

GobiMin Inc.

(Incorporated in Canada under the Canada Business Corporations Act)

Condensed Interim Consolidated Financial Statements (unaudited)

June 30, 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 June 30, 2022 and December 31, 2021
(Expressed in United States Dollars)

	<i>Note</i>	(Unaudited) June 30, 2022	(Audited) December 31, 2021
		\$	\$
ASSETS			
Current			
Cash and cash equivalents	5	13,823,859	15,455,686
Prepayments, deposits and other receivables	6	4,111,166	3,960,822
Financial assets at fair value through profit or loss	7	504,203	458,434
		18,439,228	19,874,942
Assets of a disposal group classified as held for sale	12	37,401,558	-
Total current assets		55,840,786	19,874,942
Non-current			
Property, plant and equipment	8	4,602,574	9,576,936
Investment properties	9	4,485,554	4,794,579
Exploration and evaluation assets	10	-	34,382,078
Financial assets at fair value through profit or loss	7	4,550,721	5,096,305
Total non-current assets		13,638,849	53,849,898
Total assets		69,479,635	73,724,840
LIABILITIES			
Current			
Other payables, receipts in advance and accrued liabilities	11	677,274	1,536,471
Income taxes payable		1,122,974	1,122,974
		1,800,248	2,659,445
Liabilities of a disposal group classified as held for sale	12	892,135	-
Total current liabilities		2,692,383	2,659,445
Total liabilities		2,692,383	2,659,445
SHAREHOLDERS' EQUITY			
Share capital	13	21,732,546	21,738,071
Reserves		45,679,970	49,856,585
Equity attributable to shareholders of the Company		67,412,516	71,594,656
Non-controlling interests		(625,264)	(529,261)
Total shareholders' equity		66,787,252	71,065,395
Total liabilities and shareholders' equity		69,479,635	73,724,840

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

APPROVED BY THE BOARD ON AUGUST 18, 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 six months ended June 30, 2022 and 2021
(Expressed in United States Dollars)

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
<i>Note</i>		(Restated)		(Restated)
	\$	\$	\$	\$
Continuing operations				
Interest income	152,922	158,399	307,325	311,306
Rental income	44,264	53,439	97,813	104,791
Dividend income	4,403	7,900	9,586	9,580
Other income	25,228	8,146	27,495	8,259
Loss on disposal of financial assets	(120,948)	(22,376)	(276,060)	(136,555)
Fair value loss on financial assets at fair value through profit or loss	(261,962)	(26,157)	(391,761)	(74,076)
Gross (loss)/profit	(156,093)	179,351	(225,602)	223,305
General and administrative expenses	(569,942)	(590,019)	(1,144,366)	(1,128,758)
Exchange (loss)/gain	(591,646)	197,519	(551,610)	154,158
Operating loss	(1,317,681)	(213,149)	(1,921,578)	(751,295)
(Loss)/gain on disposal of property, plant and equipment	(9,847)	21,280	(9,847)	21,280
Loss for the period from continuing operations	(1,327,528)	(191,869)	(1,931,425)	(730,015)
Discontinued operations				
Loss for the period from discontinued operations	(177,109)	(286,887)	(351,258)	(467,775)
Loss for the period	(1,504,637)	(478,756)	(2,282,683)	(1,197,790)
Other comprehensive (loss)/income				
Other comprehensive (loss)/income to be reclassified to profit or loss in subsequent period: Exchange difference on translation of foreign operations	(2,132,747)	619,446	(1,993,207)	502,702
Total comprehensive (loss)/income for the period	(3,637,384)	140,690	(4,275,890)	(695,088)
Loss for the period attributable to shareholders of the Company				
- from continuing operations	(1,327,528)	(191,869)	(1,931,425)	(730,015)
- from discontinued operations	(133,114)	(209,793)	(230,495)	(344,944)
	(1,460,642)	(401,662)	(2,161,920)	(1,074,959)
Loss for the period attributable to non- controlling interests				
- from continuing operations	-	-	-	-
- from discontinued operations	(43,995)	(77,094)	(120,763)	(122,831)
	(43,995)	(77,094)	(120,763)	(122,831)
Loss for the period	(1,504,637)	(478,756)	(2,282,683)	(1,197,790)

GobiMin Inc.**Condensed Interim Consolidated Statements of Comprehensive Income (Unaudited)****For the six months ended June 30, 2022 and 2021**

(Expressed in United States Dollars)

	<i>Note</i>	Three Months Ended		Six Months Ended	
		June 30, 2022	June 30, 2021 (Restated)	June 30, 2022	June 30, 2021 (Restated)
		\$	\$	\$	\$
Total comprehensive (loss)/income for the period attributable to shareholders of the Company					
- from continuing operations		(1,780,869)	(77,302)	(2,231,100)	(621,687)
- from discontinued operations		(1,838,833)	298,683	(1,948,787)	52,279
		(3,619,702)	221,381	(4,179,887)	(569,408)
Total comprehensive (loss)/income for the period attributable to non-controlling interests:					
- from continuing operations		-	-	-	-
- from discontinued operations		(17,682)	(80,691)	(96,003)	(125,680)
		(17,682)	(80,691)	(96,003)	(125,680)
Total comprehensive (loss)/income for the period		(3,637,384)	140,690	(4,275,890)	(695,088)
Loss per share					
Basic and diluted					
- from continuing and discontinued operations	13.7	(0.030)	(0.008)	(0.044)	(0.022)
- from continuing operations	13.7	(0.027)	(0.004)	(0.039)	(0.015)
- from discontinued operations	13.7	(0.003)	(0.004)	(0.005)	(0.007)
Weighted average number of shares outstanding					
Basic and diluted					
	13.7	49,188,537	49,194,982	49,191,742	49,194,982

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

GobiMin Inc.
Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)
For the six months ended June 30, 2022 and 2021
(Expressed in United States Dollars)

	Attributable to shareholders of the Company					Non-controlling interests	Total equity
	Share capital Note 13.1	Contributed surplus	General reserve Note 13.3	Translation reserve Note 13.4	Retained earnings		
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	-	-	-	-	(1,074,959)	(122,831)	(1,197,790)
Other comprehensive income/(loss)	-	-	-	505,551	-	(2,849)	502,702
Total comprehensive income/(loss)	-	-	-	505,551	(1,074,959)	(125,680)	(695,088)
At June 30, 2021	21,738,071	2,399,939	501,965	2,015,033	45,464,177	(365,527)	71,753,658
At January 1, 2022	21,738,071	2,399,939	501,965	2,500,369	44,454,312	(529,261)	71,065,395
Loss for the period	-	-	-	-	(2,161,920)	(120,763)	(2,282,683)
Other comprehensive (loss)/income	-	-	-	(2,017,967)	-	24,760	(1,993,207)
Total comprehensive loss	-	-	-	(2,017,967)	(2,161,920)	(96,003)	(4,275,890)
Share repurchased	(5,525)	-	-	-	3,272	-	(2,253)
At June 30, 2022	21,732,546	2,399,939	501,965	482,402	42,295,664	(625,264)	66,787,252

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

GobiMin Inc.
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
For the six months ended June 30, 2022 and 2021
(Expressed in United States Dollars)

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Operating activities				
Net loss for the period	(1,504,637)	(478,756)	(2,282,683)	(1,197,790)
Adjustments for items not involving cash:				
- Depreciation	209,899	222,819	433,709	417,375
- Loss on disposal of financial assets	120,948	22,376	276,060	136,555
- Fair value loss on financial assets at fair value through profit or loss	261,962	26,157	391,761	74,076
- Loss/(gain) on disposal/write-off of property, plant and equipment	9,847	(21,280)	9,847	(21,280)
- Exchange loss/(gain)	591,646	(197,519)	551,610	(154,158)
- Dividend income	(4,403)	(7,900)	(9,586)	(9,580)
- Interest income	(152,989)	(158,534)	(307,536)	(311,563)
	(467,727)	(592,637)	(936,818)	(1,066,365)
Working capital adjustments:				
- Prepayments, deposits and other receivables	(116,587)	110,745	(152,482)	18,163
- Other payables, receipts in advance and accrued liabilities	(631,279)	(58,217)	(493,460)	(6,657)
Net cash flows used in operating activities	(1,215,593)	(540,109)	(1,582,760)	(1,054,859)
Financing activity				
Shares repurchased	(2,253)	-	(2,253)	-
Cash flow used in a financing activity	(2,253)	-	(2,253)	-
Investing activities				
Interest received	152,989	158,534	307,536	311,563
Dividend received	4,403	7,900	9,586	9,580
Additions of property, plant and equipment	-	(7,667)	-	(56,023)
Proceeds from disposal of property, plant and equipment	3,000	21,280	3,000	21,280
Net proceeds from maturity of debentures	200,000	200,000	200,000	200,000
Net (addition)/disposal of listed securities	(278)	387,462	(371,061)	(287,182)
Net cash flows from investing activities	360,114	767,509	149,061	199,218
(Decrease)/increase in cash and cash equivalents	(857,732)	227,400	(1,435,952)	(855,641)
Effect of foreign exchange rate changes	(33,646)	16,389	(26,346)	20,372
Cash and cash equivalents at beginning of the period	14,884,766	18,391,826	15,455,686	19,470,884
Cash and cash equivalents at end of the period	13,993,388	18,635,615	13,993,388	18,635,615
Cash and cash equivalents at end of the period represented by:				
Bank balances and cash from continuing operations	13,823,859	18,635,615	13,823,859	18,635,615
Bank balances and cash from discontinued operations	169,529	-	169,529	-
	13,993,388	18,635,615	13,993,388	18,635,615

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

GobiMin Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the six months ended June 30, 2022
(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 Brookfield Place, 181 Bay St., Suite 4400, Toronto, Ontario M5J 2T3, Canada.

The Group is principally engaged in investment in properties, equity, debt or other securities as well as direct ownership stakes in projects.

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 (“IFRSs”) effective for the annual period beginning on or after January 1, 2022. The adoption of these new or revised IFRSs has no material effect on the Group’s condensed interim consolidated financial statements. The Group has not early adopted any standards, interpretations or amendments that has been issued by the International Accounting Standards Board but is not yet effective.

4. SEGMENT INFORMATION

The Group is engaged in the investment in properties, equity, debt or other securities as well as direct ownership stakes in projects (“Investment Business”).

In the prior period, the Group also engaged in the development, exploration and exploitation of mineral properties, mainly in the Xinjiang Uygur Autonomous Region (“Xinjiang”) of the People’s Republic of China (“China”) (“Mining Business”). As disclosed in note 12, the operating results of the Mining Business were classified as discontinued operations of the Group and were excluded from the segment information for the six months ended June 30, 2022. The comparative figures of segment information for the six months ended June 30, 2021 were restated to conform with the current year presentation. Since then, no other discrete financial information is provided other than the Group’s results and financial position as a whole.

GobiMin Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the six months ended June 30, 2022
(Express in United States Dollars)

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were held in following locations:

Location	As at	
	June 30, 2022	December 31, 2021
	\$	\$
Canada	549,649	321,470
Hong Kong	12,988,966	14,640,764
Mainland China	285,244	493,452
Total	13,823,859	15,455,686

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 authorised to conduct foreign exchange business. The balance located in Hong Kong included \$921,989 deposit placed with a brokerage firm (December 31, 2021: \$1,286,076). 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	
	June 30, 2022	December 31, 2021
	\$	\$
Prepayments	18,666	21,606
Loan	3,958,838	3,852,966
Deposits	16,338	21,264
Other receivables	117,324	64,986
	4,111,166	3,960,822

As at June 30, 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 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.

GobiMin Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the six months ended June 30, 2022
(Express in United States Dollars)

7. FINANCIAL ASSETS

	Note	As at	
		June 30, 2022	December 31, 2021
		\$	\$
Current	(a)		
Listed securities		504,203	458,434
Non-current			
Listed securities	(a)	155,702	299,693
Debentures	(b)	1,435,278	1,802,512
Unlisted investments	(c)	2,959,741	2,994,100
		4,550,721	5,096,305
Total		5,054,924	5,554,739

- (a) As at June 30, 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 six months ended June 30, 2022, the Group recognised a fair value loss on listed securities of \$192,888 (six months ended June 30, 2021: \$88,459).
- (b) As at June 30, 2022 and December 31, 2021, debentures represented the debentures held by the Group with coupon rates ranging from 6.000% to 7.000% per annum and with perpetual maturities. For the six months ended June 30, 2022, the Group recognised a fair value loss on debentures of \$167,234 (six months ended June 30, 2021: fair value gain of \$10,142).
- (c) Unlisted investments mainly composed of the 9.90% equity 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 as at June 30, 2022 (December 31, 2021: \$1,226,118) and 6.28% equity interest 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 as at June 30, 2022 (December 31, 2021: \$1,500,269).

As at June 30, 2022, other unlisted investment held by the Group amounted to \$233,354 (December 31, 2021: \$267,713). For the six months ended June 30, 2022, the Group recognised a fair value loss on unlisted investments of \$31,639 (six months ended June 30, 2021: fair value gain of \$4,241).

GobiMin Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the six months ended June 30, 2022
(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, 2021	13,530,425	239,524	465,142	598	802,990	15,038,679
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)
At December 31, 2021	13,678,101	238,148	473,690	616	747,165	15,137,720
Exchange difference	(320,945)	-	(20,214)	(31)	(32,568)	(373,758)
Disposal	-	-	-	-	(254,307)	(254,307)
Assets included in discontinued operations (note 12)	(6,175,253)	-	(391,914)	(585)	(48,219)	(6,615,971)
At June 30, 2022	7,181,903	238,148	61,562	-	412,071	7,893,684
Depreciation and impairment:						
At January 1, 2021	3,651,092	239,097	396,286	598	764,613	5,051,686
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)
At December 31, 2021	4,229,261	238,148	421,459	616	671,300	5,560,784
Exchange difference	(89,993)	-	(17,774)	(31)	(30,860)	(138,658)
Depreciation for the period	265,943	-	6,036	-	8,587	280,566
Disposal	-	-	-	-	(241,460)	(241,460)
Assets included in discontinued operations (note 12)	(1,771,387)	-	(352,342)	(585)	(45,808)	(2,170,122)
At June 30, 2022	2,633,824	238,148	57,379	-	361,759	3,291,110
Net book value:						
At December 31, 2021	9,448,840	-	52,231	-	75,865	9,576,936
At June 30, 2022	4,548,079	-	4,183	-	50,312	4,602,574

As at June 30, 2022, the carrying amount of property, plant and equipment located in Hong Kong amounted to \$4,419,245 (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

Cost:	\$
At January 1, 2021	8,120,510
Exchange difference	122,622
At December 31, 2021	8,243,132
Exchange difference	(241,096)
At June 30, 2022	8,002,036
Depreciation and impairment:	
At January 1, 2021	3,117,858
Exchange difference	38,551
Depreciation for the year	292,144
At December 31, 2021	3,448,553
Exchange difference	(85,214)
Depreciation for the period	153,143
At June 30, 2022	3,516,482
Net book value:	
At December 31, 2021	4,794,579
At June 30, 2022	4,485,554

As at June 30, 2022, investment properties are commercial properties, of which \$2,905,290 (December 31, 2021: \$3,171,020) are located in Mainland China and \$1,580,264 (December 31, 2021: \$1,623,559) are located in Hong Kong. Certain investment properties were leased to third parties and related parties (notes 14.2 and 15.2) with fixed lease payments while some remain vacant. The estimated fair value of the investment properties as at June 30, 2022 was approximately \$7,800,883 (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.

GobiMin Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the six months ended June 30, 2022
(Express in United States Dollars)

10. EXPLORATION AND EVALUATION ASSETS

Cost:	\$
At January 1, 2021	31,949,079
Exchange difference	895,032
Addition	1,537,967
At December 31, 2021	34,382,078
Exchange difference	(1,608,158)
Assets included in discontinued operations (note 12)	(32,773,920)
At June 30, 2022	-

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.

11. OTHER PAYABLES, RECEIPTS IN ADVANCE AND ACCRUED LIABILITIES

As at June 30, 2022 and December 31, 2021, the balances of other payables, receipts in advance and accrued liabilities comprised mainly accrual of office expenses.

	As at	
	June 30, 2022	December 31, 2021
	\$	\$
Other payables	15,677	934,714
Accrued liabilities	530,603	537,909
Receipts in advance	115,514	41,464
Deposit received	15,480	22,384
Total	677,274	1,536,471

12. DISCONTINUED OPERATIONS AND DISPOSAL GROUP HELD FOR SALE

During the period, management committed to a plan to focus more resources on its Investment Business and seek potential investors for the Mining Business. Active discussion has been carried out with the potential buyer.

Subsequent to the end of the reporting period on July 14, 2022, the Group entered into a definitive agreement to dispose of its 100% indirect equity interest in a wholly-owned subsidiary, which owns the 70% indirect equity interest in the company holding the mining licence of the Gold Project and comprises of the Group's Mining Business, to an independent third party to the Group for approximately \$74,045,000 (RMB493,627,000) in cash, including the consideration for the equity transfer of approximately \$69,163,000 (RMB461,084,000) and repayment of loans to the Group of approximately \$4,882,000 (RMB32,543,000). The Group presented the results of the Mining Business separately as "loss for the period from discontinued operations" in the condensed interim consolidated statement of comprehensive income and the assets and liabilities of the Mining Business as "assets / liabilities of a disposal group classified as held for sale" in the condensed interim consolidated statement of financial position.

The loss for the period from the discontinued mining operation is set out below. The comparative figures in the condensed interim consolidated statement of comprehensive income have been restated to represent the Mining Business as a discontinued operation.

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Interest income	67	135	211	257
Other income	714	2	973	89
General and administrative expenses	(177,890)	(287,024)	(352,442)	(468,121)
Loss for the period from discontinued operations	(177,109)	(286,887)	(351,258)	(467,775)

During the period, the Group's cash flows contributed by the Mining Business are summarised below:

	Three Months Ended		Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	\$	\$	\$	\$
Net cash flows used in operating activities	(242,312)	(96,171)	(252,543)	(364,711)
Net cash flows used in investing activities	-	(7,667)	-	(7,667)
Net cash flows from financing activities	150,001	185,870	180,002	418,208
	(92,311)	82,032	(72,541)	45,830

GobiMin Inc.
Notes to Condensed Interim Consolidated Financial Statements
For the six months ended June 30, 2022
(Express in United States Dollars)

The major classes of assets and liabilities of the Mining Business as at June 30, 2022, which have been presented separately in the condensed interim consolidated statement of financial position, are as follows:

	As at June 30, 2022
	\$
Cash and cash equivalents	169,529
Prepayments, deposits and other receivables	12,260
Property, plant and equipment	4,445,849
Exploration and evaluation assets	32,773,920
Total assets of a disposal group classified as held for sale	37,401,558
Other payables, receipts in advance and accrued liabilities	892,135
Total liabilities of a disposal group classified as held for sale	892,135

Cumulative amount of \$156,962 relating to the disposal group classified as held for sale has been recognised in other comprehensive income and included in equity.

13. SHARE CAPITAL AND STOCK OPTIONS

13.1 Common Shares

	Number	Amount
<u>Authorised:</u>		\$
Unlimited number of common shares		
<u>Issued and outstanding:</u>		
At January 1, 2021 and December 31, 2021	49,194,982	21,738,071
Shares repurchased and cancelled	(12,500)	(5,525)
At June 30, 2022	49,182,482	21,732,546

13.2 Preferred Shares

The Company did not authorise or issue any preferred shares.

13.3 General Reserve

The general reserve represents statutory reserves of the Group's Chinese operating subsidiaries. During the six months ended June 30, 2022, there was no movement in the general reserve.

13.4 Translation Reserve

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

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13.5 Normal Course Issuer Bid

On April 27, 2022, GobiMin was granted approval by TSX Venture Exchange to renew its normal course issuer bid to repurchase up to an additional 2,459,749 common shares, representing approximately 5% of the then common shares outstanding (“2022 NCIB”). Purchases were made in accordance with applicable regulations over a maximum period of 12 months from April 29, 2022 to April 28, 2023. For the six months ended June 30, 2022, a total of 12,500 common shares were repurchased at an aggregate cost of \$2,253 (CAD2,885) under 2022 NCIB. All shares repurchased have been returned to treasury for cancellation.

13.6 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, 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 six months ended June 30, 2022 and 2021.

13.7 Basic and Diluted Loss Per Share

	Three Months Ended	
	June 30, 2022	June 30, 2021
Loss for the period attributable to the shareholders of the Company		
Loss for the period attributable to the shareholders of the Company	(\$1,460,642)	(\$401,662)
Less: loss for the period attributable to the shareholders of the Company from discontinued operations	\$133,114	\$209,793
Loss for the period attributable to the shareholders of the Company for the purpose of basic and diluted loss per share from continuing operations	(\$1,327,528)	(\$191,869)
Weighted average number of shares outstanding		
Basic and diluted	49,188,537	49,194,982
Basic and diluted loss per share		
- from continuing and discontinued operations	(\$0.030)	(\$0.008)
- from continuing operations	(\$0.027)	(\$0.004)
- from discontinued operations	(\$0.003)	(\$0.004)

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	Six Months Ended	
	June 30, 2022	June 30, 2021
Loss for the period attributable to the shareholders of the Company		
Loss for the period attributable to the shareholders of the Company	(\$2,161,920)	(\$1,074,959)
Less: loss for the period attributable to the shareholders of the Company from discontinued operations	\$230,495	\$344,944
Loss for the period attributable to the shareholders of the Company for the purpose of basic and diluted loss per share from continuing operations	(\$1,931,425)	(\$730,015)
Weighted average number of shares outstanding		
Basic and diluted	49,191,742	49,194,982
Basic and diluted loss per share		
- from continuing and discontinued operations	(\$0.044)	(\$0.022)
- from continuing operations	(\$0.039)	(\$0.015)
- from discontinued operations	(\$0.005)	(\$0.007)

For the three months and six months ended June 30, 2021 and 2022, there were no stock options outstanding or other potential ordinary shares in issue and as such, there is no diluted loss per share presented.

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14. RELATED PARTY TRANSACTIONS

14.1 Key management compensation

The remuneration of key management and directors was as follows:

	Three Months Ended	
	June 30, 2022	June 30, 2021
	\$	\$
Salaries, fees and other benefits	121,748	106,720
Payment to defined contribution plans	5,977	832
	127,725	107,552

	Six months ended	
	June 30, 2022	June 30, 2021
	\$	\$
Salaries, fees and other benefits	214,938	189,085
Payment to defined contribution plans	8,677	1,412
	223,615	190,497

14.2 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	Three months ended	
		June 30, 2022	June 30, 2021
		\$	\$
Companies in which a director of the Company has equity interest	Rental income	21,565	22,264
	Share of office common expenses	4,105	3,179

Relationship	Type of transactions	Six months ended	
		June 30, 2022	June 30, 2021
		\$	\$
Companies in which a director of the Company has equity interest	Rental income	44,190	44,217
	Share of office common expenses	8,044	6,423

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15. COMMITMENTS

15.1 Capital commitments

The Group has the following capital commitment:

As at	Contract Date	Contracted Sum	Capital Commitments	
			June 30, 2022	December 31, 2021
		\$	\$	\$
Mine design and related facilities	October 31, 2011	1,200,010	660,006	692,391
Office building renovation	March 2, 2013	1,969,499	880,430	923,631
Research on gold processing method	June 20, 2020	255,002	30,000	31,472
Total capital commitments for the Gold Project		3,424,511	1,570,436	1,647,494

15.2 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	
	June 30, 2022	December 31, 2021
	\$	\$
Within one year	94,891	95,046
In the second to fifth years inclusive	471,004	235,885
After five years	504,004	-
Total future minimum lease receivables	1,069,899	330,931

16. 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 assets or current liabilities 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.

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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.

	Fair Value Measurements at Reporting Date Using			
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<u>As at June 30, 2022</u>				
Listed securities	659,905	-	-	659,905
Unlisted investments	-	233,354	2,726,387	2,959,741
Debentures	1,435,278	-	-	1,435,278
	2,095,183	233,354	2,726,387	5,054,924
<u>As at December 31, 2021</u>				
Listed securities	758,127	-	-	758,127
Unlisted investments	-	267,713	2,726,387	2,994,100
Debentures	1,802,512	-	-	1,802,512
	2,560,639	267,713	2,726,387	5,554,739

17. 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.

18. IMPACT OF COVID-19

During the period under review, although local coronavirus fears ease and domestic and global activity continued to recover, Covid-19 situation has taken more time to ease than previously predicted. 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 Group operates. The Group is keeping monitoring the potential impact of the spread of Omicron variant, such as disruption of the supply chains and logistics setup.

The Group further considered that since the COVID-19 outbreak, there has been no indication of an increase in risks associated with its cash balances held in Hong Kong and the Mainland China. However, there continues to be uncertainties around the long-term impact of the COVID-19 outbreak, due to the acceleration of infection cases worldwide. The board and the management of the Group will continue to work on timely adjustment on investment plans in light of the current conditions and will explore opportunities in a proactive manner in order to protect interest of our shareholders.

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As at June 30, 2022, 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 and also to strengthen 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.

19. EVENTS AFTER THE REPORTING PERIOD

- 19.1 For the period from July 1 to August 18, 2022, a total of 21,500 common shares were repurchased at an aggregate cost of \$10,443 (CAD13,375) under the 2022 NCIB. All shares repurchased will be/have been returned to treasury for cancellation.
- 19.2 On July 14, 2022, GobiMin entered into a definitive agreement to sell the 100% indirect equity interest in a wholly-owned subsidiary, which owns the 70% indirect equity interest in the company holding the mining licence of the Gold Project, to a subsidiary of a Hong Kong listed mining company, for approximately \$74,045,000 (RMB493,627,000) in cash, including the consideration for the equity transfer of approximately \$69,163,000 (RMB461,084,000) and repayment of loans to the Group of approximately \$4,882,000 (RMB32,543,000). The registration of the equity transfer with the local authority was completed on July 25, 2022 and the handover process is in progress. Up to the date of this report, the Group received \$62,981,000 (RMB419,867,000), including first instalment of the consideration for the equity transfer and full settlement of loans due to the Group after deducting the related Chinese taxes and transaction related expenses. The final instalment of \$7,500,000 (RMB50,000,000) will be paid to the Company within 35 days from the payment of the first instalment. An estimated gain on disposal of not less than \$30 million would be recognised.