

NEWS RELEASE

TSX-V: GMN

GobiMin Announces First Quarter 2019 Results
(Expressed in United States dollars except where otherwise indicated)

Toronto, Canada –May 23, 2019: (TSXV: GMN) GobiMin Inc. (“GobiMin” or the “Company”, together with its subsidiaries collectively the “Group”) reports its financial and operating results for the first quarter of 2019. 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 March 31		12 months ended
	2019	2018	December 31, 2018
	\$	\$	\$
Revenue	0.3 million	0.3 million	1.5 million
Gain on disposal of financial assets	25,000	-	3,500
Fair value gain/(loss) on financial assets	1.0 million	(0.2 million)	(1.1 million)
Net profit/(loss) for the period/year	0.6 million	(0.6 million)	(2.9 million)
Profit/(loss) attributable to shareholders of the Company	0.6 million	(0.6 million)	(2.8 million)
EBITDA/(LBITDA) ⁽¹⁾	0.5 million	(0.6 million)	(3.2 million)
Basic and diluted earnings/(loss) per share	0.012	(0.011)	(0.056)
EBITDA/(LBITDA) per share ⁽¹⁾	0.010	(0.013)	(0.064)
Cash and cash equivalents	15.7 million	18.0 million	17.1 million
Cash and cash equivalents per share ⁽¹⁾	0.32	0.36	0.34
Working capital	21.5 million	20.7 million	19.3 million
Total liabilities	2.9 million	3.3 million	3.5 million
Total assets	78.1 million	83.0 million	78.1 million
Annual dividend per share	-	-	0.01

Note:

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

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. New investments will be directed by an Investment Committee and guided by the Company’s Investment Policy which governs its investment activities and investment strategy.

(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:

(i) **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. At the reporting date, the Company awaited for the collection notice of the renewed mining licence from the relevant authorities. The application documents for retention of the exploration licence 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 on-site industrial test on the gold processing methodology by applying bio-tech methodology on extraction of metals from large scale samples of gold ores has been started in 2019. Subject to satisfactory on-site industrial test results, GobiMin will formulate the corresponding development scheme which would substantially reduce the production costs of the Gold Project. After the industrial results, formal documents on negotiation with a potential investor to develop the Gold Project are expected to be signed.

As at March 31, 2019, there was addition of \$47,000 in the exploration and evaluation assets and the Group had a contractual commitment of \$1.7 million for the development of the Gold Project.

(ii) **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 three months ended March 31, 2019, the fair value gain on investment in LocoHK was \$0.9 million (Q1 2018: loss of \$26,000).

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. For the three months ended March 31, 2019, the Group received from Dragon Silver interest income of \$0.1 million (Q1 2018: \$0.1 million).

For the three months ended March 31, 2019, the fair value gain on other listed securities was \$12,000 (Q1 2018: nil) and certain unlisted equity investment was disposed at carrying value.

(b) Debentures and Certificate of Deposit

The Group would hold debentures and certificate of deposit 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 March 31, 2019, the Group held \$5.2 million (December 31, 2018: \$6.6 million) debentures with coupon rates ranged from 4.250% to 7.750% (December 31, 2018: 4.250% to 9.000%) per annum and maturities ranged between September 17, 2019 and perpetual (December 31, 2018: November 3, 2019 and perpetual).

As at March 31, 2019, the Group held \$2.1 million (December 31, 2018: nil) certificate of deposit with coupon rates ranged from 2.380% to 2.760% per annum and maturities ranged between May 21, 2019 to September 12, 2019.

2. Liquidity and Capital Resources

As at March 31, 2019, the working capital of the Group amounted to approximately \$21.5 million (December 31, 2018: \$19.3 million), by netting off its current assets of \$24.4 million (December 31, 2018: \$22.8 million) with current liabilities of \$2.9 million (December 31, 2018: \$3.5 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:

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Certain statements contained in this press release constitute forward-looking information. Such statements are based on the current expectations of management of GobiMin. You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause actual results, future circumstances or events to differ materially from those projected in the forward-looking information. Forward looking information includes without limitation, statements regarding the size and quality of the Company's mineral resources, progress in development of mineral properties, the prospective mineralization of the properties, and planned exploration programs. The reader should not place undue reliance on the forward-looking information included in this press release given that (i) actual results could differ materially from a conclusion, forecast or projection in the forward-looking information, and (ii) certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information could prove to be inaccurate. These statements speak only as of the date they are made, and GobiMin assumes no obligation to revise such statements as a result of any event, circumstance or otherwise, except in accordance with law.

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