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## **GIYANI METALS CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023**

**(Expressed in Canadian Dollars)**

**(UNAUDITED)**

# GIYANI METALS CORP.

## Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian Dollars unless otherwise stated)

As at	September 30, 2023 (Unaudited)	December 31, 2022 (Audited)
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 4,888,950	\$ 11,676,017
Statutory receivable	32,309	43,187
Prepaid and other expenses	99,565	158,959
<b>Current assets</b>	<b>5,020,824</b>	<b>11,878,163</b>
<b>Non-current</b>		
Property, plant and equipment	Note 5 7,526,388	4,396,445
Exploration and evaluation assets	Note 6 12,984,410	13,055,777
<b>Total assets</b>	<b>\$ 25,531,622</b>	<b>\$ 29,330,385</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	Notes 7,9 \$ 1,824,242	\$ 1,099,634
Lease liabilities	Note 8 48,352	33,847
	<b>1,872,594</b>	<b>1,133,481</b>
<b>Non-current</b>		
Lease liabilities	Note 8 42,372	-
<b>Total liabilities</b>	<b>\$ 1,914,966</b>	<b>\$ 1,133,481</b>
<b>EQUITY</b>		
Share capital	Note 10 \$ 54,437,438	\$ 54,285,787
Contributed surplus	Note 11 9,188,805	8,925,431
Warrants	Note 12 11,260,336	11,308,269
Cumulative translation adjustment	(1,372,944)	18,920
Deficit	(49,896,979)	(46,341,503)
	<b>23,616,656</b>	<b>28,196,904</b>
<b>Total liabilities and equity</b>	<b>\$ 25,531,622</b>	<b>\$ 29,330,385</b>

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nature of operations and going concern (note 1)

Subsequent events (note 18)

Approved by the Board of Directors:

Director: Stephanie Hart

Director: John L. Petersen

# GIYANI METALS CORP.

## Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Expressed in Canadian dollars unless otherwise stated)

For the periods ended	For the three months ended		For the nine months ended		
	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	
<b>Expenses</b>					
Corporate, general and administrative expenses	Note 13	\$ 1,287,771	\$ 1,156,916	\$ 3,784,036	\$ 4,649,772
Depreciation	Note 5	19,164	22,113	59,287	65,215
<b>Net loss before finance charges and foreign exchange</b>		<b>1,306,935</b>	1,179,029	<b>3,843,323</b>	4,714,987
<b>Other items</b>					
Foreign exchange loss (gain), net		2,095	(4,224)	12,544	(10,961)
Gain on sale of Rock Island Trading (Pty) Ltd.	Note 6	-	(26,762)	(25,939)	(114,279)
Finance (income), net		(81,501)	(90,585)	(274,452)	(147,854)
<b>Net loss</b>		<b>\$ 1,227,529</b>	\$ 1,057,458	<b>\$ 3,555,476</b>	\$ 4,441,893
<b>Other comprehensive loss</b>					
Currency translation adjustment		(10,362)	112,137	1,391,864	130,958
<b>Net loss and comprehensive loss for the period</b>		<b>\$ 1,217,167</b>	\$ 1,169,595	<b>\$ 4,947,340</b>	\$ 4,572,851
<b>Basic and diluted loss per share</b>		<b>\$ 0.01</b>	\$ 0.00	<b>\$ 0.02</b>	\$ 0.02
<b>Weighted average number of shares outstanding</b>		<b>219,478,095</b>	218,409,672	<b>218,941,992</b>	208,699,430

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

# GIYANI METALS CORP.

## Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars unless otherwise stated)

	Notes	Number	Share Capital Amount	Contributed Surplus	Warrants	Cumulative Translation Adjustment	Deficit	Total
<b>Balance at December 31, 2021</b>		<b>203,175,629</b>	<b>\$ 48,077,609</b>	<b>\$ 8,298,318</b>	<b>\$ 12,689,326</b>	<b>\$ (475,578)</b>	<b>\$ (40,917,863)</b>	<b>\$ 27,671,812</b>
Exercise of warrants	10b(i)	13,872,682	5,531,660	-	(1,193,770)	-	-	4,337,890
Exercise of finders warrants	10b(i)	998,257	456,719	-	(187,287)	-	-	269,432
Stock-based compensation	11(iv)	-	-	469,751	-	-	-	469,751
Exercise of stock options	10b(ii)	300,000	183,950	(81,950)	-	-	-	102,000
Settlement of restricted share units (RSUs)	10b(iii)	94,340	35,849	-	-	-	-	35,849
Currency translation adjustment		-	-	-	-	(130,958)	-	(130,958)
Net loss		-	-	-	-	-	(4,441,893)	(4,441,893)
<b>Balance at September 30, 2022</b>		<b>218,440,908</b>	<b>\$ 54,285,787</b>	<b>\$ 8,686,119</b>	<b>\$ 11,308,269</b>	<b>\$ (606,536)</b>	<b>\$ (45,359,756)</b>	<b>\$ 28,313,883</b>
Exercise of warrants	10b(i)	-	-	-	-	-	-	-
Exercise of finders warrants	10b(i)	-	-	-	-	-	-	-
Stock-based compensation	11(iv)	-	-	239,312	-	-	-	239,312
Currency translation adjustment		-	-	-	-	625,456	-	625,456
Net loss		-	-	-	-	-	(981,747)	(981,747)
<b>Balance at December 31, 2022</b>		<b>218,440,908</b>	<b>\$ 54,285,787</b>	<b>\$ 8,925,431</b>	<b>\$ 11,308,269</b>	<b>\$ 18,920</b>	<b>\$ (46,341,503)</b>	<b>\$ 28,196,904</b>
Exercise of warrants	10b(iv)	1,037,187	151,651	-	(47,933)	-	-	103,718
Stock-based compensation	11(vi)	-	-	263,374	-	-	-	263,374
Currency translation adjustment		-	-	-	-	(1,391,864)	-	(1,391,864)
Net loss		-	-	-	-	-	(3,555,476)	(3,555,476)
<b>Balance at September 30, 2023</b>		<b>219,478,095</b>	<b>\$ 54,437,438</b>	<b>\$ 9,188,805</b>	<b>\$ 11,260,336</b>	<b>\$ (1,372,944)</b>	<b>\$ (49,896,979)</b>	<b>\$ 23,616,656</b>

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

# GIYANI METALS CORP.

## Condensed Consolidated Interim Statements of Cash Flows

(Expressed in Canadian dollars unless otherwise stated)

### Consolidated Statement of Cash Flows

(Expressed in Canadian dollars unless otherwise stated)

For the periods ended	September 30, 2023	September 30, 2022
<b>Operating activities</b>		
Net loss	\$ (3,555,476)	\$ (4,441,893)
Adjusted for:		
Depreciation	Note 5 59,287	65,215
Stock-based compensation	Note 11(vi) 263,374	479,632
Finance (income), net	1,772	3,502
Unrealized foreign exchange loss (gain), net	(252,743)	65,020
Changes in working capital and other:		
Increase in statutory receivable	10,290	34,563
Decrease (increase) in prepaids	56,024	(97,547)
Increase in accounts payable and accrued liabilities	141,475	527,061
<b>Cash used in operating activities</b>	<b>(3,275,997)</b>	<b>(3,364,447)</b>
<b>Investing activities</b>		
Additions to property, plant and equipment	Note 5 (2,849,023)	(1,303,156)
Additions to exploration and evaluation expenditures	Note 6 (723,655)	(4,111,393)
<b>Cash used in investing activities</b>	<b>(3,572,678)</b>	<b>(5,414,549)</b>
<b>Financing activities</b>		
Proceeds from exercise of stock options	Note 10b(ii) -	102,000
Proceeds from exercise of warrants	Note 10b(iv) 103,718	4,607,322
Payment of lease liabilities	Note 8 (41,911)	(44,519)
<b>Cash provided by financing activities</b>	<b>61,807</b>	<b>4,664,803</b>
<b>Decrease in cash</b>	<b>(6,786,868)</b>	<b>(4,114,193)</b>
<b>Cash at beginning of the period</b>	<b>11,676,017</b>	<b>20,250,602</b>
<b>Effect of foreign exchange on cash</b>	<b>(199)</b>	<b>(3,123)</b>
<b>Cash position at end of the period</b>	<b>\$ 4,888,950</b>	<b>\$ 16,133,286</b>

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

# GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise stated)

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## 1. Nature of operations and going concern

Giyani Metals Corp., formerly Giyani Gold Corp. ("**Giyani**", or "**the Company**"), was incorporated under the Canada Business Corporations Act on July 26, 2007, and continued under the Business Corporations Act of British Columbia on August 4, 2010.

Giyani aims to be a sustainable, low carbon producer of battery materials for the electric vehicle industry. The Company has developed a hydrometallurgical process to produce a battery-grade high-purity manganese sulphate monohydrate ("**HPMSM**"), a lithium-ion battery cathode precursor material critical for EVs, directly from ore supplied by the Company's own manganese oxide ("**MnO**") deposits. These include the K.Hill Battery-Grade Manganese Project ("**K.Hill Project**") the Otse MnO prospect ("**Otse**") and the Lobatse MnO prospect ("**Lobatse**") which have all seen historical mining activities. They are located in the Kanye Basin of south-eastern Botswana (the "**Kanye Basin Prospects**") and held through Menzi Battery Metals (Pty) Limited ("**Menzi**"), a wholly owned subsidiary of Giyani.

The Company's registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange ("**TSXV**") under the symbol "EMM".

These unaudited condensed interim consolidated financial statements ("**Interim Financial Statements**") have been prepared using IFRS applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. These Interim Financial Statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. For the three and nine months period ended September 30, 2023, the Company reported a net loss of \$1,227,529 and \$3,555,476, respectively (three and nine months ended September 30, 2022 - \$1,057,458 and \$4,441,893) and had an accumulated deficit of \$49,896,979 at September 30, 2023 (December 31, 2022 - \$46,341,503). The Company has positive working capital of \$3,148,230 (December 31, 2022 - \$10,744,682). The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that additional funds will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

## 2. Basis of preparation

### (a) Statement of compliance

These Interim Financial Statements as at and for the three and nine months ended September 30, 2023 and 2022 have been prepared in accordance with International Accounting Standard ("**IAS**") 34 "Interim Financial Reporting" using accounting policies consistent with the International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and interpretations issued by the IFRS Interpretations Committee ("**IFRICs**").

These Interim Financial Statements should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2022.

The Board of Directors approved these Interim Financial Statements on November 30, 2023.

# GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise stated)

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## (b) Use of judgements and estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, income and expenses. Actual results could differ from these estimates, judgments and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant estimates and judgments applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Note 2(f) to the Company's audited consolidated financial statements for the year ended December 31, 2022.

## 3. Significant accounting policies

The accounting policies and methods of computation applied by the Company in these Interim Financial Statements are the same as those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2022.

## 4. New standards

### New standards and interpretations adopted

#### *Definition of Accounting Estimates - Amendments to IAS 8*

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Company's Interim Financial Statements.

#### *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2*

The amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Company's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Company's Interim Financial Statements.

#### *Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12*

The amendments to IAS 12 Income Tax narrow the scope of the initial recognition exception, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases and decommissioning liabilities. The amendments had no impact on the Company's consolidated financial statements.

### New Accounting Standards Issued, But Not Yet Effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's Interim Financial Statements that the Company reasonably expects will have an impact on its disclosures, financial position or performance when applied at a future date, are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

#### *Amendments to IAS 1: Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period

# GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise stated)

- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively. The adoption of this standard should have no material impact on the Company.

## Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after January 1, 2024. Early adoption is permitted but will need to be disclosed. The amendments are not expected to have a material impact on the Company's consolidated financial statements.

## 5. Property, plant and equipment

	Demonstration plant under construction	Furniture and Fixture	Computer Equipment	Vehicles	ROU Property	Leasehold Improvements	Total
<b>Cost</b>							
At December 31, 2021	\$ -	\$ 28,938	\$ 4,889	\$ 43,984	\$ 109,829	\$ 7,056	\$ 194,696
Additions	4,157,815	5,189	8,442	40,103	-	2,538	4,214,087
Foreign exchange	108,176	947	188	2,893	3,299	(21)	115,482
Disposal	-	-	(2,945)	-	-	-	(2,945)
At December 31, 2022	\$ 4,265,991	\$ 35,074	\$ 10,574	\$ 86,980	\$ 113,128	\$ 9,573	\$ 4,521,320
Additions	3,545,782	-	1,759	-	100,722	-	3,648,263
Foreign exchange	(445,252)	(3,558)	(659)	(10,019)	(14,197)	(1,103)	(474,788)
<b>At September 30, 2023</b>	<b>\$ 7,366,521</b>	<b>\$ 31,516</b>	<b>\$ 11,674</b>	<b>\$ 76,961</b>	<b>\$ 199,653</b>	<b>\$ 8,470</b>	<b>\$ 7,694,795</b>
<b>Accumulated depreciation</b>							
At December 31, 2021	\$ -	\$ (6,312)	\$ (662)	\$ (2,199)	\$ (23,706)	\$ (882)	\$ (33,761)
Depreciation	-	(3,868)	(2,781)	(21,588)	(54,430)	(4,801)	(87,468)
Foreign exchange	-	(215)	(66)	(912)	(2,846)	(215)	(4,254)
Disposal	-	-	608	-	-	-	608
At December 31, 2022	\$ -	\$ (10,395)	\$ (2,901)	\$ (24,699)	\$ (80,982)	\$ (5,898)	\$ (124,875)
Depreciation expense	-	(2,424)	(1,900)	(12,816)	(38,782)	(3,365)	(59,287)
Foreign exchange	-	797	245	3,279	10,641	793	15,755
<b>At September 30, 2023</b>	<b>\$ -</b>	<b>\$ (12,022)</b>	<b>\$ (4,556)</b>	<b>\$ (34,236)</b>	<b>\$ (109,123)</b>	<b>\$ (8,470)</b>	<b>\$ (168,407)</b>
<b>Net book value:</b>							
At December 31, 2022	\$ 4,265,991	\$ 24,679	\$ 7,673	\$ 62,281	\$ 32,146	\$ 3,675	\$ 4,396,445
<b>At September 30, 2023</b>	<b>\$ 7,366,521</b>	<b>\$ 19,494</b>	<b>\$ 7,118</b>	<b>\$ 42,725</b>	<b>\$ 90,530</b>	<b>\$ -</b>	<b>\$ 7,526,388</b>

Demonstration plant under construction is not being depreciated because it is not yet available for use.

## 6. Exploration and evaluation assets

### Botswana

The following table shows the continuity of the acquisition costs and expenditures incurred on the Kanye Basin Prospects:

# GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise stated)

	September 30 2023	December 31 2022
Opening balance	\$ 13,055,777	\$ 8,579,209
Exploration and drilling	14,780	1,248,373
Engineering studies	478,227	1,226,492
Environmental studies	65,506	65,237
Geological studies	47,176	1,052,726
Other field operations	20,754	108,228
Metallurgical test work and analysis	573	502,473
Acquisition costs and permits	-	80,730
Foreign exchange	(698,383)	192,309
<b>Total</b>	<b>\$ 12,984,410</b>	<b>\$ 13,055,777</b>

## South Africa

### Rock Island Gold Project

The Company had previously entered into a joint operation agreement relating to the assets of Rock Island with Corridor Mining Resources ("CMR"). The joint operation was operated through Rock Island, a company incorporated in South Africa for which Giyani had a 28.8% effective ownership. For accounting purposes, an impairment of the full carrying amount of the Rock Island Gold Project was recorded in previous periods.

During the year ended December 31, 2019, the Company entered into a share sale agreement with CMR to sell the Company's effective interest of 28.8% or 45 shares in Rock Island (the "**Rock Island Agreement**") held through Lexshell 837 Investments (Pty) Ltd. ("**Lexshell**").

Also, during the year ended December 31, 2019, the Company entered into a share purchase agreement with Malungani Resources (Pty) Ltd ("**Malungani**") to acquire the remaining 36% of Lexshell it did not already own (the "**Lexshell Agreement**"). The Company and Malungani agreed on the following:

- Upon completion of the Rock Island Agreement, Lexshell would transfer the sale proceeds to Giyani in settlement of certain inter-company debts.
- The Company would issue Malungani 1,248,999 common shares of Giyani. 416,333 or one-third of the shares were issued as of December 31, 2019, and the remaining two-thirds were to be issued once the Company received the remaining proceeds from the Rock Island Agreement.

During the year 2021, the Company and Malungani amended the terms and completed the Lexshell Agreement for cash consideration of \$45,000 as full and final settlement.

As at and during the period ended September 30, 2023:

- The Rock Island Agreement had not been completed;
- The Company received ZAR350,000 (\$25,939) (nine months ended September 30, 2022 – ZAR1,400,000 (\$114,279)) from CMR which were recorded in the consolidated statements of loss and comprehensive loss.

## 7. Accounts payable and accrued liabilities

	September 30 2023	December 31 2022
Trade payables	\$ 729,166	\$ 80,838
Accrued liabilities	1,095,076	1,018,796
<b>Total</b>	<b>\$ 1,824,242</b>	<b>\$ 1,099,634</b>

# GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise stated)

## 8. Lease liabilities

	September 30 2023	December 31 2022
Lease liabilities, beginning of the period	\$ 33,847	\$ 87,255
Additions	100,722	-
Finance cost	1,772	4,970
Lease payments	(41,911)	(58,886)
Foreign exchange	(3,706)	508
<b>Lease liabilities, end of the period</b>	<b>\$ 90,724</b>	<b>\$ 33,847</b>

	September 30 2023	December 31 2022
Current portion of lease liabilities	\$ 48,352	\$ 33,847
Non-current portion of lease liabilities	42,372	-
<b>Total</b>	<b>\$ 90,724</b>	<b>\$ 33,847</b>

The Company recognized lease liabilities for the lease of two properties in Botswana at an incremental borrowing rate of 8.0%.

During the three and nine months ended September 30, 2023, short-term lease payments recorded in the consolidated statements of loss and comprehensive loss was \$1,079 and \$3,183 (three and nine months ended September 30, 2022 - \$990 and \$4,110).

## 9. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consist of the Company's Board of Directors and corporate officers.

Related party transactions for the three and nine months ended September 30, 2023, and September 30, 2022, are as follows:

Transaction type	Nature of relationship	For the three months ended		For the nine months ended	
		September 30 2023	September 30 2022	September 30 2023	September 30 2022
Management fees	Officers	\$ 286,435	\$ 512,159	\$ 1,119,635	\$ 1,445,531
Director fees	Directors	89,831	83,605	254,985	230,333
Exploration and evaluation expenditures	Management	5,742	90,439	54,622	438,331
Stock-based compensation	Directors and officers	112,677	69,450	269,700	531,136
<b>Total</b>		<b>\$ 494,685</b>	<b>\$ 755,653</b>	<b>\$ 1,698,942</b>	<b>\$ 2,645,331</b>

A summary of amount due to related parties which is recorded in accounts payable and accrued liabilities is:

Transaction type	Nature of relationship	September 30 2023	December 31 2022
Management fees	Management fee officers	\$ 252,235	\$ 167,500

# GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
September 30, 2023 and 2022  
(Expressed in Canadian dollars unless otherwise stated)

## 10. Share capital

### a) Authorized share capital

Unlimited number of common shares without par value.

### b) Issued share capital

The following is a continuity of shares issued:

		Number of shares	Amount \$
<b>Balance, December 31, 2021</b>		<b>203,175,629</b>	<b>\$ 48,077,609</b>
Exercise of warrants	(i)	13,872,682	4,337,890
Exercise of finders warrants	(i)	998,257	269,432
Fair value reclassified upon exercise of warrants and finders warrants	(i)	-	1,381,057
Exercise of stock options	(ii)	300,000	102,000
Fair value reclassified upon exercise of stock options	(ii)	-	81,950
Fair value of RSUs settled	(iii)	94,340	35,849
<b>Balance, December 31, 2022</b>		<b>218,440,908</b>	<b>\$ 54,285,787</b>
Exercise of warrants	(iv)	1,037,187	103,718
Fair value reclassified upon exercise of warrants	(iv)	-	47,933
<b>Balance, September 30, 2023</b>		<b>219,478,095</b>	<b>\$ 54,437,438</b>

(i) During the year ended December 31, 2022, 13,872,682 warrants with exercise prices between \$0.20 and \$0.35 were exercised for gross proceeds of \$4,337,890 and 998,257 finders' warrants with exercise prices between \$0.125 and \$0.35 were exercised for gross proceeds of \$269,432. The fair value of the warrants and finders' warrants exercised was \$1,193,770 and \$187,287, respectively, which was reallocated from warrants to share capital.

(ii) During the year ended December 31, 2022, a current officer and a current director exercised 300,000 stock options with an exercise price of \$0.34 for total gross proceeds of \$102,000. The fair value of the stock options exercised was \$81,950 which was reallocated from contributed surplus to share capital.

(iii) During the year ended December 31, 2022, a former officer settled 94,340 RSUs resulting in the same number of common shares issued. The fair value of the RSUs exercised was \$35,849 which was reallocated from RSU liability to share capital.

(iv) For the nine months ended September 30, 2023, 1,037,187 warrants with an exercise price of \$0.10 were exercised for gross proceeds of \$103,718. The fair value of the warrants exercised was \$47,933 which was reallocated from warrants to share capital.

## 11. Stock Options

The Company has adopted an incentive stock option plan in accordance with the policies of the TSXV, under which the Board of Directors of the Company may grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares provided the number of shares reserved for issuance under the stock option plan shall not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Board of Directors determines the price per common share and the number of common shares, which may be allotted to directors, officers, employees and consultants, and all other terms and conditions of the option, subject to the rules of the TSXV.

Stock option transactions are summarized as follows:

## GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise stated)

		Number of stock options outstanding	Weighted average exercise price
<b>Balance, December 31, 2021</b>		<b>11,812,500</b>	<b>\$ 0.32</b>
Exercised	note 10(b)(ii)	(300,000)	0.34
Granted	(i, ii, iii)	2,950,000	0.26
Expired	(iv)	(750,000)	0.30
Forfeited	(iv)	(1,383,333)	0.27
<b>Balance, December 31, 2022</b>		<b>12,329,167</b>	<b>\$ 0.31</b>
Granted	(v)	3,000,000	0.20
Forfeited	(vi)	(166,666)	0.32
Expired	(vi)	(1,762,500)	0.36
<b>Balance, September 30, 2023</b>		<b>13,400,001</b>	<b>\$ 0.28</b>

(i) On April 1, 2022, 475,000 options were granted to certain officers and employees of the Company in accordance with the Company's Stock Option Plan. Each option is exercisable into one common share of the Company at a price of \$0.33 per common share for a period of five years from the date of grant. 75,000 options vested on April 12, 2022; 250,000 options will vest in thirds on April 1, 2022 (vested), April 1, 2023 (vested), and April 1, 2024; and 150,000 options will vest in thirds on August 19, 2022 (vested), April 19, 2023 (vested), and April 19, 2024. A fair value of \$133,710 was determined using the Black Scholes option pricing model and the following assumptions: share price of \$0.32, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 137%; risk-free interest rate of 2.46%; and an expected life of five years.

(ii) On June 17, 2022, 1,000,000 options were granted to certain officers and directors of the Company in accordance with the Company's Stock Option Plan. Each option is exercisable into one common share of the Company at a price of \$0.36 per common share for a period of five years from the date of grant. 750,000 options vested immediately; 250,000 options will vest in thirds on July 2, 2022 (vested), and July 2, 2023 (vested), and July 2, 2024. A fair value of \$326,579 was determined using the Black Scholes option pricing model and the following assumptions: share price of \$0.37, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 136%; risk-free interest rate of 3.32%; and an expected life of five years.

(iii) On November 14, 2022, 1,475,000 options were granted to a consultant, officer and director of the Company in accordance with the Company's Stock Option Plan. Each option is exercisable into one common share of the Company at a price of \$0.165 per common share for a period of five years from the date of grant. 350,000 options vested immediately; 125,000 options will vest in thirds on November 14, 2022 (vested), October 24, 2023, and October 24, 2024. 50% of 1,000,000 options vested on November 14, 2022, and the remaining 50% vested on September 27, 2023. A fair value of \$221,094 was determined using the Black Scholes option pricing model and the following assumptions: share price of \$0.17, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 135%; risk-free interest rate of 3.33%; and an expected life of five years.

(iv) During the year ended December 31, 2022, the Company recorded stock-based compensation in connection with the vesting of options totaling \$709,063 (December 31, 2021 - \$1,513,787) in the audited consolidated statements of loss and comprehensive loss. During the year ended December 31, 2022, 1,383,333 stock options with exercise prices between \$0.15 and \$0.53 were forfeited and 750,000 stock options with exercise price of \$0.30 were expired.

(v) On April 3, 2023, 3,000,000 stock options were granted to an officer and director of the Company in accordance with the Company's Stock Option Plan. Each option is exercisable into one common share of the Company at a price of \$0.20 per common share for a period of five years from the date of grant. One-third of the options will vest on the earlier of twelve months following the grant date or an aggregate financing up to \$15,000,000 from the grant date; one-third of the options will vest the later of twenty-four months following the grant date or an aggregate financing of \$35,000,000 from the grant date, and the final one-third of the options will vest on the earlier of thirty-six months following the grant date or the date when the Board makes a positive financial investment decision to proceed with the K.Hill Project. A fair value of \$524,979 was determined using

## GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise stated)

the Black Scholes option pricing model and the following assumptions: share price of \$0.20, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 134%; risk-free interest rate of 2.94%; and an expected life of five years.

(vi) During the three and nine months ended September 30, 2023, the Company recorded stock-based compensation in connection with the vesting of options totaling \$94,066 and \$263,374 (three months and nine months ended September 30, 2022 – (\$177,064) and \$469,751) in the condensed interim consolidated statements of loss and comprehensive loss. 1,762,500 stock options with exercise prices between \$0.23 and \$0.53 expired and 166,666 stock options with exercise prices between \$0.165 and \$0.48 were forfeited.

Stock options outstanding as at September 30, 2023:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Total options	Options exercisable
September 28, 2023 <sup>1</sup>	0.28	-	1,325,000	1,325,000
October 3, 2023	0.15	0.01	300,000	300,000
October 3, 2023	0.185	0.01	600,000	600,000
October 3, 2023	0.53	0.01	666,667	666,667
January 7, 2024	0.165	0.25	41,667	41,667
February 14, 2024	0.48	0.38	250,000	250,000
April 26, 2024	0.48	0.57	166,667	166,667
November 19, 2024	0.15	1.14	750,000	750,000
July 5, 2025	0.15	1.76	375,000	375,000
September 24, 2025	0.185	1.99	1,000,000	1,000,000
April 21, 2026	0.53	2.56	950,000	950,000
June 18, 2026	0.40	2.72	450,000	450,000
September 2, 2026	0.48	2.93	700,000	700,000
April 1, 2027	0.33	3.50	475,000	341,667
June 17, 2027	0.36	3.72	1,000,000	916,667
November 14, 2027	0.165	4.13	1,350,000	850,000
April 3, 2028	0.20	4.51	3,000,000	-
		<b>2.81</b>	<b>13,400,001</b>	<b>9,683,335</b>

(1) The Company's Stock Option Plan automatically extends the expiry date of options which would otherwise expire during a Blackout Period by 10 days following the end of the Blackout Period. This extension is applicable only for option holders who are affected by the Blackout Periods.

(vii) During the three and nine months ended September 30, 2023, the Company recorded share-based compensation expenses for RSUs of \$Nil (three months and nine months ended September 30, 2022 – (\$19,676) and \$9,881) in the condensed interim consolidated statements of loss and comprehensive loss. There were no RSUs outstanding as at September 30, 2023, and December 31, 2022.

(viii) Subsequent to September 30, 2023, 1,566,667 stock options expired unexercised on October 3, 2023.

## GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
September 30, 2023 and 2022  
(Expressed in Canadian dollars unless otherwise stated)

### 12. Warrants

Warrant transactions are summarized as follows:

		Number of warrants outstanding	Weighted average exercise price
<b>Balance, December 31, 2021</b>		<b>48,645,914</b>	<b>\$ 0.52</b>
Exercised	note 10b (i)	(14,870,939)	0.31
Expired		(18,113,038)	0.67
<b>Balance, December 31, 2022</b>		<b>15,661,937</b>	<b>\$ 0.55</b>
Exercised	note 10b (iv)	(1,037,187)	0.10
Expired		(175,311)	0.10
<b>Balance, September 30, 2023</b>		<b>14,449,439</b>	<b>\$ 0.58</b>

Warrants outstanding as at September 30, 2023:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Warrants exercisable
December 3, 2023	0.60	0.18	13,068,198
December 3, 2023 (broker warrants)	0.44	0.18	1,381,241
			<b>14,449,439</b>

### 13. Corporate, general and administrative

	For the three months ended		For the nine months ended	
	September 30 2023	September 30 2022	September 30 2023	September 30 2022
Management fees	\$ 811,698	\$ 744,282	\$ 2,122,185	\$ 2,173,701
Investor relations and marketing	59,927	148,119	330,945	623,092
General and administrative	63,330	143,924	273,796	364,898
Stock-based compensation	94,066	(196,740)	263,374	479,632
Director fees	89,831	83,605	254,985	230,333
Accounting and audit	103,963	129,290	227,284	364,349
Legal fees	4,610	41,199	70,887	126,966
Travel	12,353	23,228	69,038	123,367
Insurance	18,021	11,436	57,579	42,279
Filing and compliance fees	16,178	18,434	57,020	93,486
Corporate development	13,794	10,139	56,943	27,669
	<b>\$ 1,287,771</b>	<b>\$ 1,156,916</b>	<b>\$ 3,784,036</b>	<b>\$ 4,649,772</b>

### 14. Capital management

The Company's policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future development of the business. The capital of the Company consists of equity.

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company's assets. To effectively manage the Company's capital requirements, the Company has in place planning, budgeting and forecasting processes to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As at September 30, 2023, the Company is compliant with known requirements including Policy 2.5 of the TSXV.

# GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
September 30, 2023 and 2022  
(Expressed in Canadian dollars unless otherwise stated)

## 15. Financial instruments and risk management

Below is the summary showing the classification and measurement bases of the Company's financial instruments:

Classification	IFRS 9
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost

The Company provides information about its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate the fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs.

The three levels of the fair value hierarchy are as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: inputs other than quotes prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair values of the Company's cash and accounts payable and accrued liabilities approximate carrying values recorded on the condensed interim consolidated statement of financial position.

Cash is a financial instrument measured at fair value through FVPTL using level 1.

During the nine months ended September 30, 2023, there were no transfers between levels 1, 2 and 3 and there were no changes in valuation techniques.

The Company's risk exposure and the impact on the financial instruments are summarized below:

### *Credit Risk*

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash.

The Company has assessed the credit risk on its cash as low as the majority of its funds are held in large Canadian financial institutions.

### *Liquidity Risk*

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet its liabilities when they come due. The Company manages its liquidity risk by forecasting cash flows required by operations and anticipated investing and financing activities. The Company's financial obligations currently consist of accounts payable and accrued liabilities and lease liabilities.

The Company had cash at September 30, 2023, of \$4,888,950 (December 31, 2022 - \$11,676,017). As at September 30, 2023, the Company had accounts payable and accrued liabilities and total lease liabilities of \$1,914,966 (December 31, 2022 - \$1,133,481).

### *Market Risk*

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

# GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements  
September 30, 2023 and 2022  
(Expressed in Canadian dollars unless otherwise stated)

## a) Interest Rate Risk

The Company's cash consists of cash held in bank accounts that earn interest at variable interest rates. Future cash flows from interest income on cash will be affected by interest rate fluctuations. Due to the short-term nature of these financial instruments fluctuations in market rates do not have a significant impact on estimated fair values. The Company manages interest rate risk by maintaining an investment policy that focuses primarily on preservation of capital and liquidity. The interest income earned on cash is minimal; therefore, the Company is not subject to material interest rate risk.

## b) Foreign Currency Risk

The Company is exposed to foreign currency risk of the South African Rand, British Pound, Botswana Pula and United States dollar. Based on the net exposure at September 30, 2023, a 10% depreciation or appreciation of the South African Rand, Botswana Pula and United States dollar against the Canadian dollar would be approximately \$25,574.

## c) Other Price Risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.

## 16. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing the performance of the operating segments and has been identified as the Company's CEO.

The Company has three operating segments: (1) Botswana Battery Metals Project for the exploration, evaluation and development of its manganese assets located in Botswana and assets under construction in South Africa, (2) South Africa Mining for activities related to legacy projects in South Africa. The rest of the entities within the Company are grouped into the Corporate segment.

The segment information is as follows:

September 30, 2023	Botswana Battery Metals Project	South Africa Mining	Corporate	Total
Total assets	\$ 21,320,717	\$ -	\$ 4,210,905	\$ 25,531,622
Total liabilities	833,218	244,131	837,617	1,914,966
Net loss (income)	328,852	(15,433)	3,242,057	3,555,476

December 31, 2022	Botswana Battery Metals Project	South Africa Mining	Corporate	Total
Total assets	\$ 18,001,772	\$ -	\$ 11,328,613	\$ 29,330,385
Total liabilities	91,212	264,076	778,193	1,133,481
Net loss (income)	471,322	(92,209)	5,044,527	5,423,640

## 17. Commitments

	Within one year	Two-five years	Total
Construction in progress	\$ 2,586,010	\$ -	\$ 2,586,010
Botswana licence activities	468,258	884,736	1,352,994
Minimum lease payments	48,352	42,372	90,724
	<b>\$ 3,102,620</b>	<b>\$ 927,108</b>	<b>\$ 4,029,728</b>

## GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

September 30, 2023 and 2022

(Expressed in Canadian dollars unless otherwise stated)

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### 18. Subsequent events

Subsequent to September 30, 2023:

A corporate restructuring was undertaken in Botswana in order to separate Giyani's mining and processing entities as highlighted in the Company's feasibility study for K.Hill that was filed in December 2022. As a result, Thabatala Holdings (Pty) Ltd ("**Project Holdco**") was incorporated as a wholly owned subsidiary of the Company and Thabatala Technology Company (Pty) Ltd was incorporated as a wholly owned subsidiary of Project Holdco.

The Company announced the signing of definitive agreements for funding of US\$16M with the Industrial Development Corporation of South Africa Limited ("**IDC**") in the form of convertible loan facilities ("**IDC Facility**"). The IDC Facility is the cornerstone of a US\$26M funding package that will deliver K.Hill to a Final Investment Decision, including an Optimized Feasibility Study for K.Hill and operating the Company's demonstration plant. The remaining US\$10M of funding is being secured from a strategic investor who has signed a non-binding term sheet (on July 21, 2023), completed its due diligence and is currently in the final documentation stage. The IDC Facility may be drawn down in tranches by the Company's local subsidiaries Giyani Metals South Africa (Pty) Ltd and Menzi to complete the final stages of construction and commissioning of the demonstration plant, and importantly, fund the operational phase to produce product for customers. Interest will accrue in ZAR on drawn amounts on a daily basis from the relevant draw down date, compounded monthly in arrears at the South African Prime Rate (currently 11.75%) plus 3%. The Company will be able to draw down the funds until March 31, 2025, with any portions of the IDC Facility that have not been drawn down at that time being cancelled without penalty. The IDC Facility is subject to various convertible options. The IDC Facility and the shares issuable on conversion remain subject to receipt of the requisite TSXV approval(s). The final repayment date of the IDC Facility, if not converted, will be 48 months from the first draw down.