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# **GIYANI METALS CORP.**

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE THREE MONTHS ENDED MARCH 31, 2020**

**(Expressed in Canadian Dollars)**

**(UNAUDITED)**

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## **Notice to Reader**

The accompanying unaudited condensed interim consolidated financial statements of Giyani Metals 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 months ended March 31, 2020 have not been reviewed by the Company's auditors.

# GIYANI METALS CORP.

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

As at	March 31, 2020	December 31, 2019
<b>Assets</b>		
Current assets		
Cash	\$ 4,116	\$ 8,758
Amounts receivable	39,622	41,778
Amounts due from related party (note 10)	-	20,000
Prepays	36,829	41,609
Total current assets	80,567	112,145
Equipment (note 3)	13,872	16,175
Investment in associate (note 5)	-	-
Exploration and evaluation assets (note 4)	2,548,847	2,267,008
<b>Total Assets</b>	<b>\$ 2,643,286</b>	<b>\$ 2,395,328</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,303,687	\$ 944,354
Other liabilities (note 6)	106,943	106,943
Amounts due to related parties (note 10)	464,471	384,459
<b>Total Liabilities</b>	<b>1,875,101</b>	<b>1,435,756</b>
<b>Equity</b>		
Share capital (note 7(b))	23,263,072	23,263,072
Contributed surplus	6,733,510	6,704,144
Warrants (note 9)	4,806,273	4,806,273
Cumulative translation adjustment	(106,993)	(128,066)
Deficit	(33,927,677)	(33,685,851)
	768,185	959,572
<b>Total Liabilities and Equity</b>	<b>\$ 2,643,286</b>	<b>\$ 2,395,328</b>

Nature of operations and going concern (note 1)  
Commitments and contingencies (note 13)  
Subsequent events (note 14)

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 Loss and Comprehensive Loss  
(Expressed in Canadian Dollars)  
(Unaudited)

	Three Months Ended March 31,	
	2020	2019
<b>Expenses</b>		
Corporate, general and administration (note 11)	\$ 239,523	\$ 383,548
Depreciation (note 3)	2,303	1,022
<b>Net loss before interest and other items</b>	<b>241,826</b>	<b>384,570</b>
Foreign exchange loss	-	3,018
Loss on disposal of shares of associate (note 5)	-	21,118
<b>Net loss for the period</b>	<b>\$ 241,826</b>	<b>\$ 408,706</b>
<b>Other comprehensive loss</b>		
Items that may be subsequently reclassified to profit and loss:		
Currency translation adjustment	(21,073)	-
<b>Comprehensive loss for the period</b>	<b>\$ 220,753</b>	<b>\$ 408,706</b>
<b>Basic diluted loss per share</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>
<b>Weighted average number of shares outstanding</b>	<b>85,424,211</b>	<b>81,779,628</b>

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)

	Share Capital		Contributed Surplus	Warrants	Shares to be issued	Cumulative Translation Adjustment	Deficit	Total
	Number	Amount						
Balance, December 31, 2018	81,779,628	\$ 22,795,562	\$ 6,481,999	\$ 4,727,212	\$ -	\$ (110,394)	\$ (31,885,874)	\$ 2,008,505
Stock-based compensation	-	-	24,725	-	-	-	-	24,725
Net loss for the period	-	-	-	-	-	-	(408,706)	(408,706)
Balance, March 31, 2019	81,779,628	\$ 22,795,562	\$ 6,506,724	\$ 4,727,212	\$ -	\$ (110,394)	\$ (32,294,580)	\$ 1,624,524
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

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,	
	2020	2019
<b>Operating Activities</b>		
Net loss for the period	\$ (241,826)	\$ (408,706)
Depreciation	2,303	1,022
Stock-based compensation	29,366	24,725
Loss on disposal of shares of associate	21,073	21,118
Net change in non-cash working capital:		
Amounts receivable	2,156	(22,853)
Amounts due from related party	20,000	(410)
Prepaid expenses	4,780	(6,524)
Accounts payable and accrued liabilities	359,333	114,240
Amounts due to related parties	80,012	5,925
<b>Cash provided by (used in) operating activities</b>	<b>277,197</b>	<b>(271,463)</b>
<b>Investing Activities</b>		
Exploration and evaluation asset expenditures	(281,839)	(12,480)
Proceeds on disposal of investment in associate	-	286,226
<b>Cash provided (used in) by investing activities</b>	<b>(281,839)</b>	<b>273,746</b>
<b>Change in cash during the year</b>	<b>(4,642)</b>	<b>2,751</b>
<b>Cash, beginning of the period</b>	<b>8,758</b>	<b>21,107</b>
<b>Cash, end of the period</b>	<b>\$ 4,116</b>	<b>\$ 23,858</b>

Subsequent events (note 14)

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

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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### 1. Nature of operations and going concern

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. The Company has focused its full attention to advance its manganese assets within the Kanye Basin in south eastern Botswana, Africa (the "Kanye Project"). The registered address is Suite 600, 777 Hornby Street, Vancouver, British Columbia, V6Z 1S4. The Company uses the trading symbol under the TSX Venture Exchange ("TSXV") "EMM".

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.

These unaudited condensed interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. The Company reported a net loss of \$241,826 for the three months ended March 31, 2020 (three months ended March 31, 2019 - \$408,706) and had an accumulated deficit of \$33,927,677 as at March 31, 2020 (December 31, 2019 - \$33,685,851). The Company has negative working capital of \$1,794,534 (December 31, 2019 - \$1,323,611). The continuing operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that additional funds will be obtained from external financing to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing will not be available on a timely basis or on terms acceptable to the Company. These factors indicate the existence of material uncertainties that may cast significant doubt as to the Company's ability to continue as a going concern and accordingly use accounting principles applicable to a going concern.

### 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, 2019, 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, 2020 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 July 9, 2020.

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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### 2. Basis of preparation (continued)

#### *New standards adopted*

##### *Definition of a Business (Amendments to IFRS 3)*

The IASB has issued Definition of a Business (Amendments to IFRS 3) to clarify the definition of a business for the purpose of determining whether a transaction should be accounted for as an asset acquisition or a business combination. The amendments:

- clarify the minimum attributes that the acquired assets and activities must have to be considered a business
- remove the assessment of whether market participants can acquire the business and replace missing inputs or processes to enable them to continue to produce outputs
- narrow the definition of a business and the definition of outputs
- add an optional concentration test that allows a simplified assessment of whether an acquired set of activities and assets is not a business

There was no material impact to the unaudited condensed interim consolidated financial statement of the Company as a result of the adoption of this policy.

#### *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
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2022. There is currently a proposal in place to extend effective date for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 3. Equipment

Cost	Furniture and Fixture	Mining and Exploration	Computer Equipment	Equipment	Total
Balance, December 31, 2018	\$ 31,186	\$ 21,724	\$ 21,175	\$ 32,743	\$ 106,828
Additions	-	-	4,567	-	4,567
Balance, December 31, 2019	\$ 31,186	\$ 21,724	\$ 25,742	\$ 32,743	\$ 111,395
Balance, March 31, 2020	\$ 31,186	\$ 21,724	\$ 25,742	\$ 32,743	\$ 111,395

#### Accumulated depreciation

Balance, December 31, 2018	\$ 26,345	\$ 21,724	\$ 21,175	\$ 20,367	\$ 89,611
Depreciation for the period	1,612	-	1,521	2,476	5,609
Balance, December 31, 2019	\$ 27,957	\$ 21,724	\$ 22,696	\$ 22,843	\$ 95,220
Depreciation for the period	554	-	1,014	735	2,303
Balance, March 31, 2020	\$ 28,511	\$ 21,724	\$ 23,710	\$ 23,578	\$ 97,523

#### Net book value

Balance, December 31, 2019	\$ 3,229	\$ -	\$ 3,046	\$ 9,900	\$ 16,175
Balance, March 31, 2020	\$ 2,675	\$ -	\$ 2,032	\$ 9,165	\$ 13,872

### 4. Exploration and evaluation assets

#### Botswana

On April 11, 2017, the Company announced the acquisition of six new prospecting licenses that encompass the past producing Kgwakgwe Hill Manganese Mine ("K.Hill") located in the Kanye Basin, south eastern Botswana. Binding agreements were signed with Everbroad Investments (Pty) ("Everbroad") Limited and Marcelle Holdings (Pty) Limited ("Marcelle") to acquire an 88% interest in PL322/2016 (Kgwakgwe Hill License) and 100% interest in PL336/2016 to PL340/2016 (adjacent to K.Hill) inclusive by making cash payments totaling US\$75,000 (paid).

On July 13, 2017, the Company signed a definitive agreement (the "Agreement") with Marcelle to acquire an 88% interest in seven prospecting licences (PL294/2016 to PL300/2016 inclusive) by making cash payments totaling BWP980,000 Botswana Pula (paid). Additionally, the Agreement included the completion of the acquisition of 100% interest in five prospecting licences from Marcelle and an 88% interest in one prospecting licence from Everbroad as mentioned above. The Agreement also included the acquisition of a 100% interest in Menzi Battery (Pty) Limited ("Menzi"), a company incorporated in accordance with the laws of Botswana, by issuing two million common shares of Giyani (issued). The acquisition of Menzi was treated as an asset acquisition as Menzi did not meet the definition of a business under IFRS.

On November 16, 2017, the Company announced the acquisition of an additional licence near the town of Lobatse ("The Lobatse Prospect"). The Lobatse Prospect is located 40 km east of K.Hill. The Lobatse Prospect, along with K.Hill and the Otse Prospect, near the town of Otse, are all located within the boundaries of the Kanye Project area.

All licences had an initial expiry date of December 31, 2019, except for the Lobatse Prospect licence which has an initial expiry December 31, 2020. The licences have minimum aggregated Botswana Pula expenditures of BWP25,450,000 (approximately \$3,043,000) by December 31, 2019 and additional expenditures of BWP2,950,000 (approximately \$350,000) by December 31, 2020 and can be renewed prior to the initial expiry date. The Company has requested the extension of all licenses that had an initial expiry date of December 31, 2019, except PL295, PL296, PL299 and PL300. Subsequent to March 31, 2020, the application for the renewal of licenses was accepted by the Botswanan government. The majority of the current expenditures, as shown below, are expected to qualify towards the minimum required expenditures.

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 4. Exploration and evaluation assets (continued)

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

	<b>Kanye Project</b>
Balance, December 31, 2018	\$ 1,973,221
Current expenditures	358,512
Foreign exchange	(64,725)
Balance, December 31, 2019	\$ 2,267,008
Current expenditures	281,839
Balance, March 31, 2020	\$ 2,548,847

### 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 signed a sale of shares agreement ("Rock Island Agreement") with CMR to sell the Company's effective interest of 28.8% or 45 shares in Rock Island held through Lexshell 837 Investments (Pty) Ltd. ("Lexshell"). The purchase price of the sale of shares was ZAR9,555,046 (\$845,460). The receipt of funds occurs in two tranches; one third immediately on signing of agreement (received) and two thirds on closing of the agreement. As of March 31, 2020, the Rock Island Sale was not closed.

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

- Upon completion of the Rock Island Sale, Lexshell wishes to transfer the Rock Island Sale proceeds to Giyani in settlement of certain inter-company debts.
- The Company is to issue Malungani 1,248,999 common shares of Giyani. One-third of the shares have been issued as of December 31, 2019 and the remaining two-thirds are to be issued once the Company receives the remaining proceeds from the Rock Island Agreement.

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 5. Investment in associate

On September 23, 2016, as a result of the deconsolidation of Canoe, an equity investment in Canoe of \$906,952 was recorded based on the fair value of the shares held on that date. During the year ended December 31, 2017, Canoe issued additional common shares. As a result the Company's ownership in Canoe decreased from 33.3% to 23.7%.

On January 29, 2018, the Company sold 2,800,000 common shares of Canoe for proceeds of \$350,000, resulting in a gain on disposal of shares of associate of \$243,197. As a result, the Company's ownership in Canoe decreased to 19.7%.

During the three months ended March 31, 2019, the Company liquidated 10,780,000 common shares held of Canoe for proceeds of \$286,226, net of costs of \$2,934, resulting in a loss on disposal of shares of associate of \$21,118. As a result of this sale the Company's ownership in Canoe decreased to under 5% and the Company ceased to have significant influence over Canoe. As such the Company no longer accounted for the investment in Canoe using the equity method. Subsequent to March 31, 2019, the Company liquidated the remaining shares held in Canoe and as a result as at December 31, 2019 and March 31, 2020, the Company no longer held any shares in Canoe.

The continuity of investment in associate is as follows:

	<b>Investment in associate</b>
Balance, December 31, 2018	\$ 390,310
Disposal	(390,310)
Balance, December 31, 2019 and March 31, 2020	-

### 6. Other liabilities

During the year ended December 31, 2017, the Company transferred \$106,943 of accounts payable (the "Statute-barred Claims") to other liabilities on the basis that any claims in respect of the Statute-barred Claims were statute-barred under the Limitations Act (Ontario). The Statute-barred Claims related to expenses billed by, and third party liabilities incurred by prior management of the Company prior to December 2015. However, for accounting purposes under IFRS, a debt can only be removed from the Company's Statement of Financial Position when it is extinguished meaning only when the contract is discharged or canceled or expires. The effect of the Limitations Act is to prevent a creditor from enforcing an obligation but it does not formally extinguish the debt for accounting purposes. It is the position of management of the Company that the Statute-barred Claims cannot be enforced by the creditors, do not create any obligation for the Company to pay out any cash and do not affect the financial or working capital position of the Company. The Statute-barred Claims are required to be reflected on the Company's Statement of Financial Position as a result of the current interpretation of IFRS, but they are classified as long-term liabilities since the Company has no intention or obligation to pay these Statute-barred Claims and the creditors cannot enforce payment of the Statute-barred Claims. While inclusion of these items is intended solely to comply with the requirements of IFRS, the Company in no way acknowledges any of the Statute-barred Claims.

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 7. Share capital

#### a) Authorized share capital

Unlimited number of common shares without par value.

#### b) Issued share capital

The following is a continuity of shares issued:

	Shares	Amount
<b>Balance, December 31, 2018</b>	<b>81,779,628</b>	<b>\$ 22,795,562</b>
<b>Balance, March 31, 2019</b>	<b>81,779,628</b>	<b>\$ 22,795,562</b>
<b>Balance, December 31, 2019</b>	<b>85,424,211</b>	<b>\$ 23,263,072</b>
<b>Balance, March 31, 2020</b>	<b>85,424,211</b>	<b>\$ 23,263,072</b>

See Subsequent Events (note 14) for share capital transactions subsequent to March 31, 2020.

### 8. Stock options

The Company has adopted an incentive stock option plan in accordance with the policies of the TSXV, under which the Board of Directors of the Company may grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares provided the number of shares reserved for issuance under the stock option plan shall not exceed 10% of the issued and outstanding common shares, exercisable for a period of up to five years from the date of grant. The Board of Directors determines the price per common share and the number of common shares, which may be allotted to directors, officers, employees and consultants, and all other terms and conditions of the option, subject to the rules of the TSXV.

Stock option transactions are summarized as follows:

	Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2018	7,450,000	\$ 0.25
Expired	(400,000)	0.27
<b>Balance, March 31, 2019</b>	<b>7,050,000</b>	<b>\$ 0.27</b>
Balance, December 31, 2019	7,137,500	\$ 0.24
Granted (i)	500,000	0.12
<b>Balance, March 31, 2020</b>	<b>7,637,500</b>	<b>\$ 0.23</b>

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 8. Stock options (continued)

(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 - \$0.06, 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.

Stock options outstanding as at March 31, 2020:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Total options	Options exercisable
June 24, 2021	0.10	1.23	500,000	500,000
August 3, 2021	0.31	1.34	350,000	650,000
May 1, 2022	0.34	2.08	800,000	800,000
November 28, 2022	0.30	2.66	750,000	750,000
April 25, 2023	0.23	3.07	350,000	350,000
September 28, 2023	0.28	3.50	2,387,500	1,687,500
November 18, 2024	0.15	4.64	2,000,000	1,300,000
March 10, 2025	0.12	4.93	500,000	500,000
			7,637,500	6,537,500

### 9. Warrants

Warrant transactions are summarized as follows:

	Number of warrants outstanding	Weighted average exercise price (\$)
Balance, December 31, 2018	3,761,665	0.40
Balance, March 31, 2019	3,761,665	0.40
Balance, December 31, 2019	1,356,000	0.28
Balance, March 31, 2020	1,356,000	0.28

Warrants outstanding as at March 31, 2020:

Expiry date	Exercise price (\$)	Remaining contractual life (years)	Warrants exercisable
October 23, 2020	0.275	0.56	1,339,125
October 18, 2020 (finder warrants)	0.275	0.55	16,875
			1,356,000

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 10. Related party transactions

Management and consulting fees of \$98,629 (three months ended March 31, 2019 - \$139,753) 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, 2020.

The Chief Financial Officer ("CFO") of the Company is a senior employee of Marrelli Support Services Inc. ("MSSI"). During the three months ended March 31, 2020, the Company paid or accrued professional fees of \$8,170 (three months ended March 31, 2019 - \$7,900) 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, 2020, the Company owed \$464,471 (December 31, 2019 - \$384,459) to directors and officers of the Company and entities controlled by or associated with directors and officers of the Company. As at March 31, 2020, MSSI was owed \$68,946 (December 31, 2019 - \$47,148) 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.

During the three months ended March 31, 2020, the Company collected outstanding receivable balance of \$20,000 in cash from Canoe. See note 5 for equity sale transactions with Canoe.

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

	Three Months Ended March 31,	
	2020	2019
Stock-based compensation	\$ 29,366	\$ 24,725

### 11. Corporate, general and administrative

	Three Months Ended March 31,	
	2020	2019
Professional fees	\$ 129,963	\$ 109,869
Salaries and benefits	25,629	45,481
Stock-based compensation	29,366	24,725
Regulatory fees	4,783	9,501
Shareholder information	23,772	81,172
Travel	13,984	85,556
General and administrative	12,026	27,244
	\$ 239,523	\$ 383,548

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

### 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 Chief Executive Officer.

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

The segmental report is as follows:

<b>March 31, 2020</b>	<b>Botswana Mining</b>	<b>South Africa Mining</b>	<b>Corporate</b>	<b>Total</b>
Total assets	\$ 2,548,847	\$ -	\$ 94,439	\$ 2,643,286
Total liabilities	-	299,165	1,575,936	1,875,101
Net loss	3,173	-	238,653	241,826

<b>December 31, 2019</b>	<b>Botswana Mining</b>	<b>South Africa Mining</b>	<b>Corporate</b>	<b>Total</b>
Total assets	\$ 2,310,856	\$ -	\$ 84,472	\$ 2,395,328
Total liabilities	-	113,961	1,321,795	1,435,756
Net loss	28,521	-	1,771,456	1,799,977

### 13. Commitments and contingencies

#### 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.

# GIYANI METALS CORP.

## Notes to Condensed Interim Consolidated Financial Statements

March 31, 2020

(Expressed in Canadian Dollars)

(Unaudited)

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### 13. Commitments and contingency (continued)

#### Term Sheet

On January 28, 2019, the Company entered into a non-binding term sheet (the "Agreement") with Traxys Africa Trading (Pty) Ltd ("Traxys" or the "Lender") which sets out terms for an investment of US\$1,000,000 in the form of a secured convertible loan facility under which Traxys will have exclusive rights to market all of the direct shipping ore ("DSO") manganese material processed and produced from the Company's K.Hill and Otse reclamation projects in Botswana.

The facility bears interest at the aggregate of 10% and the 3 month US\$ LIBOR per annum compounded quarterly with a term of 36 months. The facility will be repaid on or before the maturity by:

- the future delivery of DSO or other ore as provided for in the Agreement. The net amount (after all applicable deductions have been made) of the proceeds derived from the sale of the DSO, will be used to reduce the outstanding amount until such date as the outstanding amount has been fully repaid,
- at the sole discretion of the Lender, by the Lender exercising its right to conversion shares or,
- repayment in cash by the Corporation of any then remaining outstanding amount at maturity.

The Company, as part of the Agreement, shall pay to Traxys a commission of US\$10 per ton in respect of all material subject to the Agreement. The commission shall be deducted from the proceeds of the sale of the DSO, or other ore, in addition to any repayment deductions, and shall continue to apply for the duration of the Agreement irrespective of the outstanding amount being settled.

The outstanding amount, constituting principal and accrued interest of the facility may be converted into common shares of the Company at any time. The price per conversion share will be \$0.225. In addition, the Company will issue for no additional consideration 3,000,000 unlisted warrants all vesting immediately. Each warrant will be exercisable into one common share of the Company for a period of 36 months from the date of their issuance at an exercise price of \$0.225.

The definitive agreement has not yet been completed and remains under discussion between both parties. Following the outbreak of COVID-19 and the ensuing global pandemic, the Company continues to review its strategy in relation to the DSO program that had been planned in 2019 for commencement in 2020. Until there is clarity of operating practices in Botswana, in order to protect the health and wellbeing of all the Company's employees, consultants and contractors, the DSO program remains under review and has not yet commenced.

### 14. Subsequent events

Since December 31, 2019, 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 closely monitoring the business environment as a result to ensure minimal distribution to business operations.

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Notes to Condensed Interim Consolidated Financial Statements

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(Unaudited)

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## 14. Subsequent events (continued)

Subsequent to March 31, 2020, the Company completed a non-brokered private placement of 15,000,000 units at \$0.08 per unit to accredited investors and other exempt purchasers, with each unit consisting of one common share of the Company and one half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one common share at an exercise price of \$0.10 per share for a period of three years from the closing of the private placement. The Company received subscription agreements totaling \$1,200,000. This includes a lead subscription on behalf of RAB Capital Holdings Limited for 11 million units for a total subscription of \$880,000. The Company has also entered into a conditional board representation agreement under which, following closing, and provided this subscriber maintains at least a 10% shareholding, it shall be entitled to have appointed or elected one director to the board of the Company. The agreement also provides that, following closing, Giyani will consult with and obtain the consent of RAB Capital, which is not to be unreasonably withheld, to certain equity security issuances in the following 13 months, subject to customary carve-outs. Insider subscriptions totaled approximately \$50,000.

Subsequent to March 31, 2020 the Company settled an aggregate of \$192,047.63 in debt and a total of 1,829,023 common shares were issued to creditors. In connection with the debt settlements, 1,167,018 shares were issued to directors and/or officers (or their affiliates) of the Company.

On July 5, 2020, the Company issued 375,000 stock options with an exercise price of \$0.15 expiring 5 years from the date of issuance to certain consultants of the Company. The options vested immediately.