



Management Discussion and Analysis For the Three Months Ended February 29, 2024

The following is a discussion and analysis of the operations, results, and financial position of Zimtu Capital Corp. (the “Company”) for the three months ended February 29, 2024, and should be read in conjunction with the condensed interim financial statements for the three months ended February 29, 2024, all of which are prepared in Canadian dollars and in accordance with International Financial Reporting Standards (“IFRS”).

The effective date of this report is April 26, 2024.

Nature of Business and Overall Performance

History of the Company

The Company was incorporated on July 4, 2006, under the Business Corporations Act of British Columbia and was listed on the TSX Venture Exchange (the “TSX-V”) as a Capital Pool Company on January 31, 2007. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades as a Tier 2 Financial Services Issuer on the TSX-V under the symbol ‘ZC’. The Company also trades on the Frankfurt Stock Exchange under the symbol ‘ZCT1’.

Business of the Company

The business of the Company focuses on giving its shareholders the opportunity to indirectly invest in diverse early-stage resource investments. The Company’s goal is to take advantage of the favourable investment opportunities that arise between the private and public phases of a given investment in the natural resources sector. To that end, the Company conducts its business along four distinct segments: 1. Investment in stock, warrants, and others, 2. Property acquisitions, dispositions, and management, 3. Company management services, and 4. Corporate development and marketing services.

1. Investment

The principal investment objectives of the Company are:

- to seek and identify high return investment opportunities in the resource sector through direct investments in project interests or indirect investments by means of equity shareholdings;
- to minimize the risk associated with investments in securities by offering assistance to the target investment through management’s industry contacts;
- to preserve its capital and limit the downside risk of its capital;
- to achieve a reasonable rate of capital appreciation; and
- to seek liquidity in its investments.

In pursuit of greater returns and to achieve investment objectives while mitigating risk, the Company, when appropriate, shall focus on natural resource industries, concentrating on early-stage exploration and development companies. The Company will obtain detailed knowledge of the relevant business that the investment shall be made in, as well as knowledge about the investee company. The Company will endeavour to work closely with the investee company’s management and boards and in some cases, assist in sourcing experienced and qualified persons to add to the board and/or management of the investee companies. The Company will maintain a flexible position with respect to the form of investment taken. Investments will be made in either private or public companies or directly into the project title. As a result, the Company may own 100% of the opportunity in the initial stages.

Composition of Investment Portfolio: The nature and timing of the Company’s investments depend, in part, on available capital at any particular time and the investment opportunities identified and available to the Company.

Subject to the availability of capital, the Company intends to create a diversified portfolio of investments. The composition of its investment portfolio will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk.

Investment Committee: The Company has an investment committee to monitor its investment portfolio on an ongoing basis. The investment committee's mandate is to review the status of each investment as well as the status of potential investments at least once a month or on an as needed basis. Nominees for the investment committee are recommended by the Board of Directors.

Trading Committee: The Company has a trading committee consisting of three members of the Board of Directors and may also include any consultants with relevant experience to the opportunity. On a weekly basis, the trading committee discusses and evaluates the investments of the Company.

Market Conditions: In recent years, the securities markets in the United States and Canada have experienced a high level of price and volume volatility, and the market prices of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continuing fluctuations in price will not occur. The market for the common shares of the Company will be subject to market trends generally, notwithstanding any potential success of the Company in creating revenues, cash flows or earnings. The value of the common shares of the Company will be affected by such volatility.

Shareholdings: A complete list of the specific shareholdings of the Company is listed in Notes 6 and 7 of the Company's condensed interim financial statements for the three months ended February 29, 2024. The Company considers the following as its core portfolio shareholdings:

Commerce Resources Corp. (TSX-V: CCE) ("Commerce") is an exploration and development company with a particular focus on tantalum, niobium and rare earth element deposits with a potential for economic grades and large tonnages. Commerce is developing its Ashram Rare Earth Element/ Fluorspar Deposit in northern Quebec and is also developing its Upper Fir Tantalum and Niobium Deposit in British Columbia, at the Blue River Project. The Company currently has 9,821,599 common shares of Commerce, with a market value of \$1,227,700 (\$0.125 per share, as at April 25, 2024).

Saville Resources Inc. (TSX-V: SRE) ("Saville") is currently focusing on the exploration of the Covette Property in Quebec. The Company currently has 868,025 common shares of Saville with a market value of \$65,102 (\$0.075 per share, as at April 25, 2024).

Core Assets Corp. ("Core") is a Canadian mineral exploration company focused on the acquisition and development of mineral projects in British Columbia, Canada. Core currently holds 100% title, ownership in the Blue Property, a project that lies within the Atlin Mining District, a well-known gold mining camp. The Company currently has 10,171,000 common shares of Core with a market value of \$1,322,230 (\$0.13 per share, as at April 25, 2024).

Swmbrd Sports Inc. ("Swmbrd") is a British Columbia-based sporting goods company focused on developing, manufacturing, marketing, and selling aquatic sports products within the Sporting Goods and Outdoor Recreation markets. They commenced trading on the CSE on February 16, 2022 under the symbol "SWIM". The Company currently has 13,374,000 common shares of Swmbrd with a market value of \$200,610 (\$0.015 per share, as at April 25, 2024).

Eagle Bay Resources Corp. ("Eagle Bay") is a mineral exploration company focusing on rare earth elements and high-grade Niobium with properties in British Columbia, Canada. Eagle Bay was listed for trading on the CSE on March 15, 2023. The Company currently has 3,714,500 common shares of Eagle Bay with a market value of \$557,175 (\$0.15 per share, as at April 25, 2024).

Sceptre Ventures Inc. ("Sceptre") is a Capital Pool Company ("CPC") as defined in the TSX-V Policy 2.4. By reason of a debt settlement, the Company now holds approximately 35.83% of the total issued and outstanding common shares of Sceptre. Sceptre is exploring opportunities to find a Qualifying Transaction. The Company currently has 4,135,958 common shares of Sceptre with a market value of \$62,039 (\$0.015 per share, as at April 25, 2024).

2. Corporate Development and Marketing Services

ZimtuADVANTAGE is a program designed to provide opportunities, guidance, cost savings and assistance to clients covering multiple aspects of being a public company. The services of this program include the following: Zoom with Zimtu; Zimtu Connect – all major news/events/important updates sent to email distribution list, Lead Generation campaigns; Blog Posts; Digital Awareness campaigns; Influencer Marketing; Social Media Distribution of company news/important updates through Zimtu accounts including Twitter, Facebook, LinkedIn, YouTube & Instagram; Rockstone Reports & Distribution; Video News Releases – major news releases will be translated to video format, which will be distributed on all social media platforms and to Zimtu Connect subscribers; and Zimtu Question Period.

Summary:

In keeping with its business model, the Company has successfully:

- a) Increased its investment shareholdings through participation in private placements in several publicly listed companies;
- b) Acquired or increased its investment shareholdings through the sale of interest in several mineral property claims and/or permits, either by selling the property in its entirety or by optioning the property;
- c) Provided corporate development and administrative assistance to both private and public companies; and
- d) Provided assistance and support to select equity holdings in their dissemination and corporate awareness activities.

3. Company Management Services

The Company provides management and administrative services to various private and public companies.

During the three months ended February 29, 2024, the Company had contracts in place with Commerce Resources Corp., Saville Resources Inc., Core Assets Corp., Discovery Lithium Inc., Sceptre Ventures Inc., Crown Minerals Inc., and Eagle Bay Resources Corp.

Under the terms of the contracts, these services may include rent and office administration, continuous disclosure services and compliance services. These contracts generate sufficient cash for the Company to meet its operating needs in the current market environment and the Company expects these contracts to continue.

4. Property Acquisitions, Dispositions, and Management

Mineral Resource Project Management

The Company evaluates and acquires prospective resource properties to make available for sale, option or joint venture. The Company has interests in several mineral property claims.

As at February 29, 2024, the Company has interests in the following mineral resource properties:

Property Name	Partner	November	Additions	Impairment	Sales	Gain	February 29,
		30, 2023			Proceeds		(Loss)
		\$	\$	\$	\$	\$	\$
Crystal Lake*	N/A	4,315	-	-	-	-	4,315
Copperline*	Staked	9,908	26,668	-	-	-	39,577
Eagle Lake, et al*	N/A	1,282,631	-	-	-	-	1,282,631
Goldbridge*	N/A	8,006	-	-	-	-	8,006
Trail Property*	N/A	9,214	-	-	-	-	9,214
Total		1,314,074	26,668	-	-	-	1,343,742

*Properties held for sale

The following is a list of the farmed-out properties during the past two fiscal years:

Property Name	Sold to	Consideration
Doctors Point	Strata Geodata Services Ltd.	\$20,000 (\$5,000 received) 100,000 common shares Agreement cancelled May 12, 2023
Doctors Point	Infiniti Drilling Corp.	\$20,000 (received)
Beaverdale Claims	Grizzly Discoveries Inc.	\$7,500 (received) 75,000 common shares (received)
Munn Lake (Halo-Yuri Lithium Project)	Trinex Minerals (formerly Todd River Resources)	\$80,000 (received) 32,240,000 common shares (received)

Selected Annual Information

The following is a summary of the financial data of the Company for the last three fiscal years ending November 30, and are derived from the audited financial statements of the Company:

	2023	2022	2021
	\$	\$	\$
Total Revenues	2,545,539	1,679,524	2,229,826
Income (loss) before other items and income taxes	817,772	(1,708,975)	140,190
Income (loss) before other items and income taxes (per share)	0.02	(0.07)	0.01
Net Income (loss)	(3,660,243)	(10,474,619)	10,237,080
Net Income (loss) (per share)	(0.08)	(0.43)	0.64
Net income (loss) (per share, fully diluted)	(0.08)	(0.43)	0.63
Net comprehensive income (loss)	(3,660,243)	(10,474,619)	10,237,080
Net comprehensive income (loss) (per share)	(0.08)	(0.43)	0.64
Total assets	11,836,595	13,459,802	20,813,718
Total long term financial liabilities	354,695	216,972	266,300
Cash dividend declared per share	Nil	Nil	Nil

The Company recorded a net loss of \$3,660,243 in the year ended November 30, 2023, compared to a net loss of \$10,474,619 in the year ended November 30, 2022 and net income of \$10,237,080 in the year ended November 30, 2021. The Company's revenue provided from corporate development and marketing and administration fees has increased over amounts from the prior years. The significant change in income over the years is due to the increase in the unrealized gains and losses of investments held by the Company due to changes in market values.

Results of Operations

Net loss for the three months ended February 29, 2024 was \$430,878 compared to a net loss of \$564 for the three months ended February 28, 2023, for a difference of \$430,314. Some of the significant expenditures for the three months ended February 29, 2024, are included below:

- recorded administration fees of \$264,000 (February 28, 2023: \$234,000),
- recorded corporate development services income of \$311,168 (February 28, 2023: \$247,833) for services provided by the ZimtuADVANTAGE program,
- recorded a gain from the sale of property of \$nil (February 28, 2023: \$10,645),
- recorded a gain on sale of investments of \$260,808 (February 28, 2023: \$299,166),
- recorded an equity loss from investment in associates of \$49,501 (February 28, 2023: \$67,400),

- recorded a fair market loss on investments of \$772,173 (February 28, 2023: \$46,046) due to changes in market share prices of the Company's investments,
- recorded a fair market gain on notes receivable of \$46,625 (February 28, 2023: \$nil), and
- recorded general and administrative expenses of \$507,315 (February 28, 2023: \$678,804) as detailed below.

General and administrative expenses

During the three months ended February 29, 2024 and February 28, 2023, the Company incurred the following general and administrative expenses:

	February 29, 2024	February 28, 2023
	\$	\$
Accretion	-	528
Advertising and promotion	68,959	108,513
Filing fees and transfer agent expenses	6,583	11,780
Lease interest	10,688	651
Office and miscellaneous	46,647	41,592
Professional fees	25,419	58,700
ROU asset depreciation	33,816	36,503
Share-based payments	-	135,109
Wages and benefits	315,203	285,428
	507,315	678,804

The overall operating expenses of the Company were consistent with the prior period, with the exception of advertising and promotion, which decreased over the year and by a reduction in wages and benefits due to the reversal of bonuses to related parties from the prior year (See Related Party Transactions).

Summary of Quarterly Results

The following is a summary of the results from the eight most recently completed financial quarters ending:

	February 29, 2024	November 30, 2023	August 31, 2023	May 31, 2023
	\$	\$	\$	\$
Revenue (loss)	575,168	928,948	533,113	591,000
Net Income (loss)	(430,878)	(1,236,616)	(965,674)	(1,457,389)
Total assets	11,337,631	11,836,595	12,962,498	13,167,062
Working capital	8,988,628	9,552,693	9,340,660	10,776,235
Total liabilities	919,513	987,599	876,937	831,242
Equity	10,418,118	10,848,996	12,085,561	12,335,820

	February 28, 2023	November 30, 2022	August 31, 2022	May 31, 2022
	\$	\$	\$	\$
Revenue (loss)	492,478	454,195	461,142	424,743
Net Income (loss)	(564)	(7,200,206)	(3,100,020)	875,913
Total assets	14,589,835	13,459,802	19,873,091	22,709,365
Working capital	11,169,799	10,188,617	17,426,285	20,740,871
Total liabilities	1,891,151	4,780,217	938,173	674,427
Equity	12,698,684	11,679,585	18,934,918	22,034,938

The fluctuations between the eight quarters shown above are generally caused by the gains or losses on the sale of investments and/or the fair market gains or losses for the investments held by the Company. Income from property sales changes each quarter and is market dependent.

Liquidity and Capital Resources

The Company has had to rely upon the sale of equity securities for the cash required for capital acquisitions, exploration and development, and administration, among other things.

The capital resources of the Company include investments of \$7,190,964 held at fair market value and mineral properties valued at \$1,343,742. The Company's intention is to commit further funds for continuing its investment strategies.

The Company will continue to require funds to meet its investment objectives of giving its shareholders the opportunity to indirectly invest in a diversified series of early stage resource investments, which would not otherwise be available to them. As a result, the Company will have to continue to rely on equity and debt financing during such period as well as rely on the income generated through the provision of administration and management services to other companies.

There can be no assurance that financing, whether debt or equity, will always be available to the Company in the amount required at any particular time or for any particular period or, if available, that it can be obtained on terms satisfactory to the Company.

As the Company's revenues are expected to be in large part derived from provision of management and administration services to other companies, there can be no assurance that those management and administration contracts currently in place will continue at the rates that they are at or that the companies will continue to pay the Company for the services being provided.

Working Capital: As at February 29, 2024, the Company had total assets of 11,337,631 as compared to \$11,836,595 for the year ended November 30, 2023.

The primary assets of the Company as at February 29, 2024 are cash of \$18,637 (November 30, 2023: \$47,734), investments of \$7,190,964 (November 30, 2023: \$7,730,018) held at fair market value, advances and accounts receivables of \$1,691,287 (November 30, 2023: \$1,335,981), due from related parties of \$102,746 (November 30, 2023: \$116,102), due from equity investees of \$197,921 (November 30, 2023: \$487,182), right-of-use assets of \$338,162 (November 30, 2023: \$371,978), prepaid and deposits of \$46,749 (November 30, 2023: \$81,749), investment in associates of \$407,423 (2022: \$336,924), and mineral property interests of \$1,343,742 (November 30, 2023: \$1,314,074).

As at February 29, 2024, the Company has long-term liabilities of \$919,513 (November 30, 2023: \$354,695) and has working capital of \$8,988,628 (November 30, 2023: \$9,552,693).

Management of cash balances is conducted in-house based on internal investment guidelines.

Cash Used in Operating Activities: Cash from operating activities during the three months ended February 29, 2024 was \$110,194, compared with \$374,391 of cash used in operating activities during the three months ended February 28, 2023. Cash was mostly spent on advertising, general office expenses, professional fees, wages and benefits, prepaid expenses, accounts receivables, and adjusted for items not involving cash.

Cash Provided by Investing Activities: Total cash used for investing activities during the three months ended February 29, 2024 was \$60,479, compared to \$713,016 of cash used for investing activities during the three months ended February 28, 2023.

During the three months ended February 29, 2024, the Company:

- spent \$448,695 (February 28, 2023: \$760,392) on the acquisition of investments,
- received \$417,884 (February 28, 2023: \$760,392) from the proceeds of disposition of investments,
- received \$nil (February 28, 2023: \$12,500) from proceeds of the sale of mineral properties, and
- spent \$29,668 (February 28, 2023: \$34,448) on the acquisition and exploration of mineral property interests.

Cash Provided By Financing Activities: Total cash used for financing activities during the three months ended February 29, 2024 was \$78,812, compared to \$1,802,805 of cash provided by financing activities during the three months ended February 28, 2023. The Company received \$nil (February 28, 2023: \$829,427) for shares issued for cash less share issuance costs and spent \$38,812 (February 28, 2023: \$37,500) on the principal payments of lease liabilities and spent \$40,000 (February 28, 2023: \$nil) repaying the Company's CEBA loan.

Related Party Transactions

a) Compensation of key management

For the three months ended February 29, 2024 and February 28, 2023, the Company incurred the following fees and expenses in the normal course of operations and are measured at the exchange amount:

	February 29, 2024	February 28, 2023
Expenses:	\$	\$
Key management compensation	102,000	1,638,200
Share-based payments	-	34,725

b) Other related party transactions

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

	February 29, 2024	February 28, 2023
Revenue:	\$	\$
Management administration fees	144,000	504,389
Corporate development and marketing	102,000	275,000

As at February 29, 2024 and November 30, 2023, the Company has the following amounts due from (to) related parties and equity investees:

	February 29, 2024	November 30, 2023
	\$	\$
Due from equity investees (Note 7)		
Eagle Bay Resources Corp.	59,080	358,291
Sceptre Ventures Inc.	138,841	128,891
	197,921	487,182

	February 29, 2024	November 30, 2023
	\$	\$
Due from Related Parties		
Commerce Resources Corp.	-	(19,833)
Core Assets Corp.	-	3,689
David Hodge, former CEO, President and director (Note 8(b))	-	25,550
Jody Bellefleur, CFO and Corporate Secretary (Note 8(b))	62,410	62,710
Kevin Bottomley, director (Note 8(b))	4,875	4,860
Sean Charland, CEO, President and director (Note 8(b))	21,200	21,500
Chris Grove, director (Note 8(b))	14,351	17,626
	102,746	116,102

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

Investment in Associates

	Eagle Bay \$	Sceptre \$	Total \$
Balance, November 30, 2022	1,478,073	237,721	1,715,794
Shares acquired	22,345	-	22,345
Private share sale	(20,250)	-	(20,250)
(Loss) from equity investee	(239,395)	(53,274)	(292,669)
Impairment loss	(965,888)	(122,408)	(1,088,296)
Balance, November 30, 2023	274,885	62,039	336,924
Shares acquired	120,000	-	120,000
Private share sale	-	-	-
(Loss) from equity investee	(39,999)	(9,502)	(49,501)
Balance, February 29, 2024	354,886	52,537	407,423

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. 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(a)).

During the three months ended February 29, 2024, the investment was adjusted for \$39,999 (February 28, 2023: \$49,519) of equity loss due to the decrease of net assets of Eagle Bay. As at February 29, 2024, the Company holds 3,714,500 shares of Eagle Bay, equal to 24.30% (February 28, 2023: 40.38%) of Eagle Bay’s outstanding common shares. As at February 29, 2024, the fair value of the investment is \$354,886 (November 30, 2023: \$274,885) based on the market value.

The financial information of Eagle Bay as of and for the three months ended February 29, 2024 and the year ended November 30, 2023 is as follows:

	February 29, 2024	November 30, 2023
	\$	\$
Current assets	419,559	177,996
Non-current assets	972,491	967,189
Current liabilities	96,643	386,022
Shareholders’ equity	1,295,407	759,163
Expenses	142,044.00	584,894
Net loss	(142,044.09)	(584,894)

b) Sceptre Ventures Inc. (“Sceptre”)

Sceptre is a Capital Pool Company (“CPC”) as defined in TSX-V Policy 2.4, 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 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.

During the three months ended February 29, 2024, the investment was adjusted for \$9,502 (February 28, 2023: \$17,881) of equity loss due to the decrease of net assets of Sceptre. As at February 29, 2024, the Company holds 4,135,958 shares of Sceptre, equal to 34.44% (February 28, 2023: 34.44%) of Sceptre’s outstanding common shares. As at February 29, 2024, the fair value of the investment is \$52,537 (November 30, 2023: \$62,039).

The financial information as of February 29, 2024 and for the year ended November 30, 2023 is as follows:

	February 29, 2024	November 30, 2023
	\$	\$
Current assets	1,598	3,664
Current liabilities	478,032	452,505
Shareholders’ equity	(476,434)	(448,841)
Expenses	(27,587)	154,672
Net loss	27,587	(154,672)

Other MD&A Requirements

Disclosure of Outstanding Share Capital

The Company has an authorized share capital of an unlimited number of common shares without par value. The following table describes the issued and outstanding share capital of the Company:

	April 26, 2024	February 29, 2024	November 30, 2023
Common Shares	63,413,303	63,413,303	63,413,303
Stock Options	4,619,176	4,619,176	4,619,176
Warrants	28,214,320	28,926,320	38,836,820
Fully Diluted Shares	96,246,799	96,958,799	106,869,299

For additional details of outstanding share capital, refer to the condensed interim financial statements for the three months ended February 29, 2024.

Segmented Information

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

Summary details of the industry segments are as follows:

For the three months ended February 29, 2024:

	Investment in mineral properties \$	Management services \$	Corporate \$	Total \$
Revenue				
Administrative fees	-	264,000	-	264,000
Corporate development fees	-	311,168	-	311,168
Income from property sales	-	-	-	-
	-	575,168	-	575,168

	Investment in mineral properties	Management services	Corporate	Total
	\$	\$	\$	\$
Segment assets	-	-	9,993,889	9,993,889
Expenditure for segment capital assets	1,343,742	-	-	1,343,742
	1,343,742	-	9,993,889	11,337,631

For the three months ended February 28, 2023:

	Investment in mineral properties	Management services	Corporate	Total
	\$	\$	\$	\$
Revenue				
Administrative fees	-	234,000	-	234,000
Corporate development fees	-	247,833	-	247,833
Income (loss) from property sale	10,645	-	-	10,645
	10,645	481,833	-	492,478

For the year ended November 30, 2023:

	Investment in mineral properties	Management services	Corporate	Total
	\$	\$	\$	\$
Segment assets	-	-	10,522,521	10,522,521
Expenditure for segment capital assets	1,314,074	-	-	1,314,074
	1,314,074	-	10,522,521	11,836,595

Risk Factors

The following is factors, trends and risks may affect the Company's liquidity, capital resources and solvency. Readers are cautioned that this is not an exhaustive list and should refer to the Company's Filing Statement dated July 25, 2008, which can be found at www.sedar.com.

Business History: The Company has a limited business history and a limited history of operating earnings and the likelihood of success of the Company therefore must be considered in light of the problems, expenses, difficulties, complication and delays frequently encountered in connection with the establishment of any business.

Limited Financial Resources: The Company has limited financial resources and there is no assurance that additional funding will be available to it. There is no assurance that the Company can generate revenues, operate profitably, or provide a return on investment, or that it will successfully implement its plans. The Company may require additional financing to continue its operations and there can be no assurance that the Company will be able to obtain adequate financing in the future. Failure to obtain such additional financing could result in delay or indefinite postponement of further investments of the Company. The Company may issue additional securities from time to time which may be dilutive to Shareholders.

The Company will be neither a mutual fund nor an investment fund and due to the nature of its business and investment strategy and the composition of its investment portfolio, the market price of its common shares, at any time, may vary significantly from the Company's net asset value per share. This risk is separate and distinct from the risk that the market price of the common shares may decrease.

Revenue & Investments: Revenues received by the Company has been generated by management fees paid by corporations which may have directors and officers in common. In the event that there is a change in the management of these corporations there is no certainty that these management contracts will continue.

Composition of Portfolio: The composition of the Company's securities portfolio taken as a whole may vary widely from time to time. Investments by the Company in private issuers cannot be resold without a prospectus, an available exemption or an appropriate ruling under relevant securities legislation and there may not be any market for such securities. This shall impair the Company's ability to react quickly to market conditions or negotiate the most favourable terms for exiting such investments. Investments in private issuers may offer relatively high potential returns, but will also be subject to a relatively high degree of risk and are subject to indefinite hold periods.

The Company may make investments in securities that have low trading volumes. Accordingly, it may be difficult for the Company to make trades in these securities without adversely affecting the price of such securities.

Stock Price and Performance: The Company's stock price may vary according to the value of the securities in which it invests, which will depend, in part, upon the performance of the issuers of such securities. The value of the securities acquired by the Company will be affected by business factors and risks that are beyond the control of the Company. In addition, the performance of certain of the securities may be affected by business factors and risks other than their exposure to metal and mineral prices, which may be more determinative of such securities' performance. Some of these factors and risks are: (i) some of the issuers in which the Company invests may have limited operating histories; (ii) operational risks related to specific business activities of the respective issuers; (iii) quality of underlying assets; (iv) financial performance of the respective issuers and their competitors; (v) volatility in the price of metal and mineral prices; (vi) environmental risks; (vii) political risks; (viii) fluctuations in exchange rates; (ix) fluctuations in interest rates; and (x) government regulations, including regulations to prices, taxes, royalties, land tenure, land use, importing and exporting of materials and environmental protection.

There is no assurance that the investment objectives of the Company will actually be achieved. The value of the shares of the Company will increase or decrease with the value of its investment portfolio and general economic conditions beyond the control of the Company's management, including the level of interest rates, corporate earnings, economic activity, the value of the Canadian dollar and other factors.

Key Personnel: Prospective investors assessing the risks and rewards of an investment in the Company should appreciate that they will, in large part, be relying on the good faith and expertise of the Company and will have to rely on the discretion and ability of the Company in determining the composition of the portfolio of assets, and in negotiating the pricing and other terms of the agreements leading to the acquisition of assets.

Conflicts of Interest: Directors and officers of the Company are or may become directors or officers of other reporting companies or have significant shareholdings in other investment companies and, to the extent that such other companies may participate in ventures in which the Company may participate, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. The ability to liquidate investments held by the Company in corporations with common directors may be impaired by trading black-out periods imposed in insiders of such entities.

The Company and its directors and officers will attempt to minimize such conflicts. In the event that such a conflict of interest arises at a meeting of the directors of the Company, a director who has such a conflict is obligated to disclose any interest in the potential investment. In the event that a conflict is detected, the target company may be notified of the conflict. Depending on the circumstances of the potential investment, the director in conflict may be asked to abstain from voting for or against the approval of such participation. In appropriate cases the Company will establish a special committee of independent directors to review a matter in which several directors, or officers, may have a conflict. In determining whether or not the Company will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to the Company, the degree of risk to which the Company may be exposed and its financial position at that time. Other than as indicated, the Company has no other procedures or mechanisms to deal with conflicts of interest.

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)	194,864	-	-	194,864
Promissory note receivables – related parties (Note 10)	109,271	-	-	109,271
Investment in public company shareholdings (Note 6a)	4,927,752	-	-	4,927,752
Investment in private company shareholdings (Note 6d)	-	-	1,392,610	1,392,610
Investment in warrants (Note 6b)	-	836,102	-	836,102
As at February 29, 2024	5,231,887	836,102	1,392,610	7,460,599
Fair value through profit or loss:				
Promissory note receivables (Note 8)	205,264	-	-	205,264
Promissory note receivables – related parties (Note 10)	113,746	-	-	113,746
Investment in public company shareholdings (Note 6a)	5,434,745	-	-	5,434,745
Investment in private company shareholdings (Note 6d)	-	-	1,392,610	1,392,610
Investment in warrants (Note 6b)	-	868,163	-	868,163
As at November 30, 2023	5,753,755	868,163	1,392,610	8,014,528

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.

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.

e) Foreign currency risk

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

f) Interest rate risk

The Company is not exposed to significant interest rate risk even though the Company has cash balances, and its current policy is to invest excess cash in certificates of deposit or money market funds of major Canadian chartered banks. The GIC included in investments bear interest at a variable rate, and the Company is, therefore, exposed to the risk of changes in fair value resulting from interest rate fluctuations. The sensitivity of the Company to a variation of 1% in the interest rate would decrease/increase the net loss of the Company by \$345. The Company's other financial assets and financial liabilities do not comprise any interest rate risk since they do not bear interest.

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 three months ended February 29, 2024 or the year ended November 30, 2023. The Company is not subject to externally imposed capital requirements.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Forward Looking Statements

All statements other than statements of historical fact contained in this Management Discussion & Analysis are forward looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving the Company. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements should not be in any way construed as guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements.

Readers can identify many of these statements by looking for words such as “believes”, “expects”, “will”, “intends”, “projects”, “anticipates”, “estimates”, “continues” or similar words or the negative thereof. Examples of forward looking statements in this Management Discussion & Analysis include that:

- the Company's goal is to take advantage of the favourable investment opportunities that arise between the private and public phases of a given investment in the natural resources sector and to seek and identify high return investment opportunities in the resource sector through direct investments in project interests or indirect investments by means of equity shareholdings;
- the Company's objective is to preserve its capital and limit the downside risk of its capital and to achieve a reasonable rate of capital appreciation;
- the Company shall focus on natural resource industries, concentrating on early stage exploration and development companies
- the Company may employ a wide range of investment instruments, including equity, bridge loans, secured loans, unsecured loans, convertible debentures, warrants and options, royalties, net profit interests and other hybrid instruments.

- the Company intends to create a diversified portfolio of investments, which composition will vary over time depending on its assessment of a number of factors including the performance of financial markets and credit risk; and
- the Company expects its Management Services Revenue to continue.
- the Company expects its corporate development and marketing revenue to continue.

There can be no assurance that the plan, intentions or expectations upon which these forward looking statements are based will occur. Forward looking statements are subject to risks, uncertainties and assumptions. Readers are cautioned not to put undue reliance on forward looking statements. The Company does not undertake to update any forward-looking statements that are contained herein, except in accordance with applicable securities laws.

Directors and Officers

As at the date of this report, the Company had the following directors and officers:

Sean Charland* – Director, President and CEO

Robert Leckie – Director

Chris Grove* – Director

Kevin Bottomley* – Director

Jody Bellefleur – CFO and Corporate Secretary

* Member of the Company's Audit Committee

Approval

The Board of Directors of Zimtu Capital Corp. has approved the disclosure contained in this MD&A.

Additional Information

Additional information related to the Company can be found on the Company's website at www.zimtu.com or on SEDAR at www.sedar.com.