



GobiMin Inc.  
1000 Sherbrooke Street West, Suite 2700, Montréal, Québec H3A 3G4  
T 852 35860280 F 852 25275052 E info@gobimin.com

NEWS RELEASE

TSX-V: GMN

**GobiMin Announces its 2018 Results and Declares Dividend Payment**  
(Expressed in United States dollars except where otherwise indicated)

**Toronto, Canada – April 16, 2019:** (TSXV: GMN) GobiMin Inc. (the “Company” or “GobiMin”, together with its subsidiaries the “Group”) announces its financial results for the year ended December 31, 2018 and the declaration of an annual dividend of \$0.01 (CAD0.01) per share.

**Financial Highlights**

<b>As at / For the year ended December 31,</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
Revenue	<b>1.5 million</b>	0.9 million	0.7 million
Gain on disposal of financial assets	<b>3,500</b>	9,000	87,000
Gain on disposal of interest in an associate	-	-	9.5 million
Fair value (loss)/gain on financial assets	<b>(1.1 million)</b>	(1.4 million)	0.1 million
Net (loss)/profit for the year	<b>(2.9 million)</b>	(3.1 million)	6.9 million
(Loss)/profit attributable to shareholders of the Company	<b>(2.8 million)</b>	(3.0 million)	7.0 million
(LBITDA) EBITDA <sup>(1)</sup>	<b>(3.2 million)</b>	(2.9 million)	7.6 million
Basic and diluted (loss)/earnings per share	<b>(0.056)</b>	(0.059)	0.136
(LBITDA) EBITDA per share <sup>(1)</sup>	<b>(0.064)</b>	(0.057)	0.146
Cash and cash equivalents	<b>17.1 million</b>	19.1 million	27.2 million
Cash and cash equivalents per share <sup>(1)</sup>	<b>0.34</b>	0.38	0.54
Working capital	<b>19.3 million</b>	21.7 million	30.9 million
Total liabilities	<b>3.5 million</b>	3.7 million	3.8 million
Total assets	<b>78.1 million</b>	84.0 million	85.3 million
Annual dividend per share	<b>0.01</b>	0.01	0.01

Note:

(1) As non-IFRS measurements, **(LBITDA) EBITDA** ((loss) earnings before interest income and expense, income taxes, depreciation and amortization), **(LBITDA) EBITDA 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.

**Annual Dividend**

On April 16, 2019, the Company declared an annual dividend of \$0.01 (CAD0.01) per share in accordance with its dividend policy and 2018 performance. The dividend is payable on June 21, 2019 to shareholders of record on May 22, 2019.

## **Business Summary and Development**

### **1. Equity Investments and Debentures**

#### **(a) Equity Investments**

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

#### **Gold Project in Xinjiang**

The Company owns a 70% equity interest in Xinjiang Tongyuan Minerals Limited which is developing the Sawayaerdun Gold Project (the “Gold Project”) in Xinjiang. The exploration licence and the mining licence expired by the end of 2018. The renewal of the mining licence was officially announced on the website of the Department of Land and Resources on January 23, 2019. The renewed licence will be issued upon the passing of the 60-day public notice period. At the reporting date, the public notice period has passed and the Company awaits for the licence collection notice from the relevant authorities. The application materials for the retention of the exploration licence was submitted to relevant authorities on December 18, 2017. Following normal procedures, subsequent to the review and approval by relevant authorities and passing of the public notice period, the new licence shall be issued. At the reporting date, the application documents are under government review. Due to backlog of applications of licences and the proposed ecological criteria in Xinjiang, it is anticipated that the licences will be issued after the backlog is cleared.

The Company has engaged General Research Institute for Nonferrous Metals, 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. An on-site industrial test on the gold processing methodology by applying large scale samples started in 2019. 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. Furthermore, we have ongoing negotiation with a potential investor to develop the Gold Project and formal documents are expected to be signed after the industrial test results.

As at December 31, 2018, there were addition of \$95,000 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.

#### **Others**

The Group owns 40,260,000 shares of Loco Hong Kong Holdings Limited (“LocoHK”). LocoHK is a company incorporated in Hong Kong which is principally engaged in metal trading and processing. Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited under the stock code 8162. For the year ended December 31, 2018, the fair value loss on investment in LocoHK was \$1.1 million (2017: \$1.3 million).

The Group invested about \$4.1 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. In addition, the major shareholder of Dragon Silver (“Guarantor”) entered into a put option deed with the Group which the Group has the right to sell all the 670,000 shares subscribed to the Guarantor at the consideration of \$1,120,978 (HK\$8,710,000) within the period commencing from the fourth anniversary of the date of the put option deed to the date falling five years from the date of the put option deed. Moreover, the Guarantor agreed to irrevocably warrant and guarantee to the Group that (i) the audited net profit after tax of Dragon Silver shall not be less than HK\$15,000,000 for each of the financial years ending from June 30, 2018 to 2022 (the “Relevant years”); and (ii) the amount of dividends declared and paid by Dragon Silver during each of the Relevant years shall not be less than HK\$1.25 per share. Dragon Silver recorded a net profit of \$2.2 million for the year ended June 30, 2018 and declared an annual dividend of \$0.16 (HK\$1.25) per share on September 28, 2018. For the year ended December 31, 2018, the Group received dividend income of \$108,000 and interest income of \$261,000 from Dragon Silver, and recognized a fair value gain on financial assets of \$475,000.

In June 2018, the Group acquired certain listed securities at a total cost of \$185,000 and invested about \$257,000 in an investment fund managed by experienced fund manager. For the year ended December 31, 2018, the fair value loss on the listed securities and investment fund were \$33,000 (2017: nil) and \$60,000 (2017: nil) respectively.

#### **(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 other investment needs.

As at December 31, 2018, the Group held \$6.6 million debentures with coupon rates ranged from 4.250% to 9.000% per annum and maturities ranged between November 3, 2019 and perpetual. For the year ended December 31, 2018, interest income from debentures was \$477,000 (2017: \$389,000) and fair value loss on debentures was \$423,000 (2017: fair value gain of \$150,000).

## **2. Liquidity and Capital Resources**

As at December 31, 2018, the Group had a working capital of about \$19.3 million (2017: \$21.7 million), by netting off its current assets of \$22.8 million (2017: \$25.4 million) with current liabilities of \$3.5 million (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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