
GIYANI GOLD CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE THREE AND SIX MONTHS ENDED
JUNE 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 six months ended June 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)

	June 30, 2016	December 31, 2015
Assets		
Current assets		
Cash	\$ 279,303	\$ -
Restricted cash (note 3)	-	5,000
Marketable securities (note 5)	899,999	-
Amounts receivable	19,919	21,294
Prepays	16,410	59,892
Total current assets	1,215,631	86,186
Equipment (note 4)	36,135	41,329
Exploration and evaluation assets (note 6)	110,585	1,378,327
Total Assets	\$ 1,362,351	\$ 1,505,842
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,346,760	\$ 1,275,663
Promissory note (note 7)	67,304	65,862
Debenture (note 8)	-	416,161
Amounts due to related parties (note 12)	840,999	692,648
Total Liabilities	2,255,063	2,450,334
Deficiency		
Share capital (note 9(b))	18,520,824	18,520,824
Contributed surplus (note 10)	5,270,157	5,090,180
Warrants (note 11)	4,093,233	4,093,233
Cumulative translation adjustment	(147,719)	(150,673)
Deficit	(28,827,714)	(28,533,490)
Non-controlling interest (note 14)	(1,091,219)	(979,926)
	198,507	35,434
	(892,712)	(944,492)
Total Liabilities and Deficiency	\$ 1,362,351	\$ 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 (Income) and Comprehensive Loss (Income)
(Expressed in Canadian Dollars)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2016	2015	2016	2015
Expenses				
Corporate, general and administration	\$ 411,670	\$ 373,164	\$ 652,701	\$ 699,051
Amortization (note 4)	3,372	2,869	5,194	5,737
Write-down of property acquisition costs, and exploration and evaluation assets (note 6)	32,577	774,565	32,577	774,565
Net loss before interest and other items	447,619	1,150,598	690,472	1,479,353
Foreign exchange gain	-	-	(1,330)	(82)
Interest and other (income) expense	2,108	(23,363)	2,108	(48,135)
Gain on disposal of equipment	-	-	-	(47)
Gain on disposition of exploration and evaluation assets (note 6)	(310,605)	-	(310,605)	-
Gain on debt settlement	(71,655)	-	(71,655)	-
Gain on marketable securities (note 5)	(150,000)	-	(150,000)	-
General exploration expense	2,889	-	2,889	-
Net loss (income) for the period	\$ (79,644)	\$ 1,127,235	\$ 161,879	\$ 1,431,089
Other comprehensive income				
Items that may be subsequently reclassified to profit and loss:				
Currency translation adjustment	(270)	29,410	(2,954)	(36,893)
Other comprehensive loss (income) for the period	\$ (79,914)	\$ 1,156,645	\$ 158,925	\$ 1,394,196
Attributable to:				
Owners of the parent	\$ 115,419	\$ 589,748	\$ 294,224	\$ 823,893
Non-controlling interest	(195,063)	537,488	(132,345)	607,196
Net loss (income) for the period	\$ (79,644)	\$ 1,127,236	\$ 161,879	\$ 1,431,089
Basic and diluted loss (income) per share	\$ (0.00)	\$ 0.02	\$ 0.00	\$ 0.02
Weighted average number of shares outstanding, basis and diluted	63,270,981	61,327,574	63,270,981	59,391,106

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	-	-	-	-	-	36,893	-	36,893
Net loss for the period	-	-	-	-	(607,196)	-	(823,893)	(1,431,089)
Balance, June 30, 2015	63,270,980	\$ 18,520,824	\$ 5,090,180	\$ 4,093,233	\$ 1,565,404	\$ 55,256	\$ (19,790,379)	\$ 9,534,518
Balance, December 31, 2015	63,270,981	\$ 18,520,824	\$ 5,090,180	\$ 4,093,233	\$ 35,434	\$ (150,673)	\$ (28,533,490)	\$ (944,492)
Expiry of warrants	-	-	-	-	-	2,954	-	2,954
Share-based compensation	-	-	179,977	-	30,728	-	-	210,705
Net loss for the period	-	-	-	-	132,345	-	(294,224)	(161,879)
Balance, June 30, 2016	63,270,981	\$ 18,520,824	\$ 5,270,157	\$ 4,093,233	\$ 198,507	\$ (147,719)	\$ (28,827,714)	\$ (892,712)

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)

	Six Months Ended June 30,	
	2016	2015
Operating Activities		
Net loss for the period	\$ (161,879)	\$ (1,431,089)
Accrued interest expense	1,442	1,438
Amortization	5,194	5,737
Stock-based compensation	210,705	-
Gain on marketable securities	(150,000)	-
Gain on debt settlement	(71,655)	-
Gain on disposal of equipment	-	(47)
Write-down of property acquisition costs and exploration and evaluation assets	(278,028)	774,565
Net change in non-cash working capital:		
Amounts receivable	1,375	60,092
Prepaid expenses	43,482	25,007
Accounts payable and accrued liabilities	234,694	48,888
Amounts due to related parties	148,351	269,775
Cash provided by (used in) operating activities	(16,319)	(245,634)
Investing Activities		
Proceeds from sale of exploration and evaluation assets	500,000	-
Restricted cash	5,000	-
Exploration and evaluation asset expenditures	(62,332)	(62,707)
Repayment of debenture	(150,000)	(50,000)
Cash used in investing activities	292,668	(112,707)
Financing Activities		
Proceeds on obligation to issue shares	-	365,000
Proceeds from issuance of shares in subsidiary, net of costs	-	-
Cash provided by financing activities	-	365,000
Effect of foreign exchange on cash	2,954	1,470
Change in cash during the period	279,303	8,129
Cash, beginning of the period	-	33,965
Cash, end of the period	\$ 279,303	\$ 42,094

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
June 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 \$161,879 for the six months ended June 30, 2016 (six months ended June 30, 2015 - \$1,431,089) and had an accumulated deficit of \$28,827,714 at June 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 June 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") (see note 16).

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.

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

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 August 15, 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 six months ended June 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

June 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

4. Equipment

Cost	Furniture and Fixture	Mining and Exploration	Computer Equipment	Equipment	Total
Balance, December 31, 2015 and June 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	2,717	60	-	2,417	5,194
Balance, June 30, 2016	\$ 17,582	\$ 20,946	\$ 21,175	\$ 10,990	\$ 70,693
Net book value					
Balance, December 31, 2015	\$ 16,321	\$ 838	\$ -	\$ 24,170	\$ 41,329
Balance, June 30, 2016	\$ 13,604	\$ 778	\$ -	\$ 21,753	\$ 36,135

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 June 30, 2016	Fair market value December 31, 2015
Wesdome Gold Mines Ltd. - 454,545 common shares	\$ 749,999	\$ 150,000	\$ 899,999	\$ -

During the six months ended June 30, 2016, the Company's subsidiary Canoe received 454,545 common shares from Wesdome (see note 6).

6. Exploration and evaluation assets

Canada	Hamlin			Total
	Deaty Creek	Coldstream	Kerrs	
Balance, December 31, 2015	\$ 100,000	\$ 1,167,742	\$ 110,585	\$ 1,378,327
Current expenditures	-	14,834	-	14,834
Write-down of property	-	(26,577)	-	(26,577)
Sale of property	(100,000)	(1,155,999)	-	(1,255,999)
Balance, June 30, 2016	\$ -	\$ -	\$ 110,585	\$ 110,585

GIYANI GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

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 \$67,304 as of June 30, 2016 (December 31, 2015 - \$65,862) which includes \$9,304 (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, June 30, 2016	\$ -

GIYANI GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements

June 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 six months ended June 30, 2016.

During the six months ended June 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.

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, June 30, 2015	3,750,000	\$ 0.89
Balance, December 31, 2015	3,250,000	\$ 0.82
Forfeited	(1,625,000)	1.06
Granted (i)	1,800,000	0.10
Balance, June 30, 2016	3,425,000	\$ 0.33

(i) On June 24, 2016, the Company granted 1,800,000 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 \$160,200 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.

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

10. Stock options (continued)

Stock options outstanding as at June 30, 2016:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Options exercisable
July 11, 2017	1.30	1.03	525,000
March 4, 2019	0.25	2.68	1,100,000
June 24, 2021	0.10	4.99	1,800,000
			3,425,000

The Company's subsidiary, Canoe, has 3,450,000 stock options outstanding, of which 1,600,000 are exercisable at \$0.25 until February 27, 2019 and 1,850,000 are exercisable at \$0.05 until June 24, 2021.

Stock-based compensation

Total stock-based compensation recognized in the unaudited condensed interim consolidated statement of loss and comprehensive loss for the three and six months ended June 30, 2016 was \$210,705 (three and six months ended June 30, 2015 - \$nil). Of this amount, \$160,200 relates to options granted in the Company. The balance of \$50,505 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, June 30, 2015		
December 31, 2015 and June 30, 2016	2,000,000	0.45

Warrants outstanding as at June 30, 2016:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Warrants exercisable
July 11, 2016	0.45	0.03	2,000,000

The Company's subsidiary, Canoe, has 1,013,315 warrants outstanding with a weighted average exercise price of \$4.40 and a weighted average remaining life of 0.70 years.

12. Related party transactions

Management and consulting fees of \$67,500 and \$147,500 (three and six months ended June 30, 2015 - \$67,500 and \$147,500) were paid or accrued to officers and directors or to companies controlled by officers or directors during the three and six months ended June 30, 2016.

As at June 30, 2016, the Company owed \$853,499 (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 Chief Executive Officer.

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:

June 30, 2016	Canoe	South Africa Mining	Corporate	Total
Equipment	\$ -	\$ -	\$ 36,135	\$ 36,135
Exploration and evaluation assets	110,585	-	-	110,585
Total assets	1,288,985	19,887	53,479	1,362,351
Total liabilities	962,420	134,291	1,158,352	2,255,063
Net loss (income)	(217,527)	4,175	375,231	161,879
Net addition to exploration and evaluation assets	14,834	-	-	14,834

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, the Company's interest as at June 30, 2016 is 39.1%.

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Notes to Condensed Interim Consolidated Financial Statements

June 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

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:

	June 30, 2016	December 31, 2015
Balance, beginning of the period	\$ 35,434	\$ 1,828,278
Change in non-controlling interest	-	344,322
Stock-based compensation in Canoe	30,728	-
Share of income (loss) attributable to non-controlling interests	132,345	(2,137,166)
Balance, end of the period	\$ 198,507	\$ 35,434

Set out below is summary financial information for Canoe, in which the Company holds a 39.1% 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	June 30, 2016	December 31, 2015
Current assets	\$ 1,178,400	\$ 37,481
Current liabilities	(962,420)	(1,357,276)
	215,980	(1,319,795)
Non-current assets	110,585	1,378,329
Balance, end of the year	\$ 326,565	\$ 58,534
Accumulated non-controlling interest	\$ 198,507	\$ 35,434

Summarized consolidated statement of loss (income) and comprehensive loss (income)	Six Months Ended June 30,	
	2016	2015
	60.9%	60.9%
Expenses	\$ 210,501	\$ 260,480
Net loss (income) and comprehensive loss (income)	(217,527)	1,035,045
Loss (income) allocated to non-controlling interest	\$ (132,345)	\$ 607,196

Summarized consolidated statement of cash flows	Six Months Ended June 30,	
	2016	2015
	60.9%	60.9%
Cash flows from operating activities	\$ (23,092)	\$ (76,564)
Cash flows from financing activities	\$ -	\$ 200,000
Cash flows from investing activities	\$ 287,668	\$ (112,708)

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

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.

GIYANI GOLD CORP.

Notes to Condensed Interim Consolidated Financial Statements

June 30, 2016

(Expressed in Canadian Dollars)

(Unaudited)

15. Commitments and contingency (continued)

Contingency

The Company has been in arrears or in default on payments to some of its vendors, which, if not cured on a timely basis, may lead to legal proceedings against the Company. The amounts owed to the vendors as invoiced have been fully included in accounts payable and accrued liabilities as at June 30, 2016, however, the potential legal proceedings may result in interests, penalties or legal costs, the amount of which are not determinable as at June 30, 2016.

16. Subsequent events

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.

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.