
GIYANI GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2016**

(Expressed in Canadian Dollars)

(UNAUDITED)

Notice to Reader

The accompanying unaudited condensed interim consolidated financial statements of Giyani Gold Corp. (the "Company") have been prepared by and are the responsibility of management. The unaudited condensed interim consolidated financial statements as at and for the three and nine months ended September 30, 2016 have not been reviewed by the Company's auditors.

GIYANI GOLD CORP.

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

	September 30, 2016	December 31, 2015
Assets		
Current assets		
Cash	\$ 411,378	\$ -
Restricted cash (note 3)	-	5,000
Marketable securities (note 5)	1,068,000	-
Amounts receivable	20,329	21,294
Prepays	70,527	59,892
Total current assets	1,570,234	86,186
Equipment (note 4)	33,538	41,329
Exploration and evaluation assets (note 6)	110,585	1,378,327
Total Assets	\$ 1,714,357	\$ 1,505,842
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,208,728	\$ 1,275,663
Promissory note (note 7)	68,033	65,862
Debenture (note 8)	-	416,161
Amounts due to related parties (note 12)	827,640	692,648
Total Liabilities	2,104,401	2,450,334
Deficiency		
Share capital (note 9(b))	18,907,275	18,520,824
Contributed surplus (note 10)	5,398,062	5,090,180
Warrants (note 11)	4,093,233	4,093,233
Cumulative translation adjustment	(163,885)	(150,673)
Deficit	(29,012,860)	(28,533,490)
Non-controlling interest (note 14)	(778,175) 388,131	(979,926) 35,434
	(390,044)	(944,492)
Total Liabilities and Deficiency	\$ 1,714,357	\$ 1,505,842

Nature of operations and going concern (note 1)
Commitments and contingency (note 15)
Subsequent events (note 16)

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

GIYANI GOLD CORP.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2016	2015	2016	2015
Expenses				
Corporate, general and administration	\$ 401,893	\$ 325,730	\$ 1,054,594	\$ 1,024,781
Amortization (note 4)	2,597	2,868	7,791	8,605
Write-down of property acquisition costs, and exploration and evaluation assets (note 6)	(16,914)	-	15,663	774,565
Net loss before interest and other items	387,576	328,598	1,078,048	1,807,951
Foreign exchange gain	-	-	(1,330)	(82)
Interest and other (income) expense	729	1,022	2,837	(47,113)
Gain on disposal of equipment	-	-	-	(47)
Gain on disposition of exploration and evaluation assets (note 6)	-	-	(310,605)	-
Loss (gain) on debt settlement	1,794	-	(69,861)	-
Gain on marketable securities (note 5)	(307,977)	-	(457,977)	-
General exploration expense	700	-	3,589	-
Net loss for the period	\$ 82,822	\$ 329,620	\$ 244,701	\$ 1,760,709
Other comprehensive income				
Items that may be subsequently reclassified to profit and loss:				
Currency translation adjustment	16,166	75,424	13,212	46,589
Comprehensive loss for the period	\$ 98,988	\$ 405,044	\$ 257,913	\$ 1,807,298
Attributable to:				
Owners of the parent	\$ 238,257	\$ 253,686	\$ 532,481	\$ 1,077,579
Non-controlling interest	(155,435)	75,934	(287,780)	683,130
Net loss for the period	\$ 82,822	\$ 329,620	\$ 244,701	\$ 1,760,709
Basic and diluted loss per share	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.03
Weighted average number of shares outstanding, basis and diluted	66,065,002	63,270,980	64,209,119	60,698,610

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

GIYANI GOLD CORP.

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

	Share Capital		Contributed surplus	Warrant	Non-Controlling Interest	Cumulative Translation Adjustment	Deficit	Total
	Number	Amount						
Balance, December 31, 2014	57,433,123	\$ 18,173,796	\$ 5,090,180	\$ 4,093,233	\$ 1,828,278	\$ 18,363	\$ (18,926,330)	\$ 10,277,520
Shares of subsidiary issued to non-controlling interest	-	-	-	-	344,322	-	(40,156)	304,166
Private placement	4,000,000	200,000	-	-	-	-	-	200,000
Shares issued for debt	1,837,857	147,028	-	-	-	-	-	147,028
Currency translation adjustment	-	-	-	-	-	(46,589)	-	(46,589)
Net loss for the period	-	-	-	-	(683,130)	-	(1,077,579)	(1,760,709)
Balance, September 30, 2015	63,270,980	\$ 18,520,824	\$ 5,090,180	\$ 4,093,233	\$ 1,489,470	\$ (28,226)	\$ (20,044,065)	\$ 9,121,416
Balance, December 31, 2015	63,270,980	\$ 18,520,824	\$ 5,090,180	\$ 4,093,233	\$ 35,434	\$ (150,673)	\$ (28,533,490)	\$ (944,492)
Private placement, net of costs	3,450,000	339,201	-	-	-	-	-	339,201
Exercise of stock options	250,000	25,000	-	-	-	-	-	25,000
Fair value reclassified upon exercise of stock options	-	22,250	(22,250)	-	-	-	-	-
Currency translation adjustment	-	-	-	-	-	(13,212)	-	(13,212)
Gain on disposition of Canoe shares	-	-	-	-	34,189	-	53,111	87,300
Options granted by Canoe	-	-	19,777	-	30,728	-	-	50,505
Share-based compensation	-	-	310,355	-	-	-	-	310,355
Net loss for the period	-	-	-	-	287,780	-	(532,481)	(244,701)
Balance, September 30, 2016	66,970,980	\$ 18,907,275	\$ 5,398,062	\$ 4,093,233	\$ 388,131	\$ (163,885)	\$ (29,012,860)	\$ (390,044)

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

GIYANI GOLD CORP.

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

	Nine Months Ended September 30,	
	2016	2015
Operating Activities		
Net loss for the period	\$ (244,701)	\$ (1,760,709)
Accrued interest expense	2,171	2,169
Amortization	7,791	8,605
Stock-based compensation	360,860	-
Gain on marketable securities	(457,977)	-
Gain on debt settlement	(69,861)	-
Gain on disposal of equipment	-	(47)
Write-down of property acquisition costs and exploration and evaluation assets	(294,942)	774,565
Net change in non-cash working capital:		
Amounts receivable	965	82,254
Prepaid expenses	(10,635)	5,430
Accounts payable and accrued liabilities	143,368	228,220
Amounts due to related parties	134,992	358,684
Cash provided by (used in) operating activities	(427,969)	(300,829)
Investing Activities		
Proceeds from sale of exploration and evaluation assets	500,000	-
Restricted cash	5,000	-
Exploration and evaluation asset expenditures	(6,618)	(43,432)
Repayment of debenture	(150,000)	(50,000)
Proceeds from sale of marketable securities	139,976	-
Cash used in investing activities	488,358	(93,432)
Financing Activities		
Proceeds on issuance of shares, net of issuance costs	339,201	365,000
Proceeds from exercise of stock options	25,000	-
Cash provided by financing activities	364,201	365,000
Effect of foreign exchange on cash	(13,212)	13,503
Change in cash during the period	411,378	(15,758)
Cash, beginning of the period	-	33,965
Cash, end of the period	\$ 411,378	\$ 18,207

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

GIYANI GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements
September 30, 2016
(Expressed in Canadian Dollars)
(Unaudited)

1. Nature of operations and going concern

Giyani Gold Corp. ("Giyani", or "the Company") was incorporated under the Canada Business Corporations Act on July 26, 2007 and continued under the Business Corporations Act of British Columbia on August 4, 2010. The Company is engaged in the acquisition, exploration, evaluation and development of principally gold resource properties in South Africa and Canada. The registered address is Suite 403 - 277 Lakeshore Road East, Oakville, Ontario, L6J 6J3. The Company trades on the TSX Venture Exchange ("TSXV") under the symbol "WDG".

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company reported a net loss of \$244,701 for the nine months ended September 30, 2016 (nine months ended September 30, 2015 - \$1,760,709) and had an accumulated deficit of \$29,012,860 at September 30, 2016 (December 31, 2015 - \$28,533,490).

In addition to its working capital requirements, the Company must secure sufficient funding for existing commitments and exploration costs.

These circumstances indicate the existence of material uncertainty that may cast significant doubt as to the ability of the Company to meet its obligations as they come due and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

Management plans to secure the necessary financing through a combination of the exercise of existing warrants for the purchase of common shares, the issue of new equity instruments and the entering into joint venture arrangements. Nevertheless, there is no assurance that these initiatives will be successful.

The recovery of amounts capitalized for exploration and evaluation assets at September 30, 2016 in the unaudited condensed interim consolidated statement of financial position is dependent upon the ability of the Company to arrange appropriate financing to complete the continued exploration of the properties and upon future profitable production or proceeds from their disposition. On April 6, 2016, the Company's subsidiary, Canoe Mining Ventures Corp. ("Canoe") entered into an agreement to sell two of its assets to Wesdome Gold Mines Ltd. ("Wesdome").

These unaudited condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary should the going concern assumption be inappropriate, and those adjustments could be material. The Company will continue to pursue opportunities to raise additional capital through equity markets and/or debt to fund investment in its exploration and evaluation assets; however, there is no assurance of the success or sufficiency of these initiatives. Should the Company fail to secure the necessary financing, judgments regarding the recoverability of the mineral property acquisition costs and the exploration and evaluation assets could change resulting in a significant impairment to existing assets.

GIYANI GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)
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2. Summary of significant accounting policies

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 annual consolidated financial statements for the year ended December 31, 2015. Any subsequent changes to IFRS that are given effect in the Company's annual consolidated financial statements for the year ending December 31, 2016 could result in restatement of these unaudited condensed interim consolidated financial statements.

These unaudited condensed interim consolidated financial statements were authorized for issuance by the Board of Directors of the Company on November 10, 2016.

New standards not yet adopted

IFRS 9 — Financial instruments ("IFRS 9") was updated by the IASB in November 2009 and will replace part of IAS 39 - Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 addresses the classification and measurement of financial assets. The two measurement categories for financial assets include amortized cost and fair value. All equity instruments are measured at fair value. A debt instrument is recorded at amortized cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest. Otherwise it is recorded at fair value through profit or loss.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments — Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. The Company is in the process of assessing the impact of this pronouncement.

IFRS 16 - Leases ("IFRS 16") was issued on January 13, 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognizes a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

3. Restricted cash

The Company had credit cards with a major financial institution with an aggregate credit limit of \$nil (December 31, 2015 - \$5,000). The financial institution holds a \$nil (December 31, 2015 - \$5,000) deposit as collateral on the credit amount as long as the credit cards are active. During the nine months ended September 30, 2016, \$5,000 this deposit was released to the Company by the financial institution.

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Notes to Condensed Interim Consolidated Financial Statements
September 30, 2016
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(Unaudited)

4. Equipment

Cost	Furniture and Fixture	Mining and Exploration	Computer Equipment	Equipment	Total
Balance, December 31, 2015 and September 30, 2016	\$ 31,186	\$ 21,724	\$ 21,175	\$ 32,743	\$ 106,828
Accumulated depreciation					
Balance, December 31, 2015	\$ 14,865	\$ 20,886	\$ 21,175	\$ 8,573	\$ 65,499
Depreciation for the period	4,076	90	-	3,625	7,791
Balance, September 30, 2016	\$ 18,941	\$ 20,976	\$ 21,175	\$ 12,198	\$ 73,290
Net book value					
Balance, December 31, 2015	\$ 16,321	\$ 838	\$ -	\$ 24,170	\$ 41,329
Balance, September 30, 2016	\$ 12,245	\$ 748	\$ -	\$ 20,545	\$ 33,538

5. Marketable securities

Marketable securities have been designated as fair value through profit and loss and are recorded at fair value using the last bid price, with changes recognized in the unaudited condensed interim consolidated statement of loss and comprehensive loss. Marketable securities are composed of:

	Cost	Market value adjustment	Fair market value September 30, 2016	Fair market value December 31, 2015
Wesdome Gold Mines Ltd. - 400,000 common shares	\$ 660,000	\$ 408,000	\$ 1,068,000	\$ -

During the three and nine months ended September 30, 2016, the Company's subsidiary Canoe received nil and 454,545 common shares from Wesdome (see note 6).

During the three and nine months ended September 30, 2016, the Company sold 54,545 common shares of Wesdome for gross proceeds of \$139,976 and accordingly recorded a realized gain on marketable securities of \$49,977.

6. Exploration and evaluation assets

Canada	Hamlin Deaty Creek	Coldstream	Kerrs	Total
Balance, December 31, 2015	\$ 100,000	\$ 1,167,742	\$ 110,585	\$ 1,378,327
Current expenditures	-	3,920	-	3,920
Write-down of property	-	(15,663)	-	(15,663)
Sale of property	(100,000)	(1,155,999)	-	(1,255,999)
Balance, September 30, 2016	\$ -	\$ -	\$ 110,585	\$ 110,585

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Notes to Condensed Interim Consolidated Financial Statements
September 30, 2016
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6. Exploration and evaluation assets (continued)

Northern Ontario, Canada

Hamlin-Deaty Creek Property, Ontario

On April 6, 2016, Canoe and Wesdome announced that they had entered into a definitive agreement whereby Wesdome has agreed to purchase from Canoe, a 100% interest in the Hamlin-Deaty Creek Property ("Hamlin").

Pursuant to the terms and conditions of the agreement, Wesdome acquired the Hamlin Property from Canoe free from all liens, mortgages, charges, pledges, encumbrances or other burdens with all rights now or thereafter attached thereto (other than with respect to any royalties set forth in the agreement). As consideration for the Hamlin Property, Wesdome paid an aggregate of \$100,000 cash to Canoe and settled the residual balance of Canoe's debenture (note 8), as well as certain accounts payable balances of Canoe. In connection with the disposition, the Company recognized a gain of \$310,605 on its condensed interim consolidated statement of operations.

Coldstream Property, Ontario

On April 6, 2016, the Company and Wesdome announced that they had entered into a definitive agreement whereby Wesdome has agreed to purchase from the Company, a 100% interest in the Coldstream Property ("Coldstream").

Pursuant to the terms and conditions of the agreement, Wesdome acquired the Coldstream Property from the Company free from all liens, mortgages, charges, pledges, encumbrances or other burdens with all rights now or thereafter attached thereto (other than with respect to any royalties set forth in the agreement). As consideration for the Coldstream Property, Wesdome paid or issued (as applicable) to the Company the following at the closing of the acquisition:

- (i) an aggregate of \$400,000 cash; and
- (ii) 454,545 fully paid and non-assessable common shares in the capital of Wesdome; and

7. Promissory note

In connection with the amalgamation with Birch Hill Gold Corp., Canoe assumed a promissory note with the Wahgoshig First Nation for a principal amount of \$58,000 which accrues interest a rate of 5% per annum and matured on January 30, 2014. The total balance payable on the promissory note is \$68,033 as of September 30, 2016 (December 31, 2015 - \$65,862) which includes \$10,033 (December 31, 2015 - \$7,862) of accrued interest expense. The promissory note is currently being renegotiated.

8. Debenture

Balance, December 31, 2014	\$ 466,161
Payments (paid April 2, 2015)	(50,000)
Balance, December 31, 2015	416,161
Payments (paid May 27, 2016)	(150,000)
Balance settled on disposition of exploration and evaluation assets (Note 6)	(266,161)
Balance, September 30, 2016	\$ -

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Notes to Condensed Interim Consolidated Financial Statements
September 30, 2016
(Expressed in Canadian Dollars)
(Unaudited)

9. Share capital

a) Authorized share capital

Unlimited number of common shares without par value.

b) Issued share capital

No shares were issued during the nine months ended September 30, 2016.

During the nine months ended September 30, 2015, the Company received funds of \$200,000 for a private placement of 4,000,000 common shares at a price of \$0.05 per share.

The following is a continuity of shares issued:

	Shares	Amount
Balance, December 31, 2014	57,433,123	\$ 18,173,796
Private placement (Note 9(b)(i))	4,000,000	200,000
Shares issued for debt (Note 9(b)(ii))	1,837,857	147,028
Balance, September 30, 2015	63,270,980	\$ 18,520,824
Balance, December 31, 2015	63,270,980	\$ 18,520,824
Private placement (Note 9(b)(iii))	3,450,000	339,201
Exercise of stock options	250,000	25,000
Fair value reclassified upon exercise of stock options	-	22,250
Balance, September 30, 2016	66,970,980	\$ 18,907,275

(i) During the nine months ended September 30, 2015, the Company received funds of \$200,000 for a private placement of 4,000,000 common shares at a price of \$0.05 per share.

(ii) During the nine months ended September 30, 2015, the Company issued 1,837,857 common shares valued at \$147,028 to settle accounts payable and accrued liabilities and amounts due to related parties.

(iii) On July 19, 2016, the Company closed a non-brokered private placement financing and issued a total of 3,450,000 common shares of the Company at a price of \$0.10 per share for total proceeds to the Company of \$345,000. The Company incurred transaction costs of \$5,799 related to the private placement.

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Notes to Condensed Interim Consolidated Financial Statements
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 (Expressed in Canadian Dollars)
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10. 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, 2014	4,750,000	\$ 0.96
Forfeited	(1,000,000)	1.24
Balance, September 30, 2015	3,750,000	\$ 0.89
Balance, December 31, 2015	3,250,000	\$ 0.82
Forfeited	(1,625,000)	1.06
Granted (i)(ii)	2,500,000	0.15
Exercised	(250,000)	0.10
Balance, September 30, 2016	3,875,000	\$ 0.34

(i) On June 24, 2016, the Company granted 1,850,000 stock options to directors, officers and consultants with each option exercisable into one common share of the Company at an exercise price of \$0.10 per share until June 24, 2021. A fair value of \$164,650 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 114%; risk-free interest rate - 0.64%; and an expected life - 5 years. The options vested immediately.

(ii) On August 3, 2016, the Company granted 650,000 stock options to directors and an officer of the Company. These options are exercisable at \$0.305 per share, have a five year term and vest immediately. A fair value of \$145,705 was determined using the Black-Scholes option pricing model. The following weighted average assumptions were used: dividend yield - 0%; expected volatility (based on historical price data of the Company's common share) - 116%; risk-free interest rate - 0.62%; and an expected life - 5 years.

Stock options outstanding as at September 30, 2016:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Options exercisable
July 11, 2017	1.30	0.78	525,000
March 4, 2019	0.25	2.42	1,100,000
June 24, 2021	0.10	4.73	1,600,000
August 3, 2021	0.305	4.84	650,000
			3,875,000

The Company's subsidiary, Canoe, has 3,225,000 stock options outstanding, of which 1,375,000 are exercisable at \$0.25 until February 27, 2019 and 1,850,000 are exercisable at \$0.05 until June 24, 2021.

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10. Stock options (continued)

Stock-based compensation

Total stock-based compensation recognized in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the three and nine months ended September 30, 2016 was \$145,705 and \$360,860, respectively, (three and nine months ended September 30, 2015 - \$nil). Of this amount, \$145,705 and \$310,355, respectively, relates to options granted in the Company. The balance of \$nil and \$50,505, respectively, relates to the value of stock options granted by the Company's subsidiary, Canoe.

11. Warrants

Warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price (\$)
Balance, December 31, 2014, September 30, 2015	2,000,000	0.45
Balance, December 31, 2015	2,000,000	0.45
Expired	(2,000,000)	0.45
Balance, September 30, 2016	-	-

As at September 30, 2016, the Company had no warrants outstanding. The Company's subsidiary, Canoe, had 1,013,315 warrants outstanding with a weighted average exercise price of \$4.40 and a weighted average remaining life of 0.45 years.

12. Related party transactions

Management and consulting fees of \$85,000 and \$232,500 (three and nine months ended September 30, 2015 - \$67,500 and \$215,000) were paid or accrued to officers and directors or to companies controlled by officers or directors during the three and nine months ended September 30, 2016.

The current Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three and nine months ended September 30, 2016, the Company paid or accrued professional fees of \$5,000 (three and nine months ended September 30, 2015 - \$nil) 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 September 30, 2016, MSSI was owed \$16,156 (December 31, 2015 - \$nil) with respect to services provided. The balance owed was recorded in the unaudited condensed interim consolidated statement of financial position as amounts due to related parties.

During the three and nine months ended September 30, 2016, the Company sold 2,910,000 Canoe shares to the Chief Executive Officer ("CEO") of the Company in settlement of \$87,300 debt owed to him. The transaction resulted in a disposition of 5.8% ownership in Canoe and a gain of \$53,111 which was recorded in equity.

As at September 30, 2016, the Company owed \$827,640 (December 31, 2015 - \$692,648) to directors and officers of the Company and entities controlled by or associated with directors and officers of the Company. These amounts were included in due to related parties.

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Notes to Condensed Interim Consolidated Financial Statements
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(Expressed in Canadian Dollars)
(Unaudited)

13. 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 two operating segments: the exploration, evaluation and development of precious metal mining projects located in Ontario ("Canoe") and located in South Africa ("South Africa Mining"). The rest of the entities within the Company are grouped into a secondary segment ("Corporate").

The segmental report is as follows:

September 30, 2016	Canoe	South Africa Mining	Corporate	Total
Equipment	\$ -	\$ -	\$ 33,538	\$ 33,538
Exploration and evaluation assets	110,585	-	-	110,585
Total assets	1,417,911	21,588	274,858	1,714,357
Total liabilities	835,868	146,384	1,122,149	2,104,401
Net loss (income)	(473,005)	4,840	712,866	244,701
Net addition to exploration and evaluation assets	3,920	-	-	3,920

December 31, 2015	Canoe	South Africa Mining	Corporate	Total
Equipment	\$ -	\$ -	\$ 41,329	\$ 41,329
Exploration and evaluation assets	1,378,327	-	-	1,378,327
Total assets	1,415,810	20,280	69,752	1,505,842
Total liabilities	1,357,276	208,734	884,324	2,450,334
Net loss	3,549,759	7,390,124	764,287	11,704,170
Net addition to exploration and evaluation assets	(5,262)	(158,451)	-	(163,713)
Impairment to property acquisition costs and exploration and evaluation assets	(3,063,914)	(7,359,732)	-	(10,423,646)

14. Non-controlling interest

On December 5, 2013, Canoe entered into the Amalgamation Agreement with 2299895 and Giyani to carry out a qualifying transaction. As a result of the transaction, Giyani's interest in Canoe declined from 98.1% to 57.4%. Pursuant to additional equity issuances by Canoe and sale of Canoe shares by Giyani to its CEO in settlement of the payables owed to him (note 12), the Company's interest as at September 30, 2016 is 33.3%.

GIYANI GOLD CORP.

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14. Non-controlling interest (continued)

The Company has assessed its investment in Canoe and has judged that it has maintained control over Canoe as defined by IFRS 10. Since equity issuances by Canoe did not result in a loss of control by Giyani, they have been recorded as a transfer of equity to non-controlling interest holders. The major transactions not resulting in a loss of control and the resulting impact are summarized and described as follows:

	September 30, 2016	December 31, 2015
Balance, beginning of the period	\$ 35,434	\$ 1,828,278
Change in non-controlling interest	34,189	344,322
Stock-based compensation in Canoe	30,728	-
Share of income (loss) attributable to non-controlling interests	287,780	(2,137,166)
Balance, end of the period	\$ 388,131	\$ 35,434

Set out below is summary financial information for Canoe, in which the Company holds a 33.3% interest (December 31, 2015 – 39.1%). The amounts disclosed are based on those included in the unaudited condensed interim consolidated financial statements, before intercompany eliminations.

Summarized consolidated statement of financial position	September 30, 2016	December 31, 2015
Current assets	\$ 1,307,326	\$ 37,481
Current liabilities	(835,868)	(1,357,276)
	471,458	(1,319,795)
Non-current assets	110,585	1,378,329
Balance, end of the year	\$ 582,043	\$ 58,534
Accumulated non-controlling interest	\$ 388,131	\$ 35,434

Summarized consolidated statement of loss (income) and comprehensive loss (income)	Nine Months Ended September 30,	
	2016	2015
	66.7%	60.9%
Expenses	\$ 279,914	\$ 385,288
Net loss (income) and comprehensive loss (income)	(473,005)	1,159,853
Loss (income) allocated to non-controlling interest	\$ (287,780)	\$ 683,130

Summarized consolidated statement of cash flows	Nine Months Ended September 30,	
	2016	2015
	66.7%	60.9%
Cash flows from operating activities	\$ (277,719)	\$ (108,917)
Cash flows from financing activities	\$ -	\$ 200,000
Cash flows from investing activities	\$ 483,358	\$ (93,433)

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15. Commitments and contingency

Commitment

Financing Agreement

During the year ended December 31, 2014, the Company entered into an equity agreement ("Equity Agreement") with Lambert Private Equity LLC ("Lambert"), a California-based private equity firm.

In accordance with the Equity Agreement, Lambert will commit up to a maximum of \$10,000,000 over a period of three years. And, at the Company's discretion at any time over the next 5 years, Lambert's commitment amount may be increased from \$10,000,000 to \$25,000,000 with all other terms and conditions of the Equity Agreement remaining unchanged and with no additional fees or compensation due.

Subject to certain conditions, upon notice by the Company ("Notice"), Lambert and associates of Lambert will subscribe for, and the Company will agree to issue and sell, units ("Units") through a series of private placements (each, a "Private Placement"). The purchase price per Unit for any given Private Placement will be equal to the greater of (i) 90% of the lowest daily volume-weighted average price of the common shares of the Company (each, a "Share") on the TSXV during the 15 trading days following Notice, or (ii) the lowest price permitted by the policies of the TSXV.

Each Unit will be comprised of one Share and one Share purchase warrant (each, a "Warrant"). Each Warrant will entitle the holder thereof to acquire one additional Share for a period of five years from the date of issuance of such Warrant at the lowest price permitted by the policies of the TSXV.

The number of Units to be subscribed for in each Private Placement will be determined by the Company in its sole discretion and will be set forth in the applicable Notice. To the extent that Lambert arranges eligible substituted purchasers for each Private Placement, its own obligation to subscribe for Units shall be reduced accordingly, subject to certain conditions.

The proceeds from each Private Placement will be used for general corporate and working capital purposes and may be used to evaluate and pursue strategic acquisitions. The Shares and Warrants underlying the Units issued pursuant to each Private Placement will be subject to a four-month hold period.

Pursuant to the Equity Agreement, the Company paid Lambert a commitment fee valued at \$150,000 by issuing 454,545 common shares.

Prior to filing a Notice, Lambert may engage in purchases and sales of shares held for its own account as well as shares borrowed by Lambert from third parties, including insiders. The obligation to deliver any borrowed securities may be satisfied by delivery of shares subscribed for by Lambert pursuant to the Private Placement. With respect to Shares subscribed for under the Equity Agreement, one or more existing shareholders of the Company, including insiders, may from time to time agree to exchange Shares owned by them that are not subject to resale restrictions with Shares acquired under a Private Placement that are subject to the customary resale restrictions. The existing shareholders who agree to loan shares, or agree to exchange shares which are not subject to resale restrictions, may be entitled to receive a portion of the warrants issued on the Private Placement pursuant to arrangements made by Lambert. The participation of each insider will be subject to the approval of the independent directors of the Company.

Each Private Placement will remain subject to receipt of regulatory approval from the TSXV. While the Company cannot provide any assurances that it will be successful in completing the Equity Agreement, it is the Company's intention to obtain the funding.

Consulting

On September 30, 2016, the Company engaged BlackX Management GmbH ("BlackX") to provide investor relations and communications services for European markets for an initial period of six months in duration. The Company will compensate BlackX at a fee of 20,000 Euros per quarter beginning September 30, 2016.

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15. Commitments and contingency (continued)

Break Fee Receivable

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

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

Loan Receivable

The Company continues to work towards recovering the funds (approximately \$650,000) owed to it by Corridor Mining Resources ("CMR"), its joint venture partner on the Giyani Gold Project. Given the uncertainty of collectability, no amounts have been setup as receivable in these unaudited condensed interim consolidated financial statements.

16. Subsequent events

(i) On October 27, 2016, the Company announced that entered into a non-binding Letter of Intent with Arnoldus Brand, director and owner of Matsamo Gold Corp Pty Ltd, Menzi Battery Metals Pty Ltd and Qakaza Diamond Corp Pty Ltd to acquire a 88-95% interest in various prospecting licenses in Botswana that is highly prospective of manganese development. The 13,283.1km² (1,328,310 ha) land package included an application for the Kgwakgwe Hill Manganese Mine and also surrounds Rio Tinto's recent iron ore discovery.

Under the terms of the agreements, collectively Giyani will make cash payments totalling \$550,000 and issue 4.4 million common shares.

(ii) Subsequent to September 30, 2016, 100,000 stock options with an exercise price of \$0.10 and an expiry date of June 24, 2021 were exercised for gross proceeds of \$10,000.