



Giyani secures remaining US\$10m to finalise US\$26 million funding package

TORONTO, Ontario, January 24, 2024 -- Giyani Metals Corp. (TSXV:EMM, GR:A2DUU8) (“**Giyani**” or the “**Company**”), developer of the K.Hill battery-grade manganese project in Botswana (“**K.Hill**” or the “**Project**”) is pleased to announce that it has finalised the US\$26 million funding package to progress K.Hill to Final Investment Decision (“**FID**”).

Highlights:

- Giyani has secured US\$10 million of funding from ARCH Sustainable Resources Fund LP (“**ARCH**”), an ESG-mandated, private equity fund focused on strategic, long-term investments in natural resources and renewable energy.
- The US\$10 million ARCH investment (the “**ARCH Funding Package**”) fulfils a key condition to drawdown of the US\$16 million convertible loan facility secured by Giyani from the Industrial Development Corporation of South Africa Limited’s (“**IDC**”) (the “**IDC Facility**”).
- The total US\$26 million funding package will progress K.Hill to FID, including an Optimized Feasibility Study for the Project (“**Optimized FS**”) and completing the construction, commissioning, and operation of the Company’s demonstration plant (“**Demo Plant**”). The Demo Plant will produce battery-grade manganese (“**HPMSM**”) enabling Giyani to progress customer offtake discussions.
- The ARCH Funding Package consists of: (i) a US\$4.8 million (approximately C\$6.4 million) unit offering (the “**ARCH Offering**”) at C\$0.117 per unit, with each unit consisting of one common share (each, a “**Share**”) and one common share purchase warrant (each, a “**Warrant**”) exercisable at a price of C\$0.225 per Warrant for five years; and (ii) US\$5.2 million for a 2% gross revenue royalty (the “**ARCH Royalty**”) which includes a 1% buy-back provision and an automatic step-down by 0.5% after 20 years or 2.5Mt of HPMSM production.
- Following completion of the ARCH Offering, ARCH will hold approximately 19.99% of Giyani’s issued Shares.

Danny Keating, President and CEO of the Company, commented:

“We are delighted to welcome ARCH as a shareholder and strategic partner to assist us in the long-term development of K.Hill. Attracting a group with such strong ESG credentials rewards the hard work that the team has undertaken to date and confirms our execution strategy.”

“After completing an incredibly thorough due diligence process performed by world-class engineering, marketing, and social and environmental consultants, we are very excited to welcome two high quality investor groups to the Company. Despite the difficult market conditions, the package we have secured minimizes dilution for current shareholders and gives us the financing to fundamentally de-risk the project and unlock the massive value contained within K.Hill.”

Amanda van Dyke, Managing Director at ARCH, commented:

“ARCH is very happy to announce its strategic investment in Giyani Metals, recognizing the unique opportunity it presents in the rapidly growing global battery market due to the crucial role HPMSM will play in the future of lithium-ion batteries. Once operational, Giyani’s plant will showcase the commercial viability of the team’s proprietary low-carbon technology, positioning the company among the select few with high quality projects capable of contributing to a diversified global supply chain and provide manufacturers with responsibly sourced, low carbon battery materials.”

“ARCH has significant experience in successfully delivering projects to the highest ESG standards, and we look forward to supporting the team through construction and ultimately production.”

Summary of key terms of the ARCH Funding Package

In parallel with finalizing and signing the IDC Facility, the Company has secured a strategic investment of US\$10 million from ARCH comprising the ARCH Offering and the ARCH Royalty, as set out in an investment agreement between the Company and ARCH dated January 23, 2024. The ARCH Funding Package satisfies a critical drawdown condition to the IDC Facility, with such initial drawdown on the IDC Facility expected to occur in the first quarter of 2024, subject to satisfaction of the remaining drawdown conditions.

The ARCH Offering will consist of the issuance of 54,835,235 units at a price of C\$0.117 per unit. Each unit consists of one Share and one Warrant, with each Warrant entitling ARCH to acquire one additional Share at a price of C\$0.225 per Warrant for a period of five years following Closing. In the event that the Shares trade at a volume weighted average price of at least C\$0.31 on the TSX Venture Exchange (the “**TSXV**”) on ten (10) consecutive trading days, the Company has the right to accelerate the expiry date of the Warrants to a date that is not less than 30 days following the provision of a notice of acceleration to ARCH, subject to ARCH not exceeding the 19.99% ownership threshold (unless the requisite TSXV and shareholder approval has been received). The Shares and Warrants comprising the units, and any Shares issued upon the exercise of the Warrants, will be subject to a four-month statutory hold period and a further contractual escrow, pursuant to which half of the Shares issued (including any Shares issued upon exercise of the Warrants) will be escrowed until the date that is 12 months following the closing of the offering, expected to occur on or about January 26, 2024, subject to satisfaction of the necessary closing conditions including approval of the TSXV (“**Closing**”). and the remaining half of the Shares issued (including any Shares issued upon exercise of the Warrants) will be escrowed until the date that is 15 months following Closing.

The ARCH Royalty consists of a 2% gross revenue royalty over the gross revenues received by the Company from its manganese projects and certain other revenues. Giyani can buy-back up to 1% of the ARCH Royalty for up to US\$5.2 million (pro-rata) prior to June 30, 2025, provided the Proven and Probable Reserves at K.Hill are shown to exceed 4 million tonnes (“**Mt**”) and the Company completes the commissioning of the Demo Plant prior to such date. In addition, the ARCH Royalty automatically steps down by an additional 0.5% on the earlier of (i) cumulative aggregate HPMSM production by Giyani of 2.5Mt, or (ii) 20 years of an average production rate of 70,000 tonnes of HPMSM per year at a plant majority owned by Giyani throughout the 20-year period.

Pursuant to an investor rights agreement to be entered into between the Company and ARCH at Closing, ARCH will have the right to appoint up to two (2) directors to the board of directors of Giyani, subscription rights to participate in future equity offerings of the Company, a top up right to maintain its pro rata ownership of the Company and a right of first offer to provide future royalty or stream financing in relation to the Company's projects.

ESG commitments

The Company continues to advance on its ESG commitments by aiming to meet the highest standards of ethical business practice and seeking to integrate sustainable development into Giyani's corporate strategy. The Company recently secured the Environmental Authorisation for K.Hill¹ and will continue monitoring and measuring its environmental performance and implement measures to reduce its environmental impact, while working with all stakeholders to ensure the rights, interests, customs and values of the communities impacted by Giyani's projects are respected.

The IDC Facility

The US\$16 million South African Rand (“**ZAR**”) equivalent IDC Facility comprises two separate convertible loan facilities, being a US\$12.5 million convertible loan facility for use by Giyani Metals South Africa Proprietary Limited and a US\$3.5 million convertible loan facility for use by Menzi Battery Metals (Proprietary) Limited, both wholly owned subsidiaries of the Company².

The ARCH Funding Package and the IDC Facility each remain subject to the approval of the TSXV and satisfaction of other conditions customary for transactions of this nature. Copies of the material ARCH

¹ See news release from January 4, 2024 (“K.Hill Project Granted Environmental Authorisation and Submits Mining Licence Application”)

² See news release dated November 30, 2023 (“Giyani secures US\$16 million of development financing from the IDC”)

Funding Package documents will be posted to the Company's profile on SEDAR+ at www.sedarplus.ca following Closing.

Project Execution and Optimized Feasibility Study

On completion of the funding and drawdown conditions, the Company will continue progressing the critical workstreams to move K.Hill to FID. These major workstreams are discussed in the Company's December 2023 corporate presentation³ and include, but are not limited to the following:

- Completing construction, commissioning and entering into the operational phase of the Demo Plant in Johannesburg:
 - The Demo Plant will be capable of producing up to 600 kg per day of dry HPMSM crystals for shipment to offtakers for product qualification and negotiation of sales contracts, starting mid-2024;
 - Give greater understanding of the operating costs, especially reagent consumption, at a significant scale; and
 - Training of staff, including personnel recruited from Botswana, who can gain technical and operational skills prior to the construction and operation of the commercial plant which will help to minimise the ramp-up period.
- Completion of an Optimized FS based on K.Hill building on the updated Mineral Resource Estimate (“**MRE**”) and preliminary economic assessment (“**PEA**”) from July 2023, and utilising data and learnings from the operation of the Demo Plant to produce a study will meet the requirements of project finance institutions.
- Advancing discussions with multiple Tier-1 offtakers who have expressed interest in bringing K.Hill into their battery raw material supply chains, a number of whom have already visited Giyani's facilities.
- Further development of the Company's corporate ESG strategy and commitments following the successful authorisation of the Environmental Impact Assessment (“**EIA**”) for K. Hill.

About Giyani

Giyani's mission is to become a sustainable, low-carbon producer of battery materials for the electric vehicle (“**EV**”) industry. The Company has developed a hydrometallurgical process to produce HPMSM, a lithium-ion battery cathode precursor material critical for EVs, directly from ore from its manganese oxide deposits in Botswana. The Company's assets include K.Hill and the Otse and Lobatse manganese prospects.

Additional information and corporate documents may be found on www.sedarplus.ca and on Giyani Metals Corp. website at <https://giyanimetals.com/>.

Qualified Persons / NI 43-101 Disclosures

An NI 43-101 technical report including results of the PEA and the MRE can be found on SEDAR+ at www.sedarplus.ca and made available on the Company's website at <https://giyanimetals.com/>.

Mr. Justin Taylor CEng FIMMM B.Sc Eng (Chem) is a qualified person, as defined by National Instrument 43-101 (“**NI 43-101**”). Mr. Taylor is the Company's Process Engineering Manager and has reviewed and approved the scientific and technical content contained in this news release but is not independent for the purposes of NI 43-101.

Mr. Luhann Theron, MSc., Pr.Sci. Nat. 400184/15, of Lambda Tau is registered with the SACNASP and last visited the K.Hill Project site in August 2023 and is a QP, as defined by NI 43-101. Mr. Theron is the Chief Geologist for the Company and has reviewed and approved the scientific and technical content contained in this news release but is not independent for the purposes of NI 43-101.

³ <https://giyanimetals.com/investors/presentation-analyst-coverage-media>

On behalf of the Board of Directors of Giyani Metals Corp.

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Forward Looking Information

This news release contains "forward-looking information" within the meaning of applicable Canadian securities legislation. All statements in this news release, other than statements of historical fact, that address events or developments that Giyani expects to occur, are "forward-looking statements". Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "does not expect", "plans", "anticipates", "does not anticipate", "believes", "intends", "estimates", "projects", "potential", "scheduled", "forecast", "budget" and similar expressions, or that events or conditions "will", "would", "may", "could", "should" or "might" occur.

Such statements include without limitation: details regarding the ARCH Funding Package, the ARCH Units, the ARCH Royalty and the IDC Facility, Closing of the ARCH Funding Package, drawdown of funds under the IDC Facility and the Company meeting the conditions precedent related thereto, the development of K.Hill to FID or generally, the timing of the construction and commissioning of the Demo Plant, completion of the Optimized FS, various factors related to the operation of the Demo Plant, receipt of TSXV approval for the transactions contemplated in this news release, and discussions with offtakers.

All such forward-looking statements are based on the opinions and estimates of the relevant management as of the date such statements are made and are subject to certain assumptions, important risk factors and uncertainties, many of which are beyond Giyani's ability to control or predict. Forward-looking statements are necessarily based on estimates and assumptions that are inherently subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking statements. In the case of Giyani, these facts include anticipated operations in future periods, planned exploration and development of its properties, and plans related to its business and other matters that may occur in the future. This information relates to analyses and other information that is based on expectations of future performance and planned work programs.

Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking information, including,

without limitation: inherent exploration hazards and risks; risks related to exploration and development of natural resource properties; uncertainty in Giyani's ability to obtain funding; commodity price fluctuations; recent market events and conditions; risks related to the uncertainty of Mineral Resource calculations and the inclusion of Inferred Mineral Resources in economic estimation; risks related to governmental regulations; risks related to obtaining necessary licences and permits; risks related to Giyani's business being subject to environmental laws and regulations; risks related to the Company's mineral properties being subject to prior unregistered agreements, transfers, or claims and other defects in title; risks relating to competition from larger companies with greater financial and technical resources; risks relating to the inability to meet financial obligations under agreements to which they are a party; ability to recruit and retain qualified personnel; and risks related to the Company's directors and officers becoming associated with other natural resource companies which may give rise to conflicts of interests. This list is not exhaustive of the factors that may affect Giyani's forward-looking information. Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in the forward-looking information or statements.

Giyani's forward-looking information is based on the reasonable beliefs, expectations and opinions of the Company's respective management on the date the statements are made, and Giyani does not assume any obligation to update forward looking information if circumstances or management's beliefs, expectations or opinions change, except as required by law. For the reasons set forth above, investors should not place undue reliance on forward-looking information. For a complete discussion with respect to Giyani and risks associated with forward-looking information and forward-looking statements, please refer to Giyani's Annual Information Form, which is filed on SEDAR+ at www.sedarplus.ca.