

GobiMin Announces Third Quarter 2018 Results
(Expressed in United States dollars except where otherwise indicated)

Toronto, Canada, November 22, 2018 – (TSXV: GMN) GobiMin Inc. (“GobiMin” or the “Company”, together with its subsidiaries collectively the “Group”) reports its financial and operating results for the third quarter of 2018. The unaudited condensed interim financial statements along with quarterly highlights of management’s discussion and analysis have been filed with SEDAR (www.sedar.com) and are also available at the website of the Company (www.gobimin.com).

Financial Highlights

	3 months ended September 30		12 months ended
	2018	2017	December 31, 2017
	\$	\$	\$
Net loss for the period/year	(0.3 million)	(1.3 million)	(3.1 million)
LBITDA ⁽¹⁾	(0.4 million)	(1.2 million)	(2.9 million)
Basic and diluted losses per share	(0.006)	(0.025)	(0.059)
LBITDA per share ⁽¹⁾	(0.008)	(0.024)	(0.057)
Cash and cash equivalents	16.3 million	23.9 million	19.1 million
Cash and cash equivalents per share ⁽¹⁾	0.33	0.48	0.38
Working capital	19.2 million	26.9 million	21.7 million
Total liabilities	2.4 million	3.4 million	3.7 million
Total assets	77.9 million	80.9 million	84.0 million

Note:

(1) As non-IFRS measurements, **LBITDA** (losses before interest income and expense, income taxes, depreciation and amortisation), **LBITDA per share** and **Cash and cash equivalents per share** do not comply with IFRS and, therefore, the amounts presented in the above table may not be comparable to similar data presented by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Business Summary and Development

1. Change of Business

GobiMin completed its change of business from a “mining issuer” to an “investment issuer” in September 2017. The investment objective of the Company is to seek superior returns by making investments in equity, debt or other securities of publicly traded or private companies or other entities as well as direct ownership stakes in projects.

(a) Equity Investments

Equity investments represent equity interests of publicly-trading or privately-held companies that the Company has acquired. The equity investments portfolio is summarized as follows:

(i) Gold Project in Xinjiang

The Company owns a 70% equity interest in Xinjiang Tongyuan Minerals Limited which is developing and operating the Gold Project in Xinjiang. The exploration licence has been expired and the mining licence will also be expired by the end of 2018. The documents in relation to renewal applications of the mining licence and exploration licence have been submitted to the Department of Land Resources of Xinjiang. It is estimated to obtain the renewed licences in 2019. The Company has engaged General Research Institute for Nonferrous Metals (the “Research Institute”), an independent research institute in China to perform laboratory test on the possibility of application of bio-tech methodology on extraction of metals from gold ores and the lab-test results were positive. The Research Institute will also conduct an on-site industrial test on the gold processing methodology by applying large scale samples. Subject to satisfactory on-site test results, GobiMin will consider the feasibility on large-scale production of the Gold Project with the biological pre-oxidation - immersion gold technique, and formulate the corresponding development scheme which would substantially reduce the production costs of the Gold Project.

As at September 30, 2018, there were addition of \$32,000 in the exploration and evaluation assets and the Group had a contractual commitment of \$1.7 million for the future development of the Gold Project.

(ii) Base Metal Exploration Projects in Xinjiang

During the period under review, the Group owned a 40% equity interest in each of the two companies incorporated in Xinjiang, China, namely Xinjiang Tongde Minerals Ltd. (“Tongde”) and Xinjiang Tongan Minerals Ltd. (“Tongan”), which are engaged in exploration of nickel, copper, and gold. In September 2018, the deregistration of Tongde and Tongan have been approved by the local industry and commerce departments. It is expected to receive the return of capital by December 2018. As at September 30, 2018, the carrying value of these two exploration companies, which are regarded as associates of the Group, amounted to \$0.1 million (RMB0.9 million) in aggregate. They will be derecognized as associates upon receipt of return of the capital.

(iii) Others

The Group holds 40,260,000 shares, representing 8.38% of the total outstanding shares, of Loco Hong Kong Holdings Limited (“Loco HK”). Loco HK is a company incorporated in Hong Kong and the shares of which are listed on GEM of The Stock Exchange of Hong Kong Limited under the stock code 8162. For the nine months ended September 30, 2018, the fair value loss on investment in Loco HK were \$0.7 million (2017: \$1.8 million).

The Group invested about \$4.12 million in Dragon Silver Holdings Limited (“Dragon Silver”) by way of (1) an equity investment of \$1.1 million in 670,000 shares, representing 9.90% of its total issued capital and (2) a loan of \$3 million, bearing interest at 8.5% per annum and repayable on demand at a notice of 7 days. Dragon Silver is a Hong Kong based company mainly engaged in trading, production, processing and investment in precious metals and non-ferrous metals and related products. Dragon Silver recorded a total profit of US\$2.2 million for the year ended June 30, 2018 and declared an annual dividend of US\$0.16 (HK\$1.25) per share on 28 September 2018. For the nine months ended 30 September 2018, the Group received dividend income of \$108,000 and interest income of \$195,000 from Dragon Silver.

In April 2018, the Group invested about \$1.5 million (equivalent to RMB10 million), through its indirect wholly-owned subsidiary in China, in an agriculture project for development, planting and sales of primary agricultural products and plants cultivation in Hami City, Xinjiang, China. The project is in preparatory stage for plantation of Hami red dates or any cash crops. The invested

funding would be mainly used for land acquisition, infrastructure facilities, crops and staff costs as well as general working capital.

In June 2018, the Group acquired certain listed securities at a total cost of \$193,000 and invested about \$260,000 in an investment fund managed by experienced fund manager equipped with knowledge for investment in worldwide securities market.

(b) Debentures

The Group would hold debentures bearing low risks and reasonable interest return from various industries through the open market. Debentures are held to receive coupon interest payments as well as to realize potential gains. The Group may dispose of debentures through the open market when the Group requires funds for operational or investment needs.

As at September 30, 2018, the Group held \$6.9 million debentures with coupon rates ranged from 4.250% to 9.000% per annum and maturities ranged between November 14, 2018 and perpetual. For the nine months ended September 30, 2018, interest income and fair value gains of debentures were \$361,500 (9 months Q3 2017: \$288,000) and \$368,000 (9 months Q3 2017: nil) respectively.

2. Liquidity and Capital Resources

As at September 30, 2018, the working capital of the Group amounted to approximately \$19.2 million (December 31, 2017: \$21.7 million), by netting off its current assets of \$21.6 million (December 31, 2017: \$25.4 million) with current liabilities of \$2.4 million (December 31, 2017: \$3.7 million).

Taking into account of its financial position, the management of the Group considered that its cash and cash equivalents will be more than sufficient to finance its operation, including the contractual commitments of the Gold Project of approximately \$1.7 million.

For further information, please contact:

Felipe Tan, Chief Executive Officer
Tel: (852) 3586-6500
Email: felipe@gobimin.com

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