



FINANCIAL STATEMENTS

For the Years Ended November 30, 2022 and 2021

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of:
ZIMTU CAPITAL CORP.

Opinion

We have audited the financial statements of Zimtu Capital Corp. ("the Company"), which comprise the statements of financial position as at November 30, 2022 and 2021, and the statements of changes in shareholders' equity, operations and comprehensive income (loss), and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at November 30, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis. Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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SUITE 420

1501 WEST BROADWAY

VANCOUVER, BRITISH COLUMBIA

CANADA V6J 4Z6

TEL: (604) 428-1866

FAX: (604) 428-0513

WWW.WDMCA.COM

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Mike Kao.

WDM

Chartered Professional Accountants

Vancouver, B.C.
March 22, 2023



ZIMTU CAPITAL CORP.
Statements of Financial Position
As at November 30, 2022 and 2021
Expressed in Canadian Dollars

	Note	2022 \$	2021 \$
ASSETS			
CURRENT			
Cash		1,287,584	253,519
Investments	6	9,195,764	17,545,183
Advances and amounts receivable	8	698,552	919,522
Prepaid and deposits	9	77,116	85,002
Right-of-use asset	18	109,507	255,516
Due from equity investees	10	205,609	-
Due from related parties	10	122,603	204,680
		11,696,735	19,263,422
Investments in associates	7	1,715,794	1,537,500
Mineral property interests	11	47,273	12,796
		13,459,802	20,813,718
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		1,154,161	129,117
GST/HST payable		3,937	3,583
Lease liabilities	18	111,562	256,466
Unearned revenue	12	238,458	22,500
		1,508,118	411,666
Promissory notes payable	13	177,500	177,500
Loan payable	17	39,472	33,673
Deferred tax liability	20	-	55,127
		1,725,090	677,966
SHAREHOLDERS' EQUITY			
Share capital	14	11,521,114	9,521,822
Share-based payment reserves	14	5,239,523	5,165,236
(Deficit) Retained earnings		(5,025,925)	5,448,694
		11,734,712	20,135,752
		13,459,802	20,813,718

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 21)

Approved on behalf of the Board on March 22, 2023:

“David Hodge”

David Hodge – Director

“Sean Charland”

Sean Charland – Director

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

ZIMTU CAPITAL CORP.

Statements of Changes in Shareholders' Equity

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

	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
Share-based payments	14	-	-	244,419	-	244,419
Net income for the year		-	-	-	10,237,080	10,237,080
Balance, November 30, 2021		16,106,483	9,521,822	5,165,236	5,448,694	20,135,752
Shares issued for property	14	200,000	48,000	-	-	48,000
Shares issued for cash	14	9,892,500	1,978,500	-	-	1,978,500
Share issuance costs	14	-	(27,208)	1,753	-	(25,455)
Share-based payments	14	-	-	72,534	-	72,534
Net (loss) for the year		-	-	-	(10,474,619)	(10,474,619)
Balance, November 30, 2022		26,198,983	11,521,114	5,239,523	(5,025,925)	11,734,712

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

ZIMTU CAPITAL CORP.

Statements of Operations and Comprehensive Income (Loss)

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

	Note	2022 \$	2021 \$
REVENUE			
Administrative fees		806,472	794,092
Corporate development and marketing		886,452	1,150,850
(Loss) income from property sales	11	(13,400)	284,884
		1,679,524	2,229,826
EXPENSES			
General and administrative expenses	15	3,388,499	2,089,636
(LOSS) INCOME BEFORE OTHER ITEMS		(1,708,975)	140,190
OTHER ITEMS			
Equity (loss) recovery from investment in associates	7	(134,464)	127,034
Fair market value gain on investment in associate		-	1,181,330
Fair market (loss) gain on investments in public companies	6	(9,428,834)	6,090,243
Fair market gain on investment in private companies	6	(62,374)	581,361
Fair market (loss) on promissory notes receivable		(188,125)	-
Gain on derecognition on investment in associate		-	857,593
Gain on sale of investment		932,183	1,270,656
Gain on government loan	17	-	12,626
Impairment of mineral properties	11	(3,712)	(3,985)
Interest income		1,249	159
Gain on sale of debt		29,140	-
Other (expense) income		34,166	(15,000)
Recovery of marketable securities written off	7	-	50,000
		(8,820,771)	10,152,017
(LOSS) INCOME BEFORE INCOME TAX		(10,529,746)	10,292,207
Deferred tax recovery (expense)	20	55,127	(55,127)
NET (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME FOR THE YEAR		(10,474,619)	10,237,080
Basic income (loss) per share			
		(0.43)	0.64
Diluted income (loss) per share			
		(0.43)	0.63
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING			
Basic		24,104,949	16,106,483
Diluted		24,104,949	16,171,210

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

ZIMTU CAPITAL CORP.

Statements of Cash Flows

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

	Note	2022 \$	2021 \$
CASH FLOWS PROVIDED BY (USED FOR):			
OPERATING ACTIVITIES			
Net income (loss) for the year		(10,474,619)	10,237,080
Non-cash items:			
Accretion		5,799	4,756
Bad debt (recovery)		(15,754)	-
Depreciation of ROU asset		146,009	144,822
Deferred tax (recovery) expense		(55,127)	55,127
Equity loss (gain) from investment in associates		134,464	(127,034)
Fair market value (gain) on investment in associate		-	(1,181,330)
Fair market value loss (gain) of investments in public companies		9,428,834	(6,090,243)
Fair market value (gain) on investment in private companies		62,374	(581,361)
Fair market value loss promissory notes receivable		188,125	-
Gain on derecognition on investment in associate		-	(857,593)
Gain on sale of investment		(932,183)	(1,270,656)
Gain on government grant		-	(12,626)
Impairment of mineral property		3,712	3,985
Other income		(12,716)	-
Lease interest		5,336	3,126
Shares received for debt		19,140	-
Non-cash from property sale		13,400	(284,884)
Recovery of marketable securities written off		-	(50,000)
Share-based payments		72,534	244,419
		(1,410,672)	237,588
Changes in non-cash working capital items:	19(a)	704,117	(768,117)
CASH USED FOR OPERATING ACTIVITIES		(706,555)	(530,529)
INVESTING ACTIVITIES			
Acquisition of investments		(3,437,388)	(1,839,074)
Proceeds on disposition of investments		3,433,392	2,923,102
Purchase of equity investee		-	(625,725)
Mineral property acquisitions		(58,189)	(29,262)
Proceeds on disposition of mineral properties		-	88,814
Promissory note payable		-	177,500
CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES		(62,185)	695,355
FINANCING ACTIVITIES			
Shares issued for cash		1,978,500	-
Shares issue costs		(25,455)	-
Government grant		-	20,000
Principal payments of lease liabilities		(150,240)	(150,240)
CASH PROVIDED BY (USED FOR) FINANCING ACTIVITIES		1,802,805	(130,240)
INCREASE IN CASH DURING THE YEAR		1,034,065	34,586
CASH, BEGINNING OF YEAR		253,519	218,933
CASH, END OF YEAR		1,287,584	253,519

Supplemental cash flow information - see Note 19(b)

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

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

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

These 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").

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 March 22, 2023.

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. Judgment 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 judgment 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 judgment 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 Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

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 Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES

a) Cash

Cash is comprised of cash on hand and deposits in banks.

b) Foreign currency

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Company. The functional currency for the Company is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, The Effects of Changes in Foreign Exchange Rates.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities that are measured at historical costs are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of operations and comprehensive income.

c) Mineral property interests

Mineral property interests involve the search for minerals, the determination of technical feasibility, and the assessment of commercial viability of an identified resource.

Mineral property interests incurred prior to obtaining licenses are expensed in the period in which they are incurred. Once the legal right to explore has been acquired, mineral property interests incurred are capitalized. All capitalized mineral property interests are recorded at acquisition cost and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statements of operations and comprehensive income to the extent that they are not expected to be recovered. No amortization is taken during the exploration and evaluation phase.

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

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and regulatory requirements.

d) Investment in Associate

If the Company has significant influence over an investee as defined under IAS 28 – Investments in Associates and Joint Ventures, the investment is initially recognized at cost and is adjusted periodically to reflect the Company's portion of the investees' comprehensive profit or loss through the Company's statement of operations and comprehensive income. The Company's share of profit or loss of an associate is shown on the face of the statement of operations and comprehensive income.

After application of the equity method, the Company determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, then recognizes the loss in the statement of operations and comprehensive income.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Investment in Associate (continued)

Upon loss of significant influence over the associate, the Company measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

e) Share capital and warrants

The Company records proceeds from share issuances net of issue costs and any tax effects. Common shares issued for consideration other than cash, are valued based on their market value at the date the common shares are issued.

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

f) Share-based payments

The Company grants stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value method of accounting is used for share-based payment transactions. Under this method, the cost of stock options and other share-based payments is recorded based on the estimated fair value using the Black-Scholes option pricing model at the grant date and charged to profit over the vesting period. The amount recognized as an expense is adjusted to reflect the number of equity instruments expected to vest. Upon the exercise of stock options and other share-based payments, consideration received on the exercise of these equity instruments is recorded as share capital and the related share-based payment reserve is transferred to share capital.

g) Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net income or loss attributable to the owners of the Company by the weighted average number of common shares outstanding for the relevant period.

Diluted earnings/loss per share is determined by adjusting the earnings or loss attributable to the owners of the Company and the weighted average number of common shares outstanding for the effects of dilutive instruments, which includes stock options and common share purchase warrants, as if their dilutive effect was at the beginning of the period. The calculation of the diluted number of common shares assumes that proceeds received from the exercise of “in-the-money” stock options and common share purchase warrants are used to purchase common shares of the Company at their average market price for the period. In periods that the Company reports a net loss, per share amounts are not presented on a diluted basis as the result would be anti-dilutive.

h) Revenue

Revenue from management and administrative services and corporate development and marketing services is recognized as control of the services passes from the Company to the customer over time, revenue is recognized based on the extent of progress towards completion of the performance obligation. The typical length of contracts are 12 months, and the payment terms are typically based on either upfront payment or equal monthly instalments over the contract.

Revenue from mineral property sales is recognized at the point of transfer of risks and rewards for goods and services and transfer of control with the fulfilment of performance obligations. Proceeds received on the sale of interests in mineral properties are credited to the carrying value of the mineral properties, with any excess included in statements of operations and comprehensive income.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Leases

On December 1, 2019, the Company adopted IFRS 16 – Leases (“IFRS 16”) which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. IFRS 16 eliminates the classification of leases as either operating leases or finance leases for a lessee. Instead, all leases are treated in a similar way to finance leases applied in IAS 17. IFRS 16 does not require a lessee to recognize assets and liabilities for short-term leases (i.e. leases of 12 months or less), leases with certain variable lease payments and leases of low-value assets.

The Company applied IFRS 16 using the modified retrospective method. Under this method, financial information will not be restated and will continue to be reported under the accounting standards in effect for those periods. The Company will recognize lease liabilities related to its lease commitments for its office leases. The lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company’s estimated incremental borrowing rate, resulting in no adjustment to the opening balance of retained earnings (deficit). The associated right-of-use (“ROU”) assets will be measured at the lease liabilities amount. The Company has implemented the following accounting policies permitted under the new standard:

Lease liability, right of use assets

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation assesses whether the contract involves the use of an identified asset, whether the right to obtain substantially all of the economic benefits from use of the asset during the term of the arrangement exists, and if the Company has the right to direct the use of the asset. At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

As a lessee, the Company recognizes a right-of-use asset and a lease liability at the commencement date of a lease. The right-of-use asset is initially measured at cost, which is comprised of the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any decommissioning and restoration costs, less any lease incentives received.

The right-of-use asset is subsequently depreciated from the commencement date to the earlier of the end of the lease term, or the end of the useful life of the asset. In addition, the right-of-use asset may be reduced due to impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

A lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. Lease payments included in the measurement of the lease liability are comprised of the following:

- fixed payments, including in-substance fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- exercise prices of purchase options if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

i) Leases (continued)

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if there is a change in the estimate or assessment of the expected amount payable under a residual value guarantee, purchase, extension or termination option. Variable lease payments not included in the initial measurement of the lease liability are charged directly to profit or loss.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases are charged directly to profit or loss on a straight-line basis over the lease term.

j) Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

k) Government grants

Loans received from government are recognized initially at fair value, with the difference between the fair value of the loan based on prevailing market interest rates and the amount received, being recorded as government grant gain in the statements of operations and comprehensive income.

l) Income taxes

Tax expense recognized in profit or loss comprises the sum of deferred tax and current tax not recognized in other comprehensive income or directly in equity.

i) Current Income Tax

Current income tax assets and liabilities comprise those claims from, or obligations to, fiscal authorities relating to the current or prior reporting periods that are unpaid at the reporting date. Current tax is payable on taxable profit, which differs from profit or loss in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred Income Tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are always provided for in full.

Deferred tax assets are recognized to the extent that it is probable that they will be able to be utilized against future taxable income. Deferred tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred tax assets or liabilities are recognized as a component of tax income or expense in profit or loss, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial Instruments

The following is the Company's accounting policy for financial instruments under IFRS 9:

i) Classification

The Company determines the classification of financial assets at initial recognition. The classification of debt instruments is driven by the Company's business model for managing the financial assets and their contractual cash flow characteristics. Equity instruments that are held for trading are classified as fair value through profit or loss ("FVTPL"). For other equity instruments, on the day of acquisition the Company can make an irrevocable election (on an instrument-by-instrument basis) to designate them as at fair value through comprehensive income ("FVTOCI"). Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or if the Company has opted to measure them at FVTPL.

The following table shows the classification under IFRS 9:

Financial assets	Classification under IFRS 9
Cash and Guaranteed Investment Certificate ("GIC")	Amortized cost
Accounts receivable	Amortized cost
Convertible debentures	FVTPL
Promissory note receivables	FVTPL
Investments (Excl. GIC)	FVTPL
Due from related parties	Amortized cost
Due from equity investees	Amortized cost
Financial liabilities	Classification under IFRS 9
Accounts payable and accrued liabilities	Amortized cost
Promissory note payable	Amortized cost
Lease liabilities	Amortized cost
Loan payable	Amortized cost

ii) Measurement

Financial assets and liabilities at amortized cost

Financial assets and liabilities at amortized cost are initially recognized at fair value plus or minus transaction costs, respectively, and subsequently carried at amortized cost less any impairment.

Financial assets at FVTOCI

Financial assets carried at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income (loss).

Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the Statements of Operations and Comprehensive Income. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities held at FVTPL are included in the Statements of Operations and Comprehensive Income in the period in which they arise.

iii) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized cost. At each reporting date, the Company measures the loss allowance for the financial asset at an amount equal to the lifetime expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition. If at the reporting date, the financial asset has not increased significantly

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Financial Instruments (continued)

iii) Impairment of financial assets (continued)

since initial recognition, the Company measures the loss allowance for the financial asset at an amount equal to twelve month expected credit losses. The Company shall recognize in the Statements of Operations and Comprehensive Income, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognized.

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)	193,750	-	-	193,750
Promissory note receivables – related parties (Note 10)	135,850	-	-	135,850
Investment in public company shareholdings (Note 6a)	8,073,230	-	-	8,073,230
Investment in private company shareholdings (Note 6d)	-	-	705,126	705,126
Investment in warrants (Note 6b)	-	382,908	-	382,908
As at November 30, 2022	8,402,830	382,908	705,126	9,490,864
Fair value through profit or loss:				
Promissory note receivables (Note 8)	309,942	-	-	309,942
Promissory note receivables – related parties (Note 10)	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 nature of these instruments.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

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.

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 foreign 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 Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

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 years ended November 30, 2022 and 2021. The Company is not subject to externally imposed capital requirements.

NOTE 6 – INVESTMENTS

Investment continuity schedule as at November 30, 2022 and 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	2,837,287	-	-	600,100	3,437,387
Shares disposed/warrants exercised	(2,501,208)	-	-	-	(2,501,208)
Shares received for property transaction	6,116	-	-	-	6,116
Shares received for debt settlement	199,494	-	-	-	199,464
Private company converted to a public company	1,134,248	-	-	(1,134,248)	-
Fair value change	(6,600,444)	(2,828,390)	-	(62,374)	(9,491,208)
Balance, November 30, 2022	8,073,230	382,908	34,500	705,126	9,195,764

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 6 – INVESTMENTS (continued)

a) Investment in public companies

Investments at fair value through profit or loss as at November 30, 2022 as follows:

	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Aduro Clean Energy	1,000,001	116,093	0.12	910,001	0.910
Alpha Lithium	2,250	1,155	0.51	1,913	0.850
Arctic Star Exploration	12,313,464	576,045	0.05	492,539	0.040
Ares Strategic Mining	1,087,500	122,225	0.11	282,750	0.260
Commerce Resources	6,821,599	1,883,693	0.28	989,132	0.145
Core Assets	8,527,000	640,602	0.08	2,813,909	0.330
Emerita Gold	1,180,529	236,652	0.20	779,149	0.660
Gold Port Resources	9,453	-	0.00	520	0.055
Gratomic	200,000	243,202	1.22	66,000	0.330
Halcones Precious Metals	1,000,000	300,000	0.30	90,000	0.090
Homerun Resources	1,000,000	150,000	0.15	80,000	0.080
Interra Copper	23,148	100,000	4.32	13,889	0.600
Indigo Exploration	119,167	200,653	1.68	2,979	0.025
Lion Rock Resources	911,000	546,138	0.60	72,880	0.080
Lake Winn Resources	3,101,000	238,530	0.08	217,070	0.070
Maple Gold Mines	1,199,000	151,210	0.13	173,855	0.145
Margaret Lake Diamonds	424,469	84,894	0.20	14,856	0.035
Nobel Resources	250,000	100,000	0.40	11,250	0.045
Nouveau Life	230,000	50,051	0.22	-	0.000
Ophir Gold	400,000	133,749	0.33	34,000	0.085
Pantera Silver	2,000	100	0.05	190	0.095
Pontus Protein	687,500	110,000	0.16	10,313	0.015
Saville Resources	16,335,500	817,935	0.05	245,033	0.015
Spark Energy Minerals	30,000	6,600	0.22	1,200	0.040
Suvo Strategic Minerals	120,000	53,758	0.45	4,995	0.042
Swmbrd Sports	13,174,000	545,035	0.04	395,220	0.030
Transforma Resources	62,000	62,000	1.00	2,170	0.035
US Copper	570,000	39,530	0.07	17,100	0.030
Zinc8 Energy Solutions	1,429,861	257,401	0.18	350,316	0.245
Balance, November 30, 2022		7,767,251		8,073,229	

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

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.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 6 – INVESTMENTS (continued)

b) Investment in warrants

Investments at fair value through profit or loss as at November 30, 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	12,180	0.004
Commerce Resources	4,555,350	October 11, 2024	0.50	61,876	0.014
Commerce Resources	506,150	October 11, 2024	0.285	15,059	0.030
Commerce Resources	1,000,000	June 25, 2025	0.24	53,668	0.054
Commerce Resources	475,000	December 18, 2025	0.29	31,160	0.066
Core Assets	812,500	March 17, 2023	0.25	98,068	0.121
Falcon Gold	125,000	December 21, 2023	0.20	2,451	0.020
Halcones Precious Metals	500,000	June 24, 2024	0.400	34,197	0.068
Lake Winn Resources	1,000,000	November 19, 2023	0.16	2,750	0.003
Lake Winn Resources	2,000,000	November 24, 2023	0.10	22,602	0.011
Margaret Lake Diamonds	424,469	August 5, 2024	0.28	2,500	0.006
Ophir Gold	100,000	December 17, 2022	0.22	-	0.000
Pegasus Resources	2,250,000	October 25, 2023	0.08	3,516	0.002
Pegasus Resources	800,000	June 16, 2023	0.10	5,921	0.007
Pontus Protein	687,500	March 4, 2024	0.10	978	0.001
Saville Resources	5,889,500	December 23, 2023	0.08	17,055	0.003
Saville Resources	1,500,000	June 25, 2024	0.075	8,402	0.006
Saville Resources	1,575,000	December 24, 2024	0.075	10,356	0.007
Swmbrd Sports	1,150,000	June 22, 2023	0.20	169	0.000
Balance, November 30, 2022				382,908	

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

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 November 30, 2022, the Company had two guaranteed investment certificates totaling \$34,500 (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.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

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 November 30, 2022 and 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	55,026	0.045
1316833 BC Ltd	1,000,000	25,000	0.025	25,000	0.025
Aeonian Resources	1,500,000	150,000	0.10	150,000	0.100
Auvega Labs	500,000	25,000	0.05	25,000	0.050
Avalon Bridge	500,000	25,000	0.05	-	0.000
Beta Energy	112	-	0.00	-	0.000
District One Exploration	160,000	8,000	0.05	-	0.000
Hexa Resources	601,809	55,142	0.09	-	0.000
Power One Resources	670,000	-	0.00	-	0.000
S1 Capital	100,000	50,000	0.50	-	0.000
Sommerset Energy Partners Corp.	3,000,000	450,100	0.15	450,100	0.150
Balance, November 30, 2022		843,268		705,126	

	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.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 7 – INVESTMENTS IN ASSOCIATES

	Eagle Bay \$	Sceptre \$	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
Shares received for property transaction	60,000	-	-	-	60,000
Shares issued for property transaction	(5,400)	-	-	-	(5,400)
Debt settlement	-	258,158	-	-	258,158
(Loss) from equity investee	(114,027)	(20,437)	-	-	(134,464)
Balance, November 30, 2022	1,478,073	237,721	-	-	1,715,794

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

Eagle Bay is a small privately held exploration company with an office in Vancouver, BC, focusing on exploring and developing the Cap Property, located northeast of Prince Rupert in British Columbia, which is believed to be rich in rare earth elements and Niobium.

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 13). On May 4, 2021, the Company acquired 10,000,000 shares at a price of \$0.025 through a private placement. On July 29, 2022, the Company transferred 200,000 shares of Eagle Bay with a fair value of \$0.027 per share to a vendor in connection with the acquisition of the Wicheeda Extension. Also on July 29, 2022, the Company received 800,000 shares of Eagle Bay with a fair value of \$0.075 per share in connection with the sale of the Wicheeda Extension (see Note 11(c)).

During the year ended November 30, 2022, the investment was adjusted for \$114,027 (2021: \$156,330) of equity loss due to the decrease of net assets of Eagle Bay. Additionally, the investment was adjusted for \$nil (2021: \$1,181,330) due to the increase of the fair market value of Eagle Bay. As at November 30, 2022, the Company holds 21,100,000 shares of Eagle Bay, equal to 40.38% (2021: 48.46%) of Eagle Bay’s outstanding common shares.

The financial information of Eagle Bay as of and for the years ended November 30, 2022 and 2021 is as follows:

	November 30, 2022 \$	November 30, 2021 \$
Current assets	482,087	255,060
Non-current assets	986,809	825,796
Current liabilities	189,625	(19,755)
Shareholders’ equity	1,279,271	(1,061,101)
Expenses	271,514	330,351
Net loss	(271,514)	(330,351)

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 7 – INVESTMENTS IN ASSOCIATES (continued)

b) Sceptre Ventures Inc. (“Sceptre”)

Sceptre, located in Vancouver, BC, is a capital pool company, which cannot carry on any business other than to identify and evaluate businesses and assets with a view to completing a Qualifying Transaction.

On July 25, 2022, the Company received 4,302,626 shares of Sceptre, with a deemed price of \$0.06 per share in connection with a shares for debt settlement. By reason of the Debt Settlement, the Company now holds approximately 35.83% of the total issued and outstanding common shares of Sceptre. The Debt Settlement was approved by the TSX Venture Exchange and by disinterested shareholders of Sceptre because the issuance of the Shares caused the Company to become a “control person” as that term is defined under applicable securities laws. Sceptre is a Capital Pool Company (“CPC”) as defined in TSX-V Policy 2.4.

During the year ended November 30, 2022, the investment was adjusted for \$20,437 (2021: \$nil) of equity loss due to the decrease of net assets of Sceptre. As at November 30, 2022, the Company holds 4,302,626 shares of Sceptre, equal to 35.83% (2021: \$nil) of Sceptre’s outstanding common shares. As at November 30, 2022, the fair value of the investment is \$215,131 (2021: \$nil).

The financial information of Sceptre as of and for the years ended November 30, 2022 and 2021 is as follows:

	November 30, 2022	November 30, 2021
	\$	\$
Current assets	1,297	N/A
Non-current assets	-	N/A
Current liabilities	245,460	N/A
Shareholders’ equity	(244,163)	N/A
Expenses	57,039	N/A
Net loss	(57,039)	N/A

c) 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 11(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.

During the year ended November 30, 2022, the investment was adjusted for \$nil (2021: \$73,121) 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 was \$302,159, and the fair market value of the investment was \$925,000 which resulted in a gain on derecognition of an investment in associate of \$622,841. As at November 30, 2022, the Company holds 8,527,000 shares of Core, equal to 11% (2021: 15%) of Core’s outstanding common shares.

d) 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.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 7 – INVESTMENTS IN ASSOCIATES (continued)

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

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 year ended November 30, 2022, the investment recovered \$nil (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 November 30, 2022, the Company holds 1,000,001 shares of Aduro, equal to 2% (2021: 4%) of Aduro’s outstanding common shares.

NOTE 8 – ADVANCES AND AMOUNTS RECEIVABLE

	November 30, 2022 \$	November 30, 2021 \$
Accounts receivable	616,164	736,696
Allowance for expected credit loss	(111,362)	(127,116)
Accounts receivable – net of allowance (a)	504,802	609,580
Promissory note receivable – nominal value	378,125	380,775
Promissory note receivable – fair value change	(184,375)	(70,833)
Promissory note receivable – fair value (b)	193,750	309,942
Total advances and amounts receivable:	698,552	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 repayment.

As at November 30, 2022, accounts receivable of \$111,362 (2021: \$127,116) were impaired and fully provided by allowance. During the year ended November 30, 2022, \$15,754 of accounts receivable previously written off as bad debt was recovered and the allowance for bad debt was reduced.

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

	\$
As of November 30, 2020 and 2021	127,116
Recovery for the period	(15,754)
As of November 30, 2022	111,362

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.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

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.

	November 30, 2022	November 30, 2021
	\$	\$
Prepaid share subscriptions	20,000	20,000
Deposits	33,562	33,562
Marketing costs	23,554	31,440
Total	77,116	85,002

NOTE 10 – 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 years ended November 30, 2022 and 2021, the Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount:

	2022	2021
	\$	\$
Expenses:		
Key management compensation	1,638,200	559,418
Share-based payments	34,725	110,657

The Company accrued management bonus of \$1,000,000 (2021: \$nil) due to directors, and management.

b) Other related party transactions

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

	\$	\$
Revenue:		
Management administration fees	504,389	475,500
Corporate development and marketing	275,000	266,667

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 10 – RELATED PARTY TRANSACTIONS (continued)

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

	November 30, 2022	November 30, 2021
	\$	\$
Commerce Resources Corp.	711	732
Core Assets Corp. (Note 7)	(13,125)	315
Eagle Bay Resources Corp. (Note 7)	162,333	-
Sceptre Ventures Inc. (Note 7)	43,276	-
Promissory note receivable (Note 8(b)) - Fair Value:		
David Hodge, CEO and director	7,417	17,000
Jody Bellefleur, CFO	22,700	23,900
Kevin Bottomley, director	4,650	5,900
Sean Charland, director	55,500	55,500
Chris Grove, director	44,750	101,333
	328,212	204,680

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

NOTE 11 – MINERAL PROPERTY INTERESTS

Property Name	Partner	November 30, 2021	Additions	Impairment	Property sales	November 30, 2022
		\$				\$
Covette II Property *	N/A	3,712	-	* * (3,712)	-	-
Lac Elmer *	Staked	5,390	-	-	-	5,390
Munn Lake *	Dahrouge	3,694	38,189	-	-	41,883
Wicheeda Extension (c)	N/A	-	73,400	-	(73,400)	-
Total		12,796	111,589	(3,712)	(73,400)	47,273

Property Name	Partner	November 30, 2020	Additions	Impairment	Property sales	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

** Impaired due to lapse of title

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 11 – 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.

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 year ended November 30, 2022, \$nil (2021: \$280,220) was 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 year ended November 30, 2022, \$nil (2021: \$4,664) was recognized as revenue from the property sale.

c) Wicheeda Extension 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 (with a fair value of \$48,000), and committed to transferring 200,000 common shares of Eagle Bay Resources Corp. (“Eagle Bay”) to the vendor (transferred on July 29, 2022 with a fair value of \$5,400).

On July 29, 2022, the Company entered into an agreement with Eagle Bay, a related party (see Note 7), whereby the Company sold their 100% interest in and to 4 claims, known as the Wicheeda Property. In consideration, the Company received 800,000 common shares of Eagle Bay with a fair value of \$60,000. During the year ended November 30, 2022, \$13,400 (2021: \$4,664 income) was recognized as a loss from the property sale.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 12 – 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 13 – PROMISSORY NOTES PAYABLE

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 (see Note 7). 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 year ended November 30, 2022, the Company paid \$nil (2021 - \$nil) towards this promissory note, leaving a balance due of \$177,500 (2021 - \$177,500).

NOTE 14 – 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 Notes 7 and 11).

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”) valued at \$1,753 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. Additional share issuance costs of \$21,854 were incurred in connection with the financing.

c) Stock Options

The Company has an Equity Incentive Plan (the “Plan”) under which it is authorized to grant options, restricted shares units, performance share units or deferred share units to directors, officers, consultants or employees of the Company. At the Company’s Annual General Meeting on July 13, 2022, the shareholders approved the Company’s equity incentive plan and set the number of common shares that may be granted under the Plan to be fixed at 20% of the issued and outstanding shares, being 5,239,796 as of June 6, 2022, the date of board of director approval. A copy of the plan is available to view on SEDAR.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 14 – SHARE CAPITAL (continued)

e) Stock Options (continued)

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

	Weighted average exercise price \$	Number of options
Balance, December 1, 2020	0.20	2,475,000
Granted	0.225	2,010,000
Cancelled/Expired	0.290	(1,630,000)
Balance, November 30, 2021	0.255	2,855,000
Balance, December 1, 2021	0.255	2,855,000
Granted	0.230	470,000
Cancelled	0.260	(770,000)
Balance, November 30, 2022	0.250	2,555,000

As at November 30, 2022, the Company had the following stock options outstanding and exercisable:

Expiry date	Exercise price \$	Number of options
March 6, 2023	0.325	620,000
June 10, 2026	0.225	1,610,000
March 24, 2027	0.230	325,000
Total		2,555,000

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. The grant date fair value of the options was measured at \$72,534. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - \$0.23; exercise price - \$0.23; expected life – 5 years; volatility – 83.84%; dividend yield – \$nil; and risk-free rate – 2.270%. The volatility was estimated by using the average historical volatility of the Company.

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 grant date fair value of the options was measured at \$244,419. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - \$0.225; exercise price - \$0.225; expected life – 2 years; volatility – 104.26%; dividend yield – \$nil; and risk-free rate – 0.310%. The volatility was estimated by using the average historical volatility of the Company.

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

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 14 – SHARE CAPITAL (continued)

d) Warrants

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

	Weighted average exercise price \$	Number of warrants
Balance, November 30, 2020 and 2021	0.20	712,000
Granted	0.30	9,910,500
Balance, November 30, 2022	0.29	10,622,500

As at November 30, 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

NOTE 15 – GENERAL AND ADMINISTRATIVE EXPENSES

During the years ended November 30, 2022 and 2021, the Company incurred the following general and administrative expenses:

	2022 \$	2021 \$
Accretion	5,799	4,756
Advertising and promotion	442,232	209,392
ROU asset depreciation (Note 18)	146,009	144,822
Bad debt expense recovery (Note 8 and 10)	(15,754)	-
Filing fees and transfer agent expenses	24,316	18,243
Lease interest (Note 18)	5,337	3,126
Office and miscellaneous	191,535	172,582
Professional fees	234,079	112,026
Share-based payments	72,534	244,419
Wages and benefits	2,282,412	1,180,270
	3,388,499	2,089,636

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 16 – 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 year ended November 30, 2022:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	806,472	-	806,472
Corporate development fees	-	719,785	-	719,785
Income (loss) from property sales	(13,400)	-	-	(13,400)
	(13,400)	1,526,257	-	1,512,857

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Segment assets	12,796	-	13,160,417	13,173,213
Expenditure for segment capital assets	111,589	-	-	111,589
	124,385	-	13,160,417	13,284,802

For the year ended November 30, 2021:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	794,092	-	794,092
Corporate development fees	-	1,150,850	-	1,150,850
Income from property sale	284,884	-	-	284,884
	284,884	1,944,942	-	2,229,826

	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

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 17 – 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, 2023, the repayment of the remaining 25% of such CEBA Term Loan shall be forgiven. If on December 31, 2023, 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 year ended November 30, 2022, the Company recorded accretion expense of \$4,350 (2021 - \$3,711).

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 year ended November 30, 2022, the Company recorded accretion expense of \$1,449 (2021 - \$1,045).

NOTE 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. The Company renewed the lease prior to expiry and has recorded the lease liability for the lease now ending on 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	5,336
Payments of lease liabilities	(150,240)
Balance, November 30, 2022	\$ 111,562

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 18 – LEASE (continued)

The following table illustrates the right-of-use asset balances during the years ended November 30, 2022 and 2021:

	Cost \$	Accumulated depreciation \$	Net book value \$
Balance at December 1, 2020	252,747	144,427	108,320
Addition	292,018	144,822	147,196
Balance at November 30, 2021	544,765	289,249	255,516
Addition	-	146,009	(146,009)
Balance at November 30, 2022	544,765	435,258	109,507

The following table illustrates the future lease payments under the lease obligations as at November 30, 2022:

Current (due on or before November 30, 2023)	
Total undiscounted lease payments	112,680
Less: imputed interest	(1,117)
Total current carry value of lease obligations	111,563

For the year ended November 30, 2022, the adoption of IFRS 16 resulted in an increase to amortization expense of \$146,009 (2021 - \$144,822) due to the recognition of ROU assets, an increase to interest expense of \$5,336 (2021 - \$3,126) from the unwinding of the discounted value of the lease liabilities, and a decrease to office and miscellaneous expenses of \$150,240 (2021 - \$150,240).

For the year ended November 30, 2022, due to the change in the presentation of former operating lease expenses, cash flow from operating activities increased by \$150,240 (2021 - \$150,240) due to the decrease in office and miscellaneous expenses partially offset by increased financial costs. Cash flows from financing activities decreased by \$150,240 (2021 - \$150,240) due to the addition of the principal payments for former operating leases. The overall impact to cash flows for the Company was unchanged.

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 19 – SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

a) Change in Non-Cash Working Capital Accounts

For the years ended November 30, 2022 and 2021:

	2022	2021
	\$	\$
Advances and amounts receivable	(361,926)	(142,637)
Due from equity investee	(205,609)	54,356
GST payable	354	(11,791)
Prepaid and deposits	7,886	(66,439)
Accounts payable and accrued liabilities	1,166,476	(200,509)
Unearned revenue	215,958	(262,118)
Due from related parties	22,410	20,653
Promissory note payable	-	(19,100)
Variable lease expense payment	(104,532)	(104,532)
Short-term lease payment	(36,900)	(36,000)
	704,117	(768,117)

b) Other Items

	2022	2021
	\$	\$
Other income	12,716	-
Recovery of bad debt	15,754	-
Shares issued for property acquisition	48,000	-
Shares received for property sales	60,000	(225,000)
Shares received for exercise of warrants	997,471	-
Shares received for debt – equity investment	258,158	-
Shares received for debt	192,894	-
Payable (prepaid) expenses for share subscriptions	-	(20,000)
Shares previously sold with promissory notes returned	-	(18,000)

NOTE 20 – INCOME TAX

a) Provision for current tax

No provision has been made for current income taxes, as the Company has no taxable income.

A reconciliation of income taxes at statutory rates is as follows:

	2022	2021
	\$	\$
Net income (loss) before tax	(10,474,619)	10,292,207
Statutory tax rate	27.00%	27.00%
Expected income tax expense (recovery)	(2,828,147)	2,778,896
Non-deductible (taxable) items	1,029,750	(1,227,472)
Change in deferred income tax asset not recognized	1,876,845	(1,496,297)
Other	(78,448)	-
Income tax expense (recovery)	-	55,127

ZIMTU CAPITAL CORP.

Notes to the Financial Statements

For the Years Ended November 30, 2022 and 2021

Expressed in Canadian Dollars

NOTE 20 – INCOME TAX (continued)

b) Provision for deferred tax

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets (liabilities) at November 30, 2022 and 2021 are comprised of the following:

	2022	2021
	\$	\$
Non-capital loss carry forwards	928,854	650,093
Net-capital loss carry forwards	1,221,737	736,713
Investments	(185,999)	(1,331,759)
Investments in associates	(240,445)	(138,375)
Equipment	(25,231)	(63,567)
CEBA loan	(1,493)	(3,058)
Mineral property interests	-	(3,455)
Advances and amounts receivable	89,299	28,575
Lease liabilities	30,122	69,246
Financing costs	4,874	460
Deferred income tax assets not recognized	(1,821,718)	-
	-	(55,127)

NOTE 21 – SUBSEQUENT EVENTS

On January 30, 2023, the Company entered into an agreement with Strata Geodata Services Ltd. (“Strata”) whereby the Company sold their 100% interest in six mineral claims (the “Doctors Point Claims”) in the Beaverdale area in the Harrison Lake area in the New Westminster District of Southwest British Columbia. In consideration, the Company will receive \$20,000 cash and 100,000 common shares of a private non-reporting issuer. The agreement is subject to acceptance by the TSX.

On February 14, 2023, the Company entered into an agreement with Grizzly Discoveries Inc. (“Grizzly”) whereby the Company sold their 100% interest in ten mineral claims (the “Beaverdale Claims”) in the Beaverdale area in the Greenwood Mining District of Southeast British Columbia. In consideration, the Company will receive \$7,500 cash and 75,000 common shares of Grizzly. The agreement is subject to acceptance by the TSX.

On February 21, 2023, the Company completed a non-brokered private placement offering (the “Private Placement”) of 12,142,778 units (the “Units”), at a price of \$0.07 per Unit for gross proceeds of \$849,995. 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 (a “Warrant Share”) at a price of \$0.09 per Warrant Share for a period of five years from the closing date. The securities issued under the Private Placement, and the Warrant Shares that may be issuable on exercise of the Warrants, are subject to a statutory hold period expiring on June 22, 2023.

On February 22, 2023, the Company granted 2,684,176 stock options to directors, officers, employees and consultants of the Company. Each option is exercisable at a price of \$0.105 per common share for a period of two years.