

GobiMin Inc.

(Incorporated in Canada under the Canada Business Corporations Act)

Condensed Interim Consolidated Financial Statements (unaudited)

March 31, 2021

(Expressed in United States Dollars except where otherwise noted)

Notice to readers:

The financial statements and the accompanying notes thereto contained in this report have been prepared by the management and have not been reviewed or audited by the Company's external auditor.

GobiMin Inc.
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
As at March 31, 2021 and December 31, 2020
(Expressed in United States Dollars)

	<i>Notes</i>	March 31, 2021	December 31, 2020
ASSETS		\$	\$
Current			
Cash and cash equivalents	5	18,391,826	19,470,884
Prepayments, deposits and other receivables	6	4,093,064	4,043,852
Financial assets	7	863,888	327,132
Total current assets		23,348,778	23,841,868
Non-current			
Property, plant and equipment	8	9,880,538	9,986,993
Investment properties	9	4,935,972	5,002,652
Exploration and evaluation assets	10	31,849,482	31,949,079
Financial assets	7	4,183,996	4,203,939
Total non-current assets		50,849,988	51,142,663
Total assets		74,198,766	74,984,531
LIABILITIES			
Current			
Other payables, receipts in advance and accrued liabilities	11	1,456,336	1,406,323
Income taxes payable		1,129,462	1,129,462
Total current liabilities		2,585,798	2,535,785
Total liabilities		2,585,798	2,535,785
SHAREHOLDERS' EQUITY			
Share capital	12	21,738,071	21,738,071
Reserves and retained earnings		50,159,733	50,950,522
Equity attributable to shareholders of the Company		71,897,804	72,688,593
Non-controlling interests		(284,836)	(239,847)
Total shareholders' equity		71,612,968	72,448,746
Total liabilities and shareholders' equity		74,198,766	74,984,531

The accompanying notes form an integral part of these Financial Statements.

APPROVED BY THE BOARD ON MAY 25, 2021 AND SIGNED ON ITS BEHALF BY:

(Signed)
Felipe Tan
Director

(Signed)
Hubert Marleau
Director

GobiMin Inc.
Condensed Interim Consolidated Statements of Comprehensive Income (Unaudited)
For the three months ended March 31, 2021 and 2020
(Expressed in United States Dollars)

	<i>Note</i>	Three Months Ended	
		March 31, 2021	March 31, 2020
		\$	\$
Interest income		153,029	142,437
Rental income		51,352	50,163
Dividend income		1,680	-
Other income		200	-
Loss on disposal of financial assets		(114,179)	(35,885)
Fair value loss on financial assets at fair value through profit or loss		(47,919)	(402,317)
Gross profit/(loss)		44,163	(245,602)
General and administrative expenses		(719,836)	(726,389)
Exchange loss		(43,361)	(250,299)
Operating loss		(719,034)	(1,222,290)
Finance costs		-	(6,970)
Net loss for the period		(719,034)	(1,229,260)
Other comprehensive loss, net of tax			
Other comprehensive loss to be reclassified to profit or loss in subsequent year:			
Exchange difference on translation of foreign operations		(116,744)	(1,012,220)
Total comprehensive loss for the period		(835,778)	(2,241,480)
Loss for the year attributable to:			
Shareholders of the Company		(673,297)	(1,201,200)
Non-controlling interests		(45,737)	(28,060)
		(719,034)	(1,229,260)
Total comprehensive loss for the period attributable to:			
Shareholders of the Company		(790,789)	(2,211,825)
Non-controlling interests		(44,989)	(29,655)
		(835,778)	(2,241,480)
Net loss per share			
Basic and diluted	<i>12.7</i>	(0.014)	(0.024)
Weighted average number of shares outstanding			
Basic and diluted	<i>12.7</i>	49,194,982	49,604,455

The accompanying notes form an integral part of these Financial Statements.

GobiMin Inc.
Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)
For the three months ended March 31, 2021 and 2020
(Expressed in United States Dollars)

	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Share capital Note 12.1	Contributed surplus	General reserve Note 12.3	Translation reserve Note 12.4	Retained earnings		
	\$	\$	\$	\$	\$	\$	\$
At January 1, 2020	21,936,915	2,399,939	501,965	(1,181,599)	49,475,517	66,303	73,199,040
Loss for the period	-	-	-	-	(1,201,200)	(28,060)	(1,229,260)
Other comprehensive loss	-	-	-	(1,010,625)	-	(1,595)	(1,012,220)
Total comprehensive loss	-	-	-	(1,010,625)	(1,201,200)	(29,655)	(2,241,480)
Share repurchased	(74,015)	-	-	-	46,575	-	(27,440)
At March 31, 2020	21,862,900	2,399,939	501,965	(2,192,224)	48,320,892	36,648	70,930,120
At January 1, 2021	21,738,071	2,399,939	501,965	1,509,482	46,539,136	(239,847)	72,448,746
Loss for the period	-	-	-	-	(673,297)	(45,737)	(719,034)
Other comprehensive (loss)/income	-	-	-	(117,492)	-	748	(116,744)
Total comprehensive loss	-	-	-	(117,492)	(673,297)	(44,989)	(835,778)
At March 31, 2021	21,738,071	2,399,939	501,965	1,391,990	45,865,839	(284,836)	71,612,968

The accompanying notes form an integral part of these Financial Statements.

GobiMin Inc.
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
For the three months ended March 31, 2021 and 2020
(Expressed in United States Dollars)

	Three Months Ended	
	March 31, 2021	March 31, 2020
	\$	\$
Operating activities		
Net loss for the period	(719,034)	(1,229,260)
Adjustments for items not involving cash:		
- Depreciation	194,556	236,877
- Loss on disposal of financial assets	114,179	35,885
- Fair value loss on financial assets at fair value through profit or loss	47,919	402,317
- Exchange difference	43,361	250,299
- Dividend income	(1,680)	-
- Interest income	(153,029)	(142,437)
- Finance costs	-	5,025
	(473,728)	(441,294)
Working capital adjustments:		
- Prepayments, deposits and other receivables	(92,582)	(169,566)
- Other payables, receipts in advance and accrued liabilities	51,560	(69,508)
Net cash flows used in operating activities	(514,750)	(680,368)
Financing activity		
Shares repurchased	-	(27,440)
Cash flow used in a financing activity	-	(27,440)
Investing activities		
Interest received	153,029	142,437
Dividend received	1,680	-
Additions of property, plant and equipment	(48,356)	-
Additions of exploration and evaluation assets	-	(43,444)
Net proceeds from disposal and maturity of debentures	-	1,486,040
Deposit to a brokerage firm	-	(2,000,000)
Net addition of listed securities	(674,644)	-
Net cash flows used in investing activities	(568,291)	(414,967)
Decrease in cash and cash equivalents	(1,083,041)	(1,122,775)
Effect of foreign exchange rate changes on cash	3,983	(160,108)
Cash and cash equivalents at beginning of the period	19,470,884	17,777,915
Cash and cash equivalents at end of the period	18,391,826	16,495,032

The accompanying notes form an integral part of these Financial Statements.

GobiMin Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the three months ended March 31, 2021
(Express in United States Dollars)

1. CORPORATE INFORMATION

GobiMin Inc. (the “Company” or “GobiMin”), together with its subsidiaries (collectively the “Group”), is a limited liability company incorporated in Canada under the Canada Business Corporations Act. It is listed on the TSX Venture Exchange, having the symbol GMN, as a Tier 2 investment issuer. Its registered office is situated at 1000 Sherbrooke Street West, Suite 2700, Montreal, Quebec H3A 3G4, Canada.

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”).

2. BASIS OF PREPARATION

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting.

These condensed interim consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Company’s consolidated financial statements for the year ended December 31, 2020. Operating results for this interim period are not necessarily indicative of the results that may be expected for the full financial year ending December 31, 2021.

In preparing these condensed interim consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2020.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in these condensed interim consolidated financial statements are consistent with the policies disclosed in notes 3 and 4 to the consolidated financial statements for the year ended December 31, 2020, except for those related to new or revised International Financial Reporting Standards (“IFRS”) effective for the annual period beginning on or after January 1, 2021. The adoption of these new or revised IFRS has no material effect on the Group’s condensed interim consolidated financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued by the International Accounting Standards Board but is not yet effective.

4. SEGMENT INFORMATION

The Group is engaged in two operating segments, namely (i) the investment in properties, equity, debt or other securities as well as direct ownership stakes in projects (“Investment Business”); and (ii) the development, exploration and exploitation of mineral properties, mainly in Xinjiang, China (“Mining Business”).

GobiMin Inc.
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(a) **Segment information for assets and liabilities are as follows:**

	As at	
	March 31, 2021	December 31, 2020
	\$	\$
Segment assets		
Investment Business	13,972,825	13,493,046
Mining Business	36,954,492	37,050,694
Total segment assets	50,927,317	50,543,740
Unallocated	23,271,449	24,440,791
Consolidated total assets	74,198,766	74,984,531
Segment liabilities		
Investment Business	45,573	35,348
Mining Business	910,083	937,135
Total segment liabilities	955,656	972,483
Unallocated	1,630,142	1,563,302
Consolidated total liabilities	2,585,798	2,535,785

(b) **Segment information for operating results are as follows:**

	Three months ended	
	March 31, 2021	March 31, 2020
	\$	\$
Segment results		
Investment Business	(13,008)	(346,208)
Mining Business	(185,588)	(123,082)
	(198,596)	(469,290)
Other income and gains	1,209	8,051
Unallocated corporate expenses	(478,286)	(510,752)
Exchange loss	(43,361)	(250,299)
Finance costs	-	(6,970)
Loss before income tax	(719,034)	(1,229,260)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were held in following locations:

Location	As at	
	March 31, 2021	December 31, 2020
	\$	\$
Canada	530,151	553,729
Hong Kong	17,284,800	18,385,755
China	576,875	531,400
Total	18,391,826	19,470,884

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The RMB located in China is not freely convertible into other currencies. However, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

The fair market values of cash and cash equivalents approximated their carrying values at the respective year end.

6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at	
	March 31, 2021	December 31, 2020
	\$	\$
Prepayments	43,069	41,903
Loan	3,961,840	3,920,658
Deposits	13,940	18,483
Other receivables	74,215	62,808
	4,093,064	4,043,852

As at March 31, 2021, the loan balance represented a loan secured by a property owned by the borrower in Hong Kong, bearing an interest at the rate of 3.5% per annum and repayable on December 10, 2021 or on demand by the Group whichever is earlier. For the year ended December 31, 2020, an impairment loss of \$693,523 was recognized.

Other receivables mainly composed of interest receivables from listed debt instruments and the Group considered the default possibility was minimal.

7. FINANCIAL ASSETS

		As at	
		March 31, 2021	December 31, 2020
		\$	\$
Current			
Listed securities	(a)	663,980	127,344
Debentures	(b)	199,908	199,788
		863,888	327,132
Non-current			
Listed securities	(a)	92,578	119,875
Debentures	(b)	2,548,404	2,541,154
Unlisted investments	(c)	1,543,014	1,542,910
		4,183,996	4,203,939
Total		5,047,884	4,531,071

- (a) As at March 31, 2021 and December 31, 2020, the listed securities represented investment in listed shares, futures and options trading worldwide. The fair value of the investment is determined with reference to quoted market price. For the three months ended March 31, 2021, the Group recognized a fair value loss on listed securities of \$52,482 (three months ended March 31, 2020: \$80,397).
- (b) Debentures represented the debentures held by the Group with coupon rates ranging from 4.250% to 7.375% (December 31, 2020: 4.250% to 7.375%) per annum and maturities ending between May 31, 2021 and perpetual (December 31, 2020: May 31, 2021 and perpetual). For the three months ended

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March 31, 2021, the Group recognized a fair value gain on debentures of \$7,370 (three months ended March 31, 2020: fair value loss of \$311,687).

- (c) Unlisted investments mainly composed of the 9.90% interest in Dragon Silver Holdings Limited (“Dragon Silver”) which is a company incorporated in Hong Kong engaged in metal trading and processing with fair value of \$1,285,950 at March 31, 2021 (December 31, 2020: \$1,285,950). As at December 31, 2020, other unlisted investment held by the Group amounted to \$257,064 (December 31, 2020: \$256,960). For the three months ended March 31, 2021, the Group recognized a fair value loss on unlisted investments of \$2,807 (three months ended March 31, 2020: \$10,233).

8. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land & buildings	Leasehold improvements	Furniture, fixture & equipment	Computer hardware & equipment	Motor vehicles	Total
Cost:	\$	\$	\$	\$	\$	\$
At January 1, 2020	13,083,073	245,842	437,013	558	755,935	14,522,421
Exchange difference	447,352	1,100	26,595	40	47,055	522,142
Additions	-	-	1,534	-	-	1,534
Write-off	-	(7,418)	-	-	-	(7,418)
At December 31, 2020	13,530,425	239,524	465,142	598	802,990	15,038,679
Exchange difference	(20,808)	-	(1,320)	(2)	(2,330)	(24,460)
Addition	-	-	-	-	48,356	48,356
At March 31, 2021	13,509,617	239,524	463,822	596	849,016	15,062,575
Depreciation and impairment:						
At January 1, 2020	3,019,597	237,599	360,539	558	719,201	4,337,494
Exchange difference	105,970	1,026	22,290	40	44,709	174,035
Depreciation for the year	525,525	786	13,457	-	703	540,471
Write-off	-	(314)	-	-	-	(314)
At December 31, 2020	3,651,092	239,097	396,286	598	764,613	5,051,686
Exchange difference	(5,008)	-	(1,107)	(2)	(2,214)	(8,331)
Depreciation for the period	134,812	160	3,534	-	176	138,682
At March 31, 2021	3,780,896	239,257	398,713	596	762,575	5,182,037
Net book value:						
At December 31, 2020	9,879,333	427	68,856	-	38,377	9,986,993
At March 31, 2021	9,728,721	267	65,109	-	86,441	9,880,538

As at March 31, 2021, the carrying amount of property, plant and equipment located in Hong Kong amounted to \$4,803,649 (December 31, 2020: \$4,824,200). The remaining property, plant and equipment were located in China.

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9. INVESTMENT PROPERTIES

Cost:	\$
At January 1, 2020	7,793,187
Exchange difference	327,323
At December 31, 2020	8,120,510
Exchange difference	(15,631)
At March 31, 2021	8,104,879
Depreciation and impairment:	
At January 1, 2020	1,509,359
Exchange difference	95,049
Depreciation for the year	378,241
Impairment loss recognized	1,135,209
At December 31, 2020	3,117,858
Exchange difference	(4,825)
Depreciation for the period	55,874
At March 31, 2021	3,168,907
Net book value:	
At December 31, 2020	5,002,652
At March 31, 2021	4,935,972

As at March 31, 2021, investment properties are commercial properties, of which \$3,237,716 (December 31, 2020: \$3,304,396) are located in China and \$1,698,256 (December 31, 2020: \$1,698,256) are located in Hong Kong. Certain investment properties were leased to third parties and related parties (note 13.2) with fixed lease payments while some remain vacant. The estimated fair value of the investment properties as at March 31, 2021 was approximately \$7,133,088 (December 31, 2020: \$7,704,898). The estimated fair value was determined by management assessment with reference to recent market prices for similar properties in the same locations and similar conditions.

10. EXPLORATION AND EVALUATION ASSETS

Cost:	\$
At January 1, 2020	30,189,063
Exchange difference	1,608,760
Addition	151,256
At December 31, 2020	31,949,079
Exchange difference	(99,597)
At March 31, 2021	31,849,482

The exploration and evaluation assets represented the mining and exploration rights and geological and geophysical costs, mine site and facilities construction, drilling and exploration costs of the Sawayaerdun Gold Project (“Gold Project”) located at 200 km northwest of the city of Kashi, western Xinjiang, China. The exploration licence has an expiry date on August 22, 2021. Approvals from the Department of Natural Resources of all of the county, prefecture and region levels were received for the renewal of mining licence. As further detailed in note 18 to the condensed interim consolidated financial statements, it is expected that the mining licence will be granted upon settlement of the mining royalties on or before July 20, 2021.

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The Company has engaged General Research Institute for Nonferrous Metals for an on-site industrial test on the gold processing methodology by applying large scale samples started in 2019.

11. OTHER PAYABLES, RECEIPTS IN ADVANCE AND ACCRUED LIABILITIES

As at March 31, 2021 and December 31, 2020, the balances of other payables, receipts in advance and accrued liabilities comprised mainly the payable related to the construction work of the office building, exploration work, mine design and related facilities of the Gold Project and accrual of office expenses.

	As at	
	March 31, 2021	December 31, 2020
	\$	\$
Other payables	990,317	984,048
Accrued liabilities	399,235	361,058
Receipts in advance	45,573	35,348
Deposit received	21,211	25,869
Total	1,456,336	1,406,323

12. SHARE CAPITAL AND STOCK OPTIONS

12.1 Common Shares

	Number	Amount
<u>Authorized:</u>		\$
Unlimited number of common shares		
<u>Issued and outstanding:</u>		
At January 1, 2020	49,644,982	21,936,915
Shares repurchased and cancelled	(450,000)	(198,844)
At December 31, 2020 and March 31, 2021	49,194,982	21,738,071

12.2 Preferred Shares

The Company did not authorize or issue any preferred shares.

12.3 General Reserve

The general reserve represents statutory reserves of the Group's Chinese operating subsidiaries. During the three months ended March 31, 2021, there was no movement in the general reserve.

12.4 Translation Reserve

Translation reserve represents net unrealized exchange gain (loss) on translation of foreign operations.

12.5 Normal Course Issuer Bid

On August 1, 2019, GobiMin was granted approval by TSX Venture Exchange to renew its normal course issuer bid to repurchase up to an additional 2,491,074 common shares, representing approximately 5% of the then common shares outstanding ("2020 NCIB"). 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. GobiMin did not renew its normal course issuer bid upon the end of 2020 NCIB on August 7, 2020, and a total of 450,000 common shares were repurchased at an aggregate cost of \$77,745 (CAD98,985) under 2020 NCIB for the year ended December 31, 2020. All shares repurchased have been returned to treasury for cancellation.

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12.6 Stock Options

On May 26, 2005, the Company adopted a resolution cancelling all of its outstanding stock option plans and creating a new stock option plan to grant options to its employees, directors and officers to purchase common shares. A total number of 6,700,000 (December 31, 2020: 6,700,000) common shares were reserved for issuance pursuant to the exercise of options to be granted under the plan.

There was no option outstanding and granted for the three months ended March 31, 2020 and 2021.

12.7 Basic and Diluted Loss Per Share

	For the three months ended	
	March 31, 2021	March 31, 2020
Net loss attributable to shareholders		
Basic and diluted	(\$673,297)	(\$1,201,200)
Weighted average number of shares outstanding		
Basic and diluted	49,194,982	49,604,455
Basic and diluted loss per share	(\$0.014)	(\$0.024)

For the three months ended March 31, 2020 and 2021, there were no stock options outstanding or other potential ordinary shares in issue and as such, there is no diluted loss per share presented.

13. RELATED PARTY TRANSACTIONS

13.1 Key management compensation

The remuneration of key management and directors was as follows:

	For the three months ended	
	March 31, 2021	March 31, 2020
	\$	\$
Salaries, fees and other benefits	82,365	97,467
Payments to defined contribution plans	580	1,464
	82,945	98,931

13.2 Related party transactions

In addition to the transactions detailed elsewhere in these condensed interim consolidated financial statements, the Group had the following transactions with related parties. These transactions were conducted in the normal course of the Group's business with terms mutually agreed by both parties.

Relationship	Type of transactions	For the three months ended	
		March 31, 2021	March 31, 2020
		\$	\$
Companies in which a director of the Company has equity interests	Rental income	21,953	21,265
	Share of office common expenses	3,243	4,136

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14. COMMITMENTS

14.1 Capital commitments

The Group has the following capital commitments:

As at March 31, 2021	Contract Date	Contracted Sum	Capital Commitments
		\$	\$
Mine design and related facilities	October 31, 2011	1,220,769	671,423
Office building renovation	March 2, 2013	2,003,570	895,661
Research on gold processing method	June 20, 2020	259,413	61,038
Total capital commitments for the Gold Project		3,483,752	1,628,122

14.2 Operating lease commitments

The Group, as lessor, has entered into operating leases on its investment properties, with lease terms ranging from one to five years. Future minimum lease receivables under non-cancellable operating leases are as follows:

As at	March 31, 2021	December 31, 2020
	\$	\$
Within one year	140,571	92,303
In the second to fifth years inclusive	273,910	321,913
Total future minimum lease receivables	414,481	414,216

15. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

The fair value of financial instruments represents the amounts that would have been received from or paid to counterparties to settle these instruments. The carrying amount of all financial instruments classified as current approximates their fair value because of their short maturities and normal trade terms of these instruments. The fair value of other financial instruments disclosed in the financial statements are based on the Company's best estimates using present value, quoted market prices and other valuation techniques that are significantly affected by the assumptions used concerning the amounts and timing of estimated cash flows and discount rates which reflect varying degrees of risk.

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1 – Quoted (unadjusted) prices for identical assets or liabilities in active markets.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including:

- Quoted prices for similar assets/liabilities in active markets;
- Quoted prices for identical or similar assets in non-active markets (few transactions, limited information, non-current prices, high variability over time);
- Inputs other than quoted prices that are observable for the asset/liability (e.g. interest rates, yield curves, volatilities, default rates, etc.); and
- Inputs that are derived principally from or corroborated by other observable market data.

Level 3 – Unobservable inputs that cannot be corroborated by observable market data.

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	Fair Value Measurements at Reporting Date Using			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<u>As at March 31, 2021</u>				
Listed securities	756,558	-	-	756,558
Unlisted investments	-	257,064	1,285,950	1,543,014
Debentures	2,748,312	-	-	2,748,312
	3,504,870	257,064	1,285,950	5,047,884
<u>As at December 31, 2020</u>				
Listed securities	247,219	-	-	247,219
Unlisted investments	-	256,960	1,285,950	1,542,910
Debentures	2,740,942	-	-	2,740,942
	2,988,161	256,960	1,285,950	4,531,071

16. RISK MANAGEMENT

All aspects of the Group's financial risk management objectives and policies are consistent with those disclosed in the annual financial statements for the year ended December 31, 2020.

17. IMPACT OF COVID-19

As a result of the COVID-19 outbreak, the normal progress of on-site industrial test on applying bio-tech methodology on extraction of metals of Gold Project was impeded. Procurement of test materials and living supplies became difficult due to interprovincial transportation restrictions and closed-off management in the mine site. Application for purchase of sulphuric acid, which was corrosive and dangerous chemicals, were under stricter control than ever. Shortage of technical staff also delayed our industrial test. Therefore, it is anticipated that the industrial test will not be completed until the end of 2021.

As at March 31, 2021, the fair value of investment properties with reference to the recent market prices of similar properties in the same locations was close to the carrying amount and there is no significant increase in credit risk of loan receivable.

Given the importance of the sound liquidity position of the Group under current economic environment, 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 and strengthening cost control measures. 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.

18. EVENTS AFTER THE REPORTING PERIOD

On May 7, 2021, the Group received a debit note from the Department of Natural Resources of Xinjiang Uygur Autonomous Region regarding payment of the mining royalties of the Gold Project amounting to \$1.46 million (equivalent to RMB9.56 million) (the "Royalties") on or before July 20, 2021 based on a preliminary assessment on the reserve of the Gold Project. It is expected that the mining licence will be granted upon settlement of the Royalties.