

(Expressed in United States dollars except where otherwise indicated)

TSX-V: GMN

TORONTO, Aug. 25, 2016 /CNW/ - (TSXV: GMN) [GobiMin Inc.](#) ("GobiMin" or the "Company") reports its financial and operating results for the second quarter of 2016. The unaudited condensed interim financial statements along with quarterly highlights of management's discussion and analysis have been filed with SEDAR (www.sedar.com) and are also available at the website of the Company (www.gobimin.com).

Financial Highlights

	3 months ended June 30		12 months ended
	2016	2015	December 31, 2015
	\$	\$	\$
Net profit (loss) for the period	(0.5 million)	(0.7 million)	46,000
EBITDA (LBITDA) ⁽¹⁾	(0.3 million)	(0.6 million)	0.6 million
Basic and diluted earnings (losses) per share (0.008)		(0.013)	0.003
EBITDA (LBITDA) per share ⁽¹⁾	(0.005)	(0.011)	0.012
Cash and cash equivalents	20.9 million	27.6 million	26.1 million
Cash and cash equivalents per share ⁽¹⁾	0.40	0.52	0.50
Working capital	20.3 million	22.4 million	23.1 million
Total liabilities	3.8 million	5.8 million	3.2 million
Total assets	80.3 million	84.4 million	81.3 million

Note:

- (1) As non-IFRS measurements, EBITDA (LBITDA) (earnings (losses) before interest income and expense, income taxes, depreciation and amortisation), EBITDA (LBITDA) per share and Cash and cash equivalents per share do not comply with 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.

Business Summary and Development

The Company owns a 70% equity interest in a company which is developing and operating the the Sawayaerdun Gold Project (the "Gold Project") in Xinjiang. After delaying the development plan of the Gold Project in 2015, the Company has been concentrating in undertaking the process for conversion of the exploration licence into a mining licence. As at 30 June 2016, the Company submitted and was awaiting the approval of the first of the three required Chinese standard geological reports. If the process goes well, a mining licence would be obtained by the end of 2017. In addition, GobiMin continues to seek potential investors to develop the Gold Project.

As at June 30, 2016, GobiMin held an equity interest of 38.30% in Loco Hong Kong Holdings Limited ("Loco HK"), which together with its subsidiaries ("Loco HK Group"), are engaged in the processing and trading of metals and commodity forward contracts. Loco HK Group's income was mainly generated from the sales of metals, including silver, tin and gold. During the period under review, benefit from resumption of gold and tin trading and increase in silver processing activities, Loco HK Group achieved a significant increase of 101% in turnover for the six months ended 30 June 2016 as compared with the corresponding period last year. Loco HK recorded a net profit of approximately \$0.5 million for the three months ended June 30, 2016, with GobiMin's share amounting to approximately \$0.2 million. On August 23, 2016, GobiMin realized part of its investment in Loco HK by disposal of 113,000,000 shares of Loco HK to third parties (the "Transaction") for gross proceeds of approximately \$10.62 million which will be received on August 26, 2016. After the Transaction, GobiMin remains having a 10% equity interest in Loco HK. In view of the market price of Loco HK shares and the economic conditions, the Group believed that it was a good

timing and value for GobiMin to realise part of its investment in Loco HK. GobiMin can increase the flexibility to invest in more potential assets or projects in future and strengthen its financial resources.

In addition, GobiMin owns 40% equity interest each in three companies incorporated in China to engage in base metals and precious metal exploration, including nickel, copper, and gold, in Xinjiang, and a 2.66% equity interest in the Yanxi Copper Property.

Liquidity and Capital Resources

As at June 30, 2016, the working capital of the Group amounted to approximately \$20.3 million (December 31, 2015: \$23.1 million), by netting off its current assets of \$23.0 million (December 31, 2015: \$26.2 million) with current liabilities of \$2.7 million (December 31, 2015: \$3.1 million).

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 \$1.8 million.

Certain statements contained in this press release constitute forward-looking information. Such statements are based on the current expectations of management of GobiMin. You are cautioned that such statements are subject to a multitude of risks and uncertainties that could cause actual results, future circumstances or events to differ materially from those projected in the forward-looking information. Forward looking information includes without limitation, statements regarding the size and quality of the Company's mineral resources, progress in development of mineral properties, the prospective mineralization of the properties, and planned exploration programs. The reader should not place undue reliance on the forward-looking information included in this press release given that (i) actual results could differ materially from a conclusion, forecast or projection in the forward-looking information, and (ii) certain material factors or assumptions were applied in drawing a conclusion or making a forecast or projection as reflected in the forward-looking information could prove to be inaccurate. These statements speak only as of the date they are made, and GobiMin assumes no obligation to revise such statements as a result of any event, circumstance or otherwise, except in accordance with law.

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