GIYANI METALS CORP.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

(Unaudited)

Expressed in Canadian dollars

These interim condensed consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards applicable to interim financial reporting and have not been reviewed by the Company's external auditors.

GIYANI METALS CORP.

Condensed Interim Consolidated Statements of Financial Position

(Expressed in Canadian dollars unless otherwise stated)

As at		June 30, 2026	December 31, 2025
ASSETS			
Current			
Cash		**$ 506,113**	$ 3,272,871
Statutory receivable		**84,301**	143,305
Prepaid and other assets	Note 3	**171,579**	270,411
Current		**761,993**	3,686,587
Non-current			
Property, plant and equipment	Note 4	**22,935,700**	29,096,022
Exploration and evaluation assets	Note 5	**24,537,472**	23,747,016
Non-current		**47,473,172**	52,843,038
Total assets		**$ 48,235,165**	$ 56,529,625
LIABILITIES			
Current			
Accounts payable and accrued liabilities	Notes 6,8	**$ 1,200,817**	$ 1,935,870
Lease liabilities	Note 7	**260,161**	235,037
Convertible loan	Note 9	**16,471,158**	9,854,787
Current		**17,932,136**	12,025,694
Non-current			
Lease liabilities	Note 7	**200,746**	319,820
Convertible loan	Note 9	**21,638,672**	21,184,879
Financial liability	Note 10	**8,735,785**	7,633,722
Non-current		**30,575,203**	29,138,421
Total liabilities		**$ 48,507,339**	$ 41,164,115
EQUITY			
Share capital	Note 11	**$ 60,355,270**	$ 60,352,066
Contributed surplus	Note 12	**10,254,778**	9,760,201
Warrants	Note 13	**14,978,819**	14,980,223
Cumulative translation adjustment		**(1,195,030)**	(680,339)
Deficit		**(84,666,011)**	(69,046,641)
		(272,174)	15,365,510
Total liabilities and equity		**$ 48,235,165**	$ 56,529,625

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: Martin Botha

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		For the six months ended	
For the periods ended		**June 30, 2026**	June 30, 2025	**June 30, 2026**	June 30, 2025
Operating Expenses					
Demonstration plant costs	Note 14	**$ 218,483**	$ -	**$ 1,394,740**	$ -
Corporate, general and administrative expenses	Note 15	**1,001,409**	1,458,397	**2,418,251**	2,906,640
Total operating expenses		**-**	-	**3,812,991**	2,906,640
Depreciation	Note 4	**3,687,242**	114,155	**7,373,138**	231,434
Operating loss		**4,907,134**	1,572,552	**11,186,129**	3,138,074
Finance expenses and other items					
Foreign exchange (gain) loss, net		**176,703**	(99,725)	**306,038**	(96,422)
Change in fair value of Convertible Loan	Note 9	**1,095,472**	(270,952)	**1,181,738**	(333,393)
Gain on extinguishment of financial liability	Note 10	**-**	(2,306,012)	**-**	(2,306,012)
Finance expense, net	Note 16	**1,547,858**	338,936	**2,945,465**	1,109,728
Net loss (income)		**$ 7,727,167**	$ (765,201)	**$ 15,619,370**	$ 1,511,975
Other comprehensive loss					
Currency translation adjustment		**(225,662)**	696,852	**514,691**	2,094,833
Net loss and comprehensive loss for the period		**$ 7,501,505**	$ (68,349)	**$ 16,134,061**	$ 3,606,808
Basic and diluted loss per share		**$ 0.02**	$ -	**$ 0.05**	$ 0.01
Weighted average number of shares outstanding		**333,834,539**	274,313,330	**333,834,539**	274,313,330

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

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, 2024		**274,313,330**	**$ 57,769,065**	**$ 9,714,579**	**$ 14,117,851**	**$ 603,209**	**$ (60,305,783)**	**$ 21,898,921**
Stock-based compensation	12(iii)	-	-	30,330	-	-	-	30,330
Currency translation adjustment		-	-	-	-	(2,094,833)	-	(2,094,833)
Net loss		-	-	-	-	-	(1,511,976)	(1,511,976)
Balance at June 30, 2025		**274,313,330**	**57,769,065**	**9,744,909**	**14,117,851**	**(1,491,624)**	**(61,817,759)**	**18,322,442**
Private placement	11b(i)	59,493,695	3,569,622	-	-	-	-	3,569,622
Fair value of warrants issued in private placement	11b(i)	-	(835,772)	-	835,772	-	-	-
Fair value of finders warrants issued in private placement	11b(ii)	-	(26,600)	-	26,600	-	-	-
Share issuance costs	11b(i)	-	(124,249)	-	-	-	-	(124,249)
Stock-based compensation		-	-	15,292	-	-	-	15,292
Currency translation adjustment		-	-	-	-	811,285	-	811,285
Net loss		-	-	-	-	-	(7,228,882)	(7,228,882)
Balance at December 31, 2025	11b(ii)	**333,807,025**	**60,352,066**	**9,760,201**	**14,980,223**	**(680,339)**	**(69,046,641)**	**15,365,510**
Exercise of finders warrants	11b(ii)	30,000	3,204	-	(1,404)	-	-	1,800
Stock-based compensation	12(iii)	-	-	494,577	-	-	-	494,577
Currency translation adjustment		-	-	-	-	(514,691)	-	(514,691)
Net loss		-	-	-	-	-	(15,619,370)	(15,619,370)
Balance at June 30, 2026		**333,837,025**	**$ 60,355,270**	**$ 10,254,778**	**$ 14,978,819**	**$ (1,195,030)**	**$ (84,666,011)**	**$ (272,174)**

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 periods ended		June 30, 2026	June 30, 2025
Operating activities			
Net loss		**$ (15,619,370)**	$ (1,511,975)
Adjusted for:			
Depreciation	Note 4	**7,373,138**	231,434
Stock-based compensation	Note 12(iii)	**432,792**	23,132
Finance expense, net		**2,971,276**	1,100,068
Loss on remeasurement of financial liability	Note 10	**-**	-
Fair value of convertible loan	Note 9	**1,181,738**	(333,393)
Gain on extinguishment of financial liability	Note 10	**-**	(2,306,012)
Unrealized foreign exchange gain, net		**299,244**	(424,264)
Changes in working capital and other:			
Decrease (increase) in statutory receivable		**56,368**	(70,225)
Decrease in prepaids		**95,401**	262,621
(Increase) decrease in accounts payable and accrued liabilities		**(183,393)**	95,553
Cash used in operating activities		**(3,392,806)**	(2,933,061)
Investing activities			
Additions to property, plant and equipment	Note 4	**-**	(3,704,831)
Additions to exploration and evaluation expenditures	Note 5	**(1,751,973)**	(2,043,858)
Cash used in investing activities		**(1,751,973)**	(5,748,689)
Financing activities			
Proceeds from Convertible Loan	Note 9	**2,502,672**	5,408,450
Proceeds from exercise of warrants		**1,800**	-
Payment of lease liabilities	Note 7	**(126,450)**	(689,659)
Cash provided by financing activities		**2,378,022**	4,718,791
(Decrease) increase in cash		**(2,766,757)**	(3,962,959)
Cash position at beginning of the period		**3,272,871**	13,183,551
Effect of foreign exchange on cash		**(1)**	(2)
Cash position at end of the period		**$ 506,113**	$ 9,220,590

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 bespoke hydrometallurgical process to produce battery-grade manganese products for cathode precursor materials, critical to the EV 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.

On May 28, 2026, the Company announced the results of a Definitive Feasibility Study (**"DFS"**) for the K.Hill Project, reporting a post-tax net present value ("**NPV**") of US$482 million (8% discount rate) and a post-tax internal rate of return of 20.3%. The DFS supports the declaration of a Mineral Reserve, prepared in accordance with CIM Definition Standards (2014) and reported under NI 43-101, with an effective date of April 30, 2026. The related NI 43-101 Technical Report was filed on July 10, 2026. The K.Hill Project has also been granted a mining licence, an Environmental Authorisation, and a Special Economic Zone licence by the Government of Botswana. Management considers the Company to be at a critical stage of development, with the next twelve months being crucial to proving the commercial bankability of the K.Hill Project. Advancing the K.Hill Project to construction is dependent on the Company securing financing to fund the pre-final investment decision ("**FID**") workstreams, including value engineering, early works, front-end engineering design (FEED), EPCM kick off, amendments to existing environmental impact assessments EIA's, additional product analyses, offtake and project finance advisory support, and other corporate activities. See Note 2(c) for management's assessment of the classification of the related exploration and evaluation ("**E&E**") assets.

These unaudited condensed interim consolidated financial statements ("**Interim Financial Statements**") have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board ("**IASB**") and on a going concern basis, 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 three and six months period ended June 30, 2026, the Company reported net loss of $7,727,167 and net loss of $15,619,370 (three and six months ended June 30, 2025 – net (income) of $(765,201) and net loss of $1,511,975) and had an accumulated deficit of $84,666,011 at June 30, 2026 (December 31, 2025 - $69,046,641). The Company had negative working capital at June 30, 2026, of $17,170,143 (December 31, 2025 – $8,339,107).

The Company's ability to continue as a going concern is dependent on obtaining additional funding. The Company is actively engaging with potential funding parties to secure the capital required to sustain operations and advance pre-FID workstreams, however, there is no assurance that the Company will secure funding on acceptable terms or at all.

These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern.

2. Basis of preparation

(a) Statement of compliance

These Interim Financial Statements as at and for the three and six months ended June 30, 2026 and 2025 have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the IASB.

These Interim Financial Statements do not include all disclosures required for annual financial statements and should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2025.

The accounting policies applied in these Interim Financial Statements are consistent with those applied in the Company's most recent annual consolidated financial statements, unless otherwise noted.

These Interim Financial Statements were approved by the Board of Directors on August 31, 2026.

(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 is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

All intercompany transactions, balances, income and expenses have been eliminated on consolidation.

(c) 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 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, 2025, and there have been no significant changes in such estimates and judgments during the period, except as described below with respect to the classification of E&E assets.

During the period, management assessed whether the results of the DFS and the related Mineral Reserve declaration (Note 1) met the Company's criteria for reclassifying E&E assets to development assets, as described in Note 3(d) to the Company's audited consolidated financial statements for the year ended December 31, 2025.

Management concluded that the technical feasibility and commercial viability of the K.Hill Project are demonstrable. The Company has also secured the K.Hill Project mining licence and a Special Economic Zone licence and continues to advance remaining permitting and environmental workstreams. However, project financing has not been secured, and the Board of Directors has not approved a development plan for the K.Hill Project. Accordingly, the related E&E assets continue to be classified as such as at June 30, 2026.

Board approval of a development is expected to coincide with a FID, which remains contingent on securing funding to progress pre-FID workstreams, and securing the project financing required to support a FID (Note 1). Management will reassess the classification of the E&E assets at each reporting date.

(Unaudited - expressed in Canadian dollars unless otherwise stated)

3. Prepaids and other assets

	June 30 2026	December 31 2025
Deposits and advance payments	**$ 63,417**	$ 64,308
Prepaid insurance and fees	**108,162**	206,103
Total prepaids and other assets	**$ 171,579**	$ 270,411

4. Property, plant and equipment

	Demonstration plant under construction	Demonstration plant	Furniture and Fixture	Equipment	Computer Equipment	Vehicles	ROU Property	ROU Equipment	Leasehold Improvements	Total
Cost										
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	8,876,891	-	-	79,168	2,044	38,740	692,920	-	-	9,689,763
Transfers	(28,400,409)	29,567,391	-	-	-	-	-	(1,166,982)	-	-
Disposal	-	-	-	-	(1,759)	-	-	-	-	(1,759)
Foreign exchange	(1,201,065)	1,411,626	(1,872)	1,579	(827)	(4,202)	16,363	(14,559)	(580)	206,463
At December 31, 2025	$ -	$ 30,979,017	$ 29,417	$ 130,654	$ 19,950	$ 122,655	$ 937,877	$ -	$ 9,117	$ 32,228,687
Additions	-	-	-	1	-	-	-	-	-	1
Foreign exchange	-	1,556,198	(650)	711	(58)	(2,712)	16,584	-	(202)	1,569,871
At June 30, 2026	**$ -**	**$ 32,535,215**	**$ 28,767**	**$ 131,366**	**$ 19,892**	**$ 119,943**	**$ 954,461**	**$ -**	**$ 8,915**	**$ 33,798,559**
Accumulated depreciation										
At December 31, 2024	$ -	$ -	$ (12,927)	$ (2,080)	$ (6,028)	$ (57,201)	$ (196,183)	$ (19,693)	$ (9,697)	(303,809)
Depreciation	-	(2,184,276)	(2,402)	(19,528)	(5,076)	(16,234)	(216,483)	(269,660)	-	(2,713,659)
Transfers	-	(302,552)	-	-	-	-	-	302,552	-	-
Disposal	-	-	-	-	828	-	-	-	-	828
Foreign exchange	-	(108,568)	707	(775)	131	2,974	2,125	(13,199)	580	(116,025)
At December 31, 2025	$ -	$ (2,595,396)	$ (14,622)	$ (22,383)	$ (10,145)	$ (70,461)	$ (410,541)	$ -	$ (9,117)	$ (3,132,665)
Depreciation expense	-	(7,230,792)	(1,025)	(14,179)	(2,587)	(8,735)	(115,820)	-	-	(7,373,138)
Foreign exchange	-	(351,966)	314	(813)	25	1,481	(6,299)	-	202	(357,056)
At June 30, 2026	**$ -**	**$ (10,178,154)**	**$ (15,333)**	**$ (37,375)**	**$ (12,707)**	**$ (77,715)**	**$ (532,660)**	**$ -**	**$ (8,915)**	**$ (10,862,859)**
Net book value:										
At December 31, 2025	$ -	$ 28,383,621	$ 14,795	$ 108,271	$ 9,805	$ 52,194	$ 527,336	$ -	$ -	$ 29,096,022
At June 30, 2026	**$ -**	**$ 22,357,061**	**$ 13,434**	**$ 93,991**	**$ 7,185**	**$ 42,228**	**$ 421,801**	**$ -**	**$ -**	**$ 22,935,700**

During the year ended December 31, 2025, the Company exercised purchase options on certain leased equipment, resulting in the reclassification of the related right-of-use assets to the demonstration plant. In addition, borrowing costs of $3,363,849 (2024 – $1,138,748) related to the IDC convertible loan were capitalized in accordance with IAS 23.

The demonstration plant became available for its intended use on November 1, 2025, at which time depreciation commenced. Thereafter, costs are expensed as incurred (Note 14), unless they meet the criteria for capitalization in accordance with IAS 16.

During the three and six months ended June 30, 2026, the demonstration plant remained under care and maintenance while the Company assessed strategic alternatives for its future use. Care and maintenance costs of $1,176,256 and $1,394,739, were expensed during the three- and six-month periods, respectively.

The placement of the demonstration plant on care and maintenance was identified as an indicator of impairment in accordance with IAS 36. Accordingly, management assessed the recoverable amount of the asset, considering the temporary nature of the suspension, its expected role in supporting commercialization of the K.Hill Project, ongoing financing initiatives, and the unchanged intended use of the asset. Based on this assessment, management concluded that the recoverable amount exceeded the carrying amount of the demonstration plant and, accordingly, no impairment loss was recognized as at June 30, 2026.

(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:

	June 30 2026	December 31 2025
Opening balance	**$ 23,747,016**	$ 19,539,969
Engineering studies	**553,715**	3,625,666
Administrative and other field operations	**408,666**	505,029
Geoscience and tailing storage facility	**150,893**	709,571
Metallurgical test work and analysis	**98,947**	148,907
Acquisition costs and permits	**-**	49,228
Geological studies	**47,400**	40,446
Environmental studies	**43,002**	123,760
Foreign exchange	**(512,167)**	(995,560)
Ending balance	**$ 24,537,472**	$ 23,747,016

South Africa

Rock Island Gold Project

The Company previously entered into a joint operation agreement for the Rock Island assets with Corridor Mining Resources (“**CMR**”). The joint operation was conducted through Rock Island, a company incorporated in South Africa, of 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**"). Under the original terms, one-third of the agreed consideration was paid in Giyani shares at closing, with the remaining two-thirds payable in Giyani shares upon receipt of the Rock Island sale proceeds. In 2021, the parties amended the Lexshell Agreement, cancelling the remaining share issuance obligation and settling it for cash consideration of $45,000, which was paid in full.

As at June 30, 2026, the Company is working with CMR to complete and close the Rock Island Agreement.

6. Accounts payable and accrued liabilities

	June 30 2026	December 31 2025
Trade payables	**$ 546,480**	$ 1,345,519
Accrued liabilities	**654,337**	590,351
Total	**$ 1,200,817**	$ 1,935,870

(Unaudited - expressed in Canadian dollars unless otherwise stated)

7. Lease liabilities

	June 30 2026	December 31 2025
Lease liabilities, beginning of the period	$ 554,857	$ 1,122,835
Additions	-	692,920
Finance cost	20,504	109,262
Lease payments	(126,450)	(1,325,391)
Foreign exchange	11,996	(44,769)
Lease liabilities, end of the period	$ 460,907	$ 554,857

	June 30 2026	December 31 2025
Current portion of lease liabilities	$ 260,161	$ 235,037
Non-current portion of lease liabilities	200,746	319,820
Total	$ 460,907	$ 554,857

The Company has entered into leases with incremental borrowing 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.

8. 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.

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

Related party transactions for the three and six months periods ended June 30, 2026 and 2025 are as follows:

		For the three months ended		For the six months ended	
		June 30	June 30	June 30	June 30
Transaction type	**Nature of relationship**	2026	2025	2026	2025
Remuneration	Officers	$ 346,916	$ 365,382	$ 689,200	$ 610,560
Director fees	Directors	68,487	67,928	124,132	135,966
Demonstration plant	Officer	-	-	-	61,767
Exploration and evaluation expenditures	Officer	4,132	19,131	10,139	71,479
Corporate, general and administrative expenses	Officer	16,000	42,900	59,850	87,900
Stock-based compensation	Directors and officers	51,194	10,434	373,066	13,704
Total		$ 486,729	$ 505,775	$ 1,256,387	$ 981,376

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

Transaction type	**Nature of relationship**	June 30 2026	December 31 2025
Remuneration and other	Officers and directors	$ 172,280	$ 104,281

All related party transactions have occurred in the normal course of the Company's operations.

9. Convertible loan

The Company has a convertible loan facility with the Industrial Development Corporation of South Africa Limited (the "**IDC Facility**") of ZAR 300,000,000 (approximately $22.6 million), which was fully drawn as at December 31, 2025, as described in Note 9 to the Company's audited consolidated financial statements. The IDC Facility consists of:

(Unaudited - expressed in Canadian dollars unless otherwise stated)

- a ZAR 234,375,000 facility made available to Giyani Metals South Africa Proprietary Limited ("**GMSA**"), a wholly owned subsidiary of Menzi (the "**GMSA Facility**"); and
- a ZAR 65,625,000 facility made available to Menzi (the "**Menzi Facility**").

The IDC Facility bears interest at the South African prime rate plus 3% (13.50% at June 30, 2026; December 31, 2025 – 13.25%), compounded monthly. Following the demonstration plant being available for use on November 1, 2025, interest is recognized in the consolidated statement of loss and comprehensive loss. No borrowing costs were capitalized during the six months ended June 30, 2026.

On February 26, 2026, the Company entered into a second amendment to the IDC Facility. The amendment increased the total facility amount by ZAR29.9 million, extended the availability period to June 30, 2026, and introduced additional funding conditions and security requirements.

The amended terms include requirements for the Company to secure additional funding to advance the project and meet revised development milestones. The Company is actively pursuing financing to meet these requirements.

The GMSA Facility matures on April 23, 2028 and the Menzi Facility matures on May 2, 2028.

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

There were no covenant breaches under the GMSA Facility or Menzi Facility during the period ended June 30, 2026.

The IDC Facility continues to be designated at fair value through profit or loss ("FVTPL").

Reconciliation of movement in IDC Facility is as follows:

		June 30 2026	December 31 2025
Convertible Loan, beginning of period		**$ 31,039,666**	$ 21,679,558
Proceeds from draw-downs/borrowings		**2,502,672**	5,408,450
Interest capitalized		**-**	2,225,101
Interest expensed	Note 16	**2,154,163**	1,255,865
Fair value changes		**1,181,738**	482,975
Foreign currency translation		**1,231,591**	(12,283)
Convertible loan, end of the period		**$ 38,109,830**	$ 31,039,666
Convertible loan - current liability		**16,471,158**	9,854,787
Convertible loan - non-current liability		**21,638,672**	21,184,879
Convertible loan - total liability		**$ 38,109,830**	$ 31,039,666

10. Financial liability

The Company received $13,440,236 (US$10 million) funding from ARCH Sustainable Resources Fund L.P. ("**ARCH**") on February 20, 2024, which included a gross revenue royalty, as described in Note 13 to the Company's audited consolidated financial statements for the year ended December 31, 2025.

The royalty obligation is accounted for as a financial liability and is subsequently measured at amortized cost using the effective interest method.

During the year ended December 31, 2025, the Company revised the project schedule, resulting in a revised estimate of the expected timing of future royalty payments. The resulting change in estimated cash flows was assessed to represent a substantial modification in accordance with IFRS 9 – Financial Instruments. Accordingly, the original financial liability was derecognized and a new financial liability was recognized, measured at the present value of the revised expected cash flows discounted using an effective interest rate of 22.03% established at the modification date. The Company recognized a gain on extinguishment of the original financial liability of $2,306,012 in the consolidated statement of loss and comprehensive loss for the year ended December 31, 2025.

(Unaudited - expressed in Canadian dollars unless otherwise stated)

The continuity of the financial liability for the six months ended June 30, 2026 is as follows:

			June 30 2026		December 31 2025
Financial liability, beginning of the period		**$**	**7,633,722**	$	8,849,494
Accretion	Note 16		**796,609**		1,519,408
Gain on extinguishment of financial liability			**-**		(2,306,012)
Foreign exchange			**305,454**		(429,168)
Financial liability, end of the period		**$**	**8,735,785**	$	7,633,722

11. 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, 2024		**274,313,330**	**$**	**57,769,065**
Private placement	(i)	59,493,695		3,569,622
Fair value of warrants issued in private placement	(i)	-		(835,772)
Fair value of warrants issued in subscription agreement	(i)	-		(26,600)
Share issuance costs	(i)			(124,249)
Balance, December 31, 2025		**333,807,025**	**$**	**60,352,066**
Exercise of finder's warrants	(ii)	30,000		3,204
Balance, June 30, 2026		**333,837,025**	**$**	**60,355,270**

i. On August 18, 2025, the Company completed a non-brokered private placement for gross proceeds of $3,569,622 through the issuance of 59,493,695 units for $0.06 per unit, with each unit consisting of one common share and one-half of one common share purchase warrant. Of the total units issued, $193,800 related to the settlement of outstanding obligations.

   Each whole common share purchase warrant entitles the holder to acquire one common share for $0.085 per share for a period of three years, expiring August 18, 2028. The 29,746,845 share purchase warrants issued in connection with the placement were assigned a fair value of $835,772. Fair value was determined using the Black-Scholes option pricing model with the following weighted average assumptions: share price $0.07, dividend yield of 0%; expected volatility of 102.44%; risk-free interest rate of 2.74%; and an expected life of three years.

   In connection with the placement, the Company also issued 569,000 non-transferable finder’s warrants. Each finder’s warrant entitles the holder to acquire one common share for $0.06 per share for a period of three years from the closing date. The finder’s warrants were assigned a fair value of $26,600, estimated using the same Black-Scholes model and assumptions as above, except for an exercise price of $0.06. The fair value of these warrants was included in total share issuance costs.

   Share issuance costs totaled $150,849, including the fair value of finder’s warrants, of which $124,249 was paid in cash.

ii. During the six months ended June 30, 2026, 30,000 finder’s warrants with an exercise price of $0.06 were exercised for gross proceeds of $1,800. The fair value of the finder’s warrants exercised was $1,404, which was reallocated from warrants to share capital.

(Unaudited - expressed in Canadian dollars unless otherwise stated)

12. Stock Options

On November 15, 2024, the Company adopted an omnibus long-term incentive plan ("**LTIP**") which replaced the previous stock option plan ("**SOP**") in accordance with the policies of the TSXV. Under the LTIP, the Board of Directors of the Company may grant non-transferable stock options to directors, officers, employees and consultants to acquire common shares of the Company. The number of common shares reserved for issuance under the LTIP is limited to 10% of the issued and outstanding common shares. Options may be granted for a term of up to five years, with the exercise price, number of options granted and other terms and conditions determined by the Board of Directors, subject to the requirements of the TSXV.

Stock option transactions are summarized as follows:

		Number of stock options outstanding	Weighted average exercise price
Balance, December 31, 2024		**12,366,667**	**$ 0.22**
Forfeited	(i)	(283,333)	0.11
Expired	(ii)	(6,883,334)	0.19
Balance, December 31, 2025		**5,200,000**	**$ 0.25**
Granted	(ii)	10,650,000	0.08
Expired	(iii)	(875,000)	0.53
Balance, June 30, 2026		**14,975,000**	**$ 0.11**

Stock options outstanding as at June 30, 2026:

Expiry date	Exercise price ($)	Remaining contractual life (years)	Total options	Options exercisable
September 02, 2026	0.48	0.18	650,000	650,000
April 01, 2027	0.33	0.75	225,000	225,000
June 17, 2027	0.36	0.96	300,000	300,000
January 26, 2029	0.115	2.58	650,000	650,000
February 20, 2029	0.11	2.65	2,500,000	2,500,000
January 06, 2031	0.08	4.52	10,650,000	4,816,667
		3.81	**14,975,000**	**9,141,667**

(i) During the year ended December 31, 2025, 283,333 stock options with an exercise price of $0.11 were forfeited and 6,883,334 stock options with exercise prices between $0.11 and $0.48 expired unexercised.

(ii) During the six months ended June 30, 2026, the Company granted 10,650,000 stock options to certain directors, consultants, and employees in accordance with the Company's LTIP. Each option entitles the holder to acquire one common share of the Company at an exercise price of $0.08 per share and expires five years from the date of grant.

1,900,000 of these were issued to directors and vested immediately. The remaining stock options vest one-third on the grant date, with the balance vesting in equal one-third instalments on the first and second anniversaries of the grant date.

The fair value of the stock options granted was $752,015, determined using the Black-Scholes option pricing model with the following assumptions: share price of $0.09; dividend yield of 0%; expected volatility of 103.61% (based on historical share price data); risk-free interest rate of 2.97%; and an expected life of five years.

(iii) During the six months ended June 30, 2026, 875,000 stock options with an exercise price of $0.53 were expired unexercised.

(iv) During the six months ended June 30, 2026, the Company recorded stock-based compensation in connection with the vesting of options totaling $494,577 (June 30, 2025 - $30,330). The charge was recorded as follows:

(Unaudited - expressed in Canadian dollars unless otherwise stated)

	For the three months ended		For the six months ended	
	June 30	June 30	**June 30**	June 30
For the periods ended	**2026**	2025	**2026**	2025
Consolidated statement of loss and comprehensive loss	**$ 63,992**	$ 7,442	**$ 432,792**	$ 23,132
Demonstration plant under construction	**-**	-	**-**	(6,536)
Exploration and evaluation assets	**13,240**	4,418	**61,785**	13,734
	$ 77,232	**$ 11,860**	**$ 494,577**	$ 30,330

13. Warrants

Warrant transactions are summarized as follows:

		Number of warrants outstanding	Weighted average exercise price
Balance, December 31, 2024		**54,835,235**	**$ 0.225**
Issued private placement and finder's warrants	Note 11b(i)	30,315,845	0.085
Balance, December 31, 2025		**85,151,080**	**$ 0.175**
Exercise of finder's warrants	Note 11b(ii)	(30,000)	0.060
Balance, June 30, 2026		**85,121,080**	**$ 0.175**

Warrants outstanding as at June 30, 2026:

Expiry date	**Exercise price ($)**	**Remaining contractual life (years)**	**Warrants exercisable**
August 18, 2028	0.085	2.14	29,746,845
August 18, 2028 (Finder's warrants)	0.060	2.14	539,000
February 20, 2029	0.085	2.65	54,835,235
		2.47	**85,121,080**

14. Demonstration plant costs

	For the three months ended		For the six months ended	
	June 30	June 30	**June 30**	June 30
For the periods ended	**2026**	2025	**2026**	2025
Demonstration Plant labour costs	**$ 145,549**	$ -	**$ 981,112**	$ -
Demonstration Plant site and laboratory costs	**4,784**	-	**179,838**	-
Demonstration Plant operating costs	**68,150**	-	**233,790**	-
	$ 218,483	$ -	**$ 1,394,740**	$ -

15. Corporate, general and administrative

(Unaudited - expressed in Canadian dollars unless otherwise stated)

		For the three months ended				For the six months ended		
		June 30		June 30		**June 30**		June 30
For the periods ended		**2026**		2025		**2026**		2025
Remuneration	**$**	**531,237**	$	571,594	**$**	**1,070,464**	$	1,229,831
Stock-based compensation		**63,992**		7,442		**432,792**		23,132
Accounting and audit		**64,081**		107,852		**150,035**		312,237
Travel		**29,097**		133,204		**135,724**		241,018
Director fees		**68,487**		67,928		**124,132**		135,966
Corporate development		**94,276**		128,512		**108,442**		179,402
General and administrative		**26,030**		56,024		**98,590**		113,137
Filing and compliance fees		**40,435**		31,433		**91,852**		55,470
Investor relations and marketing		**35,996**		185,661		**90,474**		308,900
Legal		**30,168**		127,698		**78,781**		178,761
Insurance		**17,713**		11,557		**36,965**		40,173
Human resources		**(103)**		29,492		**-**		88,613
	$	**1,001,409**	$	1,458,397	**$**	**2,418,251**	$	2,906,640

16. Finance expense, net

			For the three months ended				For the six months ended		
			June 30		June 30		**June 30**		June 30
For the periods ended			**2025**		2025		**2026**		2025
Accretion	Note 10	**$**	**412,153**	$	226,667	**$**	**796,609**	$	671,030
Transaction costs			**-**		(939)		**-**		212,914
Interest on convertible loan	Note 9		**1,136,399**		188,874		**2,154,163**		359,110
Interest on lease liabilities	Note 7		**9,722**		29,644		**20,504**		69,932
Commitment fees			**-**	-	80		**514**		4,932
Bank charges and other			**2,253**		2,200		**4,484**		4,619
Interest income			**(12,669)**		(107,430)		**(30,809)**		(212,809)
		$	**1,547,858**	$	338,936	**$**	**2,945,465**	$	1,109,728

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 and long-term financing arrangements including 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 June 30, 2026, the Company did not have sufficient working capital to meet the six-month requirement and is dependent on securing additional financing to fund its operations and meet its obligations as they become due.

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 financial obligations consist of accounts payable and accrued liabilities and lease liabilities.

The Company had cash at June 30, 2026, of $506,113 (December 31, 2025: $3,272,871). As at June 30, 2026, the Company had total liabilities of $48,507,339 (December 31, 2025: $41,164,115).

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.

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 June 30, 2026, a 10% depreciation or appreciation of the South African rand, Botswana pula and United States dollar against the Canadian dollar would be approximately $3.0 million

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 IDC Facility is measured at fair value through profit or loss and is valued using a Monte Carlo simulation. Consistent with the prior year, the instrument is classified within Level 2 of the fair value hierarchy, as the significant inputs used in the valuation are based on observable market data. The fair value of the convertible loan is $38,109,830. A 5% increase or decrease in assumptions would change the fair value by approximately $1.9 million.

The ARCH royalty financial liability is measured at amortized cost. For disclosure purposes, the fair value of the liability is determined using a discounted cash flow model based on internal project cash flow assumptions and is classified within Level 3 of the fair value hierarchy.

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 blended product pricing would result in a change of approximately $0.9 million to the carrying value as at June 30, 2026.

During the period ended June 30, 2026, there were no transfers between levels 1, 2 and 3 and there were no changes in valuation techniques

(Unaudited - expressed in Canadian dollars unless otherwise stated)

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 in South Africa and (2) Corporate, which includes all other entities within the Company.

June 30, 2026	**Botswana Battery Metals Project**	**Corporate**	**Total**
Total assets	**$ 47,991,884**	**$ 243,281**	**$ 48,235,165**
Total liabilities	**39,178,071**	**9,329,268**	**48,507,339**
Net loss	**12,466,413**	**3,152,957**	**15,619,370**

December 31, 2025	Botswana Battery Metals Project	Corporate	Total
Total assets	$ 54,214,322	$ 2,315,303	$ 56,529,625
Total liabilities	33,090,603	8,073,512	41,164,115
Net loss	5,992,086	2,748,772	8,740,858

20. Commitments

	Within one year	**Two to five years**	**Total**
Contractual commitments	$ 47,275	$ -	$ 47,275
Minimum lease payments	260,161	200,746	460,907
	$ 307,436	**$ 200,746**	**$ 508,182**

A contingent payment of R1 million ($78,000) is scheduled for 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.