u>

b) Interest rate risk - The Company is not exposed to significant interest rate risk even though the Company has cash balances, and its current policy is to invest excess cash in certificates of deposit or money market funds of major Canadian chartered banks. The GIC included in investment bear interest at a fixed rate, and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The sensitivity of the Company to a variation of 1% in the interest rate would not have a significant impact. The Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

c) Credit risk - The Company is not exposed to significant credit risk on its cash and cash equivalents and investments due to its cash and cash equivalents are placed with major financial institutions and investments are placed with a Canadian chartered bank or with independent investment dealer member of the Canadian Investor Protection Fund. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Management believes that the credit risk with respect to advances and amounts receivables is remote. One customer accounted for 63% (2012: 74%) of the Company's administrative revenue (Note 18).

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.



## **ZIMTU CAPITAL CORP.**

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

**For the nine months ended August 31, 2013**

(Unaudited - Expressed in Canadian Dollars)

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

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, 2013 or the year ended November 30, 2012. The Company is not subject to externally imposed capital requirements.

**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the nine months ended August 31, 2013**

(Unaudited - Expressed in Canadian Dollars)

**5. INVESTMENTS**

Investment in public company shareholdings	Investments at fair value through profit or loss as at August 31, 2013				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Altan Rio Minerals	356,660	143,219	0.40	23,183	0.07
Altan Nevada	344,369	111,781	0.32	20,662	0.06
Arian Resources	10,000	27,912	0.56	1,850	0.19
Arctic Star Exploration	1,955,283	472,107	0.24	166,199	0.09
Big North Graphite	2,603,000	258,339	0.10	195,225	0.08
Canada Rare Earth	500,000	117,783	0.24	17,500	0.04
Canada Strategic Metals	1,050,000	245,667	0.23	52,500	0.05
Canadian International	172,000	9,800	0.06	5,160	0.03
Commerce Resources	3,756,178	2,015,958	0.54	281,713	0.08
Corex Gold	330,000	99,000	0.30	21,450	0.07
Cresval Capital	500,000	100,000	0.20	10,000	0.02
Delta Gold	1,000,000	100,000	0.10	50,000	0.05
Desert Star	876,500	286,009	0.33	131,475	0.15
Discovery Harbour	703,333	206,663	0.29	45,717	0.07
Electric Metals	625,000	60,625	0.10	21,875	0.04
Elissa Resources	250,000	50,000	0.20	7,500	0.03
Equitas Resources	8,394,000	686,183	0.08	167,880	0.02
Fieldex Exploration	725,000	119,222	0.16	7,250	0.01
Galaxy Graphite	855,000	128,120	0.15	38,475	0.05
Indico Resources	400,000	100,000	0.25	30,000	0.08
Indigo Exploration	715,000	200,653	0.28	25,025	0.04
Iron Tank	1,000,000	100,000	0.10	45,000	0.05
Kibaran Nickel	714,300	210,004	0.29	46,995	0.07
Kingsman Resources	55,444	100,237	1.81	2,218	0.04
Lakeland Resources	3,647,000	286,014	0.08	528,815	0.15
Legend Power Systems	200,000	100,000	0.50	10,000	0.05
Lithex Resources	1,200,000	53,758	0.04	39,475	0.03
Lomiko Metals	500,000	36,359	0.07	27,500	0.06
Meridex Software	1,400,000	140,000	0.10	21,000	0.02
Montan Capital	1,451,000	192,734	0.13	217,650	0.15
NexGen Energy	425,532	100,000	0.24	197,872	0.47
Niocorp Developments	716,000	138,537	0.19	85,920	0.12
Nouveau Life Pharmaceuticals	230,000	50,051	0.22	759	0.00
Dunedin Ventures	20,000	110,000	5.50	2,000	0.10
Olympic Resources	2,480,000	184,250	0.07	62,000	0.03
Open Gold	800,000	67,500	0.08	28,000	0.04
Pacific Potash	2,450,000	201,036	0.08	318,500	0.13
Pasinex Resources	10,435,500	1,034,227	0.10	521,775	0.05
Pinestar Gold	656,500	95,390	0.15	9,848	0.02
Pistol Bay	1,000,000	135,000	0.14	65,000	0.07
Prospero Silver	180,000	63,000	0.35	11,700	0.07
Remstar Resources	250,000	19,194	0.08	6,250	0.03
Rio Silver	81,000	24,640	0.30	2,835	0.04
Standard Graphite	513,000	112,022	0.22	41,040	0.08
Strike Graphite	121,500	283,824	2.34	13,365	0.11
Terrax Minerals	120,000	36,000	0.30	42,000	0.35
Tosca Mining	75,000	105,000	1.40	4,500	0.06
Universal Wing	600,000	73,000	0.12	18,000	0.03
Western Pacific Resources	15,000	7,631	0.51	1,275	0.09
Western Potash	2,757,154	1,306,622	0.47	1,130,433	0.41
		<b>10,905,071</b>		<b>4,822,364</b>	

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

#### 5. INVESTMENTS (continued)

Investment in private company shareholdings	Investments at fair value through profit or loss as at August 31, 2013				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
1191557 Ontario	600,000	6,000	0.01	6,000	Cost
Abalor Minerals	1,000,000	100,000	0.10	100,000	Cost
Adent Capital	5,000	525	0.11	525	Cost
Canadian Strategic Metals	1,000,000	100,000	0.10	100,000	Cost
Fenwick Minerals	1,580,002	27,902	0.02	27,902	Cost
Jack's Fork Exploration	2,170,000	350,539	0.16	350,539	Cost
Kittson Metals	200,000	10,000	0.05	10,000	Cost
Mighty Venture Holding	2,600,000	130,000	0.05	130,000	Cost
Mogul Ventures	1,000,000	250,000	0.25	250,000	Cost
Pacific Polar Energy Group	2,000,000	200,000	0.10	200,000	Cost
Portovello Gold	2,000,000	100,000	0.05	100,000	Cost
Pucara Resources	350,000	52,500	0.15	52,500	Cost
Regal Uranium	200,000	20,000	0.10	20,000	Cost
Silver Stallion	1,000,000	50,000	0.05	50,000	Cost
Tamaka Gold	104,500	99,750	0.95	99,750	Cost
Tru Vision	500,000	75,000	0.15	75,000	Cost
Tyko Resources	400,000	80,000	0.20	80,000	Cost
		<b>1,652,216</b>		<b>1,652,216</b>	

Investments in warrants	Number of Warrants	Expiry Date	Exercise Price	Fair Value	Fair Value \$/Warrant	
Altan Nevada	172,184	December 15, 2014	0.52	1,734	0.01	
Altan Rio Minerals	178,330	February 10, 2014	0.69	-	-	
Arctic Star Exploration	165,000	March 29, 2014	0.50	7,173	0.04	
Arctic Star Exploration	1,584,727	April 12, 2015	0.37	122,067	0.08	
Big North Graphite	375,000	June 13, 2014	0.15	7,724	0.02	
Big North Graphite	600,000	July 3, 2015	0.10	26,793	0.04	
Canada Strategic Metals	500,000	April 13, 2014	0.20	2,184	0.00	
Canadian International	625,000	September 23, 2015	0.10	13,388	0.02	
Delta Gold	500,000	September 14, 2017	0.17	15,418	0.03	
Desert Star	100,000	June 13, 2014	0.80	9,437	0.09	
Elissa Resources	250,000	March 4, 2016	0.30	3,803	0.02	
Galaxy Graphite	500,000	November 30, 2013	0.175	-	-	*
Olympic Resources	230,000	July 3, 2014	0.15	-	-	*
Regal Uranium	100,000	2 years from IPO	IPO	-	-	*
Pacific Potash	1,450,000	December 28, 2015	0.13	129,214	0.09	
Pasinex Resources	750,000	July 2, 2015	0.16	22,073	0.03	
Tamaka Gold Corp	104,500	September 7, 2013	0.50	-	-	*
Western Potash	2,708,333	October 24, 2015	0.52	416,513	0.15	
<b>Balance, August 31, 2013</b>				<b>777,521</b>		
<b>Investment in GIC, August 31, 2013</b>				<b>34,500</b>		
<b>Total value of investments, August 31, 2013</b>				<b>\$7,286,601</b>		

\* As of August 31, 2013, fair value of these warrants is \$nil due to the shares of these companies are not publicly traded or \$nil fair value calculated using Black-Scholes option model.

**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the nine months ended August 31, 2013**

(Unaudited - Expressed in Canadian Dollars)

**5. INVESTMENTS (continued)**

Investment in public company shareholdings	Investments at fair value through profit or loss as at November 30, 2012				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
ADR Capital	1,000,000	100,000	0.10	50,000	0.05
Altan Rio Minerals	356,660	143,219	0.40	89,165	0.25
Altan Nevada	344,335	111,781	0.32	61,986	0.18
Amarillo Gold	10,000	8,221	0.82	9,900	0.99
Arctic Star Exploration	1,235,556	418,827	0.34	210,045	0.17
Big North Graphite	2,103,000	277,764	0.13	147,210	0.07
Brixton Metals	890,000	166,287	0.19	155,750	0.18
Canada Strategic Metals	750,000	285,817	0.38	86,250	0.12
Canadian International	172,000	9,800	0.06	3,440	0.02
Clermont Capital	1,000,000	100,000	0.10	205,000	0.21
Commerce Resources	3,756,178	2,015,958	0.54	563,427	0.15
Corex Gold	330,000	99,000	0.30	23,100	0.07
Cresval Capital	500,000	100,000	0.20	12,500	0.03
Critical Elements	1,000,000	241,504	0.24	210,000	0.21
Desert Star	1,253,000	261,634	0.21	87,710	0.07
Electric Metals	625,000	60,625	0.10	21,875	0.04
Elissa Resources	250,000	50,000	0.20	12,500	0.05
Equitas Resources	8,394,000	686,183	0.08	167,880	0.02
Fieldex Exploration	725,000	119,222	0.16	18,125	0.03
Galaxy Graphite	855,000	128,120	0.15	38,475	0.05
Golden Touch Resources	50,000	27,912	0.56	1,500	0.03
Indico Resources	400,000	100,000	0.25	80,000	0.20
Indigo Exploration	715,000	200,653	0.28	57,200	0.08
Iron Tank	1,000,000	100,000	0.10	65,000	0.07
Kibaran Nickel	714,300	210,004	0.29	96,227	0.14
Kingsman Resources	55,444	100,237	1.81	2,772	0.05
Lakeland Resources	4,396,000	335,295	0.08	197,820	0.05
Legend Power Systems	200,000	100,000	0.50	15,000	0.08
Lomiko Metals	1,001,000	97,625	0.10	60,060	0.06
Meridex Software	1,400,000	140,000	0.10	21,000	0.02
Niocorp Developments	2,200,000	425,633	0.19	264,000	0.12
Nouveau Life Pharmaceuticals	230,000	50,051	0.22	1,380	0.01
Ocean Park Ventures	200,000	110,000	0.55	7,000	0.04
Olympic Resources	1,730,000	143,000	0.08	95,150	0.06
Open Gold	800,000	67,500	0.08	40,000	0.05
Pacific Potash	2,675,000	130,861	0.05	280,875	0.11
Pinestar Gold	656,500	95,390	0.15	13,130	0.02
Prospero Silver	180,000	63,000	0.35	21,600	0.12
Rare Earth Metals	1,400,000	329,500	0.24	91,000	0.07
Remstar Resources	250,000	19,194	0.08	10,000	0.04
Rio Silver	81,000	24,640	0.30	7,290	0.09
Standard Graphite	774,000	169,181	0.22	116,100	0.15
Strike Graphite	840,000	272,574	0.32	25,200	0.03
Terrax Minerals	165,000	49,500	0.30	7,425	0.05
Tosca Mining	300,000	105,000	0.35	9,000	0.03
Universal Wing	600,000	73,000	0.12	21,000	0.04
Western Pacific Resources	200,000	101,799	0.51	22,000	0.11
Western Potash	2,991,154	1,417,536	0.47	1,331,063	0.45
		<b>10,443,047</b>		<b>5,134,130</b>	

**ZIMTU CAPITAL CORP.****Notes to the Condensed Interim Financial Statements****For the nine months ended August 31, 2013**

(Unaudited - Expressed in Canadian Dollars)

**5. INVESTMENTS (continued)**

Investment in private company shareholdings	Investments at fair value through profit or loss as at November 30, 2012				
	Volume	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Abalor Minerals	1,000,000	100,000	0.10	100,000	Cost
Adent Capital	5,000	525	0.11	525	Cost
Canadian Strategic Metals	1,000,000	100,000	0.10	100,000	Cost
Discovery Harbour	2,020,000	202,000	0.10	202,000	Cost
Fenwick Minerals	1,580,002	27,902	0.02	27,902	Cost
Jack's Fork Exploration	2,170,000	350,539	0.16	350,539	Cost
Kittson Metals	200,000	10,000	0.05	10,000	Cost
Mighty Venture Holding	2,600,000	130,000	0.05	130,000	Cost
Mogul Ventures	1,000,000	250,000	0.25	250,000	Cost
Montan Capital	1,060,000	112,000	0.11	112,000	Cost
Pacific Polar Energy Group	2,000,000	200,000	0.10	200,000	Cost
Portovello Gold	2,000,000	100,000	0.05	100,000	Cost
Regal Uranium	200,000	20,000	0.10	20,000	Cost
Silver Stallion	1,000,000	50,000	0.05	50,000	Cost
Tamaka Gold	104,500	99,750	0.95	99,750	Cost
Tru Vision	500,000	75,000	0.15	75,000	Cost
Tyko Resources	400,000	80,000	0.20	80,000	Cost
		<b>1,907,716</b>		<b>1,907,716</b>	

Investments in warrants	Number of Warrants	Expiry Date	Exercise Price	Fair Value	Fair Value \$/Warrant	
Altan Nevada	172,184	December 15, 2014	0.52	19,125	0.11	
Altan Rio Minerals	178,330	December 23, 2013	0.69	6,885	0.04	
Arctic Star Exploration	165,000	March 29, 2014	0.50	12,568	0.08	
Big North Graphite	375,000	December 13, 2012	0.15	-	-	*
Brixton Metals	400,000	August 11, 2013	0.25	22,049	0.06	
Canada Strategic Metals	500,000	April 13, 2014	0.20	28,969	0.06	
Canadian International	625,000	September 23, 2015	0.10	11,040	0.02	
Carlisle Goldfield	100,000	February 4, 2013	0.35	178	0.00	
Cayden Resources	17,307	February 9, 2013	4.00	2	0.00	
Cresval Capital	500,000	April 17, 2013	0.30	63	0.00	
Desert Star	200,000	June 13, 2014	0.40	5,381	0.03	
Elissa Resources	250,000	March 4, 2013	0.30	86	0.00	
Galaxy Graphite	500,000	November 30, 2013	0.175	5,006	0.01	
Ocean Park Ventures	100,000	May 11, 2013	0.85	-	-	*
Olympic Resources	230,000	July 3, 2014	0.15	2,690	0.01	
Regal Uranium	100,000	2 years from IPO	IPO	-	-	*
Standard Graphite	8,750	July 20, 2013	0.40	74	0.01	
Tamaka Gold Corp	104,500	September 7, 2013	0.50	-	-	*
Western Potash	2,708,333	October 24, 2015	0.52	599,844	0.22	
<b>Balance, November 30, 2012</b>				<b>713,960</b>		
<b>Investment in GIC, November 30, 2012</b>				<b>34,500</b>		
<b>Total value of investments, November 30, 2012</b>				<b>\$7,790,306</b>		

\* As of November 30, 2012, fair value of these warrants is \$nil due to the shares of these companies are not publicly traded or \$nil fair value calculated using Black-Scholes option model.

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

#### 5. INVESTMENTS (continued)

As at August 31, 2013, the Company had two guaranteed investment certificates totaling \$34,500 (November 30, 2012: \$34,500). Of the total, \$23,000 was issued on March 15, 2013, maturing on March 14, 2014 (November 30, 2012: \$23,000 issued on March 16, 2012 and matured on March 15, 2013) with an interest rate of prime minus 2.05% (November 30, 2012: 2.05%). and \$11,500 was issued on July 12, 2013 and matures on July 10, 2014 with an interest rate of prime minus 1.90% (November 30, 2012: 2.05%).

The Company classifies all of its investments other than equity method investees as investments at fair value through profit or loss, except for the investments classified as available-for-sale.

#### 6. INVESTMENTS IN EQUITY METHOD INVESTEEES

	Pasinex Resources (a)	Prima Fluorspar (b)	0941680 BC Ltd. (c)	Prima Fluorspar (d)	Lakeland Resources (e)	Red Star Capital (f)	Total
At November 30, 2011	-	113,122	-	-	605,676	-	718,798
Fair value upon deconsolidation (12,367,500 shares * \$0.10/share)	1,236,750	-	-	-	-	-	1,236,750
Loss from equity investees	(286,980)	(41,585)	(80,479)	-	-	-	(409,044)
Funds invested	-	2,125	235,000	-	23,890	-	261,015
Derecognition as equity method investee	-	-	-	-	(629,566)	-	(629,566)
At November 30, 2012	949,770	73,662	154,521	-	-	-	1,177,953
Loss from equity investees	(65,361)	(21,128)	(56,689)	-	-	-	(143,178)
Shares received for finder's fees	5,000	-	-	-	-	-	5,000
At April 17, 2013	889,409	52,534	97,832	-	-	-	1,039,775
Gain on transaction	-	(52,534)	(97,832)	336,904	-	-	186,538
Funds invested	-	-	-	-	-	169,000	169,000
Loss from equity investees	(65,901)	-	-	(336,904)	-	(1,583)	(404,388)
Recovery of loss from equity investee	418,242	-	-	-	-	-	418,242
Derecognition as equity method investee	(1,241,750)	-	-	-	-	-	(1,241,750)
At August 31, 2013	-	-	-	-	-	167,417	167,417

##### (a) Pasinex Resources Limited

On March 2, 2012, the Company sold a total of 4,750,000 common shares of Pasinex Resources Limited ("Pasinex") (formerly Triple Dragon Resources Ltd.) in private transactions to 3 individuals, reducing its ownership of Pasinex to 50.25%. Prior to the disposal, the Company owned a 69.55% equity interest in Pasinex and Pasinex has been accounted for as a subsidiary in the financial statements for the year ended November 30, 2011. On March 9, 2012, Pasinex closed a non-brokered private placement of 23,535,149 common shares, effectively decreasing the Company's holdings to 25.69%. On April 23, 2012, the Company sold an additional 457,000 common shares of Pasinex in a private transaction, further reducing the Company's ownership down to 24.74%. The financial results of Pasinex were included in the financial statements of the Company up to March 8, 2012. Subsequent to March 8, 2012, the Company determined that it no longer controlled the operations of Pasinex, and therefore would no longer consolidate the operations of Pasinex. As a result, Pasinex is accounted for using the equity method, and the Company derecognized the carrying amounts of assets, liabilities and non-controlling interest related to Pasinex, and recognized its retained investment in Pasinex at its fair value as at the date of deconsolidation of Pasinex. The difference of \$1,242,197 is recorded as a gain in the statements of operations and comprehensive loss at the date of deconsolidation.

Goodwill balance of \$64,816 as of November 30, 2011, representing the difference between the purchase price and identified fair value of net asset of Pasinex since the acquisition in 2008, and changes in relation to share issuances to non-controlling interests, have been derecognised upon the deconsolidation.

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

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#### 6. INVESTMENTS IN EQUITY METHOD INVESTEES (continued)

##### (a) Pasinex Resources Limited (continued)

On June 4, 2013, the Company sold 3,050,000 common shares of Pasinex in private transactions to a director and to an insider of Pasinex for gross proceeds of \$146,000. Upon closing of the private sale, Zimtu owns approximately 17% of the issued and outstanding capital of Pasinex and therefore no longer has significant influence of Pasinex. As a result, the Company ceased to account for the investment using the equity method. Effective June 4, 2013, the remaining investment in Pasinex was accounted for as an investment, held at fair market value (see Note 5). On July 2, 2013, the Company purchased in a private placement 1,500,000 common shares of Pasinex at a cost of \$0.08 per share. As at August 31, 2013, the Company owns 10,435,500 (November 30, 2012 – 11,935,500) common shares of Pasinex, which represents approximately 19% of Pasinex's outstanding shares. As at August 31, 2013, these shares had a fair value of \$521,755 (November 30, 2012 - \$949,770).

##### (b) Prima Fluorspar Corp. (formerly Camisha Resources Corp.)

As at April 17, 2013, the Company owned approximately 27% (November 30, 2012: 27%) of the total outstanding shares of Prima Fluorspar Corp. ("Prima"), being 3,020,000 common shares (November 30, 2012: 3,020,000) (also see Note 18(b)). The Company exerted significant influence over Prima and therefore Prima was accounted for as an investment under the equity method. The investment in Prima was recorded at cost of \$152,125 (November 30, 2012: \$152,125) and was adjusted for \$21,128 (November 30, 2012: \$41,585) of equity loss. At April 18, 2013, upon completion of the reverse takeover (the "Transaction" – see (d) below), the remaining balance of the original investment of Prima was reduced to nil.

##### (c) 0941680 BC Ltd. (formerly Prima Fluorspar Corp.)

As at April 17, 2013, the Company owned approximately 39% (November 30, 2012: 39%) of the total outstanding shares of 0941680 BC Ltd. ("0941680 BC") (formerly Prima Fluorspar Corp.) a private company incorporated on May 29, 2012, being 4,500,000 common shares (November 30, 2012: 4,500,000) (also see Note 7 and 18). The Company exerted significant influence over 0941680 BC and therefore 0941680 BC was accounted for as an investment under the equity method. The investment in 0941680 BC was recorded at cost of \$235,000 and was adjusted for \$56,689 (November 30, 2012: \$80,479) of equity loss. At April 18, 2013, upon completion of the reverse takeover (the "Transaction" – see (d) below), the remaining balance of the original investment of 0941680 BC was reduced to nil.

##### (d) Prima Fluorspar Corp. (formerly Camisha Resources Corp.)

On April 18, 2013, the TSX-V approved Prima's acquisition of 0941680 BC Ltd. Upon completion of the Transaction, the former shareholders of 0941680 BC hold a controlling interest in Prima and will therefore account for the acquisition of 0941680 similarly to a reverse takeover transaction, with 0941680 BC being the deemed acquirer of the net assets of Prima. Prima issued 11,515,000 common shares to 0941680 BC's shareholders on a one for one basis. These common shares will be subject to Escrow agreements pursuant to National Policy 46-201. Concurrent with the Transaction, Prima completed a private placement issuing 3,975,000 common shares with gross proceeds of \$602,500. At the completion of the Transaction, Zimtu held approximately 28% of Prima's outstanding shares.

The current investment in Prima reflects Zimtu's share of the total fair value of consideration of Prima on April 18, 2013, the date of acquisition. Therefore, the fair value of the shares of Prima held by Zimtu is 28.1% of \$1,198,942, the fair value of consideration of the acquired shares, for a value of \$336,904 (November 30, 2012: \$nil), and is adjusted for \$336,904 (November 30, 2012: \$nil) of equity loss. The gain on the transaction is equal to the new fair value of the shares (\$336,904) less the remaining balance of the former Prima (\$52,534) and 0941680 BC (\$97,832) investments on April 17, 2013, for a gain on the Transaction of \$186,538.



## **ZIMTU CAPITAL CORP.**

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

**For the nine months ended August 31, 2013**

(Unaudited - Expressed in Canadian Dollars)

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#### **6. INVESTMENTS IN EQUITY METHOD INVESTEES (continued)**

##### **(e) Lakeland Resources Inc.**

The Company acquired 5,165,000 common shares of Lakeland Resources Inc. ("Lakeland") for \$437,975 during the year ended November 30, 2010, 1,025,000 common shares for \$114,055 during the year ended November 30, 2011, and 256,000 common shares for \$23,890 during the year ended November 30, 2012. Of the 5,165,000 shares of Lakeland acquired in 2010, 3,000,000 of these shares were held by Pasinex, and are no longer included in the financial statements due to the loss of control in Pasinex in March 2012 (see above). Management had determined that the Company no longer had significant influence of Lakeland, and the Company ceased to account for the investment using the equity method. Effective June 1, 2012, the remaining investment in Lakeland was accounted for as an investment, held at fair market value (see Note 5). At August 31, 2013, the Company owns 3,647,000 shares which represents 16% (November 30, 2011: 20%) of total issued and outstanding shares of Lakeland.

On June 20, 2013, two directors of the Company consented to act as directors and audit committee members for Lakeland Resources Inc.

##### **(f) Red Star Capital Ventures Inc.**

The Company acquired 1,650,000 common shares of Red Star Capital Ventures Inc. ("Red Star") for \$99,000 on December 7, 2012, which has previously been held at fair market value. On July 12, 2013, the Company purchased an additional 1,000,000 common shares for \$70,000, increasing the Company's ownership to 27% of the issued and outstanding shares of Red Star, causing the Company to reclassify its investment as an equity investment.



## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

#### 7. MINERAL PROPERTY INTERESTS

Property expenditures for the nine months ended August 31, 2013 and the year ended November 30, 2012:

		Zimtu Properties		Pasinex Properties*		Totals
Balance, November 30, 2011	\$	250,898	\$	424,831	\$	675,729
Acquisition costs		384,764		25,852		410,616
Sale of properties		(234,319)		-		(234,319)
Impairment of property		(66,493)		-		(66,493)
Deconsolidation of Pasinex		-		(450,683)		(450,683)
Balance, November 30, 2012	\$	334,850		-	\$	334,850
Acquisition costs		43,231		-		43,231
Sale of properties		(67,423)		-		(67,423)
Impairment of property		(2,811)		-		(2,811)
Balance, August 31, 2013	\$	307,847	\$	-	\$	307,847

**\*Pasinex Resources Limited Properties:** As at August 31, 2013, the Company owns 19% (November 30, 2012: 24.74%) of the issued and outstanding common shares of Pasinex. Prior to the deconsolidation on March 9, 2012, the Company included the value of properties held by Pasinex. Following the deconsolidation, those properties are no longer included in Zimtu's property expenditures.

Property Name	Joint Venture Partner	Balance, November 30, 2012 \$	Additions \$	Impairment \$	Property sales \$	Balance, August 31, 2013 \$
Munglinup (i)	Strategic	2,708	-	-	(2,708)	-
Portland Graphite (k)	MPH	64,715	-	-	(64,715)	-
AB Frac (α)	Dahrouge	8,725	1,025	-	-	9,750
AB Potash (α)	Dahrouge	84	-	-	-	84
Beatty Bat (α)	Dahrouge	21,590	-	-	-	21,590
Black Birch (α)	Dahrouge	-	14,068	-	-	14,068
Burr River (α)	Dahrouge	-	2,175	-	-	2,175
Irving Lake Gold (α)	Dahrouge	19,275	-	-	-	19,275
Jay Claims (α)	Dahrouge	-	2,759	-	-	2,759
Kubwa (α)	Strategic	165,000	-	-	-	165,000
Lac Caron (α)	Dahrouge	8,034	-	-	-	8,034
Odin Creek (α)	Javorsky	2,811	-	(2,811)	-	-
Michon (α)	Dahrouge	1,803	-	-	-	1,803
Saskoba (α)	Dahrouge	30,297	5,108	-	-	35,405
Solar Frac (α)	Dahrouge	-	1,414	-	-	1,414
Springer Lake (α)	Dahrouge	-	16,682	-	-	16,682
Zaharik Lake (α)	Dahrouge	9,808	-	-	-	9,808
		334,850	43,231	(2,811)	(67,423)	307,847

(α) Properties Held for Sale

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

#### 7. MINERAL PROPERTY INTERESTS (continued)

Property Name	Joint Venture Partner	Balance,	Additions	Property sales	Impairment	Balance,
		November 30, 2011				November 30, 2012
		\$	\$	\$	\$	\$
Blachford Lake (a)	Dahrouge	32,742	122	(32,863)	-	-
Black Donald Property (b)	MPH	13,610	-	(13,610)	-	-
Mc Whirter Lake (c)	MPH	-	6,593	(6,593)	-	-
Flora Lake (d)	Dahrouge	-	10,738	(10,738)	-	-
Fluorspar Properties (e)	Heyman/Brookes	-	48,759	(48,759)	-	-
Gem/Dickson Property (f)	N/A, 100% owned by Zimtu	-	30,000	(30,000)	-	-
Griffith & Brougham (g)	MPH	-	24,690	(24,690)	-	-
Henry Graphite (h)	Dahrouge	18,938	34,885	(53,823)	-	-
Munglinup (i)	Strategic	-	15,208	(12,500)	-	2,708
Quatre Milles (j)	Robert	-	742	(742)	-	-
AB Frac (α)	Dahrouge	6,126	-	-	-	6,126
AB Potash (α)	Dahrouge	84	-	-	-	84
Beatty Bat (α)	Dahrouge	-	21,590	-	-	21,590
Irving Lake Gold (α)	Dahrouge	12,264	7,011	-	-	19,275
Kubwa (α)	Strategic	100,000	65,000	-	-	165,000
Lac Caron (α)	Dahrouge	-	8,034	-	-	8,034
Odin Creek (α)	Javorsky	2,811	-	-	-	2,811
Peace River (α)	Dahrouge	-	2,599	-	-	2,599
Michon (α)	Dahrouge	-	1,803	-	-	1,803
Portland Graphite (α)	MPH	-	64,715	-	-	64,715
Saskoba (α)	Dahrouge	-	30,297	-	-	30,297
Zaharik Lake (α)	Dahrouge	-	9,808	-	-	9,808
Amor Rare Earth (β)	N/A, 100% owned by Zimtu	14,410	-	-	(14,410)	-
Cerium Mountain (β)	Javorsky	10,523	-	-	(10,523)	-
Labrador Trough (β)	Dahrouge	-	89	-	(89)	-
Lac Le Claire Claims (β)	Dahrouge	299	-	-	(299)	-
Michikamatas (β)	N/A, 100% owned by Zimtu	2,098	-	-	(2,098)	-
Port Hope (β)	Lewis	12,093	-	-	(12,093)	-
Parry Creek (β)	Javorsky	14,200	-	-	(14,200)	-
Sul/Sud Claims (β)	Dahrouge	-	2,080	-	(2,080)	-
Zen Claims (β)	Javorsky	177	-	-	(177)	-
Zirconium Mountain (β)	Javorsky	10,523	-	-	(10,523)	-
		250,898	384,764	(234,319)	(66,493)	334,850

#### Joint Venture Properties

*Dahrouge Geological Consulting Corp. and 877384 Alberta Ltd. ("Dahrouge")*

The Company, Dahrouge Geological Consulting Corp. ("Dahrouge") and 877384 Alberta Ltd. ("877384") entered into mutual agreements which were executed verbally that Dahrouge and 877384 will stake and hold the ownerships of the properties on behalf of the Company.

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

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#### 7. MINERAL PROPERTY INTERESTS (continued)

##### Joint Venture Properties (continued)

###### *Strategic Resource Management Pty Ltd. ("Strategic")*

On April 13, 2011, the Company entered into an agreement for the joint acquisition and sale of iron properties of merit in Australia with Kubwa Iron Ore Holdings Pty Ltd. ("Kubwa"). Kubwa is a private Australian company, wholly owned by Strategic Resource Management Pty Ltd. ("Strategic"). Zimtu will contribute \$50,000 on signing of the agreement (paid) and contribute up to \$50,000 to fund additional iron tenement applications for Kubwa (paid). After the 50/50% joint venture is formed, the proceeds from the sale of any or all of the tenements/permits will be shared equally by the Company and Kubwa; however, Zimtu will be entitled to the first portion of any cash consideration received for the tenements/permits equal to 50% of the amount contributed for additional tenement applications. If the maximum \$50,000 is spent on additional tenement applications, Zimtu will be entitled to the first \$25,000 of any cash consideration received. During the year ended November 30, 2012, the Company paid an additional \$65,000 to Kubwa for geological evaluation expenditures.

###### *MPH Consulting Ltd. ("MPH")*

During the year ended November 30, 2011, the Company and MPH Consulting Ltd. (with president, Paul Sobie and executive VP, Bill Brereton) entered into a mutual agreement which was executed verbally that they were the legal and beneficiary holders of the mineral claims making up the Lavergne Rare Earth Property and Black Donald Graphite Properties. The proceeds from the Lavergne Property and Black Donald Properties will be shared on a 50(Zimtu)-25(Sobie)-25(Brereton)% joint venture basis. During the year ended November 30, 2012, the parties entered into an agreement that they are the legal and beneficial holders of the mineral claims making up the Griffith and Brougham Graphite Properties, McWhirter Lake Property, and Portland Graphite Property.

###### *Michel Robert ("Robert")*

On December 28, 2011, the Company and Michel Robert entered into a mutual agreement which was executed verbally that they were the legal and beneficiary holders of the mineral claims making up the Quatre Milles Property. The proceeds from the Quatre Milles Property will be shared on a 50-50% joint venture basis.

###### *Javorsky Properties ("Javorsky")*

In 2010, the Company entered into an agreement for the joint exploration of several rare earth element claims of merit in Western Canada, known as the Old Lime Stone, Zirconium Mountain, Cerium Mountain, Parry Creek, Port Hope and Odin Creek Cerium. The Company and the other joint venturer, Dave Javorsky ("Javorsky"), each contributed for the acquisition costs of the properties. The properties 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 Javorsky. At August 31, 2013, all properties have been sold or written off.

## ZIMTU CAPITAL CORP.

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#### 7. MINERAL PROPERTY INTERESTS (continued)

##### Farmed-out Properties

###### *(a) Blachford Rare Earth Element Property*

On June 16, 2011, the Company and one of its prospecting partners signed an agreement with Desert Star Resources Ltd. ("Desert Star") (formerly First Graphite Corp.) whereby Desert Star can earn a 100% interest in the Blachford Rare Earth Element ("REE") Property located in the Northwest Territories, approximately 100 kilometres southeast of the city of Yellowknife. The property is contiguous to Avalon Rare Metals Inc.'s ("Avalon") Thor Lake REE Project. For its participation in the transaction, Zimtu will receive staged payments totalling \$100,000 (\$12,500 received in 2011 and \$37,500 received in 2012) and 1,250,000 common shares (500,000 shares received and fair valued at \$42,500 in 2012) over an 18-month period. Zimtu's partner will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the property; 1% of which can be purchased by Desert Star for \$750,000. The agreement was accepted by the TSX-V on November 30, 2011. On August 22, 2012, the agreement between Desert Star and Zimtu was terminated. During the nine months ended August 31, 2013, \$16,500 (2012: \$47,137) was recognized as revenue for the satisfaction of Desert Star's termination obligations.

###### *(b) Black Donald, Little-Bryan and Beidelman-Lyall Graphite Properties*

On November 2, 2011, the Company and its prospecting partners signed an agreement with Standard Graphite Corp. ("Standard") (formerly Orocan Resource Corp.) whereby Standard has an option to purchase a 100% interest in and to the Black Donald, Little-Bryan, and Beidelman-Lyall Graphite Properties located in the Ontario, Canada. For its participation in the transaction, Zimtu will receive cash of \$12,500 (received) and staged payments of 1,000,000 common shares (750,000 shares received and fair valued at \$160,250 in 2012) over a two-year period. Zimtu's prospecting partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims at which half can be purchased for \$1 million. The agreement was approved by the TSX-V on December 9, 2011. During the nine months ended August 31, 2013, \$nil (2012: \$159,140) was recognized as revenue from the property sale.

On August 26, 2013, the agreement was amended as the Purchaser did not maintain the property and come claims expired. To settle the original property agreement, the Purchaser has agreed to issue the final 250,000 common shares to the Company

###### *(c) McWhirter Lake Graphite Property*

On August 14, 2012, the Company and its prospecting partners signed an agreement with Olympic Resources Ltd. ("Olympic") whereby Olympic has an option to purchase a 100% interest in and to the McWhirter Lake Graphite Property located in the Carlow, Monteaagle, and Dungannon townships in Ontario, Canada. For its participation in the transaction, Zimtu will receive cash payments of \$20,000 (received) and payments of 1,250,000 common shares (received 750,000 shares fair valued at \$37,500 in 2012). Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims of which one-half can be purchased for \$1 million. The agreement was approved by the TSX-V on August 28, 2012. During the nine months ended August 31, 2013, \$nil (2012: \$50,907) was recognized as revenue from the property sale. See Note 22 (c).

###### *(d) Flora Lake Graphite Property*

On April 19, 2012, the Company and one of its prospecting partners signed an agreement with Olympic Resources Ltd. ("Olympic") whereby Olympic has an option to purchase a 100% interest in and to the Flora Lake Graphite Property located in Labrador, Canada. For its participation in the transaction, Zimtu will receive staged cash payments of \$30,000 (received) and staged payments of 1,500,000 common shares (250,000 shares received and fair valued at \$82,500 in 2012 and 250,000 received and fair valued at \$13,750 in 2013) over a fourteen-month period.

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#### 7. MINERAL PROPERTY INTERESTS (continued)

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

###### *(d) Flora Lake Graphite Property (continued)*

Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims of which one-half can be purchased for \$1 million. The agreement was approved by the TSX-V on May 31, 2012. On April 15, 2013, the Company and its prospecting partners amended the property agreement dated May 22, 2012 with Olympic for the Flora Lake Graphite Property. Olympic was to keep the property in good standing, however failed to do so. In order to alleviate their liability to the Vendors, Olympic issued 500,000 (fair valued at \$27,500) shares to the Company as full and complete fulfillment of their obligation under the agreement. During the nine months ended August 31, 2013, \$41,250 (2012: \$101,762) was recognized as revenue from the property sale.

###### *(e) Fluorspar Properties*

On June 17, 2012, the Company and its prospecting partners signed an agreement with Prima Fluorspar Corp. ("Prima") whereby Prima has an option to purchase a 100% interest in and to the Liard Fluorspar Property located in British Columbia, Canada. For its participation in the transaction, Zimtu received cash payments of \$20,000 and payments of 1,000,000 common shares (fair valued at \$50,000). Zimtu's acquisition partners received cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims at which half can be purchased for \$1 million. Prima has fully executed the option payments and has successfully earned the 100% interest in Liard Fluorspar Property. During the nine months ended August 31, 2013, \$nil (2012: \$21,241) was recognized as revenue from the property sale.

###### *(f) Gem/Dickson Property*

On June 6, 2012, the Company signed an agreement with Prima Fluorspar Corp. ("Prima") whereby Prima has an option to purchase a 100% interest in and to the Gem/Dickson Property located in British Columbia, Canada. For its participation in the transaction, Zimtu received 750,000 common shares (fair valued at \$37,500). Prima has fully executed the option payments and has successfully earned the 100% interest in Gem Property. The shares are subject to a 3 year escrow period ending April 19, 2016. During the nine months ended August 31, 2013, \$nil (2012: \$7,500) was recognized as revenue from the property sale.

###### *(g) Griffith and Brougham Graphite Properties*

On April 17, 2012, the Company and its prospecting partners signed an agreement with Big North Graphite Corp. ("Big North") (formerly Big North Capital Inc.) whereby Big North has an option to purchase a 100% interest in and to the Griffith and Brougham Graphite Properties located in Ontario, Canada. For its participation in the transaction, Zimtu will receive cash of \$40,000 (received) and staged payments of 1,000,000 common shares (500,000 shares received with a fair value of \$75,000 in 2012 and 250,000 shares received with a fair value of \$12,500 in 2013) over a two-year period. Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims of which one-half can be purchased for \$1 million. The agreement was approved by the TSX-V on April 24, 2012. During the nine months ended August 31, 2013, \$12,500 (2012: \$90,310) was recognized as revenue from the property sale.

###### *(h) Henry Graphite Property*

On April 5, 2012, the Company and its prospecting partner signed an agreement with Desert Star Resources Ltd. ("Desert Star") (formerly First Graphite Corp.) whereby Desert Star has an option to purchase a 100% interest in and to the Henry Graphite Property located in Saskatchewan, Canada. For its participation in the transaction, Zimtu will receive staged cash payments of \$77,500 (received) and staged payments of 1,000,000 common shares (350,000 shares with a fair value of \$140,000 and

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#### 7. MINERAL PROPERTY INTERESTS (continued)

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

###### *(h) Henry Graphite Property (continued)*

150,000 shares with a fair value of \$12,750 were received in 2012 and 125,000 (250,000 pre-consolidation) shares with a fair value of \$14,375 and 125,000 (250,000 pre-consolidation) with a fair value of \$10,000 were received in 2013) over a two-year period. Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims. The agreement was approved by the TSX-V on April 13, 2012. During the nine months ended August 31, 2013, \$24,375 (2012: \$176,427) was recognized as revenue from the property sale.

###### *(i) Munmlinup Graphite Project*

On February 27, 2012, the Company and its prospecting partners signed an agreement with Pinestar Gold Inc. ("Pinestar") whereby Pinestar has an option to purchase a 100% interest in and to the Munmlinup Graphite Project located in the Western Australia and eight additional graphite occurrences located in Australia. For its participation in the transaction, Zimtu will receive cash of \$75,000 (\$12,500 received) and staged payments of 1,750,000 common shares over a two-year period. Zimtu's prospecting partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims at which half can be purchased for \$1 million. On May 11, 2012, Pinestar and Zimtu terminated the letter agreement in place with the Company and its prospecting partners to acquire the Munmlinup Graphite Properties.

On February 19, 2013, the Company and its prospecting partners signed an agreement with Lithex Resources Limited ("Lithex"), a publicly traded company on the Australia Securities Exchange (ASX: LTX), whereby Lithex has an option to purchase a 100% interest in and to the Munmlinup Graphite Project located in the Western Australia and eight additional graphite occurrences located in Australia. For its participation in the transaction, Zimtu will receive cash of \$15,210 (received) and payments of 1,200,000 common shares (received) fair valued at \$53,758. During the nine months ended August 31, 2013, \$66,260 (2012: \$12,500) was recognized as revenue from the property sale

###### *(j) Quatre Milles Graphite Property*

On November 11, 2011, the Company and its prospecting partners signed an agreement with Lomiko Metals Inc. ("Lomiko") whereby Lomiko has an option to purchase a 100% interest in and to the Quatre Milles Graphite Property located in the Quebec, Canada. For its participation in the transaction, Zimtu will receive cash of \$25,000 (received) and staged payments of 2,000,000 common shares (500,000 shares received with a fair value of \$55,000 and 250,000 shares received with a fair value of \$16,250 in 2012 and 500,000 shares received with a fair value of \$27,500 in 2013) over a two-year period. Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims which can be purchased for \$1 million. The agreement was approved by TSX-V on March 26, 2012. During the nine months ended August 31, 2013, \$27,500 (November 30, 2012, \$83,008) is recognized as revenue from the property sale.

On May 7, 2012, the Company and its prospecting partners signed an agreement with Lomiko whereby Lomiko has an option to purchase a 100% interest in and to the Quatre Milles - Extension located in the Quebec, Canada. For its participation in the transaction, Zimtu will receive cash of \$1,000 and 600,000 common shares. Zimtu's prospecting partners will receive cash and share consideration equal to that of Zimtu. The agreement is subject to approval by the TSX-V.



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#### 7. MINERAL PROPERTY INTERESTS (continued)

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

###### *(k) Portland Graphite Property*

On February 27, 2013, the Company and one of its prospecting partners signed an agreement with Pistol Bay Mining Inc. ("Pistol Bay") whereby Pistol Bay can earn a 100%-interest in the advanced stage Portland Graphite Property located in Southern Ontario. For its participation in the transaction, the Company will receive cash of \$75,000 and share payments of 2,750,000 common shares (1,000,000 shares received and fair valued at \$135,000) over a two year period. Zimtu's prospective partner will receive cash/share consideration equal to that of Zimtu. The timing of the staged payments were modified in an agreement dated May 31, 2013. The agreement was accepted by the TSX-V on March 20, 2013. During the nine months ended August 31, 2013, \$70,285 (2012: \$nil) is recognized as revenue from the property sale. See Note 22 (d).

###### *(l) C&C/7 Rare Earth Element Properties*

On December 15, 2010, Critical Elements Corp. (formerly First Gold Exploration Inc.) announced that it had signed an agreement with the Company and its joint venture partners, C&C, to acquire a 100% interest in seven rare earth element (REE) and niobium properties in southeastern British Columbia. For its participation in the transaction, the Company will receive staged payments of \$62,500 cash (received) and share payments totalling 2,000,000 common shares (1,000,000 shares received and fair valued at \$290,000 in 2011, 500,000 shares received and fair valued at \$70,000 in 2012, and 500,000 shares received and fair valued at \$117,500 during the six months ended May 31, 2013) over a two year period. Zimtu's partners, C&C, will together receive cash and share consideration equal to that of Zimtu. During the term of the agreement Critical Elements shall ensure that the claims are maintained in good standing. The vendors will retain a 2% NSR royalty on the properties; 1% of which can be purchased by Critical Elements for \$1-million and the second 1% of which can be purchased by Critical Elements for \$5-million. The transaction was accepted by the TSX-V on January 5, 2011. During the nine months ended August 31, 2013, \$117,500 (2012: \$70,000) is recognized as revenue from the property sale.

###### *(m) Deep Bay Graphite and Simon Lake Graphite Properties*

On September 1, 2011, the Company and one of its prospecting partners signed an agreement with Strike Graphite Corp. (formerly Strike Gold Corp.) ("Strike") whereby Strike has an option to purchase a 100% interest in and to the Deep Bay East and Simon Lake Graphite Properties located in the Saskatchewan, Canada. For its participation in the transaction, Zimtu will receive staged payments of \$162,500 (\$87,500 received) and 1,500,000 common shares (500,000 shares received and fair valued at \$167,500 in 2011 and 500,000 shares received and fair valued at \$155,000 in 2012) over a 14-month period. Zimtu's prospecting partner will received cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 3% NSR royalty on the claims. The agreement was accepted by the TSX-V on September 6, 2011.

On November 19, 2012, the agreement was amended to defer the final payment and share issuance from November 6, 2012 to February 28, 2013. On March 22, 2013, the Company provided Strike with a written notice of default, requiring payment of cash and shares in full before close of business on April 21, 2013 or the option agreement will be terminated. On October 22, 2013, the Company provided Strike with a written notice of default, requiring payment of cash and shares in full before close of business on November 22, 2013 or the option agreement will be terminated. During the nine months ended August 31, 2013, \$nil (2012: \$205,000) was recognized as revenue from the property sale.

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#### 7. MINERAL PROPERTY INTERESTS (continued)

##### Property Advisory Services

###### *Big North Lake Graphite Property*

On March 27, 2012, the Company and its prospecting partners signed an agreement with Big North Graphite Corp. ("Big North") (formerly Big North Capital Inc.) whereby Big North has an option to purchase a 100% interest in and to the Big North Lake Graphite Property located in Quebec, Canada. For its participation in the transaction, Zimtu will receive cash of \$20,000 (received) and staged payments of 750,000 common shares (375,000 shares received with a fair value of \$65,625 and 125,000 shares received with a fair value of \$7,500 in 2012, and 125,000 shares received with a fair value of \$6,250 and 125,000 shares received with a fair value of \$5,625 in 2013) on or before over a fourteen-month period, as well as incurring a minimum of exploration expenditures totalling \$500,000 within fifteen months of the effective date. Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims of which one-half can be purchased for \$1 million. The agreement was approved by the TSX-V on April 24, 2012. During the nine months ended August 31, 2013, \$11,875 (2012: \$93,125) was recognized as revenue from the property sale.

###### *Goeland Rare Earth Property*

On January 6, 2011, Canada Strategic Metals Inc. ("Canada Strategic") (formerly Canada Rare Earth Inc.) announced that it had signed an agreement with the Company and one of its prospecting partners to acquire a 100% interest in the Goeland Rare Earth Property, located 215 km north of Val d'Or in the Abitibi region of Quebec. For its participation in the transaction, the Company received \$12,500 cash on signing and staged share payments totalling 1,250,000 common shares (500,000 shares received and fair valued at \$370,000 in 2011, 250,000 shares received and fair valued at \$92,500 in 2012, 250,000 shares received and fair valued at \$21,250 in 2013) over a 36 month period. The vendors will retain a 2% NSR royalty on the properties; 1% of which can be purchased by Canada Strategic for \$1,000,000. Zimtu's partner will receive cash and share consideration equal to that of Zimtu. The transaction was accepted by the TSX-V January 21, 2011. During the nine months ended August 31, 2013, \$21,250 (2012: \$92,500) is recognized as revenue from the property advisory services performed.

###### *Sun Graphite Property*

On March 1, 2012, the Company and its prospecting partners signed an agreement with Galaxy Graphite Corp. ("Galaxy") whereby Galaxy has an option to purchase a 100% interest in and to the Sun Graphite Property located in the Quebec, Canada. For its participation in the transaction, Zimtu will receive cash of \$25,000 (\$7,500 received) and staged payments of 500,000 common shares (250,000 received with a fair value of \$45,000 in 2012) over a two-year period. Zimtu's prospecting partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims of which one-half can be purchased for \$1 million. The agreement was approved by the TSX-V on March 9, 2012. During the nine months ended August 31, 2013, \$nil (2012: \$52,500) is recognized as revenue from the property advisory services performed. This agreement was cancelled on July 9, 2013 and the property was returned to the vendors.

###### *Wagon Graphite Property*

On February 20, 2012, the Company and its prospecting partners signed an agreement with Strike Graphite Corp. ("Strike") whereby Strike has an option to purchase a 100% interest in and to the Wagon Graphite Properties located in the Quebec, Canada. For its participation in the transaction,



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#### 7. MINERAL PROPERTY INTERESTS (continued)

##### Property Advisory Services (continued)

###### *Wagon Graphite Property (continued)*

Zimtu will receive cash of \$12,500 (\$7,500 received) and staged payments of 375,000 common shares (125,000 shares received with a fair value of \$42,500 in 2012 and 250,000 shares received and fair valued at \$7,500 in 2013), as well as incurring a minimum of exploration expenditures totalling \$100,000 on or before April 11, 2013. Zimtu's acquisition partners will receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims of which one-half can be purchased for \$1 million. The agreement was approved by the TSX-V on April 11, 2012. On October 15, 2012, the agreement was amended to replace the final cash payment with a payment of 125,000 shares (received and fair valued at \$3,750 in 2013). During the nine months ended August 31, 2013, \$11,250 (2012: \$50,000) is recognized as revenue from the property advisory services performed

###### *Deadhorse Creek Rare Earth Property*

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 shares in the first year and 92,500 shares on the first anniversary. During the year ended November 30, 2012, the Company received \$7,850 cash in lieu of shares for the 2011 payment. During the year ended November 30, 2012, CIN decided not to pursue the property and terminated the option agreement, in effect terminating the finder's fee agreement with the Company.

#### 8. PROPERTY AND EQUIPMENT

Cost	Office Furniture	Leasehold Improvements	Computer Equipment	Total
November 30, 2011	\$ 165,362	\$ 101,164	\$ 21,664	\$ 288,190
Additions	11,759	-	-	11,759
November 30, 2012	\$ 177,121	\$ 101,164	\$ 21,664	\$ 299,949
Additions	-	-	1,960	1,960
<b>August 31, 2013</b>	<b>\$ 177,121</b>	<b>\$ 101,164</b>	<b>\$ 23,624</b>	<b>\$ 301,909</b>
<b>Accumulated depreciation</b>				
November 30, 2011	\$ 110,808	\$ 41,510	\$ 17,770	\$ 170,088
Additions	54,942	20,409	3,894	79,245
November 30, 2012	\$ 165,750	\$ 61,919	\$ 21,664	\$ 249,333
Additions	3,573	14,965	490	19,028
<b>August 31, 2013</b>	<b>\$ 169,323</b>	<b>\$ 76,884</b>	<b>\$ 22,154</b>	<b>\$ 268,361</b>
<b>Net book value</b>				
November 30, 2011	\$ 54,554	\$ 59,654	\$ 3,894	\$ 118,102
November 30, 2012	\$ 11,371	\$ 39,245	\$ -	\$ 50,616
<b>August 31, 2013</b>	<b>\$ 7,798</b>	<b>\$ 24,280</b>	<b>\$ 1,470</b>	<b>\$ 33,548</b>

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#### 9. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value

b) Issued:

(i) During the nine months ended August 31, 2013

None.

(ii) During the year ended November 30, 2012

On May 2, 2012, the Company completed a non-brokered private placement of 1,261,388 common shares of the Company at a price of \$1.20 per share for gross proceeds of \$1,513,665. The securities issued are subject to a four-month hold period from the date of closing. The Company paid finder's fees of \$104,038. In June, 2012, the Company issued 20,833 shares at a price of \$1.20 per share for gross proceeds of \$25,000 and cancelled 20,000 shares issued in error in connection for net gross proceeds of \$1,000 with the private placement that closed in May 2012.

c) Warrants

There are no share purchase warrants outstanding.

d) 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 July 6, 2011, the shareholders approved the number of options granted under the Plan to be fixed at 1,998,873 (2012 – 1,998,873), which is equal to 20% of the issued and outstanding shares. Options granted under the Plan have a maximum life of five years. Options granted to employees vest fully on grant. Options issued to investor relations consultants vest in stages over 12 months with one quarter of the options vesting in any three month period.

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

	August 31, 2013		November 30, 2012	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	1,414,900	\$ 1.07	1,414,900	\$ 1.07
Exercised	-	-	-	-
Expired/cancelled	(543,900)	0.90	-	-
Outstanding, end of period	871,000	\$ 1.18	1,414,900	\$ 1.07
Weighted average life (years)	1.39		1.54	

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#### 9. SHARE CAPITAL (continued)

##### d) Stock Option Plan (continued)

At August 31, 2013, the Company had 871,000 (2012: 1,414,900) stock options outstanding, entitling the holders thereof the right to purchase one common share as follows:

Expiry Date	Revised Exercise Price	Original Exercise Price	August 31, 2013 Number of options	November 30, 2012 Number of options
August 27, 2013	\$0.90	\$1.50	-	543,900
May 4, 2014	n/a	\$0.90	290,000	290,000
June 1, 2014	n/a	\$0.90	75,000	75,000
December 3, 2014	n/a	\$1.08	96,000	96,000
April 5, 2015	n/a	\$1.35	100,000	100,000
November 4, 2015	n/a	\$1.48	310,000	310,000
			871,000	1,414,900

#### 10. ADVANCES AND AMOUNTS RECEIVABLE

The Company's current advances and amounts receivable consist mainly of costs related to the transfer of claims for a property purchased from the Company, as well as charges paid for by the Company on behalf of another Company and due for payment.

#### 11. PREPAID EXPENSES

The Company's current prepaid expenses consist mainly of marketing expenses paid in advance of service, advance payments made on the Company's credit card for marketing and travel expenses, and a deposit in trust with the Company's lawyers for a future investment.

#### 12. LOAN RECEIVABLE

The Company's loans receivable consist of:

- nine promissory notes totalling \$5,025 issued to individuals with a term ending April 18, 2016, three years from the date of the completion of the reverse takeover of Prima (see Note 21(a)). The non-interest bearing promissory notes are for shares issued to employees of the Company,
- twelve promissory notes totalling \$9,600 issued to individuals with a term ending three years following the date on which Red Star Capital Ventures Inc. shares commence trading on the TSX-V following the acceptance of a qualified transaction pursuant to the policies of the TSX-V. The non-interest bearing promissory notes are for shares issued to employees of the Company, and
- three promissory notes totalling \$152,280 with terms of three years ending April 27, 2015. These non-interest bearing loans are for the sale of shares of Pasinex to 3 individuals. The repayments coincide with the release of shares from escrow.

#### 13. DEPOSITS

The Company's deposits consist of an amount equal to one month's basic rent, held by the landlords to be applied to the last month of rent in the Company's lease (see Note 16).

#### 14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities of the Company are due to service providers, mainly including management fees, professional fees and consulting fees. All accounts payable and accrued liabilities for the Company fall due within the next 12 months.

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

	August 31, 2013	August 31, 2012
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Gain on transaction (note 6)	\$ (186,538)	\$ -
Shares received for finders' fees	\$ 5,000	\$ -
Shares received for property	\$ 404,045	\$ 1,378,504

#### 16. LONG-TERM LEASE OBLIGATIONS

The Company leases premises under a long-term lease that expires September 1, 2014. The basic rent under the lease agreement is set out in the table below. In addition, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises.

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

November 30, 2013	110,176
November 30, 2014	82,632
	<u>\$192,808</u>

#### 17. GENERAL AND ADMINISTRATIVE EXPENSES

During the three and nine months ended August 31, 2013 and 2012, the Company incurred the following general and administrative expenses:

	Three months ended August 31,		Six months ended August 31,	
	2013	2012	2013	2012
<b>Expenses</b>				
Advertising and promotion	\$ 32,826	\$ 49,840	\$ 243,908	\$ 302,517
Amortization	6,365	19,275	19,028	60,935
Filing fees and transfer agent	2,029	(2,030)	19,085	19,395
Investor relations	54,147	14,147	83,585	50,187
Office, rent and telephone	71,316	77,242	223,720	210,587
Professional fees	21,367	69,174	92,437	216,644
Wages and benefits	342,752	322,849	1,199,384	1,042,136
	<u>530,802</u>	<u>550,497</u>	<u>1,881,147</u>	<u>1,902,401</u>

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

#### 18. 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,	
	2013	2012
<b>Administration fees earned</b>	\$	\$
Arctic Star Exploration Corp. (a)	36,000	-
Prima Fluorspar Corp. (b)	62,500	22,500
Commerce Resources Corp. (c)	646,720	810,000
Pasinex Resources Limited (d)	112,500	82,500
Montan Capital Corp (e)	22,500	-
Total fees earned	880,220	915,000
<b>Key management compensation*</b>		
Total wages paid	469,454	347,940
<b>Amounts due from (to) related parties</b>	<b>August 31,</b>	<b>November 30,</b>
	<b>2013</b>	<b>2012</b>
Arctic Star Exploration Corp.	\$ 30,030	\$ 45,350
Commerce Resources Corp.	(215,390)	(1,476)
Pasinex Resources Limited	182,572	162,503
Prima Fluorspar Corp.	-	70,453
Sven Olsson, a director	(10,973)	(12,820)
David Hodge, a director	9,000	-
Western Potash Corp. (f)	-	9,471
Total amount due from (to) related parties	\$ (4,761)	\$ 273,481

\* 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.

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.

Significant contracts related to these related party transactions are as follows:

- The Company entered into a Management Service Agreement with Arctic Star Exploration Corp. ("Arctic Star") in March 2012 through March 2013, a public company with common directors. The Company provides administrative and management services to Arctic Star for a fee of \$9,000 per month.
- On June 1, 2010, the Company entered into a Management Service Agreement with Prima Fluorspar Corp. (formerly Camisha Resources Corp.), a company accounted for as an investment under the equity method. Under the Management Service Agreement, the Company provides administrative and management services to Prima for a fee of \$2,500 per month. The contract has a term of one year and automatically renews for further terms as agreed to by the parties. On May 1, 2013, the Company renewed the agreement with Prima for one year at a revised rate of \$12,500 per month.

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

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

- (c) The Company has entered into a Management Service Agreement with Commerce Resources Corp. ("Commerce"), a public company with common directors. Under the Management Service Agreement, the Company provides administrative and management services to Commerce for a fee of \$90,000 per month. The contract has a term of one year and automatically renews for further terms as agreed to by the parties. On May 1, 2013, the Companies renewed the contract for a term of one year with a revised rate of \$49,180 per month.
- (d) During the year ended November 30, 2012, the Company signed a management services agreement with Pasinex for one year, at a rate of \$12,500 per month, expiring on April 30, 2013. As of May 1, 2013, the contract is continuing on a month-to-month basis.
- (e) On December 1, 2012, the Company signed a management services agreement with Montan Capital Corp. ("Montan"), a Company with a common director, for one year, at a rate of \$2,500 per month, expiring on November 30, 2013.
- (f) A company with common directors of the Company.

#### 19. 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) Investments in resource companies, mineral resource property acquisitions and dispositions segment;
- (b) Management service and administrative service segment;
- (c) Investment in stock, warrants and others
- (d) Corporate segment

#### For the nine months ended August 31, 2013

	Investment in mineral properties \$	Management Service \$	Investment in stock, warrants and others \$	Corporate \$	Total \$
<b>Revenue</b>					
Administrative fees	-	1,023,147	-	-	1,023,147
Loss on sale of investments	-	-	(737,927)	-	(737,927)
Income from property sale	420,545	-	-	-	420,545
	420,545	1,023,147	(737,927)	-	705,765
Segment assets	312,877	-	7,286,601	1,646,397	9,245,875
Expenditure for segment capital assets	43,231	-	-	1,960	45,191

## ZIMTU CAPITAL CORP.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2013

(Unaudited - Expressed in Canadian Dollars)

#### 19. SEGMENT INFORMATION (continued)

##### For the nine months ended August 31, 2012

	Investment in mineral properties \$	Management Service \$	Investment in stock, warrants and others \$	Corporate \$	Total \$
<b>Revenue</b>					
Administrative fees	-	1,062,521	-	-	1,062,521
Gain on sale of investments	-	-	(126,285)	-	(126,285)
Income from property sale	1,314,136	-	-	-	1,314,136
	1,314,136	1,062,521	(126,285)	-	2,250,372

##### For the year ended November 30, 2012

Segment assets	385,380	-	7,790,306	2,654,337	10,830,023
Expenditure for segment capital assets	384,764	-	-	11,759	396,523

#### 20. COMMITMENTS

On July 16, 2013, the Company announced that it has engaged Purple Crown Communications Corp. ("Purple Crown" to act as an investor relations consultant to the Company. The initial term of the contract is three months, renewable on a monthly basis thereafter on mutual agreement, at a rate of \$7,500 per month.

#### 21. COMPARATIVE FIGURES

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

#### 22. EVENTS AFTER THE REPORTING PERIOD

- On August 26, 2013, the Company amended the property agreement for the Black Donald/Little Bryan Property which was vended to Standard Graphite Corp. The Purchaser did not maintain the property and allowed some of the claims to lapse. Standard will issue the remaining shares to the Company to settle the agreement.
- On September 18, 2013, the Company received 250,000 common shares of Olympic Resources fair valued at \$6,250 in accordance with the McWhirter Lake Property agreement.
- On September 20, 2013, the Company received 750,000 common shares of Pistol Bay Mining Inc. fair valued at \$41,250 in accordance with the Portland Property agreement.
- On October 22, 2013, the Company and its prospecting partner signed a Termination Notice of the option agreement dated September 1, 2011 with Strike Graphite Corp., due to Strike's failure to comply with the commitments of the original agreement. If the default is not cured by November 22, 2013, the property will be returned to the Optionors.