GIYANI METALS CORP.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

(Expressed in Canadian Dollars)

(AUDITED)

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, 2020 and December 31, 2019, 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, 2020 and December 31, 2019, 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.

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
April 20, 2021

Chartered Professional Accountants
Licensed Public Accountants

MNP

GIYANI METALS CORP.

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Audited)

As at	December 31, 2020	December 31, 2019
Assets		
Current assets		
Cash	**$ 6,338,927**	$ 8,758
Subscriptions receivable	**186,900**	-
Amounts receivable	**51,352**	41,778
Amounts due from related party (note 11)	**100,000**	20,000
Prepaids	**40,776**	41,609
Total current assets	**6,717,955**	112,145
Equipment (note 4)	**12,697**	16,175
Exploration and evaluation assets (note 5)	**3,282,079**	2,267,008
Total Assets	**$ 10,012,731**	$ 2,395,328
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 802,567**	$ 944,354
Other liabilities	**106,943**	106,943
Amounts due to related parties (note 11)	**206,037**	384,459
Total Liabilities	**1,115,547**	1,435,756
Equity		
Share capital (note 7(b))	**30,489,730**	23,263,072
Contributed surplus	**7,173,754**	6,704,144
Warrants (note 9)	**7,465,980**	4,806,273
Cumulative translation adjustment	**(426,640)**	(128,066)
Deficit	**(35,805,640)**	(33,685,851)
	8,897,184	959,572
Total Liabilities and Equity	**$ 10,012,731**	$ 2,395,328

Nature of operations (note 1)
Subsequent events (note 16)

The notes to the audited 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)
(Audited)

	Years Ended December 31, 2020	2019
Expenses		
Corporate, general and administration (note 12)	**$ 2,113,023**	$ 1,715,638
Depreciation (note 4)	**7,657**	5,609
Net loss before interest and other items	**2,120,680**	1,721,247
Foreign exchange loss	**20,401**	579
Other income	**-**	(9,536)
Write-down of receivables	**-**	99,432
Gain on debt settlement	**(21,292)**	-
Loss on disposal of shares of associate (note 6)	**-**	16,784
Gain on sale of Rock Island Trading (Pty) Ltd. (note 5)	**-**	(213,733)
Net loss before income tax	**2,119,789**	1,614,773
Current income tax expense (note 10)	**-**	185,204
Net loss for the year	**$ 2,119,789**	$ 1,799,977
Other comprehensive loss		
Items that may be subsequently reclassified to profit and loss:		
Currency translation adjustment	**298,574**	17,672
Comprehensive loss for the year	**$ 2,418,363**	$ 1,817,649
Basic and diluted loss per share	**$ 0.02**	$ 0.02
Weighted average number of shares outstanding	**99,334,209**	83,703,693

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

GIYANI METALS CORP.

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

	Number	Share Capital Amount	Contributed Surplus	Warrants	Cumulative Translation Adjustment	Deficit	Total
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	-	-	-	-	-
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**
Private placement, net of costs	61,975,000	6,394,282	-	2,868,827	-	-	9,263,109
Shares issued for debt settlement	1,829,023	170,756	-	-	-	-	170,756
Stock-based compensation	-	-	469,610	-	-	-	469,610
Exercise of warrants	4,525,000	661,620	-	(209,120)	-	-	452,500
Currency translation adjustment	-	-	-	-	(298,574)	-	(298,574)
Net loss for the year	-	-	-	-	-	(2,119,789)	(2,119,789)
Balance, December 31, 2020	**153,753,234**	**$ 30,489,730**	**$ 7,173,754**	**$ 7,465,980**	**$ (426,640)**	**$ (35,805,640)**	**$ 8,897,184**

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

GIYANI METALS CORP.

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Audited)

	Years Ended December 31, 2020	2019
Operating Activities		
Net loss for the year	**$ (2,119,789)**	$ (1,799,977)
Depreciation	**7,657**	5,609
Stock-based compensation	**469,610**	271,095
Loss on disposal of shares of associate	**-**	16,784
Gain on debt settlement	**(21,292)**	-
Write-down of receivable	**-**	99,432
Gain on sale of Rock Island (Pty) Ltd.	**-**	(213,733)
Unrealized foreign exchange loss	**(72,341)**	47,053
Net change in non-cash working capital:		
Amounts receivable	**(9,574)**	(10,412)
Amounts due from related party	**20,000**	(5,512)
Prepaid expenses	**833**	14,022
Accounts payable and accrued liabilities	**(141,787)**	542,485
Amounts due to related parties	**(178,422)**	390,844
Cash used in operating activities	**(2,045,105)**	(642,310)
Investing Activities		
Purchase of property plant and equipment	**(4,179)**	(4,567)
Proceeds from the sale of Rock Island (Pty) Ltd.	**-**	280,346
Exploration and evaluation asset expenditures	**(1,049,256)**	(358,512)
Proceeds on disposal of investment in associate	**-**	373,526
Cash (used in) provided by investing activities	**(1,053,435)**	290,793
Financing Activities		
Proceeds on issuance of shares, net of issuance costs	**8,976,209**	284,168
Proceeds from exercise of stock options	**-**	55,000
Proceeds from exercise of warrants	**452,500**	-
Cash provided by financing activities	**9,428,709**	339,168
Change in cash during the year	**6,330,169**	(12,349)
Cash, beginning of the year	**8,758**	21,107
Cash, end of the year	**$ 6,338,927**	$ 8,758
Supplemental cash flow information:		
Shares issued for settlement of debt (note 7)	**$ 192,048**	$ -

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

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. Since 2017, the Company has focused its full attention to advance its manganese assets within the Kanye Basin in south eastern Botswana, Africa (the "Kanye Basin Prospects"). The registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The Company uses the trading symbol under the TSX Venture Exchange (“TSXV”) "EMM".

These audited consolidated financial statements ("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.

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. 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 Company and its operating subsidiaries in future periods. The Company is monitoring the business environment as a result to ensure minimal distribution to business operations. The Company continues to be in operations as of the current date.

2. Basis of preparation

Statement of compliance

These Financial Statements were authorized for issuance by the Board of Directors of the Company on April 19, 2021.

New standards 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; and
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

There was no material impact to the Financial Statements of the Company as a result of the adoption of this policy.

2. Basis of preparation (continued)

New standards not yet adopted

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; and
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishments 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.

Basis of consolidation and presentation

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

Subsidiaries

These 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 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, 2020 and 2019:

Entity name	Company ownership (%)	Place of Incorporation	Functional currency	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. (1)	28.8	South Africa	South African Rand	Joint Operation

(1) 28.8% represents the Company's effective ownership in Rock Island Trading 17 (Pty) Ltd. ("Rock Island"), a joint operation. During the year ended December 31, 2019 the Company entered into an agreement to sell its effective ownership in Rock Island to a third-party. See Note 5. Exploration and evaluation assets for additional details.

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 the 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 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.

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 Financial Statements.

3. Significant accounting policies

Foreign currency translation

Items included in the 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 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
Subscriptions receivable	Amortized cost
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 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 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, 2018	$ 31,186	$ 21,724	$ 21,175	$ 32,743	$ 106,828
Additions	-	-	4,567	-	4,567
Balance, December 31, 2019	$ 31,186	$ 21,724	$ 25,742	$ 32,743	$ 111,395
Additions	-	-	4,179	-	4,179
Balance, December 31, 2020	$ 31,186	$ 21,724	$ 29,921	$ 32,743	$ 115,574
Accumulated depreciation					
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
Depreciation for the year	1,671	-	3,046	2,940	7,657
Balance, December 31, 2020	$ 29,628	$ 21,724	$ 25,742	$ 25,783	$ 102,877
Net book value					
Balance, December 31, 2019	$ 3,229	$ -	$ 3,046	$ 9,900	$ 16,175
Balance, December 31, 2020	$ 1,558	$ -	$ 4,179	$ 6,960	$ 12,697

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets

Botswana

During the year ended December 31, 2017, the Company acquired 14 prospecting licenses within the Kanye Basin Prospects area which encompass the past producing Kgwakgwe Hill Manganese Mine ("K.Hill"). Giyani also acquired Menzi Battery (Pty) Limited ("Menzi"), a company incorporated in accordance with the laws of Botswana. The acquisition of Menzi was treated as an asset acquisition since it did not meet the definition of a business under IFRS.

The Company's renewal of 10 licenses was approved by the Botswana Department of Mines during the year ended December 31, 2020. The Company did not include four licenses in its renewal application as they were no longer considered prospective.

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

	Kanye Basin Prospects
Balance, December 31, 2018	$ 1,973,221
Current expenditures	358,512
Foreign exchange	(64,725)
Balance, December 31, 2019	$ 2,267,008
Current expenditures	1,049,256
Foreign exchange	(34,185)
Balance, December 31, 2020	$ 3,282,079

South Africa

Rock Island Gold Project

The Company had previously entered into a joint operation agreement relating to the assets of Rock Island Trading 17 (Pty) Ltd. (2) ("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; 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.

(Expressed in Canadian Dollars)

5. Exploration and evaluation assets (continued)

During the year ended December 31, 2019, 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 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 occurs in two tranches; one third immediately on signing of agreement (received) and two thirds on closing of the agreement. The Rock Island sale was not completed as at December 31, 2020.

In addition, during the year ended December 31, 2019, the Company entered into a share purchase agreement with Malungani Resources (Pty) Ltd ("Malungani") to acquire Malungani's 36% ownership in Lexshell. In exchange for Malungani's 36% ownership in Lexshell, the Company and Malungani agreed on the following:

- Upon completion of the Rock Island Agreement, Lexshell would to 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. One-third of the shares have been 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.

In connection with the two agreements noted above, the Company has received cash proceeds of $280,346 under the terms of the Rock Island Agreement and issued 416,333 common shares to Malungani and recorded a $213,733 accounting gain included in the statements of loss and comprehensive loss during the year ended December 31, 2019. See Note 16, subsequent events, for an update to the agreement reached after December 31, 2020.

6. Investment in associate

On September 23, 2016, as a result of the deconsolidation of Canoe Mining Ventures Corp. ("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 liquidated all 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 ceased to have an ownership interest in Canoe.

The continuity of investment in associate is as follows:

	Investment in associate
Balance, December 31, 2018	$ 390,310
Loss pick-up from associate during the year	-
Disposal	(390,310)
Balance, December 31, 2019 and December 31, 2020	-

(Expressed in Canadian Dollars)

7. 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	**81,779,628**	**$ 22,795,562**
Private placement (i)	2,678,250	428,520
Valuation of warrants issued in private placement (i)	-	(79,061)
Share issuance costs (i)	-	(51,681)
Fair value of finder warrants issued in private placement (i)	-	(831)
Exercise of stock options (ii)	550,000	55,000
Fair value reclassed upon exercise of stock option	-	48,950
Shares issued in connection with the sale of Rock Island (iii)	416,333	66,613
Balance, December 31, 2019	**85,424,211**	**$ 23,263,072**
Private placement (v) (vi) (viii)	61,975,000	9,875,000
Fair value of warrants issued in private placement (v) (vi) (viii)	-	(2,868,827)
Shares issued in settlement of debt (iv)	1,829,023	170,756
Exercise of warrants (vii)	4,525,000	452,500
Fair value reclassed upon exercise of warrants (vii)	-	209,120
Shares issuance costs (vi) (viii)	-	(611,891)
Balance, December 31, 2020	**153,753,234**	**$ 30,489,730**

(i) 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 finder' 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.

7. Share capital (continued)

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.

(ii) 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.

(iii) 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 (note 5).

(iv) On May 19, 2020, the Company settled debt of $192,048 for 1,829,023 shares with a fair value of $170,756 resulting in a gain of settlement of debt of $21,292. Directors and officers of the Company settled debt with a fair value of $109,317 as a result of this transaction.

(v) On May 25, 2020, the Company closed a non-brokered private placement of 15,000,000 units at $0.08 per unit for total gross proceeds of $1,200,000. Each unit consisted of one common share of Giyani and one half of a share purchase warrant exercisable at $0.10 for a period of 3 years from the date of issuance.

The 7,500,000 full warrants, were assigned a fair value of $346,608 which was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price - $0.13, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 143.10%; risk-free interest rate - 0.27%; and an expected life - 3 years.

Directors and management of the Company subscribed for 687,500 units in connection with this placement.

(vi) On September 18, 2020, the Company closed a brokered private placement of 9,600,000 units at $0.125 per unit for total gross proceeds of $1,200,000. Each unit consisted of one common share of Giyani and one half of a share purchase warrant exercisable at $0.20 for a period of 18 months from the date of issuance. As a result of the placement, $32,550 in finders' fees were paid and $40,844 in issuance costs were capitalized.

The 4,800,000 full warrants and 355,320 finders' warrants were assigned a fair value of $307,374 and $62,059 respectively, which was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price - $0.23, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 157.38%; risk-free interest rate - 0.26%; and an expected life - 1.5 years.

Directors and management of the Company subscribed for 2,514,000 units in connection with this placement.

(vii) On September 18, 2020, 525,000 warrants with an exercise price of $0.10 were exercised for gross proceeds of $52,500. The fair value of the warrants exercised was $24,262.

On December 12, 2020, 4,000,000 warrants with an exercise price of $0.10 were exercised for gross proceeds of $400,000. The fair value of the warrant exercised was $184,858.

(viii) On December 23, 2020, the Company closed a brokered private placement of 37,375,000 units at $0.20 per unit for total gross proceeds of $7,475,000. Each unit consisted of one common share of Giyani and one half of a share purchase warrant exercisable at $0.35 for a period of 18 months from the date of issuance. As a result of the placement, $538,497 in finders' fees were paid.

The 18,687,500 full warrants and 2,097,000 finders' warrants were assigned a fair value of $1,744,286 and $408,500 respectively, which was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price - $0.32, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 145.10%; risk-free interest rate - 0.23%; and an expected life - 1.5 years.

(Expressed in Canadian Dollars)

8. 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, 2018	7,450,000	$ 0.27
Exercised (note 7 (ii))	(550,000)	0.10
Forfeited	(1,762,500)	0.30
Granted (i)	2,000,000	0.15
Balance, December 31, 2019	7,137,500	$ 0.24
Granted (ii) (iii) (iv)	2,975,000	0.17
Balance, December 31, 2020	10,112,500	$ 0.22

(i) 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.

(ii) On March 10, 2020, the Company granted 500,000 stock options to management with each option exercisable into one common share of the Company at an exercise price of $0.12 per share until March 10, 2025. A fair value of $52,900 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price - $0.12, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 135%; risk-free interest rate - 0.73%; and an expected life - 5 years and vested immediately.

(iii) On July 5, 2020, the Company granted 375,000 stock options to management with each option exercisable into one common share of the Company at an exercise price of $0.15 per share until July 5, 2025. A fair value of $49,403 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) - 138%; risk-free interest rate - 0.38%; and an expected life - 5 years and vested immediately.

(iv) On September 24, 2020, the Company granted 2,100,000 stock options to directors, management, and consultants with each option exercisable into one common share of the Company at an exercise price of $0.185 per share until September 24, 2025 and 1,400,000 stock option vesting immediately and 350,000 stock option vesting 1 year and 2 years from the date of grant, and subject to certain change of control provisions. A fair value of $398,922 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price - $0.215, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 137%; risk-free interest rate - 0.35%; and an expected life - 5 years.

During the year, the Company amended the vesting conditions for 700,000 options granted to an executive in November 2019. The prior vesting conditions were based on the satisfaction of certain performance obligations that needed to be completed by June 30, 2020. The completion date has been extended to June 30, 2021.

(Expressed in Canadian Dollars)

8. Stock options (continued)

During the year, the Company modified the expiry date of 762,500 options to November 21, 2021. The options had an original expiry date of May 1, 2022, September 28, 2023 and November 18, 2024. The modified options belong to a former executive of the Company.

During the year ended December 31, 2020, the Company recorded share based compensation of $469,610 (December 31, 2019 - $271,095) in the audited consolidated statements of loss and comprehensive loss.

Stock options outstanding as at December 31, 2020:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Total options	Options exercisable
November 21, 2021	0.29	0.89	762,500	762,500
June 24, 2021	0.10	0.56	500,000	500,000
August 3, 2021	0.31	0.59	350,000	350,000
May 1, 2022	0.34	1.33	300,000	300,000
November 28, 2022	0.30	1.91	750,000	750,000
April 25, 2023	0.23	2.32	350,000	350,000
September 28, 2023	0.28	2.74	2,275,000	2,275,000
November 18, 2024	0.15	3.88	1,850,000	1,150,000
March 10, 2025	0.12	4.19	500,000	500,000
July 5, 2025	0.15	4.51	375,000	375,000
September 24, 2025	0.185	4.73	2,100,000	1,400,000
			10,112,500	8,712,500

9. Warrants

Warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, December 31, 2018	3,761,665	0.40
Issued (note 7(b)(i))	1,356,000	0.28
Expired	(3,761,665)	0.40
Balance, December 31, 2019	1,356,000	0.28
Issued (note 7(b) (v, vi, viii)	33,439,820	0.27
Exercised	(4,525,000)	0.10
Expired	(1,356,000)	0.28
Balance, December 31, 2020	28,914,820	0.30

(Expressed in Canadian Dollars)

9. Warrants (continued)

Warrants outstanding as at December 31, 2020:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Warrants exercisable
March 18, 2022	0.20	1.21	4,800,000
March 18, 2022 (finder warrants)	0.125	1.21	355,320
June 23, 2022	0.35	1.48	18,687,500
June 23, 2022 (finder warrants)	0.35	1.48	2,097,000
May 25, 2023	0.10	2.40	2,975,000
			28,914,820

10. Income taxes

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2019 - 26.5%) to the effective tax rate is as follows:

	2020	2019
Loss before income taxes	$ (2,119,789)	$ (1,614,773)
Combined statutory income tax rate	26.5%	26.5%
Income tax benefit at the combined Canadian statutory income tax rate	(561,744)	(427,915)
Share issuance cost booked through equity	(270,404)	14,136
Share-based compensation and other non-deductible expenses	126,815	253,001
Income inclusion	34,901	-
Difference in tax rates	-	8,591
Change in tax benefits not recognized	670,432	337,391
Actual income tax expense	$ -	$ 185,204

The Company's income tax expense is allocated as follows:

	2020	2019
Current tax expense	$ -	$ 185,204
Deferred tax expense	-	-
	$ -	$ 185,204

(Expressed in Canadian Dollars)

10. 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:

	2020	2019
Property and equipment	$ 114,768	$ 107,110
Lexshell 831 shares investment	5,680,290	5,680,292
Related party loan payable income inclusion	441,541	-
Share issuance costs	852,188	51,570
Resource pools - Mineral Properties	2,204,470	2,204,470
Non-capital losses carried forward	13,253,696	11,997,200
Capital losses carried forward	349,770	349,770
South Africa		
Non-capital losses carried forward	1,386,490	1,386,490
Exploration and evaluation assets	1,837,890	1,837,890
Botswana		
Non-capital losses carried forward	140,875	112,420

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
2040	$ 1,256,496
	$ 13,253,696

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

(Expressed in Canadian Dollars)

11. Related party transactions

Management and consulting fees of $629,878 (year ended December 31, 2019 - $584,846) 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, 2020.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the year ended December 31, 2020, the Company paid or accrued professional fees of $39,316 (year ended December 31, 2019 - $42,658) 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, 2020, the Company owed $206,037 (December 31, 2019 - $384,459) to directors and officers of the Company and entities controlled by or associated with directors and officers of the Company. As at December 31, 2020, MSSI was owed $2,914 (December 31, 2019 - $47,148) with respect to services provided. The balances owed were recorded in the audited consolidated statement of financial position as amounts due to related parties.

During the year ended December 31, 2019, the Company recorded an impairment on a related party account receivable from Canoe of $99,432 in the audited consolidated statements of loss and comprehensive loss. The amount due from Canoe of $20,000, was collected in 2020.

In December 2020, one investor of the Company's private placement financing (described above in note 7(vii) was unable to remit their funds to the Company's trust account and instead remitted their funds directly to Giyani's CEO. The Company's Board of Directors approved an arrangement for the CEO to retain the funds as a prepayment of future fees and expenses. This arrangement was recorded as a related party receivable on the Company's consolidated statement of financial position as at December 31, 2020. See Note 16, subsequent events for an update on this balance after December 31, 2020.

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

	Years Ended December 31, 2020	Years Ended December 31, 2019
Stock-based compensation	**$ 256,695**	$ 240,830

12. Corporate, general and administrative

	Years Ended December 31, 2020	Years Ended December 31, 2019
Professional fees	**$ 1,018,533**	$ 594,309
Salaries and benefits	**148,802**	162,724
Stock-based compensation	**469,610**	271,095
Regulatory fees	**183,689**	46,419
Shareholder information	**151,452**	291,055
Travel	**75,741**	258,441
General and administrative	**65,196**	91,595
	$ 2,113,023	$ 1,715,638

13. 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 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 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, 2020, the Company is compliant with known requirements including Policy 2.5 of the TSX Venture Exchange.

14. 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, account receivable, subscription receivable and amounts due from related party, the remaining.

The Company reduces its risk on cash by maintaining its bank accounts at large Canadian financial institutions, the remaining credit risk noted are minimal.

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.

14. Financial instruments and risk management (continued)

The Company had cash at December 31, 2020 of $6,338,927 (December 31, 2019 - $8,758). As at December 31, 2020, the Company had accounts payable and accrued liabilities and amounts due to related parties of $1,008,604 (December 31, 2019 - $1,328,813).

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, 2020, a 10% depreciation or appreciation of the South African Rand, Botswana Pula and United States dollar against the Canadian dollar would be approximately $10,656.

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.

15. 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)

15. Segmented information (continued)

December 31, 2020	Botswana Mining	South Africa Mining	Corporate	Total
Total assets	$ 3,308,017	$ -	$ 6,704,714	$ 10,012,731
Total liabilities	-	107,402	1,008,145	1,115,547
Net loss	28,452	-	2,091,337	2,119,789

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

16. Subsequent events

On January 18, 2021, the Company granted 750,000 stock options to certain consultants of the Company. Each option is exercisable into one common shares at a price of $0.465 per share for a period of five years from the date of the grant, with 250,000 vesting immediately and 250,000 vesting on each of the first and second anniversary of the grant date.

During January 2021, 75,000 warrants priced at $0.10 per Common shares were exercised and for proceeds of $7,500, and 150,000 stock options priced at $0.15 per Common Share were exercised for proceeds of $22,500.

On February 5, 2021, the Company announced that as previously announced in relation to the Company's disposal of its non-core gold assets in South Africa, Giyani agreed to acquire all of the shares it did not own in Lexshell in order to consolidate 100% ownership in that company. The final installment of 832,666 common shares of Giyani was conditional on the completion of the sale of its South African gold assets to CMR, which has not yet been completed. As that sale remains pending, Giyani and Malungani agreed to complete the Lexshell sale for a cash consideration of $45,000 as a full and final settlement in lieu of the issuance of Giyani common shares.

During February 2021, 112,500 and 58,000 warrants exercised priced at $0.10 and $0.20 per Common shares were exercised for proceeds $11,250 and $11,600. In addition, 112,500 stock options priced at $0.28 per Common Share were exercised for proceeds of $31,500.

On March 2, 2021, the Company announced that it had entered into an agreement with Cormark Securities Inc. co-led by Beacon Securities Limited the ("Underwriters") pursuant to which the Underwriters have agreed to purchase 14,710,000 units at $0.68 per unit for total gross proceeds of $10 million. Each unit consisted of one common share of Giyani and one half of a share purchase warrant exercisable at $1.00 for a period of 18 months from the date of issuance and expiring on September 24, 2022. In addition, the Company has granted the Underwriters an option (the "Over-Allotment Option") to purchase up to an additional 15% of the Units of the Offering on the same terms exercisable at any time up to 30 days following the closing of the Offering, for market stabilization purposes and to cover over-allotments, if any. On March 24, 2021, the Company announced the closing of the bought deal equity financing for a gross proceeds of $11,503,220, the Over-Allotment Option having been exercised in full.

During March 2021, 1,575,000 and 500,000 warrants exercised priced at $0.10 and $0.20 per Common shares were exercised for proceeds $157,500 and $100,000.

During the first four months of 2021, the CEO's fees and approved expense reimbursements were applied against the amount due from related parties of $100,000 as described in note 11. As a result, the related party receivable balance was reduced to $nil.