



**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024
(Expressed in Canadian Dollars)
(UNAUDITED)**

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited – expressed in Canadian Dollars unless otherwise stated)

As at		September 30, 2024	December 31, 2023 (Audited)
ASSETS			
Current			
Cash		\$ 13,437,451	\$ 3,051,144
Statutory receivable		645,657	141,606
Prepaid and other assets	Note 5	561,102	307,554
Current		14,644,210	3,500,304
Non-current			
Property, plant and equipment	Note 6	15,609,986	7,706,015
Exploration and evaluation assets	Note 7	17,223,580	12,386,409
Non-current		32,833,566	20,092,424
Total assets		\$ 47,477,776	\$ 23,592,728
LIABILITIES			
Current			
Accounts payable and accrued liabilities	Notes 8, 11	\$ 2,893,857	\$ 2,206,617
Lease liabilities	Note 9	45,224	48,936
Current		2,939,081	2,255,553
Non-current			
Lease liabilities	Note 9	-	29,593
RSU liability	Note 10	19,809	-
Convertible loan	Note 12	14,484,084	-
Financial liability	Note 13	7,895,586	-
Non-current		22,399,479	29,593
Total liabilities		\$ 25,338,560	\$ 2,285,146
EQUITY			
Share capital	Note 14	\$ 57,769,065	\$ 54,437,438
Contributed surplus	Note 15	9,670,183	9,257,040
Warrants	Note 16	14,117,851	11,260,336
Cumulative translation adjustment		(810,724)	(2,489,099)
Deficit		(58,607,159)	(51,158,133)
		22,139,216	21,307,582
Total liabilities and equity		\$ 47,477,776	\$ 23,592,728

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

Nature of operations (note 1)

Commitments (note 22)

Approved by the Board of Directors:

Director: Stephanie Hart

Director: Alex Azpitarte

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited – expressed in Canadian dollars unless otherwise stated)

For the periods ended	For the three months ended		For the nine months ended		
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023	
Expenses					
Corporate, general and administrative expenses	Note 17	\$ 1,449,557	\$ 1,287,771	\$ 4,727,317	\$ 3,784,036
Depreciation	Note 6	17,185	19,164	50,259	59,287
Net loss before finance charges and foreign exchange		1,466,742	1,306,935	4,777,576	3,843,323
Other items					
Foreign exchange loss (gain), net		15,529	2,095	(59,739)	12,544
Fair value of Convertible Loan Facility	Note 12	1,085,378	-	1,440,538	-
Gain on sale of Rock Island Trading (Pty) Ltd.	Note 7	-	-	-	(25,939)
Finance expense (income), net	Note 18	337,881	(81,501)	1,290,651	(274,452)
Net loss		\$ 2,905,530	\$ 1,227,529	\$ 7,449,026	\$ 3,555,476
Other comprehensive loss					
Currency translation adjustment		(906,980)	(10,362)	(1,678,375)	1,391,864
Net loss and comprehensive loss for the period		\$ 1,998,550	\$ 1,217,167	\$ 5,770,651	\$ 4,947,340
Basic and diluted loss per share		\$ 0.01	\$ 0.01	\$ 0.03	\$ 0.02
Weighted average number of shares outstanding		274,313,330	219,478,095	264,270,247	218,941,992

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

(Unaudited – expressed in Canadian dollars unless otherwise stated)

	Notes	Number	Share Capital Amount	Contributed Surplus	Warrants	Cumulative Translation Adjustment	Deficit	Total
Balance at December 31, 2022		218,440,908	\$ 54,285,787	\$ 8,925,431	\$ 11,308,269	\$ 18,920	\$ (46,341,503)	\$ 28,196,904
Stock-based compensation	15(ii)	-	-	263,374	-	-	-	263,374
Exercise of warrants	14(i)	1,037,187	151,651	-	(47,933)	-	-	103,718
Currency translation adjustment		-	-	-	-	(1,391,864)	-	(1,391,864)
Net loss		-	-	-	-	-	(3,555,476)	(3,555,476)
Balance at September 30, 2023		219,478,095	\$ 54,437,438	\$ 9,188,805	\$ 11,260,336	\$ (1,372,944)	\$ (49,896,979)	\$ 23,616,656
Stock-based compensation	15(ii)	-	-	68,235	-	-	-	68,235
Currency translation adjustment		-	-	-	-	(1,116,155)	-	(1,116,155)
Net loss		-	-	-	-	-	(1,261,154)	(1,261,154)
Balance at December 31, 2023		219,478,095	\$ 54,437,438	\$ 9,257,040	\$ 11,260,336	\$ (2,489,099)	\$ (51,158,133)	\$ 21,307,582
Equity financing	14(ii)	54,835,235	6,415,722	-	-	-	-	6,415,722
Warrants issued	14(ii)	-	(2,857,515)	-	2,857,515	-	-	-
Share issuance costs	14(ii)	-	(226,580)	-	-	-	-	(226,580)
Stock-based compensation	15(v)	-	-	413,143	-	-	-	413,143
Currency translation adjustment		-	-	-	-	1,678,375	-	1,678,375
Net loss		-	-	-	-	-	(7,449,026)	(7,449,026)
Balance at September 30, 2024		274,313,330	\$ 57,769,065	\$ 9,670,183	\$ 14,117,851	\$ (810,724)	\$ (58,607,159)	\$ 22,139,216

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

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Cash Flows

(Unaudited – expressed in Canadian dollars unless otherwise stated)

For the periods ended	September 30, 2024	September 30, 2023
Operating activities		
Net loss	\$ (7,449,026)	\$ (3,555,476)
Adjusted for:		
Depreciation	Note 6 50,259	59,287
Stock-based compensation	Note 15(v) 286,252	263,374
Finance expense (income), net	1,057,037	1,772
Fair value of Convertible Loan Facility	Note 12 1,440,538	-
Unrealized foreign exchange (gain) loss, net	530,142	(252,743)
Changes in working capital and other:		
Decrease (increase) in statutory receivable	(474,513)	10,290
(Increase) decrease in prepaids	(244,361)	56,024
(Increase) decrease in accounts payable and accrued liabilities	(762,527)	141,475
Cash used in operating activities	(5,566,199)	(3,275,997)
Investing activities		
Additions to property, plant and equipment	Note 6 (5,500,997)	(2,849,023)
Additions to exploration and evaluation expenditures	Note 7 (3,322,507)	(723,655)
Cash used in investing activities	(8,823,504)	(3,572,678)
Financing activities		
Proceeds from ARCH royalty	Note 13 7,024,514	-
Proceeds from ARCH equity financing	Notes 13, 14(ii) 6,415,722	-
Proceeds from Convertible Loan Facility	Note 12 11,672,626	-
Issuance cost	Note 13, 14(ii) (295,701)	-
Proceeds from exercise of warrants	-	103,718
Payment of lease liabilities	Note 9 (41,081)	(41,911)
Cash provided by financing activities	24,776,080	61,807
Increase (decrease) in cash	10,386,377	(6,786,868)
Cash at beginning of the period	3,051,144	11,676,017
Effect of foreign exchange on cash	(70)	(199)
Cash position at end of the period	\$ 13,437,451	\$ 4,888,950

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
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

1. Nature of operations

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 is focused on becoming a dominant western-world producer of sustainable, low carbon high purity battery grade manganese for the electric vehicle ("**EV**") industry. The Company has developed a hydrometallurgical process to produce 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 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.

2. Basis of preparation

Statement of compliance

These unaudited condensed interim consolidated financial statements ("**Interim Financial Statements**") as at and for the three and nine months ended September 30, 2024 and 2023 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, 2023.

The Board of Directors approved these Interim Financial Statements on November 26, 2024.

Use of judgements and estimates

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make estimates, judgements and assumptions that affect the reported amount of assets, liabilities, income and expenses. Actual results could differ from these estimates, judgements 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 judgements 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, 2023 except for:

*ARCH Sustainable Resources Fund LP ("**ARCH**") Royalty:*

Judgement:

Judgement has been applied to evaluate the accounting treatment for the ARCH Royalty agreement, as disclosed in Note 13 of the Interim Financial Statements. In assessing the substance of the agreement, the Company conducted an analysis to determine whether the Company disposed of an interest in the Company's mineral resources or if the arrangement represented a financing-type agreement.

This assessment took into consideration several factors, including but not limited to, the developmental stage of the K.Hill Project, the legal rights afforded to the royalty holder, in the event of insolvency, and the rights and obligations of the royalty holder over the K.Hill Project life. Additionally, the Company evaluated the associated risks and rewards

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

attributable to the royalty holder over the agreement period.

Based on a comprehensive analysis, the Company concluded that the proceeds received from the agreement constituted a financing-type arrangement, resulting in the recognition of a financial liability in the consolidated statement of financial position.

Estimate:

Estimating the fair value of the financial liability associated with the ARCH royalty agreement is a complex process that involves numerous judgements and estimates concerning various inputs. Given the unique nature of the liability, the valuation technique employed utilizes a discounted cash flow model.

The inputs utilized in the discounted cash flow model are derived from internal sources due to the limited availability of relevant and reliable observable inputs. These inputs include projections of future cash flows related to the K.Hill Project, discount rates reflective of the inherent risks associated with the agreement, and assumptions regarding the timing and magnitude of future payments to the royalty holder.

The Company recognizes the inherent uncertainties associated with estimating the fair value of the financial liability and notes that actual results may differ from the estimates due to changes in assumptions or other factors beyond its control.

Industrial Development Corporation of South Africa (“**IDC**”) Convertible Loan Facility

Judgement:

The fair value measurement of the convertible loan facility requires significant management judgements and estimates. These include:

- Conversion price: Determining the fair value involves estimating the conversion price based on the prevailing 30-day volume-weighted average price of the Company’s shares, adjusted for a 20% discount.
- Conversion dates: Management must estimate the likely dates when the IDC may exercise the conversion options, taking into account the conditions specified in the agreement and the project milestones.
- Conversion amounts: Estimating the amounts to be converted involves considering the total outstanding loan balance, including capitalized interest, and the maximum permissible shareholding limits.
- Probability of exercise: Assessing the probability that the IDC will exercise the conversion options requires judgement on various factors, such as the K.Hill Project’s progress, market conditions, and the strategic intentions of the IDC.
- Foreign exchange rates: The fair value of the embedded derivatives is influenced by the exchange rate between South African rand (“**ZAR**”) and CAD, requiring forecasts of future exchange rate movements.
- Interest rates: The South Africa prime rate and its potential adjustments in the event of default affect the valuation of the debt host and must be estimated accurately.

These judgments and estimates are subject to change based on new information and evolving market conditions, which could significantly impact the fair value measurement of the convertible loan facility. Management reviews these assumptions regularly to ensure they reflect the current economic environment and K.Hill Project status.

3. Material 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, 2023.

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

4. New standards

New Accounting Standards Issued and adopted.

The following amendments to accounting standards were effective for annual periods beginning on or after January 1, 2024:

- Narrow scope amendments to IAS 1 Presentation of Financial Statements - Classification of liabilities as current or non-current.
- Narrow scope amendments to IAS 1 Presentation of Financial Statements - Non-current liabilities with covenants.

There was no impact on the Company's Interim Financial Statements from the adoption of these amendments.

New Accounting Standards issued but not yet effective

The IASB has issued other standards and interpretations that are not yet effective. The Company has assessed these standards and determined that only the standards outlined below are relevant to its financial reporting. Other issued standards are not expected to have a significant impact on the Company's financial statements.

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements ("PFS") and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest.

In addition, there are consequential amendments to several other standards. IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the PFS and notes to the financial statements.

5. Prepaids and other assets

	September 30 2024	December 31 2023
Deferred financing costs	\$ 443,172	\$ 201,539
Deposits and advance payments	107,375	48,482
Prepaid insurance and fees	10,555	57,533
Total prepaids and other assets	\$ 561,102	\$ 307,554

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024

(Unaudited – expressed in Canadian dollars unless otherwise stated)

6. Property, plant and equipment

	Demonstration plant under construction	Furniture and Fixture	Computer Equipment	Vehicles	ROU Property	Leasehold Improvements	Total
Cost							
At December 31, 2022	\$ 4,265,991	\$ 35,074	\$ 10,574	\$ 86,980	\$ 113,128	\$ 9,573	\$ 4,521,320
Additions	3,946,346	-	1,759	-	100,722	-	4,048,827
Foreign exchange	(644,726)	(3,672)	(681)	(10,341)	(15,032)	(1,138)	(675,590)
Disposal	-	-	(4,850)	-	-	-	(4,850)
At December 31, 2023	\$ 7,567,611	\$ 31,402	\$ 6,802	\$ 76,639	\$ 198,818	\$ 8,435	\$ 7,889,707
Additions	7,088,554	-	10,441	-	-	-	7,098,995
Foreign exchange	847,211	(2,235)	841	5,501	14,272	605	866,195
At September 30, 2024	\$ 15,503,376	\$ 29,167	\$ 18,084	\$ 82,140	\$ 213,090	\$ 9,040	\$ 15,854,897
Accumulated depreciation							
At December 31, 2022	\$ -	\$ (10,395)	\$ (2,901)	\$ (24,699)	\$ (80,982)	\$ (5,898)	\$ (124,875)
Depreciation	-	(3,222)	(2,415)	(17,056)	(51,499)	(3,315)	(77,507)
Foreign exchange	-	850	263	3,531	11,424	778	16,846
Disposal	-	-	1,844	-	-	-	1,844
At December 31, 2023	\$ -	\$ (12,767)	\$ (3,209)	\$ (38,224)	\$ (121,057)	\$ (8,435)	\$ (183,692)
Depreciation expense	-	(2,048)	(1,263)	(8,849)	(38,099)	-	(50,259)
Foreign exchange	-	3,479	(245)	(3,150)	(10,439)	(605)	(10,960)
At September 30, 2024	\$ -	\$ (11,336)	\$ (4,717)	\$ (50,223)	\$ (169,595)	\$ (9,040)	\$ (244,911)
Net book value:							
At December 31, 2023	\$ 7,567,611	\$ 18,635	\$ 3,593	\$ 38,415	\$ 77,761	\$ -	\$ 7,706,015
At September 30, 2024	\$ 15,503,376	\$ 17,831	\$ 13,367	\$ 31,917	\$ 43,495	\$ -	\$ 15,609,986

The 'Demonstration plant under construction' (i) is not being depreciated as it is not available for use and (ii) as at September 30, 2024, interest of \$599,668 arising from the IDC convertible loan has been capitalized (December 31, 2023 – Nil) (see also Note 12). As at September 30, 2024, demonstration plant under construction included payments of Nil for equipment awaiting delivery to the demonstration plant site (December 31, 2023 - \$913,953).

7. Exploration and evaluation assets

Botswana

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

	September 30 2024	December 31 2023
Opening balance	\$ 12,386,409	\$ 13,055,777
Exploration and drilling	1,817,650	14,733
Engineering studies	1,063,748	581,868
Environmental studies	9,689	143,858
Geological studies	145,459	128,631
Administrative and other field operations	648,099	24,382
Metallurgical test work and analysis	205,405	6,474
Acquisition costs and permits	69,532	16,188
Foreign exchange	877,589	(1,585,502)
At September 30, 2024	\$ 17,223,580	\$ 12,386,409

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.

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

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 September 30, 2024, the Rock Island Agreement had not been completed.

8. Accounts payable and accrued liabilities

	September 30 2024	December 31 2023
Trade payables	\$ 1,015,781	\$ 367,755
Accrued liabilities	1,878,076	1,838,862
Total	\$ 2,893,857	\$ 2,206,617

9. Lease liabilities

	September 30 2024	December 31 2023
Current portion of lease liabilities	\$ 45,224	\$ 48,936
Non-current portion of lease liabilities	-	29,593
Total	\$ 45,224	\$ 78,529

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

10. Restricted Stock Units

The Company has adopted a Restricted Share Unit Plan (the "**RSU 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 restricted share units ("**RSUs**") to acquire common shares or their cash equivalent at the end of the vesting period. The aggregate number of shares that may be issued under the RSU Plan together with the number of shares reserved for issuance under the stock option plan shall not exceed 10% of the issued and outstanding common shares.

On February 20, 2024, the Company granted 2,350,091 RSUs to an officer and consultant of the Company which are to vest equally on each of the one- and two-year anniversaries of the grant date. The restricted share units granted are accounted for under the liability method whereby a liability is recorded at grant date equal to the fair value of the RSU. A fair value of \$305,512 was determined based on the fair value of the Company's share price on the date of grant and this will be subsequently remeasured at each reporting date until fully vested. During the nine months ended September 30, 2024, 1,909,091 RSUs were forfeited.

A fair value of \$48,510 for the 441,000 RSUs outstanding was determined based on the fair value of the Company's

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

share price on September 30, 2024.

During the nine months ended September 30, 2024, \$19,809 was capitalized to demonstration plant under construction (December 31, 2023 – Nil) in the Interim Financial Statements.

As at September 30, 2024, 441,000 RSUs were outstanding.

11. 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, 2024 and September 30, 2023, are as follows:

Transaction type	Nature of relationship	For the three months ended		For the nine months ended	
		September 30 2024	September 30 2023	September 30 2024	September 30 2023
Management fees	Officers	\$ 482,290	\$ 286,435	\$ 856,248	\$ 1,119,635
Director fees	Directors	86,516	89,831	166,236	254,985
Demonstration plant expenditure	Officer	36,900	-	202,500	-
Exploration and evaluation expenditures	Officer	18,612	5,742	474,202	54,622
Corporate, general and administrative expenses	Officer	34,071	-	97,080	-
Stock-based compensation	Directors and officers	(197,692)	112,677	130,017	269,700
Total		\$ 460,697	\$ 494,685	\$ 1,926,283	\$ 1,698,942

Amounts due to related parties recorded in accounts payable and accrued liabilities are as follows:

Transaction type	Nature of relationship	September 30 2024	December 31 2023
Management fees and other	Officers	\$ 309,101	\$ 528,811

12. Convertible loan

On November 30, 2023, the Company announced the signing of definitive agreements for funding of the equivalent of US\$16 million (\$22.5 million) up to ZAR 300,000,000 with the IDC in the form of convertible loan facilities (collectively the "IDC Facility"). The proceeds from the IDC Facility will be utilized for construction and operation of the K.Hill Project demonstration plant and other K.Hill Project development activities. The IDC Facility is available for drawdown until March 31, 2025.

IDC Facility amounts:

The IDC Facility is ZAR300,000,000 (\$22.5 million)

ZAR234,375,000 (\$17.6 million) is available to Giyani Metals South Africa Proprietary Limited ("GMSA"), a wholly owned subsidiary of Menzi, (the "GMSA Facility")

ZAR65,625,000 (\$4.9 million) is available to Menzi (the "Menzi Facility")

As at September 30, 2024, ZAR113,646,610 (\$8.6 million) has been drawn under the GMSA Facility and ZAR 41,357,659 (\$3.1 million) under the Menzi Facility

Transaction Costs:

Fees payable for the IDC Facility include a 1% raising fee and commitment fees of 0.5% per annum is payable on the undrawn portion of the IDC Facility. The fees incurred are recorded in the statement of loss and comprehensive loss as a finance expense and further described in Note 18. Additionally, deferred financing costs related to this financing are being proportionally expensed based on the ratio of funds drawn down to the total funding available under each facility and recorded as transaction costs in Note 18.

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

Interest Rate:

Interest accrues and is capitalized in ZAR on drawn amounts on a daily basis from the drawdown date at the South African Prime Rate (at September 30, 2024 - 11.5%) plus 3% compounded monthly in arrears. The interest on the GMSA Facility will be capitalized to construction in progress and the interest on the Menzi Facility will be recorded in the statement of loss and comprehensive loss.

Conversion Options:

The IDC has an option to convert the outstanding loan amount and capitalized interest into the shares and shareholder loan of Thabatala Holding (Pty) Ltd (“**Project HoldCo**”), a wholly owned subsidiary of Giyani, at a 20% discount to the prevailing 30-day volume-weighted average price of the Company’s shares in accordance with the terms of the IDC Facility. The IDC has a further option to convert Project HoldCo’s shares and shareholder loan to the Company’s shares upon the achievement of sustained commercial production at the prevailing 30-day volume-weighted average price of the Company’s shares in accordance with the terms of the IDC Facility. The maximum permissible shareholding percentage for the IDC post-conversion is 19.9% in Project HoldCo’s and Giyani’s share capital, or such higher percentage as approved by Giyani’s board and shareholders up to a maximum of 25%.

Maturity Date:

The IDC Facility matures on the last day of the fourth anniversary of the first drawdown date, i.e., April 23, 2028 for the GMSA Facility and May 2, 2028 for the Menzi Facility.

Security:

The Company has provided a guarantee on behalf of GMSA and Menzi in favour of the IDC guaranteeing the obligations under the IDC Facility.

Breach of covenants:

As at September 30, 2024, there have been no instances of default of the covenants in the GMSA Facility and Menzi Facility. The principal drawn and interest accrued is payable only at the maturity in the event that the IDC does not exercise its conversion option.

Reconciliation of movement in IDC Facility

	September 30 2024	December 31 2023
Convertible Loan Facility, beginning of period	\$ -	\$ -
Proceeds from draw-downs/borrowings	11,672,626	-
Interest capitalized	Note 6 599,668	-
Interest expensed	Note 18 139,084	-
Fair value changes	1,440,538	-
Foreign exchange	632,168	-
Convertible Loan Facility, end of the period	\$ 14,484,084	\$ -

The IDC Facility contains both a host loan liability and embedded derivatives for the conversion option, which are required to be separated from the host debt. All the conversion options are exposed to the same risk, i.e., the equity price risk of Giyani shares. Furthermore, the options are highly interdependent.

The process of conversion involves first converting the outstanding IDC Facility amounts to Project HoldCo’s shares at the 30-day volume-weighted average price at the option of the IDC, based on the Giyani share price at the date of the first conversion at a 20% discount. At the option of the IDC, and if specific criteria as per the agreement are met, Project HoldCo’s shares are then converted to the Company’s shares based on the Company share price on the second conversion date at the 30-day volume-weighted average price. This implies that the conversion to Project HoldCo’s shares is a prerequisite to the delivery of the Company’s shares under the second conversion option. Accordingly, the conversion options will be treated as a single compound embedded derivative.

The Company has elected to designate the entire hybrid IDC Facility at fair value through profit and loss (“**FVTPL**”). The fair value was calculated using a Monte Carlo Simulation using the following assumptions:

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024

(Unaudited – expressed in Canadian dollars unless otherwise stated)

- The value of the Project Holdco shares are equal to the value of the publicly traded Company's shares
- A volatility of 104% and 94% was used in the valuation on the Issuance Date and at September 30, 2024 respectively, which represents the historical volatility of the Company's share price commensurate with the term to maturity of the GMSA Facility and Menzi Facility.
- The risk-free rates of 3.97% and 2.81% used in the share price simulation were based on the Bank of Canada bond yield for a term commensurate to the remaining life of the IDC Facility as at the Issuance Date and September 30, 2024, respectively.
- CAD / ZAR foreign exchange forward curves were used since the IDC Facility is ZAR denominated.
- A credit spread over the ZAR risk free rate of 4.25% was determined at September 30, 2024 (4.65% on issuance), based on the ICE High Yield South African Issuers Index.
- Future drawdown and conversion dates were based on management assumptions of progress on the K.Hill Project, market conditions, and the strategic intentions of the IDC.

13. Financial liability

The Company received \$13,440,236 (US\$10 million) from ARCH ("**ARCH Funding**") on February 20, 2024. The ARCH Funding consists of:

- (a) \$6,415,722 (US\$4.8 million) from a unit offering ("**ARCH Offering**") of 54,835,235 units at \$0.117 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable at a price of \$0.225 per warrant for five years (subject to acceleration); and
- (b) \$7,024,514 (US\$5.2 million) for a 2% gross revenue royalty which includes a 1% buy-back provision and an automatic step-down by 0.5% after 20 years or 2.5Mt of battery-grade manganese production.

Key terms and conditions from the ARCH royalty agreement are as follows:

- The royalty is payable as a percentage of gross revenues, which include income from the sale of products, licensing, and other related activities.
- Royalty payments are to be made quarterly with the obligation contingent upon the receipt of gross revenues by the Company. Detailed statements are required to support payment calculations.
- Payments are to be made in US\$, with provisions for adjustments related to provisional sales and taxes.
- A "Buy Back Right" allows the Company to reduce the initial royalty percentage upon meeting specific conditions and making a predefined payment to ARCH before the expiration of the buy-back option in June 2025.

The ARCH royalty was recorded as a financial liability using an effective interest rate method (Note 2). The activity as of September 30, 2024 is as follows:

	September 30 2024	December 31 2023
Financial liability, beginning of the period	\$ -	\$ -
Proceeds	7,024,514	-
Accretion	Note 18 914,106	-
Issuance cost	(69,121)	-
Foreign exchange	26,087	-
Financial liability, end of the period	\$ 7,895,586	\$ -

14. Share capital

Authorized share capital

Unlimited number of common shares without par value.

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

Issued share capital

The following is a continuity of shares issued:

		Number of shares	Amount \$
Balance, December 31, 2022		218,440,908	\$ 54,285,787
Exercise of warrants	(i)	1,037,187	103,718
Fair value reclassified upon exercise of warrants	(i)	-	47,933
Balance, December 31, 2023		219,478,095	\$ 54,437,438
Subscription agreement	(ii)	54,835,235	6,415,722
Share issuance cost	(ii)	-	(226,580)
Fair value of warrants issued in subscription agreement	(ii)	-	(2,857,515)
Balance, September 30, 2024		274,313,330	\$ 57,769,065

(i) During the year ended December 31, 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.

(ii) During the nine months ended September 30, 2024, the Company received \$13,508,680 (US\$10 million) from ARCH. The ARCH Funding consists of: (i) a \$6,415,722 (US\$4.8 million) unit offering of 54,835,235 units at \$0.117 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable at a price of \$0.225 per warrant for five years (subject to acceleration); and (ii) \$7,024,514 (US\$5.2 million) for a 2% gross revenue royalty which includes a 1% buy-back provision and an automatic step-down by 0.5% after 20 years or 2.5Mt of battery-grade manganese production. Following completion of the ARCH Offering, ARCH held approximately 19.99% of the Company's issued shares. In conjunction with the subscription agreement, \$226,580 was capitalized as share issuance cost.

The warrant exercise period may be accelerated, subject to the terms of the share purchase warrant, if the Company's common shares trade at a volume weighted average price ("VWAP") on the TSXV of at least \$0.31 on 10 consecutive trading days. If the Company exercises its acceleration right, the expiry date of the share purchase warrants would be set to a date within 30 days of the date of the acceleration notice.

The 54,835,235 share purchase warrants were assigned a fair value of \$2,857,515. Fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price \$0.13, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 124%; risk-free interest rate of 3.58%; and an expected life of five years.

15. 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

For the three and nine months ended September 30, 2024

(Unaudited – expressed in Canadian dollars unless otherwise stated)

		Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2022		12,329,167	\$ 0.31
Granted	(i)	3,000,000	0.20
Forfeited	(ii)	(249,999)	0.34
Expired	(ii)	(3,329,167)	0.34
Balance, December 31, 2023		11,750,001	\$ 0.27
Granted	(iii,iv)	6,700,000	0.11
Forfeited	(v)	(3,233,333)	0.17
Expired	(v)	(2,100,001)	0.33
Balance, September 30, 2024		13,116,667	\$ 0.21

Stock options outstanding as at September 30, 2024:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Total options	Options exercisable
November 19, 2024	0.15	0.14	750,000	750,000
January 14, 2025*	0.11	0.29	166,667	166,667
February 13, 2025*	0.11-0.20	0.37	1,333,333	1,333,333
March 31, 2025*	0.11-0.33	0.50	366,667	366,667
May 24, 2025*	0.115 to 0.48	0.65	3,675,000	3,675,000
July 05, 2025	0.15	0.76	375,000	375,000
September 24, 2025	0.185	0.98	400,000	400,000
April 21, 2026	0.53	1.56	875,000	875,000
September 02, 2026	0.48	1.92	650,000	650,000
April 01, 2027	0.33	2.50	225,000	225,000
June 17, 2027	0.36	2.71	300,000	300,000
January 26, 2029	0.115	4.33	650,000	650,000
February 20, 2029	0.11	4.39	3,350,000	1,250,000
		1.94	13,116,667	11,016,667

* The expiry dates for options previously granted to former members of the Company's management and Board of Directors have been amended in accordance with the Company's Stock Option Plan ("SOP").

(i) 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 current Stock Option Plan ("SOP"). 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. As of the date of this financials, only one-third of the options vested. The remaining two-thirds of the options, which were subject to vesting conditions requiring either an aggregate financing of \$35,000,000 or the Board approval of a positive FID to proceed with the K.Hill Project, were cancelled due to forfeiture. The following assumptions were used: share price \$0.20, dividend yield 0%; expected volatility (based on historical price data of the Company's common shares) 134%; risk-free interest rate – 2.94%; and an expected life of 5 years.

(ii) During the year ended December 31, 2023, the Company recorded stock-based compensation in connection with the vesting of options totaling \$331,609 (December 31, 2022 - \$709,063) in the consolidated statements of loss and comprehensive loss. 3,329,167 stock options with exercise prices between \$0.15 and \$0.53 expired and 249,999 stock options with exercise prices between \$0.165 and \$0.48 were forfeited.

(iii) On January 26, 2024, 1,500,000 stock options were granted to non-executive directors of the Company in accordance with the Company's SOP. Each stock option vested immediately upon grant and is exercisable into one common share of the Company at a price of \$0.115 per common share for a period of five years from the date of grant. A fair value of \$154,884 was determined using the Black Scholes option pricing model and the following assumptions: share price of \$0.12, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 127%; risk-free interest rate of 3.58%; and an expected life of five years.

(iv) On February 20, 2024, the Company granted 5,200,000 stock options to certain directors, officers, and management of the Company in accordance with the Company's SOP. Of the total, 1,850,000 stock options were granted to officers, 3,150,000 stock options were granted to management and 200,000 stock options were granted to directors of the Company's subsidiary company in Botswana. Each option is exercisable into one common share of the Company at a price of \$0.11 per common share for a period of five years from the date of grant. Stock options granted

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024

(Unaudited – expressed in Canadian dollars unless otherwise stated)

to directors of the Company's subsidiary vested immediately with the remaining 5,000,000 stock options vesting one-third immediately and a further one-third on each of the first and second anniversaries of the date of the grant. A fair value of \$582,850 was determined using the Black Scholes option pricing model and the following assumptions: share price of \$0.13, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 124%; risk-free interest rate of 3.58%; and an expected life of five years.

(v) During the nine months ended September 30, 2024, the Company recorded stock-based compensation in connection with the vesting of options totaling \$413,143. Of this amount, \$(188,722) and \$286,252 was recorded in the consolidated statements of loss and comprehensive loss (three and nine months ended September 30, 2023 - \$94,066 and \$263,374). Additionally, \$58,943 was capitalized to demonstration plant under construction (December 31, 2023 – Nil) and \$67,947 was capitalized to exploration and evaluation assets (December 31, 2023 – Nil).

2,100,001 stock options with exercise prices between \$0.165 and \$0.53 expired and 3,233,333 stock options with exercise prices between \$0.10 and \$0.20 were forfeited. 750,000 stock options with an exercise price of \$0.15 expired on November 19, 2024.

16. Warrants

Warrant transactions are summarized as follows:

		Number of warrants outstanding	Weighted average exercise price
Balance, December 31, 2022		15,661,937	\$ 0.55
Exercised	note 14(i)	(1,037,187)	0.10
Expired		(14,624,750)	0.58
Balance, December 31, 2023		-	\$ -
Issued	note 14(ii)	54,835,235	0.225
Balance, September 30, 2024		54,835,235	\$ 0.225

Warrants outstanding as at September 30, 2024:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Warrants exercisable
February 20, 2029	0.225	4.39	54,835,235

17. Corporate, general and administrative

For the periods ended	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	September 30 2024	September 30 2023
Management fees	\$ 879,504	\$ 811,698	\$ 1,933,877	\$ 2,122,185
General and administrative	287,182	63,330	641,696	273,796
Director fees	86,516	89,831	512,542	254,985
Accounting and audit	86,033	103,963	366,760	227,284
Legal fees	136,347	4,610	324,415	70,887
Stock-based compensation	Note 15(v) (188,722)	94,066	286,252	263,374
Investor relations and marketing	62,661	59,927	284,033	330,945
Travel	30,034	12,353	140,352	69,038
Corporate development	42,832	13,794	108,721	56,943
Filing and compliance fees	8,578	16,178	73,084	57,020
Insurance	18,592	18,021	55,585	57,579
	\$ 1,449,557	\$ 1,287,771	\$ 4,727,317	\$ 3,784,036

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2024

(Unaudited – expressed in Canadian dollars unless otherwise stated)

18. Finance expense (income), net

For the periods ended		For the three months ended		For the nine months ended	
		September 30	September 30	September 30	September 30
		2024	2023	2024	2023
Accretion	Note 13	\$ 390,682	\$ -	\$ 914,106	\$ -
Transaction costs	Note 12	52,966	-	475,559	-
Raising fees	Note 12	-	-	218,284	-
Interest on convertible loan facility	Note 12	92,127	-	139,084	-
Commitment fees	Note 12	14,630	-	55,083	-
Bank charges and other		6,715	1,017	10,829	3,477
Interest on lease liabilities	Note 9	1,054	969	3,847	1,767
Interest income		(220,293)	(83,487)	(526,141)	(279,696)
		\$ 337,881	\$ (81,501)	\$ 1,290,651	\$ (274,452)

19. 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 Company considers capital to include equity, the IDC Facility and funding from royalty arrangements.

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, 2024, the Company is compliant with known requirements including Policy 2.5 of the TSXV.

20. Financial instruments and risk management

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

Classification	Measurement base per IFRS 9
Cash	FVTPL
Accounts payable and accrued liabilities	Amortized cost
Financial liability – ARCH Royalty	Amortized cost
Convertible Loan Facility	FVTPL

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.

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

Cash is a financial instrument measured at FVTPL using level 1.

The IDC Convertible loan is valued using Monte Carlo simulations and classified as level 2.

Financial liability (ARCH Royalty) is valued using a discounted cash flow model derived from internal sources due to the limited availability of relevant and reliable observable inputs. These inputs include projections of future cash flows related to the K.Hill Project, discount rates reflective of the inherent risks associated with the agreement, and assumptions regarding the timing and magnitude of future payments to the counterparty. This is measured using level 3.

During the three months ended September 30, 2024, 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 and statutory receivable. Statutory receivable carries a minimal risk.

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, 2024, of \$13,437,451 (December 31, 2023 - \$3,051,144). As at September 30, 2024, the Company had total liabilities of \$25,338,560 (December 31, 2023 - \$2,285,146).

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.

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing assets in relation to cash in savings accounts at fixed interest rates. The Company's significant financial instruments valued using fluctuating risk-free interest rates are the components of the Convertible Loan Facility (Note 12). The Company's operating cash flows are substantially independent of changes in market interest rates. The Company has not used any financial instrument to hedge potential fluctuations in interest rates and the exposure to interest rates for the Company is considered minimal.

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, 2024, a 10% depreciation or appreciation of the South African rand, Botswana pula and United States dollar against the Canadian dollar would be approximately \$117,151.

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.

GIYANI METALS CORP.

Notes to the Condensed Interim Consolidated Financial Statements
For the three and nine months ended September 30, 2024
(Unaudited – expressed in Canadian dollars unless otherwise stated)

21. 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 two operating segments: (1) Botswana Battery Metals Project for the exploration, evaluation and development of its battery-grade manganese assets located in Botswana and the demonstration plant under construction in South Africa and (2) Corporate which includes all other entities within the Company.

September 30, 2024	Botswana Battery		Total
	Metals Project	Corporate	
Total assets	\$ 38,313,571	\$ 9,164,205	\$ 47,477,776
Total liabilities	16,338,805	8,999,755	25,338,560
Net loss	2,460,692	4,988,334	7,449,026

December 31, 2023	Botswana Battery		Total
	Metals Project	Corporate	
Total assets	\$ 20,815,566	\$ 2,777,162	\$ 23,592,728
Total liabilities	944,452	1,340,694	2,285,146
Net loss	489,705	4,326,925	4,816,630

22. Commitments

	Within one year	Two-five years	Total
Construction in progress	\$ 484,224	\$ -	\$ 484,224
Exploration and evaluation assets	149,980	-	149,980
Minimum lease payments	45,224	-	45,224
	\$ 679,428	\$ -	\$ 679,428