GIYANI METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2021

(Expressed in Canadian Dollars)

(UNAUDITED)

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)
(Unaudited)

As at	March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash	**$ 15,576,763**	$ 6,338,927
Subscriptions receivable	**-**	186,900
Amounts receivable	**101,198**	51,352
Amounts due from related party (note 8)	**21,060**	100,000
Prepaids	**148,844**	40,776
Total current assets	**15,847,865**	6,717,955
Equipment (note 3)	**11,515**	12,697
Exploration and evaluation assets (note 4)	**4,572,496**	3,282,079
Total Assets	**$ 20,431,876**	$ 10,012,731
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**$ 1,015,837**	$ 802,567
Other liabilities	**106,943**	106,943
Amounts due to related parties (note 8)	**91,548**	206,037
Total Liabilities	**1,214,328**	1,115,547
Equity		
Share capital (note 5(b))	**39,003,164**	30,489,730
Contributed surplus	**7,317,188**	7,173,754
Warrants (note 7)	**10,049,431**	7,465,980
Cumulative translation adjustment	**(470,343)**	(426,640)
Deficit	**(36,681,892)**	(35,805,640)
	19,217,548	8,897,184
Total Liabilities and Equity	**$ 20,431,876**	$ 10,012,731

Nature of operations (note 1)
Subsequent events (note 11)

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

Approved by the Board of Directors:

Director: John Petersen

Director: Jonathan Henry

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Expenses		
Corporate, general and administration (note 9)	**$ 793,137**	$ 239,523
Depreciation (note 3)	**1,182**	2,303
Net loss before interest and other items	**794,319**	241,826
Foreign exchange loss	**87,802**	-
Loss on acquisition of remaining interest in Lexshell (note 4)	**45,000**	-
Gain on sale of Rock Island Trading (Pty) Ltd. (note 4)	**(50,869)**	-
Net loss for the period	**876,252**	241,826
Other comprehensive loss		
Items that may be subsequently reclassified to profit and loss:		
Currency translation adjustment	**43,703**	(21,073)
Comprehensive loss for the period	**$ 919,955**	$ 220,753
Basic and diluted loss per share	**$ 0.01**	$ 0.00
Weighted average number of shares outstanding	**155,581,895**	85,424,211

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

GIYANI METALS CORP.

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

	Number	Share Capital Amount	Contributed Surplus	Warrants	Cumulative Translation Adjustment	Deficit	Total
Balance, December 31, 2019	**85,424,211**	**$ 23,263,072**	**$ 6,704,144**	**$ 4,806,273**	**$ (128,066)**	**$ (33,685,851)**	**$ 959,572**
Stock-based compensation	-	-	29,366	-	-	-	29,366
Currency translation adjustment	-	-	-	-	21,073	-	21,073
Net loss for the period	-	-	-	-	-	(241,826)	(241,826)
Balance, March 31, 2020	**85,424,211**	**$ 23,263,072**	**$ 6,733,510**	**$ 4,806,273**	**$ (106,993)**	**$ (33,927,677)**	**$ 768,185**
Balance, December 31, 2020	**153,753,234**	**$ 30,489,730**	**$ 7,173,754**	**$ 7,465,980**	**$ (426,640)**	**$ (35,805,640)**	**$ 8,897,184**
Bought deal equity financing, net of issuance costs	16,916,500	8,006,109	-	2,700,636	-	-	10,706,745
Exercise of stock options	262,500	54,000	-	-	-	-	54,000
Fair value reclassed upon exercise of stock options	-	48,290	(48,290)	-	-	-	-
Exercise of warrants	2,320,500	405,035	-	(117,185)	-	-	287,850
Stock-based compensation	-	-	191,724	-	-	-	191,724
Currency translation adjustment	-	-	-	-	(43,703)	-	(43,703)
Net loss for the period	-	-	-	-	-	(876,252)	(876,252)
Balance, March 31, 2021	**173,252,734**	**$ 39,003,164**	**$ 7,317,188**	**$ 10,049,431**	**$ (470,343)**	**$ (36,681,892)**	**$ 19,217,548**

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

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended March 31, 2021	Three Months Ended March 31, 2020
Operating Activities		
Net loss for the period	**$ (876,252)**	$ (241,826)
Depreciation	**1,182**	2,303
Stock-based compensation	**191,724**	29,366
Loss on disposal of shares of associate	**-**	21,073
Unrealized foreign exchange loss	**3,217**	-
Net change in non-cash working capital:		
Subscription receivable	**186,900**	-
Amounts receivable	**(49,846)**	2,156
Amounts due from related party	**78,940**	20,000
Prepaids	**(108,068)**	4,780
Accounts payable and accrued liabilities	**213,270**	359,333
Amounts due to related parties	**(114,489)**	80,012
Cash (used in) provided by operating activities	**(473,422)**	277,197
Investing Activities		
Exploration and evaluation asset expenditures	**(1,337,337)**	(281,839)
Cash used in investing activities	**(1,337,337)**	(281,839)
Financing Activities		
Proceeds from bought deal equity financing, net of issuance costs	**10,706,745**	-
Proceeds from exercise of stock options	**54,000**	-
Proceeds from exercise of warrants	**287,850**	-
Cash provided by financing activities	**11,048,595**	-
Change in cash during the period	**9,237,836**	(4,642)
Cash, beginning of the period	**6,338,927**	8,758
Cash, end of the period	**$ 15,576,763**	$ 4,116

The notes to the unaudited condensed interim 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 Company's strategy is to become a low-carbon footprint producer of high-purity electrolytic manganese precursor materials used by battery manufacturers for the expanding electric vehicle market. The registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia, V6C 2X8. The Company is a reporting issuer in British Columbia, Alberta and Ontario and uses the trading symbol under the TSX Venture Exchange ("**TSXV**") "**EMM**".

These unaudited condensed interim 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 disruption to business operations. The Company continues to be in operations as of the current date.

2. Basis of preparation

Statement of compliance

These unaudited condensed interim consolidated financial statements, including comparatives, have been prepared in accordance with International Accounting Standards ("**IAS**") 34 'Interim Financial Reporting' (**"IAS 34**") using accounting policies consistent with IFRS issued by the International Accounting Standards Board ("**IASB**") and Interpretations of the International Financial Reporting Interpretations Committee ("**IFRIC**"). The accounting policies and methods of computation applied by the Company in these unaudited condensed interim consolidated financial statements are the same as those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2020, other than as noted below. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2021 could result in restatement of these unaudited condensed interim consolidated financial statements.

These Financial Statements were authorized for issuance by the Board of Directors of the Company on May 26, 2021.

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.

(Expressed in Canadian Dollars)

2. Basis of preparation (continued)

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.

3. Equipment

Cost	Furniture and Fixture	Mining and Exploration	Computer Equipment	Equipment	Total
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
Balance, March 31, 2021	$ 31,186	$ 21,724	$ 29,921	$ 32,743	$ 115,574
Accumulated depreciation					
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
Depreciation for the period	281	-	209	692	1,182
Balance, March 31, 2021	$ 29,909	$ 21,724	$ 25,951	$ 26,475	$ 104,059
Net book value					
Balance, December 31, 2020	$ 1,558	$ -	$ 4,179	$ 6,960	$ 12,697
Balance, March 31, 2021	$ 1,277	$ -	$ 3,970	$ 6,268	$ 11,515

4. 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, 2019	$ 2,267,008
Current expenditures	1,049,256
Foreign exchange	(34,185)
Balance, December 31, 2020	$ 3,282,079
Current expenditures	1,337,337
Foreign exchange	(46,920)
Balance, March 31, 2021	$ 4,572,496

4. Exploration and evaluation assets (continued)

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.

During the year ended December 31, 2019, the Company entered into a share sale agreement with CMR to sell the Company's effective interest of 28.8% or 45 shares in Rock Island (the "**Rock Island Agreement**") held through Lexshell 837 Investments (Pty) Ltd. ("**Lexshell**"). The sale price was ZAR9,555,046 ($845,460) with one third ZAR3,185,015 due from CMR immediately on signing and the balance due upon closing of the Rock Island Agreement. During the year ended December 31, 2019, the Company received cash of ZAR3,185,015 ($280,346) from CMR.

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

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

As a result of the two agreements, an accounting gain of $213,733 was recorded in the statements of loss and comprehensive loss.

As at and during the three months ended March 31, 2021:

- The Rock Island Agreement had not been completed;
- The Company and Malungani amended the terms of, and completed the Lexshell Agreement for cash consideration of $45,000 as full and final settlement;
- The Company received an additional ZAR600,000 ($50,869) from CMR; and
- These items were recorded in the statements of loss and comprehensive loss.

(Expressed in Canadian Dollars)

5. 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, 2019	**85,424,211**	**$ 23,263,072**
Balance, March 31, 2020	**85,424,211**	**$ 23,263,072**
Balance, December 31, 2020	**153,753,234**	**$ 30,489,730**
Bought deal equity financing (i)	16,916,500	11,503,220
Fair value of warrants issued in bought deal financing (i)	-	(2,348,136)
Share issuance costs (i)	-	(1,148,975)
Exercise of stock options (ii)	262,500	54,000
Fair value reclassed upon exercise of stock options (ii)	-	48,290
Exercise of warrants (iii)	2,320,500	287,850
Fair value reclassed upon exercise of warrants (iii)	-	117,185
Balance, March 31, 2021	**173,252,734**	**$ 39,003,164**

(i) On March 24, 2021, the Company closed a bought deal equity financing for gross proceeds of $11,503,220 and issued 16,916,500 units at $0.68 per unit. The financing, included the exercise in full of an underwriter's over-allotment option to purchase up to an additional 15% of the units of the offering (2,206,500 units) on the same terms. 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. In conjunction with the bought deal financing, $632,677 in finder' fees were paid and an additional $163,798 in issuance costs were capitalized.

The 8,458,250 share purchase warrants and 930,407 broker warrants were assigned a fair value of $2,348,136 and $352,500, respectively. Fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price - $0.64, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 138%; risk-free interest rate - 0.24%; and an expected life - 1.5 years.

(ii) During the three months ended March 31, 2021, a former officer exercised 262,500 stock options exercisable between $0.15 and $0.28 for total gross proceeds of $54,000. As a result of the exercise, the fair value attributable to the options exercised was reallocated from contributed surplus to share capital in the amount of $48,290.

(iii) During the three months ended March 31, 2021, 1,762,500 warrants with an exercise price of $0.10 were exercised for gross proceeds of $176,250. The fair value of the warrants exercised was $81,453. An additional, 558,000 warrants with an exercise price of $0.20 were also exercised for gross proceeds of $111,600. The fair value of these warrants exercised was $35,732.

6. 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.

(Expressed in Canadian Dollars)

6. Stock options (continued)

Stock option transactions are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2019	7,137,500	$ 0.27
Granted (i)	500,000	0.12
Balance, March 31, 2020	7,637,500	$ 0.23
Balance, December 31, 2020	10,112,500	$ 0.22
Exercised (note 5)	(262,500)	0.21
Forfeited	(450,000)	0.18
Granted (ii)	750,000	0.47
Balance, March 31, 2021	10,150,000	$ 0.24

(i) 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 $22,379 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.

(ii) On January 18, 2021, the Company granted 750,000 stock options to management with each option exercisable into one common share of the Company at an exercise price of $0.465 per share until January 18, 2026, 250,000 stock options vested immediately and the remaining 500,000 stock options are set to vest equally on each of the one and two year anniversaries of the grant date subject to certain change of control provisions. A fair value of $330,100 was determined using the Black-Scholes option pricing model. The following assumptions were used: share price - $0.49, dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 145%; risk-free interest rate - 0.42%; and an expected life - 5 years.

During the three months ended March 31, 2021, the Company recorded stock-based compensation of $191,724 (March 31, 2020 - $29,366) in the unaudited condensed interim consolidated statements of loss and comprehensive loss.

Stock options outstanding as at March 31, 2021:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Total options	Options exercisable
June 24, 2021	0.10	0.23	500,000	500,000
August 2, 2021	0.305	0.34	350,000	350,000
November 21, 2021	0.34	0.64	500,000	500,000
May 1, 2022	0.34	1.08	300,000	300,000
November 28, 2022	0.30	1.66	750,000	750,000
April 25, 2023	0.23	2.07	350,000	350,000
September 28, 2023	0.28	2.50	2,275,000	1,575,000
November 19, 2024	0.15	3.64	1,750,000	1,050,000
March 10, 2025	0.12	3.95	500,000	500,000
July 5, 2025	0.15	4.27	375,000	375,000
September 24, 2025	0.185	4.49	1,750,000	1,350,000
January 18, 2026	0.465	4.81	750,000	250,000
			10,150,000	7,850,000

(Expressed in Canadian Dollars)

7. Warrants

Warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price ($)
Balance, December 31, 2019	1,356,000	0.28
Balance, March 31, 2020	1,356,000	0.28
Balance, December 31, 2020	28,914,819	0.30
Issued (note 5)	9,388,657	0.97
Exercised (note 5)	(2,320,500)	0.12
Balance, March 31, 2021	35,982,976	0.48

Warrants outstanding as at March 31, 2021:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Warrants exercisable
March 18, 2022	0.20	0.96	4,242,000
March 18, 2022 (broker warrants)	0.125	0.96	355,320
June 23, 2022	0.35	1.23	18,687,500
June 23, 2022 (broker warrants)	0.35	1.23	2,097,000
September 24, 2022	1.00	1.48	8,458,250
September 24, 2022 (broker warrants)	0.68	1.48	930,407
May 25, 2023	0.10	2.15	1,212,499
			35,982,976

8. Related party transactions

Management and consulting fees of $158,074 (three months ended March 31, 2020 - $98,629) were paid or accrued to officers and directors of the Company or to companies controlled by officers or directors of the Company during the three months ended March 31, 2021.

The former Chief Financial Officer of the Company is a senior employee of Marrelli Support Services Inc. ("**MSSI**"). During the three months ended March 31, 2021, the Company paid or accrued professional fees of $7,992 (three months ended March 31, 2020 - $8,170) 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 March 31, 2021, the Company owed $91,548 (December 31, 2020 - $206,037) to directors and officers of the Company and entities controlled by or associated with directors and officers of the Company. As at March 31, 2021, MSSI was owed $13,971 (December 31, 2020 - $2,914) with respect to services provided. The balances owed were recorded in the unaudited condensed interim consolidated statement of financial position as amounts due to related parties.

In December 2020, one investor of the Company's private placement financing was unable to remit their funds to the Company's trust account and instead remitted their funds directly to Giyani's Chief Executive Officer ("**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.

During the three months ended March 31, 2021, $78,940 of the CEO's fees and approved expense reimbursements were applied against the amount due from related party resulting in a remaining balance due from related party of $21,060 as at March 31, 2021. See Note 11, subsequent events for an update on this balance after March 31, 2021.

(Expressed in Canadian Dollars)

8. Related party transactions (continued)

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

	Three Months Ended March 31, 2021	2020
Stock-based compensation	**$ 191,724**	$ -

9. Corporate, general and administrative

	Three Months Ended March 31, 2021	2020
Professional fees	**$ 333,577**	$ 129,963
Salaries and benefits	**41,733**	25,629
Stock-based compensation	**191,724**	29,366
Regulatory fees	**105,692**	4,783
Shareholder information	**77,965**	23,772
Travel	**11,139**	13,984
General and administrative	**31,307**	12,026
	$ 793,137	$ 239,523

10. 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. 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 March 31, 2021, the Company is compliant with known requirements including Policy 2.5 of the TSX Venture Exchange.

11. 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).

11. Financial instruments and risk management (continued)

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 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.

The Company had cash at March 31, 2021 of $15,576,763 (December 31, 2020 - $6,338,927). As at March 31, 2021, the Company had accounts payable and accrued liabilities and amounts due to related parties of $1,107,385 (December 31, 2020 - $1,008,604).

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 March 31, 2021, a 10% depreciation or appreciation of the South African Rand, Botswana Pula and United States dollar against the Canadian dollar would be approximately $20,185.

(Expressed in Canadian Dollars)

12. 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 CEO.

The Company has three operating segments: the exploration, evaluation and development of manganese 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**").

March 31, 2021	**Botswana Mining**	**South Africa Mining**	**Corporate**	**Total**
Total assets	$ 4,746,012	$ -	$ 15,685,864	$ 20,431,876
Total liabilities	6,631	104,944	1,102,753	1,214,328
Net loss	26,063	-	850,189	876,252

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

13. Subsequent events

On April 15, 2021, 100,000 share purchase warrants priced at $0.20 per share were exercised for proceeds of $20,000.

On April 21, 2021, the Company granted 2,062,500 stock options to certain officers and consultants of the Company. Each option is exercisable into on common share at a price of $0.53 per share for a period of five years from the grant date. 895,833 options vested immediately and the remaining 1,166,667 will vest equally on the one and two anniversaries of the grant date.

Furthermore, the Company has established a restricted share unit plan ("**RSU Plan**") that provides for the granting of awards of RSUs to its directors, officers, employees and consultants. The aggregate numbers of shares that may be issued under the RSU Plan shall not exceed 10% of the issued and outstanding shares of the Company. The Company has conditionally granted 188,680 RSU to an officer of the Company. Each RSU will vest into one share of the Company, or cash equivalent, following the end of the vesting period. One half of the RSU will vest on the first year of the grant date and the balance on the second anniversary, subject to the terms of the RSU Plan.

The RSU Plan and the conditional grant of RSUs remain subject to TSXV approval (conditional approval received) and disinterested shareholder approval, which is to be sought at the Company's annual and special meeting of shareholders scheduled for June 17, 2021.

On April 29, and May 7, 2021, 25,000 and 225,000 share purchase warrants priced at $0.35 per share were exercised for proceeds of $87,500.

During April 2021, the CEO's fees and approved expenses reimbursements were applied against the amount due from related parties of $21,060 as described in Note 8. As a result, the related party receivable balance was reduced to $nil.