

GobiMin Inc.

(Incorporated in Canada under the Canada Business Corporations Act)

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

June 30, 2020

(Expressed in United States Dollars except where otherwise noted)

GobiMin Inc.
Interim MD&A – Quarterly Highlights
For the quarter ended June 30, 2020
(Expressed in United States Dollars)
August 18, 2020

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 fiscal year ended December 31, 2019. 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 August 18, 2020 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 June 30, 2020 prepared in accordance with International Financial Reporting Standards (“IFRS”), its audited consolidated financial statements for the year ended December 31, 2019 prepared in accordance with IFRS and the Annual MD&A.

Additional information is accessible at the Company’s website www.gobimin.com or through the Company’s public filing at 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. The Company is not aware of any significant changes to its risk factors previously disclosed, however the gradual outbreak of COVID-19 and its eventual declaration as a pandemic has resulted in government worldwide enacting measures to combat the spread of COVID-19 and have caused material disruption to business globally and economic slowdown. It is uncertain to predict the length, extent and long-term impact of the global pandemic on the financial conditions, cash flows and results of operations of the Company. The outbreak of the COVID-19 should be considered as a new risk factor. 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 properties, 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 return and potential capital gains.

GobiMin Inc.
Interim MD&A – Quarterly Highlights
For the quarter ended June 30, 2020
(Expressed in United States Dollars)
August 18, 2020

2. Financial Highlights

	3 months ended June 30		12 months ended
	2020	2019	December 31, 2019
	\$	\$	\$
Revenue	0.2 million	0.3 million	1.3 million
Gain on disposal of financial assets	0.1 million	1,000	0.6 million
Fair value gain on financial assets	0.2 million	0.1 million	0.9 million
Net loss for the period/year	(70,000)	(0.4 million)	(0.5 million)
Loss attributable to shareholders of the Company	(30,000)	(0.4 million)	(0.3 million)
EBITDA/(LBITDA) ⁽¹⁾	11,000	(0.5 million)	(0.6 million)
Basic and diluted loss per share	(0.001)	(0.007)	(0.007)
EBITDA/(LBITDA) per share ⁽¹⁾	0.0002	(0.009)	(0.013)
Cash and cash equivalents	17.9 million	16.9 million	17.8 million
Cash and cash equivalents per share ⁽¹⁾	0.36	0.34	0.36
Working capital	21.2 million	22.4 million	21.3 million
Total current liabilities	2.3 million	2.1 million	2.5 million
Total non-current financial liabilities	-	-	0.4 million
Total assets	73.3 million	76.8 million	76.0 million

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.

3. Business Summary and Development

The objective of the Company is to seek superior returns by making investments in properties, 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.

3.1 COVID-19 Pandemic Impacts

During the reporting period under review, the ongoing COVID-19 pandemic has caused intense disruptions for the global supply chains and regular business operations. In consideration of the long term effect of the pandemic, public have become less optimistic about the global economy and more cautious in their views on potential scenarios for COVID-19 recovery. To date there have been significant wide-spread stock market declines.

The Company has been monitoring the potential impact of COVID-19 pandemic on our operations since mid-February 2020. At this time, it is unknown the duration and extent of the impact of the coronavirus pandemic may have on the Company as this will depend on future developments that are highly uncertain and cannot be predicted with confidence. The Group's operations may be adversely affected if significant

portions of its workforce are unable to work effectively due to illness, quarantines, government-mandated closures of specific activities or other restrictions in connection with future waves of COVID-19 pandemic. As at June 30, 2020, the management determined that its general operation of business, working capital and the value of the Company's assets were not materially impacted. Given the importance of cash flow in times like this, we have developed treasury strategies for cash management as part of our overall business risk plans, including but not limited to suspension of dividend distribution, strengthening cost control measures and salary reduction programme. Meanwhile, the Company continues to work on timely adjustment on investment plans in light of the current conditions and will explore opportunities in a proactive manner.

As uncertainties from the outbreak are likely to persist, the management will monitor closely the rapidly evolving situation and compile an assessment of the longer-term structural changes that may come out of the pandemic.

3.2 Gold Project in Xinjiang

The Company owns a 70% equity interest in Xinjiang Tongyuan Minerals Limited which holds the Gold Project in Xinjiang. The exploration licence has an expiry date on August 22, 2021. The mining licence was expired on December 23, 2019 and renewal application had been accepted by both the Department of Land and Resources of Wuqia County and the Department of Land and Resources of Kezilesu Prefecture. In this quarter, we were requested to submit the land rehabilitation report which was submitted to Department of Land and Resources of Xinjiang in July 2020. As at the reporting date, public services of the Department of Land and Resources was further impacted by the local resurgence of COVID-19 in Xinjiang. It is expected that the renewal application of the mining licence will be processed after determination of reserve by the Department of Land and Resources as well as payment for the related fee based on the assessed reserve. However, due to work piled up during the pandemic, it may take longer time to proceed our renewal of the mining licence.

The on-site industrial test on applying bio-tech methodology on extraction of metals from large-scale samples of gold ores was in pre-oxidation stage. The cultured bacteria reached its target volume with warmer weather in Xinjiang, and large-scale sample has been taken and delivered for further testing in May and June 2020. Based on the analysis of the samples collected, the cultured bacteria were found active in the ore heap which indicated the pre-oxidation of ores has gone well. Impacted by the local resurgence of COVID-19, the remaining monthly samples will take longer time to deliver for analysis results. Due to the more strengthened control implemented on procurement of sulphuric acid, the testing suffered from short of sulphuric acid for about 8 weeks until the end of this quarter. After the pre-oxidation stage and subject to the analysis result of the samples, the industrial test would enter the final stage of immersion gold process probably in year 2021.

Considering the upward trend of gold price and positive progress with respect to the on-site industrial test of the Gold Project, there was no impairment indication related to the assets of the Gold Project. For the period ended June 30, 2020, there was addition of \$0.1 million in the exploration and evaluation assets and the Group had a contractual commitment of \$1.5 million for the future development of the Gold Project.

3.3 Financial Assets

(i) Listed Securities

As at June 30, 2020, the fair value of listed securities held by the Group amounted to \$0.4 million (December 31, 2019: \$0.1 million) which mainly include \$0.3 million (December 31, 2019: \$11,000)

GobiMin Inc.
Interim MD&A – Quarterly Highlights
For the quarter ended June 30, 2020
(Expressed in United States Dollars)
August 18, 2020

investment in listed stock, futures and options trading through registered brokerage firms in Hong Kong and \$49,000 (December 31, 2019: \$0.1 million) for a listed stock in Canada. For the six months ended June 30, 2020, the gain on disposal from trading of listed stock, indexes, futures and options amounted to \$0.1 million (Q2 2019: nil) and fair value loss was \$0.1 million (Q2 2019: gain of \$0.9 million).

(ii) Unlisted Investments

The Group holds 670,000 shares of Dragon Silver Holdings Limited (“Dragon Silver”) representing 9.90% of its total issued capital at an investment cost of \$1.1 million (HK\$8,710,000). 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. At the time of investment in December 2017, its major shareholder (the “Guarantor”) irrevocably guaranteed to the Group that (i) its audited net profit after tax shall not be less than \$1.93 million (HK\$15 million) (the “Profit Guarantee”) 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 it during each of the Relevant Years shall not be less than \$0.16 (HK\$1.25) per share (the “Dividend Guarantee”). The Group also has the right to sell all its shares to the Guarantor at the initial investment costs during the period from December 29, 2021 to December 29, 2022 (the “Put Option”). On April 28, 2020, the Group waived the profit guarantee compensation of \$0.11 million (HK\$856,000) for the years ended June 30, 2019 and June 30, 2020 in consideration of the difficult market conditions caused by US-China trade tensions, weakening global manufacturing and supply chain and outbreak of COVID-19 pandemic. The carrying value of the investment, the Profit Guarantee, Dividend Guarantee and the Put Option as at June 30, 2020 was \$1.4 million (December 31, 2019: \$1.4 million).

As at June 30, 2020, other unlisted investments held by the Group amounted to \$0.2 million (December 31, 2019: \$0.2 million). During the period under review, the fair value gain on other unlisted investments was \$5,000 (Q2 2019: nil).

(iii) 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 June 30, 2020, the Group held debentures of \$3.0 million (December 31, 2019: \$4.6 million) with coupon rates ranged from 4.250% to 7.375% (December 31, 2019: 4.250% to 7.750%) per annum and maturities ranged between November 4, 2020 and perpetual (December 31, 2019: January 17, 2020 and perpetual).

For the six months ended June 30, 2020, the interest income on debentures and certificate of deposit was \$0.1 million (2019 Q2: \$0.1 million) and fair value loss was \$0.1 million (2019 Q2: gain of \$0.1 million) respectively.

3.4 Investment Properties

On December 10, 2019, the Group acquired two investment properties for \$3.1 million in Shenzhen, China for recurring rental income. The decline in market value of such properties was still moderate and the fair value with reference to the recent market prices of similar properties in the same locations was higher or close to the carrying amount. Both of the investment properties were leased out to independent third parties at the reporting date.

3.5 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. 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 pursuant to the NCIB.

For the six months ended June 30, 2020, a total of 450,000 common shares were repurchased at an aggregate cost of \$72,125 (CAD98,985). All shares repurchased 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.

3.6 Liquidity and Capital Resources

As at June 30, 2020, working capital of the Group amounted to about \$21.2 million (December 31, 2019: \$21.3 million), by netting off its current assets of \$23.5 million (December 31, 2019: \$23.8 million) with current liabilities of \$2.3 million (December 31, 2019: \$2.5 million).

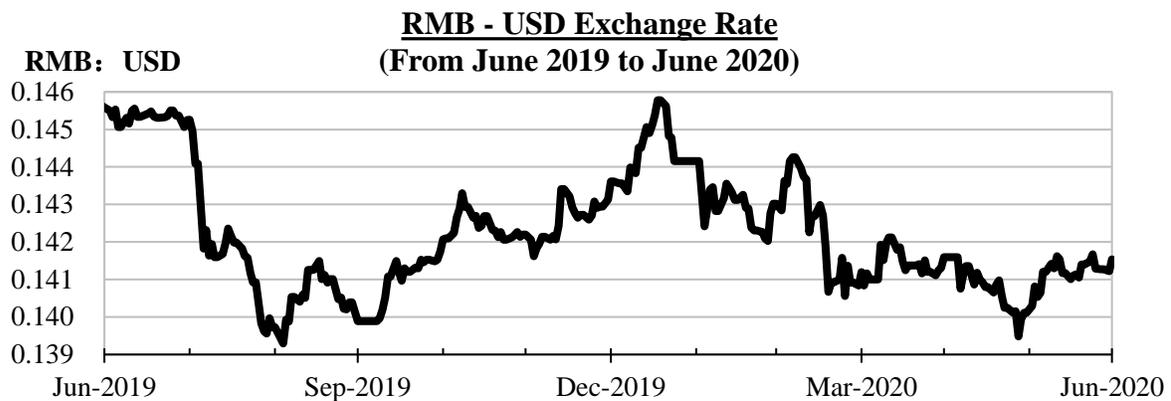
Among the cash and cash equivalents of \$17.9 million, approximately \$0.7 million were held by subsidiaries in China. The subsidiaries in China are allowed to transfer funds to other Group companies outside China upon presentation of relevant documentation required by applicable regulations, subject to the risks outlined hereinafter under the section “Risk Factors”. The Group will take careful measures ahead 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 \$1.5 million.

4. Key Economic Trends

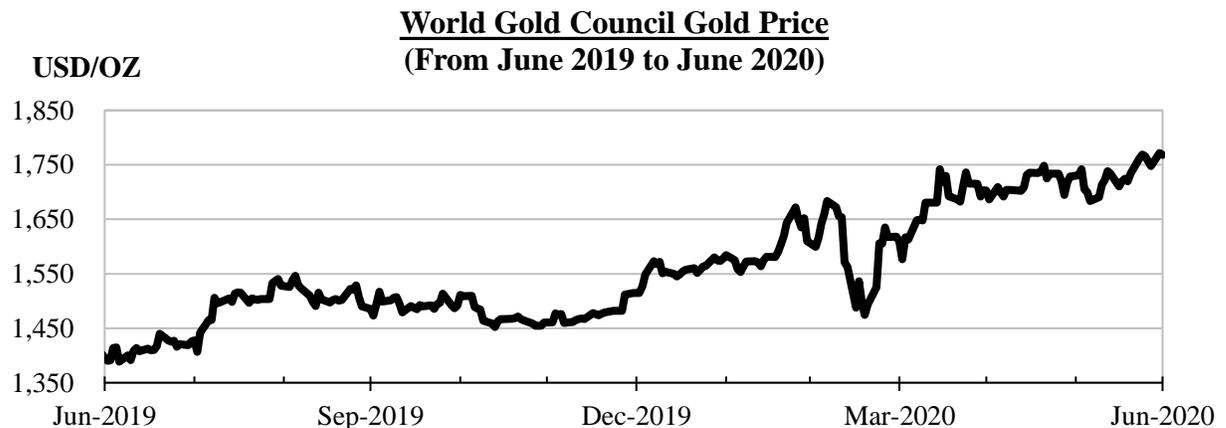
4.1 China Economy

On account of the large proportion of GobiMin’s business operated in China, the condition of the Chinese economy plays a key role the Group’s exploration and development business. Currency fluctuations may also have an impact on the Group’s cost structure as the Group reports in United States dollars. As at June 30, 2020, the Chinese Renminbi (“RMB”) depreciated by approximately 2.81% against the United States dollars comparing with the exchange rate as at June 30, 2019.



4.2 Gold Market

The changes in price of gold have a strong influence on the Gold Project’s value. As at June 30, 2020, the gold price has increased by around 25.49% against the price as at June 30, 2019.



5. Selected Quarterly Information

For the three months ended June 30, 2020, the Group reported a net loss of \$70,000 (Q2 2019: \$0.4 million) which mainly comprised interest income and rental income of \$0.2 million (Q2 2019: \$0.3 million), gain on disposal of financial assets of \$0.1 million (Q2 2019: \$1,000), fair value gain on financial assets of \$0.2 million (Q2 2019: \$0.1 million) and administrative expenses of \$0.7 million (Q2 2019: \$0.8 million).

In this quarter, the Group recorded a net cash outflow of \$0.4 million (Q2 2019: cash inflow of \$1.2 million). It was mainly the payment of office expenses of \$0.4 million (Q2 2019: \$0.5 million). The cash inflow for the three months ended June 30, 2019 mainly represented repayment from a related company of \$2.1 million netting off the payment of dividend of \$0.4 million and office expenses of \$0.5 million.

The total assets decreased by \$2.7 million from \$76.0 million as at December 31, 2019 to \$73.3 million at this quarter end which mainly represented depreciation provided for property, plant and equipment and investment properties of \$0.5 million, exchange loss on translation of exploration and evaluation assets of \$0.6 million, fair value loss on financial assets of \$0.2 million, write-off of right-of-use assets upon termination of lease of \$0.4 million, net payment of office expenses of \$0.8 million and exchange loss of \$0.2 million.

6. Results of Operations

6.1 Revenue

Interest income and rental income in the second quarter of 2020 were \$0.1 million (3 months Q2 2019: \$0.2 million) and \$53,000 (3 months Q2 2019: \$83,000) respectively.

Interest income and rental income for the six months ended June 30, 2020 were \$0.3 million (6 months Q2 2019: \$0.5 million) and \$0.1 million (6 months Q2 2019: \$0.2 million) respectively.

6.2 Fair Value (Loss)/Gain on Financial Assets

For the three months ended June 30, 2020, fair value gain on financial assets at fair value through profit or loss was \$0.2 million (3 months Q2 2019: \$0.1 million). It mainly represented the fair value gain on debentures of \$0.2 million (3 months Q2 2019: \$0.1 million) with reference to quoted market prices at the end of the reporting period.

For the six months ended June 30, 2020, fair value loss on financial assets at fair value through profit or loss was \$0.2 million (6 months Q2 2019: fair value gain of \$1.1 million). It mainly represented the fair value loss on debentures of \$0.1 million (6 months Q2 2019: fair value gain of \$0.1 million) and fair value loss on listed securities of \$0.1 million (6 months Q2 2019: fair value gain of \$0.9 million) with reference to quoted market prices at the end of the reporting period.

6.3 General and Administrative Expenses

General and administrative expenses were \$0.7 million for this quarter (3 months Q2 2019: \$0.8 million) and \$1.4 million for the six months ended June 30, 2020 (6 months Q2 2019: \$1.5 million). It mainly included pre-operating expenses incurred for the Gold Project, office rental, staff costs and legal and professional fees.

GobiMin Inc.
Interim MD&A – Quarterly Highlights
For the quarter ended June 30, 2020
(Expressed in United States Dollars)
August 18, 2020

6.4 (Loss)/Earnings Per Share

The basic and diluted loss per share were \$0.001 for this quarter (3 months Q2 2019: \$0.007) and were \$0.025 for the six months ended June 30, 2020 (6 months Q2 2019: earnings of \$0.005).

6.5 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 \$0.5 million incurred in the corresponding period last year. The calculation of EBITDA/(LBITDA) was set out in the table below:

For the three months ended	June 30, 2020	June 30, 2019
	\$	\$
Loss for the period	(70,334)	(398,561)
Interest income	(145,520)	(240,751)
Interest expense	23	-
Depreciation	226,378	187,245
EBITDA/(LBITDA) ⁽¹⁾	10,547	(452,067)
EBITDA/(LBITDA) per share ⁽²⁾	0.0002	(0.009)

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.

6.6 Annual Dividend

On June 21, 2019, the Company paid an annual dividend of \$0.01 (CAD0.01) per share for a total amount of \$0.4 million (2018: \$0.4 million) in accordance with its dividend policy and 2018 performance.

On April 28, 2020, the Board did not recommend any payment of dividend for the year ended December 31, 2019 in accordance with its dividend policy and 2019 performance.

7. Cash Flows

The following table summarises the Group’s cash flows and cash on hand:

As at	June 30, 2020	December 31, 2019
	\$	\$
Cash and cash equivalents	17,886,443	17,777,915
Working capital ⁽¹⁾	21,190,252	21,313,423
	\$	\$
For the three months ended	June 30, 2020	June 30, 2019
Net cash flow used in operating activities	(461,933)	(1,297,764)
Net cash flow used in financing activities	(44,685)	(389,984)
Net cash flow from investing activities	88,355	2,871,250
(Decrease)/increase in cash and cash equivalents	(418,263)	1,183,502

GobiMin Inc.
Interim MD&A – Quarterly Highlights
For the quarter ended June 30, 2020
(Expressed in United States Dollars)
August 18, 2020

<u>For the six months ended</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
	\$	\$
Net cash flow used in operating activities	(1,142,301)	(2,436,296)
Net cash flow used in financing activities	(72,125)	(391,290)
Net cash flow from investing activities	1,436,731	2,658,876
Increase/(decrease) in cash and cash equivalents	222,305	(168,710)

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 June 30, 2020

In this quarter, the Company recorded a net cash outflow from operating activities of \$0.5 million (3 months Q2 2019: \$1.3 million) which comprised of net cash payment of office expenses of \$0.4 million (3 months Q2 2019: \$0.5 million) and payment of deposits and settlement of payables of \$0.1 million (3 months Q2 2019: \$0.8 million).

For the six months ended June 30, 2020

For the six months ended June 30, 2020, net cash outflow from operating activities was \$1.1 million (6 months Q2 2019: \$2.4 million), which comprised of net cash payment of the office expenses of \$0.8 million (6 months Q2 2019: \$1.0 million) and payment of deposits and settlement of payables of \$0.3 million (6 months Q2 2019: \$1.4 million).

7.2 Financing Activities

For the three months ended June 30, 2020

In this quarter, the Company recorded a cash outflow from financing activities of \$45,000 (3 months Q2 2019: \$0.4 million), solely representing the shares repurchased for the period. The decrease in cash outflow is due to the payment of \$0.4 million dividend only incurred in the year 2019.

For the six months ended June 30, 2020

For the six months ended June 30, 2020, the Company recorded a cash outflow from financing activities of \$0.1 million (6 months Q2 2019: \$0.4 million), solely representing the shares repurchased for the period. The decrease in cash outflow is due to the payment of \$0.4 million dividend only incurred in the year 2019.

7.3 Investing Activities

For the three months ended June 30, 2020

In this quarter, the Company recorded a cash inflow from investing activities of \$0.1 million (3 months Q2 2019: \$2.9 million), mainly representing the interest received of \$0.1 million (3 months Q2 2019: \$0.2 million). The cash inflow was decreased because there was repayment from a related company of \$2.1 million and cash inflow of \$1.1 million from net maturity of certificate of deposit in 2019.

GobiMin Inc.
Interim MD&A – Quarterly Highlights
For the quarter ended June 30, 2020
(Expressed in United States Dollars)
August 18, 2020

For the six months ended June 30, 2020

For the six months ended June 30, 2020, net cash inflow from investing activities was \$1.4 million (6 months Q2 2019: \$2.7 million) mainly representing the cash inflow from disposal and maturity of debentures of \$1.5 million (6 months Q2 2019: \$1.0 million) netting of net purchase of listed securities of \$0.2 million (6 months Q2 2019: nil). The cash inflow was decreased because there was repayment from a related company of \$2.1 million in 2019.

8. Statements of Financial Position

8.1 Cash and Cash Equivalents

The Group had approximately \$17.9 million in cash and cash equivalents as at June 30, 2020, compared to \$17.8 million as at December 31, 2019. The increase of \$0.1 million was mainly the combined effect of cash inflow from disposal and maturity of debentures of \$1.5 million, netting off cash outflow for net purchase of listed securities of \$0.2 million, payment of deposit and settlement of payables of \$0.3 million, payment of office expenses of \$0.8 million and effect of foreign exchange rate changes on opening cash of \$0.1 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 six months ended June 30, 2020, there were addition of \$0.1 million in exploration and evaluation assets which mainly represented the research and development cost on bioleaching technique on gold ores.

8.3 Financial Assets

As at June 30, 2020, financial assets comprised:

Current Portion

- (a) \$5,000 investment in shares listed on GEM of The Stock Exchange of Hong Kong Limited.
- (b) \$0.3 million investment in listed shares, options and futures.
- (c) \$0.4 million debentures with coupon rates ranged from 4.750% to 6.000% per annum and maturities ranged between November 4, 2020 and May 31, 2021.

Non-current Portion

- (d) \$2.6 million debentures with coupon rates ranged from 4.250% to 7.375% per annum and maturities ranged between November 30, 2026 and perpetual.
- (e) \$1.4 million unlisted equity investment in Dragon Silver, a Hong Kong based metal trading and processing company.
- (f) \$0.2 million investment in an investment fund.
- (g) \$49,000 investment in shares listed on TSX Venture Exchange.

8.4 Share Capital

As at June 30, 2020, GobiMin had 49,194,982 common shares issued and outstanding. 450,000 shares were repurchased and cancelled for the six months ended June 30, 2020.

GobiMin Inc.
Interim MD&A – Quarterly Highlights
For the quarter ended June 30, 2020
(Expressed in United States Dollars)
August 18, 2020

9. Related Party Transactions

The Group had the following transactions with related parties during the six months ended June 30, 2020:

- (a) Fees and other remunerations to directors and management personnel of \$0.2 million (Q2 2019: \$0.2 million).
- (b) Rental income of \$34,369 (Q2 2019: \$24,076) and share of office common expenses of \$7,906 (Q2 2019: \$2,335) from companies in which a director of the Company has equity interest.
- (c) For the six months ended June 30, 2019, there were rental income of \$41,828, interest income of \$59,252, share of office common expenses and staff cost of \$8,335 from a company with common director. No such transaction recorded in this quarter.

10. Capital Commitment

As at June 30, 2020, the Group had capital commitments of \$1.5 million in relation to office building renovation, mine design and related facilities and research on gold processing method.

11. Off-Balance Sheet Arrangements

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

12. Future plans for material investments

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

13. Outstanding Share Data

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

As at	December 31, 2019	June 30, 2020	August 18, 2020
Number of Common Shares Outstanding	49,644,982	49,194,982	49,194,982
Number of Options Outstanding	-	-	-
Number of Common Shares Fully Diluted	49,644,982	49,194,982	49,194,982

14. Risk Factors

The 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, 2019, available on SEDAR at www.sedar.com.