

## INVESTMENT POLICY

### Investment Objective

GobiMin Inc. (the “**Corporation**”) is an investment company that carries on business with the objective of enhancing shareholder value. The Corporation will seek to accomplish this objective by making use of the experience, expertise and opportunity flow of its management and board of directors (“**Board**”) to opportunistically make investments in situations that the Corporation believes will provide superior returns. Such investments may include the acquisition of equity, debt or other securities of publicly traded or private companies or other entities, financing in exchange for pre-determined royalties or distributions and the acquisition of all or part of one or more businesses, portfolios or other assets, in each case that the Corporation believes will enhance value for the shareholders of the Corporation in the long term.

### Investment Strategy

The following shall be the guidelines for the Corporation’s investment strategy:

- The Corporation may invest in securities of both public and private companies or other entities that the Corporation believes have the potential for superior investment returns. The Corporation may provide financing of a private or public company in exchange for pre-determined royalties or distributions (“**royalty securities**”), and also acquire all or part of one or more businesses, portfolios or other assets, in each case that the Corporation believes will enhance value for the shareholders of the Corporation.
- The Corporation will invest opportunistically in securities, with a preference for equity, equity-related securities and royalty securities of companies with a consistent positive cash flow. The Corporation may also invest in a wide range of other instruments including, without limitation, preferred shares, warrants, convertible debentures, secured or unsecured debt, and bridge financing or other short term capital.
- The Corporation will not be precluded from investing in any particular industry. The Corporation’s management and Board have experience and expertise in a wide range of industry sectors and will pursue opportunities in those sectors that the Corporation believes from time to time offer the best opportunities for the creation of enhanced value for the Corporation’s shareholders. Similarly, there are no restrictions on the size or market capitalization of companies or other entities in which the Corporation may invest, subject to the provisions hereof.
- The Corporation has no specific policy with respect to investment diversification. Each investment will be assessed on its own merits and based upon its potential to generate above market gains for the Corporation.
- Immediate liquidity shall not be a requirement.
- The Corporation will invest with a preference for opportunities in Asia, but may from time to time also pursue opportunities internationally.

- The Corporation may, from time to time and in appropriate circumstances, seek a more active role in regards to investment situations and investee companies where the involvement of the Corporation is expected to make a significant difference to the success of the Corporation's investment. In appropriate circumstances, this may involve the Corporation, either alone or jointly with other shareholders, seeking to influence the governance of public or private issuers by seeking board seats, launching proxy contests or taking other actions to enhance shareholder value, or becoming actively involved in the management or board oversight of investee companies.
- The Corporation may also make investments in special situations, including event-driven situations such as corporate restructurings, mergers, spin offs, friendly or hostile take-overs, bankruptcies or leveraged buyouts. Such special situations may include, without limitation, investments in one or more public companies, by take-over bid or otherwise, where there is an opportunity to invest to gain control over the strategic direction of such public companies, whether using the shares of the Corporation as currency or otherwise. Such situations may also involve the Corporation lending money, directly or indirectly.
- Depending upon market conditions and applicable laws, the Corporation may seek to sell any or all of its investments when it concludes that those investments no longer offer the potential to generate appropriate gains for the Corporation, or when other investment opportunities reasonably available to the Corporation are expected to offer superior returns. This may include the disposition of any or all of the Corporation's investments in a particular sector or of a particular nature, or any or all of the Corporation's investments more generally, without prior notice to the Corporation's shareholders.
- Subject to applicable laws and regulatory requirements, the Corporation may also from time to time seek to utilize its capital to repurchase shares of the Corporation.
- The Corporation may, from time to time, use borrowed funds to purchase or make investments or to fund working capital requirements, or may make investments jointly with third parties.
- Depending upon the Corporation's assessment of market conditions and investment opportunities, the Corporation may, from time to time, be fully invested, partially invested or entirely uninvested such that the Corporation is holding only cash or cash-equivalent balances while the Corporation actively seeks to redeploy such cash or cash-equivalent balances in suitable investment opportunities. Funds that are not invested or expected to be invested in the near-term, while the Corporation actively seeks to redeploy such funds in one or more suitable investment opportunities, may, from time to time as appropriate, be placed into high quality money market investments, including but not limited to Canadian Treasury Bills or corporate notes rated at least R-1 by DBRS Limited, each with a term to maturity of less than one year.
- All investments shall be made in compliance with applicable laws in relevant jurisdictions, and shall be made in accordance with the rules and policies of any applicable regulatory authorities.

From time to time, the Board may authorize such additional or other investments outside of the guidelines described herein as it sees fit for the benefit of the Corporation and its shareholders.

## **Implementation**

The management and Board will work jointly to uncover appropriate investment opportunities that meet the Corporation's investment strategy as outlined above and the Corporation's objective of enhancing shareholder value. These individuals have a broad range of business and investing experience and networks through which potential investments are expected to be identified.

Prospective investments will be channelled through the investment committee of the Board (the "**Investment Committee**"). The Investment Committee shall make an assessment of whether the proposal fits with the investment and corporate strategy of the Corporation in accordance with the investment evaluation process below, and then proceed with preliminary due diligence, leading to a decision to reject or move the proposal to the next stage of detailed due diligence.

This process may involve the participation of outside professional consultants. Once a decision has been reached to invest in a particular situation, a short summary of the rationale behind the investment decision should be prepared by the Investment Committee and submitted to the Board. This summary should include guidelines against which future progress can be measured. The summary should also highlight any finder's or agent's fees payable.

All investments shall be submitted to the Board for final approval. The Investment Committee will select all investments for submission to the Board and monitor the Corporation's investment portfolio on an ongoing basis, and will be subject to the direction of the Board. One member of the Investment Committee may be designated and authorized to handle the day-to-day trading decisions in keeping with the directions of the Board and the Investment Committee.

Negotiation of terms of participation is a key determinant of the ultimate value of any opportunity to the Corporation. Negotiations may be on-going before and after the performance of due diligence. The representative(s) of the Corporation involved in these negotiations will be determined in each case by the circumstances.

## **Investment Evaluation Process**

In selecting securities for the investment portfolio of the Corporation, the Investment Committee will consider various factors in relation to any particular issuer, including:

- inherent value of its assets;
- proven management, clearly-defined management objectives and strong technical and professional support;
- future capital requirements to develop the full potential of its business and the expected ability to raise the necessary capital;
- anticipated rate of return and the level of risk;
- exit strategies and criteria; and
- financial performance, including consistency of positive cash flow.

## **Conflicts of Interest**

The Corporation has no restrictions with respect to investing in companies or other entities in which a member of the Corporation's management or Board may already have an interest or involvement. However, prior to the Corporation making an investment, all members of senior management and the Board shall be obligated to disclose any such other interest or involvement. In the event that a conflict is determined to exist, the Corporation may only proceed after receiving approval from disinterested members of the Board.

The Corporation is also subject to the "related party" transaction policies of the TSX Venture Exchange, which mandates disinterested shareholder approval for certain transactions.

The management and directors of the Corporation may be involved in other activities which may on occasion cause a conflict of interest with his or her duties to the Corporation. These include serving as directors, officers, promoters, advisors or agents of other public and private companies, including of companies in which the Corporation may invest, or being shareholders or having an involvement or financial interest in one or more shareholders of existing or prospective investee companies of the Corporation. The management and directors of the Corporation may also engage from time to time in transactions with the Corporation where any one or more of such persons is acting in his or her capacity as financial or other advisor, broker, intermediary, principal or counterparty.

The management and directors of the Corporation are aware of the existence of laws governing the accountability of directors and officers for corporate opportunities and requiring disclosure of conflicts of interest, and the Corporation will rely upon such laws in respect of any conflict of interest. Further, to the extent that management or directors of the Corporation engage in any transactions with the Corporation, such transactions will be carried out on customary and arm's-length commercial terms.

## **Monitoring and Reporting**

The Corporation's CFO shall be primarily responsible for the reporting process whereby the performance of each of the Corporation's investments is monitored. Quarterly financial and other progress reports shall be gathered from each corporate entity, and these shall form the basis for a quarterly review of the Corporation's investment portfolio by the Investment Committee. Any deviations from expectation are to be investigated by the Investment Committee and, if deemed to be significant, reported to the Board.

With public company investments, the Corporation is not likely to have any difficulty accessing financial information relevant to its investment. In the event the Corporation invests in private enterprises, it shall endeavour in each case to obtain a contractual right to be provided with timely access to all books and records it considers necessary to monitor and protect its investment in such private enterprises.

A full report of the status and performance of the Corporation's investments is to be prepared by the Investment Committee and presented to the Board at the end of each fiscal year.

## **Amendment**

This investment policy may be amended from time to time with the prior approval of the Board.