GobiMin Inc.

Interim Consolidated Financial Statements
(Unaudited)

March 31, 2009
(Expressed in United States Dollars except where otherwise noted)

Notice to readers:

The financial statements for the quarter ended March 31, 2009 and the accompanying notes thereto contained in this report have been prepared by the management and have not been reviewed or audited by the Company's external auditor.

GobiMin Inc.
Consolidated Balance Sheets (Unaudited)
(Expressed in United States Dollars)

	March 31, 2009	December 31, 2008
ASSETS	**$**	$
Current		
Cash and cash equivalents (Note 5)	**92,026,901**	53,617,073
Restricted cash (Note 6)	**-**	489,960
Prepayments and other receivables	**586,287**	671,055
Assets of discontinued operations (Note 4)	**-**	63,759,808
Total current assets	**92,613,188**	118,537,896
Mineral properties and equipment (Note 7)	**618,662**	278,258
Equity investments (Note 8)	**2,597,602**	2,609,494
Due from related parties (Note 10)	**457,642**	460,414
Total assets	**96,287,094**	121,886,062
LIABILITIES		
Current		
Other payables and accrued liabilities	**184,670**	452,052
Deposits received (Note 11)	**-**	36,082,093
Derivative financial instrument liabilities (Note 12)	**-**	94,015
Liabilities of discontinued operations (Note 4)	**-**	16,690,101
Total current liabilities	**184,670**	53,318,261
Total liabilities	**184,670**	53,318,261
Non-controlling interests (Note 13)	**(298,977)**	1,119,154
Commitments (Note 14)		
SHAREHOLDERS' EQUITY		
Share capital (Note 15)	**29,699,774**	29,918,738
Contributed surplus (Note 15)	**5,686,301**	5,398,535
Reserves (Note 16)	**7,653**	-
Retained earnings	**63,031,014**	26,631,480
Accumulated other comprehensive income (loss) (Note 19)	**(2,023,341)**	5,419,894
Total shareholders’ equity	**96,401,401**	67,368,647
Total liabilities and shareholders’ equity	**96,287,094**	121,886,062

See accompanying notes to the Consolidated Financial Statements

APPROVED BY THE BOARD

(Signed)
Felipe Tan
Director

(Signed)
Hubert Marleau
Director

GobiMin Inc.
Consolidated Statements of Income (Unaudited)
(Expressed in United States Dollars)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
	$	$
Revenue	**939,923**	4,137,710
Cost of sales	**(609,195)**	(1,382,169)
Depreciation	**(290,229)**	(577,393)
Selling and distribution cost	**(122,426)**	(78,644)
Gross profit (loss)	**(81,927)**	2,099,504
Other revenue (Note 18)	**189,928**	479,042
General and administrative expenses	**(733,199)**	(1,298,975)
Stock based compensation (Note 15)	**(287,766)**	(460,240)
Equity loss in investment (Note 8)	**(7,428)**	(38,743)
Other operating expenses	**(36,913)**	(2,234)
Operating profit (loss)	**(957,305)**	778,354
Interest expense	**(84)**	(185,673)
Loss on financial instruments (Note 12)	**(58,865)**	-
Exchange gain	**5,560,456**	127,298
Gain on disposal of subsidiaries (Note 4)	**33,603,540**	-
Earnings before tax and non-controlling interests	**38,147,742**	719,979
Income tax	**-**	(117,547)
Earnings before non-controlling interests	**38,147,742**	602,432
Non-controlling interests (Note 13)	**20,462**	(58,645)
Net earnings for the period	**38,168,204**	543,787
Earnings per share (Note 15)		
Basic	**0.543**	0.007
Diluted	**0.541**	0.007
Weighted average number of shares outstanding (Note 15)	**Share**	Share
Basic	**70,247,300**	73,440,475
Diluted	**70,495,969**	74,908,585

See accompanying notes to the Consolidated Financial Statements

GobiMin Inc.

Consolidated Statements of Comprehensive Income (Unaudited)

(Expressed in United States Dollars)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
	$	$
Net income	**38,168,204**	543,787
Unrealized exchange gain (loss) on translation of self-sustaining foreign operations	**(7,443,235)**	1,973,274
Comprehensive income	**30,724,969**	2,517,061

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

(Expressed in United States Dollars)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
	$	$
Share Capital		
Balance at beginning of period	**29,918,738**	31,195,252
Issued for option exercise	**-**	46,299
Share buy back	**(218,964)**	(741,713)
Balance at end of period	**29,699,774**	30,499,838
Contributed Surplus		
Balance at beginning of period	**5,398,535**	4,029,197
Options & warrants exercised	**-**	(17,615)
Stock based compensation	**287,766**	460,240
Balance at end of period	**5,686,301**	4,471,822
Reserves		
Balance at beginning of period	**-**	6,144,537
Current period reserves	**7,653**	-
Balance at end of period	**7,653**	6,144,537
Retained Earnings		
Balance at beginning of period	**26,631,480**	24,024,559
Net income	**38,168,204**	543,787
Tax refund relating to capital transaction	**-**	681,444
Transfer to general reserve	**(7,653)**	-
Change in fair value of discontinued operation	**(1,761,017)**	-
Balance at end of period	**63,031,014**	25,249,790
Accumulated other comprehensive income (loss)		
Balance at beginning of period	**5,419,894**	4,413,451
Other comprehensive income (loss)	**(7,443,235)**	1,973,274
Balance at end of period	**(2,023,341)**	6,386,725

See accompanying notes to the Consolidated Financial Statements

GobiMin Inc.
Consolidated Statements of Cash Flows (Unaudited)
(Expressed in United States Dollars)

	Three Months Ended March 31, 2009	Three Months Ended March 31, 2008
Cash flows from (used in) operating activities	**$**	$
Net earnings for the period	**38,168,204**	543,787
Adjustments for items not involving cash:		
- Depreciation	**290,229**	577,393
- Amortization in general and administrative expenses	**-**	43,005
- Stock based compensation	**287,766**	460,240
- Exchange gain	**(5,560,456)**	-
- Equity loss in investment (Note 8)	**7,428**	38,743
- Gain on disposal of subsidiaries (Note 4)	**(33,603,540)**	-
- Non-controlling interests	**(20,462)**	58,645
	(430,831)	1,721,813
Change in non-cash working capital items:		
- Accounts receivable	**-**	(1,584,547)
- Prepayments, deposits and other receivables	**79,416**	693,543
- Inventories	**-**	518,588
- Accounts payable	**-**	59,476
- Due to related parties	**-**	3,698,308
- Other payables and accrued liabilities	**(262,831)**	(3,574,177)
- Derivative financial instrument liabilities	**(94,015)**	-
- Tax payable	**-**	(195,843)
Net cash from (used in) operating activities	**(708,261)**	1,337,161
Cash flows from (used in) financing activities		
Shares issued for cash from option and warrant exercise	**-**	28,685
Shares buy back	**(218,964)**	(741,713)
Repayment of shareholder's loan	**2,300,119**	-
Net cash from (used in) financing activities	**2,081,155**	(713,028)
Cash flows from (used in) investing activities		
Mineral properties and equipment	**(373,994)**	(2,975,384)
Change on construction payables	**-**	(177,386)
Disposition of equity interest in subsidiaries (Note 4)	**36,942,051**	-
Tax refund on capital transaction	**-**	680,383
Equity investments in joint ventures		

1. NATURE OF OPERATIONS

GobiMin Inc. together with its subsidiaries, collectively referred to herein as the “Company” or “GobiMin”, is engaged in the exploration and development of mineral properties, mainly in the Xinjiang Uygur Autonomous Region (“Xinjaing”) of the People’s Republic of China (“China”).

In Hami of Xinjaing, GobiMin operated nickel-copper mining and development business through its operating Chinese subsidiaries, Xinjiang Yakesi Resources Co. Ltd. (“Yakesi”) and Hami Jubao Resources Co. Ltd. (“Jubao”). GobiMin owned 93.55% of Yakesi and 95.16% of Jubao. The ore being mined by Yakesi and Jubao was processed through their processing plants to produce nickel and copper concentrates. The concentrates were sold in China. In November 2008, GobiMin entered into sales and purchase agreements to sell all its equity interest in Yakesi and Jubao. The disposal was completed in February 2009 (see Note 4). GobiMin also owned, through Yakesi, 30% equity interest in Dazi PuXiong Copper Company Limited (“PuXiong”), which is engaged in exploration, mining and milling of copper and zinc resources in Tibet, China. GobiMin ceased to own any equity interest in PuXiong following the disposal of Yakesi.

In 2006, GobiMin formed a joint venture, Xinjiang Xinya Minerals Ltd. (“Xinya”). It owns 50% equity interest in Xinya which is engaged in exploration of zinc and copper projects in Xinjiang, China.

In 2007, GobiMin formed four joint ventures, Xinjiang Tongde Minerals Ltd (“Tongde”), Xinjiang Tongxing Minerals Ltd (“Tongxing”), Xinjiang Tongan Minerals Ltd (“Tongan”) and Xinjiang Tianhong Minerals Ltd (“Tianhong”), to engage in exploration of nickel, copper, lead and zinc projects in Xinjiang, China. GobiMin owns 40% in each of those four joint ventures. GobiMin also engages in exploration projects in Indonesia.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The unaudited interim consolidated financial statements of GobiMin have been prepared in accordance with Canadian generally accepted accounting principles using the same accounting policies and methods of application as those disclosed in note 2 of GobiMin’s audited consolidated financial statements for the year ended December 31, 2008, except for the change referred to in note 3 below. Generally accepted accounting principles for interim consolidated financial statements do not conform in all respects to the disclosures required for annual consolidated financial statements and, accordingly, these unaudited interim consolidated financial statements should be read in conjunction with GobiMin’s annual consolidated financial statements and accompanying notes for the year ended December 31, 2008. In the opinion of management, all adjustments considered necessary for the fair presentation of results for the periods presented have been reflected in these unaudited interim consolidated financial statements. These adjustments consist only of normal recurring adjustments. Operating results for these interim periods are not necessarily indicative of the results that may be expected for the full fiscal year ending December 31, 2009.

3. CHANGE IN ACCOUNTING POLICIES

New Canadian Accounting Pronouncements

a) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064, “Goodwill and Intangible Assets”, which replaces Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs”. Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. The new Section will be applicable to the Company’s consolidated financial statements for its fiscal year beginning January 1, 2009.

b) Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance requires that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to the Company's 2009 fiscal year with retrospective application without restatement of prior periods.

(Expressed in United States Dollars)

c) Consolidations and Non-controlling Interests

In January 2009, the CICA issued Section 1601 "Consolidations" and Section 1602 "Non-controlling Interests". CICA 1601 establishes standards for the preparation of consolidated financial statements. CICA 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are applicable to interim and annual financial statements of the Company beginning on January 1, 2011. The Company is in the process of evaluating the impact of these standards.

d) Business Combinations

In January 2009, the CICA issued Section 1582 "Business Combinations" replacing Section 1581 "Business Combinations". The new section improves the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects. The section is applicable to the annual and interim financial statements of the Company beginning on or January 1, 2011, with early adoption permitted. The Company is in the process of evaluating the impact of this standard.

4. DISCONTINUED OPERATIONS

In November 2008, the Board of Directors of the Company approved the agreements on disposal of the Company's equity interests in Yakesi and Jubao, which represented substantial continuing operation of the Company. The assets and liabilities of Yakesi and Jubao were therefore classified as discontinued operations in the Consolidated Balance Sheets. Since there is no other material operation after the disposal, the operating results do not show the segregation of the operation results of Yakesi and Jubao.

By February 11, 2009, the agreements on the disposal of the equity interest in Yakesi and Jubao were approved by the Chinese government. The total sales proceeds received by the Company are RMB492 million (approximately $72.1 million). The Company also received dividends of RMB43.89 million (approximately $6.4 million) paid out by Yakesi and Jubao. The disposal resulted in a net gain of $33.6 million.

a) Assets and Liabilities of the Discontinued Operations

As Yakesi and Jubao were sold prior to March 31, 2009, their assets and liabilities are not included in the financial statements for the period. The major classes of assets and liabilities of the discontinued operations are as follows:

	March 31, 2009	December 31, 2008
ASSETS	**$**	$
Current		
Cash and cash equivalents	-	2,317,225
Loan receivable	-	1,026,038
Prepayments and other receivables	-	11,465,473
Inventory	-	2,499,419
Mineral properties	-	44,931,909
Equity investments	-	1,439,498
Due from related parties	-	80,246
Assets of discontinued operations	-	63,759,808

(Expressed in United States Dollars)

LIABILITIES		
Current		
Accounts payable	-	2,511,104
Due to related parties	-	20,378
Other payables and accrued liabilities	-	13,900,977
Income tax payable	-	174,080
Future income tax liabilities	-	83,562
Liabilities of discontinued operations	-	16,690,101

b) Gain and Proceeds from Disposition of Equity Interest in Subsidiaries

	Three months ended March 31, 2009	Three months ended March 31, 2008
	$	$
Net assets disposed of as at 11 February, 2009	**38,521,707**	-
Gain on disposal of subsidiaries	**33,603,540**	-
Consideration from disposition	**72,125,247**	-
Proceeds from disposition of equity interest in subsidiaries:		
Consideration from disposition	**72,125,247**	-
Deposits received in 2008	**(36,062,624)**	-
Final instalments received	**36,062,623**	-
Dividends received from discontinued operations	**6,429,449**	-
Withholding tax paid to local tax bureau	**(5,550,021)**	-
	36,942,051	-

Pursuant to the sale and purchase agreements dated November 23, 2008, the Company agreed to dispose of its 93.55% and 95.16% equity interests in Yakesi and Jubao respectively. According to the aforesaid agreements, the deposits with aggregate sum of RMB246 million (approximately $36.0 million) were received by the Company during the year ended December 31, 2008.

The final instalments and dividends, net of tax payment, of RMB254 million (approximately $36.9 million) were received by the Company during this quarter.

A gain of $33.6 million which arose from the above disposal has been recognised for the quarter ended March 31, 2009.

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at March 31, 2009 include cash in different locations as follows:

Bank location	Currency	Amount	**US$ Equivalent**
Canada	CAD	1,059,760	**840,920**
Hong Kong	HKD	610,451,754	**78,770,001**
China	RMB	84,847,574	**12,415,436**
Indonesia	IDR	6,289,321	**544**
Total			**92,026,901**

(Expressed in United States Dollars)

Cash and cash equivalents at December 31, 2008 include cash in different locations as follows:

Bank location	Currency	Amount	US$ Equivalent
Canada	CAD	251,223	205,147
Hong Kong	HKD	99,708,820	12,865,322
China	RMB	276,619,220	40,545,981
Indonesia	IDR	6,861,969	623
Total			53,617,073

The RMB 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 Company is permitted to exchange RMB for other currencies through banks authorized to conduct foreign exchange business.

The fair market values of cash and cash equivalents approximate their carrying values at March 31, 2009.

6. RESTRICTED CASH

Restricted cash comprises bank deposit to secure a currency forward contract in 2008 (see Note 14). The restricted cash has been released upon the maturity of the forward contract on March 10, 2009.

7. MINERAL PROPERTIES AND EQUIPMENT

	Cost	Accumulated Amortization/ Written off	Net Book Value
March 31, 2009	$	$	$
Buildings	121,451	(33,736)	87,715
Furniture, equipment and motor vehicles	662,509	(222,444)	440,065
Mineral exploration rights	90,882	-	90,882
	874,842	(256,180)	618,662
December 31, 2008			
Buildings	121,445	(23,614)	97,831
Furniture, equipment and motor vehicles	290,458	(199,402)	91,056
Mineral exploration rights	89,371	-	89,371
	501,274	(223,016)	278,258

During 2008, a carrying value of $1,233,160 was written off for the Company's exploration rights and related machinery in Indonesia, as management believes there was no economic value for those assets under the market conditions. There are no significant commitments or payment requirements for any of the mineral properties except for those related to the discontinued operations (see Note 14).

8. EQUITY INVESTMENTS

Equity investments represent the Company's equity interests in four joint ventures established in 2007 to explore nickel, copper, lead and zinc projects in Xinjiang region. The Company's equity interest in each of the four joint ventures is 40%.

The Company accounts for its investments on the equity basis, which is carried at cost, adjusted for the Company's proportionate share of the undistributed earnings and losses of all the above joint ventures. During the three months ended March 31, 2009, the Company recorded $7,428 (2008: $38,743) as equity loss on the investments.

(Expressed in United States Dollars)

9. INTEREST IN JOINT VENTURE

During 2006, GobiMin formed a joint venture, Xinya, with Xinjiang Huaxin Minerals Ltd ("Huaxin"). GobiMin and Huaxin each acquired a 50% interest in Xinya by injecting RMB 1 million ($136,910) cash into the new joint venture as share capital. The joint venture is formed for mining exploration and development in northwest China.

The Company adopts the proportionate consolidation method to account for its interest in Xinya. The Company's proportionate share of its interest in and results from the joint venture as at and for the 3 months ended March 31, 2009 and 2008 are as follows:

	March 31, 2009	December 31, 2008
Cash and cash equivalents	**$ 552,555**	$ 560,549
Intangible assets – exploration right	**90,880**	89,372
Fixed assets	**777**	820
Other receivables	**75,363**	73,288
Other payables	**(58)**	(585)
	719,517	723,444

	Three months ended March 31, 2009	Three months ended March 31, 2008
General and administration expenses	**$ (2,670)**	$ 1,860
Net cash from (used in) operating activities	**(5,022)**	1,663
Net cash used in financing activities	**-**	(1,082,124)
Net cash used in investing activities	**(2,000)**	-
Effect on foreign exchange rate changes on cash	**1,698**	21,840

10. RELATED PARTY TRANSACTIONS AND BALANCES

a) Due from related parties of $69,329 (December 31, 2008: $71,347) pertains to receivables from the Company's joint venture, Tongxing, for Canadian consulting services on its current exploration projects.

b) Due from related parties of $388,313 (December 31, 2008: $389,067) pertains to receivables from the Company's joint venture, Tongxing, for Chinese exploration services on its current exploration projects.

The transactions with related parties are measured at the exchange amount, which is the amount of consideration established and agreed by the parties. The balances with related parties are unsecured, non-interest bearing, and due on demand.

11. DEPOSIT RECEIVED

At December 31, 2008, GobiMin received a $36,082,093 deposit regarding the disposal of its interest in Yakesi and Jubao (see Note 4).

12. DERIVATIVE FINANCIAL INSTRUMENTS

At December 31, 2008, GobiMin had an open position on a non-delivery forward contract with a bank of short selling RMB at exchange rate of 6.986 for $7,000,000. The forward contract matured on March 10, 2009 and realized a total loss of $152,880, of which $58,865 is recognized in this quarter (2008: nil). For the year ended December 31, 2008, the unrealized loss is $94,015.

(Expressed in United States Dollars)

13. NON-CONTROLLING INTERESTS

Non-controlling interests represent the 35% (2008: 35%) equity interest in PT Gobi held by minority shareholders. For 2008, the non-controlling interests included also 6.45% equity interests in Yakesi and 4.84% equity interests in Jubao. All the Company's equity interests in Yakesi and Jubao were disposed in February 2009 (see Note 4).

14. COMMITMENTS

As at March 31, 2009, there was no significant capital commitment that the Company had contracted for, but not provided for (December 31, 2008: $24,152,667). All the commitments in 2008 belonged to discontinued operations and were no longer the Company's obligations following the disposal of the related subsidiaries in February 2009 (see Note 4).

The Company has approximately $22,791 (December 31, 2008: $23,620) monthly office rental expense for its Hong Kong and Canada offices.

15. SHARE CAPITAL, STOCK OPTIONS AND EARNINGS PER SHARE

a) Common Shares

	Number	Amount
Authorized:		$
Unlimited number of common shares		
Issued and outstanding:		
Balance, December 31, 2008	70,324,402	29,918,738
Shares bought back and cancelled	(374,800)	(218,964)
Balance, March 31, 2009	69,949,602	29,699,774

b) Preferred Shares

GobiMin did not issue or authorized any preferred share.

c) Contributed Surplus

	Amount
	$
Balance, December 31, 2008	5,398,535
Stock-based compensation expense	287,766
Balance, March 31, 2009	5,686,301

d) Normal Course Issuer Bid

On January 23, 2009, GobiMin announced that it intended to renew its normal course issuer bid to repurchase some of its common shares on the TSX Venture Exchange. The Company intends to acquire up to an additional 3,516,220 common shares, representing approximately 5% of the then common shares outstanding. Purchases are expected to be made in accordance with applicable regulations over a maximum period of 12 months ending January 31, 2010. Up to March 31, 2009, a total of 374,800 common shares were repurchased for an aggregate cost of CAD$272,609 ($218,964). All shares purchased are returned to treasury for cancellation (See also Note 22c).

(Expressed in United States Dollars)

e) Stock Options

On May 26, 2005, the Company adopted a resolution cancelling all of its then 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 number of 5,700,000 (2008: 5,700,000) common shares were reserved for issuance pursuant to the exercise of options to be granted under the plan.

A summary of the status of the Company's stock option plan as of March 31, 2009 and changes during the period is presented below:

	Three months ended March 31, 2009		Three months ended March 31, 2008	
	Number of Options	**Weighted Average Exercise Price**	Number of Options	Weighted Average Exercise Price
		$		$
Outstanding, beginning of period	**4,398,000**	**1.72**	3,330,400	1.88
Forfeited	**(53,600)**	**2.84**	(35,000)	0.99
Issued at February 12, 2009	**50,000**	**0.71**	-	-
Issued at March 10, 2008	**-**	**-**	15,000	3.44
Issued at January 31, 2008	**-**	**-**	50,000	2.89
Exercised	**-**	**-**	(45,000)	0.55
Outstanding, end of period	**4,394,400**	**1.68**	3,315,400	1.93

The following table summarizes the employee stock options outstanding and exercisable at March 31, 2009:

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number of Options Exercisable	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
$		(Years)	$		(Years)	$
0.55	1,604,400	1.53	0.55	1,436,000	1.53	0.55
0.95	10,000	1.68	0.95	8,000	1.68	0.95
1.66	150,000	2.24	1.66	150,000	2.24	1.66
1.79	5,000	2.87	1.79	3,000	2.87	1.79
3.61	875,000	1.34	3.61	525,000	1.34	3.61
3.61	505,000	3.34	3.61	202,000	3.34	3.61
1.06	840,000	2.42	1.06	252,000	2.42	1.06
1.06	355,000	4.42	1.06	71,000	4.42	1.06
0.71	50,000	0.83	0.71	50,000	0.83	0.71
	4,394,400	2.12	1.72	2,697,000	1.82	1.50

Stock Based Compensation

During the three months ended March 31, 2009, the weighted average fair value of options granted amounted to $0.28 (2008: $0.76) per option. The Company determines fair value of the employee stock options using the Black-Scholes option pricing model. In determining the fair value of these employee stock options, the following assumptions were used:

Risk free interest rate:	0.58%
Expected life:	1 year
Expected volatility:	113%
Dividend yield:	-

(Expressed in United States Dollars)

f) Basic and Diluted Earnings Per Share

	Three months ended March 31, 2009	Three months ended March 31, 2008
Net earnings available to shareholders		
Basic and diluted	**38,168,204**	$543,787
Weighted average shares outstanding		
Basic	**70,247,300**	73,440,475
Effect of dilutive stock options and warrants	**248,669**	1,468,110
Diluted	**70,495,969**	74,908,585
Earnings per share		
Basic	**$0.543**	$0.007
Diluted	**$0.541**	$0.007

16. RESERVES

During the three months ended March 31, 2009, $7,653 (2008: $nil) of the net earnings of the Company's subsidiaries in China was transferred to general reserve. As a result of the sale of its operating subsidiaries, the balance reserve of $6,144,537 at December 31, 2007 was transferred to retained earnings in 2008.

17. SEGMENTED INFORMATION

The Company conducted its business as a single operating segment, being the development and exploitation of mineral properties. The operation was disposed in February 2009 (see Note 4). All mineral property interests and capital assets were located in China, except for a very limited number of mining rights and office equipments acquired in Indonesia. All of the Company's revenues were derived from Chinese sources.

The Company had only one customer over the period covered by these consolidated financial statements.

18. OTHER REVENUE

Other revenue includes interest income of $189,928 (2008: $282,062). The remaining amount of other revenue in the same period in 2008 was mainly generated from short term investment gain on China stock markets, and sales of oil and material to contractors for mining operation.

19. OTHER COMPREHENSIVE INCOME (LOSS)

As at March 31, 2009, accumulated other comprehensive loss was generated from unrealized loss on the translation to US dollars in recognizing the gain on disposal of subsidiaries, primarily due to the appreciation of RMB against US dollars.

20. FINANCIAL INSTRUMENTS

Under Canadian generally accepted accounting principles, all financial instruments must be classified into a defined category, namely, held-to-maturity investments, held-for-trading financial assets or financial liabilities, loans and receivables, available-for-sale financial assets, and other financial liabilities. The carrying values of the Company's financial instruments are classified into the following categories:

		March 31, 2009		December 31, 2008
Held for trading (a)	**$**	**92,026,901**	$	54,107,033
Due from related parties (b)		**457,642**		460,414
Other financial liabilities (c)		**184,670**		36,534,145
Derivatives (d)		**-**		94,015

(a) Cash and cash equivalents and restricted cash are measured at fair value.
(b) Due from related parties are measured at amortized cost.
(c) Accounts payable, other payables and accrued liabilities, deposit received and due to related parties are measured at amortized cost.
(d) Foreign exchange forward contract is measured at fair value.

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 Company's best estimates using present value, quoted market prices and other valuation techniques that are significantly affected by the assumptions used concerning the amounts and timing of estimated cash flows and discount rates which reflect varying degrees of risk.

Foreign exchange forward contract

The Company uses foreign exchange forward contracts to manage its foreign exchange risks. The Company has entered into a non-delivery forward contract with a bank of short selling RMB at exchange rate of 6.986 for $7,000,000 in 2008. The forward contract matured on March 10, 2009 and realized a total loss of $152,880, of which $58,865 is recognized in this quarter (2008: nil). For the year ended December 31, 2008, the unrealized loss is $94,015.

Risks arising from financial instruments and risk management

The Company is exposed to various types of market risks, including changes in foreign exchange rates, interest rates, the prices of nickel and copper, in the normal course of business. The Company's overall risk management program focuses on mitigating these risks on a cost-effective basis. The Company uses derivative financial instruments to reduce its exposure to foreign currency risk associated with the RMB proceeds to be received in 2009. The Company's policy is to only use derivatives for managing existing financial exposures and not for trading or speculative purposes.

Exchange Rate Risk

The Company 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 Company holds financial assets and liabilities in foreign currencies that expose the Company to foreign exchange risks. A significant change in the currency exchange rates between the U.S. dollars relative to the Hong Kong dollars, RMB as well as Canadian dollars could have an effect on the Company's financial position and cash flows. The Company has not hedged its exposure to currency fluctuations.

At March 31, 2009, through its wholly owned subsidiaries, the Company had cash of $15,464,522, $12,415,436 and $9,269,512 which is denominated in Hong Kong dollars, RMB and Canadian dollars respectively. The remaining cash balance is mainly denominated in U.S. dollars.

Credit Risk

The Company is exposed to credit risk with respect to cash equivalents and accounts receivable. The carrying amount of assets included on the balance sheet represents the maximum credit exposure. The cash equivalents are mainly short-term bank deposits. None of the cash equivalents were in asset backed commercial paper products. The Company has deposited the cash equivalent in banks that meet minimum requirements for quality and liquidity as stipulated by the Company's Board of Directors. Management believes the risk of loss to be remote.

Liquidity Risk

Liquidity risk is the risk that the Company may encounter difficulties in meeting obligations associated with financial liabilities. As at March 31, 2009, the Company was holding cash and cash equivalents of $92,026,901. The Company has determined that the cash and cash equivalents from previous financings will be more than sufficient to fund its requirements for investments in working capital and capital assets. The total $184,670 financial liabilities are due within one year.

Interest Risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Company's cash equivalents and short term investments primarily includes highly liquid investments that earn interests at market rates that are fixed to maturity. Because of the short-term nature of these financial instruments, fluctuations in market rates do not have significant impact on the fair values of the financial instruments as of March 31, 2009.

21. CAPITAL MANAGEMENT

The Company's objectives of capital management are intended to safeguard the entity's ability to support the Company's normal operating requirement on an ongoing basis, continue the development and exploration of its mineral properties, and support any expansionary plans. The capital of the Company consists of the items included in shareholders' 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 Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In response to the current economic and financial environment, the Company is adopting a more conservative capital management strategy in order to preserve cash and maintain a strong balance sheet.

The Company is not subject to externally imposed capital requirements.

22. SUBSEQUENT EVENTS

a. On April 16, 2009, GobiMin declared an annual dividend of CAD$0.01 ($0.01) per share for 2008 according to its dividend policy and a special dividend of CAD0.07 ($0.06) per share following the disposal of its two Chinese operating subsidiaries. Both dividends are payable on June 5, 2009 to shareholders of record on May 15, 2009.

b. For the period from April 1, 2009 to May 27, 2009, a total of 465,000 outstanding employee options were exercised and GobiMin received CAD$297,600 ($239,032) in cash.

c. For the period from April 1, 2009 to May 27, 2009, a total of 200,000 common shares were repurchased at an aggregate cost of CAD$171,500 ($137,749). All shares purchased were returned to treasury for cancellation.

d. On April 19, 2009, the Company entered into an agreement to acquire a building in Hami, Xinjiang of China to serve as the head office of the operations in China for a consideration of RMB9,870,000 ($1,444,241).

e. On May 4, 2009, GobiMin received a statement of claim issued in the Ontario Small Claims Court against GobiMin by a former senior geologist employed by a wholly-owned subsidiary of GobiMin. The claim is for CAD$10,000 ($8,032) for unpaid salary and certain reimbursement. GobiMin filed a defence and believes the claim to be entirely without merit. Therefore, no amounts have been provided for with respect to this claim.

GobiMin Inc.
(Incorporated in Canada under the Canada Business Corporations Act)

Management's Discussion and Analysis of Financial Results

For the quarter ended March 31, 2009
(Expressed in United States Dollars except where otherwise noted)

GobiMin Inc.
Management's Discussion and Analysis of Financial Results
For the quarter ended March 31, 2009
(Expressed in United States Dollars)
May 27, 2009

The following discussion and analysis of the consolidated operating results and financial condition of GobiMin Inc. for the quarter ended March 31, 2009 should be read in conjunction with its consolidated financial statements for the quarter ended March 31, 2009 and its audited consolidated financial statements for the year ended December 31, 2008. The financial information was prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). This Management's Discussion and Analysis was prepared on May 27, 2009.

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 Inc., together with its subsidiaries, collectively referred to herein as the "Company" or "GobiMin", is engaged principally in the exploration and development of mineral properties in the People's Republic of China ("China").

The Company's major base metals projects were located in Hami of the Xinjiang Uygur Autonomous Region ("Xinjiang") of China, where GobiMin operated a nickel-copper mining and development business through its operating Chinese subsidiaries, Xinjiang Yakesi Resources Co. Ltd. ("Yakesi") and Hami Jubao Resources Co. Ltd. ("Jubao"). The ore mined by Yakesi and Jubao was processed through their processing plants to produce nickel and copper concentrates. In November 2008, GobiMin entered into sales and purchase agreements to sell all its equity interest in Yakesi and Jubao. The disposal was completed in February 2009.

GobiMin currently owns a 40% interest in the Yanxi Copper Deposit in Hami of Xinjiang, China. The Company received for its Yanxi Copper Deposit an initial NI 43-101 compliant Mineral Resource Estimate from Scott Wilson RPA in October 2008. The Mineral Resource Estimate showed in-situ metal of approximately 254 million pounds of copper in Indicated Mineral Resources with a further 160 million pounds in Inferred Mineral resources.

(Expressed in United States Dollars)

2. Highlights

(a) Corporate highlights

- In November 2008, the Company entered into agreements for the disposal of the Company's equity interests in Yakesi and Jubao, which represented its substantial operation. The total sales proceeds received by the Company are RMB492 million (approximately $72.1 million). The Company also received dividends of RMB43.89 million (approximately $6.4 million) paid out by Yakesi and Jubao. The disposal resulted in a net gain of $33.6 million.
- The Company is continuing the exploration in other mining projects in Xinjiang of China.
- With a cash balance of $92 million, GobiMin is actively reviewing several high quality exploration and mining projects in China and overseas.

(b) Financial highlights

	3 months ended March 31, 2009	3 months ended March 31, 2008	Changes on quarterly basis
Cash and cash equivalents	**$92 million**	$44 million	108.5%
Cash and cash equivalents per share(1)	**$1.32**	$0.60	118.2%
Revenue	**$0.9 million**	$4.1 million	-77.3%
Gain on disposal of subsidiaries	**$33.6 million**	-	100%
Net earnings	**$38.2 million**	$0.5 million	>200%
EBITDA(1)	**$38.5 million**	$1.7 million	>200%
Basic earnings per share	**$0.543**	$0.007	>200%
Diluted earnings per share	**$0.541**	$0.007	>200%
EBITDA per share(1)	**$0.550**	$0.020	>200%

(1) As non-GAAP measurements, EBITDA, EBITDA per share and Cash and cash equivalents per share do not comply with GAAP 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 GAAP.

(c) Change in CFO

Mr. James Yuxin Xiang resigned as Chief Financial Officer (CFO) of the Company effective May 1, 2009. Ms. Joyce Yuen Kwan Ko, Vice President Corporate Affairs and Secretary of the Company, acts as the interim CFO until the position has been filled.

3. Business Summary and Development

(a) Completion of sale of two Chinese operating subsidiaries

Under the agreement entered into on November 23, 2008, the Company agreed to dispose of its equity interest in Yakesi and Jubao for total sales proceeds of RMB492 million (approximately $72.1 million). By February 11, 2009, the agreement was approved and registered by the Chinese regulatory authority. The total proceeds in cash were paid to the Company by February 2009 while Yakesi and Jubao also declared and paid a special dividend of RMB43.89 million (approximately $6.4 million) to the Company.

(b) Operations

Following the disposal of the equity interests in Yakesi and Jubao in February 2009, the Company ceased to have its substantial mining operations in Hami, Xinjiang of China. The losses of Yakesi and Jubao after November 1, 2008 belong to the buyer. Accordingly, the losses in November and December 2008 of approximately $1 million reported as losses in our 2008 results, together with the losses in January 2009 reported are reflected in the gain on disposal in this quarter.

(c) Normal Course Issuer Bid

On January 23, 2009, the Company renewed its normal course issuer bid to repurchase up to an additional 3,516,220 common shares over a maximum period of 12 months ending January 31, 2010. The Company repurchased 374,800 common shares during the quarter and 574,800 common shares cumulatively for the period from January 23, 2009 to May 27, 2009. All shares repurchased were returned to treasury for cancellation. GobiMin now has 70,214,602 shares outstanding.

4. Key Economic Trends

(a) Nickel

The main product sold by GobiMin was nickel concentrate, which accounted for 100% of total revenues in the quarter. The price received by the Company for the nickel contained in the concentrate was calculated at a discount to the Chinese domestic nickel cathode price (which is generally correlated to the London Metal Exchange ("LME") nickel price). The discount reflects the smelter and refining charges as well as recovery loss to convert concentrate into nickel cathode.

The cash settlement price of nickel on the LME averaged $4.75 per pound in the quarter, compared to an average of $13.13 in the same period last year.

(b) Copper

The Company did not produce any copper concentrate this quarter. Revenue from selling copper concentrates was treated as by-product credits in the calculation of cash operating costs in the same period last year.

(c) China Economy

Since GobiMin's major operations are conducted in China, Chinese economy condition is another key factor on the Company's business. The currency fluctuation will have an impact on the

Company's cost structure as the Company reports in US dollars. For the 12 months ended March 31, 2009, the Chinese currency Renminbi ("RMB") appreciated 2.5% against the US dollar.

5. Critical Accounting Policies and Estimates

The Company's accounting policies are described in Note 2 to the audited consolidated financial statements for the year ended December 31, 2008. The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported results. Changes to these estimates could materially impact the consolidated financial statements. The policies and estimates made by the Company that are considered to be most critical are described below.

(a) Revenue Recognition

Revenue from the sale of nickel concentrate was recognized when risk and title passed to the customer, the price is fixed and determinable and collection of the proceeds is reasonably assured. The passing of title and risk occured based on the terms of the off-take contract. The price was based on the formula in the off-take contract that includes average listed price of the customer and the price factor decided by the grade level of concentrate.

(b) Depreciation of Property and Equipment

Property and equipment are recorded at cost. Depreciation and amortization is computed using the straight-line method with an estimated residual value of 0 - 5%. The annual depreciation or amortization rates are as follows:

Buildings: 4.75% - 33.3%
Leasehold improvement: 33.3%
Production equipment: 9.5% - 19%
Transportation equipment: 11.88% - 25%
Other equipment: 11.88% - 19%

For the mill and shafts built in 2006, the Company used estimations of the buildings' service lives and residual value to calculate the depreciation expenses. Therefore buildings' depreciation rates ranged from 4.75% to 33.3%.

Exploration costs are stated at cost less any impairment loss. It comprises the direct costs of exploration work on mineral properties prior to the development. Upon commencement of commercial production of mineral properties, exploration costs are amortized over the mine's estimated life using the straight-line method with nil residual value.

(c) Asset Retirement Obligations

The Company recognizes the fair value of liabilities for asset retirement obligations in the period in which they are incurred and in which a reasonable estimate of such costs can be made. The asset retirement obligation is recorded as a liability with a corresponding increase to the carrying amount of the related asset and depreciated over the life of the asset. Over time, the liability is increased to reflect an interest element (accretion expenses) considered in its initial measurement at fair value. All the mine sites are in desert area in Northern China and management believes that the liability after the mine site retirement is immaterial. The amount of the liability will be subject to re-measurement at each reporting period. It is possible that the Company's estimates of its ultimate mine site retirement liabilities could be changed as a result of changes in regulations, the extent of environmental remediation required, the means of reclamation or the cost estimates. Changes in estimates are accounted for prospectively from the period the estimate is revised.

The Company has not recorded a liability for its asset retirement obligations.

(d) Equity Investment

Investments in shares of incorporated companies, in which the Company's ownership is greater than 20% but no more than 50% and wherever significant influence is present, are accounted for by the equity method. The Company accounts for its investment on an equity basis, which is carried at cost, adjusted for the Company's proportionate share of the undistributed earnings and losses.

(e) Proportionate Consolidation

For a venture that the Company and other parties have joint control over and share both benefits and risks, the Company accounts for its interest by proportionate consolidation, whereby the Company's pro rata share of each of the assets, liabilities, revenues and expenses that are subject to joint control is combined on a line-by-line basis with similar items in the Company's financial statements.

(f) Derivative Financial Instruments

The Company recognizes derivative financial instruments on a fair value basis upon initial recognition and each subsequent reporting date. The Company has classified its non-delivery forward contract with the bank held for trading and therefore carries it at fair value, which is equal to market value, with the unrealized gain or loss recorded in other revenue or expenses in the Consolidated Statements of Income. Cash deposits held by the bank for the forward contract are separately disclosed as restricted cash in the Consolidated Balance Sheets.

6. Adoption of New Accounting Standards

(a) Goodwill and Intangible Assets

In February 2008, the CICA issued Section 3064 "Goodwill and Intangible Assets", which replaces Section 3062 "Goodwill and Other Intangible Assets" and Section 3450 "Research and Development Costs". Section 3064 establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets. The new Section will be applicable to the Company's consolidated financial statements for its fiscal year beginning January 1, 2009.

(b) Financial Assets and Financial Liabilities

In January 2009, the CICA issued EIC 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. This guidance requires that an entity's own credit risk and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities including derivative instruments. This guidance is applicable to the Company's 2009 fiscal year with retrospective application without restatement of prior periods.

(c) Consolidations and Non-controlling Interests

In January 2009, the CICA issued Section 1601 "Consolidations" and Section 1602 "Non-controlling Interests". CICA 1601 establishes standards for the preparation of consolidated financial statements. CICA 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These standards are applicable to interim and annual financial statements of the Company beginning on January 1, 2011. The Company is in the process of evaluating the impact of these standards.

(d) Business Combinations

In January 2009, the CICA issued Section 1582 "Business Combinations" replacing Section 1581 "Business Combinations". The new section improves the relevance, reliability and comparability of the information that a reporting entity provides in its financial statements about a business combination and its effects. The section is applicable to the annual and interim financial statements of the Company beginning on or January 1, 2011, with early adoption permitted. The Company is in the process of evaluating the impact of this standard.

7. Internal Control

(a) Disclosure control and Procedures

The management has evaluated the effectiveness of the Company's disclosure controls and procedures and, based on its evaluation, has concluded that these controls and procedures provide reasonable assurance that material information relating to the Company is made known to management and reported as required. There have been no changes in the Company's disclosure controls and procedures during the quarter that have materially affected, or are reasonably likely to materially affect the Company's disclosure controls and procedures.

(b) Internal Control over Financial Reporting

Management is also responsible for the design of internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. The management has evaluated the design of the Company's internal controls and procedures over financial reporting and believes the design to be sufficient and appropriate to provide such reasonable assurance. It should be noted that while the officers of the Company have certified the Company's Filings, they do not expect that the disclosure controls and procedures or internal controls over financial reporting will prevent all errors and fraud. A control system, no matter how well conceived or implemented, can only provide reasonable, not absolute, assurance that the objectives of the control system are met.

(Expressed in United States Dollars)

There have been no changes in the Company's internal control over financial reporting during the quarter that have materially affected, or are reasonably likely to materially affect the Company's internal control over financial reporting.

8. Selected Quarterly Information

Selected quarterly information is provided as follows:

For the quarter ended	**March 31, 2009**	March 31, 2008	March 30, 2007	March 30, 2006	March 31, 2005
Revenue	**$ 939,923**	$ 4,137,710	$ 10,276,582	$ 2,344,135	$ 1,482,770
Net earnings	**38,168,204**	543,787	4,605,030	278,183	272,778
Basic earnings per share	**0.543**	0.007	0.070	0.006	0.003
Diluted earnings per share	**0.541**	0.007	0.069	0.005	0.003
Cash and cash equivalents	**92,026,901**	44,133,344	22,144,099	10,498,318	7,894,272
Total assets	**96,287,094**	93,340,779	44,617,219	21,793,901	11,338,039

For the quarter ended	December 31, 2008	September 30, 2008	June 30, 2008
Revenue	$ 3,066,275	$ 7,481,856	$ 6,762,013
Net earnings / (loss)	(2,955,975)	1,150,383	1,294,072
Basic earnings / (loss) per share	(0.041)	0.016	0.018
Diluted earnings / (loss) per share	(0.040)	0.016	0.018
Cash and cash equivalents	53,617,073	34,868,732	39,168,373
Total assets	121,886,062	93,967,095	93,582,677

9. Results of Operations

(a) Revenue

In this quarter, the Company recorded revenue of $939,924 compared to $4,137,710 for the corresponding period of 2008. The revenue was lower because there was only one month of operation due to the disposal of the operating subsidiaries on February 11, 2009.

Other revenue in this quarter comes from interest income of $189,928 (2008: $282,062). The decrease was mainly due to lower bank deposit interest rate in this quarter and compared to last year's figures, there was no gain from investment in Chinese securities in the current quarter.

In this quarter, the Company sold 329,000 pounds of nickel, compared to 361,000 pounds of nickel and 291,000 pounds of copper in the same period last year. The mills processed 3,470 tonnes (2008: 20,527 tonnes) of ore with a nickel head grade of 0.47% (2008: 0.46%) and recoveries amounting to 92.1% (2008: 83.0%).

Average realized price for nickel concentrate in this quarter was $2.86 per pound, compared to $8.92 in Q1 2008.

The following table summarizes the Company's production and revenue information for the periods:

Mining Operations	**3 Months Ended March 31, 2009**	3 Months Ended March 31, 2008
Ore (tonnes)		
Processed	**3,470**	20,527
Sold	**34,464**	42,596
Nickel grade of ore	**0.47%**	0.46%
Metallurgical recovery	**92.1%**	83.0%
Metal contained in concentrate ('000 pounds)		
Nickel	**329**	361
Copper	**-**	291
Metal contained in concentrate sold ($)		
Nickel	**$939,924**	$3,219,368
Copper and others	**$-**	$918,342
Total Revenue	**$939,924**	$4,137,710
Average realized price of nickel contained in concentrate (per pound)	**$2.86**	$8.92
Average realized price of copper contained in concentrate (per pound)	**$-**	$3.15
Average cash cost per pound of nickel contained in concentrate, net of by-product credits (1)	**$2.22**	$1.50
Average cash cost per tonne of ore, net of by-product credits (1)	**$21.23**	$12.74

(1) Cash cost is a non-GAAP measure, which excludes depreciation and asset write-off, and includes mining, milling, haulage and sales and distribution costs, after deducting the copper, gold and silver revenue.

(b) Cost of sales

Cost of sales amounted to $609,195 ($17.68 per tonne of ore) this quarter, as compared to $1,382,169 ($32.45 per tonne of ore) in the same quarter in 2008. Cost of sales includes the costs of mining, milling, haulage from mine sites to the mill and resource tax to the local government. The significant decrease in the cash cost per tonne is mainly caused by the write-down of inventories by RMB4 million (equivalent to $575,861) for the year ended December 31, 2008. The cash cost per tonne would be similar to that of 2008 if the write-down of inventory value was not taken into account.

(Expressed in United States Dollars)

The selling and distribution cost was $3.55 per tonne of ore, increasing from $1.85 in the same quarter last year. This cost is incurred for the rail and truck transportation of concentrates to the customer's smelter sites. The increase is mainly due to increased transportation cost to a smelter situated further away.

There was no sale of copper concentrate and so no by-product credit during this quarter.

Cash cost figure, a non-GAAP measure, represents the total of all cash costs directly attributable to the related mining and milling operations after the deduction of credits with respect to by-product sales. The Company produces separate nickel and copper concentrates. Disclosure of cash cost by the Company may not be directly comparable to other nickel producers and is only intended to provide investors with information about the cash generating capacity of the mining operations of the Company.

The following table presents the calculation of cash operating cost per tonne of ore sold:

	3 Months Ended March 31, 2009		3 Months Ended March 31, 2008	
	$	**$/tonne**	$	$/tonne
Cost of sales (1)	**609,195**	**17.68**	1,382,169	32.45
Selling and distribution cost	**122,426**	**3.55**	78,644	1.85
By-product credits:				
Copper, gold and silver	**-**	**-**	(918,342)	(21.56)
Cash operating cost	**731,621**	**21.23**	542,471	12.74

(1) Cost of sales excludes depreciation and write-off of mine construction cost.

(c) Gain on disposal of subsidiaries

The Company received total sales proceeds of RMB492 million (approximately $72.1 million) for the disposal of the equity interest in Yakesi and Jubao. The net asset value of the subsidiaries on the date of disposal amounted to $38.5 million which resulted in a gain on disposal of $33.6 million.

(d) Other expenses

Depreciation expense was $290,229 compared to $577,393 in Q1 2008. The decrease in balance was mainly due to the disposal of the operating subsidiaries on February 11, 2009.

General and administrative expenses incurred in this quarter were $733,199 compared to $1,298,975 in Q1 2008. The expenses mainly include office rental, staff cost and consulting fees.

In the first quarter of 2009, the Company granted 50,000 options to its external consultants at exercise prices of $0.71 (CAD$0.88) per share vested over one year. The amortized portion of total stock based compensation in Q1 2009 decreased to $287,766 (Q1 2008: $460,240) mainly due to the depreciation of CAD against USD.

(e) Earnings per share

(Expressed in United States Dollars)

Due to the gain on disposal of subsidiaries, the basic earnings per share for this quarter increased to $0.543 (Q1 2008: $0.007) and diluted earnings per share increased to $0.541 (Q1 2008: $0.007).

(f) EBITDA

In this quarter, earnings before interest income and expense, income taxes, stock-based compensation, write-off expense, depreciation and amortization ("EBITDA"), a non-GAAP performance measure, were $38.5 million as compared to $1.7 million in Q1 2008.

The following table presents the calculation of EBITDA for the periods indicated:

	3 months ended March 31	
	2009	2008
Net earnings	**$ 38,168,204**	$ 543,787
Interest income & expense	**(189,928)**	(105,442)
Income tax	**-**	117,547
Depreciation	**290,229**	577,393
Amortization in general and administration expenses	**-**	43,005
Stock based compensation	**287,766**	460,240
Non-controlling interest	**(20,462)**	58,645
EBITDA (1)	**38,535,809**	1,695,175
EBITDA per share (2)	**0.55**	0.02

(1) As a non-GAAP measurement, EBITDA does not comply with GAAP and, therefore, the amount 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 GAAP.
(2) Based on weighted average number of shares outstanding, a non-GAAP measure

(g) Annual and special dividend

On April 16, 2009, the Company declared an annual dividend of CAD0.01 ($0.01) per share for 2008 in accordance with the Company's dividend policy and a special dividend of CAD$0.07 ($0.06) per share following the disposal of its two Chinese operating subsidiaries. Both dividends are payable on June 5, 2009 to shareholders of record on May 15, 2009.

10. Liquidity and Capital Resources

The following table summarizes the Company's consolidated cash flows and cash on hand for the quarter ended March 31, 2009:

	March 31, 2009	December 31, 2008
Cash and cash equivalents	$**92,026,901**	$53,617,073
Working capital (1)	$**92,428,518**	$65,219,635

(Expressed in United States Dollars)

	3 Months ended March 31, 2009	3 Months ended March 31, 2008
Net Cash from (used in) operating activities	($**708,261)**	$1,337,361
Net Cash from (used in) financing activities	$**2,081,155**	($713,028)
Net Cash from (used in) investing activities	$**37,065,449**	($3,152,269)

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

(a) Operating activities

In this quarter, net cash used in operating activities was $708,261, compared to $1,337,361 net cash generated in the same period last year. The cash outflow in this quarter was mainly due to substantially reduced revenue after the disposal of the operating subsidiaries in February 2009.

(b) Financing activities

Financing activities from cash flow of $2,081,155 in this quarter compared to $713,028 used in the same period last year. The Company received $2.3 million loan repayment from its discontinued operation in February 2009.

(c) Investing activities

Investing activities generated $37,065,449 of cash in this quarter compared to $3,152,269 utilized in 2008. In February 2009, the agreements in respect of the sale of the Company's equity interests in Yakesi and Jubao were approved by the Chinese government. Accordingly, the Company received the final installments of the sales proceeds together with the dividends paid out by Yakesi and Jubao. The total amount received during the quarter, net of tax, was RMB254 million (approximately $36.9 million).

A gain of $33.6 million which arose from the above disposal was recognized for the quarter ended March 31, 2009.

11. Balance Sheet

(a) Cash

The Company had $92,026,901 in cash and cash equivalents as at March 31, 2009 compared to $53,617,073 as at December 31, 2008. The significant increase in the cash balance is attributed to the sale proceeds of $72.1 million and the final dividend received from disposal of equity interest in subsidiaries.

(b) Share Capital

As at March 31, 2009, the Company had 69,949,602 common shares issued and outstanding. During this quarter, 374,800 common shares were bought back and cancelled.

During the quarter, GobiMin granted 50,000 options exercisable until January 31, 2010 to an external consultant.

12. Contractual obligations and commitment

As at March 31, 2009, there was no commitment on capital expenditures that the Company had contracted for, but not provided for (December 31, 2008: $24,152,667). All the commitments in 2008 belonged to discontinued operations and were no longer the Company's obligations following the disposal of the related subsidiaries in February 2009.

The Company has approximately $22,791 (December 31, 2008: $23,620) monthly office rental expense in its Hong Kong and Canada offices.

13. Off-balance sheet arrangements

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

14. Risk factors

The mining business conducted by the Company is subject to a number of risks, including but not limited to metal prices; currency risks; exploration, development and operating risks; uncertainty of ore reserve and resource estimates; capital requirements; risks relating to conducting business in China; dependence on key managerial employee; competition. The details of the Company's risk factors are discussed in the Management's Discussion and Analysis of Financial Results for the year ended December 31, 2008, which are available at www.sedar.com and at GobiMin's website (www.gobimin.com). These risk factors could materially affect the Company's future operating results and could cause actual events to differ materially from those described in the forward-looking statements relating to the Company.

15. Outlook

Since the successful completion of the disposal of its two Chinese subsidiaries in February 2009, GobiMin is now in a strong financial position to develop its existing and potential projects.

The Company's objective is to make opportunistic acquisitions for the cash reserves. The projects currently under evaluation include high quality exploration and mining projects in China and Indonesia. On the base metal side, the Yanxi Copper Deposit continues to be our core development project and the Management will assess and design its development feasibility at an opportunistic time.