



Condensed Interim Consolidated Financial Statements of

GB MINERALS LTD.

For the Three and Six Months Ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

(Unaudited)

GB MINERALS LTD.
(An exploration stage company)
Condensed Interim Consolidated Financial Statements (Unaudited)
For the three and six months ended December 31, 2016 and 2015

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Board.

The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established by the Canadian Institute of Chartered Professional Accountants for a review of condensed interim consolidated financial statements by an entity's auditors.

GB MINERALS LTD.
(An exploration stage company)
Condensed Interim Consolidated Statements of Financial Position (Unaudited)
(Expressed in Canadian dollars)

	December 31, 2016	June 30, 2016
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 13,591,869	\$ 14,636,777
Funds held in trust	-	994
Funds held in escrow	11,684	792,236
Other receivable	93,442	42,382
Prepaid expenses	396,294	210,551
	14,093,289	15,682,940
Equipment	250,640	158,915
Mineral rights (note 3)	80,110,956	77,395,690
Total Assets	\$ 94,454,885	\$ 93,237,545
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	3,261,987	7,750,871
Notes payable (note 4)	-	2,700,000
Convertible notes payable (note 4)	-	924,429
Debt payable (note 5)	-	6,194,024
	3,261,987	17,569,324
Deferred income tax liability	6,829,023	6,829,023
Provision for reclamation and rehabilitation	99,061	105,287
	10,190,071	24,503,634
Shareholders' Equity		
Share capital (note 6)	111,114,873	92,665,784
Share-based payment reserve – options (note 6c)	3,094,949	3,094,949
Equity component of convertible notes	-	198,594
Contributed surplus	1,345,952	1,095,862
Accumulated other comprehensive (income)	(217,776)	(137,632)
Deficit	(31,073,184)	(28,183,646)
Shareholders' Equity	84,264,814	68,733,911
Total Liabilities and Shareholders' Equity	\$ 94,454,885	\$ 93,237,545
Going concern (note 1)		

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed "Robert Edwards"
 Director

Signed "Luis da Silva"
 Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GB MINERALS LTD.
(An exploration stage company)
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss
(Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended		Six Months Ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Expenses				
Management and consulting fees	\$ 549,987	\$ 419,575	\$ 1,008,427	\$ 770,347
Professional fees (audit and legal)	432,717	967,785	688,829	1,723,565
Interest expense (income)	(11,113)	471,336	116,353	937,332
Salaries and wages	92,881	240,569	169,727	367,052
General and administrative	151,006	139,009	305,953	269,295
Financial and technical advisory	59,681	295,080	100,816	344,275
Travel	152,244	128,307	227,209	241,501
Marketing	94,457	-	200,051	-
Investor relations	3,803	3,767	7,624	123,689
Director fees	33,449	25,000	81,927	60,000
Filing and transfer agent fees	11,649	33,434	22,353	43,968
Social development costs	-	10	-	4,381
Amortization	233	397	468	741
Loss (Gain) on foreign exchange	(125,887)	119,183	(143,518)	289,775
Loss before other expense	1,445,107	2,843,452	2,786,219	5,175,921
Other expense				
Loss on convertible debentures settlement	103,319	-	103,319	-
Net Loss	1,548,426	2,843,452	2,889,538	5,175,921
Other Comprehensive Loss				
Currency translation differences translating foreign operations	162,781	29,772	80,144	296,366
Comprehensive Loss	\$ 1,711,207	\$ 2,873,224	\$ 2,969,682	\$ 5,472,287
Weighted Average Number of Shares Outstanding	1,067,355,314	312,402,016	889,043,828	282,611,266
Loss per Share – basic and diluted	\$ 0.00	\$ 0.01	\$ 0.00	\$ 0.02

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GB MINERALS LTD.
(An exploration stage company)
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in Canadian dollars)

	Six Months Ended	
	December 31, 2016	December 31, 2015
Operating Activities:		
Net loss for the period	\$ (2,889,538)	\$ (5,175,921)
Adjustments for non-cash items:		
Amortization	468	741
Convertible notes – accretion	23,748	59,051
Loss on convertible debentures settlement	103,319	-
Interest expense	131,406	878,776
Loss settled with funds held in escrow	9,696	-
Unrealized foreign exchange adjustment	(27,796)	(283,253)
Changes in non-cash working capital:		
Other receivable	(51,060)	120,522
Prepaid expenses	(185,743)	168,196
Accounts payable and accrued liabilities	(5,800,824)	1,037,273
Net Cash used in Operating Activities	(8,686,324)	(3,194,615)
Investing Activities:		
Funds held in trust	-	(658)
Funds held in escrow	15,306	(918,204)
Additions to equipment	(115,744)	-
Additions to mineral rights (note 3)	(1,468,192)	(2,237,795)
Net Cash used in Investing Activities	(1,568,630)	(3,156,657)
Financing Activities:		
Bank indebtedness	(94)	-
Proceeds (Repayment) of notes payable (note 4)	(2,700,000)	1,000,000
Proceeds (Repayment) of convertible notes payable	(1,000,000)	1,000,000
Issuance of common shares (net of costs) (note 6b)	18,449,089	3,883,549
Settlement of debt (note 5)	(5,541,466)	-
Net Cash provided by Financing Activities	9,207,529	5,883,549
Impact of foreign exchange on cash	2,517	7,584
Net increase (decrease) in cash and cash equivalents	(1,044,908)	(460,139)
Cash and cash equivalents - beginning of period	14,636,777	1,020,839
Cash and cash equivalents - end of period	\$ 13,591,869	\$ 560,700

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GB MINERALS LTD.
(An exploration stage company)
Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)
(Expressed in Canadian dollars)

	Number of Common Shares	Common Shares	Share-Based Payment Reserve - Options	Fair Value of Convertible Feature on Convertible Note and Debenture	Contributed Surplus	Cumulative Translation Reserve	Deficit	Shareholders' Equity
Balance – June 30, 2015	252,820,516	\$ 65,959,597	\$ 3,094,949	\$ -	\$ 1,095,862	\$ (53,648)	\$ (20,668,306)	\$ 49,428,454
Shares issued for equity financing	79,442,000	3,972,100	-	-	-	-	-	3,972,100
Shares issue cost	-	(88,551)	-	-	-	-	-	(88,551)
Convertible debentures – equity portion	-	-	-	198,594	-	-	-	198,594
Other comprehensive loss	-	-	-	-	-	(296,366)	-	(296,366)
Loss for the period	-	-	-	-	-	-	(5,175,921)	(5,175,921)
Balance – December 31, 2015	332,262,516	\$ 69,843,146	\$ 3,094,949	\$ 198,594	\$ 1,095,862	\$ (350,014)	\$ (25,844,227)	\$ 48,038,310
Shares issued for equity financing	67,854,547	3,732,000	-	-	-	-	-	3,732,000
Share subscriptions for equity financing	-	14,593,070	-	-	-	-	-	14,593,070
Shares issued for other debt settlement	85,662,825	4,711,455	-	-	-	-	-	4,711,455
Shares issue cost	-	(213,887)	-	-	-	-	-	(213,887)
Other comprehensive loss	-	-	-	-	-	212,382	-	212,382
Loss for the period	-	-	-	-	-	-	(2,339,419)	(2,339,419)
Balance – June 30, 2016	485,779,888	\$ 92,665,784	\$ 3,094,949	\$ 198,594	\$ 1,095,862	\$ (137,632)	\$ (28,183,646)	\$ 68,733,911
Shares issued for equity financing	603,639,162	18,607,085	-	-	-	-	-	18,607,085
Shares issue cost	-	(157,996)	-	-	-	-	-	(157,996)
Convertible debentures – equity portion	-	-	-	51,496	-	-	-	51,496
Repayment of convertible debentures	-	-	-	(250,090)	250,090	-	-	-
Other comprehensive loss	-	-	-	-	-	(80,144)	-	(80,144)
Loss for the period	-	-	-	-	-	-	(2,889,538)	(2,889,538)
Balance – December 31, 2016	1,089,419,050	\$ 111,114,873	\$ 3,094,949	\$ -	\$ 1,345,952	\$ (217,776)	\$ (31,073,184)	\$ 84,264,814

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

GB MINERALS LTD.

(An exploration stage company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

1. Nature and Continuance of Operations and Going Concern

Nature of Operations

GB Minerals Ltd. ("GBML" or the "Company") was incorporated under British Columbia's Business Corporations Act on July 24, 2007. The Company's registered address is 1000 – 595 Burrard Street, PO Box 49290, Three Bentall Centre, Vancouver, BC V7X 1S8, and the Company trades under the symbol "GBL".

On February 25, 2011, the Company acquired a 50.1% interest in a Swiss company GB Minerals AG ("GBM AG") and its wholly-owned subsidiary GB Minerals SARL ("GBM SARL"). As a result of this transaction, the Company acquired control of GBM AG which owns the mineral rights in the Farim Phosphate Project in Guinea-Bissau. On April 4, 2013, the Company acquired the remaining 49.9% of the shares of GBM AG.

Going Concern

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and/or obtaining additional financing.

The Company's principal business activities include the exploration and development of the Farim Project located in Guinea-Bissau. The business of mining, exploration and development involves a high degree of risk and there can be no assurance that current exploration and development programs will result in profitable mining operations. The Company has no source of revenue, and has significant cash requirements to meet its administrative overhead, and maintain its exploration and evaluation property and future development programs.

As at December 31, 2016, the Company had working capital of \$10,831,302 (June 30, 2016 – negative working capital \$1,866,384), and incurred a net loss of \$2,889,538 for the six months ended December 31, 2016 (December 31, 2015 - \$5,175,921). Despite positive working capital, the Company currently does not have sufficient cash on hand to fully fund its planned exploration and development programs for the next twelve months. Its ability to continue operations is dependent on obtaining sufficient external financing to realize the recoverability of its investment in its mineral rights which is dependent upon the existence of economically recoverable reserves and upon future profitable production.

The material uncertainty surrounding the raising of additional financing casts significant doubt about the Company's ability to continue as a going concern. These consolidated financial statements do not reflect adjustments to the carrying value of assets, liabilities, the reported expenses and balance sheet classifications used that might be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

GB MINERALS LTD.

(An exploration stage company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

1. Nature and Continuance of Operations (Cont'd)

Going Concern (Cont'd)

Although the Company was able to obtain financing in the past, there is no assurance that the Company will continue to obtain adequate financing in the future or that the terms of such financing will be favourable. Failure to obtain such additional financing could result in delay or indefinite postponement of further exploration and development of its projects with the possible loss of such property.

2. Significant Accounting Policies

a) Statement of compliance with IFRS

These condensed interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of condensed interim consolidated financial statements including IAS 34.

The notes in these condensed interim consolidated financial statements include only significant events and transactions, and do not include all matters usually disclosed in the Company's audited annual consolidated financial statements and are therefore referred to as condensed. They should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended June 30, 2016 prepared in accordance with IFRS.

b) Basis of presentation

The accounting policies set out below have been applied consistently by the Company and its subsidiaries to all periods presented in these condensed interim consolidated financial statements.

The Board of Directors approved these condensed interim consolidated financial statements for issue on February 22, 2016.

GB MINERALS LTD.

(An exploration stage company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

c) Measurement uncertainty

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies to financial information presented. Actual results may differ from the estimates, assumptions and judgments made. Estimates and underlying assumptions are reviewed on an ongoing basis. Changes made to estimates are reflected in the period the changes are made.

Significant areas requiring the use of estimates and assumptions include the review of asset carrying values and estimated useful lives, valuation and impairment of mineral rights, valuation of convertible debentures, valuation of share-based payment reserves – options and warrants, and provision for reclamation and rehabilitation. By their nature, these estimates and assumptions are subject to measurement uncertainty, and the impact of changes in estimates in the consolidated financial statements of future periods could be material. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings (loss) in the periods in which they become known.

d) Significant accounting judgements

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (note 2(c)), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral properties, provision for reclamation and obligation, and the assumption that the Company will continue as a going concern.

f) New accounting standards and recent pronouncements

The following standards and interpretations have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committees with effective dates relating to the annual accounting periods starting on or after the effective dates as follows:

- IFRS 9: Financial Instruments, effective July 1, 2018
- IFRS 16: Leases, effective July 1, 2019

The Company is in the process of assessing the impact that the new and amended standards will have on its consolidated financial statements.

GB MINERALS LTD.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)****For the three and six months ended December 31, 2016 and 2015****(Expressed in Canadian dollars)****3. Mineral Rights***Farim Phosphate Project*

The Company, through its subsidiary GBM AG, owns 100% of the mineral rights of the Farim Phosphate Project located in the northern part of central Guinea-Bissau in West Africa. As well, GBM AG holds a mining lease license, with the exclusive right to exploit, mine and commercialize the minerals for an initial period of twenty five years which may be extended for an additional twenty five years upon application.

	Six Months Ended December 31, 2016	Year Ended June 30, 2016
Balance of exploration assets - beginning of the period	\$ 77,395,690	\$ 77,067,258
Expenditures capitalized during the period	2,749,602	4,802,831
Impairment of mineral rights – relinquishment of mining lease license no. 005/2006 ¹	-	(1,708,400)
Adjustment of mineral rights – geological consulting component as a result of litigation settlement	-	(2,789,212)
Foreign exchange adjustments	(34,336)	23,213
Balance of exploration assets – end of the period	\$ 80,110,956	\$ 77,395,690

The recoverability of amounts shown for exploration and evaluation assets is dependent on several factors. These include the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development of these properties, and future profitable production or proceeds from disposition of exploration and evaluation assets.

GB MINERALS LTD.

(An exploration stage company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

4. Notes Payable and Convertible Notes

On October 14, 2016 following the completion of the Rights Offering, the company repaid \$2,700,000 in promissory notes due to A.B. Aterra Resources Ltd. ("Aterra Resources") (the "Notes Payable") and convertible notes with a face value of \$1,000,000 due to Aterra Resources (the "Convertible Notes"). As a result of the early repayment of the Convertible Notes, a loss of \$103,319 was recognized for the period ended December 31, 2016, representing the non-accreted equity component of the Convertible Notes.

5. Debt Payable

On July 8, 2016, the Company announced the settlement of a lawsuit (the "Lawsuit") filed against its wholly owned subsidiary, GBM Holdings, by GBM Minerals Engineering Consultants Limited ("GBMMEC"). The Company, GBM Holdings and GBMMEC agreed to settle the Lawsuit and any other current and contemplated litigation between them in consideration for a settlement payment by the Company to GBMMEC in the amount of £4,100,000 (the "Consideration"). The settlement of the Lawsuit resulted in an adjusting subsequent event for the year ended June 30, 2016 whereby the Company adjusted the carrying value of the Debt Payable to \$6,194,024 as at June 30, 2016.

The Debt Payable was settled on July 8, 2016 following a cash payment of \$5,541,466. Funds held in escrow in the amount of £375,000 provided by the Company as security for GBMMEC's costs in relation to the Lawsuit, an overpaid value added tax in the amount of £508,550 refunded by HM Revenue & Customs, and legal fees for escrow in the amount of £4,500 also formed part of the Consideration. In the six month period ended December 31, 2016, the Company incurred additional legal fees in the amount of \$80,719 in relation to the finalization of the lawsuit and settlement. These legal fees are reported as professional fees in the Condensed Interim Consolidated Statement of Loss and Comprehensive Loss for the six month period ended December 31, 2016.

GB MINERALS LTD.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)****For the three and six months ended December 31, 2016 and 2015****(Expressed in Canadian dollars)****6. Share Capital***a) Authorized*

Unlimited number of common shares without par value and an unlimited number of preferred shares without par value

b) Issued and outstanding

Issued common shares are as follows:

	Number of shares	Amount
Balance, June 30, 2016	485,779,888	\$ 92,665,784
Share subscriptions for equity financing (b) (i)	-	(14,593,070)
Shares issued for equity financing (b) (i)	265,328,536	14,593,070
Shares issued for equity financing (b) (ii)	338,310,626	18,607,085
Shares issue costs – filing and legal fees	-	(157,996)
Balance, December 31, 2016	1,089,419,050	\$ 111,114,873

- i) As at June 30, 2016, the Company received proceeds of \$14,593,070 subscribed for a non-brokered private placement of 265,328,536 common shares (the “Share Subscriptions”) of the Company at a price of \$0.055 per share. This non-brokered private placement was completed on July 14, 2016 and the common shares were issued on that date.
- ii) On October 6, 2016, the Company issued 338,310,626 Common Shares at a price of \$0.055 per Common Share for aggregate gross proceeds of \$18,607,085.

c) Stock options and share-based payment

The Company has a stock option plan that allows for the issuance of options to purchase shares at specific prices for a specific period of time. The maximum number of shares issuable pursuant to options granted under the plan is limited to 10% of the total issued and outstanding common shares subject to shareholder approval. All directors, officers, employees, and consultants are eligible to participate in the plan. Vesting of options under the plan shall be at the discretion of the Board and will be subject to various vesting periods to reflect the nature of the options. The option price under the plan will not be less than the market price of the common shares on the date of grant. The expiry date for each option will be set by the Board of Directors at the time of issue of the option which shall not normally be more than seven years from the date the option is granted.

GB MINERALS LTD.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)****For the three and six months ended December 31, 2016 and 2015****(Expressed in Canadian dollars)****6. Share Capital (Cont'd)***c) Stock options and share-based payment (Cont'd)*

As at December 31, 2016, the Company had 14,684,500 (June 30, 2016 – 14,684,500) stock options outstanding. The following table summarizes information about stock options outstanding:

	Number	Weighted average exercise price
Balance, June 30, 2016 and December 31, 2016	14,684,500	\$ 0.11

The following table summarizes the options outstanding and exercisable at December 31, 2016:

Options outstanding at December 31, 2016	Exercise price	Options exercisable at December 31, 2016	Expiry date
12,000	\$ 2.00	12,000	September 24, 2017
22,500	3.00	22,500	March 24, 2018
965,000	0.20	965,000	January 30, 2020
35,000	0.20	35,000	March 25, 2020
1,933,000	0.20	1,933,000	August 8, 2020
917,000	0.20	917,000	September 26, 2020
10,800,000	0.075	10,800,000	December 31, 2021
14,684,500	\$ 0.11	14,684,500	

7. Capital Management

As at December 31, 2016, the capital structure of the Company consists of equity attributable to common shareholders.

The Company's objective when managing capital structure is to use its best efforts to ensure that sufficient financial resources exist to meet the Company's strategic exploration and development objectives, and to enable the Company to continue as a going concern. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its immediate financial obligations and the Company's capital programs. There is risk that unforeseen circumstances and expenditures will limit the time period for which cash will be available, and the Company may not be able to raise sufficient financing, or to do so on a cost-effective basis. The failure of the Company to raise further financing would limit its ability to advance its business plan and carry on current activities.

The Company is an exploration stage company and is currently unable to self-finance its operations. The Company has relied on equity and/or debt financing in the past to raise sufficient funds to carry out its exploration and evaluation and acquisition activities and pay its administrative costs. Although the Company was able to obtain adequate financing in the past, there is no assurance that the Company will continue to obtain adequate financing in the future or that the terms of such financing will be favourable.

GB MINERALS LTD.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)****For the three and six months ended December 31, 2016 and 2015****(Expressed in Canadian dollars)****8. Related Party Transactions**

The Company had the following transactions with directors, officers and companies related by virtue of directors and officers in common.

	Reference	Six Months Ended December 31, 2016	Six Months Ended December 31, 2015
Management and consulting fees	a	\$ 511,843	\$ 449,393
Director fees	b	81,927	60,000
Interest expense	c	152,991	436,394
Total		\$ 746,761	\$ 945,787

- a) For the period ended December 31, 2016, the Company paid or accrued management and consulting fees of \$103,410 (December 31, 2015 - \$78,000) to Monmouth Ltd., a company controlled by a director of the Company; \$306,233 (December 31, 2015 - \$231,000) to Aluso Capital Ltd., a company controlled by an officer and director of the Company; \$72,200 (December 31, 2015 - \$76,000) to Artisan Consulting Ltd, a company controlled by an officer of the Company; \$30,000 (December 31, 2015 - \$Nil) to Cultivar Consulting Inc., a company controlled by an officer of the company and \$Nil (December 31, 2015 - \$64,393) to De Jong Capital LLC, a company controlled by a director of the Company.

For the period ended December 31, 2016, the Company incurred \$511,843 (December 31, 2015 - \$449,393) of management and consulting fees to related parties by virtue of directors and officers in common, and of which \$38,639 (December 31, 2015 - \$373,393) were included in accounts payable and accrued liabilities as at December 31, 2016.

- b) For the period ended December 31, 2016, the Company incurred director fees of \$81,927 (December 31, 2015 - \$60,000), and of which \$62,089 (December 31, 2015 - \$60,000) were included in accounts payable and accrued liabilities as at December 31, 2016.
- c) For the period ended December 31, 2016, the Company expensed interest of \$152,991 (December 31, 2015 - \$319,188) on the Notes Payable and Convertible Notes payable to Aterra Resources, a significant shareholder of the Company, of which \$23,748 (December 31, 2015 - \$59,051) represented the amortization of the Convertible Notes. The Notes Payable, Convertible Notes and related interest was fully repaid on October 14, 2016. As a result of the early repayment of the Convertible Notes, a loss of \$103,319 was recognized for the period ended December 31, 2016, representing the non-accreted equity component of the Convertible Notes.

GB MINERALS LTD.**(An exploration stage company)****Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)****For the three and six months ended December 31, 2016 and 2015****(Expressed in Canadian dollars)****9. Segmented Information**

As at December 31, 2016, the Company has total assets of \$94,454,885 (June 30, 2016 - \$93,237,545) and net loss of \$2,889,538 for the period ended December 31, 2016 (December 31, 2015 - \$5,175,921). The Company operates in two reportable segments: North America and Africa. Segments are defined as components for which separate financial information is available and is regularly evaluated by the chief operating decision maker.

	North America	Africa	Total
Assets	\$ 13,737,363	\$ 80,717,522	\$ 94,454,885
Net Loss	\$ 2,375,702	\$ 513,836	\$ 2,889,538

10. Financial Instruments

IFRS 7 establishes a fair value hierarchy that reflects significance of inputs in measuring fair value as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. process) or indirectly (i.e. derived from process); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company examines the various financial instrument risks to which it is exposed and assesses the impact and likelihood of those risks.

Fair value and classification

As at December 31, 2016, the Company's financial instruments consist of cash and cash equivalents, funds held in escrow, other receivable, and accounts payable and accrued liabilities. These financial instruments are classified as loans and receivables or other financial liabilities and are carried at amortized cost. The fair values of cash and cash equivalents, funds held in escrow, other receivable, and accounts payable and accrued liabilities approximate their carrying values due to the short-term nature of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. Although the Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs, there is no assurance that any steps taken by the Company will be successful in this regard, and there is risk that unforeseen circumstances and expenditures will limit the time period for which cash will be available.

GB MINERALS LTD.

(An exploration stage company)

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

For the three and six months ended December 31, 2016 and 2015

(Expressed in Canadian dollars)

10. Financial Instruments (Cont'd)

The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its immediate financial obligations and the Company's capital programs. The Company may not be able to raise financing of sufficient magnitude, or on a cost-effective basis. The failure of the Company to raise further financing would limit the ability of the Company to advance its business plan and carry on current activities. Further information regarding liquidity risk and going concern is set out in note 1.

Credit risk

Credit risk is the risk of loss if counterparties do not fulfill their contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and other receivable. The Company minimizes the credit risk of cash by depositing only with reputable institutions.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity and equity prices.

i) Interest rate risk

The Company is not exposed to the risk that the value of financial instruments will change due to movement in market interest rates. The Company's interest rate risk is limited because its cash and cash equivalents earn low rates of interest.

ii) Currency risk

Currency risk is the risk to the Company's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Company does not use derivative instruments to reduce its exposure to foreign currency risk. The Company has a significant portion of the accounts payable and accrued liabilities balance payable in U.K. pound sterling ("GBP"), Swiss Franc ("CHF Franc"), and Central African Franc ("CFA Franc").

As at December 31, 2016, a 5% increase or decrease in exchange rate on an annualized basis in the value of a Canadian dollar in relation to the GBP, CHF Franc, and CFA Franc would have resulted in \$78,457 increase or decrease of foreign exchange or loss respectively.