



Financial Statements

Three Months Ended February 28, 2021

(Unaudited - Expressed in Canadian Dollars)

Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements of Zimtu Capital Corp. for the three months ended February 28, 2021, 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)

	February 28, 2021	November 30, 2020
Assets		
Current		
Cash	\$ 316,400	\$ 218,933
Investments (Note 6)	16,228,824	8,759,117
Advances and amounts receivable (Note 8)	838,952	776,885
Prepaid and deposits (Note 9)	101,444	151,444
Right-of-use Asset (Note 18)	72,213	108,320
Due from equity investees (Note 11)	96,713	54,356
Due from related parties (Note 11)	260,357	225,333
	<u>17,914,903</u>	<u>10,294,388</u>
Investment in associates (Note 7)	155,451	265,771
Mineral property interests (Note 12)	16,449	16,449
	<u>\$ 18,086,803</u>	<u>\$ 10,576,608</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 146,602	\$ 470,157
GST/HST payable	27,689	15,375
Lease liabilities (Note 18)	74,653	111,562
Unearned revenue (Note 13)	708,816	284,618
Promissory notes payable (Note 14)	7,100	19,100
	<u>964,860</u>	<u>900,812</u>
Loan payable (Note 20)	29,888	21,543
	<u>\$ 994,748</u>	<u>\$ 922,355</u>
Equity		
Share capital (Note 15)	9,521,822	9,521,822
Reserves	4,920,817	4,920,817
Deficit	2,649,416	(4,788,386)
	<u>17,092,055</u>	<u>9,654,253</u>
Shareholders' equity	<u>\$ 18,086,803</u>	<u>\$ 10,576,608</u>

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 22)

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

		February 28, 2021	February 29, 2020
Revenue			
Administrative fees	\$	238,925	\$ 141,500
Corporate development and marketing		220,284	150,779
Income from property sales (Notes 7 and 12)		90,000	-
		<u>549,209</u>	<u>292,279</u>
Expenses			
General and administrative expenses (Note 16)		<u>467,707</u>	564,523
Loss before other items		81,502	(272,244)
Other items			
Equity loss from investment in associates (Note 7)		143,715	(19,195)
Gain on purchase of debt		110,576	-
Gain on government loan (Note 20)		11,655	-
Interest income		-	1,517
Unrealized gain on investments in public companies (Note 6)		6,632,566	1,564,181
Gain (loss) on sale of investment		314,913	(131,464)
Unrealized gain on promissory notes receivable		92,875	-
Recovery of marketable securities		50,000	-
		<u>7,356,300</u>	<u>1,415,039</u>
Net income (loss) and comprehensive income (loss) for the period	\$	7,437,802	\$ 1,142,795
Basic income (loss) per share	\$	0.46	\$ 0.07
Diluted income (loss) per share	\$	0.38	\$ 0.06
Weighted average number of shares outstanding			
Basic		16,106,483	15,394,483
Diluted		19,578,483	19,363,908

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 February 28, 2019 and February 29, 2020
Expressed in Canadian Dollars
(Unaudited – prepared by management)

Share Capital

	Number of Shares	Amount	Reserves	Deficit	Total Equity
Balance, November 30, 2019	16,106,483	\$ 9,521,822	\$ 4,920,817	\$ (8,488,813)	\$ 5,953,826
Net income for the period	-	-	-	1,142,795	1,142,795
Balance, February 29, 2020	16,106,483	\$9,521,822	\$ 4,920,817	\$ (7,346,018)	\$7,096,621

Share Capital

	Number of Shares	Amount	Reserves	Deficit	Total Equity
Balance, November 30, 2020	16,106,483	\$ 9,521,822	\$ 4,920,817	\$ (4,788,386)	\$ 9,654,253
Net income for the period	-	-	-	7,437,802	7,437,802
Balance, February 28, 2021	16,106,483	\$ 9,521,822	\$ 4,920,817	\$ 2,649,416	\$ 17,092,055

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

Zimtu Capital Corp.
Condensed Interim Statements of Cash Flows
For the three months ended
Expressed in Canadian Dollars
(Unaudited – prepared by management)

	February 28, 2021	February 29, 2020
Operating Activities		
Net income (loss) for the period	\$ 7,437,802	\$ 1,142,795
Items not involving cash:		
Unrealized gain of investments in public companies	(6,632,566)	(1,564,181)
Non-cash Income from property sale	(90,000)	-
Unrealized gain on promissory notes receivable	(92,875)	-
(Gain) loss on sale of investment	(314,913)	131,464
Depreciation of ROU asset	36,107	-
Lease interest	651	-
Equity loss (recovery) from investment in associates	(143,715)	19,195
Interest income accrued	-	(1,496)
Gain on government grant	(11,655)	-
Recovery off marketable securities	(50,000)	-
Changes in non-cash working capital:		
Advances and amounts receivable	(3,942)	37,821
Due from equity investee	(42,357)	-
GST Payable	12,314	-
Prepaid and deposits	50,000	21,753
Accounts payable and accrued liabilities	(288,422)	1,255
Unearned revenue	424,198	92,602
Due from related parties	(274)	(8,533)
Promissory notes payable	(12,000)	(12,000)
Variable lease expense payment	(26,133)	-
Short-term lease payment	(9,000)	-
Cash from (used in) operating activities	243,220	(139,325)
Investing Activities		
Acquisition of investments	(1,432,939)	(215,307)
Proceeds on disposition of investments	1,304,746	399,490
Mineral property acquisitions	-	(18,902)
Cash generated from (used in) investing activities	(128,193)	165,281
Financing Activities		
Government grant	20,000	-
Principal payments of lease liabilities	(37,560)	-
Cash (used in) generated from financing activities	(17,560)	-
Change in cash during the period	97,467	25,956
Cash, beginning of period	218,933	35,996
Cash, end of period	\$ 316,400	\$ 61,952

Supplemental disclosure with respect to cash flows (Note 19)

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 three months ended February 28, 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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 audited financial statements were authorized for issue by the Audit Committee and Board of Directors on April 21, 2021.

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.

Early in 2020, 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. The Company has been minimally affected by COVID-19 in terms of business activities and has been able to shift from in-person meetings and tradeshows to virtual interactions with business associates, shareholders, and investors.

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.

Zimtu Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended February 28, 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

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.

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 8 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.

Zimtu Capital Corp.
Notes to the Condensed Interim Financial Statements
For the three months ended February 28, 2021
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(Unaudited – prepared by management)

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

Fair value of investment in private companies

Management uses valuation techniques in measuring the fair value of private company investments, where active market quotes are not available. 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.

Inputs Used in IFRS 16 Leases

The preparation of the combined financial statements in accordance with IFRS 16 requires management to make judgments, estimates, and assumptions that affect the reported amount of assets, liabilities, income, and expenses. Actual results could differ significantly from these estimates. Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include:

- Incremental borrowing rate: The Incremental borrowing rates are based on judgments including economic environment, term, currency, and the underlying risk inherent to the asset. The carrying balance of the right-of-use assets, lease obligations, and the resulting interest and depreciation expense, may differ due to changes in the market conditions and lease term.

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, 2020. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2020.

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.

Zimtu Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended February 28, 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

	February 28, 2021			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Fair value through profit or loss				
Promissory note receivables (Note 8)	410,417	-	-	410,417
Promissory note receivables – related parties (Note 11)	259,983	-	-	259,983
Investment in public company shareholdings (Note 6a)	11,671,150	-	-	11,671,150
Investment in private company shareholdings (Note 6d)	-	-	820,287	820,287
Investment in warrants (Note 6b)	-	3,702,887	-	3,702,887
	<u>12,341,550</u>	<u>3,702,887</u>	<u>820,287</u>	<u>16,864,724</u>
	November 30, 2020			Total \$
	Level 1 \$	Level 2 \$	Level 3 \$	
Fair value through profit or loss				
Promissory note receivables (Note 8)	337,917	-	-	337,917
Promissory note receivables – related parties (Note 11)	225,333	-	-	225,333
Investment in public company shareholdings (Note 6a)	6,323,459	-	-	6,323,459
Investment in private company shareholdings (Note 6d)	-	-	254,312	254,312
Investment in warrants (Note 6b)	-	2,146,846	-	2,146,846
	<u>6,886,709</u>	<u>2,146,846</u>	<u>254,312</u>	<u>9,287,867</u>

The carrying value of cash and GIC, accounts receivable, due from related parties, due from equity investees, accounts payable and accrued liabilities, promissory note payable, lease liabilities and loan payable approximates the fair value because of the short-term of these instruments.

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 Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

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

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 30% (November 30, 2020: 50%) of the Company's administrative revenue.

Zimtu Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended February 28, 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

5. FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

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 three months February 28, 2021 and the year ended November 30, 2020. The Company is not subject to externally imposed capital requirements.

Zimtu Capital Corp.
Notes to the Condensed Interim Financial Statements
For the three months ended February 28, 2021
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)	
Balance, November 30, 2019	\$ 2,864,365	\$ 33,000	\$ 1,149,142	\$ 34,500	\$ 4,081,007
Cost of Shares/warrants acquired	2,806,232	-	698,820	-	3,505,052
Shares disposed/ warrants exercised	(2,066,472)	-	(698,820)	-	(2,765,292)
Shares received through sale of warrants	59,103	-	(39,046)	-	20,057
Shares received for property sale (Note 12)	28,700	55,026	-	-	83,726
Shares previously sold with promissory notes returned	335,000	-	-	-	335,000
Fair value change	2,296,531	166,286	1,036,750	-	3,499,567
Balance, November 30, 2020	\$ 6,323,459	\$ 254,312	\$ 2,146,846	\$ 34,500	\$ 8,759,117
Investment ceased to be an equity investment	344,035	-	-	-	344,035
Cost of Shares/warrants acquired	831,656	515,975	85,308	-	1,432,939
Shares disposed/ warrants exercised	(904,525)	-	(85,308)	-	(989,833)
Recover marketable securities previously written off	-	50,000	-	-	50,000
Fair value change	5,076,525	-	1,556,041	-	6,632,566
Balance, February 28, 2021	\$ 11,671,150	\$ 820,287	\$ 3,702,887	\$ 34,500	\$ 16,228,824

Zimtu Capital Corp.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2021****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 February 28, 2021				
	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Alpha Lithium	2,250	1,087	0.48	1,778	0.790
Arctic Star Exploration	7,479,464	220,071	0.03	523,562	0.070
Ares Strategic Mining	1,250,000	107,000	0.09	687,500	0.550
Belmont Resources	140,000	7,700	0.06	10,500	0.075
Commerce Resources	6,821,599	1,883,693	0.28	3,137,936	0.460
Cresval Capital	500,000	100,000	0.20	32,500	0.065
Crown Mining	570,000	39,530	0.07	159,600	0.280
Dimension Five	3,893,333	156,035	0.04	272,533	0.070
Emerita Gold	1,254,286	272,818	0.22	376,286	0.300
Falcon Gold	300,000	30,602	0.09	28,263	0.085
Gold Port	18,906	-	0.00	3,781	0.200
IMC International Mining	208,333	100,000	0.48	52,083	0.250
Indigo Exploration	119,167	200,653	1.68	11,321	0.095
King's Bay Resources	810,000	539,928	0.67	129,600	0.160
Lake Winn Resources	1,076,000	137,080	0.13	215,200	0.200
Maple Gold Mines	1,199,000	151,210	0.13	323,730	0.270
Margaret Lake Diamonds	160,000	19,200	0.12	4,800	0.030
Marvel Discovery	850,000	55,600	0.07	68,000	0.080
Nouveau Life	230,000	50,051	0.22	23	0.000
Ophir Gold	637,333	213,256	0.33	114,720	0.180
Pegasus Resources	500,000	22,922	0.05	37,500	0.075
Prospera Energy	1,400,000	98,000	0.07	42,000	0.030
Red Oak Mining	2,000	100	0.05	200	0.100
Saville Resources	13,260,500	664,185	0.05	729,328	0.055
Suvo Strategic Minerals	120,000	53,758	0.45	17,323	0.144
Vatic Resources	467,600	35,070	0.08	46,760	0.100
VOIP-PAL	226,000	26,217	0.12	3,990	0.018
Ximen Mining	166,667	75,000	0.45	55,833	0.335
Zinc8 Energy Solutions	6,367,361	1,029,093	0.16	4,584,500	0.720
Balance, February 28, 2021		6,289,859		11,671,150	

Zimtu Capital Corp.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2021****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, 2020				
	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Alpha Lithium	2,250	1,087	0.48	1,553	0.690
Arctic Star Exploration	10,945,464	320,585	0.03	437,819	0.040
Ares Strategic Mining	1,250,000	107,000	0.09	318,750	0.255
Belmont Resources	140,000	7,700	0.06	9,100	0.065
Commerce Resources	6,346,599	1,783,943	0.28	1,777,048	0.280
Gold Port	18,906	-	0.00	2,836	0.150
Cresval Capital	500,000	100,000	0.20	12,500	0.025
Crown Mining	570,000	39,530	0.07	68,400	0.120
Emerita Gold	1,254,286	272,818	0.22	244,586	0.195
Falcon Gold	300,000	19,650	0.07	31,500	0.105
IMC International Mining	208,333	100,000	0.48	23,958	0.115
Indigo Exploration	119,167	200,653	1.68	8,342	0.070
King's Bay Resources	10,600,000	707,428	0.07	106,000	0.010
Lake Winn Resources	1,031,000	127,810	0.12	371,160	0.360
Maple Gold Mines	1,199,000	151,210	0.13	437,635	0.365
Margaret Lake Diamonds	160,000	19,200	0.12	4,800	0.030
Marvel Discovery	850,000	55,600	0.07	51,000	0.060
Ophir Gold	837,333	298,535	0.36	146,533	0.175
Nouveau Life	230,000	50,051	0.22	23	0.000
Pegasus Resources	300,000	10,772	0.04	12,000	0.040
Prospera Energy	1,400,000	98,000	0.07	28,000	0.020
Red Oak Mining	2,000	100	0.05	200	0.100
Saville Resources	7,371,000	369,710	0.05	294,840	0.040
Suvo Strategic Minerals	120,000	53,758	0.45	17,451	0.145
Vatic Resources	467,600	35,070	0.08	46,760	0.100
VOIP-PAL	226,000	26,217	0.12	4,399	0.019
Ximen Mining	166,667	75,000	0.45	50,833	0.305
Zinc8 Energy Solutions	7,261,736	987,267	0.13	1,815,434	0.250
Balance, November 30, 2020		6,018,694		6,323,459	

Zimtu Capital Corp.**Notes to the Condensed Interim Financial Statements****For the three months ended February 28, 2021****Expressed in Canadian Dollars****(Unaudited – prepared by management)****6. INVESTMENTS (continued)****(b) Investments in warrants**

	Number of Warrants	Expiry Date	Exercise Price	Fair Value	Fair Value \$/Warrant
ALX Uranium	500,000	May 16, 2021	0.20	662	0.001
Alpha Lithium	150,000	January 24, 2022	0.50	58,494	0.390
Arctic Star Exploration	220,000	March 26, 2021	0.40	6	0.000
Arctic Star Exploration	5,020,000	January 24, 2022	0.15	137,746	0.027
Arctic Star Exploration	10,160,000	August 27, 2022	0.05	584,498	0.058
Ares Strategic Mining	625,000	June 15, 2022	0.15	265,427	0.425
Belmont Resources	200,000	June 28, 2021	0.08	4,475	0.022
Belmont Resources	140,000	May 14, 2021	0.10	1,868	0.013
Belmont Resources	168,000	April 29, 2022	0.05	8,464	0.050
Commerce Resources	5,061,500	October 11, 2021	0.50	561,656	0.111
Commerce Resources	1,000,000	June 25, 2025	0.24	380,696	0.381
Commerce Resources	475,000	December 18, 2025	0.29	180,821	0.381
Emerita Resources	357,143	August 13, 2022	0.15	81,289	0.228
Falcon Gold	125,000	December 21, 2023	0.20	6,859	0.055
IMC International Mining	208,333	May 13, 2022	0.60	13,399	0.064
Lake Winn Resources	1,000,000	November 19, 2023	0.16	195,565	0.196
Margaret Lake Diamonds	833,333	April 16, 2021	0.20	6	0.000
Marvel Discovery	600,000	March 20, 2021	0.10	1,887	0.003
Marvel Discovery	500,000	August 12, 2022	0.10	26,531	0.053
MGX Minerals	416,667	December 21, 2021	0.67	2,349	0.006
Ophir Gold	192,000	September 18, 2022	0.15	20,033	0.104
Ophir Gold	100,000	December 17, 2022	0.22	9,502	0.095
Pegasus Resources	2,250,000	October 25, 2023	0.08	160,560	0.071
Pegasus Resources	1,000,000	November 28, 2020	0.06	68,311	0.068
Pegasus Resources	1,250,000	December 20, 2020	0.05	71,180	0.057
Saville Resources	5,889,500	December 23, 2023	0.08	175,057	0.030
Ximen Mining	135,165	July 8, 2021	0.45	6,797	0.050
Ximen Mining	166,667	July 23, 2022	0.75	12,807	0.077
Zinc8 Energy Solutions	1,112,500	September 4, 2022	0.30	665,942	0.832
Balance, February 28, 2021				3,702,887	

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6. INVESTMENTS (continued)

(b) Investments in warrants (continued)

	Number of Warrants	Expiry Date	Exercise Price	Fair Value	Fair Value \$/Warrant
ALX Uranium	500,000	May 16, 2021	0.20	3,127	0.006
Alpha Lithium	300,000	January 24, 2022	0.50	110,052	0.367
Arctic Star Exploration	220,000	March 26, 2021	0.40	308	0.001
Arctic Star Exploration	5,020,000	January 24, 2022	0.15	182,496	0.036
Arctic Star Exploration	10,160,000	August 27, 2022	0.05	391,190	0.039
Ares Strategic Mining	625,000	June 15, 2022	0.15	92,837	0.149
Belmont Resources	200,000	June 28, 2021	0.08	5,263	0.026
Belmont Resources	140,000	May 14, 2021	0.10	2,865	0.020
Belmont Resources	168,000	April 29, 2022	0.05	8,190	0.049
Commerce Resources	5,061,500	October 11, 2021	0.50	333,435	0.066
Commerce Resources	1,000,000	June 25, 2025	0.24	219,676	0.220
Emerita Resources	357,143	August 13, 2022	0.15	49,684	0.139
IMC International Mining	208,333	May 13, 2022	0.60	2,331	0.011
Lake Winn Resources	1,000,000	November 19, 2023	0.16	354,321	0.354
Margaret Lake Diamonds	833,333	April 16, 2021	0.20	1,522	0.002
Marvel Discovery	600,000	March 20, 2021	0.10	3,859	0.006
Marvel Discovery	500,000	August 12, 2022	0.10	19,905	0.040
MGX Minerals	100,000	December 27, 2020	1.15	-	0.000
MGX Minerals	416,667	December 21, 2021	0.67	1,882	0.005
Ophir Gold	192,000	September 18, 2022	0.15	16,484	0.086
Pegasus Resources	2,250,000	October 25, 2023	0.08	27,474	0.012
Pegasus Resources	1,000,000	November 28, 2020	0.06	32,378	0.032
Pegasus Resources	1,250,000	December 20, 2020	0.05	35,981	0.029
Vatic Resources	233,800	January 11, 2021	0.10	1,900	0.008
Ximen Mining	200,000	January 4, 2021	0.30	9,525	0.048
Ximen Mining	135,165	July 8, 2021	0.45	8,052	0.060
Ximen Mining	166,667	July 23, 2022	0.75	12,648	0.076
Zinc8 Energy Solutions	66,500	February 10, 2022	0.15	9,011	0.136
Zinc8 Energy Solutions	1,112,500	September 4, 2022	0.30	210,450	0.189
Balance, November 30, 2020				2,146,846	

(c) Investment in GIC

As at February 28, 2021, the Company had two guaranteed investment certificates totaling \$34,500 (November 30, 2020: \$34,500). Of the total, \$23,000 matures on March 3, 2022 with an interest rate of prime minus 2.2%. The remaining \$11,500 matures on July 9, 2021 with an interest rate of prime minus 2.25%.

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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.

	Investments at fair value through profit or loss as at February 28, 2021				
	# of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Avalon Bridge	500,000	25,000	0.05	-	0.000
1233719 BC Ltd (Note 12(a))	1,218,859	55,026	0.05	136,912	0.112
District One Exploration	160,000	8,000	0.05	-	0.000
Eagle Bay Resources	2,000,000	50,000	0.03	50,000	0.025
Hexa Resources	601,809	55,142	0.09	117,400	0.195
Nobel Resources	250,000	100,000	0.40	100,000	0.400
S1 Capital	100,000	50,000	0.50	-	0.000
Zambezi Sports	11,885,000	415,975	0.035	415,975	0.035
Balance, February 28, 2021		759,143		808,287	

	Investments at fair value through profit or loss as at November 30, 2020				
	# of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Avalon Bridge	500,000	25,000	0.05	-	0.00
1233719 BC Ltd (Note 12(a))	1,218,859	55,026	0.05	136,912	0.11
District One Exploration	160,000	8,000	0.05	-	0.00
Eagle Bay Resources	2,000,000	50,000	0.03	-	0.00
Hexa Resources	601,809	55,142	0.09	117,400	0.20
S1 Capital	100,000	50,000	0.50	-	0.00
Balance, November 30, 2020		243,168		254,312	

7. INVESTMENTS IN ASSOCIATES

	Core	D5	Total
As of November 30, 2019	\$ 194,160	\$ 62,385	\$ 256,545
Acquisition of shares	-	110,000	110,000
Loss from equity investee	(62,181)	(38,593)	(100,774)
As of November 30, 2020	\$ 131,979	\$ 133,792	\$ 265,771
Sale of shares	-	(188,000)	(188,000)
Ceased to be an equity investee	-	(156,035)	(156,035)
Shares received for property transaction	90,000	-	90,000
Recovery (loss) from equity investee	(66,528)	210,243	143,715
As of February 28, 2021	\$ 155,451	\$ -	\$ 155,451

(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 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 year ended November 30, 2020, the Company acquired 2,000,000 shares at \$0.05 per share in a private placement and privately purchased 333,333 shares at \$0.03 per share. On January 22, 2021, the Company sold 4.7 million shares of D5 and ceased to consider D5 an equity investment. The equity loss previously recorded was reversed and the remaining investment is valued at the fair value of the shares. During the three months ended February 28, 2021, the investment recovered \$210,243 (February 29, 2020: \$15,319 loss) of equity loss due to the change in accounting policies. As at February 28, 2021, the Company holds 3,893,333 shares of D5, equal to 12% (November 30, 2020: 26%) of D5’s outstanding common shares.

Zimtu Capital Corp.

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7. INVESTMENTS IN ASSOCIATES (continued)

(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(c) and Note 12(d)). 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. On December 10, 2020, the Company received 1,000,000 shares for the Blue Property valued at \$90,000.

During the three months ended February 28, 2021, the investment was adjusted for \$66,528 (February 29, 2020: \$3,876) of equity loss due to the decrease of net assets of Core. As at February 28, 2021, the Company holds 8,250,000 shares of Core, equal to 37% (November 30, 2020: 34%) of Core’s outstanding common shares.

The financial information of Core as of February 28, 2021 and November 30, 2020 are presented as follows:

	February 28, 2021	November 30, 2020
	\$	\$
Current assets	525,341	230,418
Non-current assets	398,843	292,385
Current liabilities	(103,786)	(58,922)
Shareholders’ equity	(820,398)	(463,881)

The financial information of Core for the three months ended February 28, 2021 and February 29, 2020 are presented as follows:

	December 1, 2020 to February 28, 2021	December 1, 2019 to February 29, 2020
		\$
Expenses	175,275	9,662
Net loss for the year/period	(175,275)	(9,662)

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8. ADVANCES AND AMOUNTS RECEIVABLE

	February 28, 2021	November 30, 2020
	\$	\$
Accounts receivable	568,359	566,084
Allowance for expected credit loss	(127,116)	(127,116)
Accounts receivable – net of allowance (a)	441,243	438,968
Promissory note receivable – nominal value	410,417	408,750
Promissory note receivable – Fair value Change	(12,708)	(70,833)
Promissory note receivable – Fair value (b)	397,709	337,917
Total advances and amounts receivable:	838,952	776,885

- (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 February 28, 2021, accounts receivable of \$127,116 (November 30, 2020: \$127,116) were impaired and fully provided by allowance. See below for the movements in the allowance for expected credit loss:

	\$
As of November 30, 2019	116,611
Charge for the year	10,505
As of November 30, 2020	127,116
Charge for the period	-
As of February 28, 2021	127,116

- (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 AND DEPOSITS

The Company's current prepaid expenses and deposits 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.

	February 28, 2021	November 30, 2020
	\$	\$
Prepaid share subscriptions	68,131	132,881
Deposits	18,563	18,563
Marketing costs	14,750	-
Total	101,444	151,444

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10. CONVERTIBLE DEBENTURES

- (a) On August 8, 2019, the Company acquired a convertible note (the “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 had an initial maturity date of August 8, 2020 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 remained the same.

On November 25, 2020, the convertible note was cancelled and converted to debt as part of a debt settlement agreement. All interest on the Note was waived if the debt is repaid before the due date of August 8, 2021. In addition, the Company sold \$131,250 of their debt to third parties for \$19,688 and recorded a loss on the sale of debt of \$111,562. The discounted debt and the amount for the convertible note was repaid as of February 26, 2021.

- (b) On October 19, 2018, the Company acquired a convertible debenture note (the “Debenture Note”) in the principal amount of \$35,000 from Linceo Media Group Inc. (“Linceo”), a private junior mining company. The Debenture Note matured on October 19, 2020 and bears interest at 12% per annum, payable on the maturity date. The principal amount of the Debenture Note is convertible at the option of the subscriber at any time into common shares of Linceo at a conversion price per common share equity to 50% of the go public transaction or 50% of the last financing price. During the year ended November 30, 2020, the Company has determined that the Debenture Note is likely non-collectible and has written off the amount of \$35,000.

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.

Three months ended:	February 28, 2021	February 29, 2020
Key management compensation*	\$	\$
Key management compensation	152,168	169,062

Three months ended:	February 28, 2021	February 29, 2020
Revenue**	\$	\$
Management administration fees	113,000	104,000
Corporate development and marketing	25,000	-
Expenses		
App development and marketing fees	-	25,000
Licensing fees	-	21,400

Zimtu Capital Corp.

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11. RELATED PARTY TRANSACTIONS (continued)

Amounts due from related parties and equity investees	February 28, 2021	November 30, 2020
	\$	\$
Commerce Resources Corp.***	374	-
Core Assets Corp.****	96,713	54,356
Promissory note receivable - Fair Value		
David Hodge, CEO and director	47,250	54,000
Jody Bellefleur, CFO	24,500	18,000
Kevin Bottomley, director	12,150	10,000
Sean Charland, director	54,500	48,000
Chris Grove, director	121,583	95,333
Total amount due from related parties and equity investees	357,070	279,689

* 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, 2020	Additions	Impairment	Property sales	Balance, February 28, 2021
		\$	\$	\$	\$	\$
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
		16,449	-	-	-	16,449

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12. MINERAL PROPERTY INTERESTS (continued)

Property Name	Partner	Balance, November 30, 2019 \$	Additions \$	Impairment \$	Property sales \$	Balance, November 30, 2020 \$
Blue Property (c)	N/A	-	23,025	-	(23,025)	-
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 (f)	Dahrouge	105,542	3,514	(109,056)	-	-
Turquetil Lake (a)	Various	51,422	3,604	-	(55,026)	-
Sunny Boy (e)	N/A	2,500	-	-	(2,500)	-
		168,911	38,033	(109,944)	(80,551)	16,449

(α) Properties Held for Sale

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).

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.

During the year ended November 30, 2020, the Company received 1,218,859 shares and recorded the fair value of \$55,026 on the transaction date. During the three months ended February 28, 2021, \$nil (November 30, 2020: \$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 year ended November 30, 2020, Maxtech defaulted on the property and it was returned to the Company.

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12. MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

(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 and 1,000,000 shares received during the three months ended February 28, 2021 with a fair value of \$90,000). On March 11, 2020, the Company and Core amended the mineral property acquisition agreement for the Blue Property, delaying the first anniversary cash payment. In August 2020, the Company sold 8 newly acquired additional claims in and around the Blue and Silver Lime properties to Core for \$23,025, the cost to acquire the claims. The Company will retain a 2% NSR royalty, of which Core shall have the right to buy back 1% within 5 years of the agreement by paying \$1,000,000. During the three months ended February 28, 2021, \$90,000 (November 30, 2020: \$nil) is recognized as revenue from the property sale. See also Note 7.

(d) 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 and received 140,000 shares and warrants during the year ended November 30, 2020 valued at \$7,700) 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 three months ended February 28, 2021, \$nil (November 30, 2020: \$7,700) is recognized as revenue from the property sale.

(e) Sunny Boy Property

During the year ended November 30, 2020, the Company sold three claims known as the Sunny 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 three months ended February 28, 2021, \$nil (November 30, 2020: \$18,500) is recognized as revenue from the property sale.

(f) Munn Lake

During the year ended November 30, 2020, the Company determined that the investment in Munn Lake was impaired.

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.

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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, is non-interest bearing, and due to be paid by June 21, 2021. During the three months ended February 28, 2021, the Company paid \$12,000 (November 30, 2020 - \$48,000) towards this promissory note, leaving a balance due of \$7,100 (November 30, 2020 - \$19,100).

15. SHARE CAPITAL

a) Authorized: Unlimited common shares without par value.

b) Issued:

There were no shares issued during the three months ended February 28, 2021 or the year ended November 30, 2020.

c) Share purchase warrants:

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

	February 28, 2021		November 30, 2020	
	Number of Warrants	Weighted Average Exercise Price	Number of Warrants	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	712,000	\$ 0.30	712,000	\$ 0.30
Issued	-	-	-	-
Outstanding and exercisable, end of period	712,000	\$ 0.30	712,000	\$ 0.30

As at February 28, 2021, the Company had the following share purchase warrants outstanding:

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

*See Note 22

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15. SHARE CAPITAL (continued)

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 13, 2020, the shareholders approved the “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:

	February 28, 2021		November 30, 2020	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding and exercisable, beginning of period	2,475,000	\$ 0.30	2,760,000	\$ 0.30
Cancelled/Expired	-	-	(285,000)	-
Outstanding and exercisable, end of period	2,475,000	\$ 0.30	2,475,000	\$ 0.30

As at February 28, 2021, the Company had the following stock options outstanding and exercisable:

Expiry Date	Exercise Price	Number of Options
June 10, 2021	\$0.280	1,330,000
March 26, 2023	\$0.325	845,000
April 12, 2021	\$0.355	300,000
		2,475,000

16. GENERAL AND ADMINISTRATIVE EXPENSES

During the three months ended February 28, 2021 and February 29, 2020, the Company incurred the following general and administrative expenses:

	February 28, 2021	February 29, 2020
Expenses		
Advertising and promotion	\$ 33,680	\$ 113,596
ROU asset depreciation (Note 18)	36,107	-
Filing fees and transfer agent expenses	6,225	5,530
Lease interest (Note 18)	651	-
Office and miscellaneous	33,499	75,384
Professional fees	16,492	17,682
Wages and benefits (Note 21)	341,053	352,331
	467,707	564,523

Zimtu Capital Corp.

Notes to the Condensed Interim Financial Statements

For the three months ended February 28, 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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 three months ended February 28, 2021

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	238,925	-	238,925
Corporate development fees	-	220,284	-	220,284
Income from property sale	90,000	-	-	90,000
	90,000	459,209	-	549,209

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Segment assets	16,449	-	18,070,354	18,086,803
Expenditure for segment capital assets	-	-	-	-

For the three months ended February 29, 2020

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	141,500	-	141,500
Corporate development fees	-	150,779	-	150,779
	-	292,279	-	292,276

For the year ended November 30, 2020

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Segment assets	16,449	-	10,560,159	10,576,608
Expenditure for segment capital assets	38,033	-	-	38,033

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18. LEASE

The Company has a lease for the rental of their office space. Upon adoption of IFRS 16, the Company recognized lease liabilities of \$252,747 in the statements of financial position. The liabilities were measured at the present value of the remaining lease payments discounted using an incremental borrowing rate of 3% for a 1 year term at the date of initial application, December 1, 2019. Variable lease payments of \$8,711 monthly occupancy costs are subject to change in each fiscal year and not included in the lease liability.

A summary of the lease liabilities is listed below:

Balance, December 1, 2019	252,747
Interest on lease liabilities	5,299
Payments of lease liabilities	(146,484)
Balance, November 30, 2020	<u>\$ 111,562</u>
Interest on lease liabilities	651
Payments of lease liabilities	(37,560)
Balance, February 28, 2021	<u>\$ 74,653</u>

The following table illustrates the right-of-use asset balances during the year:

Cost	
Balance at December 1, 2019	252,747
Addition	-
Balance at November 30, 2020 and February 28, 2021	<u>252,747</u>
Accumulated depreciation	
Balance at December 1, 2019	-
Addition	144,427
Balance at November 30, 2020	<u>144,427</u>
Addition	36,107
Balance at February 28, 2021	<u>180,534</u>
Net book value	
Balance at December 1, 2019	<u>\$ 252,747</u>
Balance at November 30, 2020	<u>\$ 108,320</u>
Balance at February 28, 2021	<u>\$ 72,213</u>

For the three months ended February 28, 2021, the adoption of IFRS 16 resulted in an increase to amortization expense of \$36,107 (November 30, 2020 - \$144,427) due to the recognition of ROU assets, an increase to interest expense of \$651 (November 30, 2020 - \$5,299) from the unwinding of the discounted value of the lease liabilities, and a decrease to office and miscellaneous expenses of \$37,560 (November 30, 2020 - \$146,484).

For the three months ended February 28, 2021, due to the change in the presentation of former operating lease expenses, cash flow from operating activities increased by \$37,560 (November 30, 2020 - \$146,484) due to the decrease in office and miscellaneous expenses partially offset by increased financial costs. Cash flow from financing activities decreased by \$37,560 (November 30, 2020 - \$146,484) due to the addition of the principal payments for former operating leases. The overall impact to cash flow for the Company was unchanged.

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19. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

	February 28, 2021	February 29, 2020
Payable (Prepaid) expenses for share subscription	\$ -	\$ 296,620
Shares received for property sales	\$ (90,000)	\$ -
Shares received on exercise of warrants	\$ 85,308	\$ 75,820

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%. The difference of \$20,364 between the fair value and the total amount of CEBA LOC received was recorded as a gain on government grant as of April 30, 2020 and the Company recorded a subsequent loss on government grant of \$1,908 during the year ended November 30, 2020. During the three months ended February 28, 2021, the Company recorded a loss on government grant of \$873.

On January 15, 2021, the Company received a second \$20,000 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, with the same terms as the loan received on April 30, 2020. The Company has recorded the fair value of \$7,374 as at January 15, 2021, the initial recognition date of the CEBA LOC using an effective interest rate of 16%. The difference of \$12,528 between the fair value and the total amount of CEBA LOC received was recorded as a gain on government grant at the date of receipt. During the three months ended February 28, 2021, the Company recorded a loss on government grant of \$98 (February 28, 2020 - \$nil).

21. GOVERNMENT GRANTS

In response to the negative economic impact of COVID-19, the Government of Canada announced the CEWS program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. The subsidy is retroactive to March 15, 2020. The qualifications and application of the CEWS is being assessed over multiple four-week application period segments.

The Company has determined that it has qualified for the subsidy from the March 15, 2020 effective date through May 9, 2020 and for the period of July 5, 2020 through August 1, 2020 and has, accordingly, applied for the CEWS and received the subsidy. The Company also intends to apply for the CEWS in subsequent application periods, subject to continuing to meet the applicable qualification criteria.

The Company will recognize government grants when there is reasonable assurance that it will comply with the conditions required to qualify for the grant, and that the grant will be received. The Company recognizes government grants as a reduction to the related expense that the grant is intended to offset. The Company has recognized \$nil of CEWS during the three months ended February 28, 2021 (November 30, 2020 - \$102,216) and has recorded it as a reduction to the wages and benefits incurred by the company during the period (Note 16).

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22. SUBSEQUENT EVENTS

- i. The Company has applied to the TSX Venture Exchange (“TSX”) to extend the warrants expiring on March 20, 2021 to March 20, 2024. In addition, the price of the warrants will be reduced to \$0.20 for the extended period. The Company is still awaiting final approval from the TSX.
- ii. On March 17, 2021, the Company and its prospecting partner sold the Snip Property for \$22,000, of which 50% will be received by the Company (\$7,500 received to date).