



CONDENSED INTERIM FINANCIAL STATEMENTS

For the Nine Months Ended August 31, 2023

(Unaudited - Expressed in Canadian dollars)

Notice of No Auditor Review

The accompanying unaudited condensed interim financial statements of Zimtu Capital Corp. for the nine months ended August 31, 2023, have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. These condensed interim financial statements have not been reviewed by the Company's external auditors.

ZIMTU CAPITAL CORP.
Condensed Interim Statements of Financial Position
Expressed in Canadian Dollars
(Unaudited – prepared by management)

	Note	August 31, 2023 \$	November 30, 2022 \$
ASSETS			
CURRENT			
Cash		139,730	1,287,584
Investments	6	7,452,017	9,195,764
Advances and amounts receivable	8	1,268,498	698,552
GST/HST receivable		38,388	-
Prepaid and deposits	9	375,411	77,116
Right-of-use asset	18	-	109,507
Due from equity investees	10	391,443	205,609
Due from related parties	10	384,610	122,603
		10,050,097	11,696,735
Investments in associates	7	1,501,011	1,715,794
Mineral property interests	11	1,411,390	47,273
		12,962,498	13,459,802
LIABILITIES			
CURRENT			
Accounts payable and accrued liabilities		530,741	1,154,161
GST/HST payable		-	3,937
Lease liabilities	18	-	111,562
Promissory notes payable – current portion	13	50,000	-
Unearned revenue	12	128,696	238,458
		709,437	1,508,118
Promissory notes payable	13	127,500	177,500
Loan payable	17	40,000	39,472
		876,937	1,725,090
SHAREHOLDERS' EQUITY			
Share capital	14	14,160,481	11,521,114
Share-based payment reserves	14	5,374,632	5,239,523
(Deficit) Retained earnings		(7,449,552)	(5,025,925)
		12,085,561	11,734,712
		12,962,498	13,459,802

NATURE AND CONTINUANCE OF OPERATIONS (Note 1)
SUBSEQUENT EVENTS (Note 20)

Approved on behalf of the Board on October 27, 2023:

“Sean Charland”

Sean Charland – Director

“Kevin Bottomley”

Kevin Bottomley – Director

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

ZIMTU CAPITAL CORP.

Condensed Interim Statements of Changes in Shareholders' Equity

For the Nine Months Ended August 31, 2023 and 2022

Expressed in Canadian Dollars

(Unaudited – prepared by management)

	Note	Number of Common Shares	Share Capital \$	Share-Based Payment Reserves \$	Retained Earnings (Deficit) \$	Total Shareholders' Equity \$
Balance, November 30, 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 period		-	-	-	(3,274,413)	(3,274,413)
Balance, August 31, 2022		26,198,983	11,521,114	5,239,523	2,174,281	18,934,918
	Note	Number of Common Shares	Share Capital \$	Share-Based Payment Reserves \$	Retained Earnings (Deficit) \$	Total Shareholders' Equity \$
Balance, November 30, 2022		26,198,983	11,521,114	5,239,523	(5,025,925)	11,734,712
Shares issued for cash	14	28,214,320	2,135,718	-	-	2,135,718
Shares issued for property	11,14	9,000,000	540,000	-	-	540,000
Share issuance costs	14	-	(36,351)	-	-	(36,351)
Share-based payments	14	-	-	135,109	-	135,109
Net (loss) for the period		-	-	-	(2,423,627)	(2,423,627)
Balance, August 31, 2023		63,413,303	14,160,481	5,374,632	(7,449,552)	12,085,561

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

ZIMTU CAPITAL CORP.

Condensed Interim Statements of Operations and Comprehensive Income (Loss)

Expressed in Canadian Dollars

(Unaudited – prepared by management)

	Note	Three months ended August 31, 2023 \$	Three months ended August 31, 2022 \$	Nine months ended August 31, 2023 \$	Nine months ended August 31, 2022 \$
REVENUE					
Administrative fees	11	271,500	196,500	739,500	607,889
Corporate development and marketing	11	278,762	278,042	857,595	630,840
Income from property sales	12	(17,149)	(13,400)	19,496	(13,400)
		533,113	461,142	1,616,591	1,225,329
EXPENSES					
General and administrative expenses	16	518,571	557,782	1,275,871	1,789,833
INCOME (LOSS) BEFORE OTHER ITEMS		14,542	(96,640)	340,720	(564,504)
OTHER ITEMS					
Equity recovery (loss) from investment in associates	7	(118,534)	(28,858)	(231,502)	(84,002)
Fair market gain on investments in public companies	6	(577,186)	(3,156,598)	(2,477,857)	(3,325,109)
Fair market gain on promissory notes receivable		-	(75,250)	(37,625)	(150,500)
Gain on sale of investment		(284,892)	227,803	(52,240)	813,206
Gain on settlement of debt		-	29,140	-	29,140
Interest income		396	383	1,096	1,240
Other income (expense)		-	-	33,781	6,116
		(980,216)	(3,003,380)	(2,464,347)	(2,709,909)
NET AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		(965,674)	(3,100,020)	(2,423,627)	(3,274,413)
Basic income (loss) per share		(0.02)	(0.12)	(0.07)	(0.15)
Diluted income (loss) per share		(0.01)	(0.08)	(0.03)	(0.09)
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING					
Basic		42,828,405	26,198,983	32,804,120	21,999,409
Diluted		84,591,901	40,146,483	74,567,616	35,946,909

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

ZIMTU CAPITAL CORP.
Condensed Interim Statements of Cash Flows
For the Nine Months Ended August 31, 2023 and 2022
Expressed in Canadian Dollars
(Unaudited – prepared by management)

	Note	2023	2022
		\$	\$
CASH FLOWS PROVIDED BY (USED FOR):			
OPERATING ACTIVITIES			
Net (loss) income for the period		(2,423,627)	(3,274,413)
Non-cash items:			
Accretion		528	4,262
Depreciation of ROU asset		109,507	109,507
Equity (gain) loss from investment in associates		231,502	84,002
Fair market value loss (gain) of investments in public companies		2,477,857	3,325,109
Fair market value loss (gain) on promissory notes receivable		37,625	150,500
(Gain) loss on sale of investment		52,240	(813,206)
Share-based payments		135,109	72,534
Lease interest		1,117	4,410
Shares received for debt settlement		(41,250)	29,140
Bad debt recovery		-	(15,754)
Non-cash (loss) from property sale		(30,645)	13,400
Other income		-	(6,116)
Shares received for property sale		(6,000)	-
		543,963	(316,625)
Changes in non-cash working capital items:	20(a)	(2,129,213)	(148,740)
CASH FROM (USED FOR) OPERATING ACTIVITIES		(1,585,250)	(465,365)
INVESTING ACTIVITIES			
Acquisition of investments		(2,645,728)	(3,100,948)
Proceeds on disposition of investments		1,889,908	1,726,503
Proceeds from sale of mineral property		32,500	-
Mineral property acquisitions		(825,972)	(20,143)
CASH GENERATED FROM (USED FOR) INVESTING ACTIVITIES		(1,549,292)	(1,394,588)
FINANCING ACTIVITIES			
Shares issued for cash, less share issuance costs		2,099,367	1,953,045
Principal payments of lease liabilities		(112,680)	(112,680)
CASH FROM (USED FOR) FINANCING ACTIVITIES		1,986,687	1,840,365
DECREASE IN CASH DURING THE PERIOD		(1,147,854)	(19,588)
CASH, BEGINNING OF PERIOD		1,287,584	253,519
CASH, END OF PERIOD		139,730	233,931

Supplemental cash flow information - see Note 19(b)

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

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 1 - NATURE AND CONTINUANCE OF OPERATIONS

Zimtu Capital Corp. (the "Company") was incorporated in the Province of British Columbia on July 4, 2006, under the Business Corporations Act of British Columbia. The Company's principal business activities are investments in junior resource companies, mineral resource property acquisitions and dispositions, and the provision of management services. The Company is traded on the TSX Venture Exchange ("TSX-V") under the symbol 'ZC'. The Company also trades on the Frankfurt Stock Exchange under the symbol 'ZCT1'. The head office and principal address are located at Suite 1450, 789 West Pender Street, Vancouver, BC, Canada V6C 1H2 and the registered and records office of the Company is located at Suite 800, 885 West Georgia Street, Vancouver, BC, Canada V6C 3H1.

NOTE 2 – STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

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 October 27, 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 Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 3 – CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (continued)

Fair value of investment in warrants

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

Fair value of share-based compensation

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

Valuation of accounts receivable

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

Fair value of promissory notes receivable

Management uses valuation techniques in measuring the fair value of promissory notes receivable, where active market quotes are not available. Details of the assumptions used are given in Note 8 to these financial statements. In applying the valuation technique, management makes use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Fair value of investment in private companies

Management uses valuation techniques in measuring the fair value of private company investments, where active market quotes are not available. In applying the valuation technique, management makes use of market inputs, and uses estimates and assumptions that are, as far as possible, consistent with observable data that market participants would use in pricing the instrument. These estimates may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Inputs used in IFRS 16 Leases

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

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

Mineral property interests

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

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 4 – SIGNIFICANT ACCOUNTING POLICIES

The policies applied in these condensed interim financial statements are consistent with policies disclosed in Note 4 of the audited financial statements for the year ended November 30, 2022. Therefore, these condensed interim financial statements should be read in conjunction with the Company's audited financial statements for the year ended November 30, 2022

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)	281,722	-	-	281,722
Promissory note receivables – related parties (Note 10)	174,663	-	-	174,663
Investment in public company shareholdings (Note 6a)	5,692,555	-	-	5,692,555
Investment in private company shareholdings (Note 6d)	-	-	1,447,636	1,447,636
Investment in warrants (Note 6b)	-	277,326	-	277,326
As at August 31, 2023	6,148,940	277,326	1,447,636	7,873,902
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

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 Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 5 – FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

b) Credit risk

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

The Company continues to minimize credit risk by performing credit reviews, ongoing credit evaluation and account monitoring procedures. Management believes that the credit risk with respect to advances and amounts receivable is remote.

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 Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 5 – FINANCIAL INSTRUMENTS AND CAPITAL DISCLOSURES (continued)

g) Capital management

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

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the nine months ended August 31, 2023 or the year ended November 30, 2022. The Company is not subject to externally imposed capital requirements.

NOTE 6 – INVESTMENTS

Investment continuity schedule as at August 31, 2023 and November 30, 2022 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, 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
Cost of shares/warrants acquired	1,886,498	-	-	742,510	2,629,008
Shares disposed/warrants exercised	(1,942,148)	-	-	-	(1,942,148)
Shares received for property transaction	6,000	-	-	-	6,000
Shares received for debt settlement	41,250	-	-	-	41,250
Fair value change	(2,372,275)	(105,582)	-	-	(2,477,857)
Balance, August 31, 2023	5,692,555	277,326	34,500	1,447,636	7,452,017

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 6 – INVESTMENTS (continued)

a) Investment in public companies

Investments at fair value through profit or loss as at August 31, 2023 as follows:

	Number of Shares	Cost Base		Market Base	
		\$	\$/Share	\$	\$/Share
Aduro Clean Energy	400,001	46,493	0.12	356,001	0.890
Alpha Lithium	2,250	1,155	0.51	2,925	1.300
Arctic Star Exploration	10,813,464	505,545	0.05	162,202	0.015
Ares Strategic Mining	1,000,000	112,425	0.11	190,000	0.190
Ameriwest Lithium	1,179,500	249,434	0.21	159,233	0.135
Commerce Resources	6,821,599	1,883,693	0.28	682,160	0.100
Core Assets	8,552,000	647,002	0.08	1,881,440	0.245
Emerita Gold	300,000	60,295	0.20	123,000	0.410
Gold Port Resources	9,453	-	0.00	331	0.035
Grizzly Discoveries	75,000	6,000	0.08	4,500	0.060
G2 Energy	750,000	41,250	0.06	37,500	0.050
Homerun Resources	750,000	112,500	0.15	555,000	0.740
Interra Copper	300,000	232,083	0.77	69,000	0.230
Discovery Lithium	200,000	60,000	0.30	106,000	0.530
Lion Rock Resources	364,400	546,138	1.50	65,592	0.180
Lake Winn Resources	5,047,000	332,248	0.07	302,820	0.060
Maple Gold Mines	1,199,000	151,210	0.13	83,930	0.070
Nobel Resources	250,000	100,000	0.40	17,500	0.070
Nouveau Life	230,000	50,051	0.22	23	0.000
Ophir Gold	140,500	47,076	0.34	46,365	0.330
Pantera Silver	2,000	100	0.05	170	0.085
Pontus Protein	687,500	110,000	0.16	3,438	0.005
Saville Resources	16,335,500	817,935	0.05	163,355	0.010
Suvo Strategic Minerals	120,000	53,758	0.45	2,838	0.024
Swmbrd Sports	13,374,000	553,785	0.04	401,220	0.030
Transforma Resources	62,000	62,000	1.00	1,240	0.020
Zinc8 Energy Solutions	4,995,861	976,675	0.20	274,772	0.055
Balance, August 31, 2023		7,758,851		5,692,555	

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements For the Nine Months Ended August 31, 2023 Expressed in Canadian Dollars (Unaudited – prepared by management)

NOTE 6 – INVESTMENTS (continued)

a) Investment in public companies (continued)

Investments at fair value through profit or loss as at November 30, 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 Condensed Interim Financial Statements For the Nine Months Ended August 31, 2023 Expressed in Canadian Dollars (Unaudited – prepared by management)

NOTE 6 – INVESTMENTS (continued)

b) Investment in warrants

Investments at fair value through profit or loss as at August 31, 2023 as follows:

	Number of Warrants	Expiry Date	Exercise Price \$	Fair Value \$	Fair Value Per Warrant \$
Ameriwest Lithium	1,290,000	May 1, 2025	0.25	60,786	0.047
Commerce Resources	4,555,350	October 11, 2024	0.50	9,842	0.002
Commerce Resources	506,150	October 11, 2024	0.285	3,848	0.008
Commerce Resources	1,000,000	June 25, 2025	0.24	17,107	0.017
Commerce Resources	475,000	December 18, 2025	0.29	9,135	0.019
Discovery Lithium	200,000	July 31, 2025	0.60	91,158	0.456
Falcon Gold	125,000	December 21, 2023	0.20	-	0.000
Halcones Precious Metals	500,000	June 24, 2024	0.400	5,166	0.010
Interra Copper	150,000	January 31, 2023	0.75	13,142	0.088
Lake Winn Resources	1,000,000	November 19, 2023	0.16	377	0.000
Lake Winn Resources	2,000,000	November 24, 2023	0.10	6,572	0.003
Lake Winn Resources	2,000,000	December 28, 2023	0.10	11,604	0.006
Lake Winn Resources	350,000	May 15, 2025	0.09	5,584	0.016
Margaret Lake Diamonds	424,469	August 5, 2024	0.28	78	0.002
Pegasus Resources	225,000	October 25, 2023	0.60	8,191	0.036
Pontus Protein	687,500	March 4, 2024	0.10	-	0.000
Saville Resources	5,889,500	December 23, 2023	0.08	130	0.000
Saville Resources	1,500,000	June 25, 2024	0.075	1,587	0.001
Saville Resources	1,575,000	December 24, 2024	0.075	3,173	0.002
Zinc8 Energy Solutions	5,000,000	December 22, 2024	0.30	29,846	0.006
Balance, August 31, 2023				277,326	

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 6 – INVESTMENTS (continued)

b) Investment in warrants (continued)

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	

c) Investment in GIC

As at August 31, 2023, the Company had two guaranteed investment certificates totaling \$34,500 (November 30, 2022: \$34,500). Of the total, \$23,000 matures on February 29, 2024 with an interest rate of prime minus 3.0%. The remaining \$11,500 matures on July 3, 2024 with an interest rate of prime minus 2.7%.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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 August 31, 2023 and November 30, 2022 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	400,112	500,000	1.25	500,000	1.250
Crown Minerals	4,620,500	92,410	0.02	92,410	0.020
District One Exploration	160,000	8,000	0.05	-	0.000
Hexa Resources	601,809	55,142	0.09	-	0.000
Power One Resources	170,000	-	0.00	-	0.000
S1 Capital	100,000	50,000	0.50	-	0.000
Sommerset Energy Partners Corp.	3,000,000	450,100	0.05	450,100	0.050
Valkyrie Oil Trucking Company	3,000,000	150,100	0.05	150,100	0.050
Balance, August 31, 2023		1,585,778		1,447,636	

	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	

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 7 – INVESTMENTS IN ASSOCIATES

	Eagle Bay \$	Sceptre \$	Total \$
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
Shares acquired	16,720	-	16,720
(Loss) from equity investee	(196,708)	(34,795)	(231,503)
Balance, August 31, 2023	1,298,085	202,926	1,501,011

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

Eagle Bay is an 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. Eagle Bay commenced trading on the Canadian Securities Exchange (“CSE”) on March 15, 2023. Effective October 24, 2023, the shares of Eagle Bay were consolidated on a 10:1 basis.

On November 5, 2019, the Company privately acquired 200,000 shares at a price of \$0.25 per share of Eagle Bay. On March 24, 2021, the Company privately acquired an additional 850,000 shares of Eagle Bay at a price of \$0.25 per share through a promissory note. On May 4, 2021, the Company acquired 1,000,000 shares at a price of \$0.25 through a private placement. On July 29, 2022, the Company transferred 20,000 shares of Eagle Bay with a fair value of \$0.27 per share to a vendor in connection with the acquisition of the Wicheeda Extension. Also on July 29, 2022, the Company received 80,000 shares of Eagle Bay with a fair value of \$0.75 per share in connection with the sale of the Wicheeda Extension (see Note 11(c)). On June 1, 2023, 50,000 shares that had been acquired by a former employee of the Company through the issuance of a promissory note, returned the stock to the Company to cancel the promissory note valued at \$12,500.

During the nine months ended August 31, 2023, the investment was adjusted for \$196,708 (August 31, 2022: \$78,625) of equity loss due to the decrease of net assets of Eagle Bay. As at August 31, 2023, the Company holds 2,167,000 shares of Eagle Bay, equal to 41.47% (November 30, 2022: 40.38%) of Eagle Bay’s outstanding common shares. As at August 31, 2023, the fair value of the investment is \$635,100 (November 30, 2022: \$567,100).

The financial information of Eagle Bay as of and for the nine months ended August 31, 2023 and the year ended November 30, 2022 is as follows:

	August 31, 2023	November 30, 2022
	\$	\$
Current assets	244,064	482,087
Non-current assets	957,972	986,809
Current liabilities	417,751	189,625
Shareholders’ equity	784,285	1,279,271
Expenses	479,766	271,514
Net loss	(479,766)	(271,514)

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

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 would hold 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 nine months ended August 31, 2023, the investment was adjusted for \$34,795 (August 31, 2022: \$5,377) of equity loss due to the decrease of net assets of Sceptre. As at, the Company holds 4,135,958 shares of Sceptre, equal to 34.44% (November 30, 2022: 35.83) of Sceptre’s outstanding common shares. As at August 31, 2023, the fair value of the investment is \$124,079 (November 30, 2022: \$215,131).

The financial information as of and for the nine months ended August 31, 2023 and the year ended November 30, 2022 is as follows:

	August 31, 2023	November 30, 2022
	\$	\$
Current assets	2,722	1,297
Non-current assets	-	-
Current liabilities	426,100	245,460
Shareholders’ equity	(423,378)	(244,163)
Expenses	101,025	57,039
Net loss	(101,025)	(57,039)

NOTE 8 – ADVANCES AND AMOUNTS RECEIVABLE

	August 31, 2023	November 30, 2022
	\$	\$
Accounts receivable	1,145,638	616,164
Allowance for expected credit loss	(111,362)	(111,362)
Accounts receivable – net of allowance (a)	1,034,276	504,802
Promissory note receivable – nominal value	441,305	378,125
Promissory note receivable – fair value change	(207,083)	(184,375)
Promissory note receivable – fair value (b)	234,222	193,750
Total advances and amounts receivable:	1,268,498	698,552

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 8 – ADVANCES AND AMOUNTS RECEIVABLE (continued)

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 August 31, 2023, accounts receivable of \$111,362 (November 30, 2022: \$111,362) were impaired and fully provided by allowance. During the nine months ended August 31, 2023, \$nil (August 31, 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, 2021	127,116
Recovery for the period	(15,754)
<hr/>	
As of November 30, 2022 and August 31, 2023	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.

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.

	August 31, 2023	November 30, 2022
	\$	\$
Prepaid share subscriptions	300,000	20,000
Deposits	51,912	33,562
Marketing costs	23,499	23,554
<hr/>		
Total	375,411	77,116

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.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

Expressed in Canadian Dollars

(Unaudited – prepared by management)

NOTE 10 – RELATED PARTY TRANSACTIONS (continued)

For the nine months ended August 31, 2023 and 2022, the Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount:

	2023	2022
Expenses:	\$	\$
Key management compensation	770,700	488,900
Share-based payments	102,139	34,725

The Company accrued a bonus of \$1,000,000 (November 30, 2022: \$1,000,000) due to directors and management. During the six months ended May 31, 2023, \$310,000 of the bonuses were issued to related parties, \$515,000 of the bonuses were cancelled and a recovery of wages was posted. Of the total bonus accrual, \$175,000 remains payable.

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	364,500	382,889
Corporate development and marketing	132,500	237,500

o) As at August 31, 2023 and November 30, 2022, the Company has the following amounts due from (to) related parties and equity investees:

	August 31, 2023	November 30, 2022
	\$	\$
Commerce Resources Corp.	134,660	711
Core Assets Corp. (Note 7)	56,787	(13,125)
Eagle Bay Resources Corp. (Note 7)	280,887	162,333
Sceptre Ventures Inc. (Note 7)	110,556	43,276
Promissory note receivable (Note 8(b)) - Fair Value:		
David Hodge, former CEO, President and director	27,300	7,417
Jody Bellefleur, CFO and Corporate Secretary	63,710	22,700
Kevin Bottomley, director	5,110	4,650
Sean Charland, CEO, President and director	62,500	55,500
Chris Grove, director	34,543	44,750
	776,053	328,212

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

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

For the Nine Months Ended August 31, 2023

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NOTE 11 – MINERAL PROPERTY INTERESTS

Property Name	Partner	November 30,	Additions	Impairment	Property	August 31,
		2022			sales	2023
		\$	\$	\$	\$	\$
Heyman Properties (b)*	N/A	-	42,860	-	(1,855)	41,005
Bambora Property (b)*	N/A	-	10,080	-	-	10,080
Crystal Lake (b)*	N/A	-	4,315	-	-	4,315
Copperline (b)*	N/A	-	9,908	-	-	9,908
Eastgate (b)*	N/A	-	12,371	-	-	12,371
Eagle Lake, et al (c)	N/A	-	1,273,958	-	-	1,273,958
Goldbridge *	N/A	-	1,399	-	-	1,399
Lac Elmer *	Staked	5,390	-	-	-	5,390
Munn Lake (Note 20)	Dahrouge	41,883	1,867	-	-	43,750
Trail Property *	N/A	-	9,214	-	-	9,214
Total		47,273	1,365,972	-	(1,855)	1,411,390

Property Name	Partner	November 30,	Additions	Impairment	Property	November 30,
		2021			sales	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 (a)	N/A	-	73,400	-	(73,400)	-
Total		12,796	111,589	(3,712)	(73,400)	47,273

*Properties held for sale

** Impaired due to lapse of title

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) 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 nine months ended August 31, 2023, \$nil (August 31, 2022: \$13,400) was recognized as a loss from the property sale.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements For the Nine Months Ended August 31, 2023 Expressed in Canadian Dollars (Unaudited – prepared by management)

NOTE 11 – MINERAL PROPERTY INTERESTS (continued)

b) Heyman Properties

During the nine months ended August 31, 2023, the Company acquired 334 claims from the Estate of David Heyman, which will be grouped and sold separately, depending on location.

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 Beavertdale area in the Harrison Lake area in the New Westminster District of Southwest British Columbia. In consideration, the Company would receive \$20,000 cash (\$5,000 received) and 100,000 common shares of a private non-reporting issuer. On May 12, 2023, the original agreement was cancelled and the six mineral claims were sold to Infiniti Drilling Corp. (“Infiniti”), a private company, for a cash payment of \$20,000 (received). During the nine months ended August 31, 2023, \$24,154 (August 31, 2022: \$nil) was recognized as income from the property sale.

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 “Beavertdale Claims”) in the Beavertdale area in the Greenwood Mining District of Southeast British Columbia. In consideration, the Company received \$7,500 cash and 75,000 common shares of Grizzly with a fair value of \$6,000. During the nine months ended August 31, 2023, \$12,491 (August 31, 2022: \$nil) was recognized as income from the property sale. The agreement was accepted by the TSX on March 7, 2023.

c) Eagle Lake, Grove Lake, and Whitefish Lake Claims

On June 15, 2023, the Company entered into a definitive agreement to purchase three separate mining claims generally known as the Eagle Lake claims (the “Eagle Lake Claims”), the Grove Lake claims (the “Grove Lake Claims”) and the Whitefish Lake claims (the “Whitefish Lake Claims”), located approximately 350 km northwest of Thunder Bay, Ontario. The Whitefish Lake Claims are comprised of 1,584 claims covering 30,791 hectares, the Grove Lake Claims are comprised of 1,520 claims covering 25,027 hectares, and the Eagle Lake Claims are comprised of 1439 claims covering 30,302 hectares. Pursuant to agreement entered into with six arm’s length vendors, the Company has agreed to acquire a 100% interest in the Claims for the following consideration:

- an aggregate cash payment of \$315,000 to be paid to the Sellers upon closing of the Acquisition (“Closing”) (paid).
- an aggregate of 9,000,000 common shares in the capital of Zimtu (“Zimtu Shares”) to be issued to the Sellers upon Closing (issued with a fair value of \$540,000); and
- an aggregate cash payment of \$315,000 to be paid to the Sellers within four months of Closing.

As additional consideration for the acquisition, the Company will grant to one of the Sellers a 1% net smelter returns royalty interest in the future minerals produced from the Claims upon achieving commercial production. The Acquisition was approved by the TSX Venture Exchange (the “TSXV”) on July 14, 2023.

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.

ZIMTU CAPITAL CORP.

Notes to the Condensed Interim Financial Statements

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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 nine months ended August 31, 2023, the Company paid \$nil (November 30, 2022 - \$nil) towards this promissory note, leaving a balance due of \$177,500 (November 30, 2022 - \$177,500) and reclassified \$50,000 of the promissory note as being current.

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

During the nine months ended August 31, 2023:

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 May 1, 2023, the Company closed the first tranche of a non-brokered private placement of 13,759,042 units (the “Units”), at a price of \$0.08 per Unit for gross proceeds of \$1,100,723. 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 \$0.10 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 September 2, 2023. Certain insiders of the Company subscribed for a total of 4,812,500 Units.

On July 14, 2023, the Company closed the second tranche of its non-brokered private placement offering issuing 2,312,500 units (the “Units”), at a price of \$0.08 per Unit for gross proceeds of \$185,000. 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 \$0.10 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 for a period of 4 months.

During the year ended November 30, 2022:

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.

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NOTE 14 – SHARE CAPITAL (continued)

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 12, 2023, 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 10,420,160 as of June 9, 2023, the date of board of director approval. A copy of the plan is available to view on SEDAR.

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, 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
Granted	0.105	2,684,176
Expired	0.325	(620,000)
Balance, August 31, 2023	0.156	4,619,176

As at August 31, 2023, the Company had the following stock options outstanding and exercisable:

Expiry date	Exercise price \$	Number of options
June 10, 2026	0.225	1,610,000
March 24, 2027	0.230	325,000
February 22, 2025	0.105	2,684,176
Total		4,619,176

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. The grant date fair value of the options was measured at \$135,109. The options were measured using the Black-Scholes Option Pricing Model with the following assumptions: Stock price - \$0.105; exercise price - \$0.105; expected life – 2 years; volatility – 85.92%; dividend yield – \$nil; and risk-free rate – 4.20%. The volatility was estimated by using the average historical volatility of the Company.

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 March 26, 2023, 620,000 stock options priced at \$0.325 expired unexercised.

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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, 2021	0.20	712,000
Granted	0.30	9,910,500
Balance, November 30, 2022	0.29	10,622,500
Granted	0.10	28,214,320
Balance, August 31, 2023	0.15	38,836,820

As at August 31, 2023, 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
February 21, 2028	0.09	12,142,778
May 1, 2026	0.10	13,759,042
July 14, 2026	0.10	2,312,500
Total		38,836,820

* Indicates broker warrants

NOTE 15 – GENERAL AND ADMINISTRATIVE EXPENSES

During the three and nine months ended August 31, 2023 and 2022, the Company incurred the following general and administrative expenses:

	Three months ended August 31, 2023 \$	Three months ended August 31, 2022 \$	Nine months ended August 31, 2023 \$	Nine months ended August 31, 2022 \$
Accretion (Note 17)	-	1,477	528	4,262
Advertising and promotion	69,676	148,218	293,986	299,930
Bad debt recovery (Note 8)	-	(15,754)	-	(15,754)
Filing fees & transfer agent expenses	8,111	2,507	29,484	17,807
Lease interest (Note 18)	93	1,199	1,117	4,410
Office and miscellaneous	42,227	44,465	132,993	146,625
Professional fees	67,489	30,812	188,675	147,884
ROU asset depreciation (Note 18)	36,502	36,502	109,507	109,507
Share-based payments (Note 14)	-	-	135,109	72,534
Wages and benefits (Note 10)	294,473	308,356	384,472	1,002,628
	518,571	557,782	1,275,871	1,789,833

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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 nine months ended August 31, 2023:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	739,500	-	739,500
Corporate development fees	-	857,595	-	857,595
Income (loss) from property sales	19,496	-	-	19,496
	19,496	1,597,095	-	1,616,591

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Segment assets	45,418	-	11,551,108	11,596,526
Expenditure for segment capital assets	1,365,972	-	-	1,365,972
	1,411,390	-	11,551,108	12,962,498

For the nine months ended August 31, 2022:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	607,889	-	607,889
Corporate development fees	-	630,840	-	630,840
Income (loss) from property sale	(13,400)	-	-	(13,400)
	(13,400)	1,238,729	-	1,225,329

For the year ended November 30, 2022:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Segment assets	12,796	-	13,335,417	13,348,213
Expenditure for segment capital assets	111,589	-	-	111,589
	124,385	-	13,335,417	13,459,802

ZIMTU CAPITAL CORP.

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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 nine months ended August 31, 2023, the Company recorded accretion expense of \$396 (August 31, 2022 - \$3,197).

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 nine months ended August 31, 2023, the Company recorded accretion expense of \$132 (August 31, 2022 - \$1,065).

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, 2021	\$ 256,466
Interest on lease liabilities	5,336
Payments of lease liabilities	(150,240)
Balance, November 30, 2022	\$ 111,562
Interest on lease liabilities	1,118
Payments of lease liabilities	(112,680)
Balance, August 31, 2023	\$ -

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NOTE 18 – LEASE (continued)

The following table illustrates the right-of-use asset balances during the nine months ended August 31, 2023 and the year ended November 30, 2022:

	Cost \$	Accumulated depreciation \$	Net book value \$
Balance at December 1, 2021	544,765	289,249	255,516
Addition	-	146,009	(146,009)
Balance at November 30, 2022	544,765	435,258	109,507
Addition	-	109,507	(109,507)
Balance at August 31, 2023	544,765	544,765	-

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 nine months ended August 31, 2023, the adoption of IFRS 16 resulted in an increase to amortization expense of \$109,507 (August 31, 2022 - \$109,507) due to the recognition of ROU assets, an increase to interest expense of \$1,118 (August 31, 2022 - \$4,410) from the unwinding of the discounted value of the lease liabilities, and a decrease to office and miscellaneous expenses of \$112,680 (August 31, 2022 - \$112,680).

For the nine months ended August 31, 2023, due to the change in the presentation of former operating lease expenses, cash flow from operating activities increased by \$112,680 (August 31, 2022 - \$112,680) due to the decrease in office and miscellaneous expenses partially offset by increased financial costs. Cash flows from financing activities decreased by \$112,680 (August 31, 2022 - \$112,680) due to the addition of the principal payments for former operating leases. The overall impact to cash flows for the Company was unchanged.

NOTE 19 – SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

a) Change in Non-Cash Working Capital Accounts

For the nine months ended August 31, 2023 and 2022:

	2023 \$	2022 \$
Advances and amounts receivable	(607,571)	(389,509)
Due from equity investee	(185,834)	(133,767)
GST Payable	(42,325)	24,630
Prepaid and deposits	(298,295)	15,689
Accounts payable and accrued liabilities	(534,670)	29,256
Unearned revenue	(109,762)	416,403
Due from related parties	(262,007)	(5,368)
Variable lease expense payment	(78,399)	(78,399)
Short-term lease payment	(10,350)	(27,675)
	(2,129,213)	(148,740)

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NOTE 19 – SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS (continued)

b) Other Items

	2023	2022
	\$	\$
Other income	-	6,116
Recovery of bad debt	-	15,754
Shares issued for property acquisition	540,000	48,000
Shares received for property sales	6,000	60,000
Shares received for exercise of warrants	-	496,221
Shares received for debt – equity investment	-	258,158
Shares received for debt	41,250	192,894
Shares previously sold with promissory notes returned	12,500	-

NOTE 20 – SUBSEQUENT EVENTS

On October 3, 2023, the Company announced that it has entered into an agreement with Todd River Resources (ASX:TRT) (“Todd River”) to sell thirty-seven (37) mineral claims located approximately 250 kms northeast of Yellowknife, Northwest Territories (NWT) collectively known as the Munn Lake properties (the “Halo-Yuri Lithium Project”). The Company will receive a cash payment of \$80,000 and 32,240,000 shares of Todd River Resources for the transaction. The Company will also retain a 1% net smelter returns royalty (NSR) on all metals and minerals and a 1% gross overriding royalty (GOR) on Lithium and/or Diamond production from 33 of the 37 mineral claims, which constitute the Halo Property.