



CONDENSED INTERIM FINANCIAL STATEMENTS

For the Six Months ended May 31, 2022

(Unaudited - Expressed in Canadian dollars)

Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements of Zimtu Capital Corp. for the six months ended May 31, 2022, 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)

	Note	May 31, 2022 \$	November 30, 2021 \$
ASSETS			
CURRENT			
Cash		635,378	253,519
Investments	6	18,810,997	17,545,183
Advances and amounts receivable	8	1,199,269	919,522
Prepaid and deposits	9	67,927	85,002
Right-of-use Asset	19	182,511	255,516
Due from equity investees	11	67,952	-
Due from related parties	11	182,179	204,680
		21,146,213	19,263,422
Investments in associates	7	1,482,356	1,537,500
Mineral property interests	12	80,796	12,796
		22,709,365	20,813,718
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		52,548	129,117
GST/HST payable		5,292	3,583
Lease liabilities	19	184,557	256,466
Unearned revenue	13	162,945	22,500
		405,342	411,666
Promissory notes payable	14	177,500	177,500
Loan payable	18	36,458	33,673
Deferred tax liability	22	55,127	55,127
		674,427	677,966
SHAREHOLDERS' EQUITY			
Share capital	15	11,521,114	9,521,822
Share-based payment reserves	15	5,239,523	5,165,236
Retained earnings		5,274,301	5,448,694
		22,034,938	20,135,752
		22,709,365	20,813,718

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)

Approved on behalf of the Board on July 18, 2022:

“David Hodge”

David Hodge – Director

“Sean Charland”

Sean Charland – Director

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

ZIMTU CAPITAL CORP.

Condensed Interim Statements of Changes in Shareholders' Equity

For the Six Months Ended May 31, 2022 and 2021

Expressed in Canadian Dollars

(Unaudited – prepared by management)

	Note	Number of Common Shares	Share Capital \$	Share-Based Payment Reserves \$	Retained Earnings (Deficit) \$	Total Shareholders' 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		-	-	-	9,481,912	9,481,912
Balance, May 31, 2021		16,106,483	9,521,822	4,920,817	4,693,526	19,136,165
	Note	Number of Common Shares	Share Capital \$	Share-Based Payment Reserves \$	Retained Earnings (Deficit) \$	Total Shareholders' Equity \$
Balance, November 30, 2021		16,106,483	9,521,822	5,165,236	5,448,694	20,135,752
Shares issued for property	15	200,000	48,000	-	-	48,000
Shares issued for cash	15	9,892,500	1,978,500	-	-	1,978,500
Share issuance costs	15	-	(27,208)	1,753	-	(25,455)
Share-based payments	15	-	-	72,534	-	72,534
Net loss for the period		-	-	-	(174,393)	(174,393)
Balance, May 31, 2022		26,198,983	11,521,114	5,239,523	5,274,301	22,034,938

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

ZIMTU CAPITAL CORP.

Condensed Interim Statements of Operations and Comprehensive Income

Expressed in Canadian Dollars

(Unaudited – prepared by management)

	Note	Three months ended May 31, 2022 \$	Three months ended May 31, 2021 \$	Six months ended May 31, 2022 \$	Six months ended May 31, 2021 \$
REVENUE					
Administrative fees	11	196,500	151,750	411,389	390,675
Corporate development and marketing	11	228,243	378,853	352,798	599,137
Income from property sales	12	-	7,165	-	97,165
		424,743	537,768	764,187	1,086,977
EXPENSES					
General and administrative expenses	16	631,916	394,082	1,232,051	862,760
INCOME (LOSS) BEFORE OTHER ITEMS					
		(207,173)	143,686	(467,864)	224,217
OTHER ITEMS					
Equity recovery (loss) from investment in associates	7	(20,577)	(48,486)	(55,144)	95,229
Fair market gain on investments in public companies	6	1,015,808	1,306,679	(168,511)	7,939,245
Fair market gain on promissory notes receivable		-	-	(75,250)	92,875
Gain on sale of investment		80,893	657,160	585,403	972,073
Gain on government loan	18	-	-	-	12,626
Other income (expense)		6,962	(14,929)	6,973	(14,929)
Gain on purchase of debt		-	-	-	110,576
Recovery of marketable securities written off	7	-	-	-	50,000
		1,083,086	1,900,424	293,471	9,257,695
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD					
		875,913	2,044,110	(174,393)	9,481,912
Basic income (loss) per share					
		0.03	0.13	(0.01)	0.59
Diluted income (loss) per share					
		0.02	0.10	(0.00)	0.48
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic		26,198,983	16,106,483	21,999,409	16,106,483
Diluted		40,146,483	19,578,483	35,946,909	19,578,483

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

ZIMTU CAPITAL CORP.
Condensed Interim Statements of Cash Flows
For the Six Months Ended May 31, 2022 and 2021
Expressed in Canadian Dollars
(Unaudited – prepared by management)

	Note	2022 \$	2021 \$
CASH FLOWS PROVIDED BY (USED FOR):			
OPERATING ACTIVITIES			
Net (loss) income for the period		(174,393)	9,481,912
Non-cash items:			
Accretion		2,785	2,183
Depreciation of ROU asset		73,005	72,213
Equity (gain) loss from investment in associates		55,144	(95,229)
Fair market value loss (gain) of investments in public companies		168,511	(7,939,245)
Fair market value loss (gain) on promissory notes receivable		75,250	(92,875)
(Gain) loss on sale of investment		(585,403)	(972,073)
Share-based payments		72,534	-
Gain on government grant		-	(12,626)
Lease interest		3,211	1,024
Income from property sale		-	(7,164)
Non-cash Income from property sale		(6,116)	(90,000)
Recovery of marketable securities written off		-	(50,000)
		(315,472)	298,120
Changes in non-cash working capital items:	20(a)	(317,788)	(58,060)
CASH FROM (USED FOR) OPERATING ACTIVITIES		(633,260)	240,060
INVESTING ACTIVITIES			
Acquisition of investments		(1,684,657)	(2,264,273)
Proceeds on disposition of investments		841,851	2,246,111
Proceeds from sale of mineral property		-	7,164
Mineral property acquisitions		(20,000)	(37,408)
Promissory note to acquire shares		-	177,500
CASH GENERATED FROM (USED FOR) INVESTING ACTIVITIES		(862,806)	129,094
FINANCING ACTIVITIES			
Shares issued for cash, less share issuance costs		1,953,045	-
Government grant		-	20,000
Principal payments of lease liabilities		(75,120)	(75,120)
CASH FROM (USED FOR) FINANCING ACTIVITIES		1,877,925	(55,120)
INCREASE IN CASH DURING THE PERIOD		381,859	314,034
CASH, BEGINNING OF PERIOD		253,519	218,933
CASH, END OF PERIOD		635,378	532,967

Supplemental cash flow information - see Note 20(b)
The accompanying notes are an integral part of these financial statements

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended May 31, 2022

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 1 - NATURE AND CONTINUANCE OF OPERATIONS

Zimtu Capital Corp. (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.

NOTE 2 – STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

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.

The financial statements have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 4. In addition, these financial statements have been prepared using the accrual basis of accounting, except for certain cash flow information.

These audited financial statements were approved and authorized for issue by the Audit Committee and Board of Directors on July 18, 2022.

NOTE 3 – CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

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

- Classifying categories of financial assets and financial liabilities in accordance with IFRS 9, *Financial instruments: recognition and measurement*;
- 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; and
- Management's assumption that there are currently no decommissioning liabilities is based on the facts and circumstances that have existed during the year.

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

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.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended May 31, 2022

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 3 – CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Fair value of investment in warrants

Management uses the 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 the 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 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.

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

Key areas where management has made judgments, estimates, and assumptions related to the application of IFRS 16 include the following:

- 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.

Mineral property interests

The carrying amount of the Company's mineral property interests does not necessarily represent present or future values, and the Company's mineral property interests have been accounted for under the assumption that the carrying amount will be recoverable. Recoverability is dependent on various factors, including the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development and upon future profitable production or proceeds from the disposition of the mineral properties themselves. Additionally, there are numerous geological, economic, environmental and regulatory factors and uncertainties that could impact management's assessment as to the overall viability of its properties or to the ability to generate future cash flows necessary to cover or exceed the carrying value of the Company's mineral properties.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended May 31, 2022

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 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, 2021. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2021

NOTE 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.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Fair value through profit or loss:				
Promissory note receivables (Note 8)	364,375	-	-	364,375
Promissory note receivables – related parties (Note 11)	181,200	-	-	181,200
Investment in public company shareholdings (Note 6a)	15,525,896	-	-	15,525,896
Investment in private company shareholdings (Note 6d)	-	-	617,500	617,500
Investment in warrants (Note 6b)	-	2,633,101	-	2,633,101
As at May 31, 2022	16,071,471	2,633,101	617,500	19,322,072
Fair value through profit or loss:				
Promissory note receivables (Note 8)	309,942	-	-	309,942
Promissory note receivables – related parties (Note 11)	203,633	-	-	203,633
Investment in public company shareholdings (Note 6a)	12,997,737	-	-	12,997,737
Investment in private company shareholdings (Note 6d)	-	-	1,301,648	1,301,648
Investment in warrants (Note 6b)	-	3,211,298	-	3,211,298
As at November 30, 2021	13,511,312	3,211,298	1,301,648	18,024,258

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.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended May 31, 2022

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 5 – FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

b) Credit risk

The Company is not exposed to significant credit risk on its cash and GIC because 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 receivable is remote. One customer accounted for 9% (November 30, 2021: 23%) of the Company's administrative revenue.

c) Liquidity and funding 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 flows 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.

d) 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 risk at this time.

e) Foreign currency risk

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

f) 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 investments 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.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended May 31, 2022

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 5 – FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

g) Capital management

The Company manages its capital structure and makes adjustments 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 six months ended May 31, 2022 and the year ended November 30, 2021. The Company is not subject to externally imposed capital requirements.

NOTE 6 – INVESTMENTS

Investment continuity schedule as at May 31, 2022 and November 30, 2021 is presented as follows:

	Investment in public companies (a) \$	Investment in warrants (b) \$	Investment in GIC (c) \$	Investment in private companies (d) \$	Total \$
Balance, November 30, 2020	6,323,459	2,146,846	34,500	254,312	8,759,117
Investment ceased to be an equity investment	872,110	-	-	-	872,110
Cost of Shares/warrants acquired	1,394,247	310,308	-	1,028,475	2,733,030
Shares disposed/ warrants exercised	(1,575,463)	(310,308)	-	-	(1,885,771)
Private company converted to a public company	100,000	-	-	(100,000)	-
Private company converted to an equity investment	-	-	-	(512,500)	(512,500)
Recover marketable securities previously written off	-	-	-	50,000	50,000
Fair value change	5,883,384	1,064,452	-	581,361	7,529,197
Balance, November 30, 2021	12,997,737	3,211,298	34,500	1,301,648	17,545,183
Cost of Shares/warrants acquired	1,226,157	8,400	-	450,100	1,684,657
Shares disposed/ warrants exercised	(248,048)	(8,400)	-	-	(256,448)
Shares received for property transaction	6,116	-	-	-	6,116
Private company converted to a public company	1,134,248	-	-	(1,134,248)	-
Fair value change	409,686	(578,197)	-	-	(168,511)
Balance, May 31, 2022	15,525,896	2,633,101	34,500	617,500	18,810,997

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended May 31, 2022

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 6 – INVESTMENTS (continued)

a) Investment in public companies

Investments at fair value through profit or loss as at May 31, 2022 as follows:

	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Aduro Clean Energy	1,347,777	156,435	0.12	781,711	0.580
Alpha Lithium	90,450	45,187	0.50	93,164	1.03
Arctic Star Exploration	9,003,464	396,545	0.04	1,080,416	0.120
Ares Strategic Mining	1,250,000	107,000	0.09	375,000	0.300
Belmont Resources	58,000	2,900	0.05	4,640	0.080
Commerce Resources	6,821,599	1,883,693	0.28	1,705,400	0.250
Core Assets	8,522,000	637,132	0.07	5,880,180	0.690
Emerita Gold	1,104,286	240,168	0.22	1,888,329	1.710
Gold Port Resources	9,453	-	0.00	804	0.085
Gratomic	703,000	854,850	1.22	305,805	0.435
Interra Copper	23,148	100,000	4.32	11,574	0.500
Indigo Exploration	119,167	200,653	1.68	5,958	0.050
King's Bay Resources	911,000	546,138	0.60	81,990	0.090
Lake Winn Resources	1,076,000	137,080	0.13	86,080	0.080
Maple Gold Mines	1,199,000	151,210	0.13	233,805	0.195
Nobel Resources	250,000	100,000	0.40	36,116	0.120
Nouveau Life	230,000	50,051	0.22	23	0.000
Ophir Gold	400,000	133,749	0.33	28,000	0.070
Pantera Silver	2,000	100	0.05	320	0.160
Marvel Discovery	300,970	37,734	0.13	22,500	0.090
Sanatana Resources	150,000	20,305	0.14	24,000	0.160
Saville Resources	16,335,500	817,935	0.05	490,065	0.030
Suvo Strategic Minerals	120,000	53,758	0.45	7,434	0.062
Swmbrd Sports	12,000,000	428,796	0.04	1,200,000	0.100
Transforma Resources	100,000	100,000	1.00	7,000	0.070
US Copper	570,000	39,530	0.07	28,500	0.050
Vatic Resources	46,760	35,070	0.75	7,482	0.160
VOIP-PAL	226,000	26,217	0.12	5,215	0.023
Zinc8 Energy Solutions	5,817,361	907,551	0.16	1,134,385	0.195
Balance, May 31, 2022		8,209,787		15,525,896	

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Six Months Ended May 31, 2022

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 6 – INVESTMENTS (continued)

a) Investment in public companies (continued)

Investments at fair value through profit or loss as at November 30, 2021 as follows:

	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Aduro Clean Energy	1,447,777	168,035	0.12	1,100,311	0.760
Alpha Lithium	90,450	45,187	0.50	129,344	1.430
Arctic Star Exploration	6,920,464	283,973	0.04	380,626	0.055
Ares Strategic Mining	1,250,000	107,000	0.09	437,500	0.350
Commerce Resources	6,821,599	1,883,693	0.28	1,705,400	0.250
Core Assets	8,500,000	621,432	0.07	2,040,000	0.240
Emerita Gold	1,254,286	272,818	0.22	4,013,715	3.200
Falcon Gold	326,500	30,942	0.09	24,488	0.075
Gold Port Resources	9,453	-	0.00	2,269	0.120
Interra Copper	208,333	100,000	0.48	16,667	0.080
Indigo Exploration	119,167	200,653	1.68	11,917	0.100
King's Bay Resources	810,000	539,928	0.67	105,300	0.130
Lake Winn Resources	1,076,000	137,080	0.13	86,080	0.080
Maple Gold Mines	1,199,000	151,210	0.13	371,690	0.310
Marvel Discovery	550,000	36,000	0.07	49,500	0.090
Nobel Resources	250,000	100,000	0.40	177,500	0.710
Nouveau Life	230,000	50,051	0.22	23	0.000
Ophir Gold	400,000	133,749	0.33	54,000	0.135
Pegasus Resources	600,000	29,172	0.05	30,000	0.050
Prospera Energy	148,000	10,360	0.07	5,920	0.040
Pantera Silver	2,000	100	0.05	460	0.230
Sanatana Resources	150,000	20,305	0.14	18,000	0.120
Saville Resources	14,760,500	739,185	0.05	590,420	0.040
Suvo Strategic Minerals	120,000	53,758	0.45	14,198	0.118
Transforma Resources	100,000	100,000	1.00	2,500	0.025
US Copper	570,000	39,530	0.07	57,000	0.100
Vatic Resources	46,760	35,070	0.75	11,690	0.250
VOIP-PAL	226,000	26,217	0.12	4,034	0.018
Zinc8 Energy Solutions	5,767,361	894,139	0.16	1,557,185	0.270
Balance, November 30, 2021		6,809,587		12,997,737	

ZIMTU CAPITAL CORP.

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NOTE 6 – INVESTMENTS (continued)

b) Investment in warrants

Investments at fair value through profit or loss as at May 31, 2022 as follows:

	Number of Warrants	Expiry Date	Exercise Price \$	Fair Value \$	Fair Value Per Warrant \$
Arctic Star Exploration	3,466,000	March 31, 2023	0.10	204,585	0.059
Arctic Star Exploration	6,810,000	August 27, 2022	0.05	203,589	0.030
Ares Strategic Mining	625,000	June 15, 2022	0.15	93,852	0.150
Commerce Resources	4,555,350	October 11, 2024	0.50	409,517	0.090
Commerce Resources	506,150	October 11, 2024	0.285	62,765	0.124
Commerce Resources	1,000,000	June 25, 2025	0.24	162,307	0.162
Commerce Resources	475,000	December 18, 2025	0.29	79,247	0.167
Core Assets	812,500	March 17, 2023	0.15	560,625	0.690
Emerita Resources	357,143	August 13, 2022	0.15	557,446	1.561
Falcon Gold	125,000	December 21, 2023	0.20	2,928	0.023
Lake Winn Resources	1,000,000	November 19, 2023	0.16	72,167	0.072
Marvel Discovery	500,000	August 12, 2022	0.10	13,512	0.027
Ophir Gold	192,000	September 18, 2022	0.15	1,454	0.008
Ophir Gold	100,000	December 17, 2022	0.22	1,462	0.015
Pegasus Resources	2,250,000	October 25, 2023	0.08	78,188	0.035
Pegasus Resources	1,000,000	November 28, 2022	0.06	22,471	0.022
Pegasus Resources	800,000	June 16, 2023	0.10	21,604	0.027
Saville Resources	5,889,500	December 23, 2023	0.08	31,467	0.005
Saville Resources	1,500,000	June 25, 2024	0.075	20,020	0.013
Saville Resources	1,575,000	December 24, 2024	0.075	24,719	0.016
Ximen Mining	166,667	July 23, 2022	0.75	-	0.000
Zinc8 Energy Solutions	1,112,500	September 4, 2022	0.30	9,176	0.008
Balance, May 31, 2022				2,633,101	

ZIMTU CAPITAL CORP.

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NOTE 6 – INVESTMENTS (continued)

b) Investment in warrants (continued)

Investments at fair value through profit or loss as at November 30, 2021 as follows:

	Number of Warrants	Expiry Date	Exercise Price \$	Fair Value \$	Fair Value Per Warrant \$
Arctic Star Exploration	3,466,000	March 31, 2023	0.10	124,624	0.036
Arctic Star Exploration	5,020,000	January 24, 2022	0.15	8,191	0.002
Arctic Star Exploration	10,160,000	August 27, 2022	0.05	342,368	0.034
Ares Strategic Mining	625,000	June 15, 2022	0.15	128,527	0.206
Belmont Resources	168,000	April 29, 2022	0.05	5,627	0.033
Commerce Resources	4,555,350	October 11, 2024	0.50	593,367	0.130
Commerce Resources	506,150	October 11, 2024	0.285	79,338	0.157
Commerce Resources	1,000,000	June 25, 2025	0.24	166,484	0.166
Commerce Resources	475,000	December 18, 2025	0.29	80,698	0.170
Core Assets	812,500	March 17, 2023	0.15	136,080	0.167
Emerita Resources	357,143	August 13, 2022	0.15	1,089,697	3.051
Falcon Gold	125,000	December 21, 2023	0.20	3,832	0.031
Interra Copper	208,333	May 13, 2022	0.60	72	0.000
Lake Winn Resources	1,000,000	November 19, 2023	0.16	75,896	0.076
Marvel Discovery	500,000	August 12, 2022	0.10	16,818	0.034
MGX Minerals	416,667	December 21, 2021	0.67	-	0.000
Ophir Gold	192,000	September 18, 2022	0.15	9,105	0.017
Ophir Gold	100,000	December 17, 2022	0.22	4,072	0.0401
Pegasus Resources	2,250,000	October 25, 2023	0.08	88,365	0.039
Pegasus Resources	1,000,000	November 28, 2022	0.06	26,033	0.026
Pegasus Resources	1,250,000	December 20, 2021	0.05	10,741	0.009
Pegasus Resources	800,000	June 16, 2023	0.10	23,861	0.030
Saville Resources	5,889,500	December 23, 2023	0.08	86,433	0.015
Saville Resources	1,500,000	June 25, 2024	0.075	35,068	0.023
Ximen Mining	166,667	July 23, 2022	0.75	638	0.004
Zinc8 Energy Solutions	1,112,500	September 4, 2022	0.30	75,363	0.068
Balance, November 30, 2021				3,211,298	

c) Investment in GIC

As at May 31, 2022, the Company had two guaranteed investment certificates totaling \$34,500 (November 20, 2021: \$34,500). Of the total, \$23,000 matures on March 2, 2023 with an interest rate of prime minus 2.4%. The remaining \$11,500 matures on July 5, 2023 with an interest rate of prime minus 2.65%.

ZIMTU CAPITAL CORP.

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NOTE 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 May 31, 2022 and November 30, 2021 are presented as follows:

	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
1233719 BC Ltd (Note 12(a))	1,218,859	55,026	0.05	-	0.000
1316833 BC Ltd	1,000,000	25,000	0.025	25,000	0.025
1342233 BC Ltd	9,000,000	450,100	0.05	450,100	0.050
Auvega Labs	500,000	25,000	0.05	25,000	0.050
Avalon Bridge	500,000	25,000	0.05	-	0.000
Beta Energy	15,000	-	0.00	-	0.000
District One Exploration	160,000	8,000	0.05	-	0.000
Hexa Resources	601,809	55,142	0.09	117,400	0.195
Power One Resources	170,000	-	0.00	-	0.000
S1 Capital	100,000	50,000	0.50	-	0.000
Balance, May 31, 2022		693,268		617,500	

	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
1233719 BC Ltd (Note 12(a))	1,218,859	55,026	0.05	-	0.112
1316833 BC Ltd	1,000,000	25,000	0.025	25,000	0.025
Auvega Labs	500,000	25,000	0.05	25,000	0.050
Avalon Bridge	500,000	25,000	0.05	-	0.000
Beta Energy	15,000	-	0.00	-	0.000
District One Exploration	160,000	8,000	0.05	-	0.000
Hexa Resources	601,809	55,142	0.09	117,400	0.195
Power One Resources	170,000	-	0.00	-	0.000
S1 Capital	100,000	50,000	0.50	-	0.000
Zambezi Sports	11,885,000	415,975	0.035	1,134,248	0.035
Balance, November 30, 2021		659,143		1,301,648	

ZIMTU CAPITAL CORP.

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NOTE 7 – INVESTMENTS IN ASSOCIATES

	Eagle Bay \$	Core \$	Aduro \$	Total \$
Balance, November 30, 2020	-	131,979	133,792	265,771
Sale of shares	-	(65,250)	(188,000)	(253,250)
Acquisition of shares	462,500	163,225	-	625,725
Shares owned prior to equity investment	50,000	-	-	50,000
Ceased to be an equity investment	-	(528,075)	(156,035)	(684,110)
Shares received for property transaction	-	225,000	-	225,000
Recovery (loss) from equity investee	(156,330)	73,121	210,243	127,034
Fair market value adjustment	1,181,330	-	-	1,181,330
Balance, November 30, 2021	1,537,500	-	-	1,537,500
(Loss) from equity investee	(55,144)	-	-	(55,144)
Balance, May 31, 2022	1,482,356	-	-	1,482,356

a) Eagle Bay Resources Corp. (“Eagle Bay”)

On November 5, 2019, the Company privately acquired 2,000,000 shares at a price of \$0.025 per share of Eagle Bay, a mineral exploration company focusing on rare earth elements and high-grade Niobium with properties in British Columbia, Canada. On March 24, 2021, the Company privately acquired an additional 8,500,000 shares of Eagle Bay at a price of \$0.025 per share through a promissory note (see Note 14). On May 4, 2021, the Company acquired 10,000,000 shares at a price of \$0.025 through a private placement.

During the six months ended May 31, 2022, the investment was adjusted for \$55,144 (May 31, 2021: \$nil) of equity loss due to the decrease of net assets of Eagle Bay. Additionally, the investment was adjusted for \$nil (November 30, 2021: \$1,181,330) due to the increase of the fair market value of Eagle Bay. As at May 31, 2022, the Company holds 20,500,000 shares of Eagle Bay, equal to 42.37% (November 30, 2021: 48.46%) of Eagle Bay’s outstanding common shares.

The financial information of Eagle Bay as of and for the six months ended May 31, 2022 and the year ended November 30, 2021 is as follows:

	May 31, 2022 \$	November 30, 2021 \$
Current assets	415,911	255,060
Non-current assets	859,820	825,796
Current liabilities	121,515	(19,755)
Shareholders’ equity	1,154,216	(1,061,101)
Expenses	126,554	330,351
Net loss for the period	(126,554)	(330,351)

b) 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 (See Note 12(c)). 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. On March 12, 2021, the Company sold 1,812,500 shares and on March 15, 2021 the Company acquired 1,812,500 shares through a private placement. On June 15, 2021, the Company received the final share payment of 1,000,000 shares valued at \$135,000 for the Blue Property.

ZIMTU CAPITAL CORP.

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NOTE 7 – INVESTMENTS IN ASSOCIATES (continued)

b) Core Assets Corp. (“Core”) (continued)

During the six months ended May 31, 2022, the investment was adjusted for \$nil (May 31, 2021: \$115,014) of equity loss due to the decrease of net assets of Core. On August 25, 2021, Core ceased to be an equity investment. On the day of ceasing to be an equity investment, the carrying amount of the investment is \$302,159, and the fair-market value of the investment is \$925,000 which resulted in a gain on derecognition of an investment in associate of \$622,841. As at May 31, 2022, the Company holds 8,522,000 shares of Core, equal to 12% (November 30, 2021: 15%) of Core’s outstanding common shares.

c) Aduro Clean Energy Technologies Inc. (formerly Dimension Five Technologies Inc.) (“Aduro”)

On July 1, 2018, the Company received 10,000,000 shares of Aduro Clean Energy Technologies Inc. (“Aduro”) 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 Aduro and ceased to consider Aduro as an equity investment. On the day of ceasing to be an equity investment, the carrying amount of the investment was (\$71,100), and the fair market value of the investment is \$272,533 which resulted in a recovery of equity loss of \$71,100 and gain on derecognition of an investment in associate of \$272,534.

During the six months ended May 31, 2022, the investment recovered \$nil (May 31, 2021: \$210,243) of equity loss due to the change in accounting policies. The Aduro shares were consolidated on a 3:1 basis on April 28, 2021. As at May 31, 2022, the Company holds 1,347,777 shares of Aduro, equal to 3% (November 30, 2021: 4%) of Aduro’s outstanding common shares.

NOTE 8 – ADVANCES AND AMOUNTS RECEIVABLE

	May 31, 2022	November 30, 2021
	\$	\$
Accounts receivable	962,010	736,696
Allowance for expected credit loss	(127,116)	(127,116)
Accounts receivable – net of allowance (a)	834,894	609,580
Promissory note receivable – nominal value	480,625	380,775
Promissory note receivable – Fair value Change	(116,250)	(70,833)
Promissory note receivable – Fair value (b)	364,375	309,942
Total advances and amounts receivable:	1,199,269	919,522

a) Accounts receivable

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 May 31, 2022, accounts receivable of \$127,116 (November 30, 2021: \$127,116) were impaired and fully provided by allowance.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

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NOTE 8 – ADVANCES AND AMOUNTS RECEIVABLE (continued)

See below for the movements in the allowance for expected credit loss:

	\$
As of November 30, 2020 and 2021	127,116
Charge for the period	-
As of May 31, 2022	127,116

b) Promissory note receivable

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.

NOTE 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.

	May 31, 2022	November 30, 2021
	\$	\$
Prepaid share subscriptions	20,000	20,000
Deposits	18,562	33,562
Marketing costs	29,365	31,440
Total	67,927	85,002

NOTE 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.

ZIMTU CAPITAL CORP.

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NOTE 11 – RELATED PARTY TRANSACTIONS

a) Compensation of key management

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.

For the six months ended May 31, 2022 and 2021, the Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount:

Expenses:	2022	2021
	\$	\$
Key management compensation	341,200	283,418
Share-based payments	34,725	-

b) Other related parties transactions

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

Revenue:	\$	\$
Management administration fees	243,389	188,000
Corporate development and marketing	162,500	50,000

c) As at May 31, 2022 and November 30, 2021, the Company has the following amounts due from related parties and equity investees:

	May 31,	November 30,
	2022	2021
	\$	\$
Commerce Resources Corp.	682	732
Core Assets Corp. (Note 7)	297	315
Eagle Bay Resources Corp. (Note 7)	67,952	-
Promissory note receivable - Fair Value:		
David Hodge, CEO and director	13,500	17,000
Jody Bellefleur, CFO	26,300	23,900
Kevin Bottomley, director	5,400	5,900
Sean Charland, director	58,500	55,500
Chris Grove, director	77,500	101,333
	250,131	204,680

The amounts due to/from related parties are non-interest bearing, unsecured and have no fixed terms of repayment.

ZIMTU CAPITAL CORP.

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NOTE 12 – MINERAL PROPERTY INTERESTS

Property Name	Partner	Balance, November 30, 2021 \$	Additions \$	Impairment \$	Property sales \$	Balance, May 31, 2022 \$
Covette II Property *	N/A	3,712	-	-	-	3,712
Lac Elmer *	Staked	5,390	-	-	-	5,390
Munn Lake *	Dahrouge	3,694	-	-	-	3,694
Wicheeda Property (c)	N/A	-	68,000	-	-	68,000
Total		12,796	68,000	-	-	80,796

Property Name	Partner	Balance, November 30, 2020 \$	Additions \$	Impairment \$	Property sales \$	Balance, November 30, 2021 \$
Blue Property (a)	Staked	-	26,094	-	(26,094)	-
Cap Claim *	Various	2,500	-	-	(2,500)	-
Covette II Property *	N/A	3,712	-	-	-	3,712
Deep Bay/Simon Lake *	Dahrouge	4,847	-	(4,847)	-	-
Lac Elmer *	Staked	5,390	-	-	-	5,390
Munn Lake *	Dahrouge	-	2,832	862	-	3,694
Wicheeda North Property (b)	Dahrouge	-	336	-	(336)	-
Total		16,449	29,262	(3,985)	(28,930)	12,796

*Properties Held for Sale

NOTE 12 – MINERAL PROPERTY INTERESTS (continued)

Joint Venture Partners

Dahrouge Geological Consulting Corp., 877384 Alberta Ltd., and DG Resource Management Ltd.

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) 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 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 \$50,000 received during the year ended November 30, 2021) 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 2,000,000 shares received during the year ended November 30, 2021 with a fair value of \$225,000). On March 11, 2020, the Company and Core amended the mineral property acquisition agreement for the Blue Property, delaying the first anniversary cash payment. On June 15, 2021, the property agreement with Core Assets Corp. for the sale of the Blue Property was amended to change the date of the final payment of 1,000,000 shares and \$50,000 from December 15, 2021 to June 15, 2021. The payment for the Blue Property has been received in full.

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NOTE 12 – MINERAL PROPERTY INTERESTS (continued)

Farmed-out Properties (continued)

a) Blue Property (continued)

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. Subsequent to November 30, 2021, the Company and Core signed an agreement to remove the 2% NSR royalty from the original and amended agreements.

On June 10, 2021, the Company entered into an agreement to sell 6 claims known as the Blue Property Extension located in the Atlin Mining District of northwestern British Columbia to Core Assets Corp. For its participation in the deal, the Company received \$31,314.

During the six months ended May 31, 2022, \$nil (November 30, 2021: \$280,220) is recognized as revenue from the property sale. See also Note 7.

b) Wicheeda North Property

On March 17, 2021, the Company and its prospecting partner sold the Wicheeda North Property for \$15,000. For its participation in the transaction, the Company received \$7,500. During the three months ended May 31, 2022, \$nil (November 30, 2021: \$4,664) is recognized as revenue from the property sale.

c) Wicheeda Property

On December 13, 2021, the Company completed the acquisition of a mineral property known as the Wicheeda Extension located in northeast British Columbia. Pursuant to the terms of the agreement, the Company made a cash payment of \$20,000, issued 200,000 common shares of the Company, and committed to transferring 200,000 common shares of Eagle Bay Resources Corp. to the vendor.

NOTE 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.

NOTE 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 six months ended May 31, 2022, the Company paid \$nil (November 30, 2021 - \$19,100) towards this promissory note, leaving a balance due of \$nil (November 30, 2021 - \$nil).

On March 22, 2021, the Company entered into an agreement with Arctic Star Exploration Corp. to privately acquire 8,500,000 shares of Eagle Bay Resources Corp. (“Eagle Bay”), a private company, at a price of \$0.025 per share. A deposit of \$35,000 was paid in January 2021. The promissory note has a principal balance totaling \$177,500, is non-interest bearing, and due to be paid when Eagle Bay obtains a listing on a stock exchange in Canada or the United States, and when the purchased shares are released from any statutory or stock exchange-imposed restrictions on sale. During the six months ended May 31, 2022, the Company paid \$nil (November 30, 2021 - \$nil) towards this promissory note, leaving a balance due of \$177,500 (November 30, 2021 - \$177,500).

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NOTE 15 – SHARE CAPITAL

a) Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

b) Issued Common Shares

On December 13, 2021, the Company issued 200,000 common shares with a fair value of \$48,000 in connection with the acquisition of the Wicheeda Property (see Note 12).

On February 15, 2022, the Company closed a non-brokered private placement totaling 9,892,500 units (each, a “Unit”) at a price of \$0.20 per Unit for gross proceeds of \$1,978,500. Each Unit consists of one common share in the capital of the Company (each, a “Share”) and one non-transferable share purchase warrant (each, a “Warrant”). Each Warrant is exercisable into one additional Share at a price of \$0.30 per Share for a period of two years from the closing date. The Company paid cash finder’s fees of \$3,600 to a certain finder and issued 18,000 share purchase warrants (the “Finder’s Warrants”) to one finder in connection with the Private Placement. Each Finder’s Warrant is exercisable into one Share at a price of \$0.30 per Share for a period of two years from the date of issuance.

c) Stock Options

The Company has a Stock Option Plan (the “Plan”) under which it is authorized to grant options to directors, officers, consultants or employees of the Company. 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:

	Number of options	Weighted average exercise price \$
Balance, December 1, 2020	2,475,000	0.20
Granted	2,010,000	0.225
Cancelled/Expired	(1,630,000)	0.29
Balance, November 30, 2021	2,855,000	0.255
Balance, December 1, 2021	2,855,000	0.255
Granted	470,000	0.23
Cancelled/Expired	-	-
Balance, May 31, 2022	3,325,000	0.251

As at May 31, 2022, the Company had the following stock options outstanding and exercisable:

Expiry date	Exercise price \$	Number of options
March 6, 2023	0.325	845,000
June 10, 2026	0.225	2,010,000
March 24, 2027	0.23	470,000
Total		3,325,000

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NOTE 15 – SHARE CAPITAL (continued)

c) Stock Options (continued)

On March 24, 2022, the Company granted an aggregate of 470,000 stock options to its directors, officers, employees and consultants for the purchase of up to 470,000 common shares of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 5 years at a price of \$0.23 per common share.

On June 10, 2021, the Company granted 2,010,000 stock options to its directors, officers, employees and consultants for the purchase of up to 2,010,000 common shares of the Company pursuant to its Stock Option Plan. Each option is exercisable for a period of 5 years at a price of \$0.225 per common share.

The following stock options expired during the year ended November 30, 2021:

- 300,000 stock options priced at \$0.355 expired April 12, 2021
- 1,330,000 stock options priced at \$0.30 expired June 10, 2021

d) Warrants

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

	Warrants Outstanding Numbers	Weighted average exercise price \$
Balance, November 30, 2020 and 2021	712,000	0.20
Granted	9,910,500	0.30
Cancelled/Expired	-	-
Balance, May 31, 2022	10,622,500	0.29

As at May 31, 2022, the Company had the following share purchase warrants outstanding:

Expiry date	Exercise price \$	Number of warrants
March 20, 2024*	0.20	712,000
February 15, 2024	0.30	9,892,500
February 15, 2024 **	0.30	18,000
Total		10,622,500

* On April 23, 2021, the Company received TSX Venture Exchange (“TSX”) approval to extend the warrants previously expiring on March 20, 2021 to March 20, 2024. In addition, the price of the warrants was reduced to \$0.20 for the extended period.

** Indicates broker warrants

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NOTE 16 – GENERAL AND ADMINISTRATIVE EXPENSES

During the three and six months ended May 31, 2022 and 2021, the Company incurred the following general and administrative expenses:

	Three months ended May 31, 2022 \$	Three months ended May 31, 2021 \$	Six months ended May 31, 2022 \$	Six months ended May 31, 2021 \$
Accretion (Note 18)	1,420	1,212	2,785	2,183
Advertising and promotion	72,135	34,050	151,712	67,730
ROU asset depreciation (Note 19)	36,503	36,106	73,005	72,213
Filing fees & transfer agent expenses	13,395	5,463	15,300	11,688
Lease interest (Note 19)	1,471	373	3,211	1,024
Office and miscellaneous	51,260	45,041	102,160	78,540
Professional fees	48,818	14,097	117,072	30,589
Share-based payments (Note 15)	72,534	-	72,534	-
Wages and benefits (Note 11)	334,380	257,740	694,272	598,793
	631,916	394,082	1,232,051	862,760

NOTE 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 six months ended May 31, 2022:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	411,389	-	411,389
Corporate development fees	-	352,798	-	352,798
	-	764,187	-	764,187

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Segment assets	12,796	-	22,411,581	22,424,377
Expenditure for segment capital assets	68,000	-	-	68,000
	80,796	-	22,411,581	22,492,377

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NOTE 17 – SEGMENT INFORMATION (continued)

For the six months ended May 31, 2021:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	390,675	-	390,675
Corporate development fees	-	599,137	-	599,137
Income from property sale	97,165	-	-	97,165
	97,165	989,812	-	1,086,977

For the year ended November 30, 2021:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Segment assets	12,796	-	20,800,922	20,813,718
Expenditure for segment capital assets	29,262	-	-	29,262
	42,058	-	20,800,922	20,842,980

NOTE 18 – 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.

On January 12, 2022, the Government of Canada announced that the repayment deadline for CEBA loans to qualify for partial loan forgiveness is being extended from December 31, 2022, to December 31, 2023, for all eligible borrowers in good standing.

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 six months ended May 31, 2022, the Company recorded accretion expense of \$2,089 (May 31, 2021 - \$1,782).

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 six months ended May 31, 2022, the Company recorded accretion expense of \$696 (May 31, 2021 - \$401).

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NOTE 19 – 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. The Company renewed the lease prior to expiry and has recorded the lease liability for the lease now ending August 31, 2023.

A summary of the lease liabilities is listed below:

	\$
Balance, December 1, 2020	111,562
Interest on lease liabilities	3,126
New two-year lease	292,018
Payments of lease liabilities	(150,240)
Balance, November 30, 2021	\$ 256,466
Interest on lease liabilities	3,211
Payments of lease liabilities	(75,120)
Balance, May 31, 2022	\$ 184,557

The following table illustrates the right-of-use asset balances during the six months ended May 31, 2022 and the year ended November 30, 2021:

	Cost	Accumulated depreciation	Net book value
	\$	\$	\$
Balance at December 1, 2020	252,747	144,427	108,203
Addition	292,018	144,822	147,196
Balance at November 30, 2021	544,765	289,249	255,516
Addition	-	73,005	73,005
Balance at May 31, 2022	544,765	362,254	182,511

The following table illustrates the future lease payments under the lease obligations as at May 31, 2022:

	\$
Current (due on or before November 30, 2022)	
Total undiscounted lease payments	75,120
Less: imputed interest	(2,126)
Total current carry value of lease obligations	72,994
Non-Current (due on or before November 30, 2023)	
Total undiscounted lease payments	112,680
Less: imputed interest	(1,117)
Total non-current carry value of lease obligations	111,563

For the six months ended May 31, 2022, the adoption of IFRS 16 resulted in an increase to amortization expense of \$73,005 (May 31, 2021 - \$72,213) due to the recognition of ROU assets, an increase to interest expense of \$3,211 (May 31, 2021 - \$1,024) from the unwinding of the discounted value of the lease liabilities, and a decrease to office and miscellaneous expenses of \$75,120 (May 31, 2021 - \$75,120).

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NOTE 19 – LEASE (continued)

For the six months ended May 31, 2022, due to the change in the presentation of former operating lease expenses, cash flow from operating activities increased by \$75,120 (May 31, 2021 - \$75,120) due to the decrease in office and miscellaneous expenses partially offset by increased financial costs. Cash flows from financing activities decreased by \$75,120 (May 31, 2021 - \$75,120) due to the addition of the principal payments for former operating leases. The overall impact to cash flows for the Company was unchanged.

NOTE 20 – SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

a) Change in Non-Cash Working Capital Accounts

For the six months ended May 31, 2022 and 2021:

	2022	2021
	\$	\$
Advances and amounts receivable	(325,164)	(210,792)
Due from equity investee	(67,952)	(16,569)
GST Payable	1,709	10,602
Prepaid and deposits	17,075	27,500
Accounts payable and accrued liabilities	(5,853)	(228,415)
Unearned revenue	140,445	432,095
Due from related parties	(7,332)	16,885
Promissory note payable	-	(19,100)
Variable lease expense payment	(52,266)	(52,266)
Short-term lease payment	(18,450)	(18,000)
	(317,788)	(58,060)

b) Other Items

	2022	2021
	\$	\$
Payable (Prepaid) expenses for share subscription	(20,000)	33,131
Shares issued for property acquisition	48,000	-
Shares received for property sales	6,116	90,000
Shares received for exercise of warrants	175,900	85,308
Shares previously sold with promissory notes returned	-	6,000