zimtu

CAPITAL CORP.

CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2011 and 2010

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Management's Responsibility for Financial Reporting

The accompanying financial statements of Zimtu Capital Corp. ("the Company") were prepared by management in accordance with Canadian generally accepted accounting principles. Management acknowledges responsibility for the preparation and presentation of the financial statements, including responsibility for significant accounting judgments and estimates, and the choice of accounting principles and methods that are appropriate to the Company's circumstances. The significant accounting policies of the Company are summarized in Note 3 to the financial statements.

Management has established processes, which are in place to provide them sufficient knowledge to support management representations that they have exercised reasonable diligence that (i) the financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the years presented by the financial statements and (ii) the financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date and for the periods presented by the audited financial statements.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists that Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

(signed)

David Hodge
President and director

(signed)

Patrick Power
Director

Independent Auditors' Report

To the Shareholders of Zimtu Capital Corp.:

We have audited the accompanying consolidated financial statements of Zimtu Capital Corp., which comprise the consolidated balance sheet as at November 30, 2011 and the consolidated statements of operations and comprehensive loss, shareholders' equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Zimtu Capital Corp. as at November 30, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Other Matter
The consolidated financial statements as at November 30, 2010 and for the year then ended, prior to restatement of previously reported amounts as described in note 16, were audited by Charlton & Company of Vancouver, Canada. Charlton & Company expressed an opinion without reservation in their issued report dated March 30, 2011. We have audited the adjustments to the consolidated financial statements as at November 30, 2010 and in our opinion, such adjustments are, in all material respects, appropriate and have been properly applied.

MNP LLP

Vancouver, British Columbia
March 29, 2012

Chartered Accountants

ZIMTU CAPITAL CORP.
Consolidated Balance Sheets
As at November 30, 2011 and 2010

		2011		2010
ASSETS				(Restated – Note 16)
Current				
Cash and cash equivalents	$	**1,017,035**	$	2,033,883
Investments (Note 5)		**8,892,400**		9,768,642
Advances and accounts receivable		**102,984**		46,061
Subscriptions receivable		**-**		576,132
Prepaid expenses		**164,101**		34,181
		10,176,520		12,458,899
Loan receivable		**59,375**		34,675
Deposits		**15,562**		15,562
Investments (Note 6)		**718,798**		489,665
Future income tax asset (Note 13)		**46,285**		-
Goodwill (Note 10)		**64,816**		64,816
Equipment (Note 8)		**118,102**		211,499
Mineral property interests (Note 7)		**675,729**		696,094
	$	**11,875,187**	$	13,971,210
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current				
Accounts payable and accrued liabilities	$	**422,884**	$	257,259
Due to related parties (Note 11b)		**31,825**		45,798
Unearned revenue		**-**		15,365
Current income taxes payable		**639,404**		130,495
		1,094,113		448,917
Future income tax payable (Note 13)		**-**		671,774
		1,094,113		1,120,691
Non-controlling interests (Notes 2)		**112,095**		144,061
Shareholders' equity				
Capital stock (Note 9)		**6,463,704**		5,674,399
Contributed surplus		**3,779,648**		3,830,925
Retained earnings		**425,627**		3,201,134
		10,668,979		12,706,458
	$	**11, 875,187**	$	13,971,210

Commitments (Notes 7, 11 and 12)
Subsequent events (Note 14)

Approved on behalf of the Board:

"David Hodge "	***"Patrick Power "***
Director	Director

See accompanying notes to the consolidated financial statements.

ZIMTU CAPITAL CORP.
Consolidated Statements of Operations, Comprehensive Income and Retained Earnings (Deficit)
For the Years ended November 30,

	2011	2010 (Restated – Noted 16)
Revenue		
Administrative fees (Note 11)	$ **1,249,476**	$ 1,190,300
Unrealized gain (loss) on investments	**(5,645,276)**	3,430,228
Gain on sale of investments	**1,438,232**	872,273
Income from property sale	**2,087,618**	1,145,909
	(869,950)	6,638,710
Expenses		
Advertising and promotion	**411,143**	259,288
Amortization	**85,335**	82,729
Bank charges and interest	**3,859**	5,123
Filing fees	**38,514**	66,099
Investor relations	**99,509**	97,812
Office, rent and telephone	**231,922**	251,217
Professional fees	**171,822**	310,590
Stock-based compensation	**-**	736,663
Wages and benefits	**1,245,233**	1,244,039
Website and internet	**12,461**	17,886
	2,299,798	3,071,446
Income (loss) before other items	**(3,169,748)**	3,567,264
Other items		
Interest income	**16,706**	181
Foreign exchange loss	**(1,314)**	(1,019)
Penalties and interest	**(2,292)**	-
Gain on dilution of ownership (Note 6)	**201,874**	7,951
Gain on loss of control of subsidiary	**-**	44,096
Equity loss of affiliates (Note 6)	**(69,549)**	(98,310)
Impairment of mineral properties	**(57,964)**	-
Write off marketable securities	**(21,874)**	-
Other income	**18,200**	324,057
	83,787	276,956
Income (loss) before income taxes (recovery)	**(3,085,961)**	3,844,220
Income taxes (recovery) (Note 13)		
Current	**445,349**	131,201
Future	**(718,059)**	555,018
	(272,710)	686,219
Income before minority interest	**(2,813,251)**	3,158,001
Non-controlling interest	**37,744**	6,458
Net income (loss) and comprehensive income (loss) for the year	**(2,775,507)**	3,164,459
Retained earnings (deficit), beginning of year	**3,201,134**	36,675
Retained earnings, end of year	$ **425,627**	$ 3,201,134
Basic earnings (loss) per share	$ **(0.28)**	$ 0.38
Diluted earnings (loss) per share	$ **(0.28)**	$ 0.37
Weighted average number of shares outstanding	**9,956,642**	8,291,973

See accompanying notes to the consolidated financial statements.

ZIMTU CAPITAL CORP.
Consolidated Statements of Cash Flows
For the Years ended November 30,

		2011		2010
Cash flows provided by (used in)				(Restated – Note 16)
Operating activities				
Net income for the year	$	**(2,775,507)**	$	3,164,459
Items not involving cash:				
Gain on sale of investments		**-**		(1,054,563)
Unrealized gain (loss) on investments		**5,645,276**		(3,247,938)
Shares received for revenue		**(2,039,794)**		(986,212)
Future income taxes		**(718,059)**		555,018
Current income taxes		**508,909**		130,495
Non-controlling interest		**(37,744)**		(6,458)
Gain on dilution of ownership		**(201,874)**		(7,951)
Gain on loss of control of subsidiary		**-**		(44,096)
Equity loss of affiliates		**77,573**		98,310
Impairment of mineral properties		**57,964**		-
Write off marketable securities		**21,874**		-
Stock-based compensation		**-**		736,663
Amortization		**85,335**		82,729
		623,953		(579,544)
Changes in non-cash working capital:				
GST/HST and accounts receivable		**(89,672)**		(1,024)
Prepaid expenses and deposits		**(139,026)**		(4,261)
Unearned revenue		**(15,365)**		(27,135)
Accounts payable and accrued liabilities		**125,257**		(40,508)
		(118,806)		(72,928)
		505,147		(652,472)
Investing activities				
Loans issued		**-**		(59,375)
Acquisition of investments		**(4,331,916)**		(1,900,627)
Acquisition of mineral properties		**(255,424)**		(522,379)
Proceeds on disposition of investments		**1,279,322**		1,781,173
Proceeds on disposition of mineral properties		**448,801**		80,000
Acquisition of equipment		**8,061**		(40,123)
		(2,851,156)		(661,331)
Financing activities				
Due to related parties		**-**		17,808
Minority interests' investment		**15,000**		53,141
Shares issued, net of issue costs		**1,314,161**		2,706,672
		1,329,161		2,777,621
Increase (decrease) in cash during the year		**(1,016,848)**		1,463,818
Cash, beginning of year		**2,033,883**		570,065
Cash, end of year	$	**1,017,035**	$	2,033,883
Supplemental disclosure of cash flow information:				
Cash paid for:				
Interest	$	-	$	5,123
Income taxes	$	-	$	-

See accompanying notes to the consolidated financial statements.

ZIMTU CAPITAL CORP.
Consolidated Statements of Shareholders' Equity

	Share Capital Number	Share Capital Amounts	Contributed Surplus	Retained Earnings/ (Deficit)	Total
Balance, November 30, 2009 (Restated – Note 16)	6,533,264	$ 2,153,743	$ 3,362,112	$ 36,675	$ 5,552,530
Private placement	1,032,500	1,239,000	-	-	1,239,000
Private placement	1,679,192	2,015,030	-	-	2,015,030
Stock options exercised	223,333	372,714	(171,714)	-	201,000
Share issue costs	14,450	(106,088)	-	-	(106,088)
Stock based compensation	-	-	421,661	-	421,661
Share purchase warrant modification	-	-	218,866	-	218,866
Net income for the year	-	-	-	3,164,459	3,164,459
Balance, November 30, 2010 (Restated – Note 16)	9,482,739	$ 5,674,399	$ 3,830,925	$ 3,201,134	$ 12,706,458
Warrants exercised (Note 9b)	476,427	714,641	-	-	714,641
Stock options exercised (Note 9b)	44,100	90,967	(51,277)	-	39,690
Share issue costs	-	(16,303)	-	-	(16,303)
Net income (loss) for the year	-	-	-	(2,775,507)	(2,775,507)
Balance, November 30, 2011	**10,003,266**	**$ 6,463,704**	**$ 3,779,648**	**425,627**	**$ 10,668,979**

See accompanying notes to the consolidated financial statements.

1. NATURE 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.

2. BASIS OF PRESENTATION

The consolidated financial statements of the Company are presented in Canadian dollars and have been prepared in accordance with Canadian Generally Accepted Accounting Principles ("GAAP").

These consolidated financial statements include the accounts of Zimtu Capital Corp. ("Zimtu") and its subsidiaries, 0755032 B.C. Ltd. ("0755032"), a wholly owned private company, and Triple Dragon Resources Inc. ("TDN"), a publicly traded company in which the Company has a 69.55% investment (69.83% at November 30, 2010). Zimtu and its subsidiaries are collectively referred to as the "Company".

The remaining 30.45% of TDN's interest was reflected on the consolidated balance sheets within non-controlling interest. TDN's income (loss) were included in the Company's net income (loss) and adjusted to reflect the portion attributable to the non-controlling interests.

All intercompany transactions and accounts have been eliminated upon consolidation.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Cash and cash equivalents

Cash and cash equivalents include all highly liquid investments that are redeemable within 90 days or less when purchased. There were cash equivalents of $710,074 as at November 30, 2011 (2010: $nil) of which were investments in money market funds.

b) Investments

Investments consist of investments in shares, warrants and options of public and private companies and fixed term deposit held at the bank with a maturity of more than three months and less than twelve months at the time of issuance, which are recorded at fair value, except for those investments in shares that do not have a quoted market price in an active market.

The Company classifies its investments in shares into held-for-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 investments in warrants and options of public and private companies are fair valued using Black-Scholes option model if there is no active market for the warrants and options, as this is a commonly used valuation technique by market participants. If there exists an active market for the warrants and options, they are valued at closing ask prices at year-end.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

c) Accounts receivable

The Company estimates the allowance for doubtful accounts provision based upon management analysis of specific receivables that are considered to be uncollectible.

d) Equipment

Equipment is recorded at cost less accumulated amortization. Amortization is calculated using the straight-line method at the following annual rates:

Computer equipment	-	2 years
Office furniture	-	3 years
Leasehold Improvements	-	5 years (lease term)

Additions during the year are amortized on a pro-rata basis based on the annual amortization amount.

e) Mineral property interests

Title to mineral properties involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many mineral resource properties. The Company has investigated title to all of its mineral properties and to the best of its knowledge, title to all of its properties are in good standing.

The Company capitalized all costs related to investments in mineral property interests on a property-by-property basis. Such costs include mineral property acquisition costs and exploration and development expenditures, net of any recoveries. Costs are deferred until such time as the extent of mineralization has been determined and mineral property interests are either developed or the Company's mineral rights are allowed to lapse. All deferred mineral property expenditures are reviewed, on a property-by-property basis, to consider whether there are any conditions that may indicate impairment.

When the carrying value of a property interest expense exceeds its net recoverable amount that may be estimated by quantifiable evidence of an economic geological resource or reserve, joint venture expenditure commitments of the Company's assessment of its ability to sell the property interest for an amount exceeding the deferred costs, provision is made for the impairment in value.

From time to time, the Company may acquire or dispose of a mineral property interest, either by an option agreement or an acquisition agreement. As the consideration payable may consist of options, which are exercisable entirely at the discretion of the optionee, the amounts payable or receivable are recorded as property costs or recoveries when the payments are made or received. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in operations.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

f) Financial instruments

The Company has classified its financial instruments as follows:

- Cash and cash equivalents are classified as held-for-trading and are measured at fair value.

- Investments in shares are classified as held-for-trading for those 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 in shares 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.

- Investments in warrants and options are classified as available-for-sale and are carried at fair market value by using Black-Scholes option model if there is no active market for the warrants and options, as this is a commonly used valuation technique by market participants. If there exists an active market for the warrants and options, they are valued at closing ask prices at year-end.

- Advances and accounts receivable and loan receivable are classified as loans and receivables. They are recorded at cost, which on initial recognition represents their fair value. Subsequent valuations are recorded at amortized cost using the effective interest method.

- Accounts payable and accrued liabilities and due to related parties are classified as other financial liabilities. After their initial fair value measurement, they are measured at amortized cost using the effective interest method.

g) Revenue recognition

Revenues are recognized on the following bases:

(i) Interest income is recorded on an accrual basis at the stated interest rate over the term of the related instrument;
(ii) Revenue from management and administrative services is recognized upon completion of the service, and when collectability is reasonably assured. Fees received in advance of services provided are recorded as deferred revenue;
(iii) Realized gains on investments are recorded upon disposal of the investment, on a trade date basis;
(iv) Unrealized gains and losses arising from market prices in effect at the balance sheet date for held-for-trading investments are recorded at the balance sheet date; and
(iv) Revenue from mineral sales is recognized at the time that title and risk of ownership have passed, collection is reasonably assured and the price is determinable.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

h) Income taxes

The Company follows the asset and liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis, and losses carried forward. Future tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in operations in the period in which the change is enacted or substantively assumed. The amount of future income tax assets is limited to the amount of the benefit that is more likely than not to be realized.

i) Use of estimates and measurement uncertainty

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates include the determination of impairment of investments in securities with no quoted market values and carrying values included mineral properties, rates of amortization, allowance for doubtful accounts, asset retirement obligations, fair values of share based payments, accrued liabilities, provision for income taxes, rates expected to apply when future income tax assets and liabilities are expected to be settled or recovered, the valuation allowance for future income tax asset, and the fair value of assets and liabilities acquired in a business combination. While management believes the estimates used are reasonable, actual results could differ from those estimates and could impact future results of operations and cash flows.

Certain amounts recognized in the consolidated financial statements are subject to measurement uncertainty. The recognized amounts of such items are based on the Company's best information and judgment. Such amounts are not expected to change materially in the near term.

j) Asset retirement obligations

The Company recognizes an estimate of the liability associated with an asset retirement obligation ("ARO") in the financial statements at the time the liability is incurred. The estimated fair value of the ARO is recorded as a long-term liability, with a corresponding increase in the carrying amount of the related asset. The liability amount is increased each reporting period due to the passage of time and the amount of accretion is charged to earnings in the period. The ARO can also increase or decrease due to change in the estimates of timing of cash flows or changes in the original estimated undiscounted cost. Actual results incurred upon settlement of the ARO are charged against the ARO to the extent of the liability recorded. At present the Company has determined that it has no material AROs to record in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

k) Stock-based compensation

The Company reports and records all stock-based transactions using the fair-value method for recording all stock-based compensation to employees or directors and consultants. The fair value of options and other stock based awards to employees or consultants, issued or altered in the period, are determined using the Black-Scholes option pricing model. The Company records the fair value of the awards to the appropriate expense account or property interest at the time of grant or alteration. Where vesting provisions exist for stock-based awards, the fair value is determined at the grant date and recognized over the expected service period. Upon the exercise of stock options or agents' warrants, the fair value of the share based award is allocated to share capital.

l) Non-controlling interest

Non-controlling interest exists in less than wholly-owned subsidiary of the Company and represented the outside interests' share of the carrying value of the subsidiary. When the subsidiary company issues its own shares to outside interests, a dilution gain or loss arises as a result of the difference between the Company's share of the proceeds and the carrying value of the underlying equity.

m) Warrants

Proceeds from issuances by the Company of units consisting of shares and warrants are allocated based on the residual method, whereby the carrying amount of the warrants is determined based on any difference between gross proceeds and the estimated fair market value of the shares. If the proceeds from the offering are less than or equal to the estimated fair market value of shares issued, a nil carrying amount is assigned to the warrants.

n) Related party transactions

All monetary transactions in the normal course of operations are measured at the exchange value which is determined by management to approximate fair value. Non-monetary related party transactions in the normal course of operations that have commercial substance and do not involve the exchange of property or product held for sale are also measured at the exchange value. The commercial substance requirement is met when the future cash flows associated with the transfer of property are expected to change significantly as a result of the transaction. All other related party transactions are recorded at the carrying value.

o) Earnings (loss) per share

Earnings (loss) per share are calculated using the weighted average number of shares outstanding.

The Company uses the treasury stock method for computing diluted earnings (loss) per share. This method assumes that any proceeds obtained upon exercise of options or warrants would be used to purchase common shares at the average market price during the period.

Diluted earnings (loss) per share are determined by dividing net income by the total shares outstanding assuming that all potentially dilutive common shares have been issued.

3. SIGNIFICANT ACCOUNTING POLICIES – Continued

p) Long-lived assets and impairment

The carrying values of long-lived assets with fixed or determinable lives are reviewed for impairment whenever events or changes in circumstances indicate the recoverable value may be less than the carrying amount. Recoverable value determinations are based on management’s estimates of undiscounted future net cash flows expected to be recovered from specific assets or groups of assets through use or future disposition. Impairment charges are recorded in the period in which determination of impairment is made by management.

Assets with indefinite or indeterminable lives are not amortized and are reviewed for impairment on a reporting period basis using fair value determinations through management’s estimate of recoverable value.

q) New Accounting Pronouncements

In February 2008, the CICA Accounting Standards Board (“AcSB”) confirmed the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The eventual changeover to IFRS represents changes due to new accounting standards. The transition from current Canadian GAAP to IFRS is a significant undertaking that may materially affect the Company's reported financial position and results of operations.

IFRS will be required for the Company’s interim and annual financial statements for fiscal year beginning in December 1, 2011. The transition date of December 1, 2010 will require the statement of the amounts reported by the Company for the year ended November 30, 2011. The Company has determined the impact of IFRS on its financial statements and will be filing its first set of financial statements under IFRS commencing February 29, 2012, being the first quarter of fiscal 2012.

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;

4. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES - Continued

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 November 30, 2011

	Level 1 $	Level 2 $	Level 3 $	Total $
Held for trading				
Cash on hand and bank balances	306,961	-	-	306,961
Money market funds	710,074	-	-	710,074
GIC	23,000	-	-	23,000
Investment in public company shareholdings	6,932,802	-	-	6,932,802
Investment in warrants	-	126,679	-	126,679
	7,972,837	126,679	-	8,099,516
Available for sale				
Investment in private company shareholdings	-	-	1,809,919	1,809,919

Assets measured at fair value as at November 30, 2010 (Restated)

	Level 1 $	Level 2 $	Level 3 $	Total $
Held for trading				
Cash on hand and bank balances	2,033,883	-	-	2,033,883
GIC	23,000	-	-	23,000
Investment in public company shareholdings	8,217,638	-	-	8,217,638
Investment in warrants and options	-	928,414	-	928,414
	10,274,521	928,414	-	11,202,935
Available for sale				
Investment in private company shareholdings	-	-	599,590	599,590

4. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES – Continued

b) Interest rate risk

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

c) Credit risk

The Company is not exposed to significant credit risk on its cash and 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 accounts receivables is remote. One customer accounted for 82% (2010: 83%) of the Company's administrative revenue (Note 11a).

d) Currency risk

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

e) Liquidity risk

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

4. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES - Continued

f) Market risk

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

The Company manages market risk by having a portfolio that is not singularly exposed to any one issuer or class of issuers. The Company's investment activities are currently concentrated primarily across several sectors in the natural resource industry, potash, precious metals, base metals, coal, graphite, rare earth elements, and rare metals. The Company also has set thresholds on purchases of investments.

Commodity prices for minerals are impacted by world economic events that dictate the levels of supply and demand as well as the relationship between the Canadian and United States dollar. As the Company has not yet developed commercial mineral interests, it 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 years ended November 30, 2011 or 2010. The Company is not subject to externally imposed capital requirements.

5. INVESTMENTS

	Held-for-Trading Investments as at November 30, 2011				
Stock	**Volume**	**Cost Base**		**Market Base**	
		$	$/Share	$	$/Share
Arctic Star Exploration	868,889	342,035	0.39	152,056	0.175
ADR Capital	1,000,000	100,000	0.10	120,000	0.120
Amerix Precious Metals	282,833	59,395	0.21	25,455	0.090
Brixton Metals	1,885,000	352,352	0.19	131,950	0.070
Canada Rare Earth	500,000	370,000	0.74	220,000	0.440
Canadian International	12,000	1,800	0.15	660	0.055
Carlisle Goldfields	200,000	50,000	0.25	40,000	0.200
Cayden Resources	34,613	250,000	7.22	53,304	1.540
Commerce Resources	3,756,178	2,015,958	0.54	1,070,511	0.285
Corex Gold	330,000	99,000	0.30	66,000	0.200
Cresval Capital	500,000	100,000	0.20	37,500	0.075
Critical Elements	1,050,000	307,125	0.29	152,250	0.145
Electric Metals	500,000	57,500	0.12	25,000	0.050
Elissa Resources	250,000	50,000	0.20	56,250	0.225
Equitas Resources	7,828,000	674,558	0.09	743,660	0.095
Fieldex Exploration	1,149,000	189,028	0.16	97,665	0.085
Galaxy Capital	500,000	65,000	0.13	75,000	0.150
Golden Touch Resources	50,000	27,912	0.56	7,250	0.145
Hybrid Fuels	230,000	50,051	0.22	4,600	0.020
Indigo Exploration	715,000	200,653	0.28	135,850	0.190
Kingsman Resources	499,000	100,237	0.20	29,940	0.060
Legend Power Systems	200,000	100,000	0.50	17,000	0.085
Meridex Software	1,400,000	140,000	0.10	70,000	0.050
Ocean Park Ventures	200,000	110,000	0.55	70,000	0.350
Open Gold	800,000	67,500	0.08	56,000	0.070
Prospero Silver	180,000	63,000	0.35	37,800	0.210
Quantum Rare Earth	2,707,750	524,136	0.17	392,623	0.145
Rare Earth Metals	1,000,000	326,250	0.33	115,000	0.115
Remstar Resources	995,000	99,500	0.10	49,750	0.050
Rio Silver	81,000	24,641	0.30	8,505	0.105
Strike Gold	500,000	167,500	0.34	85,000	0.170
Terrax Minerals	165,000	49,500	0.30	18,150	0.110
Tosca Mining	300,000	105,000	0.35	51,000	0.170
Ultra Lithium	500,000	49,107	0.10	20,000	0.040
Universal Wing	600,000	73,000	0.12	33,000	0.055
Western Pacific Resources	200,000	101,799	0.51	64,000	0.320
Western Potash	2,148,821	164,707	0.08	2,600,073	1.210
		7,628,244		**6,932,802**	

5. INVESTMENTS – Continued

	Available-for Sale Investments as at November 30, 2011				
Stock	**Volume**	**Cost Base**		**Market Base**	
		$	$/Share	$	$/Share
Altan Rio Minerals	850,000	255,000	0.30	255,000	Cost
Canadian Strategic Metals	1,666,667	100,000	0.06	100,000	Cost
Discovery Harbour	2,020,000	202,000	0.10	202,000	Cost
Doubloon Resources	1,580,002	27,902	0.02	27,902	Cost
Jack's Fork Exploration	1,670,000	250,579	0.15	250,579	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
PAX Food	46,800	149,688	3.20	149,688	Cost
Regal Uranium	200,000	20,000	0.10	20,000	Cost
Spiral Exploration	20	100,000	5,000.00	100,000	Cost
Tamaka Gold	285,000	99,750	0.35	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
		1,809,919		**1,809,919**	

Investments in warrants	**Number of Warrants**	**Expiry Date**	**Exercise Price**	**Fair Value**	**Market Value $/Share**	
Altan Rio Minerals	425,000	January 8, 2012	0.50	-	0.00	*
Amerix Precious Metals	166,667	November 30, 2012	0.33	2,368	0.09	
Arctic Star Exploration	115,000	September 30, 2012	0.50	15,037	0.18	
Brixton Metals	200,000	November 30, 2012	0.40	1,000	0.01	
Brixton Metals	400,000	August 11, 2013	0.25	2,000	0.01	
Carlisle Goldfield	100,000	February 4, 2013	0.35	6,328	0.20	
Cayden Resources	17,307	February 9, 2013	4.00	6,467	1.54	
Corex Gold	165,000	August 11, 2012	0.45	1,895	0.20	
Cresval Capital	500,000	April 17, 2013	0.30	13,270	0.08	
Critical Elements	340,000	March 4, 2012	0.45	-	0.15	*
Dynasty Gold	1,000,000	June 9, 2013	0.12	-	0.04	*
Elissa Resources	250,000	March 4, 2013	0.30	26,137	0.23	
Equitas Resources	500,000	January 4, 2012	0.10	1,085	0.10	
Equitas Resources	1,030,000	June 2, 2012	0.10	13,073	0.10	
Galaxy Capital	500,000	November 30, 2013	0.175	26,867	0.18	
Indigo Exploration	70,000	July 24, 2012	0.50	1,405	0.19	
Ocean Park Ventures	100,000	May 11, 2013	0.85	8,626	0.35	
Prospero Silver	180,000	March 18, 2012	0.50	587	0.21	
Regal Uranium	100,000	2 years from IPO	IPO	-	0.00	*
Tamaka Gold	285,000	September 7, 2013	0.50	-	0.00	*
Terrax Minerals	82,500	June 2, 2012	0.40	518	0.11	
Tosca Mining	300,000	March 28, 2012	0.45	16	0.17	
Balance, November 30, 2011				**126,679**		
Investment in GIC, November 30, 2011				**23,000**		
Total value of investments, November 30, 2011				**$ 8,892,400**		

* As of November 30, 2011, 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.

5. INVESTMENTS – Continued

Stock	Volume	Cost Base $	Cost Base $/Share	Market Base $	Market Base $/Share
	Investments as at November 30, 2010				
Arctic Star Exploration	1,800,000	92,109	0.05	90,000	0.050
Amerix Precious Metals	1,000,000	70,000	0.07	70,000	Cost **
859404 BC Ltd.	2,881,250	200,000	0.07	200,000	Cost **
PAX Food	46,800	149,688	3.20	149,688	Cost **
Auric Development	190,000	28,349	0.15	46,550	0.245
Bonterra Resources	295,000	67,129	0.23	119,475	0.405
Brixton Metals	985,000	177,167	0.18	295,500	0.300
Canadian International	200,000	13,521	0.07	118,000	0.590
Commerce Resources	3,236,178	1,444,358	0.45	2,524,219	0.780
Cougar Minerals	41,931	1,751	0.04	2,516	0.060
Discovery Harbour	2,020,000	202,000	0.10	202,000	Cost **
Doubloon Resources	1,580,002	27,902	0.02	27,902	Cost **
Fieldex Exploration	1,199,000	197,228	0.16	209,825	0.175
Fulcrum Resources	12,500	21,874	1.75	250	0.020
Hybrid Fuels	230,000	50,051	0.22	2,363	0.010
Indigo Exploration	250,000	50,000	0.20	85,000	0.340
Kingsman Resources	499,000	100,237	0.20	54,890	0.110
Open Gold	800,000	67,500	0.08	200,000	0.250
La Camera Mining	1,250,000	250,000	0.20	250,000	Cost **
Legend Power Systems	200,000	100,000	0.50	40,000	0.200
Quantum Rare Earth	996,500	344,649	0.35	408,565	0.410
Rare Earth Metals	500,000	212,500	0.43	167,500	0.335
Regal Uranium	200,000	20,000	0.10	20,000	Cost **
Terrax Minerals	165,000	49,500	0.30	42,079	0.255
Tribune Minerals	2,050	12,576	6.13	1,415	0.690
Equitas Resources	5,028,000	297,958	0.06	754,200	0.150
Ultra Lithium	2,000,000	197,107	0.10	120,000	0.060
Universal Wing	175,000	35,000	0.20	18,375	0.105
Western Potash	2,448,821	187,807	0.08	2,595,750	1.060
T-Bills	1,166	1,166	1.00	1,166	1.000
		4,669,127		**8,817,228**	

Options/Warrants			Exercise Price	Fair Value (Restated)	Market Value $/Share
Bonterra Resources	168,700	Warrants	0.20	49,820	0.405
Brixton Metals	200,000	Warrants	0.40	-	0.300
Canadian International	400,000	Warrants	0.15	181,773	0.590
Canadian International	625,000	Warrants	0.2	249,898	0.590
Commerce Resources	400,000	Options	0.26	217,650	0.780
First Lithium Resources	600,000	Warrants	0.25	720	0.145
First Lithium Resources	841,667	Warrants	0.35	1,572	0.145
Indigo Exploration	250,000	Warrants	0.30	27,952	0.340
Kingsman Resources	50,000	Options	0.10	4,482	0.110
Legend Power	100,000	Warrants	0.60	44	0.200
Quantum Rare Earth	120,000	Warrants	0.35	11,742	0.410
Regal Uranium	100,000	Warrants	IPO Price	-	0.100
Terrax Minerals	82,500	Warrants	0.40	9,093	0.255
Equitas Resources	500,000	Warrants	0.10	53,424	0.150
Equitas Resources	1,030,000	Warrants	0.10	120,244	0.150
Balance, November 30, 2010				**928,414**	
Investment in GIC, November 30, 2010				**23,000**	
Total value of Investments, November 30, 2010				**9,768,642**	

** Note that all stock with no market based (at cost) are available-for-sale investments and the ones with market value are held-for-trading investments.

5. INVESTMENTS – Continued

As at November 30, 2011, the Company has guaranteed investment certificate of $23,000 (2010 - $23,000) with interest rate at prime minus 2.05%, issued on March 17, 2011 and matures on March 15, 2012.

The Company classifies all of its investments other then equity method investees as held-for-trading, except for the investments in Altan Rio Minerals, Canadian Strategic Metals, Discovery Harbour, Doubloon Resources, Jack's Fork Exploration, La Camera Mining, Mogul Ventures, Pacific Polar Energy, PAX Food AG, Regal Uranium, Spiral Exploration, Tamaka Gold, Tru Vision, and Tyko Resources, which are classified as available-for-sale.

6. INVESTMENTS IN EQUITY METHOD INVESTEES

Investments in equity method investees include entities over which the Company has significant influence, but not control. Generally, the Company has a shareholding of between 20% and 50% of the voting rights in its equity investment entities. Investments in equity method investees are accounted for using the equity method as follows:

- Investments are initially recognized at cost;
- Equity method investees include goodwill identified on acquisition, net of any accumulated impairment loss;
- The Company's share of post-acquisition profits or losses is recognized in the income statement and is adjusted against the carrying amount of the investments;
- When the Company's share of losses equals or exceeds its interest in the investee, including unsecured receivables, the Company does not recognize further losses, unless it has incurred obligations or made payments on behalf of the investee; and
- Gains on transactions between the Company and its equity method investees are eliminated to the extent of the Company's interest in these entities, and losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

As at November 30, 2011, the Company owns 27% (2010: 27%) of the total outstanding shares of Camisha Resources Corp. ("Camisha") (see Note 11). The Company exerts significant influence over Camisha and therefore Camisha is accounted for as an investment under the equity method. The investment in Camisha is recorded at cost of $150,000 and is adjusted for $18,135 (2010: $18,743) of equity loss.

The Company acquired 5,165,000 common shares of Lakeland Resources Inc. ("Lakeland") for $437,975 during the year ended November 30, 2010 and an additional 1,025,000 common shares for $114,055 during the year ended November 30, 2011, which represents 32% (2010: 34%) of total issued and outstanding shares of Lakeland. At November 30, 2011, the investment in Lakeland is recorded at cost of $552,030 and is adjusted for $59,438 (2010: $79,567) of equity loss and $201,874 in dilution gain.

7. MINERAL PROPERTY INTERESTS

<u>Triple Dragon Resources Inc. ("TDN") Properties</u>

As at November 30, 2011, the Company owns 69.55% (2010: 69.83%) of the issued and outstanding common shares of TDN and has therefore included descriptions of the properties owned by TDN below.

7. MINERAL PROPERTY INTERESTS - Continued

Triple Dragon Resources Inc. ("TDN") Properties - Continued

Murray Property

On April 17, 2008, the Company sold TDN a 100% interest in the Murray Claims in the Yellowknife Mining Division of the Northwest Territories, known as the Murray Property. TDN acquired the property for $21,000 cash.

May Property

TDN entered into an agreement to purchase a 100% interest in one mineral claim in the Northwest Territories, known as the May Property. Pursuant to a Mineral Property Acquisition Agreement dated May 14, 2009, TDN shall pay to the Vendor the following:

- $5,500 cash within 5 days of signing the agreement (paid);
- On the one year anniversary of the agreement, issue to the Vendor $10,000 of common shares (issued 86,956 shares at $0.115 per share on May 14, 2010); and
- On the second year anniversary of the agreement, issue to the Vendor $15,000 of common shares (issued 100,000 shares at $0.15 per share on May 13, 2011).

There is a 2% Net Smelter Return ("NSR") royalty on the Property.

Burnt Island Property

TDN entered into an agreement to purchase a 100% interest in two mineral claims in the Gordon Lake area of the Northwest Territories, known as the Burnt Island Property. Pursuant to a Mineral Property Acquisition Agreement dated August 11, 2009, TDN shall pay to the Vendor the following:

- $10,000 cash within 5 days of signing the agreement (paid); and
- $10,000, in either cash or shares, for every year that the Company holds the option ($10,000 paid August 11, 2010 and $10,000 paid subsequent to November 30, 2011).

There is a 3% NSR royalty on the Property payable to the Optionor upon the commencement of commercial production.

Staircase Property

On November 9, 2009, TDN acquired a 100% interest in 83 mineral claims located north of Prince George, B.C. comprising approximately 36,600 hectares. TDN purchased the claims from Radius Gold Inc. for $30,000 (paid) and paid $830 to have the claims transferred to their name. During the year ended November 30, 2011, TDN renewed 31 of the 83 Staircase mineral claims. TDN allowed 52 mineral claims to lapse.

7. MINERAL PROPERTY INTERESTS - Continued

Zimtu Capital Corp. Properties

Properties Held for Sale

During the year ended November 30, 2011, the Company acquired a 50% interest, by staking, in the following properties: Says Claims, Sul-Sud Claims, Blachford Rare Earth Property, Simon Lake Graphite Property, Amor Rare Earth Property, Deep Bay Graphite Property, Lavergne Rare Earth Property, Black Donald Graphite Properties, Henry Graphite Property and Irving Lake Gold Claims. Also during the year ended November 30, 2011 and subsequently to the year end, the Company opted to let Chickadee Creek, JD Property, Alberta Potash Properties, Apollo, Carbo Area, Perry River, Giscome, Says, Sul-Sud, Blais, Grace, Don, Quebec Gold Properties and Ren claims lapse and wrote off the related $57,964 spent on these claims.

During the year ended November 30, 2010, the Company acquired a 50% interest in various properties by staking. These properties include AB Potash, Bearpaw Ridge, Day Property, JD Property, Blais Claims, Lac LeClaire Claims, Ren Claims, Cap Claims, Seebach Claims, Snip Claims, Red Wine Property, and Zen Claims. The Company also acquired a 100% interest in the Michikamats Property, Montveil Claims, and Grace Claims by staking.

Joint Venture Properties

Dahrouge Geological Consulting Corp. and 877384 Alberta Ltd.

The Company, Dahrouge Geological Consulting Corp. ("Dahrouge") and 877384 Alberta Ltd. ("877384") entered into mutual agreements which were executed verbally that Dahrouge and 877384 staked and holds the ownerships of the properties on behalf of the Company including AB Frac Sands, AB Potash, Cap Claims, Seebach Claims, Snip Claims, Deep Bay Graphite Property, Henry Graphite Property, Irving Lake Gold Claims, Amor Rare Earth Property, NWT Gold Properties (Sickle Claims and Tom Claims), Blachford Rare Earth Property, Lac LeClaire Claims and Simon Lake Graphite Property, which are still in good standing as at November 30, 2011.

C&C Rare Earth Property

In 2009, the Company entered into an agreement with Cathro Resources Corp. and Cazador Resources Ltd. ("C&C") for the joint exploration of rare earth element claims of merit in Western Canada, known as the C&C Rare Earth Properties. The claims included in the C&C Rare Earth Properties are the Rare, Kin, Lindmark, Icey, Munroe, Hiren, Trident and Claire Claims. The Company and the other joint venturers contributed $10,000 (paid) each for the acquisition costs of the C&C Rare Earth Properties. The Company will commit $100,000 towards the advancement of the C&C Rare Earth Properties. The C&C Rare Earth 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 the other joint ventures.

7. MINERAL PROPERTY INTERESTS - Continued

Zimtu Capital Corp. Properties - Continued

Joint Venture Properties - Continued

Javorsky Properties

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 property. The 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 Javorsky.

Kubwa Property

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.

Gary Lewis etc.

During the year ended November 30, 2011, the Company, Gary Lewis, Aubrey Budgell and Nehemiah Pinsent (collectively as "joint venturers") entered into mutual agreements which were executed verbally that they are the legal and beneficiary holders of the mineral claims in the Red Wine/Letitia Lake area of west central Labrador. The proceeds from the Red Wine/Letitia Lake properties will be shared on a 50(Zimtu)-20(Lewis)-15(Budgell)-15(Pinsent)% joint venture basis.

MPH Consulting Ltd.

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 are the legal and beneficiary holders of the mineral claims in Lavergne properties and Black Donald properties. The proceeds from the Lavergne properties and Black Donald properties will be shared on a 50(Zimtu)-25(Sobie)-25(Brereton)% joint venture basis.

Michel Robert

Subsequent to the year ended November 30, 2011, the Company and Michel Robert entered into a mutual agreement which was executed verbally that they are the legal and beneficiary holders of the mineral claims in the Lomiko Properties. The proceeds from the Lomiko properties will be shared on a 50-50% joint venture basis.

7. MINERAL PROPERTY INTERESTS - Continued

Property Advisory Services

Canadian International Minerals Inc.

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. The Company will receive $5,000 of common shares for each anniversary of the agreement in 2011, 2012 and 2013. The Company and CIN have mutually agreed to delay payment of the 2011 fee until 2012.

Marksmen Capital Inc.

On August 5, 2010, the Company announced that it has acted as an agent in a transaction between Marksmen Capital Inc. ("Marksmen") and Brixton Metals Corp. ("Brixton"). The transaction constituted Marksmen's qualifying transaction. For its participation in the deal, the Company received 500,000 shares of Marksmen's escrow shares on closing of the qualifying transaction and received a finder's fee equal to 285,000 shares.

Open Gold Corp.

On June 9, 2010, Open Gold Corp. (formerly Range Capital Corp.) ("Open Gold"), a TSX Venture Exchange ("TSX-V") listed CPC, announced that it had entered into a letter agreement with Knob Hill Silver Inc. ("Knob Hill"), whereby Range will acquire 100% of the outstanding shares of Knob Hill. Knob Hill is a private British Columbia incorporated mineral exploration company that holds a 100% interest in 16 mineral claims located in the Greenwood mining division of British Columbia, subject only to a 2.5% NSR royalty. Upon closing of the transaction, Range issued 425,000 common shares as a finder's fee to the Company.

Jungle Well and Laverton Projects

The Company participated 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 received 500,000 shares of Quantum and $33,333 following completion of a merger between Quantum and Silver Mountain.

Zimtu Properties Farmed Out During the Year Ended November 30, 2011

Old Lime Stone Property

On November 17, 2010, the Company and one of its prospecting partners optioned a 100% interest in the Old Lime Stone property to Arctic Star Exploration Corp. (formerly Arctic Star Diamond Corp.) ("Arctic Star"), a company affiliated to a director of the Company. In consideration for the option, the Company will receive staged cash payments totalling $25,000 (received) and 1,000,000 common shares (500,000 shares received). The vendors will retain a 2% NSR royalty on the properties. The agreement was accepted by the TSX-V on December 16, 2010. During the year ended November 30, 2011, the net proceed of $39,855 (2010: $nil) received is recognized as revenue from property sale.

7. MINERAL PROPERTY INTERESTS - Continued

Zimtu Properties Farmed Out During the Year Ended November 30, 2011 - Continued

Cap and Seebach Properties

On November 17, 2010, the Company and one of its prospecting partners optioned a 60% interest in the Cap and Seebach properties to Arctic Star. In consideration for the option, the Company received cash payments totalling $87,500 (paid) and 2,500,000 common shares (received). The vendors will retain a 2% NSR royalty on the properties and shall be operators until Arctic Star has earned its 60% interest. As operators, the vendors will receive a 10% administration fee on exploration expenditures by Arctic Star.

On July 27, 2011, Arctic Star announced an amendment to the agreement such that Arctic Star can now earn a 100% interest (formerly only a 60% interest) in the Cap and Seebach properties by making an additional cash payment to the Company of $58,333 (paid) and issuing 138,889 common shares to the Company (received) within three days of TSX Venture Exchange acceptance of the amended agreement, as well as incurring exploration expenditures totalling $300,000 over three years (formerly $5-million). Zimtu's partner, 877384 Alberta Ltd. received additional cash and share consideration equal to that of Zimtu. The vendors will retain a 2% NSR royalty on the properties. Arctic Star will be operator during the term of the option. The amending agreement was accepted by the TSX-V on August 24, 2011. During the year ended November 30, 2011, the net proceed of $274,800 (2010: $nil) received is recognized as revenue from property sale.

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) 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% NRS 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 year ended November 30, 2011, the net proceed of $220,784 (2010: $nil) received is recognized as revenue from property sale.

Goeland Rare Earth Property

On January 6, 2011, Canada Rare Earths Inc. (formerly Canada Gas Corp.) 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 will receive $12,500 cash on signing (received) and staged share payments totalling 1,250,000 common shares (500,000 shares received and fair valued at $370,000) over a 36 month period. The vendors will retain a 2% NSR royalty on the properties. 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 year ended November 30, 2011, the net proceed of $382,500 received is recognized as revenue from property sale.

7. MINERAL PROPERTY INTERESTS - Continued

Zimtu Properties Farmed Out During the Year Ended November 30, 2011 - Continued

Montviel Rare Earth Property

On April 5, 2011, Zimtu and three prospecting partners announced that they signed an agreement with Electric Metals Inc. (“Electric”) whereby Electric can earn a 100% interest in eight rare earth element properties located in the Abitibi region of Quebec near Geomega's Montviel Rare Earth Property. For its participation in the transaction, the Company will receive staged cash payments of $62,500 ($12,500 received) and staged share payments totalling 1,375,000 common shares (500,000 shares received and fair valued at $57,500) over a two year period. Zimtu's three prospecting partners will each receive cash and share considerations equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the properties; 1% of which can be purchased by Electric for $500,000. The transaction was accepted by the TSX-V July 29, 2011. During the year ended November 30, 2011, the net proceed of $54,261 (2010: $nil) received is recognized as revenue from property sale.

Lavergne Rare Earth Element Prospect

On June 7, 2011, the Company announced that Zimtu and two prospecting partners have completed an agreement with Rare Earth Metals Inc. ("Rare Earth") whereby Rare Earth can earn a 100% interest in 40 unpatented claim units totaling 647 hectares that make up a part of their newly acquired Lavergne Rare Earth Element ("REE") Prospect located 80 kilometres east of Sudbury, Ontario. For its participation in the transaction, Zimtu will receive staged payments of $100,000 ($25,000 received) and 1,000,000 common shares (250,000 received and fair valued at $47,500) over a 24-month period. Zimtu's two prospecting partners will together receive cash and share consideration equal to that of Zimtu. The vendors will collectively retain a 2% NSR royalty on the claims; 1% of which can be purchased by Rare Earth for $1,000,000. The agreement was accepted by the TSX-V on June 17, 2011. During the year ended November 30, 2011, the net proceed of $65,695 (2010: $nil) received is recognized as revenue from property sale.

Blanchford Rare Earth Element Property

On June 16, 2011, the Company announced that Zimtu and one of its prospecting partners have signed an agreement with Solace Resources Corp. ("Solace") whereby Solace 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 at November 30, 2011 and $37,500 received subsequent to November 30, 2011) and 1,250,000 common shares over a 18-month period. Zimtu's partner, 877384 Alberta Ltd. 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 Solace for $750,000. The agreement was accepted by the TSX-V on November 30, 2011.

7. MINERAL PROPERTY INTERESTS - Continued

Zimtu Properties Farmed Out During the Year Ended November 30, 2011 - Continued

Deep Bay East 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 Flake Graphite Properties located in the Saskatchewan, Canada. For its participation in the transaction, Zimtu will receive staged payments of $162,500 ($37,500 received) and 1,500,000 common shares (500,000 shares received and fair valued at $167,500) 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. During the year ended November 30, 2011, the net proceed of $187,809 received is recognized as revenue from property sale.

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 ($12,500 received) and staged payments of 2,000,000 common shares 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 subsequent to the year ended November 30, 2011. During the year ended November 30, 2011, the net proceed of $12,500 received is recognized as revenue from property sale.

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. (formerly Orocan Resource Corp.) ("Standard") 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 subsequent to November 30, 2011) and staged payments of 1,000,000 common shares (350,000 shares received subsequent to November 30, 2011) 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 which can be purchased for $1 million. The agreement was approved by the TSX-V subsequent to November 30, 2011.

Zimtu Properties Farmed Out Prior to the Year Ended November 30, 2011

Athena Lithium Property

The Company entered into an agreement with an individual 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. During the year ended November 30, 2010, the sale was completed and the net proceed of $8,777 received is recognized as revenue from property sale.

7. MINERAL PROPERTY INTERESTS - Continued

Zimtu Properties Farmed Out Prior to the Year Ended November 30, 2011

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% NSR royalty, 1% of which may be purchased by BonTerra for $1,000,000. During the year ended November 30, 2010, the sale was completed and the net proceed of $240,000 received is recognized as revenue from property sale.

Archie Lake Property

On February 24, 2010, Quantum received TSX-V 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. During the year ended November 30, 2010, the sale was completed and the net proceed of $444,709 received is recognized as revenue from property sale.

Tom Claims

On February 1, 2010, the Company entered into an Acquisition Agreement with Equitas Resources Corp. ("Equitas") (formerly Trivello Energy Corp.) to sell its 50% interest in five mineral claims in the Northwest Territories. In consideration for the interest, the Company received $50,000 and 1,000,000 common shares of Equitas. During the year ended November 30, 2010, the sale was completed and the net proceed of $93,126 received is recognized as revenue from property sale.

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 was to receive 2,000,000 common shares (1,000,000 received and fair valued at $160,000) and $80,000 ($30,000 received) over a two-year period. The Vendors will retain a 2% NSR royalty, 1% of which may be purchased by Fieldex for $1,000,000. The agreement received TSX-V acceptance on May 6, 2010. During the year ended November 30, 2011, the agreement was terminated and $nil (2010: $118,097) is recognized as revenue from property sale.

Australia Lithium Property

During the year ended November 30, 2009, the Company entered into an agreement with an individual for the sale of its 50% interest in three lithium brine projects located in southwestern Australia. In consideration for the interest, the Company received a total of $50,000 cash. The lithium brine projects were acquired by staking. The net proceed received of $20,000 and $22,831 from the transaction is respectively recognized as revenue from property sale in 2011 and 2010.

7. MINERAL PROPERTY INTERESTS - Continued

Zimtu Properties Farmed Out Prior to the Year Ended November 30, 2011 - Continued

Day Property

On August 4, 2010, the Company announced that it has acted as one of the property vendors in Equitas Resources Corp.'s ("Equitas") (formerly Trivello Energy Corp.'s) acquisition of the Day Copper-Gold Porphyry Property located in north-central British Columbia. For its participation in the Equitas transaction, the Company will receive $25,000 (received) and 2,500,000 common shares (received). The vendors will retain a 2% NSR royalty, 1% of which may be purchased by Equitas for C$1,000,000. The agreement was accepted by the TSX-V on May 27, 2011.

Red Wine Property

On September 2, 2010, the Company announced its 50% participation into an agreement with Rare Earth Metals Inc. ("Rare Earth") pursuant to which Rare Earth will acquire a 100% interest in mining claims totalling 508 claim units located in the Red Wine/Letitia Lake area of west central Labrador. For its participation in the transaction, the Company will receive staged payments of $75,000 ($50,000 received) and 1,000,000 common shares (750,000 received and fair valued at $278,750) of Rare Earth over a two year period. The vendors will retain a 2% NSR royalty of which 1% may be purchased by Rare Earth for $1,000,000. This agreement was accepted by the TSX-V on September 28, 2010. The net proceed received of $90,823 and $213,845 from the transaction is respectively recognized as revenue from property sale in 2011 and 2010.

Snip and Seebach Properties

On November 22, 2010, the Company announced that it and one of its prospecting partners had signed an option agreement with Remstar Resources Ltd. whereby Remstar can earn a 60% interest in the Snip and Seebach 02-03 rare-earth-element properties located in the Carbo area of north-eastern British Columbia. Remstar and the Company renegotiated the terms of the option agreement on June 17, 2011. As a result of the signing of the revised agreement, Remstar will now acquire a 100% interest in the properties by paying $25,000 (paid) and issuing a total of 2,000,000 common shares (1,000,000 shares received and fair valued at $100,000) over two years to the Company and incurring exploration expenditures of $850,000 over three years. Zimtu's partner will receive cash and share consideration equal to that of Zimtu. The vendors will retain a 2% NSR royalty on the properties. The agreement was accepted by the TSX-V on July 25, 2011. The net proceed received of $113,227 and $4,525 from the transaction is respectively recognized as revenue from property sale in 2011 and 2010.

Triple Dragon Properties Sold During the Year Ended November 30, 2010

CAM Property

TDN acquired, by staking, a 100% interest in two mineral claims northeast of Yellowknife, Northwest Territories, known as the CAM claims. The CAM claims are located 80 km northeast of Yellowknife. The CAM claims include the past producing Camlaren Gold Mine as well as other gold showings. TDN entered into a Purchase and Sale Agreement dated April 27, 2010 with Cats Eye Capital Corp., now know as Lakeland Resources Corp. ("Lakeland"). In August 2010, the sale of the CAM claims completed and TDN received 3,000,000 shares of Lakeland.

7. MINERAL PROPERTY INTERESTS – Continued

Property expenditures for the year ended November 30, 2011:

		TDN Properties		Zimtu Properties		Totals
Balance, beginning of year	$	**408,057**	$	**288,037**	$	**696,094**
Acquisition costs		**15,000**		**282,194**		**297,194**
Accommodation and travel		**865**		**-**		**865**
Assay		**65**		**-**		**65**
Equipment rental & supplies		**151**		**-**		**151**
Geological expenses		**1,596**		**-**		**1,596**
Reports and mapping		**(903)**		**-**		**(903)**
		16,774		**282,194**		**298,968**
Impairment of mineral properties		**-**		**(57,964)**		**(57,964)**
Sale of properties		**-**		**(261,369)**		**(261,369)**
Balance, end of year	$	**424,831**	$	**250,898**	$	**675,729**

Property expenditures for the year ended November 30, 2010:

		TDN Properties		Zimtu Properties		Totals (Restated)
Balance, beginning of year	$	**371,030**	$	**133,635**	$	**504,665**
Acquisition costs		**21,031**		**315,837**		**336,868**
Accommodation and travel		**26,900**		**-**		**26,900**
Assay		**7,966**		**-**		**7,966**
Equipment rental & supplies		**18,657**		**-**		**18,657**
Geological expenses		**81,074**		**-**		**81,074**
Reports and mapping		**20,402**		**-**		**20,402**
		176,030		**315,837**		**491,867**
Sale of properties		**(139,003)**		**(161,435)**		**(300,438)**
Balance, end of year	$	**408,057**	$	**288,037**	$	**696,094**

8. EQUIPMENT

	November 30, 2011					
		Cost		Accumulated Amortization		Net
Office furniture	$	**165,362**	$	**110,808**	$	**54,554**
Computer equipment		**21,664**		**17,770**		**3,894**
Leasehold improvements		**101,164**		**41,510**		**59,654**
	$	**288,190**	$	**170,088**	$	**118,102**

8. EQUIPMENT - Continued

	November 30, 2010 (Restated)		
	Cost	Accumulated Amortization	Net
Office furniture	$ **164,013**	$ **55,800**	$ **108,213**
Computer equipment	**19,228**	**7,852**	**11,376**
Leasehold improvements	**113,010**	**21,100**	**91,910**
	$ **296,251**	$ **84,752**	$ **211,499**

9. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value

b) Issued:

(i) During the Year Ended November 30, 2011

During the year ended November 30, 2011, 476,427 share purchase warrants were exercised at $1.50 per share for proceeds of $714,641 and 44,100 stock options were exercised at $0.90 for proceeds of $39,690. Fair value of $51,277 of options exercised was transferred from contributed surplus to share capital.

(ii) During the Year Ended November 30, 2010

On December 29, 2009, the Company completed a private placement of 1,032,500 units at $1.20 per unit. Each unit consists of one common share and one warrant valued at $1.50 in the first year and $2.40 in the second year. Finder's fees of $28,691 were paid and 14,450 common shares valued at $17,340 were issued.

On April 8, 2010, 133,333 stock options were exercised at $0.90 for proceeds of $120,000 and a fair value of $102,513 was transferred from contributed surplus to share capital.

On May 10, 2010, 90,000 stock options were exercised at $0.90 for proceeds of $81,000 and a fair value of $69,201 was transferred from contributed surplus to share capital.

On November 15, 2010, the Company completed a private placement of 1,679,192 units at $1.20 per share.

c) Stock Options

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. The Company held its Annual General Meeting on July 6, 2011, and approved the number of options granted under the Plan to be fixed at 1,998,873 (2010 – 1,549,709), which is equal to 20% of the issued and outstanding shares. Options granted under the Plan have a maximum life of five years and vest according to conditions set at the time the options are granted.

9. SHARE CAPITAL – Continued

c) Stock Options - Continued

A summary of the stock option plan is presented below:

	November 30, 2011			**November 30, 2010 (Restated)**		
	Number of Options		Weighted Average Exercise Price	Number of Options		Weighted Average Exercise Price
Outstanding, beginning of year	1,477,000	$	1.06	1,194,333	$	0.90
Granted	-		-	506,000		1.38
Exercised	(44,100)		0.90	(223,333)		0.90
Expired/cancelled	(18,000)		0.90	-		-
Outstanding, end of year	1,414,900	$	1.07	1,477,000	$	1.06
Weighted average life (years)	2.54			3.54		

(i) During the year ended November 30, 2011, a compensation charge associated with stock-based compensation in the amount of $nil (2010: $421,661) has been recorded in the statements of operations and comprehensive income (loss).

The fair value of the compensation charges has been determined using the Black-Scholes option pricing model with the following assumptions:

	2010 (Restated)
Expected dividend yield	0.0%
Expected volatility	63 - 110%
Risk-free interest rate	1.98 – 3.02%
Expected term in years	5 years

At November 30, 2011, the Company had 1,414,900 (2010: 1,477,000) stock options outstanding, entitling the holders thereof the right to purchase one common share as follows:

2011 Number of options	**2010** Number of options	Revised Exercise Price	Original Exercise Price	Expiry Date
-	18,000	$0.90	$1.00	September 11, 2011
543,900	588,000	$0.90	$1.50	August 27, 2013
290,000	290,000	n/a	$0.90	May 4, 2014
75,000	75,000	n/a	$0.90	June 1, 2014
96,000	96,000	n/a	$1.08	December 3, 2014
100,000	100,000	n/a	$1.35	April 5, 2015
310,000	310,000	n/a	$1.48	November 4, 2015
1,414,900	1,477,000			

9. SHARE CAPITAL – Continued

d) Warrants

A summary of the share purchase warrants is presented below:

	2011			2010 (Restated)		
	Number of Warrants		Weighted Average Exercise Price	Number of Warrants		Weighted Average Exercise Price
Outstanding, beginning of year	2,061,765	$	2.17	1,029,265	$	2.40
Exercised	(476,427)	$	1.50	-	$	-
Expired	(1,029,265)	$	2.40	-	$	-
Granted	-	$	-	1,067,500	$	1.50/2.40
Cancelled	-	$	-	(35,000)	$	1.50/2.40
Outstanding, end of year	556,073	$	2.40	2,061,765	$	$2.17
Weighted average life (years)	0.08			0.87		

At November 30, 2011, the Company had 556,073 (2010: 2,061,765) share purchase warrants outstanding entitling the holders thereof the right to purchase one common share as follows:

2011 Number of warrants	2010 Number of warrants	Exercise Price	Expiry Date
-	1,029,265	$2.40	July 31, 2011
556,073	1,032,500	$2.40	December 29, 2011*
556,073	2,061,765		

* Subsequent to the year ended November 30, 2011, 556,073 warrants at $2.40 expired unexercised.

During the year ended November 30, 2010, TDN received approval for the extension to the expiry date of 1,000,000 share purchase warrants that were to expire on December 31, 2009 and 1,000,000 expiring on January 21, 2010. The warrants have been extended until December 31, 2011 and January 21, 2012. The Company applies the fair value method in accounting for its modification to warrants using the Black-Scholes option pricing model. The warrant modification expense was $315,002.

The fair value of warrants modified as above is calculated using the following weighted average assumptions:

	2010
Risk-free interest rate	1.20% - 1.45 %
Expected life of warrants	2 years
Annualized volatility	149 % - 150 %
Dividend rate	0.00%

9. SHARE CAPITAL – Continued

e) Escrow Shares:

The Company issued 200,000 common shares at a price of $0.50 per share to its directors, officers and founders for gross proceeds of $100,000. These shares are subject to an escrow agreement and are released in accordance with the CPC policy guidelines. An initial 10% was released on completion of the Qualifying Transaction and the remaining shares are released every six months. 100% of escrow shares were released as at November 30, 2011.

10. GOODWILL

Goodwill represents the difference between purchase price and identified fair value of net asset of TDN since the acquisition in 2008 and changes in relation to share issuances to non-controlling interests.

11. RELATED PARTY TRANSACTIONS

(a) During the year ended November 30, 2011, the Company earned administrative fees of $1,080,000 (2010: $1,080,000) from a company with common directors and $21,967 (2010: $35,300) from a company that is accounted for as an investment under the equity method.

(b) Total amount due to a related company with common directors as at November 30, 2011, is $31,825 (2010: $45,798). This amount is unsecured, non-interest bearing and due on demand.

(c) Included in wages and benefits expense is $435,494 (2010: $620,375) paid to directors of the Company.

(d) The Company received $15,000 (2010: $nil) for advertising and promotions from a Company with common directors and $15,000 (2010: $nil) from a company that is accounted for as an investment under the equity method.

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 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 plus applicable taxes. The contract has a term of one year and automatically renews for further terms as agreed to by the parties.

On June 1, 2010, the Company has entered into a Management Service Agreement with Camisha, a company accounted for as an investment under the equity method. Under the Management Service Agreement, the Company provides administrative and management services to Camisha for a fee of $2,500 per month plus applicable taxes. The contract has a term of one year and automatically renews for further terms as agreed to by the parties.

12. 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 three fiscal years is as follows:

November 30, 2012	$109,690
November 30, 2013	110,176
November 30, 2014	82,632
	$302,498

13. INCOME TAXES

The income taxes shown in the Consolidated Statements of Operations differ from the amounts obtained by applying statutory rates to income (loss) before income taxes due to the following:

	2011	2010 (Restated)
Statutory tax rate	26.67%	28.63%
Income (loss) before income taxes	$(3,085,961)	$3,844,220
Expected income taxes	(823,026)	1,100,600
Increase (decrease) in income taxes resulting from:		
Items deductible and not deductible for income tax purposes	598,697	(703,615)
Change in statutory rates	(50,299)	76,101
Change in valuation allowance	65,478	122,228
Income tax expense (recovery)	$ (209,150)	$ 595,314

Details of future income tax assets (liabilities) are as follows:

	2011	2010 (Restated)
Non-capital and net capital losses	$ 354,026	$ 122,228
Investments	71,095	(634,564)
Mineral properties	(172,809)	(72,009)
Equipment and other	39,514	34,799
	291,826	(549,546)
Less: valuation allowance	(245,541)	(122,228)
	$ 46,285	$ (671,774)
Future income tax assets	219,094	34,799
Future income tax liabilities	(172,809)	(706,573)
	$ 46,285	$ (671,774)

13. INCOME TAXES - Continued

The Company has approximately $1,416,000 of non-capital losses available, which begin to expire in 2026 through to 2031 and may be applied against future taxable income. The potential future benefits associated with some of these losses are not reflected in the consolidated financial statements as it cannot be considered more likely than not that they will be utilized.

14. SUBSEQUENT EVENTS

(a) 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 Munglinup 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 $62,500 ($25,000 received subsequent to November 30, 2011) 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 which can be purchased for $1 million. The agreement is subject to approval by the TSX-V.

(b) On March 1, 2012, the Company and its prospecting partners signed an agreement with Galaxy Capital 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 ($3,750 received subsequent to November 30, 2011) and staged payments of 500,000 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 which can be purchased for $1 million. The agreement is subject to approval by the TSX-V.

(c) On March 8, 2012, the Company and its prospecting partners signed an agreement with Big North Capital Inc. (“Big North”) 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 ($20,000 received subsequent to November 30, 2011) and staged payments of 1,000,000 common shares 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 is subject to approval by the TSX-V.

(d) On March 27, 2012, the Company and its prospecting partners signed an agreement with Big North Capital Inc. (“Big North”) 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 and staged payments of 750,000 common shares over a fourteen-month 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 is subject to approval by the TSX-V.

14. SUBSEQUENT EVENTS - Continued

(e) On February 1, 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, Zimtu will receive cash of $12,500 ($3,750 received subsequent to November 30, 2011) and staged payments of 375,000 common shares over a one-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 is subject to approval by the TSX-V.

(f) See Note 7 and Note 9.

(g) Subsequent to the year ended November 30, 2011, TDN paid $10,000 in accordance with the Burnt Island property agreement.

(h) On March 2, 2012, the Company sold a total of 4,750,000 common shares of TDN, representing 19% of the issued and outstanding share capital thereby reducing its ownership of TDN down from 69.55% to 50.25%. The shares will be sold in private transactions to a total of 3 individuals. On March 9, 2012, TDN closed a non-brokered private placement of 23,535,149 common shares at a price of $0.10 per share for gross proceeds of $2,353,515. This further reduced Zimtu's ownership of TDN down to 25.7%.

15. SEGMENT INFORMATION

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 year ended November 30, 2011

	Investment in mineral properties $	Management Service $	Investment in stock, warrants and others $	Corporate $	Total $
Revenue					
Administrative fees	-	1,249,476	-	-	1,249,476
Unrealized gain (loss) on investments	-	-	(5,645,276)	-	(5,645,276)
Gain on sale of investments	-	-	1,438,232	-	1,438,232
Income from property sale	2,087,618	-	-	-	2,087,618
	2,087,618	1,249,476	(4,207,044)	-	(869,950)

15. SEGMENT INFORMATION - Continued

Segment assets	755,759	-	8,892,400	2,227,028	11,875,187
Expenditure for segment capital assets	298,968	-	-	3,784	302,752

For the year ended November 30, 2010 (Restated)

	Investment in mineral properties $	Management Service $	Investment in stock, warrants and others $	Corporate $	Total $
Revenue					
Administrative fees	-	1,190,300	-	-	1,190,300
Unrealized gain (loss) on investments	-	-	3,430,228	-	3,430,228
Gain on sale of investments	-	-	872,273	-	872,273
Income from property sale	1,145,909	-	-	-	1,145,909
	1,145,909	1,190,300	4,302,501	-	6,638,710
Segment assets	489,665	-	9,768,883	3,712,662	13,971,210
Expenditure for segment capital assets	491,867	-	-	250,459	742,326

16. RESTATEMENTS FOR THE YEAR ENDED NOVEMBER 30, 2010

The Company has restated its consolidated financial statements as at and for the year ended November 30, 2010 as follows:

a) Deferred revenue

Deferred revenue in fiscal year 2010 was incorrectly accounted for since the Company deferred proceeds received on its farmed out mineral properties when it should have credited to the carrying value of the mineral properties, with any excess included in operations.

The impact of the amounts restated for the above noted errors was to decrease deferred revenue by $467,500, decrease mineral property interests by $108,203 and increase revenue by $359,297.

b) Investment in warrants and options

Investment in warrants and options was incorrectly accounted for since the Company used intrinsic method as opposed to fair value using the Black-Scholes option model.

The impact of the amounts restated for the above noted errors was to increase investment by $182,290 and increase unrealized gain on investment by the same amount.

16. RESTATEMENTS FOR THE YEAR ENDED NOVEMBER 30, 2010 - Continued

c) Current and future income taxes

The Company incorrectly calculated its current and future income taxes for the year ended November 30, 2010. The impact of the amounts restated along with the above noted errors was to increase income taxes payable and income taxes expenses by $48,899 and increase future income taxes payable and future income taxes expenses by $195,336.

d) Goodwill

The Company incorrectly recognized goodwill in the acquisition of TDN. The impact of the amounts restated along with the above noted errors was to decrease the goodwill and retained earnings by $81,082.

e) Non-controlling interest

The Company incorrectly recognized non-controlling interest in relation to the equity interest in Lakeland. The impact of the amounts restated along with the above noted errors was to decrease the non-controlling interest balance by $117,670, increase net income by $2,403 and increase opening retained earnings by $115,267.

The following tables summarized the restatements for the year ended November 30, 2010:

Balance Sheet as at November 30, 2010	**Previously reported**	**Adjustment**	**Restated**
	$	$	$
Cash	2,056,883	(23,000)	2,033,883
Investments	9,563,352	205,290	9,768,642
Mineral property interests	804,297	(108,203)	696,094
Goodwill	145,898	(81,082)	64,816
Total assets	13,978,205	(6,995)	13,971,210
Unearned revenue	482,865	(467,500)	15,365
Current income taxes payable	81,596	48,899	130,495
Future income tax payable	476,438	195,336	671,774
Non-controlling interests	261,731	(117,670)	144,061
Retained earnings	2,867,194	333,940	3,201,134
Total liabilities and shareholders' equity	13,978,205	(6,995)	13,971,210

16. RESTATEMENTS FOR THE YEAR ENDED NOVEMBER 30, 2010 - Continued

Statements of Loss and Comprehensive Loss for year ended November 30, 2010

Income from property sales	-	1,145,909	1,145,909
Unrealized gain on investments	3,247,938	182,290	3,430,228
Other income	1,110,669	(786,612)	324,057
Income taxes (recovery) - current	82,302	48,899	131,201
Income taxes (recovery) - future	359,682	195,336	555,018
Income before minority interest	2,860,649	297,352	3,158,001
Non-controlling interests	4,055	2,403	6,458
Net income and comprehensive income for the year	2,864,704	299,755	3,164,459
Retained earnings (deficit), beginning of year	2,490	34,185	36,675
Retained earnings, end of year	2,867,194	333,940	3,201,134

17. COMPARATIVE FIGURE

Certain comparative figures have been reclassified to conform to the presentation adopted in current year.