

GobiMin Inc.

(Incorporated in Canada under the Canada Business Corporations Act)

Interim Management's Discussion and Analysis of Financial Results - Quarterly Highlights

September 30, 2022

(Expressed in United States Dollars except where otherwise noted)

GobiMin Inc.

Interim MD&A – Quarterly Highlights For the quarter ended September 30, 2022 (Expressed in United States Dollars) November 4, 2022

The Quarterly Highlights of GobiMin Inc. (the “Company” or “GobiMin”) provide material updates to the business operations, liquidity and capital resources of the Company since its last annual management discussion & analysis, being the Management Discussion & Analysis (the “Annual MD&A”) for the financial year ended December 31, 2021. The Quarterly Highlights do not provide a general update to the Annual MD&A, or reflect any non-material events since the date of the Annual MD&A.

The Quarterly Highlights have been prepared by management as of November 4, 2022 and in compliance with the requirements of section 2.2.1 of Form 51-102F1, in accordance with National Instrument 51-102 - Continuous Disclosure Obligations. This discussion should be read in conjunction with its condensed interim consolidated financial statements for the quarter ended September 30, 2022 prepared in accordance with International Financial Reporting Standard (“IFRS”), its audited consolidated financial statements for the year ended December 31, 2021 prepared in accordance with IFRS and the Annual MD&A.

Additional information is accessible at the Company’s website www.gobimin.com or through the Company’s public filing at www.sedar.com.

Certain statements included in this discussion constitute forward-looking statements. Such forward-looking statements can often, but not always, be identified by the use of words such as “can”, “could”, “believe”, “propose”, “anticipate”, “intend”, “consider”, “estimate”, “expect”, or other variations of such expressions, or forward-looking statements may declare that certain measures, events or results “can”, “could” or “will” be taken or occur or be attained. Such forward-looking statements involve known and unknown risks and uncertainties as well as other factors that could cause actual results, performances or achievements of the Company to differ materially from the future results, performances or achievements implied or suggested in such forward-looking statements. Such risks, uncertainties and other factors include but are not limited to the risk factors discussed under the heading “Risk Factors” below. Accordingly, shareholders are cautioned not to put undue reliance on forward-looking statements. These forward-looking statements are made as of the date of this discussion and the Company disclaims any obligations to update any forward-looking statements in order to account for any events or circumstances that might occur after the date that such forward-looking statements were established, unless required by applicable securities law.

1. Corporate Overview

GobiMin, the shares of which are traded on the TSX Venture Exchange under the symbol GMN, is an investment issuer under the rules of the TSX Venture Exchange. The Company, together with its subsidiaries (collectively the “Group”), is principally engaged in investments in properties, equity, debt or other securities as well as direct ownership stakes in projects.

In previous periods, the Group also engaged in the development, exploration and exploitation of mineral properties in the Xinjiang Uyghur Autonomous Region (“Xinjiang”) of the People’s Republic of China (“China”) (“Mining Business”). In the current period, GobiMin disposed of its 100% indirect equity interest in a wholly-owned subsidiary, which owns 70% equity interest in the company holding the mining licence of the Sawayaerdun Gold Project (the “Gold Project”) located in Xinjiang (collectively the “Disposal Group”). The registration of equity transfer with the local authority was completed on July 25, 2022. The operating results of the Mining Business were classified as discontinued operations for the nine months ended September 30, 2022.

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2. Financial Highlights

	Three months ended September 30,		Year ended
	2022	2021	December 31, 2021
	\$'000	\$'000	\$'000
Continuing operations			
Revenue	399	311	937
Loss on disposal of financial assets	(105)	(114)	(250)
Fair value (loss)/gain on financial assets	(117)	54	(168)
Net profit/(loss) for the period/year from:			
- continuing operations	(7,479)	(366)	(1,258)
- discontinued operations	33,913	(246)	(1,105)
	26,434	(612)	(2,363)
Profit/(loss) attributable to shareholders of the Company from:			
- continuing operations	(7,479)	(366)	(1,270)
- discontinued operations	33,952	(182)	(815)
	26,473	(548)	(2,085)
Basic and diluted earnings/(loss) per share (in \$) from:			
- continuing operations	(0.152)	(0.007)	(0.026)
- discontinued operations	0.690	(0.004)	(0.016)
- continuing and discontinued operations	0.538	(0.011)	(0.042)
EBITDA/(LBITDA) ⁽¹⁾	29,783	(538)	(2,109)
EBITDA/(LBITDA) per share (in \$) ⁽¹⁾	0.606	(0.011)	(0.043)
	As at September 30,		As at
	2022	2021	December 31, 2021
	\$'000	\$'000	\$'000
Cash and cash equivalents	70,736	15,403	15,456
Cash and cash equivalents per share (in \$) ⁽¹⁾	1.44	0.31	0.31
Working capital ⁽¹⁾	79,812	17,385	17,215
Total current liabilities	2,446	2,604	2,659
Total assets	95,394	73,764	73,725

Note:

(1) As non-IFRS measurements, **EBITDA/(LBITDA)** (earnings/(loss) before interest income and expense, income taxes, depreciation and amortization), **EBITDA/(LBITDA) per share** and **Cash and cash equivalents per share** and **Working capital** are not mandatorily required by IFRS and, therefore, the amounts presented in the above table may not be comparable to similar data presented by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

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3. Business Summary and Development

The objective of the Company is to seek superior returns by making investments in properties, equity, debt or other securities as well as direct ownership stakes in projects. New investments will be directed by an Investment Committee and guided by the Company's Investment Policy which governs its investment activities and investment strategy.

3.1 Gold Project

In previous periods, the Company owned, through the 100% indirect equity interest in a wholly-owned subsidiary, the 70% indirect equity interest in Xinjiang Tongyuan Minerals Limited which holds the Gold Project in Xinjiang.

On July 14, 2022, GobiMin entered into a definitive agreement to sell the Disposal Group to a subsidiary of a Hong Kong listed company (the "Buyer"), which is an independent third party to the Group, for RMB493,627,000 (approximately \$74,045,000) in cash, including the consideration for the equity transfer of RMB461,084,000 (approximately \$69,163,000) and repayment of loans to the Group of RMB32,543,000 (approximately \$4,882,000) (the "Disposal"). The registration of equity transfer with the local authority for the Disposal was completed on July 25, 2022. As at September 30, 2022 and up to the date of this report, the Group received RMB419,867,000 (approximately \$62,981,000), including first instalment of the consideration for the equity transfer and full settlement of loans due to the Group after deducting Chinese taxes and transaction related expenses. The Group recorded a gain on the Disposal of \$37,451,000. The cash and cash equivalents of the Group has been increased from \$15,456,000 as at December 31, 2021 to \$70,736,000 as at September 30, 2022 and the working capital also improved from \$17,215,000 as at December 31, 2021 to \$79,812,000 as at September 30, 2022.

Due to the recent COVID-19 lockdown measures implemented in Xinjiang, the Buyer was unable to proceed with the foreign exchange remittance procedures and the final instalment of RMB50,000,000 (approximately \$6,987,000) cannot be remitted to the bank account of the Group within 35 days from the payment of the first instalment. The Group has fulfilled all obligations stipulated in the agreement which are precedent to the receipt of the final instalment. As there has been a rebound in cases in the past weeks and restriction measures are continuing, the completion of foreign exchange remittance procedures remains uncertain.

3.2 Financial Assets

(i) Listed Securities

As at September 30, 2022, the fair value of listed securities held by the Group amounted to \$350,000 (December 31, 2021: \$758,000) which include investments in listed stock, futures and options trading through registered brokerage firm in Hong Kong and listed stocks in Canada. For the nine months ended September 30, 2022, the loss on disposal of listed stocks, indexes, futures and options amounted to \$381,000 (nine months ended September 30, 2021: \$250,000) and fair value loss on listed securities was \$228,000 (nine months ended September 30, 2021: \$6,000).

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(ii) Unlisted Investments

The Group holds 670,000 shares of Dragon Silver Holdings Limited (“Dragon Silver”), representing 9.90% of its total issued capital, at an investment cost of \$1,121,000 (equivalent to HK\$8,710,000). Dragon Silver is a Hong Kong based company engaged in trading, production, processing and investment in precious metals and non-ferrous metals and related products. Due to continuous difficult market conditions and the impact of COVID-19, the Group agreed with the guarantor and Dragon Silver to waive the compensation for Profit Guarantee for the financial years ended up to June 30, 2022, and to extend (i) the Dividend Guarantee of not less than \$0.16 (HKD1.25) per share to the Group to the financial years ending June 30, 2022 to June 30, 2027; and (ii) the exercisable period of the Put Option in respect of the right to sell to the guarantor all the shares held by the Group at the investment cost to December 28, 2027. The fair value of the investment in Dragon Silver as at September 30, 2022 was \$1,226,000 (December 31, 2021: \$1,226,000).

The Group also holds 40,153,000 shares, representing about 6.28% equity interest, in Infinity Technology (Cayman) Limited (“Infinity Tech”) whose group provides in Hong Kong a one-stop solution cloud POS system integrating automated ordering and payment, menu digitalisation, logistics, marketing analysis, supply chains and inventory management at an investment cost of \$1,500,000. The fair value of such investment as at September 30, 2022 was \$1,500,000 (December 31, 2021: \$1,500,000).

As at September 30, 2022, unlisted investments held by the Group other than Dragon Silver and Infinity Tech amounted to \$213,000 (December 31, 2021: \$268,000). During the period under review, the fair value loss on other unlisted investments was \$33,000 (nine months ended September 30, 2021: fair value gain of \$4,000).

(iii) Debentures

The Group would invest in debentures bearing low risks and reasonable interest return from various industries through the open market. Debentures are held to receive coupon interest payments as well as to realise potential gains. The Group may dispose of debentures through the open market when the Group requires funds for operational or other investment needs.

As at September 30, 2022, the Group held debentures of \$1,354,000 (December 31, 2021: \$1,803,000) with coupon rates ranged from 6% to 7% (December 31, 2021: 5% to 7%) per annum and with perpetual maturities (December 31, 2021: perpetual maturities).

For the nine months ended September 30, 2022, interest income from debentures was \$76,000 (nine months ended September 30, 2021: \$115,000) and fair value loss on debentures amounted to \$248,000 (nine months ended September 30, 2021: \$18,000).

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3.3 Investment Properties

As at September 30, 2022, the Group held investment properties with carrying amount of \$4,203,000 (December 31, 2021: \$4,795,000) in Shenzhen, Xinjiang and Hong Kong for rental income and/or capital appreciation. The estimated fair value of the investment properties as at September 30, 2022 was approximately \$4,404,000 (December 31, 2021: \$7,685,000) as determined by management assessment with reference to recent market prices for similar properties in the same locations and similar conditions. Up to the date of this report, all investment properties were leased to third parties and related parties. For the nine months ended September 30, 2022, rental income from the leased properties was \$150,000 (nine months ended September 30, 2021: \$156,000).

3.4 Normal Course Issuer Bid (“NCIB”)

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 ended 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. For the nine months ended September 30, 2022, a total of 34,000 common shares were repurchased at an aggregate cost of \$11,748 (CAD16,260). For the period from October 1, 2022 to November 4, 2022, no common shares were repurchased under the NCIB. All shares repurchased will be/have been returned to treasury for cancellation.

Management believed that the repurchase by the Company of its own shares can maximise shareholder value and is in the best interest of the Company and its shareholders. A copy of the related Notice of Intention to Make a NCIB will be provided to shareholders upon receipt of written request to the Company at its registered office.

3.5 Liquidity and Capital Resources

As at September 30, 2022, working capital of the Group amounted to about \$79,812,000 (December 31, 2021: \$17,215,000), which is computed by netting off its current assets of \$82,258,000 (December 31, 2021: \$19,875,000) with current liabilities of \$2,446,000 (December 31, 2021: \$2,660,000).

Among the total balance of cash and cash equivalents of \$70,736,000, approximately \$1,138,000 were held by subsidiaries in Mainland China. The subsidiaries in Mainland China are allowed to transfer funds to other group companies outside Mainland China upon presentation of relevant documentation required by applicable regulations. The Group will take careful measures ahead to ensure that the available resources match with its various payment obligations in Mainland China and elsewhere.

Taking into account of its financial position, management of the Group considered that its cash and cash equivalents will be more than sufficient to finance its operation and meeting its obligations as and when they fall due.

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4. Key Economic Trends

China Economy

The Group has significant investments denominated in Chinese Renminbi (“RMB”). Currency fluctuations may have an impact on the Group’s performance as the Group reports in United States Dollars. As at September 30, 2022, the RMB depreciated by approximately 9.41% against the United States Dollars comparing with the exchange rate as at September 30, 2021. For the nine months ended September 30, 2022, the exchange rate of RMB against the United States Dollars depreciated by approximately 10.68%.



5. Selected Quarterly Information

For the three months ended September 30, 2022, the Group reported a net loss from continuing operations of \$7,479,000 (three months ended September 30, 2021: \$366,000) which mainly comprised of interest income of \$341,000 (three months ended September 30, 2021: \$147,000), rental income of \$53,000 (nine months ended September 30, 2021: \$51,000), dividend income of \$5,000 (three months ended September 30, 2021: \$113,000) netting off the net exchange loss of \$5,157,000 (three months ended September 30, 2021: net exchange gain of \$17,000), loss on disposal of financial assets of \$105,000 (three months ended September 30, 2021: \$114,000) and administrative expenses of \$2,458,000 (three months ended September 30, 2021: \$634,000). The increase in exchange loss was mainly impacted by the weakening of RMB for the current period where the Group holding significant amount of cash in RMB received from the Disposal. For the three months ended September 30, 2022, the administrative expense also increased significantly to \$2,458,000 from \$634,000 in the last corresponding period. It was mainly due to the increase in staff cost including compensation to staff of the disposed subsidiaries and bonus payment. In addition, the Company made donation of \$385,000 (three months ended September 30, 2021: nil) to a recognized charitable institution in Hong Kong.

In this quarter, the Group recorded a net increase in cash and cash equivalents of \$61,528,000 (three months ended September 30, 2021: net decrease of \$3,220,000). It comprised mainly the net cash inflow from disposal of subsidiaries of \$61,501,000 (three months ended September 30, 2021: nil) and repayment of loans previously made to the disposed subsidiaries of \$4,882,000 (three months ended September 30, 2021: nil), netting off the cash outflow from operations of \$1,786,000 (three months ended September 30, 2021: \$505,000) and income tax paid in respect of disposal of subsidiaries of \$3,473,000 (three months ended September 30, 2021: nil).

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The total assets increased by \$21,669,000 from \$73,725,000 as at December 31, 2021 to \$95,394,000 at the end of the reporting period, which mainly represented consideration received and receivable from the Disposal of \$69,163,000, less the assets disposed of from the Disposal of \$37,452,000, income tax paid in respect of disposal of subsidiaries of \$3,473,000, exchange loss of \$5,709,000 and fair value loss and disposal loss on financial assets of \$890,000.

6. Results of Operations

6.1 Revenue

For the three months ended September 30, 2022, interest income was \$341,000 (three months ended September 30, 2021: \$147,000), rental income was \$53,000 (three months ended September 30, 2021: \$51,000) and dividend income was \$5,000 (three months ended September 30, 2021: \$113,000) respectively.

For the nine months ended September 30, 2022, interest income was \$648,000 (nine months ended September 30, 2021: \$458,000), rental income was \$150,000 (nine months ended September 30, 2021: \$156,000) and dividend income was \$15,000 (nine months ended September 30, 2021: \$123,000) respectively.

6.2 Fair Value Loss and Disposal Loss on Financial Assets at Fair Value Through Profit or Loss (“FVTPL”)

For the three months ended September 30, 2022, fair value loss on financial assets at FVTPL was \$117,000 (three months ended September 30, 2021: fair value gain of \$54,000). It mainly represented the fair value loss on listed securities of \$35,000 (three months ended September 30, 2021: fair value gain of \$82,000) and fair value loss on debentures of \$81,000 (three months ended September 30, 2021: \$28,000). Loss on disposal of \$105,000 (three months ended September 30, 2021: \$114,000) was resulted from the trading of listed stock, futures and options through a registered brokerage firm in Hong Kong.

For the nine months ended September 30, 2022, fair value loss on financial assets at FVTPL was \$509,000 (nine months ended September 30, 2021: \$20,000). It mainly represented the fair value loss on listed securities of \$228,000 (nine months ended September 30, 2021: nil) and fair value loss on debentures of \$248,000 (nine months ended September 30, 2021: fair value loss of \$18,000). Loss on disposal of \$381,000 (nine months ended September 30, 2021: \$251,000) was resulted from the trading of listed stock, futures and options through a registered brokerage firm in Hong Kong. The fair values were determined with reference to quoted market prices at the end of the reporting period.

6.3 General and Administrative Expenses

General and administrative expenses were \$2,458,000 for this quarter (three months ended September 30, 2021: \$634,000) and \$3,602,000 for the nine months ended September 30, 2021 (nine months ended September 30, 2021: \$1,763,000). It mainly included office expenses, staff costs and legal and professional fees. The increase was mainly due to the increase in staff cost, including compensation paid to staff of the disposed subsidiaries and bonus payment, and donation of \$385,000 to a recognized charitable institution in Hong Kong.

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6.4 Earnings/(Loss) Per Share From Continuing and Discontinued Operations

The basic and diluted earnings per share from continuing and discontinued operations were \$0.538 for this quarter (three months ended September 30, 2021: loss per share of \$0.011) and \$0.494 for the nine months ended September 30, 2021 (nine months ended September 30, 2021: loss per share of \$0.033).

6.5 EBITDA/(LBITDA)

The earnings/(loss) before interest income and expense, income taxes, depreciation and amortisation (“EBITDA/(LBITDA)”), a non-IFRS performance measure, was calculated in the table below:

	For the three months ended	
	September 30, 2022	September 30, 2021
	\$'000	\$'000
Profit/(loss) for the period from continuing and discontinued operations	26,434	(612)
Interest income	(341)	(147)
Income tax expense	3,529	-
Depreciation	161	221
EBITDA/(LBITDA) ⁽¹⁾	29,783	(538)
EBITDA/(LBITDA) per share (in \$) ⁽²⁾	0.606	(0.011)

Note:

(1) As non-IFRS measurements, *EBITDA/(LBITDA)* and *EBITDA/(LBITDA) per share* is not mandatorily required by IFRS and, therefore, the amounts presented in the above table may not be comparable to similar data presented by other companies. The data is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS.

(2) Based on weighted average number of shares outstanding, a non-IFRS measure.

6.6 Dividend

No dividend was paid during the nine months ended September 30, 2022 (nine months ended September 30, 2021: nil).

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7. Cash Flows

The following table summarises the Group’s cash flows and cash on hand:

	As at	
	September 30, 2022	December 31, 2021
	\$’000	\$’000
Cash and cash equivalents	70,736	15,456
Working capital ⁽¹⁾	79,812	17,215

	For the three months ended	
	September 30, 2022	September 30, 2021
	\$’000	\$’000
Net cash flow used in operating activities	(1,786)	(505)
Cash flow used in a financing activity	(9)	-
Net cash flow from/(used in) investing activities	63,323	(2,715)
Increase/(decrease) in cash and cash equivalents	61,528	(3,220)

	For the nine months ended	
	September 30, 2022	September 30, 2021
	\$’000	\$’000
Net cash flow used in operating activities	(3,368)	(1,560)
Cash flow used in a financing activity	(12)	-
Net cash flow from/(used in) investing activities	63,472	(2,516)
Increase/(decrease) in cash and cash equivalents	60,092	(4,076)

(1) Working capital is a non-IFRS measurement, which is the difference between current assets and current liabilities.

7.1 Operating Activities

For the three months ended September 30, 2022

For the three months ended September 30, 2022, the Company recorded a net cash outflow from operating activities of \$1,786,000 (three months ended September 30, 2021: \$505,000) which mainly comprised of cash used in operations of \$1,729,000 (three months ended September 30, 2021: \$505,000).

For the nine months ended September 30, 2022

For the nine months ended September 30, 2022, the Company recorded a net cash outflow from operating activities of \$3,368,000 (nine months ended September 30, 2021: \$1,560,000) which mainly comprised of cash used in operations of \$3,312,000 (nine months ended September 30, 2021: \$1,560,000).

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7.2 Financing Activity

For the three months ended September 30, 2022

For the three months ended September 30, 2022, the Company recorded a cash outflow from financing activities which solely represented share repurchase of \$9,000 (three months ended September 30, 2021: nil).

For the nine months ended September 30, 2022

For the nine months ended September 30, 2022, the Company recorded a cash outflow from financing activities which solely represented share repurchase of \$12,000 (nine months ended September 30, 2021: nil).

7.3 Investing Activities

For the three months ended September 30, 2022

For the three months ended September 30, 2022, the Company recorded a net cash inflow from investing activities of \$63,323,000 (three months ended September 30, 2021: net cash outflow of \$2,715,000), which mainly represented cash inflow from disposal of subsidiaries of \$61,501,000 (three months ended September 30, 2021: nil), repayment of loan previously made to the disposed subsidiaries of \$4,882,000 (three months ended September 30, 2021: nil) and interest received of \$341,000 (three months ended September 30, 2021: \$147,000) netting of the income tax paid in respect of disposal of subsidiaries of \$3,473,000 (three months ended September 30, 2021: nil).

For the nine months ended September 30, 2022

For the nine months ended September 30, 2022, net cash inflow from investing activities was \$63,472,000 (nine months ended September 30, 2021: net cash outflow of \$2,516,000), which mainly represented cash inflow from disposal of subsidiaries of \$61,501,000 (nine months ended September 30, 2021: nil), repayment of loan previously made to the disposed subsidiaries of \$4,882,000 (nine months ended September 30, 2021: nil) and interest received of \$648,000 (nine months ended September 30, 2021: \$459,000) netting of the income tax paid in respect of disposal of subsidiaries of \$3,473,000 (three months ended September 30, 2021: nil).

8. Statements of Financial Position

8.1 Cash and Cash Equivalents

The Group had approximately \$70,736,000 cash and cash equivalents as at September 30, 2022, compared to \$15,456,000 as at December 31, 2021. The increase of \$55,280,000 was mainly the combined effect of cash inflow from disposal of subsidiaries of \$61,501,000, repayment of loan previously made to the disposed subsidiaries of \$4,882,000, netting off the net cash used in operations of \$6,459,000 and income tax paid in respect of disposal of subsidiaries of \$3,473,000.

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8.2 Financial Assets

As at September 30, 2022, the financial assets comprised:

Current Portion

(a) \$224,000 investment in listed shares, options and futures.

Non-current Portion

(a) \$1,354,000 debentures with coupon rates ranged from 6% to 7% per annum and with perpetual maturities.

(b) \$1,500,000 unlisted equity investment in Infinity Tech, whose 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.

(c) \$1,226,000 unlisted equity investment in Dragon Silver, a Hong Kong based metal trading and processing company.

(d) \$213,000 investment in an investment fund.

(e) \$126,000 investment in shares listed on TSX Venture Exchange.

8.3 Share Capital

As at September 30, 2022, GobiMin had 49,160,982 common shares issued and outstanding. For the nine months ended September 30, 2022, a total of 34,000 shares were repurchased and cancelled.

9. Related Party Transactions

The Group had the following transactions with related parties for the nine months ended September 30, 2022:

(a) Fees and other remunerations to directors and management personnel of \$1,089,000 (nine months ended September 30, 2021: \$336,000).

(b) Rental income of \$64,000 (nine months ended September 30, 2021: \$66,000) and share of office common expenses of \$12,000 (nine months ended September 30, 2021: \$10,000) from companies in which Felipe Tan, a director of the Company, has equity interest.

10. Capital Commitment

As at September 30, 2022, the Group had no significant capital commitments (December 31, 2021: \$1,647,000) after the Disposal.

11. Off-Balance Sheet Arrangements

The Group does not have any off-balance sheet arrangements.

12. Future plans for material investments

The Group intends to use its available funds to invest in equity, debt instruments and other investments as part of its focus as an investment issuer. As at the date of this report, the Company does not have any plan for material investment in the near future.

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13. Outstanding Share Data

The following table provides information on the Company’s share capital and convertible securities:

As at	December 31, 2021	September 30, 2022	November 4, 2022
Number of Common Shares Outstanding	49,194,982	49,160,982	49,160,982
Number of Options Outstanding	-	-	-
Number of Common Shares Fully Diluted	49,194,982	49,160,982	49,160,982

14. Risk Factors

The business conducted by the Group is subject to a number of risks. These risk factors could materially affect the Group’s future operating results and could cause actual events to differ materially from those described in the forward-looking statements relating to the Group. Some of the risks factors that have affected, and which in the future are reasonably expected to affect, the Company and its financial position are outlined below.

- (a) General Investment Risk - All investments involve the risk of a loss of capital. No guarantee or representation is made that the Group’s investment program will be successful, and investment results may vary substantially over time.
- (b) Equity Risk - Equity and Equity related instruments are volatile in nature and are subject to many factors, including economic conditions, government regulations, market sentiment, local and international political events, and environmental and technological issues as well as the profitability and viability of the individual company. Equity prices may decline as a result of adverse changes in these factors, and there is no assurance that the Group will be able to predict these changes. Some equity markets are more volatile than others and may present higher risks of loss.
- (c) Exchange Rate Risk - Given that a substantial proportion of the Company’s assets are cash denominated in foreign currencies, changes in the value of the United States Dollar against these foreign currencies can have a significant impact on performance over time.
- (d) Property Risk - The property market is unpredictable and its market value may depreciate. Supply and demand, the economy, demographics, interest rates, government policies, and unforeseen events all play a role in real estate trends, including prices and rental rates.
- (e) Credit Risk - The Group has various debt investments, including debentures and loan to independent third party. Any events of default might lead to substantial financial loss.

For the remaining risk factors, please refer to the section entitled “Risk Factors” in the Company’s Annual MD&A for the financial year ended December 31, 2021, available on SEDAR at www.sedar.com.