

# **GobiMin Inc.**

*(Incorporated in Canada under the Canada Business Corporations Act)*

## **Condensed Interim Consolidated Financial Statements (unaudited)**

**March 31, 2022**

*(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, 2022 and December 31, 2021**  
(Expressed in United States Dollars)

	<i>Note</i>	(Unaudited) March 31, 2022	(Audited) December 31, 2021
		\$	\$
<b>ASSETS</b>			
<b>Current</b>			
Cash and cash equivalents	5	14,884,766	15,455,686
Prepayments, deposits and other receivables	6	4,027,362	3,960,822
Financial assets at fair value through profit or loss	7	675,384	458,434
<b>Total current assets</b>		<b>19,587,512</b>	<b>19,874,942</b>
<b>Non-current</b>			
Property, plant and equipment	8	9,447,305	9,576,936
Investment properties	9	4,724,920	4,794,579
Exploration and evaluation assets	10	34,482,938	34,382,078
Financial assets at fair value through profit or loss	7	4,974,910	5,096,305
<b>Total non-current assets</b>		<b>53,630,073</b>	<b>53,849,898</b>
<b>Total assets</b>		<b>73,217,585</b>	<b>73,724,840</b>
<b>LIABILITIES</b>			
<b>Current</b>			
Other payables, receipts in advance and accrued liabilities	11	1,667,722	1,536,471
Income taxes payable		1,122,974	1,122,974
<b>Total current liabilities</b>		<b>2,790,696</b>	<b>2,659,445</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	12	21,738,071	21,738,071
Reserves		49,296,400	49,856,585
<b>Equity attributable to shareholders of the Company</b>		<b>71,034,471</b>	<b>71,594,656</b>
Non-controlling interests		(607,582)	(529,261)
<b>Total shareholders' equity</b>		<b>70,426,889</b>	<b>71,065,395</b>
<b>Total liabilities and shareholders' equity</b>		<b>73,217,585</b>	<b>73,724,840</b>

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

APPROVED BY THE BOARD ON MAY 24, 2022 AND SIGNED ON ITS BEHALF BY:

(Signed)  
**Felipe Tan**  
Director

(Signed)  
**Philippe Marleau**  
Director

**GobiMin Inc.**  
**Condensed Interim Consolidated Statements of Comprehensive Income (Unaudited)**  
**For the three months ended March 31, 2022 and 2021**  
(Expressed in United States Dollars)

		<b>Three Months Ended</b>	
	<i>Note</i>	<b>March 31, 2022</b>	March 31, 2021
		\$	\$
Interest income		154,547	153,029
Rental income		53,549	51,352
Dividend income		5,183	1,680
Other income		2,526	200
Loss on disposal of financial assets		(155,112)	(114,179)
Fair value loss on financial assets at fair value through profit or loss		(129,799)	(47,919)
<b>Gross (loss)/profit</b>		<b>(69,106)</b>	44,163
General and administrative expenses		(748,976)	(719,836)
Exchange gain/(loss)		40,036	(43,361)
<b>Net loss before income tax</b>		<b>(778,046)</b>	(719,034)
Income tax		-	-
<b>Net loss for the period</b>		<b>(778,046)</b>	(719,034)
<b>Other comprehensive income/(loss)</b>			
Other comprehensive income/(loss) to be reclassified to profit or loss in subsequent year:			
Exchange difference on translation of foreign operations		139,540	(116,744)
<b>Total comprehensive loss for the period</b>		<b>(638,506)</b>	(835,778)
<b>Loss for the period attributable to:</b>			
Shareholders of the Company		(701,278)	(673,297)
Non-controlling interests		(76,768)	(45,737)
		<b>(778,046)</b>	(719,034)
<b>Total comprehensive loss for the period attributable to:</b>			
Shareholders of the Company		(560,185)	(790,789)
Non-controlling interests		(78,321)	(44,989)
		<b>(638,506)</b>	(835,778)
<b>Net loss per share</b>			
Basic and diluted	12.6	(0.014)	(0.014)
<b>Weighted average number of shares outstanding</b>		<b>Share</b>	Share
Basic and diluted	12.6	49,194,982	49,194,982

*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, 2022 and 2021**  
(Expressed in United States Dollars)

	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Share capital <i>Note 12.1</i>	Contributed surplus	General reserve <i>Note 12.3</i>	Translation reserve <i>Note 12.4</i>	Retained earnings		
	\$	\$	\$	\$	\$	\$	\$
<b>At January 1, 2021</b>	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)
<b>At March 31, 2021</b>	21,738,071	2,399,939	501,965	1,391,990	45,865,839	(284,836)	71,612,968
<b>At January 1, 2022</b>	21,738,071	2,399,939	501,965	2,500,369	44,454,312	(529,261)	71,065,395
Loss for the period	-	-	-	-	(701,278)	(76,768)	(778,046)
Other comprehensive income/(loss)	-	-	-	141,093	-	(1,553)	139,540
Total comprehensive income/(loss)	-	-	-	141,093	(701,278)	(78,321)	(638,506)
<b>At March 31, 2022</b>	21,738,071	2,399,939	501,965	2,641,462	43,753,034	(607,582)	70,426,889

*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, 2022 and 2021**  
(Expressed in United States Dollars)

	<b>Three Months Ended</b>	
	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	\$	\$
<b>Operating activities</b>		
Net loss for the period	<b>(778,046)</b>	(719,034)
Adjustments for:		
- Depreciation	<b>223,810</b>	194,556
- Loss on disposal of financial assets	<b>155,112</b>	114,179
- Fair value loss on financial assets at fair value through profit or loss	<b>129,799</b>	47,919
- Exchange difference	<b>(40,036)</b>	43,361
- Dividend income	<b>(5,183)</b>	(1,680)
- Interest income	<b>(154,547)</b>	(153,029)
	<b>(469,091)</b>	(473,728)
Working capital adjustments:		
- Prepayments, deposits and other receivables	<b>(35,895)</b>	(92,582)
- Other payables, receipts in advance and accrued liabilities	<b>137,819</b>	51,560
<b>Net cash flows used in operating activities</b>	<b>(367,167)</b>	(514,750)
<b>Investing activities</b>		
Interest received	<b>154,547</b>	153,029
Dividend received	<b>5,183</b>	1,680
Additions of property, plant and equipment	-	(48,356)
Net addition of listed securities	<b>(370,783)</b>	(674,644)
<b>Net cash flows used in investing activities</b>	<b>(211,053)</b>	(568,291)
<b>Decrease in cash and cash equivalents</b>	<b>(578,220)</b>	(1,083,041)
<b>Effect of foreign exchange rate changes on cash</b>	<b>7,300</b>	3,983
<b>Cash and cash equivalents at beginning of the period</b>	<b>15,455,686</b>	19,470,884
<b>Cash and cash equivalents at end of the period</b>	<b>14,884,766</b>	18,391,826

*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, 2022**  
(Express in United States Dollars)

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**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, 2021. 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, 2022.

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, 2021.

**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, 2021, except for those related to new or revised International Financial Reporting Standards (“IFRS”) effective for the annual period beginning on or after January 1, 2022. 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.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2022**  
(Express in United States Dollars)

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

	As at	
	March 31, 2022	December 31, 2021
	\$	\$
<b>Segment assets</b>		
Investment Business	14,303,880	14,228,373
Mining Business	39,395,171	39,450,831
Total segment assets	53,699,051	53,679,204
Unallocated	19,518,534	20,045,636
<b>Consolidated total assets</b>	<b>73,217,585</b>	<b>73,724,840</b>
<b>Segment liabilities</b>		
Investment Business	102,685	41,464
Mining Business	939,602	960,854
Total segment liabilities	1,042,287	1,002,318
Unallocated	1,748,409	1,657,127
<b>Consolidated total liabilities</b>	<b>2,790,696</b>	<b>2,659,445</b>

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

	Three months ended	
	March 31, 2022	March 31, 2021
	\$	\$
<b>Segment results</b>		
Investment Business	(151,948)	(13,008)
Mining Business	(179,028)	(185,588)
	(330,976)	(198,596)
Other income and gains	3,147	1,209
Unallocated corporate expenses	(490,253)	(478,286)
Exchange gain/(loss)	40,036	(43,361)
<b>Loss before income tax</b>	<b>(778,046)</b>	<b>(719,034)</b>

**5. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents were held in following locations:

Location	As at	
	March 31, 2022	December 31, 2021
	\$	\$
Canada	288,737	321,470
Hong Kong	14,140,693	14,640,764
Mainland China	455,336	493,452
<b>Total</b>	<b>14,884,766</b>	<b>15,455,686</b>

The Renminbi (“RMB”) located in Mainland 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 \$917,237 deposit placed with a brokerage firm (December 31, 2021: \$1,286,076). None of the cash equivalents are in asset backed commercial paper products.

**GobiMin Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2022**  
(Express in United States Dollars)

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

**6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES**

	As at	
	March 31, 2022	December 31, 2021
	\$	\$
Prepayments	22,103	21,606
Loan	3,905,610	3,852,966
Deposits	16,769	21,264
Other receivables	82,880	64,986
	<b>4,027,362</b>	<b>3,960,822</b>

As at March 31, 2022, the loan balance represented a loan secured by a property owned by the borrower in Hong Kong, bearing an interest at the rate of 4.5% per annum and was repayable on December 10, 2022 or on demand by the Group whichever is earlier. The management considered that there is no significant increase in credit risk of the loan with reference to recent market prices for similar properties in the same locations and similar conditions as the pledged property.

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

**7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

		As at	
		March 31, 2022	December 31, 2021
		\$	\$
<b>Current</b>			
Listed securities	(a)	675,384	458,434
<b>Non-current</b>			
Listed securities	(a)	255,636	299,693
Debentures	(b)	1,734,015	1,802,512
Unlisted investments	(c)	2,985,259	2,994,100
		<b>4,974,910</b>	<b>5,096,305</b>
<b>Total</b>		<b>5,650,294</b>	<b>5,554,739</b>

- (a) As at March 31, 2022 and December 31, 2021, 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, 2022, the Group recognized a fair value loss on listed securities of \$47,587 (three months ended March 31, 2021: \$52,482).
- (b) As at March 31, 2022 and December 31, 2021, debentures represented the debentures held by the Group with coupon rates ranging from 5.000% to 7.000% per annum and with perpetual maturities. For the three months ended March 31, 2022, the Group recognized a fair value loss on debentures of \$68,497 (three months ended March 31, 2021: fair value gain of \$7,370).



**GobiMin Inc.****Notes to Condensed Interim Consolidated Financial Statements****For the three months ended March 31, 2022**

(Express in United States Dollars)

- (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 \$1,226,118 at March 31, 2022 (December 31, 2021: \$1,226,118) and 6.28% interests in Infinity Technology (Cayman) Limited (“Infinity Tech”) which is a company incorporated in the Cayman 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 with fair value of \$1,500,269 at March 31, 2022 (December 31, 2021: \$1,500,269).

As at March 31, 2022, other unlisted investment held by the Group amounted to \$258,872 (December 31, 2021: \$267,713). For the three months ended March 31, 2022, the Group recognized a fair value loss on unlisted investments of \$13,715 (three months ended March 31, 2021: \$2,807).

**8. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold land & buildings	Leasehold improvements	Furniture, fixture & equipment	Computer hardware & equipment	Motor vehicles	Total
<b>Cost:</b>	\$	\$	\$	\$	\$	\$
<b>At January 1, 2021</b>	<b>13,530,425</b>	<b>239,524</b>	<b>465,142</b>	<b>598</b>	<b>802,990</b>	<b>15,038,679</b>
Exchange difference	147,676	(1,376)	11,620	18	20,627	178,565
Additions	-	-	8,927	-	49,863	58,790
Write-off	-	-	(11,999)	-	(126,315)	(138,314)
<b>At December 31, 2021</b>	<b>13,678,101</b>	<b>238,148</b>	<b>473,690</b>	<b>616</b>	<b>747,165</b>	<b>15,137,720</b>
Exchange difference	20,129	-	1,268	2	1,211	22,610
<b>At March 31, 2022</b>	<b>13,698,230</b>	<b>238,148</b>	<b>474,958</b>	<b>618</b>	<b>748,376</b>	<b>15,160,330</b>
<b>Depreciation and impairment:</b>						
<b>At January 1, 2021</b>	<b>3,651,092</b>	<b>239,097</b>	<b>396,286</b>	<b>598</b>	<b>764,613</b>	<b>5,051,686</b>
Exchange difference	36,664	(1,375)	9,936	18	19,585	64,828
Depreciation for the year	541,505	426	15,237	-	9,714	566,882
Disposal	-	-	-	-	(122,612)	(122,612)
<b>At December 31, 2021</b>	<b>4,229,261</b>	<b>238,148</b>	<b>421,459</b>	<b>616</b>	<b>671,300</b>	<b>5,560,784</b>
Exchange difference	5,644	-	1,116	2	1,104	7,866
Depreciation for the period	136,358	-	3,479	-	4,538	144,375
<b>At March 31, 2022</b>	<b>4,371,263</b>	<b>238,148</b>	<b>426,054</b>	<b>618</b>	<b>676,942</b>	<b>5,713,025</b>
<b>Net book value:</b>						
<b>At December 31, 2021</b>	<b>9,448,840</b>	<b>-</b>	<b>52,231</b>	<b>-</b>	<b>75,865</b>	<b>9,576,936</b>
<b>At March 31, 2022</b>	<b>9,326,967</b>	<b>-</b>	<b>48,904</b>	<b>-</b>	<b>71,434</b>	<b>9,447,305</b>

As at March 31, 2022, the carrying amount of property, plant and equipment located in Hong Kong amounted to \$4,490,408 (December 31, 2021: \$4,522,273). The remaining property, plant and equipment were located in Mainland China.

**GobiMin Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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(Express in United States Dollars)

**9. INVESTMENT PROPERTIES**

<b>Cost:</b>	\$
At January 1, 2021	8,120,510
Exchange difference	122,622
<b>At December 31, 2021</b>	<b>8,243,132</b>
Exchange difference	15,121
<b>At March 31, 2022</b>	<b>8,258,253</b>
<b>Depreciation and impairment:</b>	
At January 1, 2021	3,117,858
Exchange difference	38,551
Depreciation for the year	292,144
<b>At December 31, 2021</b>	<b>3,448,553</b>
Exchange difference	5,345
Depreciation for the period	79,435
<b>At March 31, 2022</b>	<b>3,533,333</b>
<b>Net book value:</b>	
<b>At December 31, 2021</b>	<b>4,794,579</b>
<b>At March 31, 2022</b>	<b>4,724,920</b>

As at March 31, 2022, investment properties are commercial properties, of which \$3,123,011 (December 31, 2021: \$3,171,020) are located in Mainland China and \$1,601,909 (December 31, 2021: \$1,623,559) are located in Hong Kong. Certain investment properties were leased to related parties and third 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 March 31, 2022 was approximately \$7,963,479 (December 31, 2021: \$7,684,568). 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**

<b>Cost:</b>	\$
At January 1, 2021	31,949,079
Exchange difference	895,032
Addition	1,537,967
<b>At December 31, 2021</b>	<b>34,382,078</b>
Exchange difference	100,860
<b>At March 31, 2022</b>	<b>34,482,938</b>

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.

**GobiMin Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
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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. 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. Upon the satisfaction in maintaining the alkali balance of gold ores, the industrial test would enter into the final stage of gold immersion process which is targeted to complete within 2022.

**11. OTHER PAYABLES, RECEIPTS IN ADVANCE AND ACCRUED LIABILITIES**

As at March 31, 2022 and December 31, 2021, the balances of other payables, receipts in advance, accrued liabilities and deposit received comprised mainly the payables 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, 2022	December 31, 2021
	\$	\$
Other payables	949,700	934,714
Accrued liabilities	587,718	537,909
Receipts in advance	102,685	41,464
Deposit received	27,619	22,384
<b>Total</b>	<b>1,667,722</b>	<b>1,536,471</b>

**12. SHARE CAPITAL AND STOCK OPTIONS**

**12.1 Common Shares**

	Number	Amount
<b><u>Authorized:</u></b>		\$
Unlimited number of common shares		
<b><u>Issued and outstanding:</u></b>		
<b>At January 1, 2021, December 31, 2021 and March 31, 2022</b>	<b>49,194,982</b>	<b>21,738,071</b>

**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 and 2022, 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 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, 2021: 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, 2021 and 2022.

**GobiMin Inc.**  
**Notes to Condensed Interim Consolidated Financial Statements**  
**For the three months ended March 31, 2022**  
(Express in United States Dollars)

**12.6 Basic and Diluted Loss Per Share**

	<b>For the three months ended</b>	
	<b>March 31, 2022</b>	March 31, 2021
<b>Net loss attributable to shareholders</b>		
Basic and diluted	(\$701,278)	(\$673,297)
<b>Weighted average number of shares outstanding</b>		
Basic and diluted	49,194,982	49,194,982
<b>Basic and diluted loss per share</b>	<b>(\$0.014)</b>	(\$0.014)

For the three months ended March 31, 2021 and 2022, there were no stock options outstanding or other potential ordinary shares in issue and as such, there is no dilution effect.

**13. RELATED PARTY TRANSACTIONS**

**13.1 Key management compensation**

The remuneration of key management and directors was as follows:

	<b>For the three months ended</b>	
	<b>March 31, 2022</b>	March 31, 2021
	\$	\$
Salaries, fees and other benefits	93,190	82,365
Payments to defined contribution plans	2,700	580
	<b>95,890</b>	82,945

**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.

<b>Relationship</b>	<b>Type of transactions</b>	<b>For the three months ended</b>	
		<b>March 31, 2022</b>	March 31, 2021
		\$	\$
Companies in which a director of	Rental income	22,625	21,953
the Company has equity interests	Share of office common expenses	4,105	3,243

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**14. COMMITMENTS**

**14.1 Capital commitments**

The Group has the following capital commitments:

As at	Contract Date	Contracted Sum	Capital Commitments	
			March 31, 2022	December 31, 2021
		\$	\$	\$
Mine design and related facilities	October 31, 2011	1,262,586	<b>694,422</b>	692,391
Office building renovation	March 2, 2013	2,072,200	<b>926,341</b>	923,631
Research on gold processing method	June 20, 2020	268,299	<b>31,565</b>	31,472
<b>Total capital commitments for the Gold Project</b>		<b>3,603,085</b>	<b>1,652,328</b>	<b>1,647,494</b>

**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, 2022	December 31, 2021
	\$	\$
Within one year	<b>163,820</b>	95,046
In the second to fifth years inclusive	<b>631,608</b>	235,885
After five years	<b>538,177</b>	-
<b>Total future minimum lease receivables</b>	<b>1,333,605</b>	<b>330,931</b>

**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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	<b>Fair Value Measurements at Reporting Date Using</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><u>As at March 31, 2022</u></b>				
Listed securities	931,020	-	-	931,020
Unlisted investments	-	258,872	2,726,387	2,985,259
Debentures	1,734,015	-	-	1,734,015
	<b>2,665,035</b>	<b>258,872</b>	<b>2,726,387</b>	<b>5,650,294</b>
<b><u>As at December 31, 2021</u></b>				
Listed securities	758,127	-	-	758,127
Unlisted investments	-	267,713	2,726,387	2,994,100
Debentures	1,802,512	-	-	1,802,512
	<b>2,560,639</b>	<b>267,713</b>	<b>2,726,387</b>	<b>5,554,739</b>

**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 three months ended March 31, 2022, the widespread of Omicron variant has had a material adverse effect on the local economy in which the Group operates as the local government imposed enhanced community lockdown measures. The Group has been monitoring its potential impact on its operations but considered that there has not been significant decline in the values of its level 1 financial instruments held by the Group by reference to the relevant economic indices for Mainland China and Hong Kong since the COVID-19 outbreak. In addition, there has been no indication of an increase in risks associated with its cash balances held in Mainland China and Hong Kong. However, as uncertainties continues as a result of the COVID-19 outbreak, the board and the management of the Group will continue to closely monitor the economic situation and take necessary steps to protect our shareholders' interest, as well as ensure the orderly operation of our Group during this challenging time. As at March 31, 2022, the fair value of the property pledged as a security for the Group's loan receivable with reference to the recent market prices of similar properties in the same locations exceeded the carrying amount of the related loan receivable 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 fragile economic condition, 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 Group will timely adjust our investment plan in response to the current conditions and will explore opportunities in a proactive manner.

**18. EVENTS AFTER THE REPORTING PERIOD**

On April 27, 2022, TSX Venture Exchange ("TSXV") approved the Company to commence a Normal Course Issuer Bid ("NCIB") to repurchase up to an additional 2,459,749 common shares, representing 5% of the issued and outstanding common shares of the Company. Purchases will be made in accordance with applicable regulations over a maximum period of 12 months commenced on April 29, 2022 and ending on April 28, 2023 or on such earlier date as GobiMin may complete its purchases pursuant to the NCIB or as it may otherwise determine.

Subsequent to the end of the reporting period, a total of 11,000 common shares were repurchased at an aggregate cost of \$1,968 (CAD2,450) under the NCIB. All shares repurchased will be/have been returned to treasury for cancellation, resulting in a reduction in share capital of \$4,861.