GobiMin Inc.

Interim Consolidated Financial Statements
(Unaudited)

June 30, 2009
(Expressed in United States Dollars except where otherwise noted)

Notice to readers:

The financial statements for the quarter ended June 30, 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)

	June 30, 2009	December 31, 2008
ASSETS	**$**	$
Current		
Cash and cash equivalents (Note 5)	**80,599,671**	53,617,073
Restricted cash	**-**	489,960
Prepayments, deposits and other receivables (Note 6)	**2,277,771**	671,055
Due from an investee company (Note 7)	**3,705,348**	-
Assets of discontinued operations (Note 4)	**-**	63,759,808
Total current assets	**86,582,790**	118,537,896
Mineral properties and equipment (Note 8)	**666,852**	278,258
Equity investments (Note 9)	**2,775,506**	2,609,494
Due from related parties (Note 11)	**463,912**	460,414
Total assets	**90,489,060**	121,886,062
LIABILITIES		
Current		
Other payables and accrued liabilities	**220,850**	452,052
Deposits received (Note 4)	**-**	36,082,093
Derivative financial instrument liabilities (Note 12)	**-**	94,015
Liabilities of discontinued operations (Note 4)	**-**	16,690,101
Total current liabilities	**220,850**	53,318,261
Total liabilities	**220,850**	53,318,261
Non-controlling interests (Note 13)	**(300,691)**	1,199,154
Commitments (Note 14)		
SHAREHOLDERS' EQUITY		
Share capital (Note 15)	**29,008,334**	29,918,738
Contributed surplus (Note 15)	**5,529,665**	5,398,535
Reserves (Note 16)	**7,653**	-
Retained earnings	**57,716,080**	26,631,480
Accumulated other comprehensive income (loss) (Note 19)	**(1,692,831)**	5,419,894
Total shareholders’ equity	**90,568,901**	67,368,647
Total liabilities and shareholders’ equity	**90,489,060**	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 June 30, 2009	Three months ended June 30, 2008	**Six months ended June 30, 2009**	Six months ended June 30, 2008
	$	$	**$**	$
Revenue	**-**	6,762,013	**939,923**	10,899,723
Cost of sales	**-**	(2,848,292)	**(609,195)**	(4,230,461)
Depreciation	**-**	(501,856)	**(290,229)**	(1,079,249)
Selling and distribution cost	**-**	(147,209)	**(122,426)**	(225,853)
Gross profit (loss)	**-**	3,264,656	**(81,927)**	5,364,160
Other revenue (Note 18)	**60,266**	547,711	**250,194**	1,026,753
General and administrative expenses	**(697,965)**	(1,571,960)	**(1,431,164)**	(2,743,637)
Stock based compensation (Note 15)	**(251)**	(376,523)	**(288,017)**	(836,763)
Equity gain (loss) in investment (Note 9)	**176,612**	(14,222)	**169,184**	(52,965)
Other operating expenses	**-**	(81,165)	**(36,913)**	(83,399)
Operating profit (loss)	**(461,338)**	1,768,497	**(1,418,643)**	2,674,149
Interest expense	**-**	(214,180)	**(84)**	(399,853)
Loss on financial instruments (Note 12)	**-**	-	**(58,865)**	-
Exchange gain (loss)	**(32,347)**	-	**5,528,109**	-
Gain on disposal of subsidiaries (Note 4)	**-**	-	**33,603,540**	-
Earnings (losses) before tax and non-controlling interests	**(493,685)**	1,554,317	**37,654,057**	2,274,296
Income tax	**-**	(138,426)	-	(255,973)
Earnings (losses) before non-controlling interests	**(493,685)**	1,415,891	**37,654,057**	2,018,323
Non-controlling interests (Note 13)	**1,090**	(121,819)	**21,552**	(180,464)
Net earnings (losses) for the period	**(492,595)**	1,294,072	**37,675,609**	1,837,859
Earnings (losses) per share (Note 15)				
Basic	**(0.007)**	0.018	**0.537**	0.025
Diluted	**(0.007)**	0.018	**0.535**	0.025
Weighted average number of shares outstanding (Note 15)	**Share**	Share	**Share**	Share
Basic	**69,960,382**	73,107,278	**70,103,048**	73,273,876
Diluted	**70,377,573**	74,318,825	**70,462,327**	74,498,691

See accompanying notes to the Consolidated Financial Statements

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

	Three months ended June 30, 2009	Three months ended June 30, 2008	**Six months ended June 30, 2009**	Six months ended June 30, 2008
	$	$	**$**	$
Net income (loss)	**(492,595)**	1,294,072	**37,675,609**	1,837,859
Unrealized exchange gain (loss) on translation of self-sustaining foreign operations	**330,510**	1,870,564	**(7,112,725)**	3,843,838
Comprehensive income (loss)	**(162,085)**	3,164,636	**30,562,884**	5,681,697

Consolidated Statements of Changes in Shareholders' Equity (Unaudited)
(Expressed in United States Dollars)

	Three months ended June 30, 2009	Three months ended June 30, 2008	**Six months ended June 30, 2009**	Six months ended June 30, 2008
	$	$	**$**	$
Share Capital				
Balance at beginning of period	**29,699,774**	30,499,838	**29,918,738**	31,195,252
Issued for option exercise	**412,376**	52,167	**412,376**	98,466
Share buy back	**(1,103,816)**	(1,080,914)	**(1,322,780)**	(1,822,627)
Balance at end of period	**29,008,334**	29,471,091	**29,008,334**	29,471,091
Contributed Surplus				
Balance at beginning of period	**5,686,301**	4,471,822	**5,398,535**	4,029,197
Options exercised	**(156,887)**	(19,963)	**(156,887)**	(37,578)
Stock based compensation	**251**	376,523	**288,017**	836,763
Balance at end of period	**5,529,665**	4,828,382	**5,529,665**	4,828,382
Reserves				
Balance at beginning of period	**7,653**	6,144,537	**-**	6,144,537
Current period reserves	**-**	-	**7,653**	-
Balance at end of period	**7,653**	6,144,537	**7,653**	6,144,537
Retained Earnings				
Balance at beginning of period	**63,031,014**	25,249,790	**26,631,480**	24,024,559
Net income (loss)	**(492,595)**	1,294,072	**37,675,609**	1,837,859
Tax refund relating to capital transaction	**-**	-	**-**	681,444
Transfer to general reserve	**-**	-	**(7,653)**	-
Change in fair value of discontinued operation	**-**	-	**(1,761,017)**	-
Dividend paid	**(4,822,339)**	(2,174,197)	**(4,822,339)**	(2,174,197)
Balance at end of period	**57,716,080**	24,369,665	**57,716,080**	24,369,665
Accumulated other comprehensive income (loss)				
Balance at beginning of period	**(2,023,341)**	6,386,725	**5,419,894**	4,413,451
Other comprehensive income (loss)	**330,510**	1,870,564	**(7,112,725)**	3,843,838
Balance at end of period	**(1,692,831)**	8,257,289	**(1,692,831)**	8,257,289

See accompanying notes to the Consolidated Financial Statements

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

	Three months ended June 30, 2009	Three months ended June 30, 2008	**Six months ended June 30, 2009**	Six months ended June 30, 2008
Cash flows from (used in) operating activities	**$**	$	**$**	$
Net earnings (losses) for the period	**(492,595)**	1,294,072	**37,675,609**	1,837,859
Adjustments for items not involving cash:				
- Depreciation	-	501,856	**257,096**	1,079,249
- Amortization in general and administrative expenses	**26,310**	115,055	**59,443**	158,060
- Stock based compensation	**251**	376,523	**288,017**	836,763
- Exchange (gain) loss	**32,347**	-	**(5,528,109)**	-
- Equity (gain) loss in investment (Note 9)	**(176,612)**	14,222	**(169,184)**	52,965
- Gain on disposal of subsidiaries (Note 4)	-	-	**(33,603,540)**	-
- Non-controlling interests	**(1,090)**	121,819	**(21,552)**	180,464
	(611,389)	2,423,547	**(1,042,220)**	4,145,360
Change in non-cash working capital items:				
- Accounts receivable	-	818,196	-	(766,351)
- Prepayments, deposits and other receivables (Note 6)	**(1,723,409)**	(207,182)	**(1,643,993)**	486,361
- Inventories	-	(688,686)	-	(170,098)
- Accounts payable	-	749,047	-	808,523
- Due to related parties	-	(2,622,717)	-	1,075,591
- Other payables and accrued liabilities	**28,942**	292,116	**(233,889)**	(3,282,061)
- Derivative financial instrument liabilities	-	-	**(94,015)**	-
- Tax payable	-	(12,063)	-	(207,906)
Net cash from (used in) operating activities	**(2,305,856)**	752,258	**(3,014,117)**	2,089,419
Cash flows from (used in) financing activities				
Shares issued for cash from option exercise	**255,490**	32,320	**255,490**	61,005
Shares buy back	**(1,103,816)**	(1,080,914)	**(1,322,780)**	(1,822,627)
Repayment of shareholder's loan	-	-	**2,300,119**	-
Due from an investee company (Note 7)	**(3,705,348)**	-	**(3,705,348)**	-
Dividend paid	**(4,822,339)**	(2,174,197)	**(4,822,339)**	(2,174,197)
Net cash used in financing activities	**(9,376,013)**	(3,222,791)	**(7,294,858)**	(3,935,819)
Cash flows from (used in) investing activities				
Mineral properties and equipment	**(73,946)**	(4,467,984)	**(447,940)**	(7,443,368)
Change on construction payables	-	814,198	-	636,812
Disposition of equity interest in subsidiaries (Note 4)	-	-	**36,942,051**	-
Tax refund on capital transaction	-	-	-	680,383
Equity investments in joint ventures	-	-	**7,432**	
Long term prepaids	-	464,962	-	(5,477)
Release of restricted cash	-	-	**489,960**	-
Long term investment	-	(574,900)	-	(784,343)
Net cash from (used in) investing activities	**(73,946)**	(3,763,724)	**36,991,503**	(6,915,993)
Increase (Decrease) in cash and cash equivalents	**(11,755,815)**	(6,234,257)	**26,682,528**	(8,762,393)
Effect on foreign exchange rate changes on cash	**328,585**	1,269,286	**300,070**	2,305,830
Cash and cash equivalents at beginning of period	**92,026,901**	44,133,344	**53,617,073**	45,624,936
Cash and cash equivalents at end of period	**80,599,671**	39,168,373	**80,599,671**	39,168,373
Supplementary cash flow information:				
Interest received	**57,465**	167,099	**247,393**	449,161
Interest paid	-	(185,673)	-	(185,673)
Income tax paid	-	(424,684)	-	(738,073)
Realized forward contract loss	-	-	**58,865**	-

See accompanying notes to the Consolidated Financial Statements

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 two Chinese subsidiaries. The ore mined was processed through the processing plants owned by the subsidiaries to produce nickel and copper concentrates. The concentrates were sold in China. GobiMin also owned, through one of the subsidiaries, 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 disposed the two subsidiaries in February 2009 and also ceased to own any equity interest in PuXiong.

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 these four joint ventures. GobiMin also engages in exploration projects in Indonesia.

In May 2009, GobiMin acquired an equity interest of 49% in China Precision Material Limited ("China Precision") which is engaged in metal trading, predominately silver.

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 is 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 as at December 31, 2008. 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 in the quarter ended 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:

	June 30, 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)

	June 30, 2009	December 31, 2008
LIABILITIES	**$**	$
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 June 30, 2009	Three months ended June 30, 2008	**Six months ended June 30, 2009**	Six months ended June 30, 2008
	$	$	**$**	$
Net assets disposed of as at February 11, 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	**-**	-	**(36,082,093)**	**-**
Effect of foreign exchange rate changes in 2009	**-**	-	**19,469**	**-**
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 the quarter ended March 31, 2009.

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 June 30, 2009 include cash in different locations as follows:

Bank location	Currency	Amount	**US$ Equivalent**
Canada	CAD	328,434	**282,519**
Hong Kong	HKD	540,573,135	**69,751,372**
China	RMB	72,162,528	**10,565,525**
Indonesia	IDR	2,603,158	**255**
Total			**80,599,671**

(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 June 30, 2009.

6. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

The balance of prepayments, deposit and other receivables represent prepayment of expenses, rental deposit and deposit payment for the acquisition of building.

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) which is treated as deposit paid as at June 30, 2009.

7. DUE FROM AN INVESTEE COMPANY

The amount due from an investee company of $3,705,348 (December 31, 2008: $ nil) represents advancesto China Precision for its initial operation of silver trading. The advances are unsecured and interest bearing at 2% per annum.

8. MINERAL PROPERTIES AND EQUIPMENT

	Cost	Accumulated Amortization/ Written off	Net Book Value
June 30, 2009	$	$	$
Buildings	**121,448**	**(43,856)**	**77,592**
Furniture, equipment and motor vehicles	**728,116**	**(238,628)**	**489,488**
Mineral exploration rights	**99,772**	**-**	**99,772**
	949,336	**(282,484)**	**666,852**
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.

9. EQUITY INVESTMENTS

(Expressed in United States Dollars)

Equity investments represent the Company's equity interests of 40% in each of the four joint ventures established in 2007 to explore nickel, copper, lead and zinc projects in Xinjiang region and an equity interest of 49% in China Precision established in 2009 to engage in metal trading, predominately silver.

The Company accounts for its investments on the equity basis, which is carried at cost, adjusted for the Company's proportionate share of their undistributed earnings and losses. During the three months ended June 30, 2009, the Company recorded $176,612 (2008: $14,222 loss) as equity gain on the investments.

10. 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 it 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 and 6 months ended June 30, 2009 are as follows:

	June 30, 2009	December 31, 2008
Cash and cash equivalents	**$ 539,856**	$ 560,549
Intangible assets – exploration right	**99,773**	89,372
Fixed assets	**777**	820
Other receivables	**78,154**	73,288
Other payables	**(84)**	(585)
	718,476	723,444

	Three months ended June 30, 2009	Six months ended June 30, 2009
General and administration expenses	**(1,485)**	(4,155)
Net cash from (used in) operating activities	**(3,134)**	(8,156)
Net cash used in financing activities	**-**	-
Net cash used in investing activities	**(7,788)**	(9,788)
Effect on foreign exchange rate changes on cash	**(292)**	1,406

11. RELATED PARTY TRANSACTIONS AND BALANCES

a) Due from related parties of $75,157 (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 $388,755 (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.

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 the quarter ended March 31, 2009 (2008: nil). For the year ended December 31, 2008, the unrealized loss is $94,015.

13. NON-CONTROLLING INTERESTS

(Expressed in United States Dollars)

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.

14. COMMITMENTS

As at June 30, 2009, there was no significant capital commitment that the Company had contracted for, but not provided for (December 31, 2008: $24,152,667).

The Company has approximately $22,930 (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
Share issued for option exercise	465,000	412,376
Shares bought back and cancelled	(1,974,800)	(1,322,780)
Balance, June 30, 2009	68,814,602	29,008,334

b) Preferred Shares

GobiMin did not issue or authorize any preferred share.

c) Contributed Surplus

	Amount
	$
Balance, December 31, 2008	5,398,535
Options exercised	(156,887)
Stock-based compensation expense	288,017
Balance, June 30, 2009	5,529,665

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 June 30, 2009, a total of 1,974,800 common shares were repurchased for an aggregate cost of CAD$1,558,359 ($1,322,776). All shares purchased are returned to treasury for cancellation.

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 6,700,000 (2008: 5,700,000) common shares were reserved for issuance pursuant to the exercise of options to be granted under the plan.

(Expressed in United States Dollars)

A summary of the status of the Company's stock option plan as of June 30, 2009 and changes during the period is presented below:

	Six months ended June 30, 2009		Six months ended June 30, 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	**(543,400)**	**2.20**	(92,000)	1.19
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	**(465,000)**	**0.55**	(96,000)	0.55
Outstanding, end of period	**3,439,600**	**1.77**	3,207,400	1.97

The following table summarizes the employee stock options outstanding and exercisable at June 30, 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	1,046,600	1.28	0.55	971,000	1.28	0.55
0.95	10,000	1.43	0.95	8,000	1.43	0.95
1.66	150,000	1.99	1.66	150,000	1.99	1.66
1.79	5,000	2.62	1.79	3,000	2.62	1.79
3.61	875,000	1.09	3.61	525,000	1.09	3.61
3.61	280,000	3.09	3.61	124,000	3.09	3.61
1.06	840,000	2.17	1.06	252,000	2.17	1.06
1.06	183,000	4.17	1.06	43,000	4.17	1.06
0.71	50,000	0.58	0.71	50,000	0.58	0.71
	3,439,600	1.77	1.77	2,126,000	1.54	1.64

Stock Based Compensation

During the six months ended June 30, 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:	-

f) Basic and Diluted Earnings (Losses) Per Share

(Expressed in United States Dollars)

	Three months ended	
	June 30, 2009	June 30, 2008
Net earnings (losses) attributable to shareholders		
Basic and diluted	**($492,595)**	$1,294,072
Weighted average shares outstanding		
Basic	**69,960,382**	73,107,278
Effect of dilutive stock options	**417,191**	1,211,547
Diluted	**70,377,573**	74,318,825
Earnings (losses) per share		
Basic	**($0.007)**	$0.018
Diluted	**($0.007)**	$0.018

	Six months ended	
	June 30, 2009	June 30, 2008
Net earnings available to shareholders		
Basic and diluted	$37,675,609	$1,837,859
Weighted average shares outstanding		
Basic	70,103,048	73,273,876
Effect of dilutive stock options	359,279	1,224,815
Diluted	70,462,327	74,498,691
Earnings per share		
Basic	$0.537	$0.025
Diluted	$0.535	$0.025

16. RESERVES

During the six months ended June 30, 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 during the year ended December 31, 2008.

17. SEGMENTED INFORMATION

The Company conducted its business as a single operating segment, being the development and exploitation of mineral properties. It has no material operation after the disposal of 2 operating subsidiaries 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. Before the disposal, all of the Company's revenues were derived from Chinese sources and the Company had only one customer over the period covered by the related consolidated financial statements.

18. OTHER REVENUE

Other revenue includes interest income of $247,393 (2008: $282,062). The remaining amount of other revenue in the same period in 2008 was mainly generated from financial allowance from local government of Hami city to support the Company's business expansion and sales of oil and materials to contractors for mining operation.

19. OTHER COMPREHENSIVE INCOME (LOSS)

(Expressed in United States Dollars)

For the six months ended June 30, 2009, the accumulated other comprehensive loss was generated from unrealized losses 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:

		June 30, 2009		December 31, 2008
Held for trading (a)	**$**	**80,599,671**	$	54,107,033
Due from related parties (b)		**463,912**		460,414
Other financial liabilities (c)		**220,850**		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 used foreign exchange forward contracts to manage its foreign exchange risks. The Company had entered into a non-delivery forward contract with a bank of short selling RMB 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 the first quarter of 2009. 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 used 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 June 30, 2009, through its wholly owned subsidiaries, the Company had cash of $15,309,557, $10,565,525 and $4,659,204 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 June 30, 2009, the Company was holding cash and cash equivalents of $80,599,671. 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 $220,850 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 June 30, 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 July 28, 2009, the Company announced that it has signed a Memorandum of Understanding (the "MOU") with Shandong Zhaojin Group Co., Ltd. ("Zhaojin") to invest in a silver refinery project in China. The parties have reached a consensus that GobiMin will acquire from Zhaojin an equity interest of about 50% in Chenzhou Zhaojin Precious Metal Production Co. Ltd. ("Chenzhou Zhaojin"), which in turn owns a 75% equity interest of Yongxing Zhaojin Precious Metals Processing Co. Ltd. ("Yongxing Zhaojin"), a silver refinery in Yongxing, Hunan of China. Zhaojin will devolve its silver refinery business to Yongxing Zhaojin according to the MOU. Through the joint venture, GobiMin will participate in silver refinery operations and other potential silver related projects jointly with Zhaojin. The two parties will proceed with the negotiation of a formal agreement, subject to a due diligence review by GobiMin on Chenzhou Zhaojin and the regulatory approval. (See the Company's news release on July 28, 2009).

GobiMin Inc.

(Incorporated in Canada under the Canada Business Corporations Act)

Management's Discussion and Analysis of Financial Results

For the quarter ended June 30, 2009

(Expressed in United States Dollars except where otherwise noted)

GobiMin Inc.
Management's Discussion and Analysis of Financial Results
For the quarter ended June 30, 2009
(Expressed in United States Dollars)
August 19, 2009

The following discussion and analysis of the consolidated operating results and financial condition of GobiMin Inc. for the quarter ended June 30, 2009 should be read in conjunction with its consolidated financial statements for the quarter ended June 30, 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 August 19, 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 Chinese subsidiaries. The ore mined by the subsidiaries was processed through their processing plants to produce nickel and copper concentrates. GobiMin disposed the two subsidiaries 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.

The Company recently acquired an equity interest of 49% in China Precision Material Limited ("China Precision"). China Precision is mostly engaged in metal trading, predominately silver.

(Expressed in United States Dollars)

2. Highlights

(a) Corporate highlights

- With a cash balance of $81 million, GobiMin is actively reviewing several potential investments, including high quality exploration and mining projects, in China and overseas.
- The Company is continuing the exploration in other mining projects in Xinjiang of China.
- The Company has acquired an equity interest of 49% in China Precision, which engages mostly in silver trading, as part of an integrated silver operation that the Company intends to build.

(b) Financial highlights

	3 months ended June 30, 2009	3 months ended June 30, 2008	3 months ended June 30, 2007
Cash and cash equivalents	**$81 million**	$39 million	$37 million
Cash and cash equivalents per share(1)	**$1.17**	$0.54	$0.50
Revenue	**$-**	$6.8 million	$9.8 million
Net earnings (losses)	**($0.5 million)**	$1.3 million	$5.4 million
EBITDA(1)	**($0.5 million)**	$2.6 million	$6.6 million
Basic earnings (losses) per share	**($0.007)**	$0.018	$0.075
Diluted earnings (losses) per share	**($0.007)**	$0.018	$0.073
EBITDA per share(1)	**($0.007)**	$0.035	$0.096

(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.

3. Business Summary and Development

(a) Investment Opportunities

The Company ceased to have its substantial mining operations in Hami, Xinjiang of China following the disposal of two operating subsidiaries in February 2009. With a cash balance of $81 million, the Company will keep on searching for potential investment opportunities. Several projects are currently under negotiation and assessment including the silver refinery operation described below.

(b) Exploration in Xinjiang

GobiMin currently owns 5 base metals exploration projects in Xinjiang, China including nickel, copper, lead and zinc projects. The most advanced project is the 40% owned Yanxi Copper Deposit which is located about 115 km south of the city of Hami in Xinjiang, China. Mineralization of the Yanxi Copper Deposit presently outlines a deposit about 1,000 m long, about 700 m down dip and up to 80 m thick. The Company is continuing the work towards the potential development of this project and is planning to apply for a mining licence, complete the preliminary design and prepare the mine infrastructure plan. The remaining exploration projects are at early exploration stages while some of them have undergone reconnaissance-prospecting or reconnaissance exploration.

(c) Silver Operations

The Company intends to build a vertically integrated silver operation. During the quarter, GobiMin acquired a 49% equity interest in China Precision which engages mostly in silver trading. China Precision buys physical silver ingots from producers and sells them directly to end consumers. All its positions are hedged and it is not exposed to market price movements.

The Company has also signed in July 2009 a Memorandum of Understanding (the "MOU") with Shandong Zhaojin Group Co., Ltd. ("Zhaojin") to invest in a silver refinery. GobiMin intends to acquire from Zhaojin an equity interest of about 50% in Chenzhou Zhaojin Precious Metal Production Co. Ltd. ("Chenzhou Zhaojin"), which in turn owns a 75% equity interest in Yongxing Zhaojin Precious Metals Processing Co. Ltd. ("Yongxing Zhaojin"), a silver refinery in Yongxing, Hunan of PRC. Zhaojin will devolve its silver refinery business to Yongxing Zhaojin according to the MOU. Through Chenzhou Zhaojin, GobiMin will participate in silver refinery operations and other potential silver related projects. The two parties will proceed with the negotiation of a formal agreement, subject to a due diligence review by GobiMin on Chenzhou Zhaojin and the regulatory approval. (See the Company's news release on July 28, 2009).

(d) 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 1,600,000 common shares during the quarter and 1,974,800 common shares cumulatively for the period from January 23, 2009 to August 19, 2009. All shares repurchased were returned to treasury for cancellation. GobiMin now has 68,814,602 shares outstanding.

4. Key Economic Trends

(a) China Economy

Since GobiMin's operations are mostly conducted in China, Chinese economy condition is a 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 June 30, 2009, the Chinese currency Renminbi ("RMB") appreciated 0.4% 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 is 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.

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:

(Expressed in United States Dollars)

For the quarter ended	**June 30, 2009**	March 31, 2009	December 31, 2008	September 30, 2008
Revenue	**$ -**	$ 939,923	$ 3,066,275	$ 7,481,856
Net earnings (losses)	**(492,595)**	38,168,204	(2,955,975)	1,150,383
Basic earnings (losses) per share	**(0.007)**	0.543	(0.041)	0.016
Diluted earnings (losses) per share	**(0.007)**	0.541	(0.040)	0.016
Cash and cash equivalents	**80,599,671**	92,026,901	53,617,073	34,868,732
Total assets	**90,489,060**	96,287,094	121,886,062	93,967,095

For the quarter ended	June 30, 2008	March 31, 2008	December 31, 2007	September 30, 2007
Revenue	$ 6,762,013	$ 4,137,710	$ 8,570,412	$ 9,940,327
Net earnings	1,294,072	543,787	4,843,994	5,587,909
Basic earnings per share	0.018	0.007	0.067	0.076
Diluted earnings per share	0.018	0.007	0.065	0.075
Cash and cash equivalents	39,168,373	44,133,344	22,323,438	39,959,503
Total assets	93,582,677	93,340,779	90,751,372	69,047,946

9. Results of Operations

(a) Revenue

No revenue from operations has been recorded in this quarter due to the disposal of the operating subsidiaries on February 11, 2009.

Other revenue in this quarter comes from interest income of $57,465 (2008 Q2: $167,099). The decrease was mainly due to lower bank deposit interest rate in this quarter. Compared to last year's figures, there was no gain from investment in Chinese securities in the current quarter.

(b) Other expenses

Depreciation expense was $26,310 compared to $616,911 in Q2 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 $697,965 compared to $1,571,960 in Q2 2008 and were lower as a result of discontinued operations. The expenses mainly include office rental, staff cost and consulting fees.

The amortized portion of the total stock based compensation in Q2 2009 decreased to $251 (Q2 2008: $376,523) mainly due to the cancellation of stock options for the discontinued operation.

(c) Earnings (losses) per share

Due to the disposal of the operating subsidiaries, the basic and diluted loss per share for this quarter was $0.007 (Q2 2008 earnings: $0.018).

(d) EBITDA

(Expressed in United States Dollars)

In this quarter, the losses before interest income and expense, income taxes, stock-based compensation, write-off expense, depreciation and amortization ("EBITDA"), a non-GAAP performance measure, were $0.5 million.

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

	3 months ended June 30, 2009	3 months ended June 30, 2008
Net earnings (losses)	**$ (492,595)**	$ 1,293,892
Interest income & expense	**(57,465)**	4,382
Income tax	**-**	138,426
Depreciation	**-**	501,856
Amortization in general and administration expenses	**26,310**	115,055
Stock based compensation	**251**	376,523
Non-controlling interest	**(1,090)**	121,819
EBITDA (1)	**(524,589)**	2,551,953
EBITDA per share (2)	**(0.007)**	0.035

(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

(e) Annual and Special Dividends

On April 16, 2009, the Company declared an annual dividend of CAD$0.01 ($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 were paid 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 June 30, 2009:

	June 30, 2009	December 31, 2008
Cash and cash equivalents	**$80,599,671**	$53,617,073
Working capital (1)	**$86,361,940**	$65,219,635
	3 months ended June 30, 2009	3 months ended June 30, 2008
Net Cash from (used in) operating activities	**($2,305,856)**	$752,258
Net Cash used in financing activities	**($9,376,013)**	($3,222,791)
Net Cash used in investing activities	**($73,946)**	($3,763,724)
	6 months ended June 30, 2009	6 months ended June 30, 2008
Net Cash from (used in) operating activities	**($3,014,117)**	$2,089,419

(Expressed in United States Dollars)

Net Cash used in financing activities	**($7,294,858)**	($3,935,819)
Net Cash from (used in) investing activities	**$36,991,503**	($6,915,993)

(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 $2,305,856, compared to $752,258 net cash generated in the same period last year. The cash outflow in this quarter was mainly due to substantially reduced revenue since the disposal of the operating subsidiaries in February 2009.

(b) Financing activities

Financing activities resulted in a net cash outflow of $9,376,013 in this quarter compared to $3,222,791 cash outflow in the same period last year. During this quarter, $4.82 million cash was used in paying annual and special dividends and $1.11 million (CAD$1.29 million) was used in repurchasing 1,600,000 shares. In addition, the Company has advanced a total of $3.7 million to the Company's investee company, China Precision, to fund the initial operation of silver trading. The Company also received $255,490 for the exercise of options this quarter.

(c) Investing activities

Investing activities resulted in a net cash outflow of $73,946 in this quarter compared to a net cash outflow of $3,763,724 in the second quarter of 2008.

11. Balance Sheet

(a) Cash

The Company had $80,599,671 in cash and cash equivalents as at June 30, 2009 compared to $53,617,073 as at December 31, 2008. The significant increase in the cash balance is attributed to the sale of its subsidiaries.

(b) Share Capital

As at June 30, 2009, the Company had 68,814,602 common shares issued and outstanding. During this quarter, 1,600,000 common shares were bought back and cancelled.

12. Contractual obligations and commitment

As at June 30, 2009, there was no significant capital commitment that the Company had contracted for, but not provided for (December 31, 2008: $24,152,667).

The Company incurs approximately $22,930 (December 31, 2008: $23,620) in 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 intends to build a vertically integrated silver operation. It has made an investment in silver trading operation and proposes to acquire a silver refinery. This is the beginning stage and the Company will look into either building or acquiring businesses in the sector.

Making opportunistic acquisitions with the cash reserves remains the Company's objective. GobiMin will keep searching and evaluating high quality exploration and mining projects in China and overseas. On the base metal side, the Yanxi Copper Deposit continues to be an important development project.