

# **GobiMin Inc.**

*(Incorporated in Canada under the Canada Business Corporations Act)*

## **Interim Management's Discussion and Analysis of Financial Results - Quarterly Highlights**

**September 30, 2019**

*(Expressed in United States Dollars except where otherwise noted)*

# GobiMin Inc.

## Interim MD&A – Quarterly Highlights

For the quarter ended September 30, 2019

(Expressed in United States Dollars)

November 21, 2019

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The Quarterly Highlights of GobiMin Inc. (the “Company” or “GobiMin”) provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis (the “Annual MD&A”) for the financial year ended December 31, 2018. The Quarterly Highlights do not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

The Quarterly Highlights have been prepared by management as of November 21, 2019 and in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 – Continuous Disclosure Obligations. This discussion should be read in conjunction with its condensed interim financial statements for the quarter ended September 30, 2019 prepared in accordance with International Financial Reporting Standard (“IFRS”), its audited consolidated financial statements for the year ended December 31, 2018 prepared in accordance with IFRS and the Annual MD&A.

Additional information is accessible at the Company’s website [www.gobimin.com](http://www.gobimin.com) or through the Company’s public filing at [www.sedar.com](http://www.sedar.com).

*Certain statements included in this discussion constitute forward-looking statements. Such forward-looking statements can often, but not always, be identified by the use of words such as “can”, “could”, “believe”, “propose”, “anticipate”, “intend”, “consider”, “estimate”, “expect”, or other variations of such expressions, or forward-looking statements may declare that certain measures, events or results “can”, “could” or “will” be taken or occur or be attained. Such forward-looking statements involve known and unknown risks and uncertainties as well as other factors that could cause actual results, performances or achievements of the Company to differ materially from the future results, performances or achievements implied or suggested in such forward-looking statements. Such risks, uncertainties and other factors include but are not limited to the risk factors discussed under the heading “Risk Factors” below. Accordingly, shareholders are cautioned not to put undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this discussion and the Company disclaims any obligations to update any forward-looking statements in order to account for any events or circumstances that might occur after the date that such forward-looking statements were established.*

### 1. Corporate Overview

GobiMin, the shares of which are traded on the TSX Venture Exchange under the symbol GMN, is an investment issuer under the rules of the TSX Venture Exchange. The Company, together with its subsidiaries (collectively, the “Group”), is principally engaged in the investment in equity, debt or other securities as well as direct ownership stakes in projects, including the development of mineral properties, mainly in the Xinjiang Uygur Autonomous Region (“Xinjiang”) of the People’s Republic of China (“China”).

Currently, GobiMin holds an equity interest of 70% in a company incorporated in China to explore, develop and operate the Sawayaerdun Gold Project (the “Gold Project”) located in Xinjiang and equity investments and debentures for reasonable interest return and potential capital gains.

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### 2. Financial Highlights

	3 months ended September 30		12 months ended
	2019	2018	December 31, 2018
	\$	\$	\$
Revenue	0.4 million	0.4 million	1.5 million
Gain on disposal of financial assets	0.5 million	-	3,500
Fair value gain/(loss) on financial assets	25,000	(0.1 million)	(1.1 million)
Net profit/(loss) for the period/year	46,000	(0.3 million)	(2.9 million)
Profit/(loss) attributable to shareholders of the Company	0.1 million	(0.3 million)	(2.8 million)
EBITDA/(LBITDA) <sup>(1)</sup>	11,000	(0.4 million)	(3.2 million)
Basic and diluted earnings/(loss) per share	0.0014	(0.0059)	(0.0561)
EBITDA/(LBITDA) per share <sup>(1)</sup>	0.0002	(0.0077)	(0.0639)
Cash and cash equivalents	21.4 million	16.3 million	17.1 million
Cash and cash equivalents per share <sup>(1)</sup>	0.43	0.33	0.34
Working capital	23.8 million	19.2 million	19.3 million
Total liabilities	2.6 million	2.4 million	3.5 million
Total assets	76.0 million	77.9 million	78.1 million
Annual dividend per share	0.01	0.01	0.01

Note:

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

### 3. Business Summary and Development

#### 3.1 Financial Assets

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 Gold Project in Xinjiang. Its mining licence was renewed with expiry date on December 31, 2019 and the original of the mining licence will be collectable after the reassessment of reserve by the Department of Land and Resources as well as payment for mining royalties based

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on the assessed reserve. The exploration licence was also renewed to August 22, 2021 with original licence collected in September 2019.

The on-site industrial test on applying bio tech methodology on extraction of metals from large scale samples of gold ores were in pre-oxidation stage with the ore heap constructed and supporting facilities, including reagent spray equipment and acid storage tanks, assembled during the reporting period. Subject to satisfactory on-site industrial test results, GobiMin may 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, 2019, there were addition of \$0.5 million in the exploration and evaluation assets and the Group had a contractual commitment of \$1.6 million for the future development of the Gold Project.

#### (ii) Others

As at September 30, 2019, the fair value of listed securities held by the Group amounted to \$0.3 million, of which \$0.1 million represented the shareholding in Loco Hong Kong Holdings Limited (“LocoHK”). Its shares are listed on GEM of The Stock Exchange of Hong Kong Limited under the stock code 8162. For the nine months ended September 30, 2019, the fair value gain and gain on disposal of investment in LocoHK was \$0.9 million (2018: loss of \$0.7 million) and \$0.5 million (2018: nil) respectively. As at September 30, 2019, the amount due from China Precision Material Limited (“CPM”), a subsidiary of LocoHK, was \$1.1 million which was subsequently repaid in October 2019. Compared to \$3.5 million as at December 31, 2018, the decrease represented the repayment of \$2.4 million from CPM during the period. In July 2019, CPM ceased to be a related company when Mr. Felipe Tan resigned as director of LocoHK and CPM. For the nine months ended September 30, 2019, the Group received from CPM interest income of \$0.1 million (2018: \$0.1 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. For the nine months ended September 30, 2019, the Group received from Dragon Silver interest income of \$0.2 million (2018: \$0.2 million) and dividend income of \$0.1 million (2018: \$0.1 million).

For the nine months ended September 30, 2019, unlisted investment of \$0.2 million were acquired and other unlisted investment of \$0.2 million were disposed of at carrying value without gain or loss. During the reporting period, there was no change in fair value on other listed securities (2018: fair value loss of \$4,000). As at September 30, 2019, other listed securities held by the Group amounted to \$0.2 million and unlisted investments comprised of \$1.1 million investment in Dragon Silver and other unlisted investment of \$0.2 million.

#### (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

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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 September 30, 2019, the Group held \$4.8 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 November 4, 2019 and perpetual (December 31, 2018: November 3, 2019 and perpetual).

For the nine months ended September 30, 2019, interest income from debentures and certificate of deposit was \$0.3 million (Q3 2018: \$0.4 million), fair value gains from debentures and certificate of deposit amounted to \$0.2 million (Q3 2018: fair value loss of \$0.4 million) and gain from disposal of debentures and maturity of certificate of deposit was \$20,000 (Q3 2018: \$2,000).

### 3.2 Normal Course Issuer Bid (“NCIB”)

On August 1, 2019, GobiMin was granted approval by the TSX Venture Exchange to renew its NCIB to repurchase up to an additional 2,491,074 common shares, representing approximately 5% of the then common shares outstanding (“2019 NCIB”). Purchases are made in accordance with applicable regulations over a maximum period of 12 months commenced on August 8, 2019 and ended on August 7, 2020 or on such earlier date as GobiMin may complete its purchases pursuant to the 2019 NCIB or as it may otherwise determine. For the nine months ended September 30, 2019, a total of 99,500 common shares were repurchased at an aggregate cost of \$25,048 (CAD33,901), of which 90,500 common shares were repurchased under the NCIB for 2018 and the remaining 9,000 common shares were repurchased under the 2019 NCIB. For the period from October 1, 2019 to November 21, 2019, a total of 27,000 common shares were repurchased at an aggregate cost of \$5,935 (CAD8,033) under the NCIB. All shares repurchased will/have been returned to treasury for cancellation.

Management believes that the repurchase by the Company of its own shares can maximize shareholder value and is in the best interest of the Company and its shareholders. A copy of the related Notice of Intention to Make a NCIB will be provided to shareholders upon receipt of written request to the Company at its registered office.

### 3.3 Liquidity and Capital Resources

As at September 30, 2019, the working capital of the Group amounted to approximately \$23.8 million (December 31, 2018: \$19.3 million), by netting off its current assets of \$26.1 million (December 31, 2018: \$22.8 million) with current liabilities of \$2.3 million (December 31, 2018: \$3.5 million).

Among the cash and cash equivalents of \$21.4 million, approximately \$0.8 million were held in China. The subsidiaries in China are allowed to transfer funds to other Group companies outside China upon presentation of the relevant documentation required by applicable regulations, subject to the risks set out under the section named “Risk Factors” in the Company’s Annual MD&A for the financial year ended December 31, 2018, available on SEDAR at [www.sedar.com](http://www.sedar.com). The Group will take precautions to ensure that the available capitals match with its various payment obligations in China and elsewhere.

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 \$1.6 million.

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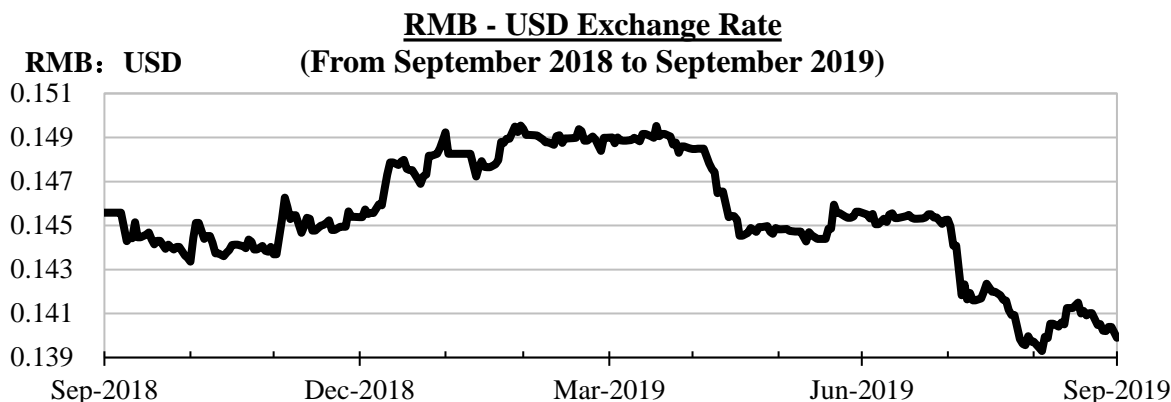
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### 4. Key Economic Trends

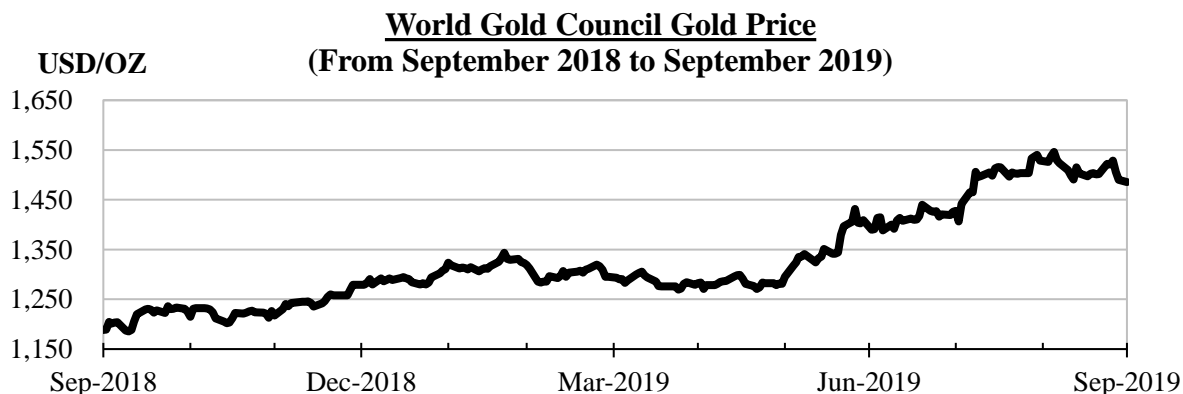
#### 4.1 China Economy

As GobiMin's activity are mostly conducted in China, the conditions of the Chinese economy plays a paramount role in the Group's exploration business. Since the Group reports in U.S. dollars, the Group's cost structure may potentially be impacted by currency fluctuations. As at September 30, 2019, the exchange rate of the Chinese Renminbi against the U.S. dollar decreased by 3.91%, as compared with that as at September 30, 2018.



#### 4.2 Gold Market

The changes in price of gold have a strong influence on the Gold Project's value. As at September 30, 2019, the gold price increased by 25.10% from that as at September 30, 2018.



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#### 5. Selected Quarterly Information

For the three months ended September 30, 2019, the Group reported a net profit of \$46,000 (Q3 2018: net loss of \$0.3 million) which mainly comprised of gain on disposal of financial assets of \$0.5 million (Q3 2018: nil), dividend income of \$0.1 million (Q3 2018: \$0.1 million) and interest income of \$0.2 million (Q3 2018: \$0.2 million), netting of the administrative expenses of \$0.7 million (Q3 2018: \$0.7 million).

In this quarter, the Group recorded a net cash inflow of \$4.7 million (Q3 2018: \$0.2 million). It was mainly the combined effect of cash inflow from disposal of shares of Loco HK of \$2.8 million (Q3 2018: nil), proceed from the disposal of debentures of \$1.0 million (Q3 2018: nil) and maturity of certificate of deposit of \$1.0 million (Q3 2018: nil).

The total assets decreased by \$0.8 million from \$76.8 million as at June 30, 2019 to \$76.0 million at this quarter end which mainly represented the recognition of right-of-use assets of \$0.4 million netting off the net payment of office expenses of \$0.4 million, and \$0.9 million exchange difference on translation of exploration and evaluation assets.

#### 6. Results of Operations

##### 6.1 Revenue

Interest income, rental income and dividend income in the third quarter of 2019 were \$0.2 million (3 months Q3 2018: \$0.3 million), \$0.1 million (3 months Q3 2018: \$0.1 million) and \$0.1 million (3 months Q3 2018: \$0.1 million) respectively.

Interest income, rental income and dividend income for the nine months ended September 30, 2019 were \$0.7 million (9 months Q3 2018: \$0.8 million), \$0.2 million (9 months Q3 2018: \$0.2 million) and \$0.1 million (9 months Q3 2018: \$0.1 million) respectively.

##### 6.2 Gain on Disposal of Financial Assets

For the three months and nine months ended September 30, 2019, gain on disposal of financial assets of \$0.5 million (3 months Q3 2018: nil; 9 months Q3 2018: 2,000) was recorded.

##### 6.3 Fair Value Gain/(Loss) on Financial Assets

For the three months ended September 30, 2019, fair value gain on financial assets at fair value through profit or loss was \$25,000 (3 months Q3 2018: fair value loss of \$0.1 million). It mainly represented the fair value change of debentures with reference to quoted market prices at the end of the reporting period.

For the nine months ended September 30, 2019, fair value gain on financial assets at fair value through profit or loss was \$1.1 million (9 months Q3 2018: fair value loss of \$1.1 million). It mainly represented the fair value gain on listed securities on the investment in LocoHK of \$0.9 million (9 months Q3 2018: fair value loss of \$0.7 million) and the fair value gain on debentures of \$0.2 million (9 months Q3 2018: fair value loss of \$0.4 million) with reference to quoted market prices at the end of the reporting period.

##### 6.4 General and Administrative Expenses

General and administrative expenses were \$0.7 million for this quarter (3 months Q3 2018: \$0.6 million) and \$2.2 million for the nine months ended September 30, 2019 (9 months Q3 2018: \$2.1 million). It

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mainly included pre-operating expenses incurred for the Gold Project, office rental, staff costs and legal and professional fees.

**6.5 Earnings/(Loss) Per Share**

The basic and diluted earnings per share were \$0.0014 for this quarter (3 months Q3 2018: loss per share of \$0.0059) and \$0.0066 for the nine months ended September 30, 2019 (9 months Q3 2018: loss per share of \$0.0438).

**6.6 EBITDA/(LBITDA)**

The earnings/(loss) before interest income and expense, income taxes, depreciation and amortisation (“EBITDA/(LBITDA)”), a non-IFRS performance measure, for this quarter were earnings of \$11,000 as compared to loss of \$0.4 million incurred in the corresponding period last year. The calculation of EBITDA/(LBITDA) was set out in the table below:

<b>For the three months ended</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
	\$	\$
Profit/(loss) for the period	<b>46,123</b>	(330,644)
Interest income	<b>(224,312)</b>	(243,689)
Interest expense	<b>3,434</b>	-
Depreciation	<b>185,621</b>	190,697
EBITDA/(LBITDA) <sup>(1)</sup>	<b>10,866</b>	(383,636)
EBITDA/(LBITDA) per share <sup>(2)</sup>	<b>0.0002</b>	(0.0077)

*Note:*

(1) *As non-IFRS measurements, **EBITDA/(LBITDA)** and **EBITDA/(LBITDA) 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.*

(2) *Based on weighted average number of shares outstanding, a non-IFRS measure.*

**6.7 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 was paid on June 21, 2019 to shareholders of record on May 22, 2019.



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**7. Cash Flows**

The following table summarized the Group's cash flows and cash on hand:

<b>As at</b>	<b>September 30, 2019</b>	<b>December 31, 2018</b>
	\$	\$
Cash and cash equivalents	<b>21,413,310</b>	17,077,240
Working capital <sup>(1)</sup>	<b>23,794,980</b>	19,347,364
<b>For the three months ended</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
	\$	\$
Net cash flow used in operating activities	<b>(128,328)</b>	(155,054)
Net cash flow used in financing activities	<b>(6,315)</b>	(3,750)
Net cash flow from investing activities	<b>4,840,688</b>	375,143
Increase in cash and cash equivalents	<b>4,706,045</b>	216,339
<b>For the nine months ended</b>	<b>September 30, 2019</b>	<b>September 30, 2018</b>
	\$	\$
Net cash flow used in operating activities	<b>(2,564,624)</b>	(1,539,650)
Net cash flow used in financing activities	<b>(397,605)</b>	(1,411,378)
Net cash flow from investing activities	<b>7,499,564</b>	589,928
Increase/(decrease) in cash and cash equivalents	<b>4,537,335</b>	(2,361,100)

*Note:*

(1) Working capital is a non-IFRS measurement, which is the difference between current assets and current liabilities.

**7.1 Operating Activities**

*For the three months ended September 30, 2019*

In this quarter, the Company recorded a net cash outflow from operating activities of \$0.1 million (3 months Q3 2018: cash outflow of \$0.2 million) which comprised of net cash payment of office expenses of \$0.4 million (3 months Q3 2018: \$0.3 million) netting of the rental income received from tenant of \$0.2 million (3 months Q3 2018: \$0.1 million).

*For the nine months ended September 30, 2019*

For the nine months ended September 30, 2019, net cash outflow from operating activities was \$2.6 million (9 months Q3 2018: \$1.5 million) which comprised of net cash payment of the office expenses of \$1.5 million (9 months Q3 2018: \$1.2 million) and settlement of payables of \$1.3 million (9 months Q3 2018: \$0.3 million).

**7.2 Financing Activities**

*For the three months ended September 30, 2019*

In this quarter, the Company recorded a cash outflow from financing activities of \$6,000 (3 months Q3 2018: \$4,000) which mainly represented interest payment of \$3,000 (3 months Q3 2018: nil) and share repurchase of \$2,000 (3 months Q3 2018: 4,000).

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### *For the nine months ended September 30, 2019*

The cash outflow from financing activities was \$0.4 million for the nine months ended September 30, 2019 (9 months Q3 2018: \$1.4 million) which mainly represented payment of dividend of \$0.4 million (9 months Q3 2018: \$0.4 million) while there was repayment of bank loan of \$1.0 million in 2018.

## 7.3 **Investing Activities**

### *For the three months ended September 30, 2019*

In this quarter, the Company recorded a cash inflow from investing activities of \$4.8 million (3 months Q3 2018: \$0.4 million), mainly representing cash inflow from disposal of shares of Loco HK of \$2.8 million (3 months Q3 2018: nil), proceed from the disposal of debentures of \$1.0 million (3 months Q3 2018: nil) and maturity of certificate of deposit of \$1.0 million (3 months Q3 2018: nil).

### *For the nine months ended September 30, 2019*

For the nine months ended September 30, 2019, net cash inflow from investing activities was \$7.5 million (9 months Q3 2018: \$0.6 million) which mainly represented cash inflow from disposal of shares of Loco HK of \$2.8 million (9 months Q3 2018: nil), repayment of loan from CPM of \$2.4 million (9 months Q3 2018: nil) and proceed from net disposal of debentures of \$2.0 million (9 months Q3 2018: net addition of \$0.4 million).

## 8. **Statements of Financial Position**

### 8.1 **Cash and Cash Equivalents**

The Group had approximately \$21.4 million in cash and cash equivalents as at September 30, 2019, compared to \$17.1 million as at December 31, 2018. The increase of \$4.3 million was mainly the cash inflow from disposal of shares of Loco HK of \$2.8 million, repayment of loan from CPM of \$2.4 million (9 months Q3 2018: nil) and proceed from net disposal of debentures of \$2.0 million netting off against payment of the office expenses of \$1.5 million and settlement of payables of \$1.3 million.

### 8.2 **Exploration and Evaluation Assets**

The exploration and evaluation assets are mainly related to the Gold Project, including mining rights, geological and geophysical costs, mine site and facilities construction, drilling and exploration expenses. For the nine months ended September 30, 2019, there were addition of \$0.5 million in exploration and evaluation assets.

### 8.3 **Financial Assets**

As at September 30, 2019, financial assets comprised:

#### Current Portion

- (a) \$0.1 million investment in 1,500,000 shares of Loco HK, the shares of which are listed on GEM of The Stock Exchange of Hong Kong Limited under the stock code 8162.
- (b) \$0.2 million debentures with coupon rate of 4.85% with maturity date at November 4, 2019.

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#### Non-current Portion

- (c) \$4.6 million debentures with coupon rates ranged from 4.250% to 7.750% per annum and maturities ranged between November 4, 2019 and perpetual.
- (d) \$1.6 million unlisted equity investment in Dragon Silver, a Hong Kong based metal trading and processing company.
- (e) \$0.2 million investment in an investment fund.
- (f) \$0.2 million investment for listed securities.

#### **8.4 Share Capital**

As at September 30, 2019, GobiMin had 49,812,482 common shares issued and outstanding. For the nine months ended September 30, 2019, a total of 99,500 common shares were repurchased and cancelled.

#### **9. Related Party Transactions**

The Group had the following transactions with related parties:

##### **For the nine months ended September 30, 2019**

- (a) Fees and other remunerations to directors and key management amounted to \$0.3 million (Q3 2018: \$0.3 million).
- (b) Rental income of \$35,503 (Q3 2018: \$36,119) and share of office common expenses of \$3,770 (Q3 2018: \$3,142) from companies in which a director of the Company has equity interest.
- (c) Rental income of \$50,193 (Q3 2018: \$90,348) from a company with common director.
- (d) Interest income of \$61,486 (Q3 2018: \$91,623) from a company with common director.
- (e) Share of office common expenses and staff cost of \$8,335 (Q3 2018: \$76,230) from a company with common director.

#### **10. Change of Accounting Policies**

The Company adopted the new International Financial Reporting Standards 16- Lease (“IFRS 16”) which replaced IAS 17 – Leases and IFRIC 4 – Determining Whether an Arrangement Contains a Lease. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard is effective for annual periods beginning on or after January 1, 2019. At the commencement date of the lease, right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. Lease liabilities are recognized at the present value of lease payments to be made over the lease term.

As the Group has no operating lease contract as lessee with remaining lease term of more than 1 year at January 1, 2019, the adoption of the IFRS 16 has no impact on the Group’s consolidated financial statements at December 31, 2018 and June 30, 2019. During the three months ended September 30, 2019, the Group entered into operating lease contract as lessee with lease term of more than 1 year, right-of-use assets and lease liabilities for \$421,000 was recognized.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the estimated useful life and the lease term. The lease liabilities are reduced by the lease payments made over the lease term. As at September 30, 2019, right-of-use assets was \$414,000 and lease liabilities was \$421,000.

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### 11. Capital Commitment

As at September 30, 2019, the Group had capital commitments of \$1.6 million in relation to office building renovation, mine design and related facilities and research on gold processing method.

### 12. Off-Balance Sheet Arrangements

The Group does not have any off-balance sheet arrangements.

### 13. Future plans for material investments

The Group intends to use its available funds to invest in each of equity, debt instruments and other investments as part of its focus as an investment issuer. As at the report date, the Company does not have any plan for material investment in the near future.

### 14. Outstanding Share Data

The following table provides information concerning the Company's share capital and convertible securities:

<b>As at</b>	<b>December 31, 2018</b>	<b>September 30, 2019</b>	<b>November 21, 2019</b>
Number of Common Shares Outstanding	49,911,982	<b>49,812,482</b>	<b>49,785,482</b>
Number of Options Outstanding	280,000	<b>260,000</b>	<b>260,000</b>
Number of Common Shares Fully Diluted	50,191,982	<b>50,072,482</b>	<b>50,045,482</b>

### 15. Risk Factors

The mining business conducted by the Group is subject to a number of risks. These risk factors could materially affect the Group's future operating results and could cause actual events to differ materially from those described in the forward-looking statements relating to the Group. Prospective investors should carefully consider the risks factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position. Please refer to the section entitled "Risk Factors" in the Company's Annual MD&A for the financial year ended December 31, 2018, available on SEDAR at [www.sedar.com](http://www.sedar.com).