GMN
GobiMin

2021
ANNUAL REPORT

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OUR VISION IS TO
MAXIMIZE SHAREHOLDER VALUE

CORPORATE PROFILE

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 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").

(Expressed in United States Dollars except where otherwise stated)

OUR STRATEGIES

Objective: Enhance Shareholder Value

Fully utilize experience and expertise of the Board and management

Keep healthy cash flow

Establish flexible strategy adjustment mechanism

Explore new sources of income

Closely monitor market conditions

Stick to prudent investment strategy

HIGHLIGHTS

2021 REVIEW

- **The on-site industrial test on applying methodology on extraction of metals from large-scale of gold ores from the Sawayaerdun Gold Project ("Gold Project") had almost entered into the end of the pre-oxidation stage, with successful arsenic and iron removal in the ore samples by oxidation.**
- **Diversified investments with interest, dividend and rental income of $0.9 million.**
- **Acquired 6.28% equity interests in a company providing a one-stop solution cloud POS system integrating automated ordering and payment, menu digitalisation, logistics, marketing analysis, supply chain and inventory management.**
- **Acquired equity interests in a listed Canadian company namely "NioCan" which engages in exploration and development of iron and niobium projects.**
- **Good financial position with cash and cash equivalents of $15.5 million as at December 31, 2021.**

IN EARLY 2022

- Further invested in stock, indexes, options and futures of about $0.2 million up to March 31, 2022.
- Completed annual review of exploration and mining licences and renewed temporary land use right for industrial test site of Gold Project.
- Completed the preparation work for resumption of the industrial test, including inspection of electric circuit, liquid pool and equipment. Restarted the periodical acid spray work since early April 2022.

PLANS FOR 2022

- Target to complete the trial run gold immersion in the mid 2022 and seek potential investors for the Gold Project.
- Explore new source of income and strengthen returns by diversifying the investments.

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

On behalf of the board of directors of GobiMin, I am pleased to present the annual results of 2021 to our shareholders.

2021 was a year subject to continued impact from the COVID-19 pandemic. The global economic prospect remains uncertain as the COVID-19 epidemic has not been under control due to the rapidly spreading of Delta and Omicron. Escalating China-US tension, rising inflation, increase of energy prices threatened the world economy and exacerbated the vulnerability of the global financial market.

Although the Group continues to manage its investments cautiously, economic volatility and political uncertainty have impacted our operations and financial performance during the year under review. In order to maintain a sustainable growth, GobiMin has been navigating these challenges by pursuing a global, balanced and diversified approach to assets allocation. During the last year, we continued to enhance our competitive strength by acquiring equity interests in high potential projects such as “Dim Order” which is a one-stop digital media platform for food and beverage business in Asia and a listed Canadian company namely “NioCan” which engages in exploration and development of iron and niobium projects.

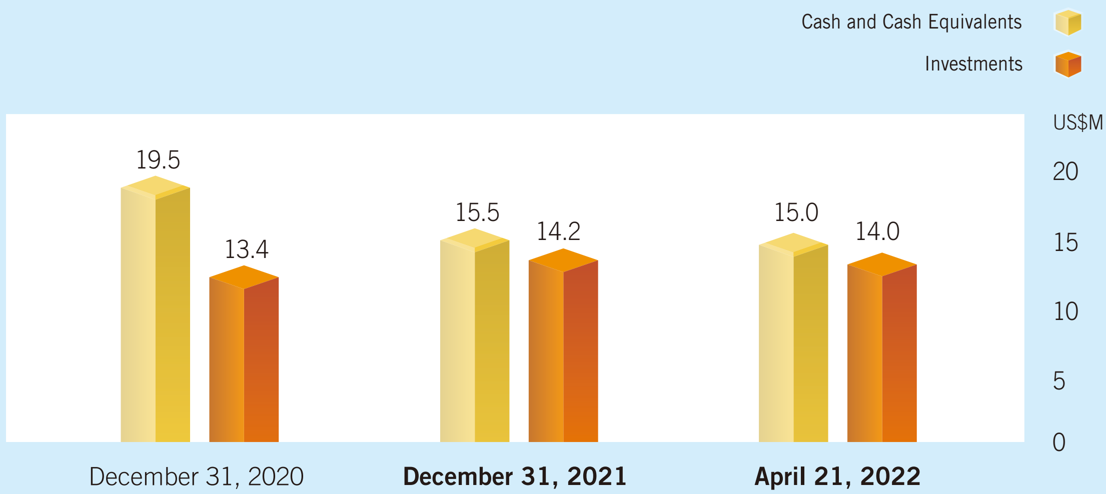
Gold prices have surged nearly 18 per cent in 2022 and it is expected that gold remains the safe-haven asset in the coming years. The outlook of our Gold Project remains positive but the schedule of the on-site industrial test on applying bioleach methodology on extraction of metals from large-scale samples of gold ores continued to be affected by the COVID-19 related containment measures and cannot be completed in 2021. We shall continue the trial run of the Gold Project in early 2022. In addition, we keep seeking and negotiating with different potential investors for the Gold Project and hopefully with the higher gold price, the project becomes more attractive. We will keep staying the course in executing our bio-leaching trial and regularly review and adjust our investment composition in response to the changing economic environment.

Finally, on behalf of the Board, we extend our sincerest thanks and gratitude to our shareholders for your continued support and trust in the Company. We also thank our employees for the commitment and care they have consistently demonstrated.

Felipe Tan
Chairman, President and CEO
April 21, 2022

INVESTMENTS

CASH AND INVESTMENTS



INVESTMENTS AS AT DECEMBER 31, 2021

Debentures

- $1.8 million debentures with coupon rates ranged from 5% to 7% per annum and with perpetual maturities.

Loan

- a loan receivable with fair value of $3.85 million secured by a property in Hong Kong, bearing interest at 4.5% per annum.

Investment Properties

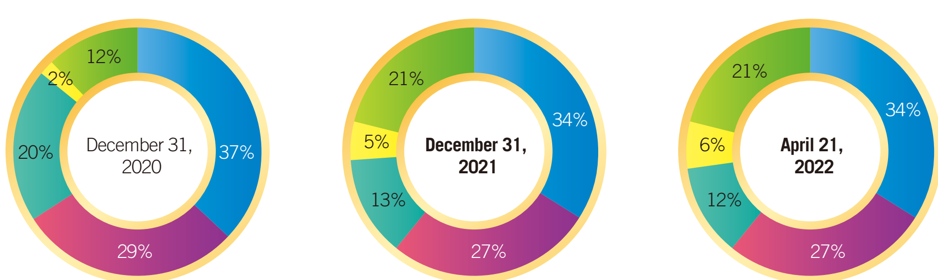
- two office properties in Shenzhen, China with carrying value of $1.9 million.
- two properties in Hong Kong and Xinjiang, China with carrying value of $2.9 million.

Listed Securities

- $39,000 investments in shares of a Canadian based company involved in industrial metals and mines business sector in Canada and Greenland.
- $0.26 million investments in shares of a Canadian based company engaged exploration and development of iron and niobium projects.
- $0.5 million investments in stock, indexes, options and futures.

Unlisted Securities

- $1.2 million investments in 9.9% equity interest in a Hong Kong company principally engaged in trading, production, processing and investment in precious metals and non-ferrous metals and related products.
- $1.5 million investments in 6.28% interests in a company whose group provides a one-stop solution digital media platform for food and beverage business in Asia.
- $0.3 million in an investment fund.



GOLD PROJECT

SAWAYAERDUN (薩瓦亞爾頓) GOLD PROJECT
- Xinjiang, China

1.79 g/t
AVERAGE GRADE

1.55 Million
OUNCES OF GOLD IN M&I RESOURCES

EQUITY INTEREST

GobiMin holds a 70% equity interest in Xinjiang Tongyuan Minerals Limited ("Tongyuan") through a wholly-owned subsidiary. Tongyuan is the holder of the mining and exploration licences of the Zone I and Zone IV mine site of the Gold Project covering an area of 1.7094 km^2 and 20.27 km^2 respectively.

LOCATION

The Gold Project is located 200 km northwest of the city of Kashi, western Xinjiang, China and lies within the Tian Shan Gold Belt, which is one of the most promising gold belts in China. The property is accessible from Kashi via Wuqia (烏恰) to Wulukeqiati (烏魯克恰提) by 200 km of paved road and then 38 km by highway from Wulukeqiati. Adequate water supply from the Sawayaerdun River is available to the property.

MINERALIZATION

The main zones of mineralization have been defined within the project area, and are referred to as Zone I and Zone IV. The ore domains generally consist of low to medium grade gold mineralization developed within quartz filled ductile shear zones formed within a meta-sedimentary sequence. The Zone IV domain is approximately 3km long and has been defined to a depth of 700m. This is the most continuous zone so far defined within the project area. The defined ore domains dip at between 60° and 80° toward the northwest and therefore strike northeast. Mineralized zones can range from less than 1m to 50m in thickness.

BIO-LEACHING EXTRACTION

Bio-leaching pre-oxidation technology is suitable for treatment of refractory gold ores, with the advantages of environmental friendliness and minimizing operating cost. In 2019, GobiMin engaged an independent research institute in China to conduct the on-site industrial test on the gold processing methodology of the Gold Project after receipt of a positive results of the previous laboratory test. At present, the industrial test had almost entered into the end of the pre-oxidation stage. GobiMin will commence the trial run of the on-site industrial test on applying bio-leaching methodology on extraction of metals from large-scale samples of gold ores in early 2022 and formulate development plan accordingly subject to the test results.

SAWAYAERDUN RESOURCES (>1.0 g/t Au) as at March 18, 2015

Domain	Resource Class	Mt	Au (g/t)	Au Metal (t)	Au K Oz
Zone IV Main	Measured	12.94	1.93	24.98	803
	Indicated	13.89	1.66	23.06	742
	Measured + Indicated	**26.84**	**1.79**	**48.05**	**1,545**
	Inferred	49.71	1.39	69.10	2,222
Zone I Main	Measured	-	-	-	-
	Indicated	-	-	-	-
	Measured + Indicated	**-**	**-**	**-**	**-**
	Inferred	9.67	1.30	12.57	404
Total	Measured	12.94	1.93	24.98	803
	Indicated	13.89	1.66	23.06	742
	Measured + Indicated	**26.84**	**1.79**	**48.05**	**1,545**
	Inferred	59.38	1.38	81.67	2,626

Notes:
1. Resources estimate updated according to the NI43-101 guidelines and prepared by Qualified Person as defined in the NI43-101, Mr. Bin Guo, in April 2015.
2. CIM definitions were followed for Mineral Resources.
3. Mineral Resources are estimated at cut-off grade of 1.0 g/t Au using the cut gold composite values.
4. Figures reported are rounded which may result in small tabulation variances. Weighted average are used to report average gold grades.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL RESULTS

For the year ended December 31, 2021 (Expressed in United States Dollars)
April 21, 2022

The following discussion and analysis of the consolidated operating results and financial condition of GobiMin Inc. (the "Company" or "GobiMin") for the year ended December 31, 2021 was prepared on April 21, 2022 and should be read in conjunction with its audited consolidated financial statements for the year ended December 31, 2021 which was prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company is available on SEDAR at www.sedar.com and the Company's website at www.gobimin.com.

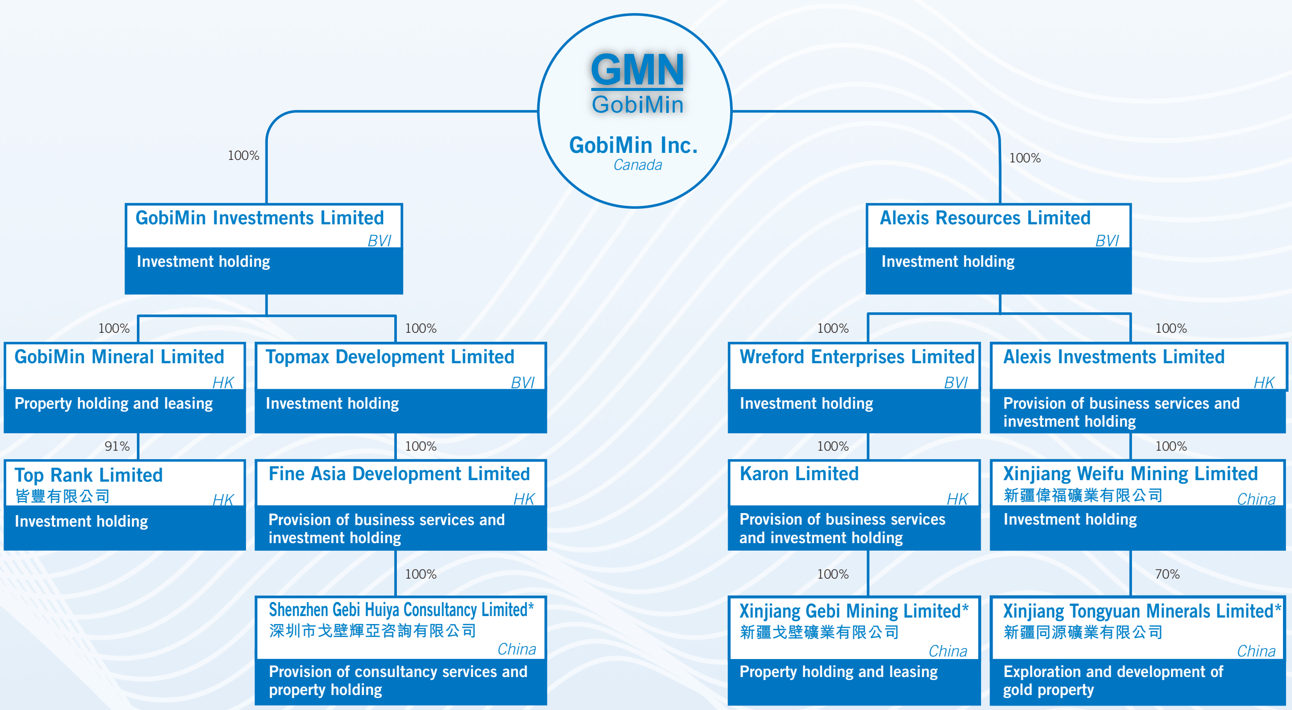
Certain statements included in this discussion constitute forward-looking statements. Such forward-looking statements can often, but not always, be identified by the use of words such as "can", "could", "believe", "propose", "anticipate", "intend", "consider", "estimate", "expect", or other variations 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.

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 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").

Currently, GobiMin holds an equity interest of 70% in a company incorporated in China to explore, develop and operate the Sawayaerdun Gold Project (the "Gold Project") located in Xinjiang and equity investments and debentures for reasonable return and potential capital gains.

Group Chart with major subsidiaries as at April 21, 2022 is as follows:



HK: Hong Kong
BVI: British Virgin Islands
*unofficial English name translated from Chinese registered name of the company

2. FINANCIAL HIGHLIGHTS

As at / For the year ended December 31,	2021	2020	2019
	$'000	$'000	$'000
Revenue	**937**	891	1,300
(Loss)/gain on disposal of financial assets	**(250)**	266	565
Fair value (loss)/gain on financial assets	**(168)**	(106)	897
Net loss for the year	**(2,363)**	(3,349)	(479)
Loss attributable to shareholders of the Company	**(2,085)**	(3,057)	(344)
LBITDA [(1)]	**(2,109)**	(3,001)	(624)
Basic and diluted loss per share (in dollar)	**(0.042)**	(0.062)	(0.007)
LBITDA per share [(1)] (in dollar)	**(0.043)**	(0.061)	(0.013)
Cash and cash equivalents	**15,456**	19,471	17,778
Cash and cash equivalents per share [(1)] (in dollar)	**0.31**	0.40	0.36
Working capital	**17,215**	21,306	21,313
Total current liabilities	**2,659**	2,536	2,467
Total non-current financial liabilities	**-**	-	354
Total assets	**73,725**	74,985	76,020

Note:

*(1) As non-IFRS measurements, **LBITDA** (loss before interest income and expense, income taxes, depreciation and amortization), **LBITDA per share and Cash and cash equivalents per share** 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.*

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 of publicly traded or private companies or other entities 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

The Company owns a 70% equity interest in Xinjiang Tongyuan Minerals Limited which holds the Gold Project in Xinjiang. Its exploration licence had been renewed with expiry date on June 15, 2023. The mining licence had been renewed with expiry date on March 22, 2023.

Impacted by the logistical blockage and delayed delivery of supplies to the trial site resulting from the COVID-19 pandemic, the on-site industrial test on applying bio-leaching methodology on extraction of metals from large-scale samples of gold ores was delayed during the year under review. The bioleach operation was interrupted and the originally planned extraction of gold was delayed due to the alkaline situation of active carbon filters. 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. It is targeted to complete the trial run gold immersion in the mid 2022.

For the year ended December 31, 2021, there were addition of $1,538,000 in the exploration and evaluation assets. As at December 31, 2021, the Group had a contractual commitment of $1,647,000 for the future development of the Gold Project.

3.2 Financial Assets

(i) Listed Securities

As at December 31, 2021, the fair value of listed securities held by the Group amounted to $758,000 (2020: $247,000) which mainly included $458,000 (2020: $127,000) investment in listed stock, futures and options trading through registered brokerage firm in Hong Kong and $300,000 (2020: $120,000) for stocks listed in Canada. For the year ended December 31, 2021, the loss on disposal of listed securities amounted to $249,000 (2020: $262,000) and fair value loss was $88,000 (2020: fair value gain of $16,000).

(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 mainly engaged in trading, production, processing and investment in precious metals and non-ferrous metals and related products.

Pursuant to the subscription agreement dated December 29, 2017, the guarantor of the agreement irrevocably guaranteed to the Group that (i) the audited net profit after tax of Dragon Silver shall not be less than $1,926,233 (equivalent to HK$15,000,000) for each of the financial years ending from June 30, 2018 to 2022 ("Profit Guarantee"); and (ii) the amount of dividends declared and paid by Dragon Silver during each of the financial years ending from June 30, 2018 to 2022 (the "Relevant Years") shall not be less than $0.16 (equivalent to HK$1.25) per share ("Dividend Guarantee"). Pursuant to the put option deed dated December 29, 2017, the Group has the right to sell all the shares held by the Group to the guarantor at the investment cost within the period from December 29, 2021 to December 29, 2022 (the "Put Option").

During the year ended December 31, 2021, 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 Relevant Years for Dividend Guarantee to the financial years ending from June 30, 2022 to June 30, 2027; and (ii) the exercisable period of Put Option to December 28, 2027. As Dragon Silver has not paid any dividend to the Group for the financial year ended June 30, 2021, the guarantor paid to the Group the compensation for the Dividend Guarantee of $108,000 in October 2021.

As at December 31, 2021, the fair value of the investment in Dragon Silver together with the Dividend Guarantee and the Put Option was $1,226,000 (2020: $1,286,000) and fair value loss was $53,000 (2020: $128,000). The fair value was estimated by management with reference to valuation conducted by independent professional valuers and it was measured using income approach with key inputs such as expected revenue growth rate, budgeted gross profit ratio, volatility and discount rates.

During the year under review, the Group acquired 40,153,000 shares, representing about 6.28% equity interest in Infinity Technology 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.

As at December 31, 2021, the Group also held other unlisted investments amounting to $268,000 (2020: $257,000). During the year under review, the fair value gain on other unlisted investments was $10,000 (2020: $18,000).

(iii) Debentures

The Group would hold 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 realize potential capital gains. The Group may dispose of debentures through the open market when the Group requires funds for operational or other investment needs.

As at December 31, 2021, the Group held debentures of $1,803,000 (2020: $2,741,000) with coupon rates ranged from 5.000% to 7.000% (2020: 4.250% to 7.375%) per annum and with perpetual maturities (2020: maturities ranging from May 31, 2021 to perpetual).

For the year ended December 31, 2021, interest income from debentures amounted to $143,000 (2020: $188,000), fair value loss on debentures was $37,000 (2020: $13,000) and loss on disposal of debentures was $1,000 (2020: gain on disposal of $3,000).

3.3 Investment Properties

As at December 31, 2021, the Group held investment properties with carrying amount of $4,795,000 (2020: $5,003,000) in Shenzhen, Xinjiang and Hong Kong for rental income and/or capital appreciation. The estimated fair value of the investment properties was approximately $7,685,000 as at December 31, 2021 (2020: $7,705,000) as determined by management assessment with reference to recent market prices for similar properties in the same locations and similar conditions. Certain investment properties were leased to third parties and related parties while some remain vacant. For the year ended December 31, 2021, rental income from the leased properties was $205,000 (2020: $190,000).

3.4 Normal Course Issuer Bid ("NCIB")

On August 1, 2019, GobiMin was granted approval by the TSX Venture Exchange ("TSXV") to renew its NCIB to repurchase up to an additional 2,491,074 common shares, representing approximately 5% of the then common shares outstanding. Purchases were made in accordance with applicable regulations over a maximum period of 12 months commenced on August 8, 2019 and ended on August 7, 2020 pursuant to the NCIB. GobiMin did not renew its NCIB afterwards.

On April 7, 2022, the Company applied for NCIB to repurchase up to an additional 2,459,749 common shares, representing 5% of the issued and outstanding common shares of the Company, and any such purchases will be at market prices. The NCIB will commence upon receipt of the approval from TSXV and will end on April 7, 2023 or on such earlier date as GobiMin may complete its purchases pursuant to the NCIB or as it may otherwise determine. 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 December 31, 2021, working capital of the Group amounted to about $17,215,000 (2020: $21,306,000), which was computed by netting off its current assets of $19,875,000 (2020: $23,842,000) with current liabilities of $2,660,000 (2020: $2,536,000).

Among the cash and cash equivalents of $15,456,000, of which approximately $493,000 was held by subsidiaries in China. The subsidiaries in China are allowed to transfer funds to other group companies outside China upon presentation of relevant documentation required by applicable regulations, subject to the risks outlined hereinafter under the section "Risk Factors". The Group will take careful measures ahead to ensure that the available capitals match with its various payment obligations in China and elsewhere.

Taking into account of its financial position, the management of the Group considered that its cash and cash equivalents will be more than sufficient to finance its operation, including the contractual commitments of the Gold Project of approximately $1,647,000 (2020: $1,633,000) as at December 31, 2021.

4. KEY ECONOMIC TRENDS

China Economy

On account of the large proportion of GobiMin's business operated in China, the condition of the Chinese economy plays a key role in the Group's exploration and development business. Currency fluctuations may also have an impact on the Group's cost structure as the Group reports in United States dollars. For the year ended December 31, 2021, the Chinese Renminbi ("RMB") appreciated by approximately 2.78% against the United States dollars comparing with the exchange rate on December 31, 2020.

Gold Market

The changes in gold price have a strong influence on the value of the Gold Project. For the year ended December 31, 2021, the gold price has decreased by around 5.20% against the price on December 31, 2020.

5. CRITICAL ACCOUNTING JUDGEMENT AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make judgements and estimates and assumptions that affect the reported results. Changes to these judgements and estimates could materially impact the financial statements. The judgements and estimates made by the Group that are considered to be most critical are as follows:

- Valuation of Exploration and Evaluation Assets
- Income Taxes
- Functional Currency
- Power to Exercise Control, Joint Control or Significant Influence
- Impairment of Non-Financial Assets (Other Than Goodwill)
- Fair Value Measurement of Investment Properties
- Fair Value of Unlisted investment

The details of the above significant judgement and estimate are further elaborated in note 5 to the consolidated financial statements.

6. FUTURE CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The Group has not early applied any of the IFRS that are issued but are not yet effective at the date where the Group's consolidated financial statements are approved and authorized for issue. The Group expects that these amendments will not have any significant impact on the Group's financial statements. Further details of which are disclosed in note 3 to the consolidated financial statements.

7. SELECTED QUARTERLY INFORMATION

As at / For the three months ended	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021
	$'000	$'000	$'000	$'000
Revenue	200	311	220	206
Loss on disposal of financial assets	-	(114)	(22)	(114)
Fair value (loss)/gain on financial assets at fair value through profit or loss	(148)	54	(26)	(48)
Net loss for the period	(553)	(612)	(479)	(719)
Loss attributable to shareholders of the Company	(461)	(549)	(402)	(673)
LBITDA[1]	(479)	(538)	(414)	(678)
Basic and diluted loss per share (in dollar)	(0.009)	(0.011)	(0.008)	(0.014)
LBITDA per share[1] (in dollar)	(0.010)	(0.011)	(0.008)	(0.014)
Cash and cash equivalents	15,456	15,403	18,636	18, 392
Total assets	73,725	73,764	74,266	74,199

As at / For the three months ended	December 31, 2020	September 30, 2020	June 30, 2020	March 31, 2020
	$'000	$'000	$'000	$'000
Revenue	191	305	202	193
Gain/(loss) on disposal of financial assets	36	142	124	(36)
Fair value gain/(loss) on financial assets at fair value through profit or loss	47	55	194	(402)
Net loss for the period	(1,665)	(385)	(70)	(1,229)
Loss attributable to shareholders of the Company	(1,604)	(222)	(30)	(1,201)
(LBITDA)/EBITDA[1]	(1,586)	(296)	11	(1,130)
Basic and diluted loss per share (in dolalr)	(0.033)	(0.005)	(0.001)	(0.024)
(LBITDA)/EBITDA per share[1] (in dollar)	(0.032)	(0.006)	0.0002	(0.024)
Cash and cash equivalents	19,471	18,342	17,886	16,495
Total assets	74,985	74,466	73,296	73,677

Note:

(1) As non-IFRS measurements, (LBITDA)/EBITDA (loss)/earnings befroe interest income and expense, income taxes, depreciation and amortization) and (LBITDA)/EBITDA per share 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.

The above financial information was extracted from the consolidated financial statements prepared in accordance with IFRS.

The functional currency of GobiMin is Canadian dollars. The functional currency of certain British Virgin Islands subsidiaries is United States dollars. The functional currency of Hong Kong and the remaining British Virgin Islands subsidiaries is Hong Kong dollars. The functional currency of the subsidiaries in China is Chinese Renminbi ("RMB"). The consolidated financial statements are presented in United States dollars.

For the three months ended December 31, 2021, the Group recorded a net loss of $553,000 (three months ended December 31, 2020: $1,665,000) which mainly consists of interest income, rental income and dividend income of $200,000 (three months ended December 31, 2020: $191,000), exchange gain of $278,000 (three months ended December 31, 2020: $538,000), netting off the administrative expenses of $878,000 (three months ended December 31, 2020: $1,229,000). For the three months ended December 31, 2020, the Group also recognised impairment loss on loan receivable of $694,000 and impairment loss on investment properties of $967,000. No impairment loss being recognised in respect of loan receivable and investment properties for the year ended December 31, 2021.

During this quarter, the Group recorded a net cash inflow of $53,000 (three months ended December 31, 2020: $1,129,000). It mainly represented proceed received on disposal and maturity of debentures of $200,000 (three months ended December 31, 2020: $401,000), which was offset by the cash flows used in operating activities of $182,000 (three months ended December 31, 2020: $463,000). For the three months ended December 31, 2020, the Group's cash and cash equivalents also increased by $848,000 as a result of appreciation of RMB against United States dollars.

As at December 31, 2021, the total assets were $73,725,000, representing a decrease by $1,260,000 or 2% when comparing with that of $74,985,000 as at December 31, 2020. Such decrease was attributable to cash flows used in operating activities of $1,741,000 during the year.

8. RESULTS OF OPERATIONS

8.1 Revenue

Interest income, rental income and dividend income in 2021 were $605,000 (2020: $589,000), $205,000 (2020: $190,000) and $127,000 (2020: $112,000) respectively.

8.2 (Loss)/gain on Disposal of Financial Assets

For the year ended December 31, 2021, loss on disposal of financial assets of $250,000 (2020: gain on disposal of $266,000) was recorded. It mainly represented loss on trading of listed stock, futures and options through a registered brokerage firm in Hong Kong.

8.3 Fair Value Loss on Financial Assets

Fair value loss on financial assets at fair value through profit or loss was $168,000 in 2021 (2020: $106,000). It mainly represented fair value loss on listed securities, debentures and investment in Dragon Silver of $88,000 (2020: fair value gain of $16,000), $37,000 (2020: $13,000) and $53,000 (2020: $128,000), respectively. Save for the fair value of Dragon Silver that was determined with reference to the valuation report prepared by professional valuer, all fair value used in calculating fair value gain or loss are with reference to quoted market prices at the end of the reporting period.

8.4 General and Administrative Expenses

General and administrative expenses incurred in 2021 were $3,355,000 (2020: $3,465,000). They mainly represented office rental, staff costs and legal and professional fees.

8.5 Loss Per Share

The basic and diluted loss per share in 2021 was $0.042 (2020: $0.062).

8.6 LBITDA

In 2021, the loss before interest income and expense, income taxes, depreciation and amortization ("LBITDA"), a non-IFRS performance measure, was $2,109,000 as compared to $3,001,000 in 2020. The following table presents the calculation of LBITDA for the years:

For the year ended December 31,	**2021**	2020
	$'000	$'000
Net loss for the year	**(2,363)**	(3,349)
Interest income	**(605)**	(589)
Depreciation	**859**	931
Finance costs	**–**	6
LBITDA [(1)]	**(2,109)**	(3,001)
LBITDA per share [(2)] (in dollar)	**(0.043)**	(0.061)

Note:

(1) As non-IFRS measurements, ***LBITDA*** *and* ***LBITDA per share*** *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.*

(2) Based on weighted average number of shares outstanding.

8.7 Annual Dividend

The Board does not recommend any payment of dividend for the year ended December 31, 2021 in accordance with its dividend policy and 2021 performance. (2020: nil)

9. STATEMENT OF CASH FLOWS

The following table summarizes the Group's cash flows and cash on hand:

As at December 31,	2021	2020
	$'000	$'000
Cash and cash equivalents	15,456	19,471
Working capital [(1)]	17,215	21,306

For the year ended December 31,	2021	2020
	$'000	$'000
Net cash flows used in operating activities	(1,741)	(1,686)
Net cash flows used in a financing activity	-	(78)
Net cash flows (used in)/from investing activities	(2,291)	2,579
(Decrease)/increase in cash and cash equivalents	(4,032)	815

Note:

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

9.1 Operating Activities

For the year ended December 31, 2021, net cash outflow used in operating activities was $1,741,000 (2020: $1,686,000) which mainly represented net cash payment of office expenses of $2,273,000 (2020: $2,231,000).

9.2 Financing Activities

For the year ended December 31, 2021, there is no cash flow from financing activities while the cash outflow from a financing activity in the last corresponding period solely represented shares repurchased of $78,000.

9.3 Investing Activities

The net cash outflow from investing activities was $2,291,000 in 2021 (2020: inflow of $2,579,000), which mainly represented the proceeds from maturity of debentures of $900,000 (2020: $1,887,000), netting off the cash outflow from investment in Infinity Tech of $1,500,000 (2020: nil) and additions of exploration and evaluation assets of $1,538,000 (2020: $151,000).

10. STATEMENTS OF FINANCIAL POSITION

10.1 Cash and Cash Equivalents

The Group had approximately $15,456,000 cash and cash equivalents as at December 31, 2021, compared to $19,471,000 as at December 31, 2020. The decrease of $4,015,000 was mainly the combined effect of cash outflow for investment in unlisted securities of $1,500,000, additions of exploration and evaluation assets of $1,538,000 and net cash flows used in operating activities of $1,741,000, netting off cash inflow from maturity of debentures of $900,000.

10.2 Exploration and Evaluation Assets

The exploration and evaluation assets are mainly related to the Gold Project, including mining rights, geological and geophysical costs, mine site and facilities construction, drilling and exploration expenses. For the year ended December 31, 2021, there were addition of $1,538,000 to exploration and evaluation assets which related to payment of mining royalties.

10.3 Financial Assets at Fair Value through Profit or Loss

As at December 31, 2021, financial assets comprised:

Current Portion

(a) $458,000 investment in listed shares, options and futures.

Non-current Portion

(b) $1,803,000 debentures with coupon rates ranged from 5.000% to 7.000% per annum and with perpetual maturities.
(c) $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.
(d) $1,226,000 unlisted equity investment in Dragon Silver, a Hong Kong based metal trading and processing company.
(e) $300,000 investment in shares listed on TSX Venture Exchange.
(f) $268,000 investment in an investment fund.

10.4 Share Capital

As at December 31, 2021, GobiMin had 49,194,982 common shares issued and outstanding. During the year, no common shares were issued, repurchased and cancelled.

11. RELATED PARTY TRANSACTIONS

The Group had the following transactions with related parties during the year ended December 31, 2021:

(i) Fees and other remunerations to directors and key management personnel of $483,000 (2020: $475,000).
(ii) Rental income of $88,000 (2020: $86,000) and share of office common expenses of $13,000 (2020: $16,000) from companies in which a director of the Company has equity interest.

12. CAPITAL COMMITMENT

As at December 31, 2021, the Group had capital commitments of $1,647,000 (2020: $1,633,000) in relation to office building renovation, mine design and related facilities and research on gold processing method.

13. OFF-BALANCE SHEET ARRANGEMENTS

The Group has no off-balance sheet arrangements.

14. 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 report date, the Company does not have any plan for material investment in the near future.

15. OUTSTANDING SHARE DATA

As at December 31, 2020, December 31, 2021 and April 21, 2022, the Group has 49,194,982 common shares outstanding and there is no options, convertibles or other potential ordinary shares in issue.

16. RISK FACTORS

The mining business conducted by the Group is exposed to a number of risks, including those outlined below. These risk factors could materially affect the Group's future operating results and lead to actual events materially different from those described in the forward-looking statements relating to the Group. Readers should also be aware that there are particular risks of carrying out business in China, some of which are outlined below.

16.1 Metal Prices

The profitability of the Group may be significantly affected by fluctuations of the market price of metals. Metal prices fluctuate on a daily basis and are affected by numerous factors beyond the control of the Group. Interest rates, inflation, exchange rates and world supply of mineral commodities can all cause fluctuations in the market prices for these metals. Such external economic factors are in turn influenced by changes in international economic growth patterns and political developments.

16.2 Currency Risks

Part of the Group's operating expenses and revenues from operations are denominated in RMB, one of the main currencies used by the Group. Currently, the RMB is linked to the US dollar by exchange rates managed through China's central bank. Accordingly, exchange rate fluctuations with the RMB may adversely affect the Group's financial position and operating results. The Group does not currently engage in foreign currency hedging activities.

Under current regulations, there is no restriction on foreign exchange conversion of the RMB on the current account, although any foreign exchange transaction on the capital account is subject to prior approval from the State Administration of Foreign Exchange ("SAFE") or review by the payment bank in accordance with regulations issued by SAFE. However, even on the current account the RMB is not a freely convertible currency. Foreign invested enterprises in China are currently allowed to repatriate profit to their foreign parents or pay outstanding current account obligations in foreign exchange but must present the proper documentation to a designated foreign exchange bank in order to do so. There is no guarantee that foreign exchange control policies will not be changed so as to require government approval to convert RMB into foreign currency on the current account or repatriate profits. These limitations could affect the ability of the Group to pay dividends, obtain foreign exchange through debt or equity financing, or to obtain foreign exchange for capital expenditures.

16.3 Exploration, Development and Operating Risks

The exploration and development of mineral deposits involves significant risks over a significant period of time, which even with a combination of careful evaluation, experience and knowledge may not be eliminated. Few properties that are explored are ultimately developed into producing mines. Major expenditures may be required to establish mineral reserves through drilling, to develop metallurgical processes and to develop the mining and processing facilities and infrastructure at any site chosen for mining. No assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economic viability of a mineral deposit depends on many factors, including size, grade, cost of operations, metal prices, cost of processing equipment, and continuing access to smelter facilities on acceptable terms, government regulations, land tenure, and environmental protection. The exact effect of these factors cannot be measured but the combinations of these factors may impact the success of the Group's mineral exploration, development and acquisition activities. Even after the commencement of mining operations, such operations may be subject to risks and hazards such as environmental hazards, industrial accidents, cave-ins, rock bursts, unusual or unexpected geological formations, ground control problems and flooding. The occurrence of any of the foregoing could result in damage to or destruction of mineral properties and production facilities, personal injuries, environmental damage, delays or interruptions of production, increases in production costs, monetary loss, legal liability and adverse government action.

It is not always possible to obtain insurance against all such risks and the Group may decide not to insure against certain risks because of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any further profitability and result in increasing costs and a decline in the value of the securities of the Group. The Group does not maintain insurance against political or environmental risks.

The Group's properties are mainly located in the Xinjiang region, a sector which has in the past experienced seismic activity of six to seven on the Richter scale. Therefore, planning for mines and infrastructures must consider seismicity in the design and there exist a risk that seismic activities may cause significant damages to the Group's infrastructures and operations in the area.

The development of mining properties has inherent risks. The Group may not have sufficient technical or financial resources to complete the projects. Costs over-runs are common in mining projects and may pose a risk for the Group.

16.4 Uncertainty of Ore Reserves and Resource Estimates

There are numerous uncertainties inherent in estimating mineral resources and mineral reserves. Such estimates are a subjective process, and the accuracy of any mineral resources and mineral reserves estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. These amounts are estimates only and the actual level of recovery of minerals from such deposits may be different. Differences between management's assumptions, including economic assumptions such as mineral prices, market conditions and actual events could have a material adverse effect on the Company's mineral reserve and mineral resource estimates, financial position and results of operations.

For some of its properties, the Group may prepare its own mineral reserves and resources estimate only in accordance with the former China Ministry of Geological and Mineral Resources ("CMGMR") classification system. The CMGMR classification system is not compliant with the Canadian Securities Administrators NI 43-101. These figures are only estimates and there cannot be any assurance given that the estimated mineral reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are determined based upon assumed commodity prices and operating costs. These factors may in the future render certain mineral reserves and resources unproductive and may ultimately result in a significant reduction in reserves and resources.

16.5 Capital Requirements

The Group does have limited financial resources. Although the Group believes it will be able to fund the development of its mineral properties through existing working capital, and a combination of debt and equity, there can be no assurance the Group will be able to raise additional funding if needed. Failure to obtain such additional funding could result in the delay or indefinite postponement of the exploration and development of some of the Group's properties.

16.6 Risks Relating to Conducting Business in China

Part of the business operations of the Group are located in, and the revenues of the Group are derived from activities in, China. Accordingly, the business, financial condition and results of operations of the Group could be significantly and adversely affected by economic, legal, political and social changes in China. Generally, China demonstrates favourable policies towards foreign investments. However, there is no guarantee that current policy trends and the existing economic policy of China will not be changed. A change in policies in China could adversely affect the Group.

China's local, provincial and central authorities exercise a substantial degree of control over the mining industry in China. The Group's operations are subject to Chinese laws, regulations, policies, standards and requirements in relation to, among other things, mine exploration, development, production, taxation, labor standards, occupational health and safety, waste treatment and environmental protection, and operation management. Any changes to these laws, regulations, policies, standards and requirements or to the interpretation or enforcement thereof may restrict the business operations of the Group or increase the Group's operating costs and thus adversely affect the Group's results.

16.7 Permits and Licences

The operations of exploration and mining require specific licences and permits e.g. exploration licence for exploration activities and exploitation licence for exploitation activities. Any changes in regulations imposed by the governments due to any reasons are beyond the control of the Group and may adversely affect its business and its ability to retain title to its property and obtain some of the necessary licences. The changes of regulations may include, but not limited to, varying degrees of those with respect to stricter restrictions on production, price controls, export controls, income taxes, and expropriation of property, employment, land use, water use, environmental legislation and mine safety.

GobiMin's exploration and exploitation licences are subject to annual audit by the Department of Land and Resources of Xinjiang, China. In their annual audit, the authorities may consider whether the Group's mining activities have been in compliance with the relevant laws and regulations. If the Group fails to meet the relevant requirements or materially breaches any laws or regulations, it may not pass such audit, in which case it may be subject to penalties in accordance with applicable laws, or be given a deadline to rectify deficiencies, or, in serious cases, have its permits and licences revoked. While the Group has never encountered such problems in the past, there can be no assurance that it will pass future audits. Should permits or licences be suspended or revoked, GobiMin's business and results of operations could be materially affected.

As at December 31, 2021, the exploration licence of GobiMin had been renewed with expiry date on June 15, 2023. After the settlement of the mining royalties in July 2021, the mining licence had been renewed with expiry date on March 22, 2023.

16.8 Environmental Regulation

The mining operations of the Group are subject to environmental regulations promulgated by relevant governments. The relevant environmental regulations impose restrictions and prohibitions on spills, or handling of various substances produced during mining or processing operations. In addition, approval of environmental impact assessment for certain types of the mining operations are required. In breach of such regulations or failure of the governmental approval may result in the imposition of fines and penalties. The costs of compliance with environmental regulations, such as advanced equipment which is environmental friendly, has the potential to reduce the profitability of future operations.

16.9 Dependence on Key Managerial Employees

The success of the Group is highly dependent upon the continued services of a small number of key managerial employees both in Canada and China, including Mr. Felipe Tan, the Chief Executive Officer of the Company. The Group does not currently maintain key-man life insurance policies on any member of management. Accordingly, the loss of any of these executives could have a material adverse effect on the Group.

16.10 Competition

There is significant and increasing competition within the mining industry for the discovery and acquisition of properties considered having commercial potential. The Group competes with other mining companies, some of which have greater financial resources, and as a result, the Group may not be able to acquire mineral interests on terms it considers acceptable. As well, the Group competes for the recruitment and retention of qualified employees and other personnel. The current economic growth in China and the corresponding creation of a more liquid market for skilled employees may lead to future problems in retaining local Chinese management. As a result of this competition, the Group may not be able to acquire additional mineral interests and hire or retain qualified personnel for its projects.

16.11 Dividend Policy

GobiMin has been declaring and paying an annual dividend to its shareholders since 2005. In order to maintain liquidity to deal with the uncertainties created by COVID-19 outbreak, the Company has determined a suspension of its 14-consecutive-year annual dividend distribution. Our dividend policy may change from time to time at the discretion of our board of directors, subject to economic situation, earnings and capital availability, and we may or may not continue to declare dividend payments. A change in our dividend policy could have a negative effect on our stock price.

16.12 Impact of COVID-19

During the year under review, the global supply chains and financial market have experienced significant volatility in response to the COVID-19 pandemic. Although an effective mass-produced vaccine is in place in Hong Kong and the PRC, the COVID-19 pandemic is expected to continue to impact our ability to achieve our performance objectives. While we could never have predicted the extent of the pandemic crisis we currently face and the timing of the overall recovery, GobiMin has been making great effort in putting our cash position back on a sound footing to go through the crisis. We take years-long effort to build strong capital levels that gives us stability to continue our development plan.

Impacted by the logistical blockage and delayed delivery of supplies to the trial site resulting from the COVID-19 pandemic, the on-site industrial test on applying bio-leaching methodology on extraction of metals from large-scale samples of gold ores was delayed during the year under review. The bioleach operation was interrupted and the originally planned extraction of gold was delayed due to the alkaline situation of active carbon filters. It is targeted to complete the trial run in the early 2022.

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TO THE SHAREHOLDERS OF GOBIMIN INC.

Opinion

We have audited the consolidated financial statements of GobiMin Inc. and its subsidiaries (the "Group"), which comprise the consolidated statements of financial position as at December 31, 2021 and December 31, 2020 and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and December 31, 2020 and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at December 31, 2021 and December 31, 2020 and its financial performance and its cash flows for the years ended December 31, 2021 and December 31, 2020 in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- The information, other than the consolidated financial statements and our auditor's report thereon, included in the GobiMin Inc. Annual Report 2021, and
- The information included in the Management's Discussion and Analysis of Financial Results for the year ended December 31, 2021.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
We obtained the Annual Report 2021 and the Management's Discussion and Analysis of Financial Results for the year ended December 31, 2021 prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Jeanny Gu.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
April 21, 2022

Consolidated Statements of Financial Position

As at December 31, 2021 and 2020 (Expressed in United States Dollars)

	Notes	December 31, 2021	December 31, 2020
ASSETS		$	$
Current			
Cash and cash equivalents	*7*	**15,455,686**	19,470,884
Prepayments, deposits and other receivables	*8*	**3,960,822**	4,043,852
Financial assets at fair value through profit or loss	*9*	**458,434**	327,132
Total current assets		**19,874,942**	23,841,868
Non-current			
Property, plant and equipment	*10*	**9,576,936**	9,986,993
Investment properties	*11*	**4,794,579**	5,002,652
Exploration and evaluation assets	*12*	**34,382,078**	31,949,079
Financial assets at fair value through profit or loss	*9*	**5,096,305**	4,203,939
Total non-current assets		**53,849,898**	51,142,663
Total assets		**73,724,840**	74,984,531
LIABILITIES			
Current			
Other payables, receipts in advance and accrued liabilities	*14*	**1,536,471**	1,406,323
Income taxes payable		**1,122,974**	1,129,462
Total current liabilities		**2,659,445**	2,535,785
SHAREHOLDERS' EQUITY			
Share capital	*15*	**21,738,071**	21,738,071
Reserves		**49,856,585**	50,950,522
Equity attributable to shareholders of the Company		**71,594,656**	72,688,593
Non-controlling interests	*16*	**(529,261)**	(239,847)
Total shareholders' equity		**71,065,395**	72,448,746
Total liabilities and shareholders' equity		**73,724,840**	74,984,531

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

APPROVED BY THE BOARD ON APRIL 21, 2022 AND SIGNED ON ITS BEHALF BY:

Felipe Tan
Director

Philippe Marleau
Director

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020 (Expressed in United States Dollars)

	Notes	December 31, 2021	December 31, 2020
		$	$
Interest income		605,183	588,903
Rental income		204,609	189,780
Dividend income		126,917	112,174
Other income	17	17,825	118,121
(Loss)/gain on disposal of financial assets		(250,054)	265,566
Fair value loss on financial assets at fair value through profit or loss	9	(167,556)	(106,415)
Gross profit		536,924	1,168,129
General and administrative expenses	18	(3,354,790)	(3,464,750)
Exchange gain, net		449,354	793,633
Operating loss		(2,368,512)	(1,502,988)
Gain/(loss) on disposal/written-off of property, plant and equipment		5,757	(7,104)
Impairment loss on investment properties		-	(1,135,209)
Impairment loss on loan receivable	8	-	(693,523)
Finance costs	19	(618)	(10,640)
Net loss before income tax		(2,363,373)	(3,349,464)
Income tax	20	-	-
Net loss for the year		(2,363,373)	(3,349,464)
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent year:			
Exchange differences on translation of foreign operations		979,906	2,676,915
Total comprehensive loss for the year		(1,383,467)	(672,549)
Loss for the year attributable to:			
Shareholders of the Company		(2,084,824)	(3,057,480)
Non-controlling interests	16	(278,549)	(291,984)
		(2,363,373)	(3,349,464)
Total comprehensive loss for the year attributable to:			
Shareholders of the Company		(1,093,937)	(366,399)
Non-controlling interests		(289,530)	(306,150)
		(1,383,467)	(672,549)
Net loss per share			
Basic and diluted	15.7	(0.042)	(0.062)
Weighted average number of shares outstanding			
Basic and diluted	15.7	49,194,982	49,311,026

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

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020 (Expressed in United States Dollars)

	Attributable to shareholders of the Company						
	Share capital *Note 15.1*	Contributed surplus	General reserve *Note 15.3*	Translation reserve *Note 15.4*	Retained earnings	Non-controlling interests *Note 16*	Total equity
	$	$	$	$	$	$	$
At January 1, 2020	**21,936,915**	**2,399,939**	**501,965**	**(1,181,599)**	**49,475,517**	**66,303**	**73,199,040**
Net loss for the year	-	-	-	-	(3,057,480)	(291,984)	(3,349,464)
Other comprehensive income/(loss)	-	-	-	2,691,081	-	(14,166)	2,676,915
Total comprehensive income/(loss)	-	-	-	2,691,081	(3,057,480)	(306,150)	(672,549)
Shares repurchased (Note 15.1)	(198,844)	-	-	-	121,099	-	(77,745)
At December 31, 2020	**21,738,071**	**2,399,939**	**501,965**	**1,509,482**	**46,539,136**	**(239,847)**	**72,448,746**
At January 1, 2021	**21,738,071**	**2,399,939**	**501,965**	**1,509,482**	**46,539,136**	**(239,847)**	**72,448,746**
Net loss for the year	**-**	**-**	**-**	**-**	**(2,084,824)**	**(278,549)**	**(2,363,373)**
Other comprehensive income/(loss)	**-**	**-**	**-**	**990,887**	**-**	**(10,981)**	**979,906**
Total comprehensive income/(loss)	**-**	**-**	**-**	**990,887**	**(2,084,824)**	**(289,530)**	**(1,383,467)**
Capital injection from a non-controlling interest	**-**	**-**	**-**	**-**	**-**	**116**	**116**
At December 31, 2021	**21,738,071**	**2,399,939**	**501,965**	**2,500,369**	**44,454,312**	**(529,261)**	**71,065,395**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020 (Expressed in United States Dollars)

	December 31, 2021	December 31, 2020
	$	$
Operating activities		
Loss before income tax	(2,363,373)	(3,349,464)
Adjustments for:		
- Depreciation	859,026	930,716
- Loss/(gain) on disposal of financial assets	250,054	(265,566)
- Fair value loss on financial assets at fair value through profit or loss	167,556	106,415
- (Gain)/loss on disposal/write-off of property, plant and equipment	(5,757)	7,104
- Impairment loss on loan receivable	-	693,523
- Impairment loss on investment properties	-	1,135,209
- Exchange gain, net	(449,354)	(793,633)
- Dividend income	(126,917)	(112,174)
- Interest income	(605,183)	(588,903)
- Finance costs	618	6,101
	(2,273,330)	(2,230,672)
Working capital adjustments:		
- Prepayments, deposits and other receivables	378,280	411,955
- Other payables, receipts in advance and accrued liabilities	153,680	132,219
Net cash flows used in operating activities	(1,741,370)	(1,686,498)
Financing activity		
Shares repurchased	-	(77,745)
Cash flow used in a financing activity	-	(77,745)
Investing activities		
Interest received	605,183	588,903
Dividend received	126,917	112,174
Additions of property, plant and equipment	(58,790)	(1,534)
Additions of exploration and evaluation assets	(1,537,967)	(151,256)
Proceeds from disposal of property, plant and equipment	21,459	-
Net (addition)/disposal of listed securities	(847,370)	143,936
Investment in an unlisted equity security	(1,500,269)	-
Net proceeds from disposal and maturity of debentures	900,000	1,887,242
Net cash flows (used in)/generated from investing activities	(2,290,837)	2,579,465
(Decrease)/increase in cash and cash equivalents	(4,032,207)	815,222
Effect of foreign exchange rate changes on cash	17,009	877,747
Cash and cash equivalents at beginning of the year	19,470,884	17,777,915
Cash and cash equivalents at end of the year	15,455,686	19,470,884

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

For the Years Ended December 31, 2021 and 2020 (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 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").

As at December 31, 2021, particulars of the major subsidiaries of the Company are as follows:

Company name	Place of incorporation/ establishment	Issued & paid-up capital	Attributable interest held by the Company	Principal activities
Alexis Investments Limited	Hong Kong, China	HK$1	100%	Provision of business services and investment holding
Alexis Resources Limited	British Virgin Islands	US$10,000	100%	Investment holding
GobiMin Investments Limited	British Virgin Islands	US$1,000	100%	Investment holding
Fine Asia Development Limited	Hong Kong, China	HK$100	100%	Provision of business services and investment holding
GobiMin Mineral Limited	Hong Kong, China	HK$100	100%	Property holding and leasing
Karon Limited	Hong Kong, China	HK$1	100%	Provision of business services and investment holding
Top Rank Limited	Hong Kong, China	HK$10,000	91%	Investment holding
新疆偉福礦業有限公司 Xinjiang Weifu Mining Limited	Xinjiang, China	RMB230,000,000	100%	Investment holding
新疆戈壁礦業有限公司 Xinjiang Gebi Mining Limited (1)	Xinjiang, China	RMB30,000,000	100%	Property holding and leasing
新疆同源礦業有限公司 Xinjiang Tongyuan Minerals Limited (1)	Xinjiang, China	RMB50,000,000	70%	Exploration and development of gold property
深圳市戈壁輝亞咨詢有限公司 Shenzhen Gebi Huiya Consultancy Limited (1)	Guangdong, China	-	100%	Provision of consultancy services and property holding

Note: (1) Unofficial English name translated from Chinese registered name of the company for identification purpose only.

2. BASIS OF PREPARATION

(a) Statement of Compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations as issued by the International Accounting Standards Board ("IASB") (collectively "IFRSs"). The policies set out below were consistently applied to all the years presented unless otherwise stated.

The preparation of the consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management of the Group to exercise judgement in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the consolidated financial statements and their effect are disclosed in note 5.

These consolidated financial statements were approved and authorized for issue by the Board of Directors on April 21, 2022.

(b) Basis of Measurement

The consolidated financial statements have been prepared on a historical cost basis, with the exception of items that IFRS requires to be carried at fair value, as described in the accounting policies and notes below.

(c) Basis of Consolidation

Subsidiaries are entities controlled by the Group. Control exists when all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. The financial statements of subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date that control commences until the date that control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation. The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

(d) Functional and Presentation Currency

The functional currency of GobiMin is Canadian dollars. The functional currency of certain British Virgin Islands subsidiaries is United States dollars. The functional currency of Hong Kong and the remaining British Virgin Islands subsidiaries is Hong Kong dollars. The functional currency of the subsidiaries in China is Chinese Renminbi ("RMB"). The consolidated financial statements are presented in United States dollars.

For the Years Ended December 31, 2021 and 2020 (Express in United States Dollars)

3. CHANGES IN ACCOUNTING POLICIES

(a) New Standards, Interpretations and Amendments Effective from January 1, 2021

The Group has adopted the following revised IFRSs for the first time for the current year's consolidated financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	*Interest Rate Benchmark Reform - Phase 2*
Amendment to IFRS 16	*Covid-19-Related Rent Concessions beyond 30 June 2021* (early adopted)

The adoption of these revised IFRSs did not have any significant impact on the financial position and performance of the Group.

(b) New Standards, Interpretations and Amendments Not Yet Effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. The most significant of these are:

Amendments to IFRS 3	*Reference to the Conceptual Framework* [1]
Amendments to IFRS 10 and IAS 28 (2011)	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture* [3]
IFRS 17	*Insurance Contracts* [2]
Amendments to IFRS 17	*Insurance Contracts* [2, 5]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current* [2, 4]
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies* [2]
Amendments to IAS 8	Definition of Accounting Estimates [2]
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction* [2]
Amendments to IAS 16	*Property, Plant and Equipment: Proceeds before Intended Use* [1]
Amendments to IAS 37	*Onerous Contracts – Cost of Fulfilling a Contract* [1]
Annual Improvements to IFRSs 2018-2020	*Amendments to IFRS 1, IFRS 9, Illustrative Examples accompanying IFRS 16, and IAS 41* [1]

1 *Effective for annual periods beginning on or after January 1, 2022*
2 *Effective for annual periods beginning on or after January 1, 2023*
3 *No mandatory effective date yet determined but available for adoption*
4 *As a consequence of the amendments to IAS 1, Interpretation 5 Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause was revised in October 2020 to align the corresponding wording with no change in conclusion*
5 *As a consequence of the amendments to IAS 17 issued in October 2020, IFRS 4 was amended to extend the temporary exemption that permits insurers to apply IAS 39 rather than IFRS 9 for annual periods beginning before January 1, 2023*

The Group expects that these amendments will not have any significant impact on the Group's financial statements.

For the Years Ended December 31, 2021 and 2020 (Express in United States Dollars)

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Cash and Cash Equivalents

Cash and cash equivalents consist of cash, demand deposits and highly-liquid short term investments with maturities of 90 days or less since acquisition.

(b) Property, Plant and Equipment

On initial recognition, property, plant and equipment is valued at cost, being the purchase price and directly attributable cost of acquisition or construction required to bring the asset to the location and condition necessary to be capable of operating in the manner intended by the Group, including borrowing costs. Property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment. Property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of the asset with an estimated residual value of 0 - 5%. The annual depreciation rates are as follows:

Leasehold land and buildings:	4% - 5%
Leasehold improvement:	19% - 33.33%
Furniture, fixture and equipment:	19% - 33.33%
Computer hardware and equipment:	19% - 33.33%
Motor vehicles:	19% - 25%

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment and other repairs and maintenance are charged to profit or loss during the financial year in which they are incurred.

(c) Investment Properties

Investment properties are properties held either to earn rentals or for capital appreciation or for both, but not held for sale in the ordinary course of business, used in the production or supply of goods or services or for administrative purposes. Investment properties are stated at cost less accumulated depreciation and accumulated impairment, if any. Depreciation is charged so as to write off the cost of investment properties net of expected residual value over the estimated useful live of 20 years using straight-line method. The useful live, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period.

(d) Exploration and Evaluation Assets

Exploration and evaluation assets are recognized at cost on initial recognition when the licence to explore the property has been acquired. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment. Exploration and evaluation assets include the cost of mining and exploration rights and the expenditures incurred in the search for mineral resources as well as the determination of the technical feasibility and commercial viability of extracting those resources. When the technical feasibility and commercial viability of extracting mineral resources become demonstrable, previously recognized exploration and evaluation assets are reclassified as mining structures and mineral properties under property, plant and equipment. The Group assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs of disposal and value in use. Those exploration and evaluation expenditure costs, in excess of estimated recoverable amount, are written off to profit or loss.

(e) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognized at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognized at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognized as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognized as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, are accounted for as finance leases.

(f) Financial Assets

Initial recognition and measurement
Financial assets are classified, at initial recognition, as subsequently measured at amortized cost, or fair value through profit or loss.

The cash and cash equivalents, deposits and other receivables of the Group are measured at amortized cost and the listed securities, debentures and unlisted investments of the Group are measured at fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. The Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortized cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortized cost are held within a business model with the objective to hold financial assets in order to collect
contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognized on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement
The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortized cost
Financial assets at amortized cost are subsequently measured using the effective interest method and are subject to impairment. Gains and loss are recognized in the statement of profit or loss when the asset is derecognized, modified or impaired.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognized in the consolidated statement of comprehensive income.

This category includes derivative instruments and equity investments which the Group had not irrevocably elected to classify at fair value through other comprehensive income. Dividends on equity investments classified as financial assets at fair value profit or loss are recognized in the consolidated statement of profit or loss when the right of payment has been established, it is probable that the economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognized in the statement of profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

(g) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognized (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognize the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

(h) Impairment of Financial Assets

The Group recognizes an allowance for expected credit losses ("ECLs") for all financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expected to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). For those credit exposures that are considered credit impaired, a loss allowance is required for credit losses expected over the remaining life of the exposure, with interest income recognized on the balance net of allowance.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effect, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, amortized cost, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of liabilities at amortized cost, net of directly attributable transaction costs.

The Group's financial liabilities include other payables and accrued liabilities classified as amortized cost.

Subsequent measurement

Financial liabilities at amortized cost

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the effective interest rate amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortization is included in finance costs in profit or loss.

(j) Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

(k) Share Capital

Equity instruments are contracts that give a residual interest in the net assets of the Company. Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(l) Income Taxes

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in equity.

Current income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to income tax payable in respect of previous years.

Deferred income tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred income tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting income nor taxable income. Deferred income tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred income tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred income tax assets are reviewed at each reporting dates and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(m) Government grants

Government grants are recognized at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognized as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

(n) Revenue Recognition

Rental income is recognized on a straight-line basis over the term of the lease.

Dividend income is recognized when the right to receive payment is established.

Interest income is recognized on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

(o) Foreign Currency Translation

Transactions entered into by group entities in currencies other than their functional currency are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognized in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and loss are recognized in other comprehensive income, in which case, the exchange differences are also recognized in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity as translation reserve (attributed to non-controlling interests as appropriate).

(p) Earnings Per Share

Basic earnings per share is computed by dividing the net income or loss applicable to common shares of the Company by the weighted average number of common shares outstanding for the relevant year.

Diluted earnings per share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

5. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to makes judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

In the process of applying the Group's accounting policies, management has made the following judgements and estimations, which have the most significant effect on the amounts recognized in the financial statements:

(a) Exploration and Evaluation Expenditures

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits will flow to the Group, which may be based on assumptions about future events or circumstances. Judgments made may change if new information becomes available. If, after expenditure is capitalized, information becomes available suggesting that the Group may not recover the expenditure, the amount capitalized is written down to its recoverable amount in the year the new information becomes available. For the year ended December 31, 2021, the addition to exploration and evaluation assets amounted to $1,537,967 (2020: $151,256). The Group undertook various substantive activities to further the project, including activities associated with the renewal of its mining licence and retention of its exploration licence and activities associated with advancing the interest of investors to develop the Gold Project. Accordingly, the Group is of the view that there are no indicators of impairment.

(b) Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognizes liabilities and contingencies for anticipated tax audit issues based on the Group's current understanding of the applicable tax law. For matters where it is probable that an adjustment will be made, the Group records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome from the amount included in the tax liabilities.

(c) Functional Currency

The determination of the functional currency for the Company's subsidiaries is a significant judgment. The determination of functional currency requires the Company to assess the primary economic environment in which each of the entities operates and affects how the Company translates foreign currency balances and transactions.

(d) Power to Exercise Control, Joint Control or Significant Influence

Significant judgment is required in determining whether the Company has the power to exercise control, joint control or significant influence over another entity. In making this decision, the Company reviews the degree of influence it has to govern the relevant activities of another entity, taking into consideration the Company's equity interest, voting interest, ability to appoint senior management and officers and the Company's exposure to variable returns from the entity.

(e) Impairment of Non-Financial Assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts exceed their recoverable amounts. Judgment is required in establishing whether there are indicators of impairment related to these assets such as changes in market price, the extent or manner in which it is being used or in its physical condition, operations and business environment.

(f) Fair Value Measurement of Investment Properties

Where indicators of impairment exist, the fair value of the investment properties as at the end of the reporting period were estimated by the management with reference to property valuation conducted by independent professional valuer. Such valuations were based on certain assumptions which are subject to uncertainty and might differ significantly from the actual results. In making the estimation, the Group considers information from current prices in an active market for similar properties and uses assumptions that are mainly based on market conditions existing at the end of the reporting period.

(g) Fair Value Measurement of Unlisted investment

As disclosed in note 9.3, the Group invested in certain unlisted investments as at 31 December 2021 which are carried at fair value of $3,040,262. The fair value of these unlisted investments were estimated by management with reference to valuation conducted by independent professional valuers. The fair value of the unlisted investments was measured using income approach or market approach where appropriate with key inputs such as expected revenue growth rate, budgeted gross profit ratio, volatility and discount rates.

For the Years Ended December 31, 2021 and 2020 (Express in United States Dollars)

6. SEGMENT INFORMATION

The Group is engaged in two operating segments, namely (i) the investment in properties, equity, debt or other securities as well as direct ownership stakes in projects ("Investment business"); and (ii) the development, exploration and exploitation of mineral properties, mainly in Xinjiang, China ("Mining business").

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

As at	December 31, 2021	December 31, 2020
	$	$
Segment assets		
Investment business	14,228,373	13,493,046
Mining business	39,450,831	37,050,694
Total segment assets	53,679,204	50,543,740
Unallocated	20,045,636	24,440,791
Consolidated assets	73,724,840	74,984,531

As at	December 31, 2021	December 31, 2020
	$	$
Segment liabilities		
Investment business	41,464	35,348
Mining business	960,854	937,135
Total segment liabilities	1,002,318	972,483
Unallocated	1,657,127	1,563,302
Consolidated liabilities	2,659,445	2,535,785

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

For the year ended	December 31, 2021	December 31, 2020
	$	$
Segment revenue and results		
Investment business	222,702	(1,170,566)
Mining business	(987,406)	(1,047,880)
	(764,704)	(2,218,446)
Other income and gains	21,765	130,977
Unallocated corporate expenses	(2,074,927)	(2,037,884)
Gain/(loss) on disposal/written-off of property, plant and equipment	5,757	(7,104)
Exchange gain	449,354	793,633
Finance costs	(618)	(10,640)
Loss before income tax	(2,363,373)	(3,349,464)

7. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were held in the following locations:

Location	December 31, 2021	December 31, 2020
	$	$
Canada	321,470	553,729
Hong Kong	14,640,764	18,385,755
China	493,452	531,400
Total	15,455,686	19,470,884

As at December 31, 2021, cash and cash equivalents located in Hong Kong included cash balance of $12,027,244 (RMB76,430,626) (2020: $13,269,147 (RMB86,684,905)) denominated in RMB. The cash equivalents are call deposits at banks or time deposit of terms less than 90 days. The balance located in Hong Kong also included $1,286,076 deposit placed with a brokerage firm (December 31, 2020: $2,139,408). None of the cash equivalents are in asset backed commercial paper products.

The RMB located in China is not freely convertible into other currencies. However, under China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

The remaining cash and cash equivalents balances are held in Hong Kong Dollar, United States Dollar and Canadian Dollar currencies. The fair market values of cash and cash equivalents approximated their carrying values at the respective year end.

8. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

For the year ended	December 31, 2021	December 31, 2020
	$	$
Prepayments	21,606	41,903
Deposits	21,264	18,483
Loan	3,852,966	3,920,658
Other receivables	64,986	62,808
	3,960,822	4,043,852

The loan balance represented a loan secured by a property owned by the borrower in Hong Kong, bearing an interest at the rate of 3.5% per annum and was repayable on December 10, 2021 or on demand by the Group whichever was earlier. On December 10, 2021, the Group and the borrower mutually agreed to extend the repayment date of the loan to December 10, 2022, bearing an interest at the rate of 4.5% per annum. The management considered that there is no significant increase in credit risk of the loan with reference to property valuation conducted by an independent professional valuer on the pledged property. Hence, no further impairment loss on loan receivable being recognised in current year. In the prior year, the management considered that the decline in value of the pledged property was an indication of increase in credit risk of the loan. Hence with reference to property valuation conducted by independent professional valuer on the pledged property, the Group recognized an impairment loss of $693,523 on loan receivable.

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

The movements in the loss allowance for impairment of loan are as follows:

	December 31, 2021	December 31, 2020
	$	$
At beginning of year	693,523	-
Impairment loss	-	693,523
Exchange difference	(3,264)	-
At end of year	690,259	693,523

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9. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

As at	Notes	December 31, 2021	December 31, 2020
		$	$
Current			
Listed securities	9.1	458,434	127,344
Debentures	9.2	-	199,788
		458,434	327,132
			$
Non-current			
Listed securities	9.1	299,693	119,875
Debentures	9.2	1,802,512	2,541,154
Unlisted investments	9.3	2,994,100	1,542,910
		5,096,305	4,203,939
Total		5,554,739	4,531,071

9.1 Listed Securities

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 year ended December 31, 2021, the Group recognized a fair value loss on listed securities of $87,605 (2020: fair value gain of $16,087).

9.2 Debentures

Debentures represented the debentures held by the Group with coupon rates ranging from 5.000% to 7.000% (2020: 4.250% to 7.375%) per annum and with perpetual maturities (2020: maturities ending between May 31, 2021 and perpetual). Debentures are classified as financial assets at fair value through profit or loss. The fair value of the investment is determined with reference to their quoted price in active market. For the year ended December 31, 2021, the Group recognized a fair value loss on debentures of $37,113 (2020: fair value loss of $12,660).

9.3 Unlisted Investments

Unlisted investments mainly composed of a 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 December 31, 2021 (2020: $1,285,950) and 6.28% interests in Infinity Technology Limited ("Infinity Tech") which is a company incorporated in the British Virgin Islands with a subsidiary in Hong Kong providing a one-stop solution cloud POS system integrating automated ordering and payment, menu digitalisation, logistics, marketing analysis, supply chain and inventory management with fair value of $1,500,269 at December 31, 2021 (2020: nil). The Group recognized a fair value loss on investment in Dragon Silver of $52,607 (2020: $127,546) and no fair value change in Infinity Tech (2020: nil).

Other unlisted investment held by the Group amounted to $267,713 (December 31, 2020: $256,960). For the year ended December 31, 2021, the Group recognized a fair value gain on other unlisted investments of $9,768 (2020: $17,704).

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10. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land & buildings	Leasehold improvements	Furniture, fixture & equipment	Computer hardware & equipment	Motor vehicles	Total
Cost:	$	$	$	$	$	$
At January 1, 2020	**13,083,073**	**245,842**	**437,013**	**558**	**755,935**	**14,522,421**
Exchange difference	447,352	1,100	26,595	40	47,055	522,142
Additions	-	-	1,534	-	-	1,534
Write-off	-	(7,418)	-	-	-	(7,418)
At December 31, 2020	**13,530,425**	**239,524**	**465,142**	**598**	**802,990**	**15,038,679**
Exchange difference	147,676	(1,376)	11,620	18	20,627	178,565
Additions	-	-	8,927	-	49,863	58,790
Disposal	-	-	(11,999)	-	(126,315)	(138,314)
At December 31, 2021	**13,678,101**	**238,148**	**473,690**	**616**	**747,165**	**15,137,720**
Depreciation and impairment:						
At January 1, 2020	**3,019,597**	**237,599**	**360,539**	**558**	**719,201**	**4,337,494**
Exchange difference	105,970	1,026	22,290	40	44,709	174,035
Depreciation	525,525	786	13,457	-	703	540,471
Write-off	-	(314)	-	-	-	(314)
At December 31, 2020	**3,651,092**	**239,097**	**396,286**	**598**	**764,613**	**5,051,686**
Exchange difference	36,664	(1,375)	9,936	18	19,585	64,828
Depreciation	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**
Net book value:						
At December 31, 2020	**9,879,333**	**427**	**68,856**	**-**	**38,377**	**9,986,993**
At December 31, 2021	**9,448,840**	**-**	**52,231**	**-**	**75,865**	**9,576,936**

As at December 31, 2021, the carrying amount of property, plant and equipment located in Hong Kong amounted to $4,522,273 (2020: $4,824,200). The remaining property, plant and equipment were located in China.

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11. INVESTMENT PROPERTIES

Cost:	$
At January 1, 2020	**7,793,187**
Exchange difference	327,323
At December 31, 2020	**8,120,510**
Exchange difference	**122,622**
At December 31, 2021	**8,243,132**
Depreciation and impairment:	
At January 1, 2020	**1,509,359**
Exchange difference	95,049
Depreciation	378,241
Impairment loss recognized	1,135,209
At December 31, 2020	**3,117,858**
Exchange difference	**38,551**
Depreciation	**292,144**
At December 31, 2021	**3,448,553**
Net book value:	
At December 31, 2020	**5,002,652**
At December 31, 2021	**4,794,579**

As at December 31, 2021, investment properties are commercial properties, of which $3,171,020 (2020: $3,304,396) are located in China and $1,623,559 (2020: $1,698,256) are located in Hong Kong. Certain investment properties were leased to third parties and related parties (notes 21.2 and 22.2) with fixed lease payments while some remain vacant. The estimated fair value of the investment properties as at December 31, 2021 was approximately $7,684,568 (2020: $7,704,898). The estimated fair value was determined by management assessment with reference to recent market prices for similar properties in the same locations and similar conditions.

12. EXPLORATION AND EVALUATION ASSETS

Cost:	$
At January 1, 2020	**30,189,063**
Additions	151,256
Exchange difference	1,608,760
At December 31, 2020	**31,949,079**
Additions	**1,537,967**
Exchange difference	**895,032**
At December 31, 2021	**34,382,078**

The exploration and evaluation assets represented the mining and exploration rights and geological and geophysical costs, mine site and facilities construction, drilling and exploration costs of the Sawayaerdun Gold Project ("Gold Project") located at 200 km northwest of the city of Kashi, western Xinjiang, China. The exploration licence and the mining licence have expiry dates on June 15, 2023 and March 22, 2023 respectively.

The Group has engaged General Research Institute for Nonferrous Metals for an on-site industrial test on the gold processing methodology by applying large scale samples since 2019. 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. It is targeted to complete the trial run gold immersion in the mid 2022.

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13. LEASES

(a) Right-of-Use Assets

The Group had lease contract for office premises with a lease term of 9 years. On June 11, 2020, the lease contract was terminated due to the cessation of a potential project in Zhuhai, China and the balance of right-of-use assets and lease liabilities was charged to profit and loss in the period. The carrying amounts of the right-of-use assets and the movements are as follows:

Cost:	$
At January 1, 2020	**428,025**
Exchange difference	**28,594**
Termination of lease	**(456,619)**
At December 31, 2020 and December 31, 2021	**-**
Depreciation:	
At January 1, 2020	**19,816**
Exchange difference	**2,004**
Depreciation for the year	**12,004**
Termination of lease	**(33,824)**
At December 31, 2020 and December 31, 2021	**-**
Net book value:	
At December 31, 2020	**-**
At December 31, 2021	**-**

(b) Lease Liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	$
Carrying amount at January 1, 2020	**418,570**
Exchange difference	**28,257**
Accretion of interest recognized during the year	**5,198**
Termination of lease	**(452,025)**
Carrying amount at December 31, 2020 and December 31, 2021	**-**

The effective interest rate used to calculate the lease liabilities is 4.9% per annum with reference to the Loan Prime Rate published by the People's Bank of China.

14. OTHER PAYABLES, RECEIPTS IN ADVANCE AND ACCRUED LIABILITIES

As at December 31, 2021, the balances of other payables, receipts in advance and accrued liabilities comprised mainly the payable 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	December 31, 2021	December 31, 2020
	$	$
Other payables	**934,714**	984,048
Accrued liabilities	**537,909**	361,058
Receipts in advance	**41,464**	35,348
Deposits received	**22,384**	25,869
Total	**1,536,471**	1,406,323

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15. SHARE CAPITAL AND STOCK OPTIONS

15.1 Common Shares

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

15.2 Preferred Shares

The Company did not authorize or issue any preferred share.

15.3 General Reserve

The general reserve represents statutory reserves of the Group's Chinese operating subsidiaries. During 2021 and 2020, there was no movement in the general reserve.

15.4 Translation Reserve

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

15.5 Normal Course Issuer Bid

On August 1, 2019, GobiMin was granted approval by TSX Venture Exchange to renew its normal course issuer bid to repurchase up to an additional 2,491,074 common shares, representing approximately 5% of the then common shares outstanding ("2020 NCIB"). Purchases were made in accordance with applicable regulations over a maximum period of 12 months commenced on August 8, 2019 and ended on August 7, 2020. GobiMin did not renew its normal course issuer bid upon the end of 2020 NCIB on August 7, 2020, and a total of 450,000 common shares were repurchased at an aggregate cost of $77,745 (CAD98,985) under 2020 NCIB for the year ended December 31, 2020. All shares repurchased have been returned to treasury for cancellation.

15.6 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 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 year ended December 31, 2020 and 2021.

15.7 Basic and Diluted Loss Per Share

For the year ended	December 31, 2021	December 31, 2020
Net loss attributable to shareholders		
Basic and diluted	**($2,084,824)**	($3,057,480)
Weighted average number of shares outstanding		
Basic and diluted	**49,194,982**	49,311,026
Basic and diluted loss per share	**($0.042)**	($0.062)

For the year ended December 31, 2020 and 2021, there were no stock options outstanding or other potential ordinary shares in issue and as such, there is no diluted loss per share presented.

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16. NON-CONTROLLING INTERESTS

Non-controlling interests comprised mainly of the 30% (2020: 30%) equity interest in Xinjiang Tongyuan Minerals Limited ("Tongyuan").

As at	December 31, 2021	December 31, 2020
	$	$
Non-controlling interest	(529,261)	(239,847)

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Tongyuan

For the year ended	December 31, 2021	December 31, 2020
	$	$
Revenue	-	-
Expenses	928,420	973,278
Loss for the year	(928,420)	(973,278)
Loss attributable to owners of the Company	(649,894)	(681,294)
Loss attributable to the non-controlling interests of Tongyuan	(278,526)	(291,984)
Loss for the year	(928,420)	(973,278)
Other comprehensive loss attributable to owners of the Company	(25,623)	(33,053)
Other comprehensive loss attributable to the non-controlling interests of Tongyuan	(10,981)	(14,166)
Other comprehensive loss for the year	(36,604)	(47,219)
Total comprehensive loss attributable to owners of the Company	(675,517)	(714,347)
Total comprehensive loss attributable to the non-controlling interests of Tongyuan	(289,507)	(306,150)
Total comprehensive loss for the year	(965,024)	(1,020,497)

As at	December 31, 2021	December 31, 2020
	$	$
Current assets	217,163	124,897
Non-current assets	39,170,918	36,857,197
Current liabilities	(935,754)	(2,219,158)
Non-current liabilities	(40,216,839)	(35,562,425)
Net liabilities	(1,764,512)	(799,489)

For the year ended	December 31, 2021	December 31, 2020
	$	$
Net cash flow used in operating activities	(660,110)	(477,561)
Net cash flow used in investing activities	(1,543,638)	(45,922)
Net cash flow from financing activities	2,314,158	542,007
Net increase in cash and cash equivalents	110,410	18,524

17. OTHER INCOME

For the year ended	December 31, 2021	December 31, 2020
	$	$
Employment Support Scheme from government	-	87,872
Other income	17,825	30,249
	17,825	118,121

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18. NATURE OF EXPENSES

18.1 Employee Costs (including remuneration of key management and directors as stated in note 21.1)

For the year ended	December 31, 2021	December 31, 2020
	$	$
Wages and other benefits	1,404,457	1,282,112
Payment to defined contribution plans	23,786	25,151
Total employee costs	1,428,243	1,307,263

18.2 Depreciation

For the year ended	December 31, 2021	December 31, 2020
	$	$
Depreciation	859,026	930,716

19. FINANCE COSTS

For the year ended	December 31, 2021	December 31, 2020
	$	$
Finance charge under lease liabilities	-	5,198
Interest expenses with brokerage firm	618	903
Bank charges	-	4,539
Total finance costs	618	10,640

20. INCOME TAX

The Group's provision for income taxes reported differs from the amounts computed by applying the cumulative Canadian federal and provincial income tax rates to the profit before income tax as a result of the following:

For the year ended	December 31, 2021	December 31, 2020
	$	$
Loss before income tax	(2,363,373)	(3,349,465)
Statutory tax rates	26.5%	26.5%
Tax recovery at statutory tax rates	(626,294)	(887,608)
Tax rate differential	91,163	332,119
Non-taxable revenues	(110,626)	(194,153)
Non-deductible expenses and other differences	74,048	(23,030)
Operating loss not set up as deferred tax asset	601,548	793,980
Tax effect of tax loss utilized	(29,839)	(21,308)
Income tax expense	-	-

As at December 31, 2021, the Canadian company has unused tax loss of $1,945,393 (2020: $2,047,075) available for offset of future profits which is subject to the final approval of respective tax authorities. The Group was required to include certain inter-company loans into income for Canadian tax purposes resulting in a reduction of tax loss carry forwards. When these loans are subsequently repaid, they will be deductible against income at that time. Furthermore, property income from controlled foreign affiliates is reported as earnings on an accrued basis for income tax purposes. This also contributes to a reduction in tax loss carried forward. As at December 31, 2021, no deferred tax asset has been recognized in respect of the unused tax loss due to the unpredictability of future profit streams. The following table summarized the unrecognized tax loss by year of expiry:

Unrecognized Tax Loss:

For the year ended	December 31, 2021	December 31, 2020
Year of expiry	$	$
- December 31, 2037	1,887,577	1,989,530
- December 31, 2038	57,816	57,545
Total	1,945,393	2,047,075

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21. RELATED PARTY TRANSACTIONS

21.1 Key Management Compensation

The remuneration of key management and directors was as follows:

For the year ended	December 31, 2021	December 31, 2020
	$	$
Salaries, fees and other benefits	479,196	471,272
Payment to defined contribution plans	4,116	4,031
	483,312	475,303

21.2 Related Party Transactions

In addition to the transactions detailed elsewhere in these 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.

For the year ended		December 31, 2021	December 31, 2020
Related party relationship	**Type of transactions**	$	$
Companies in which a director of	Rental income	88,336	85,614
the Company has equity interest	Share of office common expenses	13,054	15,540

22. COMMITMENTS

22.1 Capital Commitments

The Group has the following capital commitments:

	Contract Date	Contracted Sum	Commitments	
As at			December 31, 2021	December 31, 2020
	$	$		
Mine design and related facilities	October 31, 2011	1,258,893	692,391	673,523
Office building renovation	March 2, 2013	2,066,139	923,631	898,461
Research on gold processing method	June 20, 2020	267,515	31,472	61,229
Total capital commitments for the Gold Project		3,592,547	1,647,494	1,633,213

22.2 Operating Lease Commitments

The Group as Lessor

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	December 31, 2021	December 31, 2020
	$	$
Within one year	95,046	92,303
In the second to fifth years inclusive	235,885	321,913
Total future minimum lease receivables	330,931	414,216

23. DIVIDEND

No dividend was paid in year 2021 (2020: nil) as the directors did not recommend the payment of any dividend for the year ended December 31, 2021.

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24. FINANCIAL INSTRUMENTS

The Group is exposed to various types of market risks, including changes in foreign exchange rates, and interest rates in the normal course of business. The risks associated with the financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

24.1 Fair Value of Financial Instruments

The fair value of financial instruments represents the amounts that would have been received from or paid to counterparties to settle these instruments. The carrying amount of all financial instruments classified as current approximates their fair value because of the short maturities and normal trade terms of these instruments. The fair value of other financial instruments disclosed in the financial statements are based on the Group'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.

	Fair Value Measurements of Financial Assets at Reporting Date			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
As at December 31, 2021				
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**
As at December 31, 2020				
Listed securities	247,219	-	-	247,219
Unlisted investments	-	256,960	1,285,950	1,542,910
Debentures	2,740,942	-	-	2,740,942
	2,988,161	256,960	1,285,950	4,531,071

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24.2 Exchange Rate Risk

The Group generates revenues and incurs expenditures primarily in Canada, Hong Kong and China and is exposed to risk from changes in foreign currency rates. In addition, the Group holds financial assets and liabilities in foreign currencies that expose the Group to foreign exchange risks. A significant change in the currency exchange rates between the United States dollars relative to the Hong Kong dollars, RMB or Canadian dollars could have an effect on the Group's financial position and cash flows. The Group has not hedged its exposure to currency fluctuations.

Many foreign currency exchange transactions involving RMB, including foreign exchange transactions under the Group's capital account located in China, are subject to foreign exchange controls and require the approval of the China State Administration of Foreign Exchange. Developments relating to the Chinese's economy and actions taken by the China government could cause future foreign exchange rates to vary significantly from current or historical rates. The Group cannot predict nor give any assurance of its future stability. Future fluctuations in exchange rates may adversely affect the value, translated or converted into United States dollars of the Group's net assets, net profits and any declared dividends. The Group cannot give any assurance that any future movements in the exchange rates of RMB against the United States dollars and other foreign currencies will not adversely affect its results of operations, financial condition and cash flows.

The following table indicates the approximate change in the Group's loss after income tax and retained profits and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

	2021			2020		
The Group	**Increase (decrease) in foreign exchange rate**	**Increase (decrease) in loss for the year and retained profits**	**Effect on other components of equity**	Increase (decrease) in foreign exchange rate	Increase (decrease) in profit for the year and retained profits	Effect on other components of equity
		US$	**US$**		US$	US$
RMB	**5%**	**47,813**	**2,740,999**	5%	62,557	2,681,145
	(5%)	**(47,813)**	**(2,740,999)**	(5%)	(62,557)	(2,681,145)
CAD	**1%**	**3,655**	**4,613**	1%	2,031	8,312
	(1%)	**(3,655)**	**(4,613)**	(1%)	(2,031)	(8,312)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to each of the group entities; exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual reporting date. In this respect, it is assumed that the pegged rate between the Hong Kong dollars and the United States dollars would be materially unaffected by any changes in movement in value of the United States dollars against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the group entities' profit (loss) for the year and equity measured in the respective functional currencies, translated into United States dollars at the exchange rate ruling at the end of reporting period for presentation purposes.

24.3 Credit Risk

The Group is exposed to credit risk with respect to cash and cash equivalents, other receivables and other financial assets. The maximum exposure is equal to the carrying amount of these assets included on the consolidated statements of financial position. The cash equivalents are call deposits at banks, time deposit of terms less than 90 days and cash deposit with registered brokerage firms in Hong Kong. None of the cash equivalents are in asset backed commercial paper products. The Group has deposited the cash and cash equivalents in banks that meet minimum requirements for quality and liquidity as stipulated by the Company's Board of Directors. See note 8 for additional information related to loans receivable.

24.4 Liquidity Risk

Liquidity risk is the risk that the Group may encounter difficulties in meeting obligations associated with financial liabilities. As at December 31, 2021, the Group held cash and cash equivalents of $15,455,686 and net current assets of $17,215,497. The Group considered that its cash and cash equivalents is more than sufficient in meeting its obligations associated with financial liabilities and fulfilling its capital commitments.

24.5 Interest Risk

As the Group has no significant variable interest-bearing assets and liabilities, the Group's income and operating cash flows are substantially independent of changes in market interest rate.

24.6 Impact of COVID-19

During the year ended December 31, 2021, there was continued closures and restrictions from the global pandemic outbreak of COVID-19. The actual and threatened spread of the virus globally has had a material adverse effect on the global economy and specifically, the regional economies in which the Group operates. The Group is keeping a close eye on the spread of Omicron variant worldwide and has been monitoring its potential impact on our operations, such as disruption of the supply chains and logistics setup.

The Group further considered that since the COVID-19 outbreak, there has not been significant declines in the values of its level 1 financial instruments held by the Group by reference to the relevant economic indices for Hong Kong and the PRC. The Group also noted that there has been no indication of an increase in risks associated with its cash balances held in Hong Kong and the PRC. 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 closely monitor economic situation and take the necessary steps to protect interest of our shareholders, as well as ensure the orderly operation of our company and the continuity of our operations during this challenging time.

As at December 31, 2021, the fair value of investment properties with reference to the recent market prices of similar properties in the same locations exceeds the carrying amount and there is no significant increase in credit risk of loan receivable.

Given the importance of the sound liquidity position of the Group under current economic environment, we have developed treasury strategies for cash management as part of our overall business risk plans, including but not limited to suspension of dividend distribution and strengthening cost control measures. Meanwhile, the Group continues to work on timely adjustment on investment plans in light of the current conditions and will explore opportunities in a proactive manner.

25. CAPITAL MANAGEMENT

The Group's objectives of capital management are intended to safeguard the entity's ability to support the Group's normal operating requirement on an ongoing basis, continue the development, exploration and exploitation of its mineral properties, and support any expansionary plans. The capital of the Group amounted to $71,065,395 and consisted of the items included in equity. The Board of Directors does not establish a quantitative return on capital criteria for management but promotes year-over-year sustainable earnings growth targets. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets.

The Group is not subject to externally imposed capital requirements.

26. EVENTS AFTER THE REPORTING DATE

On April 7, 2022, the Company applied for 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, and any such purchases will be at market prices. The NCIB will commence upon receipt of the approval from TSXV and will end on April 7, 2023 or on such earlier date as GobiMin may complete its purchases pursuant to the NCIB or as it may otherwise determine.

DIRECTORS

Felipe TAN(2)
- Hong Kong, China

KO Yuen Kwan, also known as Joyce KO(2)
- Hong Kong, China

Dominic Wing Kwong CHENG(1)
- Richmond, British Columbia

Philippe MARLEAU(1)
- Montreal, Quebec

Maxime LEMIEUX(1)
- Montreal, Quebec

MA Jianqing
- Gansu, China

Duncan HANCOCK
- Hong Kong, China

COMMITTEE OF THE BOARD OF DIRECTORS

(1) Audit Committee
(2) Investment Committee

OFFICERS

Felipe TAN
- President & Chief Executive Officer

KO Yuen Kwan, also known as Joyce KO
- Chief Financial Officer, Vice President Corporate Affairs & Secretary

Duncan HANCOCK
- Investment Director of subsidiary

OPERATIONAL MANAGEMENT

HU Caixia
- General Manager of subsidiary

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LEGAL COUNSEL

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STOCK EXCHANGE LISTING

TSX Venture Exchange
Trading Symbol: GMN

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Certain statements included in this Annual Report 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" in the Management's Discussion and Analysis. 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 Annual Report 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.

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