GIYANI METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

(UNAUDITED)

Expressed in Canadian dollars

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - expressed in Canadian dollars unless otherwise stated)

As at			March 31, 2025		December 31, 2024
ASSETS					
Current					
Cash		$	14,054,281	$	13,183,551
Statutory receivable			362,828		297,507
Prepaid and other assets	Note 3		300,004		523,474
Current			14,717,113		14,004,532
Non-current					
Property, plant and equipment	Note 4		23,757,224		22,030,411
Exploration and evaluation assets	Note 5		19,544,583		19,539,969
Non-current			43,301,807		41,570,380
Total assets		$	58,018,920	$	55,574,912
LIABILITIES					
Current					
Accounts payable and accrued liabilities	Notes 6,7	$	2,591,903	$	1,997,640
Lease liabilities	Note 8		925,189		1,122,835
Convertible loan	Note 9		8,917,002		6,295,414
Current			12,434,094		9,415,889
Non-current					
Lease liabilities	Note 8		318,081		-
RSU liability	Note 10		-		26,464
Convertible loan	Note 9		17,737,907		15,384,144
Financial liability	Note 11		9,286,604		8,849,494
Non-current			27,342,592		24,260,102
Total liabilities		$	39,776,686	$	33,675,991
EQUITY					
Share capital	Note 12	$	57,769,065	$	57,769,065
Contributed surplus	Note 13		9,733,049		9,714,579
Warrants	Note 14		14,117,851		14,117,851
Cumulative translation adjustment			(794,772)		603,209
Deficit			(62,582,959)		(60,305,783)
			18,242,234		21,898,921
Total liabilities and equity		$	58,018,920	$	55,574,912

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

Nature of operations and going concern (note 1)
Commitments (note 20)

Approved by the Board of Directors:

Director: Stephanie Hart

Director: Alex Azpitarte

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - expressed in Canadian dollars unless otherwise stated)

For the three months ended		March 31, 2025	March 31, 2024
Expenses			
Corporate, general and administrative expenses	Note 15	**$ 1,448,243**	$ 1,451,438
Depreciation	Note 4	**117,279**	16,425
Net loss before finance charges and foreign exchange		**1,565,522**	1,467,863
Other items			
Foreign exchange loss (gain), net		**3,303**	(36,478)
Change in fair value of Convertible Loan Facility	Note 9	**(62,441)**	-
Finance expense, net	Note 16	**770,792**	206,871
Net loss		**$ 2,277,176**	$ 1,638,256
Other comprehensive loss			
Currency translation adjustment		**1,397,981**	(151,786)
Net loss and comprehensive loss for the period		**$ 3,675,157**	$ 1,486,470
Basic and diluted loss per share		**$ 0.01**	$ 0.01
Weighted average number of shares outstanding		**274,313,330**	243,849,311

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

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GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - expressed in Canadian dollars unless otherwise stated)

	Notes	Number	Share Capital Amount	Contributed Surplus	Warrants	Cumulative Translation Adjustment	Deficit	Total
Balance at December 31, 2023		**219,478,095**	**$ 54,437,438**	**$ 9,257,040**	**$ 11,260,336**	**$ (2,489,099)**	**$ (51,158,133)**	**$ 21,307,582**
Equity financing	12b(i)	54,835,235	6,415,722	-	-	-	-	6,415,722
Warrants issued	12b(i)	-	(2,857,515)	-	2,857,515	-	-	-
Share issuance costs	12b(i)	-	(295,701)	-	-	-	-	(295,701)
Stock-based compensation	13(v)	-	-	479,204	-	-	-	479,204
Currency translation adjustment		-	-	-	-	151,786	-	151,786
Net loss		-	-	-	-	-	(1,638,256)	(1,638,256)
Balance at March 31, 2024		**274,313,330**	**$ 57,699,944**	**$ 9,736,244**	**$ 14,117,851**	**$ (2,337,313)**	**$ (52,796,389)**	**$ 26,420,337**
Share issuance costs	12b(i)	-	69,121	-	-	-	-	69,121
Stock-based compensation	13(v)	-	-	(21,665)	-	-	-	(21,665)
Currency translation adjustment		-	-	-	-	2,940,522	-	2,940,522
Net loss		-	-	-	-	-	(7,509,394)	(7,509,394)
Balance at December 31, 2024		**274,313,330**	**$ 57,769,065**	**$ 9,714,579**	**$ 14,117,851**	**$ 603,209**	**$ (60,305,783)**	**$ 21,898,921**
Stock-based compensation	13(v)	-	-	18,470	-	-	-	18,470
Currency translation adjustment		-	-	-	-	(1,397,981)	-	(1,397,981)
Net loss		-	-	-	-	-	(2,277,176)	(2,277,176)
Balance at March 31, 2025		**274,313,330**	**$ 57,769,065**	**$ 9,733,049**	**$ 14,117,851**	**$ (794,772)**	**$ (62,582,959)**	**$ 18,242,234**

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

GIYANI METALS CORP.

Condensed Consolidated Interim Statements of Cash Flows

(Unaudited - expressed in Canadian dollars unless otherwise stated)

For the three months ended		March 31, 2025	March 31, 2024
Operating activities			
Net loss		**$ (2,277,176)**	$ (1,638,256)
Adjusted for:			
Depreciation	Note 4	**117,279**	16,425
Stock-based compensation	Note 13(v)	**15,690**	393,653
Restricted stock unit		**-**	17,221
Finance expense, net		**654,887**	262,171
Fair value of Convertible Loan Facility	Note 9	**(62,441)**	-
Unrealized foreign exchange gain, net		**(57,832)**	(14,107)
Changes in working capital and other:			
(Increase) decrease in statutory receivable		**(79,732)**	(38,610)
Decrease (increase) in prepaids		**203,756**	(609,393)
Decrease (increase) in accounts payable and accrued liabilities		**205,499**	255,315
Cash used in operating activities		**(1,280,070)**	(1,355,581)
Investing activities			
Additions to property, plant and equipment	Note 4	**(2,042,406)**	(914,889)
Additions to exploration and evaluation expenditures	Note 5	**(869,406)**	(247,459)
Cash used in investing activities		**(2,911,812)**	(1,162,348)
Financing activities			
Proceeds from ARCH royalty	Note 11	**-**	7,024,515
Proceeds from ARCH equity financing	Notes 11,12b(i)	**-**	6,415,722
Proceeds from Convertible Loan Facility	Note 9	**5,408,450**	-
Issuance cost	Notes 11,12b(i)	**-**	(295,701)
Payment of lease liabilities	Note 8	**(345,838)**	(13,499)
Cash provided by financing activities		**5,062,612**	13,131,037
Increase in cash		**870,730**	10,613,108
Cash at beginning of the period		**13,183,551**	3,051,144
Effect of foreign exchange on cash		**-**	(14)
Cash position at end of the period		**$ 14,054,281**	$ 13,664,238

The accompanying notes form an integral part of these unaudited condensed interim consolidated financial statements.

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.

Giyani is focused on becoming the preferred western-world producer of sustainable, low carbon high purity battery grade manganese for the electric vehicle ("**EV**") and energy storage system ("**ESS**") industry. The Company has developed a proprietary hydrometallurgical process to produce battery-grade high-purity manganese sulphate monohydrate ("**HPMSM**") and high-purity manganese oxide ("**HPMO**"), a lithium-ion battery cathode precursor materials critical for the EVs and ESS industries, directly from ore supplied by the Company's own manganese oxide ("**MnO**") deposits. These include the K.Hill Battery-Grade Manganese Project ("**K.Hill Project**"), the Otse MnO prospect ("**Otse**"), and the Lobatse MnO prospect ("**Lobatse**") which have all seen historical mining activities as well as other named assets, and targets within Giyani's 1,900 km^2 licence holding in Botswana. They are in the Kanye Basin of south-eastern Botswana (the "**Kanye Basin Prospects**") and held through Menzi Battery Metals (Pty) Limited ("**Menzi**"), a wholly owned subsidiary of Giyani.

The Company's registered address is Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC, V6C 2X8. The Company is a reporting issuer in British Columbia, Alberta and Ontario and trades on the TSX Venture Exchange ("**TSXV**") under the symbol EMM.

These unaudited condensed interim financial Statements ("**Interim Financial Statements**") have been prepared using IFRS® Accounting Standards as issued by the International Accounting Standards Board ("**IASB**") applicable to a "going concern", which assumes 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 Interim Financial Statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern. For the period ended March 31, 2025, the Company reported a net loss of $2,277,176 (March 31, 2024 - $1,638,256) and had an accumulated deficit of $62,582,959 at March 31, 2025 (December 31, 2024 - $60,305,783). The Company has positive working capital of $2,283,019 (December 31, 2024 - $4,588,643). 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 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

(a) Statement of compliance

These Interim Financial Statements as at and for the three months ended March 31, 2025 and 2024 have been prepared in accordance with International Accounting Standard (**IAS**) 34 "**Interim Financial Reporting**", using accounting policies consistent with IFRS® as issued by the International Accounting Standards Board (**IASB**) and interpretations issued by the IFRS Interpretations Committee. The Board of Directors approved these Interim Financial Statements on May 30, 2025.

(b) Subsidiaries

These Interim Financial Statements incorporate the financial statements of the Company and its wholly controlled subsidiaries. Subsidiaries are consolidated where the Company has the ability to exercise control. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances have been eliminated. The Interim Financial Statements includes a newly incorporated subsidiary.

During the period, the Company incorporated a new wholly-owned subsidiary, Giyani (UK) Management Services Limited, on January 21, 2025, which has been included in the consolidated Interim Financial

(Unaudited- expressed in Canadian dollars unless otherwise stated)

Statements from that date.

(c) Material accounting policies

The accounting policies and methods of computation applied by the Company in these Interim Financial Statements are the same as those applied in the Company's audited annual consolidated financial statements for the year ended December 31, 2024.

(d) Use of judgements and estimates

The preparation of the Interim Financial Statements in conformity with IFRS® requires management to make estimates, judgments and assumptions that affect the reported amount of assets, liabilities, income and expenses. Actual results could differ from these estimates, judgments and assumptions. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The significant estimates and judgments applied in the preparation of these Interim Financial Statements are consistent with those applied and disclosed in Note 2(f) to the Company's audited consolidated financial statements for the year ended December 31, 2024.

3. Prepaids and other assets

	March 31 2025	December 31 2024
Deposits and advance payments	**$ 266,691**	$ 297,754
Prepaid insurance and fees	**33,313**	7,869
Deferred financing costs	**-**	217,851
Total prepaids and other assets	**$ 300,004**	$ 523,474

4. Property, plant and equipment

	Demonstration plant under construction	Furniture and Fixture	Equipment	Computer Equipment	Vehicles	ROU Property	ROU Equipment	Leasehold Improvements	Total
Cost									
At December 31, 2023	$ 7,567,611	$ 31,402	$ -	$ 6,802	$ 76,639	$ 198,818	$ -	$ 8,435	$ 7,889,707
Additions	10,831,013	-	44,829	13,339	-	-	1,061,324	-	11,950,505
Foreign exchange	2,325,959	(113)	5,078	351	11,478	29,776	120,217	1,262	2,494,008
At December 31, 2024	$ 20,724,583	$ 31,289	$ 49,907	$ 20,492	$ 88,117	$ 228,594	$ 1,181,541	$ 9,697	$ 22,334,220
Additions	2,679,553	-	5,905	42	-	489,846	-	-	3,175,346
Disposal	-	-		(1,388)	-	-	-	-	(1,388)
Foreign exchange	(1,259,376)	(1,937)	(3,079)	(1,183)	(5,456)	(13,257)	(64,004)	(600)	(1,348,892)
At March 31, 2025	**$ 22,144,760**	**$ 29,352**	**$ 52,733**	**$ 17,963**	**$ 82,661**	**$ 705,183**	**$ 1,117,537**	**$ 9,097**	**$ 24,159,286**
Accumulated depreciation									
At December 31, 2023	$ -	$ (12,767)	$ -	$ (3,209)	$ (38,224)	$ (121,057)	$ -	$ (8,435)	$ (183,692)
Depreciation	-	(2,752)	(1,868)	(2,565)	(11,902)	(51,195)	(17,689)	-	(87,971)
Foreign exchange	-	2,592	(212)	(254)	(7,075)	(23,931)	(2,004)	(1,262)	(32,146)
At December 31, 2024	$ -	$ (12,927)	$ (2,080)	$ (6,028)	$ (57,201)	$ (196,183)	$ (19,693)	$ (9,697)	$ (303,809)
Depreciation expense	-	(615)	(3,170)	(1,249)	(2,156)	(54,162)	(55,927)	-	(117,279)
Disposal	-	-	-	456	-	-	-	-	456
Foreign exchange	-	799	123	345	3,538	12,048	1,117	600	18,570
Disposal	-	-	-	-	-	-	-	-	-
At March 31, 2025	**$ -**	**$ (12,743)**	**$ (5,127)**	**$ (6,476)**	**$ (55,819)**	**$ (238,297)**	**$ (74,503)**	**$ (9,097)**	**$ (402,062)**
Net book value:									
At December 31, 2024	$ 20,724,583	$ 18,362	$ 47,827	$ 14,464	$ 30,916	$ 32,411	$ 1,161,848	$ -	$ 22,030,411
At March 31, 2025	**$ 22,144,760**	**$ 16,609**	**$ 47,606**	**$ 11,487**	**$ 26,842**	**$ 466,886**	**$ 1,043,034**	**$ -**	**$ 23,757,224**

The demonstration plant under construction is not being depreciated as it is not yet available for use. As at March 31, 2025, interest of $1,697,743 arising from IDC convertible loan has been capitalized (December 31, 2024 – 1,138,748).

(Unaudited- expressed in Canadian dollars unless otherwise stated)

5. Exploration and evaluation assets

Botswana

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

	March 31 2025	December 31 2024
Opening balance	**$ 19,539,969**	$ 12,386,409
Exploration and drilling	**-**	1,592,998
Engineering studies	**331,294**	1,205,285
Administrative and other field operations	**193,178**	1,153,493
Geoscience and tailing storage facility	**528,008**	417,336
Metallurgical test work and analysis	**69,899**	199,403
Acquisition costs and permits	**-**	121,759
Geological studies	**33,165**	102,987
Environmental studies	**32,316**	10,404
Foreign exchange	**(1,183,246)**	2,349,895
At March 31, 2025	**$ 19,544,583**	$ 19,539,969

South Africa

Rock Island Gold Project

The Company previously entered into a joint operation agreement relating to the assets of Rock Island with Corridor Mining Resources (“**CMR**”). The joint operation was operated through Rock Island, a company incorporated in South Africa for which Giyani had a 28.8% effective ownership. For accounting purposes, an impairment of the full carrying amount of the Rock Island Gold Project was recorded in previous periods.

During the year ended December 31, 2019, the Company entered into a share sale agreement with CMR to sell the Company's effective interest of 28.8% or 45 shares in Rock Island (the "**Rock Island Agreement**") held through Lexshell 837 Investments (Pty) Ltd. ("**Lexshell**").

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

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

During the year 2021, the Company and Malungani amended the terms and completed the Lexshell Agreement for cash consideration of $45,000 as full and final settlement.

As at March 31, 2025, the Rock Island Agreement has not been completed.

6. Accounts payable and accrued liabilities

	March 31 2025	December 31 2024
Trade payables	**$ 954,185**	$ 263,132
Accrued liabilities	**1,637,718**	1,734,508
Total	**$ 2,591,903**	$ 1,997,640

7. Related party transactions

Key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and corporate officers.

(Unaudited- expressed in Canadian dollars unless otherwise stated)

All related party transactions have occurred on an arm's length basis.

Related party transactions for the periods ended March 31, 2025 and 2024 are as follows:

Transaction type	**Nature of relationship**		**March 31 2025**		March 31 2024
Remuneration	Officers	**$**	**171,325**	$	169,694
Director fees	Directors		**68,038**		96,436
Demonstration plant	Officer		**-**		98,021
Exploration and evaluation expenditures	Officer		**52,348**		128,783
Corporate, general and administrative expenses	Officer		**45,000**		-
Stock-based compensation	Directors and officers		**9,806**		299,942
Total		**$**	**346,517**	$	792,876

A summary of the amount due to related parties recorded in accounts payable and accrued liabilities is:

Transaction type	**Nature of relationship**		**March 31 2025**		December 31 2024
Remuneration and other	Officers and directors	**$**	**582,046**	$	381,056

8. Lease liabilities

		March 31 2025		December 31 2024
Lease liabilities, beginning of the period	**$**	**1,122,835**	$	78,529
Additions		**489,846**		1,061,324
Finance cost		**40,288**		16,178
Lease payments		**(345,838)**		(150,151)
Foreign exchange		**(63,861)**		116,955
Lease liabilities, end of the period	**$**	**1,243,270**	$	1,122,835

		March 31 2025		December 31 2024
Current portion of lease liabilities	**$**	**925,189**	$	1,122,835
Non-current portion of lease liabilities		**318,081**		-
Total	**$**	**1,243,270**	$	1,122,835

The Company has entered into leases with interest rates ranging between 8% - 14% per annum. For certain leases, the Company has an obligation to purchase the equipment at the end of the lease term. The present value of applicable lease payments has been recognized as an ROU asset, which was included as a non-cash addition to property, plant and equipment with a corresponding amount recognized as a lease liability.

9. Convertible loan

On November 30, 2023, the Company announced the signing of definitive agreements for funding of the equivalent of US$16 million ($22.5 million) up to ZAR 300,000,000 with the IDC in the form of convertible loan facilities (collectively the "**IDC Facility**"). The proceeds from the IDC Facility will be utilized for the construction and operation of the K.Hill Project demonstration plant and other K.Hill Project development activities. The IDC Facility was available for drawdown until March 31, 2025.

<u>IDC Facility:</u>

The IDC Facility is ZAR300,000,000 ($22.5 million).

ZAR234,375,000 ($17.6 million) is available to Giyani Metals South Africa Proprietary Limited ("**GMSA**"), a wholly owned subsidiary of Menzi, (the "**GMSA Facility**").

ZAR65,625,000 ($4.9 million) is available to Menzi (the "**Menzi Facility**").

(Unaudited- expressed in Canadian dollars unless otherwise stated)

As at March 31, 2025, the GMSA Facility and Menzi Facility were fully drawn.

Interest Rate:

Interest accrues and is capitalized in ZAR on drawn amounts on a daily basis from the drawdown date at the South African Prime Rate at March 31, 2025 – 11.00% (at December 31, 2024 - 11.25%) plus 3% compounded monthly in arrears. The interest on the GMSA Facility will be capitalized to construction in progress and the interest on the Menzi Facility will be recorded in the statement of loss and comprehensive loss.

Conversion Options:

The IDC has an option to convert the outstanding loan amount and capitalized interest into the shares and shareholder loan of Thabatala Holding (Pty) Ltd ("**Project HoldCo**"), a wholly owned subsidiary of Giyani, at a 20% discount to the prevailing 30-day volume-weighted average price of the Company's shares in accordance with the terms of the IDC Facility. The IDC has a further option to convert Project HoldCo's shares and shareholder loan to the Company's shares upon the achievement of sustained commercial production at the prevailing 30-day volume-weighted average price of the Company's shares in accordance with the terms of the IDC Facility. The maximum permissible shareholding percentage for the IDC post-conversion is 19.9% in Project HoldCo's and Giyani's share capital, or such higher percentage as approved by Giyani's board and shareholders up to a maximum of 25%.

While the IDC Facility matures in 2028 and is designated at fair value, a portion ($8,917,002) of the total liability has been presented as a current liability to reflect the IDC's right to initiate a first conversion and settlement of the convertible loan into shares and shareholder loan of Project Holdco (up to 19.9% and as described above) within 12 months based on the current K.Hill Project schedule.

Maturity Date:

The IDC Facility matures on the last day of the fourth anniversary of the first drawdown date, i.e., April 23, 2028 for the GMSA Facility and May 2, 2028 for the Menzi Facility.

Security:

The Company has provided a guarantee on behalf of GMSA and Menzi in favour of the IDC, guaranteeing the obligations under the IDC Facility.

Breach of covenants:

Subsequent to the quarter ended March 31, 2025, the IDC and the Company agreed to amend the IDC Facility to cure a breach of a loan covenant requiring the demonstration plant to be completed by April 23, 2025. The parties agreed to amend the Demonstration Plant Completion Deadline Date from April 23, 2025, to September 30, to September 30, 2025, to align with the Company's revised project schedule. Other milestone dates related to the definitive feasibility study and future K.Hill financings have also been amended by mutual agreement. There have been no other breaches of covenants in the GMSA Facility and Menzi Facility. The principal drawn and interest accrued are payable only at the maturity dates if the IDC does not exercise its conversion option.

Reconciliation of movement in IDC Facility

		March 31 2025	December 31 2024
Convertible Loan Facility, beginning of period		**$ 21,679,558**	$ -
Proceeds from draw-downs/borrowings		**5,408,450**	17,241,706
Interest capitalized	Note 4	**558,995**	1,138,748
Interest expensed	Note 16	**170,236**	279,761
Fair value changes		**(62,441)**	958,994
Foreign currency translation		**(1,099,889)**	2,060,349
Convertible loan, end of the period		**$ 26,654,909**	$ 21,679,558
Convertible loan - current liability		**8,917,002**	6,295,414
Convertible loan - non-current liability		**17,737,907**	15,384,144
Convertible loan - total liability		**$ 26,654,909**	$ 21,679,558

The IDC Facility contains both a host loan liability and embedded derivatives for the conversion option, which are required to be separated from the host debt. All the conversion options are exposed to the same risk, i.e., the equity price risk of Giyani shares. Furthermore, the options are highly interdependent.

The process of conversion involves first converting the outstanding IDC Facility amounts to Project HoldCo's shares at the 30-day volume-weighted average price at the option of the IDC, based on the Giyani share price at the date of the first conversion at a 20% discount. At the option of the IDC, and if specific criteria as per the agreement are met, Project HoldCo's shares are then converted to the Company's shares based on the Company share price on the second conversion date at the 30-day volume-weighted average price. This implies that the conversion to Project HoldCo's shares is a prerequisite to the delivery of the Company's shares under the second conversion option. Accordingly, the conversion options will be treated as a single compound embedded derivative.

The Company has elected to designate the entire hybrid IDC Facility at FVTPL. The fair value was calculated using a Monte Carlo Simulation using the following assumptions:

– The value of the Project Holdco shares are equal to the value of the publicly traded Company's shares

– A volatility of 95% and 92% was used in the valuation on the December 31, 2024 and at March 31, 2025 respectively, which represents the historical volatility of the Company's share price commensurate with the term to maturity of the GMSA Facility and Menzi Facility.

– The risk-free rates of 2.88% and 2.47% used in the share price simulation were based on the Bank of Canada bond yield for a term commensurate to the remaining life of the IDC Facility as at the December 31, 2024 and March 31, 2025, respectively.

– CAD / ZAR foreign exchange forward curves were used since the IDC Facility is ZAR denominated.

– A credit spread over the ZAR risk free rate of 4.67% was determined at March 31, 2025 (4.35% on December 31, 2024), based on the ICE High Yield South African Issuers Index.

– Drawdown and conversion dates were based on management assumptions of progress on the K.Hill Project, market conditions, and the strategic intentions of the IDC.

10. RSU liability

The Company has adopted a Restricted Share Unit Plan (the "**RSU 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 restricted share units ("**RSUs**") to acquire common shares or their cash equivalent at the end of the vesting period. The aggregate number of shares that may be issued under the RSU Plan together with the number of shares reserved for issuance under the stock option plan shall not exceed 10% of the issued and outstanding common shares.

As at December 31, 2024, 441,000 RSUs were outstanding. During the period ended March 31, 2025, 220,500 RSUs vested and were redeemed for their cash equivalent, and the remaining 220,500 RSUs were forfeited and cancelled.

11. Financial liability

The Company received $13,440,236 (US$10 million) from ARCH ("**ARCH Funding**") on February 20, 2024. The ARCH Funding consists of:

– $6,415,722 (US$4.8 million) from a unit offering ("**ARCH Offering**") of 54,835,235 units at $0.117 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable at a price of $0.225 per warrant for five years (subject to acceleration); and

– $7,024,514 (US$5.2 million) for a 2% gross revenue royalty which includes a 1% buy-back provision and an automatic step-down by 0.5% after 20 years or 2.5Mt of battery-grade manganese production.

Key terms and conditions from the ARCH royalty agreement are as follows:

(Unaudited- expressed in Canadian dollars unless otherwise stated)

- The royalty is payable as a percentage of gross revenues, which include income from the sale of products, licensing, and other related activities.
- Royalty payments are to be made quarterly with the obligation contingent upon the receipt of gross revenues by the Company. Detailed statements are required to support payment calculations.
- Payments are to be made in US$, with provisions for adjustments related to provisional sales and taxes.
- A "Buy Back Right" allows the Company to reduce the initial royalty percentage upon meeting specific conditions including written notification to ARCH before the "Buy Back Option End Date" of June 30, 2025. "Payment of the Buy Back Payment Amount" is due within six months of the "Buy Back Exercise Date".

The ARCH royalty was recorded as a financial liability and measured using an effective interest rate method of 22.0%. The activity for the period ended March 31, 2025, is as follows:

			March 31 2025		**December 31 2024**
Financial liability, beginning of the period		**$**	**8,849,494**	$	-
Proceeds			-		7,024,514
Accretion	Note 16		**444,363**		1,334,482
Issuance cost			-		(69,121)
Foreign exchange			**(7,253)**		559,619
Financial liability, end of the period		**$**	**9,286,604**	$	8,849,494

12. 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:

		Number of shares	Amount $
Balance, December 31, 2023		**219,478,095**	**$ 54,437,438**
Subscription agreement	(i)	54,835,235	6,415,722
Share issuance cost	(i)	-	(226,580)
Fair value of warrants issued in subscription agreement	(i)	-	(2,857,515)
Balance, December 31, 2024 and March 31, 2025		**274,313,330**	**$ 57,769,065**

(i) During the year ended December 31, 2024, the Company received $13,440,236 (US$10 million) from ARCH. The ARCH Funding consists of: (i) a $6,415,722 (US$4.8 million) unit offering of 54,835,235 units at $0.117 per unit, with each unit consisting of one common share and one common share purchase warrant exercisable at a price of $0.225 per warrant for five years (subject to acceleration); and (ii) $7,024,514 (US$5.2 million) for a 2% gross revenue royalty which includes a 1% buy-back provision and an automatic step-down by 0.5% after 20 years or 2.5Mt of battery-grade manganese production. Following completion of the ARCH Offering, ARCH held approximately 19.99% of the Company's issued shares. In conjunction with the subscription agreement, $226,580 was capitalized as share issuance cost.

The warrant exercise period may be accelerated, subject to the terms of the share purchase warrant, if the Company's common shares trade at a volume weighted average price ("**VWAP**") on the TSXV of at least $0.31 on 10 consecutive trading days. If the Company exercises its acceleration right, the expiry date of the share purchase warrants will be set to a date within 30 days of the date of the acceleration notice.

The 54,835,235 share purchase warrants were assigned a fair value of $2,857,515. Fair value was determined using the Black-Scholes option pricing model using the following weighted average assumptions: share price $0.13, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 124%; risk-free interest rate of 3.58%; and an expected life of five years.

(Unaudited- expressed in Canadian dollars unless otherwise stated)

13. Stock Options

The Company has adopted an omnibus long-term incentive plan on November 15, 2024 which replaced the previous stock option plan (“**SOP**”) 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, 2023		**11,750,001**	**$**	**0.27**
Granted	(i)	6,700,000		0.11
Forfeited	(ii)	(3,233,333)		0.17
Expired	(ii)	(2,850,001)		0.28
Balance, December 31, 2024		**12,366,667**	**$**	**0.22**
Forfeited	(iv)	(200,000)		0.11
Expired	(iv)	(1,866,667)		0.19
Balance, March 31, 2025		**10,300,000**	**$**	**0.22**

Stock options outstanding as at March 31, 2025:

Expiry date	**Exercise price ($)**	**Remaining contractual life (years)**	**Total options**	**Options exercisable**
May 24, 2025*	0.115 to 0.48	0.15	3,675,000	3,675,000
June 19, 2025	0.110	0.22	400,000	400,000
July 05, 2025	0.15	0.26	375,000	375,000
September 24, 2025	0.185	0.48	400,000	400,000
April 21, 2026	0.53	1.06	875,000	875,000
September 02, 2026	0.48	1.42	650,000	650,000
April 01, 2027	0.33	2.00	225,000	225,000
June 17, 2027	0.36	2.21	300,000	300,000
January 26, 2029	0.115	3.83	650,000	650,000
February 20, 2029	0.11	3.90	2,750,000	1,900,000
		1.66	**10,300,000**	**9,450,000**

* This was the revised expiry date for stock options previously granted to former members of the Company’s management and Board of Directors have been amended in accordance with the SOP.

(i) During the year ended December 31, 2024, 1,500,000 stock options were granted to non-executive directors of the Company in accordance with the Company’s SOP. Each stock option vested immediately upon grant and is exercisable into one common share of the Company at a price of $0.115 per common share for a period of five years from the date of grant. A fair value of $154,884 was determined using the Black Scholes option pricing model and the following assumptions: share price of $0.12, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 127%; risk-free interest rate of 3.58%; and an expected life of five years.

(ii) During the year ended December 31, 2024, the Company granted 5,200,000 stock options to certain directors, officers, and management of the Company in accordance with the Company’s SOP. Of the total, 1,850,000 stock options were granted to officers, 3,150,000 stock options were granted to management and 200,000 stock options were granted to directors of the Company’s subsidiary company in Botswana. Each option is exercisable into one common share of the Company at a price of $0.11 per common share for a period of five years from the date of grant. Stock options granted to directors of the Company’s subsidiary vested immediately with the remaining 5,000,000 stock options vesting one-third immediately and a further one-third on each of the first and second anniversaries of the date of the grant. A fair value of $582,850 was determined using the Black Scholes option pricing model and the following assumptions: share price of $0.13, dividend yield of 0%; expected volatility (based on historical price data of the Company's common share) of 124%; risk-free interest rate of 3.58%; and an expected life of five years.

(Unaudited- expressed in Canadian dollars unless otherwise stated)

(iii) For the year ended December 31, 2024, 2,850,001 stock options with exercise prices between $0.15 and $0.53 expired unexercised and 3,233,333 stock options with exercise prices between $0.11 and $0.20 were forfeited.

(iv) During the quarter ended March 31, 2025, 200,000 with exercise price of $0.11 was forfeited and 1,866,667 stock options with an exercise price between $0.11 and $0.33 expired unexercised on March 31, 2025. Furthermore, on May 24, 2025, an additional 3,675,000 stock options with exercise prices ranging from $0.115 to $0.48 expired unexercised.

(v) During the period ended March 31, 2025, the Company recorded stock-based compensation in connection with the vesting of options totaling $18,470 (March 31, 2024 - $479,204). The distribution of this amount is as follows:

For the three months ended		March 31 2025		March 31 2024
Consolidated statement of loss and comprehensive loss	$	15,690	$	393,653
Demonstration plant under construction		(6,536)		44,236
Exploration and evaluation assets		9,316		41,315
	$	18,470	$	479,204

14. Warrants

Warrant transactions are summarized as follows:

		Number of warrants outstanding		Weighted average exercise price
Balance, December 31, 2023		-	$	-
Issued	Note 12b(i)	54,835,235		0.225
Balance, December 31, 2024 and March 31, 2025		**54,835,235**	**$**	**0.225**

Warrants outstanding as at March 31, 2025:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Warrants exercisable
February 20, 2029	0.225	3.90	54,835,235

15. Corporate, general and administrative

For the three months ended		March 31 2025		March 31 2024
Remuneration	$	658,237	$	494,915
Accounting and audit		204,385		99,848
Investor relations and marketing		123,239		60,380
Travel		107,814		115,263
Director fees		68,038		96,436
Human resources		59,121		46,318
General and administrative		57,113		28,817
Legal		51,063		18,944
Corporate development		50,890		6,118
Insurance		28,616		18,463
Filing and compliance fees		24,037		55,062
Stock-based compensation		15,690		393,653
RSU		-		17,221
	$	1,448,243	$	1,451,438

(Unaudited- expressed in Canadian dollars unless otherwise stated)

16. Finance expense, net

For the three months ended			March 31 2025		March 31 2024
Accretion	Note 11	**$**	**444,363**	$	260,664
Transaction costs			**213,853**		-
Interest on convertible loan facility	Note 9		**170,236**		-
Commitment fees			**5,012**		-
Bank charges and other			**2,419**		1,471
Interest on lease liabilities	Note 8		**40,288**		1,507
Interest income			**(105,379)**		(56,771)
		$	**770,792**	$	206,871

17. Capital management

The Company’s policy is to maintain a strong capital base to maintain investor, creditor and market confidence and sustain future development of the business. The Company considers capital to include equity, the IDC Facility and funding from royalty arrangements.

The Company manages its capital structure and makes adjustments in light of the changes in its economic environment and the risk characteristics of the Company’s assets. To effectively manage the Company’s capital requirements, the Company has in place planning, budgeting and forecasting processes to help determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives. The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than Policy 2.5 of the TSXV which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. As at March 31, 2025, the Company is compliant with known requirements including Policy 2.5 of the TSXV.

18. Financial instruments and risk management

The Company's risk exposure and the impact on the financial instruments are summarized below:

Credit Risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposure to credit risk includes cash.

The Company has assessed the credit risk on its cash as low as the majority of its funds are held in large Canadian and African financial institutions.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to provide reasonable assurance that it will have sufficient funds to meet its liabilities when they come due. The Company manages its liquidity risk by forecasting operations' required cash flows and anticipated investing and financing activities. The Company's current financial obligations, which represents cash-settled liabilities due in the near term, consist of accounts payable and accrued liabilities, and lease liabilities.

The Company had cash at March 31, 2025, of $14,054,281 (December 31, 2024 $13,183,551). As at March 31, 2025, the Company had total liabilities of $39,776,686 (December 31, 2024 $33,675,991).

Market Risk

Market risk is the risk that a financial instrument's fair value or future cash flows will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(Unaudited- expressed in Canadian dollars unless otherwise stated)

a) Interest Rate Risk

Interest rate risk is the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has interest-bearing cash in savings accounts at fixed interest rates. The Company's significant financial instruments valued using fluctuating risk-free interest rates are the components of the convertible loan (Note 9). The Company has not used any financial instrument to hedge potential fluctuations in interest rates and the exposure to interest rates for the Company is considered minimal.

b) Foreign Currency Risk

The Company is exposed to foreign currency risk of the South African rand, British pound, Botswana pula and United States dollar. Based on the net exposure at March 31, 2025, a 10% depreciation or appreciation of the South African rand, Botswana pula and United States dollar against the Canadian dollar would be approximately $772,092.

c) Other Price Risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk or foreign currency risk. The Company is not exposed to any other price risk.

d) Fair value:

The fair value of the convertible loan is $ 26,654,909. A 5% increase or decrease in assumptions would change the fair value by approximately $1.3 million.

The financial liability is payable as a percentage of gross revenues, which includes income from the sale of products, licensing, and other related activities. The fair value of the financial liability is most sensitive to changes in HPMSM product pricing, as it directly impacts gross revenue. A +/- 10% change in HPMSM product pricing would result an insignificant difference when compared with the balance as at March 31, 2025.

19. Segmented information

Operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker, who has been identified as the company's CEO and is responsible for allocating resources and assessing the operating segments' performance.

The Company has two operating segments: (1) Botswana Battery Metals Project for the exploration, evaluation and development of its battery-grade manganese assets located in Botswana and the demonstration plant under construction in South Africa and (2) Corporate, which includes all other entities within the Company.

March 31, 2025	**Botswana Battery Metals Project**	**Corporate**	**Total**
Total assets	**$ 50,849,458**	**$ 7,169,462**	**$ 58,018,920**
Total liabilities	**29,202,396**	**10,574,290**	**39,776,686**
Net loss	**536,137**	**1,741,039**	**2,277,176**

December 31, 2024	Botswana Battery Metals Project	Corporate	Total
Total assets	$ 47,001,235	$ 8,573,677	$ 55,574,912
Total liabilities	23,513,999	10,161,992	33,675,991
Net loss	2,400,699	6,746,951	9,147,650

(Unaudited- expressed in Canadian dollars unless otherwise stated)

20. Commitments

	Within one year	Two-five years	Total
Construction in progress	$ 1,015,428	$ -	$ 1,015,428
Minimum lease payments	925,189	318,081	1,243,270
	$ 1,940,617	**$ 318,081**	**$ 2,258,698**

Two contingent payments of R1 million each (approximately $76,000 each) are scheduled for October 2025 and October 2026, subject to a vendor complying with the terms of an agreement. As compliance has not yet been confirmed, it remains uncertain whether the obligations will be triggered.