

GobiMin Inc.

(Incorporated in Canada under the Canada Business Corporations Act)

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

September 30, 2020

(Expressed in United States Dollars except where otherwise noted)

GobiMin Inc.

Interim MD&A – Quarterly Highlights

For the quarter ended September 30, 2020

(Expressed in United States Dollars)

November 25, 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 financial 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 November 21, 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 September 30, 2020 prepared in accordance with International Financial Reporting Standard (“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.

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2. Financial Highlights

	3 months ended September 30		12 months ended
	2020	2019	December 31, 2019
	\$	\$	\$
Revenue	0.3 million	0.4 million	1.3 million
Gain on disposal of financial assets	0.1 million	0.5 million	0.6 million
Fair value gain on financial assets	55,000	25,000	0.9 million
Net (loss)/profit for the period/year	(0.4 million)	46,000	(0.5 million)
(Loss)/Profit attributable to shareholders of the Company	(0.2 million)	0.1 million	(0.3 million)
(LBITDA)/EBITDA ⁽¹⁾	(0.3 million)	11,000	(0.6 million)
Basic and diluted (loss)/earnings per share	(0.005)	0.001	(0.007)
(LBITDA)/EBITDA per share ⁽¹⁾	(0.006)	0.0002	(0.013)
Cash and cash equivalents	18.3 million	21.4 million	17.8 million
Cash and cash equivalents per share ⁽¹⁾	0.37	0.43	0.36
Working capital	21.5 million	23.8 million	21.3 million
Total current liabilities	2.4 million	2.3 million	2.5 million
Total non-current financial liabilities	-	0.4 million	0.4 million
Total assets	74.5 million	76.0 million	76.0 million

Note:

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

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 COVID-19 pandemic is raising uncertainty about the global supply chains and how quickly things will return to normal. Although data indicated that the global economy should produce a rebound in the third quarter and poised to begin a recovery, the latest lockdowns showed that the recovery was slowing markedly, which could exacerbate medium-term economic scarring. To date there have been significant wide-spread stock market fluctuations.

The Company has been monitoring the potential impact of COVID-19 pandemic on our operations since mid-February 2020. COVID-19 is threatening the supply chains and logistics setup of the Group, thus causing unprecedented impact on our normal business activities. The Group's operations may be adversely affected by unstable employment if great portions of our workforce, especially technical workers, are confined to their homes by government order or cannot return to workplace by restrictions on travel. As at September 30, 2020, the management had assessed the credit risk of the loan receivable and the fair

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market value of the investment properties with reference to the recent market prices for similar properties in the same locations and similar conditions. Based on the assessment, an impairment loss of \$0.2 million on investment properties located in China was recognized during the period. Save for this, the management determined that its general operation of business working capital and the value of the Company's assets were not materially impacted. A realistic view of mastering the crisis is keeping healthy cash position and implementing cautious cash management. Thus, we have developed treasury strategies 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 actively seek out the most up-to-date market information and formulate various plans for each scenario in the context of business continuity.

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 the related departments. Due to the outbreak of COVID-19 in Xinjiang in July 2020, approval process of mining licence renewal by the Department of Land and Resources was further impacted. Comments on the land rehabilitation report has been received from the Department of Land and Resources of Xinjiang in November 2020 and the revised report will be submitted by the end of 2020. It is expected that our renewal application 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 lockdown, it may take longer time to proceed our application.

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. Attributable to the two waves of COVID-19 in Xinjiang in July and October 2020, the test has been adversely affected by the lockdown and travel restrictions. Suspension of public services of the local government from July to September 2020 delayed the approval process for our sulfuric acid procurement application. In virtue of the acid shortage, we adjusted the spray time and suspend the spray of oxidized ores to ensure pre-oxidation of the ore heap. Alkali tablets cannot be transported to the test site on time due to lockdown measures, resulting in the delay of neutralization work to the next spring. In consideration of the long delivery time of samples to the Institute in Beijing, we engaged a local analysis centre to conduct sample analysis work. According to their analysis results, iron and arsenic in the ore heap has been gradually separated out. More samples were delivered for comprehensive analysis to the Institute in October. We will have a better knowledge of the development and effect of the pre-oxidation test after receiving the results.

For the period ended September 30, 2020, there was addition of \$0.1 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.

3.3 Financial Assets

(i) Listed Securities

As at September 30, 2020, the fair value of listed securities held by the Group amounted to \$0.2 million (December 31, 2019: \$0.1 million) which mainly included \$0.1 million (December 31, 2019: \$11,000) investment in listed stock, futures and options trading through registered brokerage firms in Hong Kong

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and \$0.1 million (December 31, 2019: \$0.1 million) for a stock listed in Canada. For the nine months ended September 30, 2020, the gain on disposal of listed securities amounted to \$0.2 million (Q3 2019: \$0.5 million) and fair value loss was \$0.1 million (Q3 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.

Pursuant to the subscription agreement dated December 29, 2017, the guarantor of the agreement irrevocably guaranteed to the Group that the amount of dividends declared and paid by Dragon Silver during each of the financial years ending from June 30, 2018 to 2022 shall not be less than \$0.16 (HK\$1.25) per share (“Dividend Guarantee”). If the dividend per share declared and paid by Dragon Silver is less than the Dividend Guarantee, the guarantor shall compensate the Group the sum being calculated as the shortfall (“Dividend Compensation Amount”). As at September 30, 2020, Dragon Silver has not declared and paid any dividend to the Group. In October 2020, the guarantor paid to the Group the Dividend Compensation Amount for the financial year ended 30 June 2020 of \$0.1 million. The carrying value of the investment together with the Dividend Guarantee, the related profit guarantee and put option as at September 30, 2020 was \$1.4 million (December 31, 2019: \$1.4 million).

As at September 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 \$10,000 (Q3 2019: \$1,000).

(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 September 30, 2020, the Group held debentures of \$3.1 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 nine months ended September 30, 2020, the interest income on debentures and certificate of deposit was \$0.1 million (2019 Q3: \$0.1 million) and fair value loss was \$0.1 million (2019 Q3: gain of \$0.2 million) respectively.

3.4 Investment Properties

As at September 30, 2020, the investment properties in China with carrying amount of \$4.4 million was higher than the estimated fair value of \$4.2 million and therefore an impairment loss on investment properties of \$0.2 million was recognized for the period ended September 30, 2020 (2019: nil) and certain investment properties in Xinjiang remained vacant.

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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 were 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.

Upon the end of NCIB on August 7, 2020, a total of 450,000 common shares were repurchased at an aggregate cost of \$73,624 (CAD98,985). All shares repurchased have been returned to treasury for cancellation.

Management believed 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 September 30, 2020, working capital of the Group amounted to about \$21.5 million (December 31, 2019: \$21.3 million), by netting off its current assets of \$23.9 million (December 31, 2019: \$23.8 million) with current liabilities of \$2.4 million (December 31, 2019: \$2.5 million).

Among the cash and cash equivalents of \$18.3 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 \$1.6 million.

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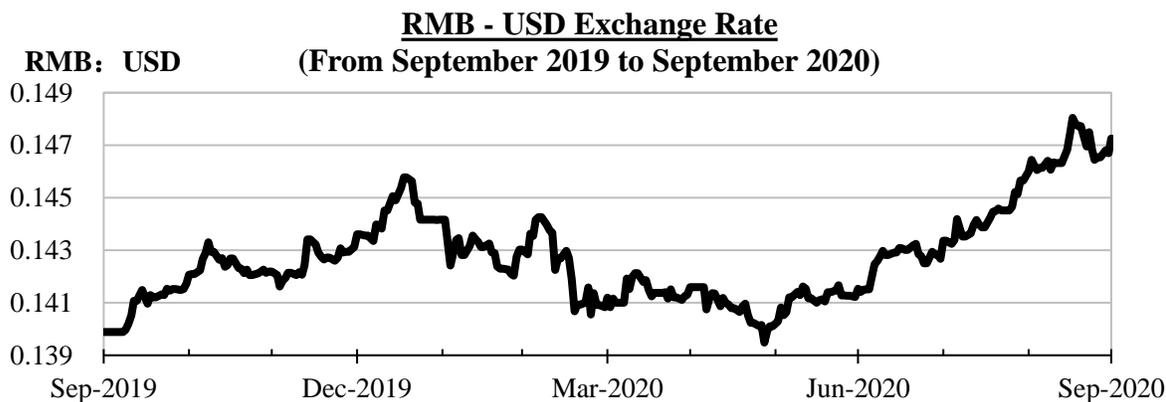
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4. Key Economic Trends

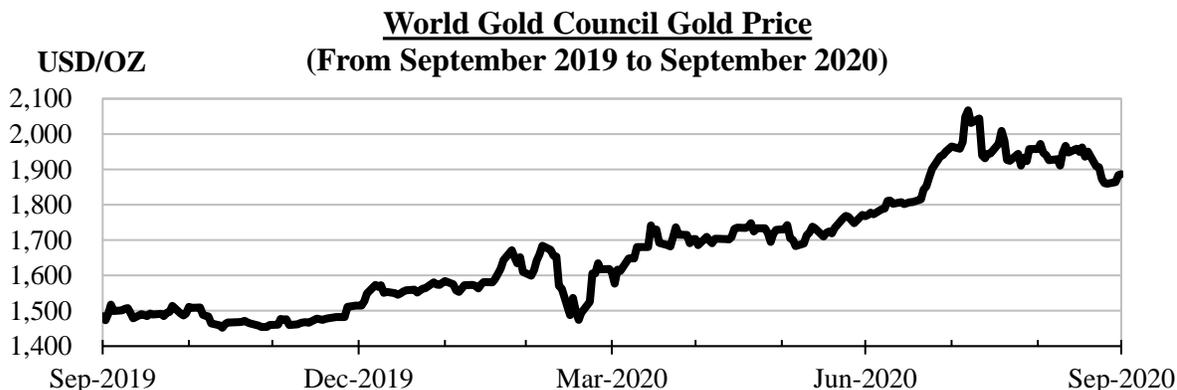
4.1 China Economy

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, 2020, the exchange rate of the Chinese Renminbi against the U.S. dollar increased by 5.27%, as compared with that as at September 30, 2019.



4.2 Gold Market

The changes in price of gold have a strong influence on the Gold Project's value. As at September 30, 2020, the gold price increased by 27.04% from that as at September 30, 2019.



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5. Selected Quarterly Information

For the three months ended September 30, 2020, the Group reported a net loss of \$0.4 million (Q3 2019: net profit of \$46,000) which mainly comprised of interest income of \$0.2 million (Q3 2019: \$0.2 million), dividend income of \$0.1 million (Q3 2019: \$0.1 million), gain on disposal of financial assets of \$0.2 million (Q3 2019: \$0.5 million) and exchange gain of \$0.5 million (Q3 2019: exchange loss of \$0.1 million), netting of the administrative expenses of \$0.8 million (Q3 2019: \$0.7 million) and impairment loss on investment properties of \$0.2 million (Q3 2019: nil) and written-off of exploration and evaluation assets of \$0.4 million.

In this quarter, the Group recorded a net cash inflow of \$0.3 million (Q3 2019: \$4.7 million) which mainly represent \$0.3 million from net disposal of listed securities trading through registered brokerage firms in Hong Kong. The cash inflow for the three months ended September 30, 2019 mainly represented the cash inflow from disposal of shares of Loco HK of \$2.8 million, proceed from the disposal of debentures of \$1.0 million and maturity of certificate of deposit of \$1.0 million.

The total assets decreased by \$1.5 million from \$76.0 million as at December 31, 2019 to \$74.5 million at this quarter end which mainly represented impairment loss on investment properties of \$0.2 million (Q3 2019: nil), written-off of exploration and evaluation assets of \$0.4 million, fair value loss on financial assets of \$0.2 million and net payment of office expenses of \$1.3 million netting off the exchange gain on translation of exploration and evaluation assets of \$0.5 million.

6. Results of Operations

6.1 Revenue

For the three months ended September 30, 2020, interest income was \$0.2 million (3 months Q3 2019: \$0.2 million), rental income was \$45,000 (3 months Q3 2019: \$55,000) and dividend income was \$0.1 million (3 months Q3 2019: \$0.1 million) respectively.

For the nine months ended September 30, 2020, interest income was \$0.4 million (9 months Q3 2019: \$0.7 million), rental income was \$0.1 million (9 months Q3 2019: \$0.2 million) and dividend income was \$0.1 million (9 months Q3 2019: \$0.1 million) respectively.

6.2 Gain on Disposal of Financial Assets

For the three months ended September 30, 2020, gain on disposal of financial assets of \$0.1 million (3 months Q3 2019: \$0.5 million) was recorded.

For the nine months ended September 30, 2020, gain on disposal of financial assets of \$0.2 million (9 months Q3 2019: \$0.5 million) was recorded.

6.3 Fair Value (Loss)/Gain on Financial Assets

For the three months ended September 30, 2020, fair value gain on financial assets at fair value through profit or loss was \$55,000 (3 months Q3 2019: \$25,000). 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, 2020, fair value loss on financial assets at fair value through profit or loss was \$0.2 million (9 months Q3 2019: fair value gain of \$1.1 million). It mainly represented the fair value loss on debentures of \$0.1 million (9 months Q3 2019: fair value gain of \$0.2 million) and

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fair value loss on listed securities of \$0.1 million (9 months Q3 2019: fair value gain of \$0.9 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 \$0.8 million for this quarter (3 months Q3 2019: \$0.7 million) and \$2.2 million for the nine months ended September 30, 2020 (9 months Q3 2019: \$2.2 million). It mainly included pre-operating expenses incurred for the Gold Project, office rental, staff costs and legal and professional fees.

6.5 Written-off of exploration and evaluation assets

During the period ended September 30, 2020, there was a written-off of exploration and evaluation assets of \$0.4 million (2019: nil). It represented certain research and development cost incurred for gold processing methodology of the Gold Project which was considered not recoverable.

6.6 (Loss)/Earnings Per Share

The basic and diluted loss per share were \$0.005 for this quarter (3 months Q3 2019: earnings per share of \$0.001) and \$0.029 for the nine months ended September 30, 2020 (9 months Q3 2019: earnings per share of \$0.007).

6.7 (LBITDA)/EBITDA

The (loss)/earnings before interest income and expense, income taxes, depreciation and amortisation (“(LBITDA)/EBITDA”), a non-IFRS performance measure, for this quarter were loss of \$0.3 million as compared to earnings of \$11,000 incurred in the corresponding period last year. The calculation of (LBITDA)/EBITDA was set out in the table below:

For the three months ended	September 30, 2020	September 30, 2019
	\$	\$
(Loss)/profit for the period	(384,525)	46,123
Interest income	(151,705)	(224,312)
Interest expense	190	3,434
Depreciation	239,661	185,621
(LBITDA)/EBITDA ⁽¹⁾	(296,379)	10,866
(LBITDA)/EBITDA per share ⁽²⁾	(0.006)	0.0002

Note:

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

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6.8 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 summarized the Group's cash flows and cash on hand:

<u>As at</u>	<u>September 30, 2020</u>	<u>December 31, 2019</u>
	\$	\$
Cash and cash equivalents	18,342,341	17,777,915
Working capital ⁽¹⁾	20,843,324	21,313,423
<u>For the three months ended</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
	\$	\$
Net cash flow used in operating activities	(80,768)	(128,328)
Net cash flow used in financing activities	(1,499)	(6,315)
Net cash flow from investing activities	394,336	4,840,688
Increase in cash and cash equivalents	312,069	4,706,045
<u>For the nine months ended</u>	<u>September 30, 2020</u>	<u>September 30, 2019</u>
	\$	\$
Net cash flow used in operating activities	(1,223,069)	(2,564,624)
Net cash flow used in financing activities	(73,624)	(397,605)
Net cash flow from investing activities	1,831,067	7,499,564
Increase in cash and cash equivalents	534,374	4,537,335

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, 2020

In this quarter, the Company recorded a net cash outflow from operating activities of \$81,000 (3 months Q3 2019: \$0.1 million) which comprised of net cash payment of office expenses of \$0.5 million (3 months Q3 2019: \$0.4 million) netting of the settlement from receivables of \$0.3 million (3 months Q3 2019: \$0.4 million).

For the nine months ended September 30, 2020

For the nine months ended September 30, 2020, net cash outflow from operating activities was \$1.2 million (9 months Q3 2019: \$2.6 million) which comprised of net cash payment of the office expenses of \$1.3 million (9 months Q3 2019: \$1.5 million) netting off the settlement from receivables of \$0.1 million (9 months Q3 2019: \$0.2 million). The decrease in cash outflow was mainly due to the settlement of payables of \$1.3 million only incurred for the nine months ended September 30, 2019.

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7.2 Financing Activities

For the three months ended September 30, 2020

In this quarter, the Company recorded a cash outflow from financing activities of \$1,000 (3 months Q3 2019: \$6,000) which represented share repurchase of \$1,000 (3 months Q3 2019: \$2,000). There is no interest paid in this quarter (3 months Q3 2019: \$3,000).

For the nine months ended September 30, 2020

The cash outflow from financing activities was \$74,000 for the nine months ended September 30, 2020 (9 months Q3 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 September 30, 2020

In this quarter, the Company recorded a cash inflow from investing activities of \$0.4 million (3 months Q3 2019: \$4.8 million), mainly representing the interest received of \$0.2 million (3 months Q3 2019: \$0.2 million) and net disposal of listed securities of \$0.3 million (3 months Q3 2019: \$2.8 million) netting off the additions of exploration and evaluation assets of \$54,000 (3 months Q3 2019: \$0.4 million). The cash inflow was decreased because there was cash inflow of \$2.0 million from net disposal or maturity of debentures and certificate of deposit and \$2.8 million from net disposal of listed securities in 2019.

For the nine months ended September 30, 2020

For the nine months ended September 30, 2020, net cash inflow from investing activities was \$1.8 million (9 months Q3 2019: \$7.5 million), mainly representing the cash inflow from disposal and maturity of debentures of \$1.5 million (9 months Q3 2019: \$2.0 million) and interest received of \$0.4 million (9 months Q3 2019: \$0.7 million). The cash inflow was decreased because there was loan repayment from a related company of \$2.4 million and net disposal of listed securities of \$2.8 million in 2019.

8. Statements of Financial Position

8.1 Cash and Cash Equivalents

The Group had approximately \$18.3 million in cash and cash equivalents as at September 30, 2020, compared to \$17.8 million as at December 31, 2019. The increase of \$0.5 million was mainly the combined effect of cash inflow from disposal and maturity of debentures of \$1.5 million and interest received of \$0.4 million, netting off cash outflow for additions of exploration and evaluation assets of \$0.1 million and net payment of office expenses 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, 2020, there were addition of \$0.1 million and written-off of \$0.4 million to exploration and evaluation assets in relation to the research and development cost on bioleaching technique on gold ores.

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8.3 Financial Assets

As at September 30, 2020, financial assets comprised:

Current Portion

- (a) \$4,000 investment in shares listed on GEM of The Stock Exchange of Hong Kong Limited.
- (b) \$0.1 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) \$2.7 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) \$58,000 investment in shares listed on TSX Venture Exchange.

8.4 Share Capital

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

9. Related Party Transactions

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

- (a) Fees and other remunerations to directors and management personnel of \$0.3 million (Q3 2019: \$0.3 million).
- (b) Rental income of \$52,000 (Q3 2019: \$36,000) and share of office common expenses of \$12,000 (Q3 2019: \$4,000) from companies in which a director of the Company has equity interest.

For the nine months ended September 30, 2019, there were rental income of \$50,000, interest income of \$61,000, share of office common expenses and staff cost of \$8,000 from a company with common director. No such transaction recorded in this quarter.

10. Capital Commitment

As at September 30, 2020, 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.

11. Off-Balance Sheet Arrangements

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

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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	September 30, 2020	November 25, 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.