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NEWS RELEASE

TSX-V: GMN

GobiMin Announces First Quarter 2021 Results
(Expressed in United States dollars except where otherwise indicated)

Montreal, Canada, May 25, 2021 – (TSXV: GMN) GobiMin Inc. (“GobiMin” or the “Company”, together with its subsidiaries collectively the “Group”) reports its financial and operating results for the first quarter of 2021. The unaudited condensed interim consolidated financial statements along with quarterly highlights of management’s discussion and analysis have been filed with SEDAR (www.sedar.com) and are also available at the website of the Company (www.gobimin.com).

Financial Highlights

	Three months ended March 31,		Year ended
	2021	2020	December 31, 2020
	\$'000	\$'000	\$'000
Revenue	206	193	891
(Loss)/gain on disposal of financial assets	(114)	(36)	266
Fair value loss on financial assets	(48)	(402)	(106)
Net loss for the period/year	(719)	(1,229)	(3,349)
Loss attributable to shareholders of the Company	(673)	(1,201)	(3,057)
Basic and diluted loss per share (in \$)	(0.014)	(0.024)	(0.062)
LBITDA ⁽¹⁾	(677)	(1,129)	(3,002)
LBITDA per share (in \$) ⁽¹⁾	(0.014)	(0.023)	(0.061)
	As at March 31,		As at
	2021	2020	December 31, 2020
	\$'000	\$'000	\$'000
Cash and cash equivalents	18,392	16,495	19,471
Cash and cash equivalents per share (in \$) ⁽¹⁾	0.37	0.33	0.40
Working capital	20,763	21,083	21,306
Total current liabilities	2,586	2,395	2,536
Total non-current financial liabilities	-	352	-
Total assets	74,199	73,677	74,985

Note:

(1) As non-IFRS measurements, **LBITDA** (loss before interest income and expense, income taxes, depreciation and amortization), **LBITDA per share** and **Cash and cash equivalents per share** are not mandatorily required by IFRS and, therefore, the amounts presented in the above table may not be comparable to similar data presented by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

Business Summary and Development

1. Gold Project in Xinjiang

The Company owns a 70% equity interest in Xinjiang Tongyuan Minerals Limited which holds the Sawayaerdun Gold Project (the “Gold Project”) in Xinjiang. Its exploration licence had been renewed with expiry date on August 22, 2021. Its mining licence expired on December 23, 2019 and the renewal process involved multiple approval levels. The application procedures were delayed attributable to the work piled in government authorities during the COVID-19 pandemic and additional time required for finalizing the resources assessment on the Gold Project by an independent valuer. As at the date of this report, approvals from the Department of Natural Resources of all of the county, prefecture and region levels were confirmed. The renewed mining licence is expected to be issued after settlement of the mining royalties amounting to \$1.46 million (equivalent to RMB9.56 million).

The on-site industrial test on applying bio-tech methodology on extraction of metals from large-scale samples of gold ores was running behind the schedule attributable to the pandemic in 2020. As suggested by the experts from the Research Institute, three-shift rotation schedule has been implemented to accelerate the test progress in the mine site. According to the analysis results on the ore samples and the immersion gold tests conducted by the Research Institute, arsenic and iron in the ore samples have been successfully removed by oxidation. After the pre-oxidation stage and subject to the analysis result of the samples, the industrial test would enter into the final stage of immersion gold process in late 2021.

For the three months ended March 31, 2021, there was no addition to exploration and evaluation assets. As at March 31, 2021, the Group had a contractual commitment of \$1,628,000 for the future development of the Gold Project.

2. Financial Assets

(i) Listed Securities

As at March 31, 2021, the fair value of listed securities held by the Group amounted to \$757,000 (December 31, 2020: \$247,000) which include \$664,000 (December 31, 2020: \$127,000) investment in listed stock, futures and options trading through registered brokerage firms in Hong Kong and \$93,000 (December 31, 2020: \$120,000) for a listed stock in Canada. For the three months ended March 31, 2021, the loss on trading of listed stock, indexes, futures and options amounted to \$114,000 (three months ended March 31, 2020: \$39,000) and fair value loss was \$52,000 (three months ended March 31, 2020: \$80,000).

(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 (equivalent to HK\$8,710,000). Dragon Silver is a Hong Kong based company which mainly engaged in trading, production, processing and investment in precious metals and non-ferrous metals and related products.

In consideration of the continuous difficult market conditions and the impact of COVID-19, the Group agreed to waive the profit guarantee compensation further for the years ended June 30, 2021 and 2022 as requested by the guarantor who committed to continue the payment of the dividend guarantee compensation for the Relevant Years.

There is no material update on the operations of Dragon Silver for the current period under review other than those disclosed in Annual MD&A. The carrying value of the investment together with the Dividend Guarantee, the Profit Guarantee and the Put Option as at March 31, 2021 was \$1,286,000 (December 31, 2020: \$1,286,000). Management considered that there were no material fair value changes for the

investment in Dragon Silver for the three months ended March 31, 2021 (three months ended March 31, 2020: nil).

As at March 31, 2021, unlisted investments held by the Group other than Dragon Silver amounted to \$257,000 (December 31, 2020: \$257,000). During the period under review, the fair value loss on other unlisted investments was \$3,000 (three months ended March 31, 2020: \$10,000).

(iii) Debentures and Certificate of Deposit

The Group would invest in debentures and certificate of deposit bearing low risks and reasonable interest return from various industries through the open market. Debentures are held to receive coupon interest payments as well as to realize potential gains. The Group may dispose of debentures through the open market when the Group requires funds for operational or other investment needs.

As at March 31, 2021, the Group held debentures of \$2,748,000 (December 31, 2020: \$2,741,000) with coupon rates ranged from 4.250% to 7.375% (December 31, 2020: 4.250% to 7.375%) per annum and maturities ranged between May 31, 2021 and perpetual (December 31, 2020: May 31, 2021 and perpetual).

3. Liquidity and Capital Resources

As at March 31, 2021, working capital of the Group was amounted to about \$20,763,000 (December 31, 2020: \$21,306,000), which is computed by netting off its current assets of \$23,349,000 (December 31, 2020: \$23,842,000) with its current liabilities of \$2,586,000 (December 31, 2020: \$2,536,000).

Taking into account of its financial position, 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 \$1,628,000 as at March, 31 2021 (December 31, 2020: \$1,633,000).

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

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