



GobiMin Inc.

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NEWS RELEASE

TSX-V: GMN

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

Montreal, Canada, August 18, 2021 – (TSXV: GMN) GobiMin Inc. (“GobiMin” or the “Company”, together with its subsidiaries collectively the “Group”) reports its financial and operating results for the second 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 June 30,		Year ended
	2021	2020	December 31, 2020
	\$'000	\$'000	\$'000
Revenue	220	202	891
(Loss)/gain on disposal of financial assets	(22)	124	266
Fair value (loss)/gain on financial assets	(26)	194	(106)
Net loss for the period/year	(479)	(70)	(3,349)
Loss attributable to shareholders of the Company	(402)	(30)	(3,057)
Basic and diluted loss per share (in \$)	(0.008)	(0.001)	(0.062)
(LBITDA)/EBITDA ⁽¹⁾	(415)	10	(3,002)
(LBITDA)/EBITDA per share (in \$) ⁽¹⁾	(0.008)	0.0002	(0.061)

	As at June 30,		As at
	2021	2020	December 31, 2020
	\$'000	\$'000	\$'000
Cash and cash equivalents	18,636	17,886	19,471
Cash and cash equivalents per share (in \$) ⁽¹⁾	0.38	0.36	0.40
Working capital	20,528	21,190	21,306
Total current liabilities	2,512	2,272	2,536
Total assets	74,266	73,296	74,985

Note:

(1) As non-IFRS measurements, **(LBITDA)/EBITDA** ((loss)/earnings before interest income and expense, income taxes, depreciation and amortization), **(LBITDA)/EBITDA 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 70% equity interests in Xinjiang Tongyuan Minerals Limited which operates the Sawayaerdun Gold Project (“Gold Project”) in Xinjiang. Its exploration licence had been renewed with expiry date on June 15, 2023. Upon the settlement of the mining royalties of \$1,481,000 (equivalent to RMB9,560,000) in July 2021, the mining licence had been renewed with expiry date on March 22, 2023.

The on-site industrial test on applying bio-tech methodology on extraction of metals from large-scale samples of gold ores was running behind schedule attributable to the COVID-19 pandemic. 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. It is almost the end of the pre-oxidation stage. Upon the satisfaction in maintaining the alkali balance, the industrial test would enter into the final stage of gold immersion process in late 2021.

For the six months ended June 30, 2021, there was no addition to exploration and evaluation assets. As at June 30, 2021, the Group had a contractual commitment of \$1,653,000 for the future development of the Gold Project.

2. Financial Assets

(i) Listed Securities

As at June 30, 2021, the fair value of listed securities held by the Group amounted to \$313,000 (December 31, 2020: \$247,000) which include investments in listed stock, futures and options of \$252,000 (December 31, 2020: \$127,000) trading through registered brokerage firms in Hong Kong and a listed stock in Canada of \$61,000 (December 31, 2020: \$120,000). For the six months ended June 30, 2021, the loss on disposal of listed stock, indexes, futures and options amounted to \$137,000 (six months ended June 30, 2020: gain of \$84,000) and fair value loss on listed securities was \$88,000 (six months ended June 30, 2020: \$76,000).

(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 \$1,121,000 (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 further the profit guarantee compensation for the years ended June 30, 2021 and 2022 as requested by the guarantor. There were no material fair value changes for the investments in Dragon Silver for the six months ended June 30, 2021 (six months ended June 30, 2020: nil).

As at June 30, 2021, unlisted investments held by the Group other than Dragon Silver amounted to \$268,000 (December 31, 2020: \$257,000). During the period under review, the fair value gain on other unlisted investments was \$4,000 (six months ended June 30, 2020: gain of \$5,000).

(iii) Debentures and Certificate of Deposit

As at June 30, 2021, the Group held debentures of \$2,551,000 (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 November 30, 2026 and perpetual (December 31, 2020: May 31, 2021 and perpetual).

For the six months ended June 30, 2021, interest income from debentures was \$79,000 (six months ended June 30, 2020: \$98,000) and fair value gain on debentures amounted to \$10,000 (six months ended June 30, 2020: loss of \$138,000). No gain or loss on disposal of debentures (six months ended June 30, 2020: gain of \$4,000) was recorded for the six months ended June 30, 2021.

3. Liquidity and Capital Resources

As at June 30, 2021, working capital of the Group was amounted to about \$20,528,000 (December 31, 2020: \$21,306,000), which is computed by netting off its current assets of \$23,040,000 (December 31, 2020: \$23,842,000) with its current liabilities of \$2,512,000 (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 \$1,653,000 (December 31, 2020: \$1,633,000) as at June 30, 2021.

For further information, please contact:

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

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