

GobiMin Inc.

(Incorporated in Canada under the Canada Business Corporations Act)

Condensed Interim Consolidated Financial Statements (unaudited)

September 30, 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 September 30, 2021 and December 31, 2020**

(Expressed in United States Dollars)

		(Unaudited)	(Audited)
	<i>Notes</i>	September 30, 2021	December 31, 2020
ASSETS		\$	\$
Current			
Cash and cash equivalents	5	15,403,147	19,470,884
Prepayments, deposits and other receivables	6	4,269,532	4,043,852
Financial assets	7	316,036	327,132
Total current assets		19,988,715	23,841,868
Non-current			
Property, plant and equipment	8	9,685,314	9,986,993
Investment properties	9	4,833,196	5,002,652
Exploration and evaluation assets	10	33,840,356	31,949,079
Financial assets	7	5,416,863	4,203,939
Total non-current assets		53,775,729	51,142,663
Total assets		73,764,444	74,984,531
LIABILITIES			
Current			
Other payables, receipts in advance and accrued liabilities	11	1,474,223	1,406,323
Income taxes payable		1,129,462	1,129,462
Total current liabilities		2,603,685	2,535,785
SHAREHOLDERS' EQUITY			
Share capital	12	21,738,071	21,738,071
Reserves		49,852,007	50,950,522
Equity attributable to shareholders of the Company		71,590,078	72,688,593
Non-controlling interests		(429,319)	(239,847)
Total shareholders' equity		71,160,759	72,448,746
Total liabilities and shareholders' equity		73,764,444	74,984,531

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

APPROVED BY THE BOARD ON NOVEMBER 24, 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 and nine months ended September 30, 2021 and 2020

(Expressed in United States Dollars)

	Note	Three Months Ended		Nine Months Ended	
		September 30, 2021	September 30, 2020	September 30, 2021	September 30, 2020
		\$	\$	\$	\$
Interest income		147,179	151,705	458,742	439,662
Rental income		51,150	44,646	155,941	148,167
Dividend Income		113,005	108,250	122,585	111,809
Other income		114	27,007	8,462	92,364
(Loss)/gain on disposal of financial assets		(114,248)	141,638	(250,803)	229,463
Fair value (loss)/gain on financial assets at fair value through profit or loss		54,069	55,031	(20,007)	(153,382)
Gross profit		251,269	528,277	474,920	868,083
General and administrative expenses		(880,124)	(809,559)	(2,477,003)	(2,235,364)
Exchange gain, net		16,713	454,547	170,871	255,449
Operating (loss)/profit		(612,142)	173,265	(1,831,212)	(1,111,832)
(Loss)/gain on disposal/written-off of property, plant and equipment		-	(260)	21,280	(7,158)
Impairment loss on investment properties		-	(167,866)	-	(167,866)
Written-off of exploration and evaluation assets		-	(389,115)	-	(389,115)
Finance costs		-	(549)	-	(8,148)
Net loss for the period		(612,142)	(384,525)	(1,809,932)	(1,684,119)
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange difference on translation of foreign operations		19,243	1,464,231	521,945	661,096
Total comprehensive (loss)/income for the period		(592,899)	1,079,706	(1,287,987)	(1,023,023)
Loss for the period attributable to:					
Shareholders of the Company		(548,456)	(221,972)	(1,623,415)	(1,453,338)
Non-controlling interests		(63,686)	(162,553)	(186,517)	(230,781)
		(612,142)	(384,525)	(1,809,932)	(1,684,119)
Total comprehensive (loss)/income for the period attributable to:					
Shareholders of the Company		(529,107)	1,239,808	(1,098,515)	(793,395)
Non-controlling interests		(63,792)	(160,102)	(189,472)	(229,628)
		(592,899)	1,079,706	(1,287,987)	(1,023,023)
Loss per share					
Basic and diluted	12.7	(0.011)	(0.005)	(0.033)	(0.029)
Weighted average number of shares outstanding		Share	Share	Share	Share
Basic and diluted	12.7	49,194,982	49,194,982	49,194,982	49,349,989

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

GobiMin Inc.**Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)****For the nine months ended September 30, 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	-	-	-	-	(1,453,338)	(230,781)	(1,684,119)	
Other comprehensive income	-	-	-	659,943	-	1,153	661,096	
Total comprehensive income/(loss)	-	-	-	659,943	(1,453,338)	(229,628)	(1,023,023)	
Shares repurchased	(198,845)	-	-	-	125,221	-	(73,624)	
At September 30, 2020	21,738,070	2,399,939	501,965	(521,656)	48,147,400	(163,325)	72,102,393	
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	-	-	-	-	(1,623,415)	(186,517)	(1,809,932)	
Other comprehensive income/(loss)	-	-	-	524,900	-	(2,955)	521,945	
Total comprehensive income/(loss)	-	-	-	524,900	(1,623,415)	(189,472)	(1,287,987)	
At September 30, 2021	21,738,071	2,399,939	501,965	2,034,382	44,915,721	(429,319)	71,160,759	

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 and nine months ended September 30, 2021 and 2020**

(Expressed in United States Dollars)

	Three Months Ended		Nine Months Ended	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
	\$	\$	\$	\$
Operating activities				
Loss before income tax	(612,142)	(384,525)	(1,809,932)	(1,684,119)
Adjustments for items not involving cash:				
- Depreciation	221,560	239,661	638,935	702,916
- Loss/(gain) on disposal of financial assets	114,248	(141,638)	250,803	(229,463)
- Fair value (gain)/loss on financial assets at fair value through profit or loss	(54,069)	(55,031)	20,007	153,382
- Loss/(gain) on disposal/written-off of property, plant and equipment	-	260	(21,280)	7,158
- Impairment loss on investment properties	-	167,866	-	167,866
- Written-off of exploration and evaluation assets	-	389,115	-	389,115
- Exchange gain, net	(16,713)	(454,547)	(170,871)	(255,449)
- Dividend income	(113,005)	(108,250)	(122,585)	(111,809)
- Interest income	(147,179)	(151,705)	(458,742)	(439,662)
- Interest expense	-	190	-	5,238
	(607,300)	(498,604)	(1,673,665)	(1,294,827)
Working capital adjustments:				
- Prepayments, deposits and other receivables	10,731	326,147	28,894	111,171
- Other payables, receipts in advance and accrued liabilities	91,718	91,689	85,061	(39,413)
Net cash flows used in operating activities	(504,851)	(80,768)	(1,559,710)	(1,223,069)
Financing activity				
Shares repurchased	-	(1,499)	-	(73,624)
Cash flow used in a financing activity	-	(1,499)	-	(73,624)
Investing activities				
Interest received	147,179	151,705	458,742	439,662
Dividend received	4,993	4,261	14,573	4,261
Additions of property, plant and equipment	(1,128)	(1,463)	(57,151)	(1,463)
Additions of exploration and evaluation assets	(1,482,122)	(53,867)	(1,482,122)	(151,978)
Proceeds from disposal of property, plant and equipment	-	-	21,280	-
Investment in an unlisted equity security	(1,508,938)	-	(1,508,938)	-
Net proceeds from disposal and maturity of debentures	500,000	-	700,000	1,486,040
Net (addition)/disposal of listed securities	(375,448)	293,700	(662,630)	54,545
Net cash flows (used in)/generated from investing activities	(2,715,464)	394,336	(2,516,246)	1,831,067
(Decrease)/increase in cash and cash equivalents	(3,220,315)	312,069	(4,075,956)	534,374
Effect of foreign exchange rate changes	(12,153)	143,829	8,219	30,052
Cash and cash equivalents at beginning of the period	18,635,615	17,886,443	19,470,884	17,777,915
Cash and cash equivalents at end of the period	15,403,147	18,342,341	15,403,147	18,342,341

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

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 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 as a Tier 2 investment issuer, having the symbol GMN. Its registered office is situated at 1000 Sherbrooke Street West, Suite 2700, Montreal, Quebec H3A 3G4, Canada.

The Group is principally engaged in 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 these interim periods 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 (“IFRSs”) 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 other standard, interpretation or amendment that has been issued by the International Accounting Standards Board but is not yet effective.

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

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”).

(a) Segment information for assets and liabilities are as follows:

	As at	
	September 30, 2021	December 31, 2020
	\$	\$
Segment assets		
Investment Business	14,742,068	13,493,046
Mining Business	39,081,010	37,050,694
Total segment assets	53,823,078	50,543,740
Unallocated	19,941,366	24,440,791
Consolidated assets	73,764,444	74,984,531
Segment liabilities		
Investment Business	37,897	35,348
Mining Business	922,631	937,135
Total segment liabilities	960,528	972,483
Unallocated	1,643,157	1,563,302
Consolidated liabilities	2,603,685	2,535,785

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

	Nine Months Ended	
	September 30, 2021	September 30, 2020
	\$	\$
Segment revenue and results		
Investment Business	249,388	478,618
Mining Business	(728,014)	(837,933)
	(478,626)	(359,315)
Other income and gains	11,599	104,112
Unallocated corporate expenses	(1,535,056)	(1,501,193)
Gain/(loss) on disposal/written-off of property, plant and equipment	21,280	(7,158)
Impairment loss on investment properties	-	(167,866)
Exchange gain	170,871	255,449
Finance costs	-	(8,148)
Loss before income tax	(1,809,932)	(1,684,119)

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were held in following locations:

Location	As at	
	September 30, 2021	December 31, 2020
	\$	\$
Canada	332,687	553,729
Hong Kong	14,313,322	18,385,755
China	757,138	531,400
Total	15,403,147	19,470,884

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 balance located in Hong Kong included \$1,466,881 deposit placed with a brokerage firm (December 31, 2020: \$2,139,408). None of the cash equivalents are in asset backed commercial paper products.

The fair market values of cash and cash equivalents approximate their carrying values at the respective reporting date.

6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	As at	
	September 30, 2021	December 31, 2020
	\$	\$
Prepayments	29,866	41,903
Loan	4,045,576	3,920,658
Deposits	21,168	18,483
Other receivables	172,922	62,808
	4,269,532	4,043,852

As at September 30, 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 was 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.

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

7. FINANCIAL ASSETS

		As at	
		September 30, 2021	December 31, 2020
		\$	\$
Current			
Listed securities	(a)	316,036	127,344
Debentures	(b)	-	199,788
		316,036	327,132
Non-current			
Listed securities	(a)	337,784	119,875
Debentures	(b)	2,022,163	2,541,154
Unlisted investments	(c)	3,056,916	1,542,910
		5,416,863	4,203,939
Total		5,732,899	4,531,071

- (a) 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 nine months ended September 30, 2021, the Group recognized a fair value loss on listed securities of \$6,421 (nine months ended September 30, 2020: \$76,029).
- (b) Debentures represented the debentures held by the Group with coupon rates ranging from 4.250% to 7.000% (December 31, 2020: 4.250% to 7.375%) per annum and maturities ending between November 30, 2026 and perpetual (December 31, 2020: May 31, 2021 and perpetual). For the nine months ended September 30, 2021, the Group recognized a fair value loss on debentures of \$17,924 (nine months ended September 30, 2020: \$86,957).
- (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 September 30, 2021 (December 31, 2020: \$1,285,950) and 6.28% interests in Infinity Technology Limited (“Infinity Tech”) which is a company incorporated in the British Virgin Islands with a subsidiary in Hong Kong providing a one-stop solution cloud POS system integrating automated ordering and payment, menu digitalisation, logistics, marketing analysis, supply chain and inventory management.

As at September 30, 2021, other unlisted investment held by the Group amounted to \$262,028 (December 31, 2020: \$256,960). For the nine months ended September 30, 2021, the Group recognized a fair value gain on unlisted investments of \$4,338 (nine months ended September 30, 2020: \$9,604).

GobiMin Inc.**Notes to Condensed Interim Consolidated Financial Statements****For the quarter ended September 30, 2021**

(Express in United States Dollars)

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	85,480	-	5,422	8	9,575	100,485
Additions	-	-	8,795	-	48,356	57,151
Disposal	-	-	-	-	(52,553)	(52,553)
At September 30, 2021	13,615,905	239,524	479,359	606	808,368	15,143,762
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	20,572	-	4,548	8	9,096	34,224
Depreciation for the period	406,774	427	11,318	-	6,572	425,091
Disposal	-	-	-	-	(52,553)	(52,553)
At September 30, 2021	4,078,438	239,524	412,152	606	727,728	5,458,448
Net book value:						
At December 31, 2020	9,879,333	427	68,856	-	38,377	9,986,993
At September 30, 2021	9,537,467	-	67,207	-	80,640	9,685,314

As at September 30, 2021, the carrying amount of property, plant and equipment which located in Hong Kong amounted to \$4,659,845 (December 31, 2020: \$4,824,200). The remaining property, plant and equipment were located in China.

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

9. INVESTMENT PROPERTIES

Cost:	\$
At January 1, 2020	7,793,187
Exchange difference	327,323
At December 31, 2020	8,120,510
Exchange difference	64,213
At September 30, 2021	8,184,723
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	19,825
Depreciation for the period	213,844
At September 30, 2021	3,351,527
Net book value:	
At December 31, 2020	5,002,652
At September 30, 2021	4,833,196

As at September 30, 2021, investment properties are commercial properties, of which \$3,178,485 (December 31, 2020: \$3,304,396) are located in China and \$1,654,711 (December 31, 2020: \$1,698,256) are located in Hong Kong. Certain investment properties were leased to third parties and related parties (notes 13.2 and 14.2) with fixed lease payments while some remain vacant. The estimated fair value of the investment properties as at September 30, 2021 was approximately \$8,117,000 (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.

As at September 30, 2020, the carrying amount of investment properties in China of \$4,345,866 was lower than the estimated fair value of \$4,178,000 and therefore an impairment loss on investment properties of \$167,866 has been recognized during the period ended September 30, 2020.

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

10. EXPLORATION AND EVALUATION ASSETS

	Total
Cost:	\$
At January 1, 2020	30,189,063
Additions	151,256
Exchange difference	1,608,760
At December 31, 2020	31,949,079
Additions	1,482,122
Exchange difference	409,155
At September 30, 2021	33,840,356

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 and the mining licence have expiry dates on June 15, 2023 and March 22, 2023 respectively.

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 since 2019. During the period ended September 30, 2020, certain related research and development cost of \$389,115 was considered not recoverable and was written-off.

11. OTHER PAYABLES, RECEIPTS IN ADVANCE AND ACCRUED LIABILITIES

As at September 30, 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 exploration work, mine design and related facilities of the Gold Project and accrual of office expenses.

	As at	
	September 30, 2021	December 31, 2020
	\$	\$
Other payables	1,004,567	984,048
Accrued liabilities	409,706	361,058
Receipts in advance	37,897	35,348
Deposit received	22,053	25,869
Total	1,474,223	1,406,323

12. SHARE CAPITAL AND STOCK OPTIONS

12.1 Common Shares

	Number	Amount
Authorized:		\$
Unlimited number of common shares		
Issued and outstanding:		
At January 1, 2020	49,644,982	21,936,915
Shares repurchased and cancelled	(450,000)	(198,844)
At December 31, 2020 and September 30, 2021	49,194,982	21,738,071

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

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 nine months ended September 30, 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 ("NCIB")

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.

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 nine months ended September 30, 2020 and 2021.

12.7 Basic and Diluted Loss Per Share

	Three Months Ended	
	September 30, 2021	September 30, 2020
Net loss attributable to shareholders		
Basic and diluted	(\$548,456)	(\$221,972)
Weighted average number of shares outstanding		
Basic and diluted	49,194,982	49,194,982
Basic and diluted loss per share	(\$0.011)	(\$0.005)

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

	Nine Months Ended	
	September 30, 2021	September 30, 2020
Net loss attributable to shareholders		
Basic and diluted	(\$1,623,415)	(\$1,453,338)
Weighted average number of shares outstanding		
Basic and diluted	49,194,982	49,349,989
Basic and diluted loss per share	(\$0.033)	(\$0.029)

For the three months and nine months ended September 30, 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:

	Three Months Ended	
	September 30, 2021	September 30, 2020
	\$	\$
Wages, fees and other benefits	144,709	115,067
Payment to defined contribution plans	1,064	746
	145,773	115,813

	Nine Months Ended	
	September 30, 2021	September 30, 2020
	\$	\$
Wages, fees and other benefits	333,794	329,825
Payment to defined contribution plans	2,476	3,262
	336,270	333,087

13.2 Related Party Transactions

In addition to the transactions detailed elsewhere in these financial statements, the Group had the following transactions with related parties:

Relationship	Type of transactions	Three Months Ended	
		September 30, 2021	September 30, 2020
		\$	\$
Companies in which a director of the Company has equity interest	Rental income	17,524	17,821
	Share of office common expenses	3,211	3,765

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

Relationship	Type of transactions	Nine Months Ended	
		September 30, 2021	September 30, 2020
		\$	\$
Companies in which a director of the Company has equity interest	Rental income	52,540	52,190
	Share of office common expenses	9,633	11,671

14. COMMITMENTS

14.1 Capital Commitments

The Group has the following capital commitment:

As at September 30, 2021	Contract Date	Contracted Sum	Capital Commitments
		\$	\$
Mine design and related facilities	October 31, 2011	1,240,269	682,148
Office building renovation	March 2, 2013	2,035,574	909,968
Research on gold processing method	June 20, 2020	263,557	62,013
Total capital commitments for the Gold Project		3,539,400	1,654,129

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 September 30, 2021	December 31, 2020
	\$	\$
Within one year	105,403	92,303
In the second to fifth years inclusive	253,635	321,913
Total future minimum lease receivables	359,038	414,216

15. FINANCIAL INSTRUMENTS

Fair Value 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 the 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:

GobiMin Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the quarter ended September 30, 2021

(Express in United States Dollars)

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.

	Fair Value Measurements at Reporting Date Using			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<u>As at September 30, 2021</u>				
Listed securities	653,820	-	-	653,820
Unlisted investments	-	262,028	2,794,888	3,056,916
Debentures	2,022,163	-	-	2,022,163
	2,675,983	262,028	2,794,888	5,732,899
<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, 2021.

17. IMPACT OF COVID-19

During the period under review, there was continued closures and restrictions from the global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Company operates. The Company is keeping a close eye on the spread of Delta variant in China recently and has been monitoring its potential impact on our operations, such as disruption of the supply chains and logistics setup.

As at September 30, 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.