GIYANI METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

(Expressed in Canadian Dollars)

Independent Auditor's Report

To the Shareholders of Giyani Metals Corp.:

Opinion

We have audited the consolidated financial statements of Giyani Metals Corp. and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2019 and December 31, 2018, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019 and December 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Company reported a net loss of $1,799,977 for the year ended December 31, 2019 and had an accumulated deficit of $33,685,851 as at December 31, 2019. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company’s ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises Management’s Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

MNP LLP

Toronto, Ontario
June 15, 2020

Chartered Professional Accountants
Licensed Public Accountants

MNP

GIYANI METALS CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

As at	December 31, 2019	December 31, 2018
Assets		
Current assets		
Cash	**$ 8,758**	$ 21,107
Amounts receivable	**41,778**	49,439
Amounts due from related party (note 12)	**20,000**	95,847
Prepaids	**41,609**	55,631
Total current assets	**112,145**	222,024
Equipment (note 4)	**16,175**	17,217
Investment in associate (note 6)	**-**	390,310
Exploration and evaluation assets (note 5)	**2,267,008**	1,973,221
Total Assets	**$ 2,395,328**	$ 2,602,772
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 944,354**	$ 401,869
Other liabilities (note 7)	**106,943**	106,943
Amounts due to related parties (note 12)	**384,459**	85,455
Total Liabilities	**1,435,756**	594,267
Equity		
Share capital (note 8(b))	**23,263,072**	22,795,562
Contributed surplus	**6,704,144**	6,481,999
Warrants (note 10)	**4,806,273**	4,727,212
Cumulative translation adjustment	**(128,066)**	(110,394)
Deficit	**(33,685,851)**	(31,885,874)
	959,572	2,008,505
Total Liabilities and Equity	**$ 2,395,328**	$ 2,602,772

Nature of operations and going concern (note 1)
Commitments and contingencies (note 17)
Subsequent events (note 18)

The notes to the consolidated financial statements are an integral part of these statements.

Approved by the Board of Directors:

Director: Eugene Lee

Director: Jonathan Henry

GIYANI METALS CORP.
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

	Years Ended December 31, 2019	2018
Expenses		
Corporate, general and administration (note 13)	**$ 1,715,638**	$ 2,155,564
Depreciation (note 4)	**5,609**	5,512
Net loss before interest and other items	**1,721,247**	2,161,076
Foreign exchange loss	**579**	8,220
Other income	**(9,536)**	-
Write-down of receivables	**99,432**	-
Gain on debt settlement	-	(8,094)
Loss from associate (note 6)	-	135,015
Loss (gain) on disposal of shares of associate (note 6)	**16,784**	(243,197)
Gain on sale of Rock Island Trading (Pty) Ltd.(note 5)	**(213,733)**	-
Net loss before income tax	**1,614,773**	2,053,020
Current income tax expense (note 11)	**185,204**	-
Net loss for the year	**$ 1,799,977**	$ 2,053,020
Other comprehensive loss		
Items that may be subsequently reclassified to profit and loss:		
Currency translation adjustment	**17,672**	(54,615)
Comprehensive loss for the year	**$ 1,817,649**	$ 1,998,405
Basic diluted loss per share	**$ 0.02**	$ 0.03
Weighted average number of shares outstanding	**83,703,693**	81,029,218

The notes to the consolidated financial statements are an integral part of these statements.

GIYANI METALS CORP.

Consolidated Statements of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital Number	Share Capital Amount	Contributed Surplus	Warrants	Shares to be issued	Cumulative Translation Adjustment	Deficit	Total
Balance, December 31, 2017	74,571,738	$ 21,316,713	$ 5,894,488	$ 4,283,879	$ 189,922	$ (165,009)	$ (29,832,854)	$ 1,687,139
Private placement, net of costs	7,207,890	1,478,849		443,333	(189,922)	-	-	1,732,260
Stock-based compensation	-	-	587,511	-	-	-	-	587,511
Currency translation adjustment	-	-	-	-	-	54,615	-	54,615
Net loss for the year	-	-		-	-	-	(2,053,020)	(2,053,020)
Balance, December 31, 2018	81,779,628	$ 22,795,562	$ 6,481,999	$ 4,727,212	$ -	$ (110,394)	$ (31,885,874)	$ 2,008,505
Private placement, net of costs	2,678,250	296,947		79,061	-	-	-	376,008
Exercise of stock options	550,000	55,000		-	-	-	-	55,000
Fair value reclassed upon exercise of stock options	-	48,950	(48,950)	-	-	-	-	-
Stock-based compensation	-	-	271,095	-	-	-	-	271,095
Shares issued in connection with sale of Rock Island Trading (Pty) Ltd.	416,333	66,613	-	-	-	-	-	66,613
Currency translation adjustment	-	-	-	-	-	(17,672)	-	(17,672)
Net loss for the year	-	-	-	-	-	-	(1,799,977)	(1,799,977)
Balance, December 31, 2019	85,424,211	$ 23,263,072	$ 6,704,144	$ 4,806,273	$ -	$ (128,066)	$ (33,685,851)	$ 959,572

The notes to the consolidated financial statements are an integral part of these statements.

GIYANI METALS CORP.
Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	Years Ended December 31, 2019	Years Ended December 31, 2018
Operating Activities		
Net loss for the year	**$ (1,799,977)**	$ (2,053,020)
Depreciation	**5,609**	5,512
Stock-based compensation	**271,095**	587,511
Loss (gain) on disposal of shares of associate	**16,784**	(243,197)
Gain on debt settlement	**-**	(8,094)
Write-down of receivable	**99,432**	-
Gain on sale of Rock Island (Pty) Ltd.	**(213,733)**	-
Loss from associate	**-**	135,015
Shares for debt	**-**	145,121
Unrealized foreign exchange gain/loss	**47,053**	83,254
Net change in non-cash working capital:		
Funds held in trust	**-**	139,497
Amounts receivable	**(10,412)**	51,267
Amounts due from related party	**(5,512)**	967
Prepaid expenses	**14,022**	(36,463)
Accounts payable and accrued liabilities	**542,485**	97,804
Amounts due to related parties	**390,844**	(5,757)
Cash used in operating activities	**(642,310)**	(1,100,583)
Investing Activities		
Purchase of property plant and equipment	**(4,567)**	-
Proceeds from the sale of Rock Island (Pty) Ltd.	**280,346**	-
Exploration and evaluation asset expenditures	**(358,512)**	(913,131)
Proceeds on disposal of investment in associate	**373,526**	350,000
Cash provided (used in) by investing activities	**290,793**	(563,131)
Financing Activities		
Proceeds on issuance of shares, net of issuance costs	**284,168**	1,587,139
Proceeds from exercise of stock options	**55,000**	-
Cash provided by financing activities	**339,168**	1,587,139
Change in cash during the year	**(12,349)**	(76,575)
Cash, beginning of the year	**21,107**	97,682
Cash, end of the year	**$ 8,758**	$ 21,107

The notes to the consolidated financial statements are an integral part of these statements.

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. The Company has focused its full attention to advance its manganese assets within the Kanye Basin in south eastern Botswana, Africa (the "Kanye Project"). The registered address is Suite 600, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4. The Company uses the trading symbol under the TSX Venture Exchange (“TSXV”) "EMM".

These consolidated financial statements have been prepared using International Financial Reporting Standards (“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 consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company reported a net loss of $1,799,977 for the year ended December 31, 2019 (year ended December 31, 2018 - $2,053,020) and had an accumulated deficit of $33,685,851 as at December 31, 2019 (December 31, 2018 - $31,885,874). The Company has negative working capital of $1,323,611 (December 31, 2018 - $372,243). 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

Statement of compliance

These consolidated financial statements were authorized for issuance by the Board of Directors of the Company on June 15, 2020.

New standards adopted

(a) Leases and right-of-use assets
In January 2016, the IASB issued IFRS 16 - Leases ("IFRS 16"), replacing IAS 17 - Leases. IFRS 16 provides a single lessee accounting model and requires the lessee to recognize assets and liabilities for all leases on its statement of financial position, providing the reader with greater transparency of an entity’s lease obligations.

At January 1, 2019, the Company adopted the following:

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- Leases of low value assets; and
- Leases with a duration of twelve months or less.

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by the incremental borrowing rate on commencement of the lease is used. Variable lease payments are only included in the measurement of the lease liability if they depend on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

2. Basis of preparation (continued)

On initial recognition, the carrying value of the lease liability also includes:

- Amounts expected to be payable under any residual value guarantee;
- The exercise price of any purchase option granted if it is reasonably certain to assess that option;
- Any penalties payable for terminating the lease, if the term of the lease has been estimated on the basis of any termination option being exercised.

Right-of-use assets are initially measured at the amount of the lease liability, reduced for any lease incentives received, and increased for:

- Lease payments made at or before commencement of the lease;
- Initial direct costs incurred; and
- The amount of any provision recognised where the Company is contractually required to dismantle, remove or restore the leased asset.

Lease liabilities, on initial measurement, increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made.

Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if this is judged to be shorter than the lease term.

When the Company revises its estimate of the term of any lease, it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

There was no material impact as a result of the adoption of this standard by the Company.

(b) Uncertainty over Income Tax Treatments

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Earlier application is permitted. At January 1, 2019, the Company adopted this standard and there was no material impact on the Company's consolidated financial statements.

New standards not yet adopted

Definition of a Business (Amendments to IFRS 3)

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

2. Basis of preparation (continued)

This amendment is effective for annual periods beginning on or after January 1, 2020. Managements does not anticipate any material impact from the adoption of this policy.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period"
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

(b) Basis of consolidation and presentation

The consolidated financial statements have been prepared on a historical cost basis. All dollar amounts presented are in Canadian dollars unless otherwise specified.

Subsidiaries

These consolidated financial statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Subsidiaries are consolidated where the Company has the ability to exercise control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated.

Associates

An associate is an entity over which the investor has significant influence but not control or joint control. Significant influence is presumed to exist where the Company has between 20% and 50% of the voting rights, but can also arise where the Company has less than 20% if the Company has the power to be actively involved and influential in policy decisions affecting the entity. The Company's share of the net assets and net income or loss is accounted for in the consolidated financial statements using the equity method of accounting.

(Expressed in Canadian Dollars)

2. Basis of preparation (continued)

Outlined below is information related to the Company's subsidiaries and associates owned by Giyani as at December 31, 2019 and 2018:

Entity name	Company ownership (%)	Place of Incorporation	Functional currency	Method
Coldstream Mineral Ventures Corp. (1)	19.7	Canada	Canadian Dollar	Equity method
Sheltered Oak Resources Corp. (1)	19.7	Canada	Canadian Dollar	Equity method
Menzi Battery Metals (Pty) Ltd.	100	Botswana	Botswana Pula	Consolidated
Qakaza Diamond Corp. (Pty) Ltd.	100	Botswana	Botswana Pula	Consolidated
Matsomo Gold Corp. (Pty) Ltd.	100	Botswana	Botswana Pula	Consolidated
Alpha 111 Holdings Co. Ltd.	100	Barbados	Canadian Dollar	Consolidated
Beta 222 Holdings Co. Ltd.	100	Barbados	Canadian Dollar	Consolidated
Giyani Gold Holdings 333 (Pty) Ltd.	100	South Africa	Canadian Dollar	Consolidated
Giyani Gold South Africa (Pty) Ltd.	100	South Africa	South African Rand	Consolidated
Lexshell 831 Investments (Pty) Ltd.	100	South Africa	South African Rand	Consolidated
GGC South Africa Mining 111 (Pty) Ltd.	100	South Africa	South African Rand	Consolidated
Obliwize (Pty) Ltd.	100	South Africa	South African Rand	Consolidated
Obliweb (Pty) Ltd.	100	South Africa	South African Rand	Consolidated
Lexshell 885 Investments (Pty) Ltd.	100	South Africa	South African Rand	Consolidated
Lexshell 154 General Trading (Pty) Ltd.	100	South Africa	South African Rand	Consolidated
Lexshell 837 Investments (Pty) Ltd.	64	South Africa	South African Rand	Consolidated
Rock Island Trading 17 (Pty) Ltd. (2)	28.8	South Africa	South African Rand	Joint Operation

(1) The interest in these entities was held through Canoe Mining Ventures Corp ("Canoe"). As a result of the liquidation of all interest in Canoe, the Company no longer hold interest in these entities as of December 31, 2019.
(2) 28.8% represents the Company's effective ownership in Rock Island Trading 17 (Pty) Ltd. ("Rock Island"), a joint operation. During the year-end December 31, 2019 the Company entered into an agreement to sell its effective ownership in Rock Island to a third-party. (note 5)

Critical accounting estimates and judgments

The Company performed an analysis of risk factors which, if any should be realized, could materially and adversely affect the results, financial position and/or market price of its securities.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses and other income for the year. These estimates and assumptions were based on management's knowledge of the relevant facts and awareness of circumstances, having regard to prior experience. Significant estimates and assumptions include the following (excluding going concern which is disclosed in Note 1):

2. Basis of preparation (continued)

Critical accounting estimates and judgments (continued)

(i) Recoverability of exploration and evaluation properties

Management will consider the economics of its exploration and evaluation assets, including the drill and geophysical results. Where an indicator of impairment exists, management will perform an impairment test and if the recoverable amount is less than the carrying value, record an impairment charge.

(ii) Stock-based compensation

Management is required to make certain estimates when determining the fair value of stock option awards and compensatory warrants. These estimates require the input of highly subjective assumptions including the expected price volatility and the number of awards that are expected to vest. These estimates affect the amount recognized as stock-based compensation in the statements of (income) loss based on estimates of forfeiture and expected lives of the underlying stock options and the value attributed to warrants issued as compensation for assets.

(iii) Other accounting estimates and judgments

Other estimates and judgments included determinations as to whether exploration costs should be expensed or capitalized.

While Management believes that these estimates and judgments are reasonable, actual results may differ from the amounts included in the consolidated financial statements.

3. Significant accounting policies

Foreign currency translation

Items included in the consolidated financial statements of each of the Company's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of each entity is listed in Note 2. The consolidated financial statements are presented in Canadian dollars which is the Company's presentation currency.

Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate in effect at the balance sheet date. Non-monetary assets and liabilities, expenses and other income arising from foreign currency transactions are translated at the exchange rate in effect at the date of the transaction. Exchange gains or losses arising from the translation are included in the determination of losses in the current year.

The results and financial position of all entities in the Company that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- equity transactions are translated at the historical exchange rate;
- income and expenses for each income statement are translated at the exchange rate in effect on date of the transaction (or at average exchange rates for the reporting period);
- exchange differences are recorded in cumulative translation adjustment.

3. Significant accounting policies (continued)

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

Classification	IFRS 9
Cash	FVTPL
Amounts receivable	Amortized cost
Amounts due from related party	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Other liabilities	Amortized cost
Amounts due to related parties	Amortized cost

Financial instruments are measured on initial recognition at fair value, and, in the case of financial instruments other than those classified as ‘‘fair value through profit and loss” (“FVTPL”), directly attributable transaction costs.

(i) Recognition and Measurement

Financial assets and financial liabilities are recognized in the Company’s statement of financial position when the Company becomes a party to the contractual provisions of the instrument. On initial recognition, all financial assets and financial liabilities are recorded at fair value, net of attributable transaction costs, except for financial assets and liabilities classified as at fair value through profit or loss (‘FVTPL’). The directly attributable transactions costs of financial assets and liabilities as at FVTPL are expensed in the period in which they are incurred.

Subsequent measurement of financial assets and liabilities depends on the classification of such assets and liabilities.

(ii) Classification of financial assets

Amortized cost:
Financial assets that meet the following conditions are measured subsequently at amortized cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The amortized cost of financial assets is the amount at which the financial asset is measured at initial recognition minus the principal payments, plus the cumulative amortization using effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

All of the Company’s financial assets are measured at amortized cost. The Company’s financial assets at amortized costs primarily include accounts receivable and amounts due from related parties. The Company's cash is reported at FVTPL.

(iii) Classification of financial liabilities

Financial liabilities are measured at amortized cost using effective interest method.

3. Significant accounting policies (continued)

(iv) Impairment

The Company recognizes loss allowance for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting period to reflect changes in credit risk since initial recognition of the respective financial instruments.

Deferred acquisition costs

Acquisition costs related to mineral property interests are deferred until such time as title to the claim is obtained and the Company has the right to explore that mineral property. Once title is obtained, the Company reclassifies deferred acquisition costs to acquisition costs within exploration and evaluation assets. If title to a mineral property is not obtained, the deferred acquisition costs are written-off to the statement of loss during the period when it is determined that title will not be obtained.

Exploration and evaluation assets

The Company capitalizes all costs related to investments in mineral property interests on a property-by-property basis, once the right to explore a property has been obtained by the Company. Such costs include mineral property acquisition costs and exploration and evaluation expenditures, net of any recoveries, and are monitored for indications of impairment. Where there are indications of a potential impairment, an assessment is performed for recoverability. Capitalized costs are charged to the statement of comprehensive loss to the extent that they are not expected to be recovered.

Exploration and evaluation expenditures relate to the initial search for deposits with economic potential and to detailed assessments of deposits or other projects that have been identified as having economic potential. Once an economically viable reserve has been determined for an area and the decision to proceed with development has been approved, exploration and evaluation assets attributable to that area are first tested for impairment and then reclassified to construction in progress within property, plant and equipment.

Subsequent recovery of the resulting carrying value depends on successful development or sale of the undeveloped project. If a project does not prove viable, all irrecoverable costs associated with the project are written off.

Equipment

Equipment is carried at cost, less accumulated amortization and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Equipment is depreciated using the following annual rates:

Computer equipment	33.3%	declining balance
Furniture and fixtures	14.3%	declining balance
Mining and exploration equipment	14.3%	declining balance
Telecommunication and mobile equipment	20.0%	declining balance

Impairment of non-current assets

Non-current assets are evaluated at each reporting period by management for indicators that carrying value is impaired and may not be recoverable. When indicators of impairment are present the recoverable amount of an asset is evaluated at the level of a cash generating unit ("CGU"), the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets, where the recoverable amount of a CGU is the greater of the CGU's fair value less costs to sell and its value in use. An impairment loss is recognized in profit or loss to the extent the carrying amount exceeds the recoverable amount.

3. Significant accounting policies (continued)

In calculating recoverable amount, the Company uses discounted cash flow techniques to determine fair value when it is not possible to determine fair value either by quotes from an active market or a binding sales agreement. Management also considers fair value based on cost information and the value of successful exploration activities.

The determination of discounted cash flows is dependent on a number of factors, including future metal prices, the amount of reserves, the cost of bringing the project into production, production schedules, production costs, sustaining capital expenditures, and site closure, restoration and environmental rehabilitation costs. Additionally, the reviews take into account factors such as political, social and legal, and environmental regulations. These factors may change due to changing economic conditions or the accuracy of certain assumptions and, hence, affect the recoverable amount.

Reversal of impairment

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Provision for environmental rehabilitation

The Company records a liability based on the best estimate of costs for site closure and reclamation activities that the Company is legally or constructively required to remediate. The liability is recognized at the time environmental disturbance occurs and the resulting costs are capitalized to the corresponding asset. The provision for closure and reclamation liabilities is estimated using expected cash flows based on engineering and environmental reports prepared by third-party industry specialists and discounted at a pre-tax rate specific to the liability. The capitalized amount is depreciated on the same basis as the related asset. The liability is adjusted for the accretion of the discounted obligation and any changes in the amount or timing of the underlying future cash flows.

Significant judgments and estimates are involved in forming expectations of the amounts and timing of future closure and reclamation cash flows. Additional disturbances and changes in closure and reclamation estimates are accounted for as incurred with a change in the corresponding capitalized cost. Costs of rehabilitation projects for which a provision has been recorded are recorded directly against the provision as incurred, most of which are incurred at the end of the life of mine.

There are currently no environmental rehabilitation provisions recorded.

Capital stock

Proceeds from the exercise of stock options and warrants are recorded as capital stock in the amount for which the option or warrant enabled the holder to purchase a share in the Company. Capital stock issued for non-monetary consideration is valued at the closing market price at the date of issuance. The proceeds from the issuance of units are allocated between common shares and common share purchase warrants based on the residual value method. Under this method, the proceeds are allocated to capital stock based on the fair value of the common share and any residual value remaining is allocated to common share purchase warrants.

3. Significant accounting policies (continued)

Share-based payments

The Company grants share options to acquire common shares of the Company to directors, officers, consultants and employees.

The fair value of the instruments granted is measured using a Black-Scholes model, taking into account the terms and conditions upon which the instruments are granted. The fair value of the awards is adjusted by the estimate of the number of awards that are expected to vest as a result of non-market conditions and is expensed over the vesting period using the graded vesting method of amortization. At each balance sheet date, the Company reviews its estimates of the number of options that are expected to vest based on the non-market vesting conditions including the impact of the revision to original estimates, if any, with corresponding adjustments to equity. Volatility, as input into the Black-Scholes model, measured at the standard deviation of continuously compounded share returns is based on statistical analysis of daily share prices over the expected life of the option.

Income taxes

Income tax expense consists of current and deferred tax expense. Current and deferred tax are recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is recognized and measured at the amount expected to be recovered from or payable to the taxation authorities based on the income tax rates enacted or substantively enacted at the end of the reporting period and includes any adjustment to taxes payable in respect of previous years Deferred tax is recognized on any temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable earnings. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized and the liability is settled. The effect of a change in the enacted or substantively enacted tax rates is recognized in net earnings and comprehensive income or in equity depending on the item to which the adjustment relates.

Deferred tax assets are recognized to the extent future recovery is probable. At each reporting period end, deferred tax assets are reduced to the extent that it is no longer probable that sufficient taxable earnings will be available to allow all or part of the asset to be recovered.

Loss per share

Basic loss per share is calculated using the weighted average number of common shares outstanding during the period.

The dilutive effect of options, warrants and similar instruments on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the period. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive. Shares held in escrow, other than where their release is subject to the passage of time, are not included in the calculation of the weighted average number of common shares outstanding.

(Expressed in Canadian Dollars)

3. Significant accounting policies (continued)

Non-controlling interests

Non-controlling interests in the Company's less than wholly-owned subsidiaries are classified as a separate component of equity. On initial recognition, non-controlling interests are measured at their proportionate share of the acquisition date fair value of identifiable net assets of the related subsidiary acquired by the Company. Subsequent to the acquisition date, adjustments are made to the carrying amount of non-controlling interests for the non-controlling interests' share of changes to the subsidiary's equity. Adjustments to recognize the non-controlling interests' share of changes to the subsidiary's equity are made even if this results in the non-controlling interests having a deficit balance.

If changes in the Company's ownership interest in a subsidiary result in a loss of control, the Company derecognizes the assets and liabilities of the former subsidiary from the consolidated statement of financial position, recognizes any investment retained in the former subsidiary when control is lost and subsequently accounts for it in accordance with relevant IFRSs and recognizes the gain or loss associated with the loss of control attributable to the former controlling interest.

4. Equipment

Cost	Furniture and Fixture	Mining and Exploration	Computer Equipment	Equipment	Total
Balance, December 31, 2017 and December 31, 2018,	$ 31,186	$ 21,724	$ 21,175	$ 32,743	$ 106,828
Additions	-	-	4,567	-	4,567
December 31, 2019	$ 31,186	$ 21,724	$ 25,742	$ 32,743	$ 111,395
Accumulated depreciation					
Balance, December 31, 2017	$ 23,925	$ 21,724	$ 21,175	$ 17,275	$ 84,099
Depreciation for the year	2,420	-	-	3,092	5,512
Balance, December 31, 2018	$ 26,345	$ 21,724	$ 21,175	$ 20,367	$ 89,611
Depreciation for the year	1,612	-	1,521	2,476	5,609
Balance, December 31, 2019	$ 27,957	$ 21,724	$ 22,696	$ 22,843	$ 95,220
Net book value					
Balance, December 31, 2018	$ 4,841	$ -	$ -	$ 12,376	$ 17,217
Balance, December 31, 2019	$ 3,229	$ -	$ 3,046	$ 9,900	$ 16,175

5. Exploration and evaluation assets

Botswana

On April 11, 2017, the Company announced the acquisition of six new prospecting licenses that encompass the past producing Kgwakgwe Hill Manganese Mine ("K.Hill") located in the Kanye Basin, south eastern Botswana. Binding agreements were signed with Everbroad Investments (Pty) ("Everbroad") Limited and Marcelle Holdings (Pty) Limited ("Marcelle") to acquire an 88% interest in PL322/2016 (Kgwakgwe Hill License) and 100% interest in PL336/2016 to PL340/2016 (adjacent to K.Hill) inclusive by making cash payments totaling US$75,000 (paid).

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

On July 13, 2017, the Company signed a definitive agreement (the "Agreement") with Marcelle to acquire an 88% interest in seven prospecting licences (PL294/2016 to PL300/2016 inclusive) by making cash payments totaling BWP 980,000 Botswana Pula (paid). Additionally, the Agreement included the completion of the acquisition of 100% interest in five prospecting licences from Marcelle and an 88% interest in one prospecting licence from Everbroad as mentioned above. The Agreement also included the acquisition of a 100% interest in Menzi Battery (Pty) Limited ("Menzi"), a company incorporated in accordance with the laws of Botswana, by issuing two million common shares of Giyani (issued). The acquisition of Menzi was treated as an asset acquisition as Menzi did not meet the definition of a business under IFRS.

On November 16, 2017, the Company announced the acquisition of an additional licence near the town of Lobatse ("The Lobatse Prospect"). The Lobatse Prospect is located 40 km east of K.Hill. The Lobatse Prospect, along with K.Hill and the Otse Prospect, near the town of Otse, are all located within the boundaries of the Kanye Project area.

All licences had an initial expiry date of December 31, 2019, except for the Lobatse Prospect licence which has an initial expiry December 31, 2020. The licences have minimum aggregated Botswana Pula expenditures of BWP25,450,000 (approximately $3,043,000) by December 31, 2019 and additional expenditures of BWP2,950,000 (approximately $350,000) by December 31, 2020 and can be renewed prior to the initial expiry date. The Company has requested the extension of all licenses that had an initial expiry date of December 31, 2019, except PL295, PL299 and PL300. As such, the minimum expenditure requirements are expected to be extended. The majority of the current expenditures, as shown below, are expected to qualify towards the minimum required expenditures.

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

	Kanye Project
Balance, December 31, 2017	$ 1,088,729
Current expenditures	913,131
Foreign exchange	(28,639)
Balance, December 31, 2018	$ 1,973,221
Current expenditures	358,512
Foreign exchange	(64,725)
Balance, December 31, 2019	$ 2,267,008

South Africa

Rock Island Gold Project

The Company had previously entered into a joint operation agreement relating to the assets of Rock Island, the Company funded the joint operation with Corridor Mining Resources (“CMR”) on a 50:50 basis, whereby both parties were to share the costs evenly on an ongoing basis. The joint operation was operated through Rock Island Trading 17 (Pty) Ltd. (2); a company incorporated in South Africa for which Giyani had 28.8% effective ownership.

The Company’s exploration permits expired on July 10, 2015. Prior to expiry, an application to extend for a three year retention permit was submitted to the South African Department of Mineral Resources (the "DMR"). This application was submitted by Giyani’s partner CMR. At the time, no competing applications were submitted. The DMR confirmed receipt of the application on May 4, 2016. For accounting purposes, the Company had previously recorded the Rock Island Gold Project at $nil, with an impairment of the full carrying amount reported as a loss in previous periods.

During the year, the Company signed a sale of shares agreement (Rock Island Agreement) with CMR to sell the Company's effective interest of 28.8% or 45 shares in Rock Island Trading 17 (Pty) Ltd. (2) held through Lexshell 837 Investments (Pty) Ltd. (Lexshell). The purchase price of the sale of shares was ZAR9,555,046 ($845,460). The receipt of funds will occur in two tranches; one third immediately on signing of agreement (received) and two thirds on closing of the agreement. As of December 31, 2019, the Rock Island Sale was not closed.

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

In addition, during the year, the Company entered into a purchase agreement with Malungani Resources (Pty) Ltd (Malungani) to acquire the remaining 36% ownership in Lexshell. In exchange for the remaining ownership in Lexshell, the Company and Malungani agreed on the following:

- Upon completion of the Rock Island Sale, Lexshell wishes to transfer the Rock Island Sale proceeds to Giyani in settlement of certain inter-company debts.
- The Company is to issue Malungani 1,248,999 common shares of Giyani. One-third of the shares have been issued (note 10) and the remaining two-thirds are to be issued once the Company receives the remaining proceeds from the Rock Island Sale.

In connection with the two agreements noted above, the Company has received cash proceeds of $280,346 from Rock Island Agreement, issued 416,333 common shares to Malungani and recorded a $213,733 accounting gain included in the statements of loss and comprehensive loss

6. Investment in associate

On September 23, 2016, as a result of the deconsolidation of Canoe, an equity investment in Canoe of $906,952 was recorded based on the fair value of the shares held on that date. During the year ended December 31, 2017, Canoe issued additional common shares. As a result the Company's ownership in Canoe decreased from 33.3% to 23.7%.

On January 29, 2018, the Company sold 2,800,000 common shares of Canoe for proceeds of $350,000, resulting in a gain on disposal of shares of associate of $243,197. As a result, the Company's ownership in Canoe decreased to 19.7%. During the year ended December 31, 2019, the Company's share of the losses of Canoe of $nil (2018 - $135,015) has been recorded in the consolidated statements of loss and comprehensive loss.

During the year ended December 31, 2019, the Company liquidated all the common shares held of Canoe for proceeds of $386,501, net of costs of $3,809, resulting in a loss on disposal of shares of associate of $16,784. As a result of this sale, the Company ceases to have an ownership interest in Canoe.

The continuity of investment in associate is as follows:

		Investment in associate
Balance, December 31, 2017	$	632,128
Loss pick-up from associate during the year		(135,015)
Disposal		(106,803)
Balance, December 31, 2018		390,310
Disposal		(390,310)
Balance, December 31, 2019	$	-

(Expressed in Canadian Dollars)

7. Other liabilities

During the year ended December 31, 2017, the Company transferred $106,943 of accounts payable (the "Statute-barred Claims") to other liabilities on the basis that any claims in respect of the Statute-barred Claims were statute-barred under the Limitations Act (Ontario). The Statute-barred Claims related to expenses billed by, and third party liabilities incurred by prior management of the Company prior to December 2015. However, for accounting purposes under IFRS, a debt can only be removed from the Company's Statement of Financial Position when it is extinguished meaning only when the contract is discharged or canceled or expires. The effect of the Limitations Act is to prevent a creditor from enforcing an obligation but it does not formally extinguish the debt for accounting purposes. It is the position of management of the Company that the Statute-barred Claims cannot be enforced by the creditors, do not create any obligation for the Company to pay out any cash and do not affect the financial or working capital position of the Company. The Statute-barred Claims are required to be reflected on the Company's Statement of Financial Position as a result of the current interpretation of IFRS, but they are classified as long-term liabilities since the Company has no intention or obligation to pay these Statute-barred Claims and the creditors cannot enforce payment of the Statute-barred Claims. While inclusion of these items is intended solely to comply with the requirements of IFRS, the Company in no way acknowledges any of the Statute-barred Claims.

8. 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:

	Shares	Amount
Balance, December 31, 2018	**74,571,738**	**$ 21,316,713**
Private placement (i)	7,207,890	1,837,049
Valuation of warrants issued in private placement (i)	-	(443,333)
Share issuance costs (i)	-	(59,988)
Shares issued for settlement of debt	-	145,121
Balance, December 31, 2018	**81,779,628**	**$ 22,795,562**
Private placement (ii)	2,678,250	428,520
Fair value of warrants issued in private placement (ii)	-	(79,061)
Share issuance costs (ii)	-	(51,681)
Fair value of finder warrants issued in private placement (ii)	-	(831)
Exercise of stock options (iii)	550,000	55,000
Fair value reclassed upon exercise of stock options (iii)	-	48,950
Shares issued in connection with the sale of Rock Island (iv)	416,333	66,613
Balance, December 31, 2019	**85,424,211**	**$ 23,263,072**

(i) On February 8, 2018, the Company closed a non-brokered private placement of 7,207,890 units for total gross proceeds of $1,837,049. Each unit consisted of one common share of Giyani at a price of $0.275 per share and one half of a share purchase warrant exercisable at $0.40 for a period of 18 months from the date of issuance. Total transaction costs of $59,988 were incurred including finders' fees of $43,374.

The 3,603,945 warrants and 157,723 finders' warrants were assigned a fair value of $415,878 and $27,455, respectively, which was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price - $0.31 - $0.33, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 128%; risk-free interest rate - 0.82% - 1.85%; and an expected life - 1.5 years.

(Expressed in Canadian Dollars)

8. Share capital (continued)

Officers and directors of the Company subscribed for 1,187,291 units in the private placement for gross proceeds of $256,750. Related parties settled $69,755 of debt in conjunction with the private placement.

(ii) On April 24, 2019, the Company closed a non-brokered private placement of 2,678,250 units at $0.16 per unit for total gross proceeds of $428,520. Each unit consisted of one common share of Giyani and one half of a share purchase warrant exercisable at $0.275 for a period of 18 months from the date of issuance. As a result of the placement, $9,450 in finders' fees were paid and $43,062 in issuance costs were capitalized.

The 1,339,125 full warrants and 16,875 finders' warrants were assigned a fair value of $79,061 and $831, respectively, which was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price - $0.11, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 144%; risk-free interest rate - 1.71%; and an expected life - 1.5 years.

Officers and directors of the Company subscribed for 875,115 units in the private placement for gross proceeds of $140,018. Related parties settled $91,840 of debt in conjunction with the private placement.

(iii) During the year ended December 31, 2019, former Directors exercised 550,000 stock options exercisable at $0.10 for total gross proceeds of $55,000. As a result of the exercise, the fair value attributable to the options exercised was moved to share capital in the amount of $48,950.

(iv) On December 31, 2019, the Company issued 416,333 common shares for $0.16 to a joint shareholder of Rock Island. The issuance of the shares was to settle debt owed in connection with the sale of the Rock Island asset to CMR. See note 5.

9. 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:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2017	4,900,000	$ 0.27
Forfeited	(300,000)	0.32
Granted (i), (ii), (iii)	3,200,000	0.28
Expired	(350,000)	0.32
Balance, December 31, 2018	7,450,000	$ 0.27
Exercised (note 8)	(550,000)	0.10
Forfeited	(1,762,500)	0.30
Granted (iv)	2,000,000	0.15
Balance, December 31, 2019	7,137,500	$ 0.24

(Expressed in Canadian Dollars)

9. Stock options (continued)

(i) On April 25, 2018, the Company granted 350,000 stock options to a director with each option exercisable into one common share of the Company at an exercise price of $0.23 per share until April 25, 2023. A fair value of $68,845 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price - $0.23, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 128%; risk-free interest rate - 2.18%; and an expected life - 5 years.

(ii) On May 29, 2018, the Company granted 200,000 stock options to a consultant with each option exercisable into one common share of the Company at an exercise price of $0.35 per share until May 29, 2023. A fair value of $39,620 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price - $0.24, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 128%; risk-free interest rate - 2.03%; and an expected life - 5 years. The options vest over a 12-month period in stages of 25% after each 3-month period.

(iii) On September 28, 2018, the Company granted 2,650,000 stock options to certain directors, officers and consultants with each option exercisable into one common share of the Company at an exercise price of $0.28 per share until September 28, 2023. A fair value of $639,445 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price - $0.28, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 130%; risk-free interest rate - 2.33%; and an expected life - 5 years. 1,950,000 of the options vested immediately, 350,000 vest on the announcement of a Board of Directors approved reserve in Botswana and 350,000 vest on a Board of Directors decision to proceed to a mine plan in Botswana.

(iv) On November 20, 2019, the Company granted 2,000,000 stock options to certain directors, officers and consultants with each option exercisable into one common share of the Company at an exercise price of $0.15 per share until November 20, 2024. A fair value of $281,912 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price - $0.15, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 166%; risk-free interest rate - 1.63%; and an expected life - 5 years. 1,300,000 of the options vested immediately, 700,000 vest on certain performance obligations.

During the year ended December 31, 2019, the Company recorded $271,095 (December 31, 2018 - $587,511) in the consolidated statements of loss and comprehensive loss.

Stock options outstanding as at December 31, 2019:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Total options	Options exercisable
June 24, 2021	0.10	1.48	500,000	500,000
August 3, 2021	0.31	1.59	350,000	650,000
May 1, 2022	0.34	2.33	800,000	800,000
November 28, 2022	0.30	2.91	750,000	750,000
April 25, 2023	0.23	3.32	350,000	350,000
September 28, 2023	0.28	3.75	2,387,500	1,687,500
November 18, 2024	0.15	4.89	2,000,000	1,300,000
			7,137,500	6,037,500

(Expressed in Canadian Dollars)

10. Warrants

Warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, December 31, 2017	1,760,786	0.70
Issued (note 8(b)(i))	3,761,665	0.40
Expired	(1,760,786)	0.70
Balance, December 31, 2018	3,761,665	0.40
Issued (note 8(b)(ii))	1,356,000	0.28
Expired	(3,761,665)	0.40
Balance, December 31, 2019	1,356,000	0.28

Warrants outstanding as at December 31, 2019:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Warrants exercisable
October 23, 2020	0.275	0.81	1,339,125
October 18, 2020 (finder warrants)	0.275	0.81	16,875
			1,356,000

11. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2018 - 26.5%) to the effective tax rate is as follows:

	2019	2018
Income (loss) before income taxes	$ (1,614,773)	$ (2,053,020)
Combined statutory income tax rate	26.5%	26.5%
Income tax benefit at the combined Canadian statutory income tax rate	(427,915)	(544,050)
Share issuance cost booked through equity	14,136	-
Share-based compensation and other non-deductible expenses	253,001	134,480
Utilization of losses due to debt settlement	-	2,140
Difference in tax rates	8,591	3,780
Change in tax benefits not recognized	337,391	403,650
Actual income tax expense	$ 185,204	$ -
The Company's income tax expense is allocated as follows:		
Current tax expense	$ 185,204	$ -
Deferred tax expense	-	-
	$ 185,204	$ -

The current tax expense of $185,204 has been included in accounts payable and accrued liabilities on the consolidated statement of financial position.

(Expressed in Canadian Dollars)

11. Income taxes (continued)

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets that have not been recognized in respect of the following deducible temporary differences:

	2019	2018
Property and equipment	$ 107,110	$ 101,502
Lexshell 831 shares investment	5,680,290	5,680,292
Share issuance costs	51,570	13,926
Resource pools - Mineral Properties	2,204,470	2,204,470
Non-capital losses carried forward	11,997,200	10,704,868
Capital losses carried forward	349,770	778,041
South Africa		
Non-capital losses carried forward	1,386,490	1,384,984
Exploration and evaluation assets	1,837,890	1,837,890
Botswana		
Non-capital losses carried forward	112,420	84,070

The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains. Share issue and financing costs will be fully amortized in 2023. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Canadian non-capital loss carry forwards expire as noted in the table below.

Country	Amount
2030	$ 446,900
2031	$ 1,801,970
2032	$ 1,945,130
2033	$ 1,549,620
2034	$ 1,356,440
2035	$ 811,440
2036	$ 537,490
2037	$ 889,230
2038	$ 1,365,650
2039	$ 1,293,330
	$ 11,997,200

The Company's South Africa and Botswana non-capital income tax losses can be carried forward indefinitely.

(Expressed in Canadian Dollars)

12. Related party transactions

Management and consulting fees of $584,846 (year ended December 31, 2018 - $651,682) were paid or accrued to officers and directors of the Company or to companies controlled by officers or directors of the Company during the year ended December 31, 2019.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the year ended December 31, 2019, the Company paid or accrued professional fees of $42,658 (year ended December 31, 2018 - $41,688) to MSSI. These services were incurred in the normal course of operations for general accounting and financial reporting matters. MSSI also provides bookkeeping services to the Company.

As at December 31, 2019, the Company owed $384,459 (December 31, 2018 - $81,682) to directors and officers of the Company and entities controlled by or associated with directors and officers of the Company. As at December 31, 2019, MSSI was owed $47,158 (December 31, 2018 - $3,773) with respect to services provided. The balances owed were recorded in the consolidated statement of financial position as amounts due to related parties.

During the year ended December 31, 2019, the Company recorded an impairment on amounts due from related party receivables from Canoe. The Company recorded an impairment on receivables of $99,432 in the consolidated statements of loss and comprehensive loss and as such the amounts due from Canoe as of December 31, 2019 is $20,000 (December 31, 2018 - $95,847).

Additional remuneration of officers and directors of the Company was as follows:

	Years Ended December 31,	
	2019	**2018**
Stock-based compensation	$ 240,830	$ 485,039

13. Corporate, general and administrative

	Years Ended December 31,	
	2019	**2018**
Professional fees	**$ 594,309**	$ 583,207
Salaries and benefits	**162,724**	256,181
Stock-based compensation	**271,095**	587,511
Regulatory fees	**46,419**	40,429
Shareholder information	**291,055**	354,064
Travel	**258,441**	200,322
General and administrative	**91,595**	133,850
	$ 1,715,638	$ 2,155,564

14. Capital management

The Board's policy is to maintain a strong capital base so as 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 process to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. With the exception of commitments detailed in note 17 as noted below, there were no externally imposed capital requirements to which the Company is subject as at December 31, 2019. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the Exchange 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 6 months. As of December 31, 2019, the Company is compliant with known requirements other than Policy 2.5 of the TSX Venture Exchange. The Company continues to evaluate various options in order to meet the capital requirement imposed by Policy 2.5 of TSX Venture Exchange.

15. Financial instruments and risk management

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).

Fair values

The Company's cash is comprised primarily of current deposits held with a Canadian chartered bank. The fair value of cash and funds held in trust approximate their carrying value due to their short-term nature.

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 amounts due from related party.

The Company reduces its risk on cash by maintaining its bank accounts at 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 to and anticipated investing and financing activities. The Company's financial obligations currently consist of accounts payable and accrued liabilities, amounts due to related parties and other liabilities. The carrying value of the accounts payable, accrued liabilities, amounts due to related parties and other liabilities approximates fair value as they are short term in nature.

15. Financial instruments and risk management (continued)

The Company had cash at December 31, 2019 of $8,758 (December 31, 2018 - $21,107). As at December 31, 2019, the Company had accounts payable and accrued liabilities and amounts due to related parties of $1,328,813 (December 31, 2018 - $487,324).

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

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, Botswana Pula and United States dollar. Based on the net exposure at December 31, 2019, a 10% depreciation or appreciation of the South African Rand, Botswana Pula and United States dollar against the Canadian dollar would be approximately $35,647.

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 performance of the operating segments and has been identified as the Company’s Chief Executive Officer.

The Company has three operating segments: the exploration, evaluation and development of manganese and precious metal mining projects located in Botswana ("Botswana Mining") and South Africa (“South Africa Mining”). The rest of the entities within the Company are grouped into a secondary segment (“Corporate”).

(Expressed in Canadian Dollars)

16. Segmented information (continued)

The segmental report is as follows:

December 31, 2019	Botswana Mining	South Africa Mining	Corporate	Total
Total assets	$ 2,310,856	$ -	$ 84,472	$ 2,395,328
Total liabilities	-	113,961	1,321,795	1,435,756
Net loss	28,521	-	1,771,456	1,799,977

December 31, 2018	Botswana Mining	South Africa Mining	Corporate	Total
Total assets	$ 2,035,502	$ -	$ 567,270	$ 2,602,772
Total liabilities	-	112,457	481,810	594,267
Net loss	56,786	-	1,996,234	2,053,020

17. Commitments and contingencies

Break Fee Receivable

On October 14, 2015, the Company signed a letter of intent (“LOI”) with Crystal Capital Wealth Corporation (“Crystal”). The LOI proposes a transaction pursuant to which the Company would acquire all the issued and outstanding securities of Crystal by means of a Reverse Takeover and Change of Business (the “Transaction”).

On March 31, 2016, the Company and Crystal terminated the indicative LOI as it has expired. Under the terms of the Agreement, Giyani is entitled to and will pursue collecting the US$250,000 break fee. Crystal loaned the Company $35,000 which will be deducted from the break fee owing. Given the uncertainty of collectability, no amounts have been setup as receivable in these consolidated financial statements.

Term Sheet

On January 28, 2019, the Company entered into a non-binding term sheet (the "Agreement") with Traxys Africa Trading (Pty) Ltd ("Traxys" or the "Lender") which sets out terms for an investment of US$1,000,000 in the form of a secured convertible loan facility under which Traxys will have exclusive rights to market all of the direct shipping ore ("DSO") manganese material processed and produced from the Company's K.Hill and Otse reclamation projects in Botswana.

The facility bears interest at the aggregate of 10% and the 3 month US$ LIBOR per annum compounded quarterly with a term of 36 months. The facility will be repaid on or before the maturity by:

- the future delivery of DSO or other ore as provided for in the Agreement. The net amount (after all applicable deductions have been made) of the proceeds derived from the sale of the DSO, will be used to reduce the outstanding amount until such date as the outstanding amount has been fully repaid,
- at the sole discretion of the Lender, by the Lender exercising its right to conversion shares or,
- repayment in cash by the Corporation of any then remaining outstanding amount at maturity.

The Company, as part of the Agreement, shall pay to Traxys a commission of US$10 per ton in respect of all material subject to the Agreement. The commission shall be deducted from the proceeds of the sale of the DSO, or other ore, in addition to any repayment deductions, and shall continue to apply for the duration of the Agreement irrespective of the outstanding amount being settled.

17. Commitments and contingencies (continued)

The outstanding amount, constituting principal and accrued interest of the facility may be converted into common shares of the Company at any time. The price per conversion share will be $0.225. In addition, the Company will issue for no additional consideration 3,000,000 unlisted warrants all vesting immediately. Each warrant will be exercisable into one common share of the Company for a period of 36 months from the date of their issuance at an exercise price of $0.225.

The definitive agreement has not yet been completed and remains under discussion between both parties. Following the outbreak of COVID-19 and the ensuing global pandemic, the Company continues to review its strategy in relation to the DSO program that had been planned in 2019 for commencement in 2020. Until there is clarity of operating practices in Botswana, in order to protect the health and wellbeing of all the Company's employees, consultants and contractors, the DSO program remains under review and has not yet commenced.

18. Subsequent events

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation and its operating subsidiaries in future periods. The Company is closely monitoring the business environment as a result to ensure minimal distribution to business operations.

Subsequent to December 31, 2019, the Company completed a non-brokered private placement of 15,000,000 units at $0.08 per unit to accredited investors and other exempt purchasers, with each unit consisting of one common share of the Company and one half of one common share purchase warrant. Each whole warrant will entitle the holder to purchase one common share at an exercise price of $0.10 per share for a period of three years from the closing of the private placement. The Company received subscription agreements totaling $1,200,000. This includes a lead subscription on behalf of RAB Capital Holdings Limited for 11 million units for a total subscription of $880,000. The Company has also entered into a conditional board representation agreement under which, following closing, and provided this subscriber maintains at least a 10% shareholding, it shall be entitled to have appointed or elected one director to the board of the Company. The agreement also provides that, following closing, Giyani will consult with and obtain the consent of RAB Capital, which is not to be unreasonably withheld, to certain equity security issuances in the following 13 months, subject to customary carve-outs. Insider subscriptions total approximately $50,000.

Subsequent to December 31, 2019 the Company settled an aggregate of $192,047.63 in debt and a total of 1,829,023 common shares will be issued to creditors. In connection with the debt settlements, 1,167,018 shares were issued to directors and/or officers (or their affiliates) of the Company.

Subsequent to December 31, 2019 the Company issued 500,000 stock options to a new member of management. The stock options have an exercise price of $0.12 and expire on March 10, 2025. The options vested immediately.