



**Condensed Interim Financial Statements**

**Nine Months Ended August 31, 2020**

(Unaudited - Expressed in Canadian Dollars)

### Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements of Zimtu Capital Corp. for the nine months ended August 31, 2020, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Financial Position**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

	August 31, 2020	November 30, 2019
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 189,103	\$ 35,996
Investments (Note 6)	7,649,761	4,081,007
Advances and amounts receivable (Note 8)	739,226	967,298
Prepaid expenses (Note 9)	45,131	360,456
Convertible debentures (Note 10)	91,394	86,874
Due from equity investees (Note 11)	13,125	-
Due from related parties (Note 11)	210,417	356,452
	<b>8,938,157</b>	<b>5,888,083</b>
<b>Deposits (Note 19)</b>	<b>18,562</b>	<b>15,562</b>
<b>Investment in associates (Note 7)</b>	<b>179,443</b>	<b>256,545</b>
<b>Mineral property interests (Note 12)</b>	<b>125,505</b>	<b>168,911</b>
	<b>\$ 9,261,667</b>	<b>\$ 6,329,101</b>
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 74,877	\$ 182,854
GST/HST payable	28,035	3,816
Due to related parties (Note 11)	7,161	-
Loan payable (Note 20)	20,704	-
Unearned revenue (Note 13)	573,773	121,505
Promissory notes payable (Note 14)	41,893	67,100
	<b>746,443</b>	<b>375,275</b>
<b>Equity</b>		
Share capital (Note 15)	9,521,822	9,521,822
Reserves	4,920,817	4,920,817
Deficit	(5,927,415)	(8,488,813)
<b>Shareholders' equity</b>	<b>8,515,224</b>	<b>5,953,826</b>
	<b>\$ 9,261,667</b>	<b>\$ 6,329,101</b>

**On behalf of the Board:**

“David Hodge” Director “Sean Charland” Director

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

Subsequent events (Note 21)

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Operations and Comprehensive Income (Loss)**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

	Three months ended August 31,		Nine months ended August 31,	
	2020	2019	2020	2019
<b>Revenue</b>				
Administrative fees	\$ 160,172	\$ 148,500	\$ 494,672	\$ 473,000
Corporate development services	134,686	170,906	383,978	608,901
Income from property sale (Note 12)	18,500	23,500	18,500	23,500
	<b>313,358</b>	<b>342,906</b>	<b>897,150</b>	<b>1,105,401</b>
<b>Expenses</b>				
General and administrative expenses (Note 16)	444,213	554,792	1,438,331	1,785,214
<b>Income (loss) before other items</b>	<b>(130,855)</b>	<b>(211,886)</b>	<b>(541,181)</b>	<b>(679,813)</b>
<b>Other items</b>				
Interest income	1,619	583	5,099	959
Unrealized gain (loss) on investments	735,089	488,623	2,488,807	(14,942)
Unrealized gain (loss) on note receivable	112,875	75,250	-	112,875
Gain on government loan (Note 20)	19,296	-	19,296	-
Gain (loss) on sale of investments	474,334	(1,943,085)	666,704	(1,850,607)
Impairment of mineral property (Note 12)	(888)	-	(888)	-
Unrealized gain (loss) on derivative assets	-	(208)	-	(208)
Write off marketable securities	-	-	-	(1,932)
Equity gain (loss) on affiliate (Note 7)	(37,742)	(26,495)	(77,102)	(54,895)
Other income (expense)	663	20,850	663	20,850
	<b>1,305,246</b>	<b>(1,384,482)</b>	<b>3,102,579</b>	<b>(1,787,900)</b>
<b>Net income (loss) and comprehensive income for the period</b>	<b>\$ 1,174,391</b>	<b>\$ (1,596,368)</b>	<b>\$ 2,561,398</b>	<b>\$ (2,467,713)</b>
<b>Basic earnings (loss) per share</b>	<b>\$ 0.07</b>	<b>\$ (0.10)</b>	<b>\$ 0.16</b>	<b>\$ (0.16)</b>
<b>Diluted earnings (loss) per share</b>	<b>\$ 0.06</b>	<b>\$ (0.08)</b>	<b>\$ 0.13</b>	<b>\$ (0.13)</b>
<b>Weighted average number of common shares outstanding</b>				
– basic	16,106,483	16,106,483	16,106,483	15,714,395
– diluted	19,578,483	19,578,483	19,578,483	19,186,395

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

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Changes in Equity**  
**As at August 31, 2020 and 2019**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

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

	Share Capital				Total Equity
	Number of Shares	Amount	Reserves	Deficit	
<b>Balance, November 30, 2019</b>	<b>16,106,483</b>	<b>\$9,521,822</b>	<b>\$ 4,920,817</b>	<b>\$ (8,488,813)</b>	<b>\$5,953,826</b>
Net income for the period	-	-	-	2,561,398	2,561,398
<b>Balance, August 31, 2020</b>	<b>16,106,483</b>	<b>\$ 9,521,822</b>	<b>\$ 4,920,817</b>	<b>\$ (5,927,415)</b>	<b>\$ 8,515,224</b>

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

**Zimtu Capital Corp.**  
**Condensed Interim Statements of Cash Flows**  
**For the nine months ended August 31, 2020 and 2019**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

	<b>2020</b>	<b>2019</b>
<b>Operating Activities</b>		
Net income (loss) for the period	\$ 2,561,398	\$ (2,467,713)
Items not involving cash		
Loss (gain) on sale of investments	(666,704)	(1,850,607)
Unrealized (gain) loss of investments	(2,488,807)	14,942
Income from property revenue	(18,500)	(23,500)
Impairment of mineral property	888	-
Gain on government loan	(19,296)	-
Shares received from spinoff of investment	-	(20,850)
Interest income accrued	(4,520)	(378)
Loss on derivative assets	-	208
Equity loss of affiliates	77,102	54,895
Unrealized loss on promissory notes	-	(112,875)
Investment shares issued for finder's fees	-	9,200
Write-off marketable securities	-	1,932
Changes in non-cash working capital		
Advances and amounts receivable	121,201	(485,503)
Prepaid expenses	18,705	(480,634)
Deposits	(3,000)	-
Promissory notes	(36,000)	(4,000)
Unearned revenue	452,268	(107,401)
Accounts payable and accrued liabilities	(100,816)	(135,261)
<b>Cash provided by (used in) operating activities</b>	<b>(106,081)</b>	<b>(5,607,545)</b>
<b>Investing Activities</b>		
Acquisition of investments	(2,184,665)	(1,394,983)
Proceeds on disposition of investments	2,408,068	6,672,073
Promissory note to acquire shares	10,793	-
Purchase of convertible notes	-	(50,000)
Mineral property expenditures	(15,008)	(26,825)
Proceeds on disposition of mineral properties	-	50,000
<b>Cash provided by (used) in investing activities</b>	<b>219,188</b>	<b>5,250,265</b>
<b>Financing Activities</b>		
Government loan	40,000	-
Issuance of shares	-	178,000
Share issuance costs	-	(2,840)
<b>Cash provided by (used) in investing activities</b>	<b>40,000</b>	<b>175,160</b>
<b>Change in cash during the period</b>	<b>153,107</b>	<b>(182,120)</b>
<b>Cash, beginning of period</b>	<b>35,996</b>	<b>287,870</b>
<b>Cash, end of period</b>	<b>\$ 189,103</b>	<b>\$ 105,750</b>

Supplemental disclosure with respect to cash flows (Note 18)

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

# Zimtu Capital Corp.

## Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2020

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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

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

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

These condensed interim financial statements were authorized for issue by the Audit Committee and Board of Directors on October 21, 2020.

### 2. BASIS OF PREPARATION

#### a) Statement of Compliance

The condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), applicable to the presentation of interim financial statements, including IAS 34, Interim Financial Reporting.

#### b) Basis of Measurement

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

### 3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

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

- Classifying categories of financial assets and financial liabilities in accordance with IFRS 9, *Financial instruments: recognition and measurement*; and
- The recoverability of the carrying value of the mineral property interests is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the periods.

## **Zimtu Capital Corp.**

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

**For the nine months ended August 31, 2020**

**Expressed in Canadian Dollars**

**(Unaudited – prepared by management)**

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

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

#### **Income Taxes**

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

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

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

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

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

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

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

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

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

### **4. SIGNIFICANT ACCOUNTING POLICIES**

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the audited financial statements for the year ended November 30, 2019. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2019.



## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2020

Expressed in Canadian Dollars

(Unaudited – prepared by management)

#### 5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES

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

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

Level 1 – fair values are based on quoted prices (unadjusted) in active markets for identical assets or liabilities;  
Level 2 – fair values are based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); or  
Level 3 – fair values are based on inputs for the asset or liability that are not based on observable market data, which are unobservable inputs.

	August 31, 2020			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Fair value through profit or loss</b>				
Promissory note receivables (Note 8)	325,958	-	-	325,958
Promissory note receivables – related parties (Note 11)	210,417	-	-	210,417
Convertible debentures (Note 10)	-	56,394	35,000	91,394
Investment in public company shareholdings (Note 6a)	5,304,460	-	-	5,304,460
Investment in private company shareholdings (Note 6d)	-	-	88,026	88,026
Investment in warrants (Note 6b)	-	2,222,775	-	2,222,775
	<u>5,840,835</u>	<u>2,279,169</u>	<u>123,026</u>	<u>8,243,030</u>
	November 30, 2019			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Fair value through profit or loss</b>				
Promissory note receivables (Note 8)	555,958	-	-	555,958
Promissory note receivables – related parties (Note 11)	331,417	-	-	331,417
Convertible debentures (Note 10)	-	51,874	35,000	86,874
Investment in public company shareholdings (Note 6a)	2,864,365	-	-	2,864,365
Investment in private company shareholdings (Note 6d)	-	-	33,000	33,000
Investment in warrants (Note 6b)	-	1,149,142	-	1,149,142
	<u>3,751,740</u>	<u>1,201,016</u>	<u>68,000</u>	<u>5,020,756</u>

b) Interest rate risk - The Company is not exposed to significant interest rate risk even though the Company has cash balances, and its current policy is to invest excess cash in certificates of deposit or money market funds of major Canadian chartered banks. The GIC included in investment bear interest at a variable 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 decrease/increase the net loss of the Company by \$345. The convertible debentures bear interest at a fixed rate and therefore not exposed to interest rate risk as well. The Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2020

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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

c) Credit risk - The Company is not exposed to significant credit risk on its cash and GIC due to its cash is placed with major financial institutions and investments are placed with a Canadian chartered bank or with independent investment dealer member of the Canadian Investor Protection Fund. All transactions executed by the Company in listed securities are settled or paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment.

With the adoption of IFRS 9 – Financial Instruments, the Company now uses the new expected credit loss impairment model, as opposed to the incurred loss model under the previous standard, IAS 39 – Financial Instruments: Recognition and Measurement. The change to the new model did not have an impact on the carrying amounts of the Company's financial assets on the date of adoption. Under IFRS 9, the Company is required to review impairment of its financial assets at amortized costs at each reporting period and to review its allowance for doubtful accounts for expected future credit losses.

The Company continues to minimize credit risk by performing credit reviews, ongoing credit evaluation and account monitoring procedures. Management believes that the credit risk with respect to advances and amounts receivables is remote. One customer accounted for 52% (November 30, 2019: 58%) of the Company's administrative revenue.

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

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

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

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

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended August 31, 2020 or the year ended November 30, 2019. The Company is not subject to externally imposed capital requirements.

**Zimtu Capital Corp.**  
**Notes to the Condensed Interim Financial Statements**  
**For the nine months ended August 31, 2020**  
**Expressed in Canadian Dollars**  
**(Unaudited – prepared by management)**

**6. INVESTMENTS**

**Investment continuity schedule**

	Investment in public companies	Investment in private companies	Warrants	GIC	Total
	(a)	(d)	(b)	(c)	
<b>Balance, November 30, 2018</b>	\$ 5,126,697	\$ 277,349	\$ 1,036,183	\$ 34,500	\$ 6,474,729
Cost of Shares/warrants acquired	2,801,553	58,000	83,333	-	2,942,886
Shares disposed/ warrants exercised	(6,938,687)	-	(83,333)	-	(7,022,020)
Investment reclassification	239,388	(239,388)	-	-	-
Shares received from spinoff	20,850	-	-	-	20,850
Shares received from property sales	5,600	-	-	-	5,600
Write-off	(51,932)	(130,142)	-	-	(182,074)
Shares issued for finder's fees	(9,200)	-	-	-	(9,200)
Fair value change	1,670,096	67,181	112,959	-	1,850,236
<b>Balance, November 30, 2019</b>	\$ 2,864,365	\$ 33,000	\$ 1,149,142	\$ 34,500	\$ 4,081,007
Cost of Shares/warrants acquired	2,320,523	-	244,820	-	2,565,343
Shares disposed/ warrants exercised	(1,629,310)	-	(326,215)	-	(1,955,525)
Shares received through sale of warrants	59,103	-	-	-	59,103
Shares received for property sale	21,000	55,026	-	-	76,026
Shares previously sold with promissory notes returned	335,000	-	-	-	335,000
Fair value change	1,333,779	-	1,155,028	-	2,488,807
<b>Balance, August 31, 2020</b>	\$ 5,304,460	\$ 88,026	\$ 2,222,775	\$ 34,500	\$ 7,649,761

**Zimtu Capital Corp.****Notes to the Condensed Interim Financial Statements****For the nine months ended August 31, 2020****Expressed in Canadian Dollars****(Unaudited – prepared by management)****6. INVESTMENTS (continued)****(a) Investment in public company shareholdings**

	Investments at fair value through profit or loss as at August 31, 2020				
	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Alpha Lithium	102,250	50,487	0.49	67,485	0.660
Arctic Star Exploration	11,495,464	336,535	0.03	344,864	0.030
Ares Strategic Mining	1,250,000	107,000	0.09	175,000	0.140
Belmont Resources	168,000	17,617	0.10	12,600	0.075
Commerce Resources	6,259,061	1,783,943	0.29	1,564,765	0.250
Corsurex Resources	18,906	-	0.00	1,512	0.080
Cresval Capital	500,000	100,000	0.20	12,500	0.025
Crown Mining	570,000	39,530	0.07	45,600	0.080
Emerita Gold	1,454,286	316,418	0.22	472,643	0.325
Falcon Gold	400,000	26,150	0.07	74,000	0.185
IMC International Mining	208,333	100,000	0.48	45,833	0.220
Indigo Exploration	119,167	200,653	1.68	14,896	0.125
International Montoro	650,000	33,400	0.05	52,000	0.080
King's Bay Resources	10,600,000	707,428	0.07	53,000	0.005
Maple Gold Mines	1,299,000	163,810	0.13	227,325	0.175
Margaret Lake Diamonds	160,000	19,200	0.12	6,400	0.040
MinKap Resources	1,008,333	413,363	0.41	95,792	0.095
Nouveau Life	230,000	50,051	0.22	138	0.001
Pistol Bay	1,500,000	53,972	.04	67,500	0.045
Prospera Energy	1,400,000	98,000	0.07	35,000	0.025
Red Oak	2,000	100	0.05	200	0.100
Saville Resources	7,371,000	369,710	0.05	257,985	0.035
Suvo Strategic Minerals	120,000	53,758	0.45	7,998	0.067
Vatic Resources	467,600	35,070	0.08	46,760	0.100
VOIP-PAL	226,000	26,217	0.12	3,266	0.014
Ximen Mining	166,667	75,000	0.45	88,334	0.530
Zinc8 Energy Solutions	6,249,236	742,684	0.12	1,531,063	0.245
<b>Balance, August 31, 2020</b>		<b>5,920,096</b>		<b>5,304,459</b>	

**Zimtu Capital Corp.****Notes to the Condensed Interim Financial Statements****For the nine months ended August 31, 2020****Expressed in Canadian Dollars****(Unaudited – prepared by management)****6. INVESTMENTS (continued)****(a) Investment in public company shareholdings (continued)**

	Investments at fair value through profit or loss as at November 30, 2019				
	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Alpha Lithium	2,250	577	0.26	743	0.330
Arctic Star Exploration	163,470	73,959	0.45	8,174	0.050
Belmont Resources	647,500	86,165	0.13	22,663	0.035
Canadian Energy Materials	300,000	48,000	0.16	9,000	0.030
Commerce Resources	5,321,599	1,598,793	0.30	957,887	0.180
Corsurex Resources	18,906	-	0.00	378	0.020
Cresval Capital	500,000	100,000	0.20	10,000	0.020
Crown Mining	570,000	39,530	0.07	19,950	0.035
Emerita Gold	740,000	216,418	0.29	70,300	0.095
Falcon Gold	200,000	8,900	0.04	7,000	0.035
Gaia Metals	70,000	56,340	0.80	7,350	0.105
Goldhill Holdings	42,000	12,600	0.30	3,570	0.085
Group Ten Metals	150,000	9,000	0.06	24,750	0.165
Indigo Exploration	715,000	200,653	0.28	10,725	0.015
International Montoro	600,000	30,000	0.05	21,000	0.035
King's Bay Resources	5,600,000	372,428	0.07	224,000	0.040
Maple Gold Mines	1,299,000	163,810	0.13	103,920	0.080
Margaret Lake Diamonds	160,000	19,200	0.12	3,200	0.020
Maxtech Ventures	461,000	111,700	0.24	39,185	0.085
MGX Minerals	49,846	34,052	0.68	3,988	0.080
MGX Renewables (Zinc8 Energy)	4,361,732	379,430	0.09	719,684	0.165
MinKap Resources	1,008,333	413,363	0.41	90,750	0.090
Nouveau Life	230,000	50,051	0.22	138	0.001
Pistol Bay	2,100,000	121,072	0.06	42,000	0.020
Prospera Energy	1,400,000	98,000	0.07	42,000	0.030
Saville Resources	7,171,000	362,410	0.05	250,985	0.035
Ultracharge	1,200,000	53,758	0.04	2,158	0.002
Vatic Resources	467,600	35,070	0.08	46,760	0.100
VOIP-PAL	226,000	26,217	0.12	8,107	0.036
Ximen Mining	300,000	134,635	0.45	114,000	0.380
<b>Balance, November 30, 2019</b>		<b>4,856,131</b>		<b>2,864,365</b>	

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**6. INVESTMENTS (continued)**

**(b) Investments in warrants**

	<b>Number of Warrants</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Fair Value</b>	<b>Fair Value \$/Warrant</b>
ALX Uranium Corp.	500,000	November 16, 2020	0.20	662	0.001
Alpha Lithium	400,000	January 24, 2022	0.50	106,661	0.267
Arctic Star Exploration	220,000	March 26, 2021	0.40	724	0.003
Arctic Star Exploration	5,020,000	January 24, 2022	0.15	136,504	0.027
Arctic Star Exploration	10,160,000	August 27, 2022	0.05	292,005	0.029
Ares Strategic Mining	625,000	June 15, 2022	0.15	69,463	0.111
Belmont Resources	200,000	June 28, 2021	0.08	8,717	0.044
Belmont Resources	140,000	May 14, 2021	0.08	6,148	0.044
Belmont Resources	168,000	April 29, 2022	0.05	9,939	0.059
Commerce Resources	5,061,500	October 11, 2021	0.35	433,639	0.086
Copper North	120,000	November 4, 2020	0.50	-	0.000
Emerita Resources	357,143	August 13, 2022	0.15	103,778	0.291
IMC International Mining	208,333	May 13, 2022	0.06	15,522	0.075
International Montoro	600,000	March 20, 2021	0.10	30,585	0.051
Margaret Lake Diamonds	833,333	April 16, 2021	0.20	4,414	0.005
MGX Minerals	100,000	December 27, 2020	1.15	-	0.000
MGX Minerals	416,667	December 21, 2021	0.67	7,685	0.018
MinKap Resources	41,667	October 24, 2020	0.30	1,049	0.025
Pistol Bay	2,250,000	October 25, 2023	0.06	27,858	0.012
Pistol Bay	2,000,000	November 28, 2020	0.06	27,353	0.014
Pistol Bay	1,250,000	December 20, 2020	0.05	20,766	0.017
Saville Resources	2,000,000	September 28, 2020	0.10	5,834	0.003
Vatic Resources	233,800	February 5, 2021	0.10	3,372	0.014
Ximen Mining	200,000	January 4, 2021	0.30	48,306	0.242
Ximen Mining	135,165	July 8, 2021	0.45	28,938	0.214
Ximen Mining	166,667	July 23, 2022	0.75	37,118	0.223
Zinc8 Energy Solutions	400,000	November 30, 2020	0.35	10,267	0.026
Zinc8 Energy Solutions	3,783,333	September 9, 2021	0.08	785,468	0.208
<b>Balance, August 31, 2020</b>				<b>2,222,775</b>	

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**6. INVESTMENTS (continued)**

**(b) Investments in warrants (continued)**

	<b>Number of Warrants</b>	<b>Expiry Date</b>	<b>Exercise Price</b>	<b>Fair Value</b>	<b>Fair Value \$/Warrant</b>
ALX Uranium Corp.	500,000	November 16, 2020	0.20	3,742	0.007
Alpha Lithium	645,000	April 23, 2020	0.20	3,996	0.006
Arctic Star Exploration	52,100	June 30, 2020	2.00	865	0.017
Arctic Star Exploration	200,000	June 4, 2020	1.25	3,789	0.019
Arctic Star Exploration	220,000	March 26, 2021	0.40	8,365	0.038
Belmont Resources	162,500	March 8, 2020	0.40	-	0.000
Belmont Resources	250,000	July 23, 2020	0.64	1,192	0.005
Belmont Resources	162,500	February 14, 2020	0.40	-	0.000
Belmont Resources	200,000	June 28, 2021	0.08	5,101	0.026
Belmont Resources	140,000	May 14, 2021	0.08	3,330	0.024
Canadian Energy Materials	175,000	January 5, 2020	0.25	-	0.000
Commerce Resources	5,061,500	October 11, 2021	0.35	304,853	0.060
Copper North	120,000	November 4, 2020	0.50	-	0.000
Emerita Resources	100,000	December 20, 2019	1.00	-	0.000
Group Ten	1,000,000	February 27, 2020	0.12	55,660	0.056
International Montoro	600,000	March 20, 2021	0.10	8,375	0.014
King's Bay Resources	3,386,703	December 30, 2019	0.12	-	0.000
King's Bay Resources	2,625,000	June 8, 2020	0.10	-	0.000
Margaret Lake Diamonds	833,333	April 16, 2021	0.20	4,357	0.005
Maxtech Ventures	286,000	March 9, 2020	0.45	2,067	0.007
MGX Minerals	100,000	December 27, 2020	1.15	-	0.000
MGX Minerals	416,667	December 21, 2021	0.67	2,798	0.007
MGX Renewables (Zinc 8 Energy)	400,000	November 30, 2020	0.35	47,200	0.118
MGX Renewables (Zinc 8 Energy)	3,783,333	September 9, 2021	0.08	587,328	0.155
MinKap Resources	83,333	October 24, 2020	0.30	6,511	0.078
Palladium One	512,750	March 19, 2020	0.20	6,028	0.012
Pistol Bay	2,250,000	April 25, 2020	0.06	5,578	0.002
Pistol Bay	2,000,000	November 28, 2020	0.06	12,271	0.006
Redfund Capital	533,333	August 1, 2020	0.55	997	0.002
Saville Resources	2,000,000	September 28, 2020	0.10	12,136	0.006
Vatic Resources	233,800	February 5, 2021	0.10	5,978	0.026
Ximen Mining	300,000	January 4, 2021	0.30	56,626	0.189
<b>Balance, November 30, 2019</b>				<b>1,149,142</b>	

**(c) Investment in GIC**

As at August 31, 2020, the Company had two guaranteed investment certificates totaling \$34,500 (November 30, 2019: \$34,500). Of the total, \$23,000 matures on March 4, 2021 with an interest rate of prime minus 2.7%. The remaining \$11,500 matures on July 7, 2021 with an interest rate of prime minus 2.25%.

## Zimtu Capital Corp.

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#### 6. INVESTMENTS (continued)

##### (d) Investment in private companies

The Company made investments in private companies with the expectation that they will enter public markets in the foreseeable future. The Company has written down the value of the investments based on current market conditions.

	Investments at fair value through profit or loss as at August 31, 2020					
	# of Shares	Cost Base		Market Base		
		\$	\$/Share	\$	\$/Share	
Avalon Bridge	500,000	-	0.00	-	0.000	
1233719 BC Ltd	1,218,859	55,026	0.05	55,026	0.045	
District One Exploration	160,000	8,000	0.05	8,000	0.050	
Eagle Bay Resources	2,000,000	-	0.00	-	0.000	
Hexa Resources	601,809	-	0.00	-	0.000	
S1 Capital	100,000	50,000	0.50	25,000	0.250	
<b>Balance, August 31, 2020</b>		<b>88,026</b>		<b>88,026</b>		

  

	Investments at fair value through profit or loss as at November 30, 2019					
	# of Shares	Cost Base		Market Base		
		\$	\$/Share	\$	\$/Share	
Avalon Bridge	500,000	25,000	0.05	-	0.000	
District One Exploration	160,000	8,000	0.05	8,000	0.050	
Eagle Bay Resources	2,000,000	50,000	0.03	-	0.000	
Hexa Resources	601,809	55,142	0.09	-	0.000	
S1 Capital	100,000	50,000	0.50	25,000	0.250	
<b>Balance, November 30, 2019</b>		<b>188,142</b>		<b>33,000</b>		

#### 7. INVESTMENTS IN ASSOCIATES

	Core	D5	Total
<b>As of November 30, 2018</b>	\$ -	\$ 193,992	\$ 193,992
Acquisition of shares	105,100	14,775	119,875
Sale of shares	-	(740)	(740)
Shares received for property sale	100,000	-	100,000
Loss from equity investee	(10,940)	(145,642)	(156,582)
<b>As of November 30, 2019</b>	\$ 194,160	\$ 62,385	\$ 256,545
Loss from equity investee	(39,028)	(38,074)	(77,102)
<b>As of August 31, 2020</b>	\$ 155,132	\$ 24,311	\$ 179,443

##### (1) Dimension Five Technologies Inc. (“D5”)

On July 1, 2018, the Company received 10,000,000 shares of Dimension Five Technologies Inc. (“D5”) valued at \$300,000 for the sale of the Zimtu App (see Note 21) and immediately sold 6,000,000 of the received shares to management and employees of the Company, for \$0.03 per share for gross proceeds of \$180,000, all covered by promissory notes. On July 27, 2018, the Company acquired 2,000,000 shares valued at \$0.05 in a private placement.

During the nine months ended August 31, 2020, the investment was adjusted for \$38,074 (August 31, 2019: \$53,376) of equity loss due to the decrease of net assets of D5. As at August 31, 2020, the Company holds 6,260,000 shares of D5, equal to 27% (November 30, 2019: 27%) of D5’s outstanding common shares.



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**7. INVESTMENTS IN ASSOCIATES (continued)**

The financial information of D5 as of August 31, 2020 and November 30, 2019 are presented as follows:

	August 31, 2020	November 30, 2019
	\$	\$
Current assets	348,916	219,956
Current liabilities	(85,611)	(50,829)
Shareholders' equity	(263,305)	(169,127)

	Nine months ended August 31, 2020	Six months ended May 31, 2019
	\$	\$
Revenue	47,345	82,814
Expenses	187,709	192,052
Net loss for the period	(140,364)	(109,238)

**(2) Core Assets Corp. (“Core”)**

On December 10, 2018 and August 1, 2019, the Company signed an agreement with Core, a private company with common directors, whereby Core can earn a 100% interest in and to the Blue Property and Silver Lime Property respectively (See Note 12(f) and Note 12(g)). The Company received 2,000,000 shares, valued at total of \$100,000. On August 14, 2019, the Company acquired 5,250,000 shares of Core valued at \$105,100.

During the nine months ended August 31, 2020, the investment was adjusted for \$39,028 (August 31, 2019: \$1,519) of equity loss due to the decrease of net assets of Core. As at August 31, 2020, the Company holds 7,250,000 shares of Core, equal to 33% (November 30, 2019: 40%) of Core's outstanding common shares.

The financial information of Core as of August 31, 2020 and November 30, 2019 are presented as follows:

	August 31, 2020	November 30, 2019
	\$	\$
Current assets	262,464	252,189
Non-current assets	278,512	247,994
Current liabilities	(9,439)	(12,708)
Shareholders' equity	(531,537)	(487,475)

  

	Nine months ended August 31, 2020	Nine months ended August 31, 2019
	\$	\$
Expenses	111,451	14,780
Net loss for the period	(111,451)	(14,780)

## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements

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#### 8. ADVANCES AND AMOUNTS RECEIVABLE

	August 31, 2020	November 30, 2019
	\$	\$
Accounts receivable	529,879	527,951
Allowance for doubtful accounts	(116,611)	(116,611)
Accounts receivable – net of allowance (a)	413,268	411,340
Promissory note receivable – nominal value	419,500	649,500
Promissory note receivable – Fair value Change	(93,542)	(93,542)
Promissory note receivable – Fair value (b)	325,958	555,958
Total advances and amounts receivable:	739,226	967,298

- (a) The Company's accounts receivable consists of amounts billed and outstanding for providing marketing, managerial, and administrative services. The amounts are unsecured, non-interest bearing, and have no specific terms of repayments.

As at August 31, 2020, accounts receivable of \$116,611 (November 30, 2019: \$116,611) were impaired and fully provided by allowance. See below for the movements in the provision for impairment of receivable:

	\$
As of November 30, 2018	63,855
Charge for the year	71,756
Utilized	(19,000)
As of November 30, 2019	116,611
Charge for the period	-
Utilized	-
As of August 31, 2020	116,611

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

#### 9. PREPAID EXPENSES

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

	August 31, 2020	November 30, 2019
	\$	\$
Prepaid share subscriptions	45,131	329,751
Deposits (Note 19)	-	3,310
Others	-	27,395
Total prepaid expenses	45,131	360,456

## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements

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#### 10. CONVERTIBLE DEBENTURES

- (a) On August 8, 2019, the Company acquired a convertible note in the principal amount of \$50,000 from King's Bay Resources Corp. ("King's Bay"), a public company on the TSX Venture Exchange. The note will mature in one year and bears interest at 12% per annum, payable at maturity. The principal amount of the note is convertible at the option of the subscriber at any time into units ("Units") of the Company at a conversion of \$0.20 per Unit. Each Unit consists of one common share of the Issuer and one common share purchase warrant ("Warrant"). Each Warrant shall entitle the holder to purchase one common share of the Company for a period of 2 years at an exercise price of \$0.35 during the first year and \$0.60 during the second year. On August 8, 2020, King's Bay amended the note agreement such that the maturity date is changed to the date which is 24 months after issuance of the Note. All other terms in the agreement remain the same.
- (b) On October 19, 2018, the Company acquired a convertible debenture note in the principal amount of \$35,000 from Linceo Media Group Inc. ("Linceo"), a private junior mining company. The note will mature on October 19, 2020 and bears interest at 12% per annum, payable on the maturity date. The principal amount of the note is convertible at the option of the subscriber at any time into common shares of the Company at a conversion price per common share equity to 50% of the go public transaction or 50% of the last financing price.

#### 11. RELATED PARTY TRANSACTIONS

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

Nine months ended	August 31, 2020	August 31, 2019
<b>Key management compensation*</b>	\$	\$
Key management compensation	499,062	505,281

Nine months ended	August 31, 2020	August 31, 2019
<b>Revenue**</b>	\$	\$
Management administration fees	282,172	270,000
<b>Expenses</b>		
App development and marketing fees	100,000	11,111
Licensing fees	21,400	96,300

Amounts due from related parties and equity investees	August 31, 2020	November 30, 2019
	\$	\$
Commerce Resources Corp.***	-	2,297
Core Assets Corp.****	13,125	-
David Hodge, CEO and director	-	12,819
Sean Charland, director	-	9,919
<b>Promissory note receivable - Fair Value</b>		
David Hodge, CEO and director	52,250	52,250
Jody Bellefleur, CFO	17,000	29,000
Kevin Bottomley, director	9,750	115,750
Sean Charland, director	47,000	47,000
Chris Grove, director	84,417	87,417
<b>Loan payable</b>		
Commerce Resources Corp.	(7,161)	-
<b>Total amount due from (to) related parties and equity investees, net</b>	<b>216,381</b>	<b>356,452</b>

## Zimtu Capital Corp.

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

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

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

\*\*\* Commerce Resources Corp. ("Commerce") is a company with common directors and management of the Company. The Company provides key management services to Commerce.

\*\*\*\* See Note 7

#### 12. MINERAL PROPERTY INTERESTS

Property Name	Partner	Balance, November 30, 2019 \$	Additions \$	Impairment \$	Property sales \$	Balance, August 31, 2020 \$
Carbonatite Ridge (α)	N/A	888	-	(888)	-	-
Cap Claim (α)	Various	-	2,500	-	-	2,500
Covette II Property (α)	N/A	3,712	-	-	-	3,712
Deep Bay/Simon Lake (α)	Dahrouge	4,847	-	-	-	4,847
Lac Elmer (α)	Staked	-	5,390	-	-	5,390
Munn Lake (α)	Dahrouge	105,542	3,514	-	-	109,056
Turquetil Lake (α)	Various	51,422	3,604	-	(55,026)	-
Sunny Boy (f)	N/A	2,500	-	-	(2,500)	-
		168,911	15,008	(888)	(57,526)	125,505

Property Name	Partner	Balance, November 30, 2018 \$	Additions \$	Impairment \$	Property sales \$	Balance, November 30, 2019 \$
Blue Property (c)	N/A	26,500	-	-	(26,500)	-
Carbonatite Ridge (α)	N/A	-	888	-	-	888
Covette II Property (α)	N/A	3,712	-	-	-	3,712
Deep Bay/Simon Lake (α)	Dahrouge	4,847	-	-	-	4,847
Glenora/Bay Horse (e)	N/A	-	1,500	-	(1,500)	-
Mell & Tucha Claims (α)	Dahrouge	7,045	-	(7,045)	-	-
Munn Lake (α)	Dahrouge	62,416	43,126	-	-	105,542
Nunavut (a) (α)	Various	27,005	24,417	-	-	51,422
Rare Metal Belt (α)	N/A	-	10,000	(10,000)	-	-
Pell Claims (α)	Dahrouge	2,888	-	(2,888)	-	-
Silver Lime (d)	N/A	8,000	-	-	(8,000)	-
Sunny Boy (α)	N/A	-	2,500	-	-	2,500
		142,413	82,431	(19,933)	(36,000)	168,911

(α) Properties Held for Sale

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**12. MINERAL PROPERTY INTERESTS (continued)**

**Joint Venture Partners**

*Dahrouge Geological Consulting Corp., 877384 Alberta Ltd., and DG Resource Management Ltd.*  
*(“Dahrouge”)*

The Company entered into verbal mutual agreements with Dahrouge Geological Consulting Corp. (“Dahrouge”), 877384 Alberta Ltd. (“877384”), and DG Resource Management Ltd. (“DG Resource”), in which Dahrouge, 877384, and/or DG Resource will stake and hold the ownerships of the properties on behalf of the Company.

**Farmed-out Properties**

*(a) Turquetil Lake Project*

On November 23, 2017, the Company and its prospecting partners signed an agreement with John Tugak (“Mr. Tugak”) to acquire certain rights to approximately 579 hectares in the Huckleberry 0002 Exploration Area, to be called the Turquetil Lake Project (formerly the Nunavut Property), located in Nunavut, Canada. Subsequently, additional rights were staked by the prospectors bringing the total to 10,227 hectares. The total cost of property is \$612,525 in staged payments over 20 years (\$60,000 paid). The Company will own 29% of the property.

On June 16, 2020, the Company and its prospecting partners signed an agreement with a private company, incorporated in British Columbia, Canada (the “Assignee”), to assign all its rights and interests in the Property consisting of 10,227 hectares of Inuit owned land, known as the Huckleberry 0002 Exploration Area or the Turquetil Lake Project, located in Nunavut, Canada. In consideration, the prospectors will share 5,074,944 shares in the capital of the Assignee, with the Company receiving 1,218,859 of those shares (with a fair value of \$55,026, the Company’s cost of the property). During the nine months ended August 31, 2020, \$nil (November 30, 2019: \$nil) is recognized as revenue from the property sale.

*(b) Lac Patu Vanadium Project*

On August 15, 2018, the Company and one of its prospecting partners signed an agreement with Maxtech Ventures Inc. (“Maxtech”) whereby Maxtech can earn a 100% interest in and to the Lac Patu Vanadium Project. For its participation in the transaction, the Company will receive \$92,500 (\$22,500 received) and 1,625,000 common shares of Maxtech over a 2-year period (375,000 received). During the nine months ended August 31, 2020, Maxtech defaulted on the property and it was returned to the Company.

*(c) Blue Property*

On December 10, 2018, the Company signed an agreement with Core Assets Corp. (“Core”) whereby Core can earn a 100% interest in and to the Blue Property, in the British Columbia. For its participation in the transaction, the Company will receive \$100,000 in cash (\$50,000 received during the year ended November 30, 2019) and 3,000,000 common shares of Core in staged payments (1,000,000 shares received during the year ended November 30, 2019 with a fair value of \$50,000). On March 11, 2020, the Company and Core amended the mineral property acquisition agreement for the Blue Property, delaying the first anniversary cash payment. During the nine months ended August 31, 2020, \$nil (November 30, 2019: \$73,500) is recognized as revenue from the property sale. See also Note 7.

*(d) Silver Lime Property*

On August 1, 2019, the Company signed an agreement with Core Assets Corp. (“Core”) whereby Core can earn a 100% interest in and to the Silver Lime Property, in the British Columbia. For its participation in the transaction, the Company received 1,000,000 common shares of Core (received during the year ended November 30, 2019 with a fair value of \$50,000). During the nine months ended August 31, 2020, \$nil (November 30, 2019: \$42,000)

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

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

is recognized as revenue from the property sale. See also Note 7.

##### *(e) Glenora/Bay Horse Property*

On October 29, 2019, the Company and two of its prospecting partners signed an agreement with Belmont Resources Inc. (“Belmont”) whereby Belmont can earn a 100% interest in and to the Glenora/Bay Horse Property. For its participation in the transaction, the Company will receive 280,000 common shares (received 140,000 shares and warrants during the year ended November 30, 2019 valued at \$5,600) of Belmont over a one-year period. The vendors will collectively retain a 1.5% Net Smelter Royalty on production, of which 75% can be purchased by Belmont for \$500,000, to be split evenly between the partners. During the nine months ended August 31, 2020, \$nil (November 30, 2019: \$4,100) is recognized as revenue from the property sale.

##### *(f) Sonny Boy Property*

During the nine months ended August 31, 2020, the Company sold three claims known as the Sonny Boy Property. For its participation in the transaction, the Company received 300,000 common shares of Falcon Gold Corp. with a fair value of \$21,000. During the nine months ended August 31, 2020, \$18,500 (November 30, 2019: \$42,000) is recognized as revenue from the property sale

#### 13. UNEARNED REVENUE

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

#### 14. PROMISSORY NOTES PAYABLE

The Company entered into an agreement to privately acquire shares from an individual. The promissory note has a principal balance totaling \$90,100 (November 30, 2019 - \$90,100), is non-interest bearing, and due to be paid by June 21, 2021. During the nine months ended August 31, 2020, the Company paid \$36,000 (November 30, 2019 - \$16,000) towards this promissory note, leaving a balance due of \$31,100 (November 30, 2019 - \$67,100).

The Company entered into an agreement to privately acquire 5,500,000 shares in the capital of Zinc8 Energy Solutions Inc. from MGX Minerals Inc., a public company. The promissory note has a principal balance totaling \$550,000 (November 30, 2019 - \$nil), is non-interest bearing, and due to be paid by July 21, 2020. During the nine months ended August 31, 2020, the Company paid \$539,207 (November 30, 2019 - \$16,000) towards this promissory note, leaving a balance due of \$10,793 (November 30, 2019 - \$nil).

#### 15. SHARE CAPITAL

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

On March 20, 2019, the Company closed a non-brokered private placement (the “Private Placement”) of 712,000 units (the “Units”) at a price of \$0.25 per Unit, for gross proceeds of \$178,000. Each Unit is comprised of one common share and one non-transferable share purchase warrant (a “Warrant”). Each Warrant will entitle the holder to purchase one additional common share in the capital of the Company for a period of 24 months from the date of closing at an exercise price of \$0.30. The fair value of the common share component of the units at the date of issuance was \$0.25 being equal to market price therefore the Company allocated the entire proceeds to common share and \$Nil to warrants.

## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2020

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(Unaudited – prepared by management)

#### 15. SHARE CAPITAL (continued)

c) Share purchase warrants:

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

	<b>August 31, 2020</b>		<b>November 30, 2019</b>	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	712,000	\$ 0.30	-	\$ -
Issued	-	-	712,000	0.30
Outstanding and exercisable, end of period	712,000	\$ 0.30	712,000	\$ 0.30

As at August 31, 2020, the Company had the following share purchase warrants outstanding:

Expiry Date	Exercise Price	Number of Warrants
March 21, 2021	\$0.30	712,000

d) Stock Option Plan

The Company has a Stock Option Plan (the “Plan”) under which it is authorized to grant options to directors, officers, consultants or employees of the Company. At the Company’s Annual General Meeting on May 16, 2018, the shareholders approved the “2018 Stock Option Plan” and set the number of options granted under the Plan to be fixed at 20% of the issued and outstanding shares. Options granted under the Plan have a maximum life of five years. Options granted to employees and consultants vest fully on grant. Options issued to investor relations consultants vest in stages over 12 months with one quarter of the options vesting in any three-month period.

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

	<b>August 31, 2020</b>		<b>November 30, 2019</b>	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	2,760,000	\$ 0.30	3,010,000	\$ 0.32
Cancelled/Expired	-	-	(250,000)	0.50
Outstanding and exercisable, end of period	2,760,000	\$ 0.30	2,760,000	\$ 0.30

## Zimtu Capital Corp.

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#### 15. SHARE CAPITAL (continued)

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

As at August 31, 2020, the Company had the following stock options outstanding and exercisable:

Expiry Date	Exercise Price	Number of Options
June 10, 2021	\$0.280	1,530,000
March 26, 2023	\$0.325	930,000
April 12, 2021	\$0.355	300,000
		2,760,000

#### 16. GENERAL AND ADMINISTRATIVE EXPENSES

During the three and nine months ended August 31, 2020 and 2019, the Company incurred the following general and administrative expenses:

	Three months ended August 31,		Nine months ended August 31,	
	2020	2019	2020	2019
<b>Expenses</b>				
Advertising and promotion	\$ 28,528	\$ 109,468	\$ 183,482	\$ 405,000
Bad debts	-	4,500	-	4,500
Filing fees and transfer agent	790	4,342	16,503	16,014
Office, rent and telephone	90,627	78,452	244,877	221,064
Professional fees	22,586	17,490	62,068	58,000
Wages and benefits	301,682	340,540	930,823	1,080,636
	<b>444,213</b>	<b>550,292</b>	<b>1,438,331</b>	<b>1,780,714</b>

#### 17. SEGMENT INFORMATION

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

For the nine months ended August 31, 2020

	Investment in mineral properties	Management services	Corporate	Total
	\$	\$	\$	\$
<b>Revenue</b>				
Administrative fees	-	494,672	-	494,672
Corporate development fees	-	383,978	-	383,978
Income from property sale	18,500	-	-	18,500
	<b>18,500</b>	<b>878,650</b>	<b>-</b>	<b>897,150</b>



## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2020

Expressed in Canadian Dollars

(Unaudited – prepared by management)

#### 17. SEGMENT INFORMATION (continued)

##### For the nine months ended August 31, 2020

Segment assets	125,505	-	9,136,162	9,261,667
Expenditure for segment capital assets	15,008	-	-	20,889

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

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
<b>Revenue</b>				
Administrative fees	-	473,000	-	473,000
Corporate development fees	-	608,901	-	608,901
Income from property sale	23,500	-	-	23,500
	23,500	1,081,901	-	1,105,401

##### For the year ended November 30, 2019

Segment assets	168,911	-	6,161,190	6,329,101
Expenditure for segment capital assets	82,431	-	-	82,431

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

	Nine months ended August 31, 2020	Nine months ended August 31, 2019
Income tax paid	\$ -	\$ -
Interest paid	\$ -	\$ -
Investment shares issued for finder's fees	\$ -	\$ 9,200
Loss on derivative assets	\$ -	\$ 208
Shares received for property	\$ 21,000	\$ -

#### 19. LEASE COMMITMENTS

The Company leases its main office premises under a long-term lease that expires August 31, 2021. The basic rent under the lease agreement is set out in the table below. In addition, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises. The Company also paid one month's basic rent of \$15,562 to the landlords as the deposit which will be applied to the last month of rent in the Company's lease.

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

November 30, 2020	146,484
November 30, 2021	112,680
	<u>\$ 259,164</u>

## Zimtu Capital Corp.

### Notes to the Condensed Interim Financial Statements

For the nine months ended August 31, 2020

Expressed in Canadian Dollars

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#### 19. LEASE COMMITMENTS (continued)

The Company also leases a second office premises under a sub-lease which expired May 31, 2020. The new sub-lease term is from June 1, 2020 to May 31, 2023. The basic rent under the lease agreement is set out in the table below. In addition, the Company is required to pay realty taxes, maintenance, and other costs for the leased premises. The Company also paid one month's basic rent of \$3,000 to the landlords as the deposit which will be applied to the last month of rent in the Company's lease.

The rent payable in the next four fiscal years is as follow:

November 30, 2020	\$ 18,000
November 30, 2021	\$ 36,450
November 30, 2022	\$ 37,350
November 30, 2023	\$ 18,900

#### 20. LOAN PAYABLE

On April 30, 2020, the Company was approved and received a \$40,000 line of credit ("CEBA LOC") with Bank of Montreal under the Canada Emergency Business Account ("CEBA") program funded by the Government of Canada. The CEBA LOC is non-interest bearing, can be repaid at any time without penalty.

On January 1, 2021, the outstanding balance of the CEBA LOC will automatically convert to a 2-year interest free term loan ("CEBA Term Loan"). The CEBA Term Loan may be repaid at any time without notice or the payment of any penalty. If 75% of the CEBA Term Loan at the CEBA Term Loan Commencement Date is repaid on or before December 31, 2022, the repayment of the remaining 25% of such CEBA Term Loan shall be forgiven. If on December 31, 2022, the Company exercises the option for a 3-year term extension, 5% interest during the term extension period will apply on any balance remaining.

The Company has recorded the fair value of \$19,636 as at April 30, 2020, the initial recognition date of the CEBA LOC using an effective interest rate of 16%. As of August 31, 2020, the value is \$20,704 and the difference of \$19,296 between the fair value and the total amount of CEBA LOC received was recorded as a gain on government grant during the nine months ended August 31, 2020.

#### 21. SUBSEQUENT EVENTS

- i. Subsequent to year-end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.