



Condensed Interim Consolidated Financial Statements of

GB MINERALS LTD.

For the Three and Six Months Ended December 31, 2013 and 2012

(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, 2013 and 2012

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 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 Statement of Financial Position (Unaudited)
(Expressed in Canadian dollars)

	December 31, 2013	June 30, 2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 785,829	\$ 175,122
Other receivable	22,666	23,305
Prepaid expenses	273,585	20,047
	1,082,080	218,474
Equipment (note 4)	115,333	138,023
Intangible assets:		
Other assets	205	255
Mineral rights (note 5)	71,035,864	68,583,031
Total Assets	\$ 72,233,482	\$ 68,939,783
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities		
Bank indebtedness	\$ 27	\$ 26
Accounts payable and accrued liabilities	5,278,150	4,586,655
Notes payable (note 6)	2,000,000	500,000
Current portion of debt payable (note 7)	3,304,875	5,995,125
Convertible debentures (note 8)	2,933,730	2,798,240
	13,516,782	13,880,046
Deferred income tax liability (note 3)	6,949,838	6,949,838
Long-term portion of debt payable (note 7)	5,823,550	5,934,896
Provision for reclamation and rehabilitation (note 10b)	54,480	54,480
	26,344,650	26,819,260
Shareholders' Equity		
Share capital (note 9b)	54,515,538	47,469,513
Share-based payment reserve – options (note 9c)	2,392,930	2,041,137
Share-based payment reserve - warrants (note 9d)	615,859	615,859
Convertible feature on convertible debentures (note 8)	292,865	292,865
Cumulative Translation Reserve	(221,920)	(56,700)
Deficit	(11,706,440)	(8,242,151)
Shareholders' Equity	45,888,832	42,120,523
Total Liabilities and Shareholders' Equity	\$ 72,233,482	\$ 68,939,783

Commitments and Contractual Arrangements (note 10)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed "Owen Ryan"
 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, 2013	December 31, 2012	December 31, 2013	December 31, 2012
Expenses				
Interest expense (income)	\$ 449,771	\$ (2,712)	\$ 864,014	\$ (2,786)
Management and consulting fees	546,321	228,771	803,480	376,543
Loss on foreign exchange	173,139	92,532	424,711	227,843
Stock options compensation	103,838	-	351,793	-
General and administrative	139,896	134,889	283,282	256,016
Professional fees (audit and legal)	104,294	125,451	213,601	181,401
Travel	66,272	123,978	159,473	173,641
Salaries and wages	57,984	63,491	116,074	106,203
Exploration costs	1,668	-	89,135	-
Investor relations	63,369	33,446	81,916	79,495
Director fees	36,000	38,000	73,000	64,000
Impairment of equipment (note 4)	9,450	-	9,450	-
Filing and transfer agent fees	3,201	6,389	7,843	7,726
Amortization	706	1,300	1,386	2,629
Financial advisory	23,609	74,668	(14,869)	74,668
Loss before other loss	1,779,518	920,203	3,464,289	1,547,379
Net Loss before income taxes	1,779,518	920,203	3,464,289	1,547,379
Deferred income taxes	-	-	-	-
Net Loss	1,779,518	920,203	3,464,289	1,547,379
Other Comprehensive Loss				
Currency translation differences translating foreign operations	126,004	32,980	165,220	33,174
Currency translation differences translating non-controlling interest	-	32,848	-	33,041
Comprehensive Loss	\$ 1,905,522	\$ 986,031	\$ 3,629,509	\$ 1,613,594
Comprehensive Loss attributable to:				
Controlling equity holders	\$ 1,905,522	\$ 798,655	\$ 3,629,509	\$ 1,291,480
Non-controlling interest	-	187,376	-	322,114
	\$ 1,905,522	\$ 986,031	\$ 3,629,509	\$ 1,613,594
Weighted Average Number of Shares Outstanding	64,622,919	19,393,854	56,630,999	19,393,854
Loss per Share – basic and diluted	\$ 0.03	\$ 0.05	\$ 0.06	\$ 0.08

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, 2013	December 31, 2012
Operating Activities:		
Net (loss) for the period	\$ (3,464,289)	\$ (1,547,379)
Adjustments for non-cash items:		
Amortization (note 4)	1,386	2,629
Impairment on equipment (note 4)	9,450	-
Stock options compensation	351,793	-
Convertible debentures – amortization (note 8)	135,490	-
Shares issued for compensation for services (note 12)	234,000	-
Interest expense (income)	728,524	-
Unrealized foreign exchange adjustment	208,626	217,912
Changes in non-cash working capital:		
Other receivable	639	64,967
Prepaid expenses	(253,538)	14,592
Accounts payable and accrued liabilities	646,510	625,541
Net Cash used in Operating Activities	(1,401,409)	(621,738)
Investing Activities:		
Additions in mineral rights (note 5)	(2,452,833)	(305,247)
Notes receivable	-	883,000
Purchase of equipment	-	(873)
Net Cash provided by (used in) Investing Activities	(2,452,833)	576,880
Financing Activities:		
Bank indebtedness	(1)	(3,302)
Proceeds from promissory notes	1,500,000	-
Issuance of common shares (net of costs) (note 9b)	2,964,000	-
Advances from related parties	-	49,389
Net Cash provided by Financing Activities	4,463,999	46,087
Impact of foreign exchange on cash	950	10
Net increase (decrease) in cash and cash equivalents	610,707	1,239
Cash and cash equivalents - beginning of period	175,122	14,733
Cash and cash equivalents - end of period	\$ 785,829	\$ 15,972

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

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

	Number of Common Shares ¹	Common Shares ¹	Share-Based Payment Reserve - Options	Share- Based Payment Reserve - Warrants	Fair Value of Convertible Feature on Convertible Debenture	Non- Controlling Interest	Cumulative Translation Reserve	Deficit	Shareholders' Equity
Balance – June 30, 2012	19,393,854	\$40,035,887	\$ 1,949,596	\$ 615,859	\$ -	\$ 24,078,928	\$ 60,656	\$(10,707,474)	\$ 56,033,452
Warrants expired	-	421,407	183	(421,590)	-	-	-	-	-
Other comprehensive loss	-	-	-	-	-	(33,041)	(33,173)	-	(66,214)
Loss for the period	-	-	-	-	-	(289,073)	-	(1,258,306)	(1,547,379)
Balance – December 31, 2012	19,393,854	40,457,294	1,949,779	194,269	-	23,756,814	27,483	(11,965,780)	54,419,859
Shares issued for acquisition of remaining 49.9% of GB Minerals AG on April 4, 2013	19,361,200	7,014,056	-	-	-	-	-	-	7,014,056
Loss attributable to non-controlling interest up to April 4, 2013	-	-	-	-	-	(117,147)	-	-	(117,147)
Other comprehensive loss attributable to non-controlling interest up to April 4, 2013	-	-	-	-	-	4,501	-	-	4,501
Reversal of non-controlling interest for acquisition of remaining 49.9% of GB Minerals AG on April 4, 2013	-	-	-	-	-	(23,612,294)	-	23,612,294	-
Reversal of non-controlling interest of cumulative translation reserve for acquisition of remaining of 49.9% of GB Minerals AG on April 4, 2013	-	-	-	-	-	(31,874)	31,874	-	-
Shares issued for exchanged GB Minerals AG debt	1,250,000	452,843	-	-	-	-	-	-	452,843
Shares issue cost – filing fees	-	(33,273)	-	-	-	-	-	-	(33,273)
Stock options compensation	-	-	91,541	-	-	-	-	-	91,541
Warrants expired	-	(421,407)	(183)	421,590	-	-	-	-	-
Convertible debentures – equity portion	-	-	-	-	292,865	-	-	-	292,865
Other comprehensive loss	-	-	-	-	-	-	(116,057)	-	(116,057)
Loss for the period	-	-	-	-	-	-	-	(19,888,665)	(19,888,665)
Balance – June 30, 2013	40,005,054	47,469,513	2,041,137	615,859	292,865	\$ -	(56,700)	(8,242,151)	42,120,523
Shares issued for equity financing	15,000,000	3,000,000	-	-	-	-	-	-	3,000,000
Shares issued for settlement GBMMEC debt	9,000,000	3,600,000	-	-	-	-	-	-	3,600,000
Shares issued for other debt settlement	620,063	248,025	-	-	-	-	-	-	248,025
Shares issued for compensation for services	1,800,000	234,000	-	-	-	-	-	-	234,000
Shares issue cost – filing fees	-	(36,000)	-	-	-	-	-	-	(36,000)
Stock options compensation	-	-	351,793	-	-	-	-	-	351,793
Other comprehensive loss	-	-	-	-	-	-	(165,220)	-	(165,220)
Loss for the period	-	-	-	-	-	-	-	(3,464,289)	(3,464,289)
Balance – December 31, 2013	66,425,117	\$54,515,538	\$ 2,392,930	\$ 615,859	\$ 292,865	\$ -	\$(221,920)	\$(11,706,440)	\$ 45,888,832

¹On March 25, 2013, the shareholders of the Company approved a consolidation of the Company's outstanding common shares on a 20-to-1 basis to reduce the issued and outstanding common shares from 387,877,088 to 19,393,854. Effective March 28, 2013, the Company's shares commenced trading on a consolidated basis under the symbol "GBL". All figures for common shares outstanding and earning per share have been adjusted retrospectively.

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, 2013 and 2012

(Expressed in Canadian dollars)

1. Nature and Continuance of Operations

Nature of Operations

GB Minerals Ltd. (“GBML” or the “Company”) was incorporated under British Columbia’s Business Corporations Act on July 24, 2007 under the name of Resource Hunter Capital Corporation (“RHC”) which commenced trading on the TSX Venture Exchange initially as a Capital Pool Company. On June 11, 2010, RHC completed a qualifying transaction to become a tier 2 mining issuer. On February 25, 2011, RHC was acquired by Plains Creek Mining Limited (“PCM”) in a reverse takeover transaction. RHC changed its name to Plains Creek Phosphate Corporation (“PCP”) effective May 16, 2011, and subsequently to GB Minerals Ltd. trading under the symbol “GBL” effective March 28, 2013 and PCM subsequently changed its name to GB Mineral Holdings Ltd. (“GBM Holdings”) effective June 26, 2013. The Company’s registered address is 1000 – 595 Burrard Street, PO Box 49290, Three Bentall Centre, Vancouver, BC V7X 1S8.

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”) by cash and the issuance of shares. 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 its 50.1%-owned subsidiary, GBM AG (the “Acquisition”). The Acquisition occurred pursuant to the terms and conditions of the share purchase and exchange agreement among the Company, its wholly owned subsidiary, GBM Holdings, GBM AG, Aterra Investments Limited (“Aterra”), and WAD Consult AG (“WAD”) dated February 22, 2013 (“2013 SPEA”) and allowed the Company to consolidate ownership of its phosphate mineral property in Guinea-Bissau (see notes 3 and 5).

GBMH Minerals (Barbados) Ltd. (“GBMH Barbados”), a wholly-owned subsidiary of GBM Holdings, was incorporated under the Companies Act of Barbados on September 19, 2013, and GBMH Minerais, Unipessoal LDA (“GBMH Unipessoal”), a wholly-owned subsidiary of GBMH Barbados, was incorporated under the Commercial Registry of the Madeira Free Trade Zone on October 31, 2013.

Going Concern

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to the preparation of condensed interim financial statements including International Financial Reporting Standards 34 Interim Financial Reporting (“IAS 34”) for 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.

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, 2013 and 2012

(Expressed in Canadian dollars)

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

Going Concern (Con'td)

The Company's principal business activities include the acquisition, exploration, and development of the mineral rights 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 properties and development programs.

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. 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 properties. 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.

Although the Company has taken steps to verify title to the property on which it is conducting exploration and development and in which it has an interest, in accordance with industry standards for the current stage of exploration and development of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

While the Company currently does not have sufficient cash on hand to continue with its exploration and development programs for the immediate future, its immediate and long term continuance is dependent on obtaining sufficient external financing (predominantly through the issuance of equity and/or debt), 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.

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. As at December 31, 2013, the Company had negative working capital of \$12,434,702 (June 30, 2013 - \$13,661,572) and net loss of \$3,464,289 (June 30, 2013 - \$21,553,191). Accordingly, these condensed interim 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.

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, 2013 and 2012

(Expressed in Canadian dollars)

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 on a historical cost convention.

b) Basis of presentation

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 as 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, 2013 prepared in accordance with IFRS.

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 statements.

The policies applied in these condensed interim consolidated financial statements are based on IFRS issued and outstanding as at February 27, 2014, the date the Board of Directors approved these condensed interim consolidated financial statements for issue.

The standards that will be effective in the annual financial statements for the year ending June 30, 2014 are subject to change and may be affected by additional interpretation(s). Accordingly, the accounting policies for the annual period that are relevant to these condensed interim consolidated financial statements will be determined only when the annual financial statements are prepared for the year ending June 30, 2014.

c) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, GBM Holdings (formerly PCM) and its wholly owned subsidiary, GBMH Barbados and GBM AG. These condensed interim consolidated financial statements also include the accounts of the wholly owned subsidiary of GBM AG, GBM SARL, and the wholly owned subsidiary of GBMH Barbados, GBMH Unipessoal. All intercompany transactions, balances, and unrealized gains and losses on intercompany transactions have been eliminated. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Company controls another entity. Where control of an entity is obtained during a financial period, its results are included in the consolidated statements of loss and comprehensive loss from the date on which control commences. Where control of an entity ceases during a financial period, its results are included for that part of the period during which control existed.

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, 2013 and 2012

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

d) Functional currency translation

i) Functional and presentation currency

Items included in the financial statements of each consolidated entity in the group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The condensed interim consolidated financial statements are presented in Canadian dollars, which is the reporting parent's functional currency. The functional currency of the reporting parent's subsidiaries, GBM Holdings, GBMH Barbados, GBMH Unipessoal, and GBM AG, are the Canadian dollar, and the functional currency of GBM AG's wholly owned subsidiary, GBM SARL, is the Central African Franc ("CFA").

The financial statements of entities that have a functional currency different from that of the reporting parent's operations are translated into Canadian dollars as follows: assets and liabilities – at the closing rate at the date of the statement of financial position, and income and expenses – at the average rate for the period (as this is considered a reasonable approximation to the actual rates). All resulting changes are recognized in other comprehensive income or loss as cumulative translation adjustments.

When an entity disposes of its entire interest in a foreign operation, or loses control, joint control, or significant influence over a foreign operation, the foreign currency gains or losses accumulated in other comprehensive income or loss related to the foreign operation are recognized in profit or loss. If an entity disposes part of an interest in a foreign operation which remains a subsidiary, a proportionate amount of foreign currency gains or losses accumulated in other comprehensive income related to the subsidiary are reallocated between controlling and non-controlling interests.

ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Generally, foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in currencies other than an operation's functional currency are recognized in the statement of loss and comprehensive loss.

e) Measurement uncertainty

The preparation of 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.

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, 2013 and 2012

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

e) Measurement uncertainty (Cont'd)

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, recoverability of deferred tax assets, 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 condensed interim 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.

f) 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(e)), that have the most significant effect on the amounts recognized in the Company's condensed interim consolidated financial statements are related to the economic recoverability of the mineral properties, level of componentization, cash-generating units, definition of segments and related parties, impairment of financial assets, fair value of the convertible feature on the convertible debentures, the determination of functional currency for the Company and its subsidiaries, provision for reclamation and obligation, and the assumption that the Company will continue as a going concern.

g) New accounting standards and recent pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended December 31, 2013, and have not been applied in preparing these condensed interim consolidated financial statements. 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:

- IAS 32: Financial Instruments, effective January 1, 2014
- IFRS 9: Financial Instruments, effective January 1, 2015

The Company is in the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt the new requirements.

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, 2013 and 2012****(Expressed in Canadian dollars)****3. Acquisition of GB Minerals AG**

On April 4, 2013, the Company indirectly acquired the remaining 49.9% of GBM AG's shares from Aterra and WAD in exchange for the issuance of common shares of the Company to Aterra and WAD pursuant to the 2013 SPEA. The acquisition allowed the Company to consolidate ownership of its phosphate mineral property in Guinea-Bissau.

Aterra and WAD entered into a purchase and option agreement dated December 17, 2012, pursuant to which, subject to certain conditions, Aterra purchased from WAD 6,100,500 GBM AG common shares (representing 24.9% ownership in GBM AG) for an aggregate purchase price of \$3,500,000. Upon the shareholders' approval, GBML purchased from Aterra the purchased GBM AG shares in exchange for 9,661,200 newly issued common shares of the Company. Concurrently, GBML purchased from WAD 6,125,000 GBM AG common shares (representing 25% ownership in GBM AG) in exchange for 9,700,000 newly issued common shares of the Company.

Together the newly issued common shares represent the total consideration of 19,361,200 common shares paid for the remaining 49.9% of GBM AG's common shares.

4. Equipment

	Machinery and equipment*	Vehicles*	Furniture	Total
	\$	\$	\$	\$
Cost				
Balance at June 30, 2013	48,365	224,121	14,835	287,321
Additions during the period	-	-	-	-
Disposals during the period	-	(34,502)	-	(34,502)
Foreign exchange adjustments	3,456	14,467	1,060	18,983
Balance at December 31, 2013	51,821	204,086	15,895	271,802
Accumulated amortization				
Balance at June 30, 2013	21,778	121,271	6,249	149,298
Additions during the period	4,051	14,651	1,308	20,010
Disposals during the period	-	(23,555)	-	(23,555)
Foreign exchange adjustments	1,778	8,421	517	10,716
Balance at December 31, 2013	27,607	120,788	8,074	156,469
Net book value				
December 31, 2013	24,214	83,298	7,821	115,333
June 30, 2013	26,587	102,850	8,586	138,023

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, 2013 and 2012****(Expressed in Canadian dollars)****4. Equipment (Cont'd)**

**The usage of machinery and equipment, and vehicles are related to exploration activities, and of the \$20,010 of amortization incurred in the period of December 31, 2013 (December 31, 2012 - \$29,609), \$1,386 (December 31, 2012 - \$2,433) was charged to the statement of loss and comprehensive loss, and the remaining difference of \$18,624 (December 31, 2012 - \$27,176) was capitalized as exploration expenditures. For the period ended December 31, 2013, \$9,450 (December 31, 2012 - \$Nil) was written down for an impairment of a vehicle, reducing the net book value of the impaired vehicle to \$1,564 and sold at its salvage value as at December 31, 2013 (December 31, 2012 - \$13,442)*

5. 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 of West Africa, approximately five kilometers west of Farim and one hundred and twenty kilometers north of Bissau. The project consists of a high grade sedimentary phosphate deposit of a continuous phosphate bed, which extends over a known surface area of approximately forty square kilometers. 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, 2013	Year Ended June 30, 2013
Balance of exploration assets - beginning of the period	\$ 68,583,031	\$ 73,045,069
Expenditures capitalized during the period	2,070,206	9,374,463
Acquisition of remaining 49.9% of GB Minerals AG on April 4, 2013	-	7,014,056
Impairment of the mineral rights net of purchase consideration	-	(18,253,131)
Foreign exchange adjustments	382,627	(47,388)
Change in future tax liability	-	(2,550,038)
Balance of exploration assets – end of the period	\$ 71,035,864	\$ 68,583,031

The Company has determined that its non-financial assets as described in note 3 and 5 are not impaired as at December 31, 2013. However, if the discount rate associated with the Company's mineral properties was increased by 1%, an impairment loss of \$7,108,042 would have to be recognized.

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, 2013 and 2012

(Expressed in Canadian dollars)

6. Notes Payable

As at December 31, 2013, the Company has received a total aggregate amount of \$2,000,000 (June 30, 2013 - \$500,000) from an existing shareholder of the Company in exchange for promissory notes.

The promissory notes have the following terms:

- 1) The promissory note issued on September 26, 2013 in the amount of \$500,000 is due on demand provided that no such demand may be made until the earlier of (i) April 30, 2014 unless the Company is able to raise a minimum of \$3,000,000 in equity financing prior to April 30, 2014 and (ii) the occurrence of an event of default on convertible debentures issued to this same shareholder on April 4, 2013 (see notes 8a, 8b, and 8d). Under the provision of the promissory note, the principal shall remain outstanding until demanded and bear an interest at the rate of 15% per annum. Interest shall be payable quarterly in arrears on the 1st day of each January, April, July, and October (beginning on October 1, 2013).
- 2) The promissory note issued on November 12, 2013 in the amount of \$750,000 is due on demand provided that no such demand may be made until the earlier of (i) April 30, 2014 and (ii) the occurrence of an event of default on convertible debentures issued to this same shareholder on April 4, 2013 (see notes 8a, 8b, and 8d). Under the provision of the promissory note, the principal shall remain outstanding until demanded and bear an interest at the rate of 15% per annum. Interest shall be payable quarterly in arrears on the 1st day of each January, April, July, and October (beginning on January, 2014).
- 3) The promissory note issued on December 13, 2013 in the amount of \$750,000 is due on demand provided that no such demand may be made until the earlier of (i) June 30, 2014 and (ii) the occurrence of an event of default on convertible debentures issued to this same shareholder on April 4, 2013 (see notes 8a, 8b, and 8d). Under the provision of the promissory note, the principal shall remain outstanding until demanded and bear an interest at the rate of 15% per annum. Interest shall be payable quarterly in arrears on the 1st day of each January, April, July, and October (beginning on January, 2014).

7. Debt Payable

On January 30, 2013, the Company entered into an agreement with GBM Mineral Engineering Consultants ("GBMMEC") to settle the amounts owing over a specified period of time. As per the agreement dated January 30, 2013 and the amended settlement deed dated July 26, 2013, the Company has the ability to:

- Review and verify all of the outstanding accounts; and
- Discuss with GBMMEC any issues or concerns as a result of the review and verification regarding the quality of the work performed or amounts owed by the Company.

On August 30, 2013, the Company settled an aggregate principal amount of \$3.6 million of the long-term debt with GBMMEC through issuance of 9,000,000 common shares to GBMMEC at a price of \$0.40 per share. In addition, the parties agreed to defer the remainder of the quarterly principal payments and accrued interest such that they will begin on June 30, 2014.

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, 2013 and 2012****(Expressed in Canadian dollars)****7. Debt Payable (Cont'd)**

As at December 31, 2013, the debt outstanding is \$9,128,425 (£5,178,959) (June 30, 2013 - \$11,930,021), of which \$3,304,875 (June 30, 2013 - \$5,995,125) is due and payable within the next twelve-month period, and the remaining balance of \$5,823,550 (June 30, 2013 - \$5,934,896) will become due and payable beyond the twelve-month period. The Debt Payable is subject to interest at a rate of 8.5% per annum. The principal is payable in equal quarterly installments of \$1,101,625 (£625,000) from June 30, 2014 to June 30, 2016. As at December 31, 2013, the Company is committed to principal repayments as follows:

Year ended June 30, 2014	\$1,101,625
Year ended June 30, 2015	4,406,500
Year ended June 30, 2016	<u>3,620,300</u>
	\$9,128,425

8. Convertible Debentures*a) Convertible Debentures \$1,000,000*

On January 15, 2013, the Company closed the first tranche of its non-brokered private placement of senior secured convertible debentures of the Company for gross proceeds of \$1,000,000 issued to a shareholder of the Company. Each debenture has a face value of \$1,000, bearing interest of 10% per annum, fully secured by the assets of the Company. The debentures all rank pari passu in priority among each other and the principal amount and all accrued and unpaid interest is due and payable in full on March 31, 2014. Every \$1,000 principal amount of the debentures is convertible at any time, at the holder's option: (a) initially, into 10,000 common shares of the Company at a price of \$0.10 per common share; and (b) following a share consolidation, into common shares at a conversion price equal to \$0.01 per common share multiplied by the consolidation ratio. Security for the debentures shall become enforceable upon the occurrence of certain events of default, which will include, among other things, if the Company fails to pay the principal amount of the debentures when they become due and payable. The debentures are subject to a statutory four-month hold period from the date of issuance.

At initial recognition, the Company allocated the proceeds of \$1,000,000 of the debentures between current liabilities and the shareholders' equity. The allocation was performed by first estimating the fair value of the debentures which is the liability component in absence of the conversion feature. The Company then used the residual method to determine the value of equity component represented by the conversion feature which was determined to be \$105,815 as at January 15, 2013.

Subsequent to initial recognition, the liability component is amortized using the effective interest rate. The equity component is not re-measured after initial recognition. The Company did not incur any costs during this transaction.

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, 2013 and 2012

(Expressed in Canadian dollars)

8. Convertible Debentures (Cont'd)

b) Convertible Debentures \$500,000

On February 6, 2013, the Company closed the second tranche of its non-brokered private placement of senior secured convertible debentures of the Company for gross proceeds of \$500,000. Each debenture has a face value of \$1,000, bearing interest of 10% per annum, fully secured by the assets of the Company. The debentures all rank pari passu in priority among each other and the principal amount and all accrued and unpaid interest is due and payable in full on March 31, 2014. Every \$1,000 principal amount of the debentures is convertible at any time, at the holder's option: (a) initially, into 10,000 common shares of the Company at a price of \$0.10 per common share; and (b) following the Share Consolidation, into common shares at a conversion price equal to \$0.01 per common share multiplied by the consolidation ratio. Security for the debentures shall become enforceable upon the occurrence of certain events of default, which will include, among other things, if the Company fails to pay the principal amount of the debentures when they become due and payable. The debentures are subject to a statutory four-month hold period from the date of issuance.

At initial recognition, the Company allocated the proceeds of \$500,000 of the debentures between current liabilities and the shareholders' equity. The allocation was performed by first estimating the fair value of the debentures which is the liability in absence of the conversion feature. The Company then used the residual method to determine the value of equity component represented by the conversion feature which was determined to be \$50,775 as at February 6, 2013.

Subsequent to initial recognition, the liability component is amortized using the effective interest rate. The equity component is not re-measured after initial recognition. The Company did not incur any costs during this transaction.

On July 16, 2013, \$100,000 of the second tranche convertible debentures as described in note 8b was re-registered to an existing shareholder of the Company. The terms and conditions of these re-registered convertible debentures remain the same as described in note 8b.

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, 2013 and 2012****(Expressed in Canadian dollars)****8. Convertible Debentures (Cont'd)***c) Convertible Debentures \$430,000*

On March 22, 2013, the Company closed the third tranche of its non-brokered private placement of senior secured convertible debentures of the Company for gross proceeds of \$430,000. Each debenture has a face value of \$1,000, bearing interest of 10% per annum, fully secured by the assets of the Company. The debentures all rank pari passu in priority among each other and the principal amount and all accrued and unpaid interest is due and payable in full on March 31, 2014. Every \$1,000 principal amount of the debentures is convertible at any time, at the holder's option: (a) initially, into 10,000 common shares of the Company at a price of \$0.10 per common share; and (b) following the Share Consolidation, into common shares at a conversion price equal to \$0.01 per common share multiplied by the consolidation ratio. Security for the debentures shall become enforceable upon the occurrence of certain events of default, which will include, among other things, if the Company fails to pay the principal amount of the debentures when they become due and payable. The debentures are subject to a statutory four-month hold period from the date of issuance.

At initial recognition, the Company allocated the proceeds of \$430,000 of the debentures between current liabilities and the shareholders' equity. The allocation was performed by first estimating the fair value of the debentures which is the liability in absence of the conversion feature. The Company then used the residual method to determine the value of equity component represented by the conversion feature which was determined to be \$39,884 as at March 22, 2013.

Subsequent to initial recognition, the liability component is amortized using the effective interest rate. The equity component is not re-measured after initial recognition. The Company paid finder's fee of \$21,500 in connection with the transaction.

d) Convertible Debentures \$1,000,000

On April 4, 2013, the Company closed the final tranche of its non-brokered private placement of senior secured convertible debentures of the Company for gross proceeds of \$1,000,000 issued to a shareholder of the Company. Each debenture has a face value of \$1,000, bearing interest of 10% per annum, fully secured by the assets of the Company. The debentures all rank pari passu in priority among each other and the principal amount and all accrued and unpaid interest is due and payable in full on March 31, 2014. Every \$1,000 principal amount of the debentures is convertible at any time, into common shares of the Company at a conversion price of \$0.20 per common share. Security for the debentures shall become enforceable upon the occurrence of certain events of default, which will include, among other things, if the Company fails to pay the principal amount of the debentures when they become due and payable.

At initial recognition, the Company allocated the proceeds of \$1,000,000 of the debentures between current liabilities and the shareholders' equity. The allocation was performed by first estimating the fair value of the debentures which is the liability in absence of the conversion feature. The Company then used the residual method to determine the value of equity component represented by the conversion feature which was determined to be \$90,084 as at April 4, 2013.

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, 2013 and 2012

(Expressed in Canadian dollars)

8. Convertible Debentures (Cont'd)

d) Convertible Debentures \$1,000,000 (Cont'd)

Subsequent to initial recognition, the liability component is amortized using the effective interest rate. The equity component is not re-measured after initial recognition. The Company did not incur any costs during this transaction.

e) Convertible Debentures \$70,000

On April 4, 2013, the Company closed the final tranche of its non-brokered private placement of senior secured convertible debentures of the Company for gross proceeds of \$70,000. Each debenture has a face value of \$1,000, bearing interest of 10% per annum, fully secured by the assets of the Company. The debentures all rank pari passu in priority among each other and the principal amount and all accrued and unpaid interest is due and payable in full on March 31, 2014. Every \$1,000 principal amount of the debentures is convertible at any time, into common shares of the Company at a conversion price of \$0.20 per common share. Security for the debentures shall become enforceable upon the occurrence of certain events of default, which will include, among other things, if the Company fails to pay the principal amount of the debentures when they become due and payable.

At initial recognition, the Company allocated the proceeds of \$70,000 of the debentures between current liabilities and the shareholders' equity. The allocation was performed by first estimating the fair value of the debentures which is the liability in absence of the conversion feature. The Company then used the residual method to determine the value of equity component represented by the conversion feature which was determined to be \$6,307 as at April 4, 2013.

Subsequent to initial recognition, the liability component is amortized using the effective interest rate. The equity component is not re-measured after initial recognition. The Company paid finder's fee of \$3,500 in connection with this final tranche of the Private Placement.

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, 2013 and 2012****(Expressed in Canadian dollars)****9. 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 ¹	Amount
Balance, June 30, 2013	40,005,054	\$ 47,469,513
Shares issued for equity financing (b)(i)	15,000,000	3,000,000
Shares issued for settlement of GBMMEC debt (b)(ii)	9,000,000	3,600,000
Shares issued for settlement of other debt (b)(iii)(iv)	620,063	248,025
Shares issued for compensation for services (v)	1,800,000	234,000
Shares issue costs – filling fees	-	(36,000)
Balance, December 31, 2013	66,425,117	\$ 54,515,538

¹On March 25, 2013, the shareholders of the Company approved a consolidation of the Company's outstanding common shares on a 20-to-1 basis to reduce the issued and outstanding common shares from 387,877,088 to 19,393,854. Effective March 28, 2013, the Company's shares commenced trading on a consolidated basis under the symbol "GBL". All figures for common shares outstanding and earning per share have been adjusted retrospectively and are presented on a post-consolidation basis.

- i) On August 28, 2013, the Company closed a non-brokered private placement of 15,000,000 common shares of the Company at a price of \$0.20 per share and raised aggregate gross proceeds of \$3,000,000. The shares were purchased by an existing shareholder of the Company.
- ii) On August 30, 2013, the Company settled an aggregate principal amount of \$3.6 million of the long-term debt described in note 7 with GBMMEC through issuance of 9,000,000 common shares to GBMMEC at a price of \$0.40 per share. These shares are subject to a four-month hold period and will be locked up for a period of 21 months in accordance with the lock-up agreement between the Company and GBMMEC dated August 30, 2013, wherein 2.25 million shares will be subject to a 12-month lock-up period, 2.25 million shares will be subject to a 15-month lock-up period, 2.25 million shares will be subject to a 18-month lock-up period, and 2.25 million shares will be subject to a 21-month lock-up period.
- iii) On August 26, 2013, the Company settled an aggregate \$48,025 owed to a creditor for advisory services provided to the Company, by the issuance of a total of 120,063 common shares of the Company at a deemed price of \$0.40 per share. The shares were subject to a four month holding period.

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, 2013 and 2012

(Expressed in Canadian dollars)

9. Share Capital (Cont'd)

b) Issued and outstanding (Cont'd)

- iv) On October 5, 2013, the Company settled an aggregate \$200,000 in connection with advisory work related to project financing provided to the Company by the issuance of a total of 500,000 common shares of the Company at a deemed price of \$0.40 per share. The shares were subject to a four month holding period.
- v) On December 30, 2013, the Company issued 1,800,000 common shares to an officer and director of the Company in consideration of services provided pursuant to a consulting agreement whereby the shares were valued at the five day average trading price of \$0.13 per share as of the date on which the amount of compensation for services was approved by the board on November 18, 2013 for an aggregate value of \$234,000.

c) Stock options and share-based payment

- i) 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 but in any event will not be more than ten years after the grant date.
- ii) On January 30, 2013, 965,000 incentive stock options were granted to an officer and director of the Company. The assumptions utilized in determining the value of the 965,000 stock options granted was a share price of \$0.10, an exercise price of \$0.20, a risk-free interest rate of 1.50%, volatility of 203%, expected yield of nil, and an expected life of 5 years. The estimate of the fair value of the 965,000 stock options issued was \$93,510, of which 50% was immediately vested and exercisable upon issuance, and the remaining 50% was vested and exercisable on July 31, 2013 and recorded as share-based payment reserve.
- iii) On March 25, 2013, upon the shareholders' approval, an additional 35,000 incentive stock options were granted to the same officer and director of the Company as per note 9(c)(ii). The assumptions utilized in determining the value of the 35,000 stock options granted was a share price of \$0.20, an exercise price of \$0.20, a risk-free interest rate of 1.32%, volatility of 210%, expected yield of nil, and an expected life of 5 years. The estimate of the fair value of the 35,000 options issued was \$6,871, of which 50% was immediately vested and exercisable upon issuance, and the remaining 50% was vested and exercisable on July 31, 2013 and recorded as share-based payment reserve.

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, 2013 and 2012

(Expressed in Canadian dollars)

9. Share Capital (Cont'd)

c) Stock options and share-based payment (Cont'd)

- iv) On August 8, 2013, 2,000,000 incentive stock options were granted to directors of the Company. The assumptions utilized in determining the value of the 2,000,000 stock options granted was a share price of \$0.19, an exercise price of \$0.20, a risk-free interest rate of 2.13%, volatility of 215%, expected yield of nil, and an expected life of 7 years. The estimate of the fair value of the 2,000,000 stock options issued was \$378,394, of which one-third was immediately vested and exercisable upon issuance, and another one-third will vest and become exercisable on February 8, 2014, and the remaining one-third will vest and become exercisable on August 8, 2014 and be recorded as share-based payment reserve.
- v) On August 8, 2013, 333,000 incentive stock options were granted to an officer and a consultant of the Company. The assumptions utilized in determining the value of the 333,000 stock options granted was a share price of \$0.19, an exercise price of \$0.20, a risk-free interest rate of 2.13%, volatility of 215%, expected yield of nil, and an expected life of 7 years. The estimate of the fair value of the 333,000 stock options issued was \$63,003, of which one-third was immediately vested and exercisable upon issuance, and another one-third will vest and become exercisable on February 8, 2014, and the remaining one-third will vest and become exercisable on February 8, 2015 and be recorded as share-based payment reserve.
- vi) On August 8, 2013, 500,000 incentive stock options were granted to an officer of the Company. The assumptions utilized in determining the value of the 500,000 stock options granted was as share price of \$0.19, an exercise price of \$0.20, a risk-free interest rate of 1.77%, volatility of 215%, expected yield of nil, and an expected life of 5 years. The estimate of the fair value of the 500,000 stock options issued was \$93,490, of which one-third are vested during the first year of August 8, 2014, and another one-third will vest and become exercisable during the second year of August 8, 2015, and the remaining one-third will vest and become exercisable during the third year of August 8, 2016 and be recorded as share-based payment reserve.
- vii) On August 31, 2013, the following incentive stock options were forfeited:
 - a) 10,000 at a price of \$2.60 each.
 - b) 75,000 at a price of \$3.00 each.
- viii) On September 26, 2013, 917,000 incentive stock options were granted to directors, officers, and consultants of the Company. The assumptions utilized in determining the value of the 917,000 stock options granted was a share price of \$0.145, an exercise price of \$0.20, a risk-free interest rate of 2.21%, volatility of 215%, expected yield of nil, and an expected life of 7 years. The estimate of the fair value of the 917,000 stock options issued was \$132,308, of which one-third was immediately vested and exercisable upon issuance, and another one-third will vest and become exercisable on March 26, 2014, and the remaining one-third will vest and become exercisable on March 26, 2015 and be recorded as share-based payment reserve.

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, 2013 and 2012****(Expressed in Canadian dollars)****9. Share Capital (Cont'd)***c) Stock options and share-based payment (Cont'd)*

As at December 31, 2013, the Company had 4,832,000 (June 30, 2013 – 1,167,000) stock options outstanding. The following table summarizes information about stock options outstanding:

	Number ¹	Amount	Weighted average exercise price ¹
Balance, June 30, 2013	1,167,000	\$ 2,041,137	\$ 0.58
Stock options vested (c)(ii)	-	8,008	0.20
Stock options vested (c)(iii)	-	832	0.20
Stock options granted (c)(iv)	2,000,000	225,528	0.20
Stock options granted (c)(v)	333,000	37,551	0.20
Stock options granted (c)(vi)	500,000	12,380	0.20
Stock options forfeited (c)(vii)	(10,000)	-	2.60
Stock options forfeited (c)(viii)	(75,000)	-	3.00
Stock options granted (c)(ix)	917,000	67,494	0.20
Balance, December 31, 2013	4,832,000	\$ 2,392,930	\$ 0.24

¹Effective March 28, 2013, the Company's outstanding stock options were consolidated on a 20-to-1 basis to reduce the issued and outstanding stock options from 27,090,000 to 1,345,500. In addition, the exercise price of the stock options was multiplied by 20 pursuant to the consolidation of the stock options. All figures for stock options outstanding have been adjusted retrospectively and are presented on a post-consolidation basis.

The following table summarizes the options outstanding and exercisable at December 31, 2013:

Options outstanding at December 31, 2013	Exercise price	Options exercisable at December 31, 2013	Expiry date
22,000	\$2.00	22,000	September 24, 2015
965,000	0.20	965,000	January 30, 2018
35,000	0.20	35,000	March 25, 2018
500,000	0.20	66,210	August 8, 2018
2,333,000	0.20	777,667	August 8, 2020
917,000	0.20	305,667	September 26, 2020
60,000	3.00	60,000	March 24, 2021
4,832,000	\$0.24	2,231,544	

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, 2013 and 2012****(Expressed in Canadian dollars)****9. Share Capital (Cont'd)***d) Warrant Reserve*

As at December 31, 2013, the Company had 121,875 (June 30, 2013 – 1,137,500) warrants outstanding. The following table summarizes information about warrants outstanding:

	Number ¹	Amount	Weighted average exercise price ¹
Balance, June 30, 2013	1,137,500	\$ 615,859	\$ 2.00
Warrants expired (d)(i)	(507,812)	-	2.20
Warrants expired (d)(ii)	(507,813)	-	2.20
Balance, December 31, 2013	121,875	\$ 615,859	\$ 1.90

¹Effective March 28, 2013, the Company's outstanding share purchase warrants were consolidated on a 20-to-1 basis to reduce the issued and outstanding share purchase warrants from 22,750,000 to 1,137,500. In addition, the exercise price of the share purchase warrants was multiplied by 20 pursuant to the consolidation of the share purchase warrants. All figures for share purchase warrants outstanding have been adjusted retrospectively and are presented on a post-consolidation basis.

i) On July 17, 2013, 507,812 warrants were expired.

ii) On September 8, 2013, 507,813 warrants were expired.

The following table summarizes the warrants outstanding and exercisable at December 31, 2013:

Warrants outstanding at December 31, 2013		Warrants exercisable at December 31, 2013		Expiry date
	Exercise price			
60,937	\$1.60	60,937		January 17, 2014
60,938	1.60	60,938		March 17, 2014
121,875	\$1.60	121,875		

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, 2013 and 2012

(Expressed in Canadian dollars)

10. Commitments and Contractual Arrangements

- a) The Company has committed \$2,609 (June 30, 2013 – \$13,045) to future minimum payments as at December 31, 2013 under a Canadian operating service agreement on the rental of an office space located at #1500 – 701 West Georgia Street, Vancouver, BC.
- b) Although the ultimate amount of the environmental rehabilitation provision is uncertain, the best estimate of these obligations is based on information currently available, including environmental management plans, demobilization and ecological restoration plans and applicable regulations. Significant environmental management activities include site restoration and environmental regulations.

The provision for environmental rehabilitation as at December 31, 2013 is \$54,480 (June 30, 2013 - \$54,480). The provision was determined using a discounted cash flow rate of 2.96% and an estimated life of mine of 25 years for the Farim phosphate mining property.

11. Capital Management

As at December 31, 2013, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of \$54,515,538 (June 30, 2013 - \$47,469,513), share-based payment reserve for options of \$2,392,930 (June 30, 2013 – \$2,041,137), share-based payment reserve for warrants of \$615,859 (June 30, 2013 - \$615,859), fair value of convertible feature on convertible debentures of \$292,865 (June 30, 2013 - \$292,865), and deficit of \$11,706,440 (June 30, 2013 - \$8,242,151).

The Company's objective when managing capital structure is to ensure at its best effort that sufficient financial resources exist to meet the Company's strategic exploration and development objectives, and to ensure at its best effort that the Company continues 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. However, 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 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.

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, 2013 and 2012****(Expressed in Canadian dollars)****12. Related Party Transactions**

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

	Six Months Ended December 31, 2013	Six Months Ended December 31, 2012
Management and consulting fees	\$ 362,167	\$ 210,000
Share compensation for services, non-cash	234,000	-
Director fees	73,000	64,000
Stock options compensation, non-cash	337,502	-
Interest expense	256,310	-
Total	\$ 1,262,979	\$ 274,000

For the period ended December 31, 2013, the Company paid or accrued management and consulting fees of \$198,000 (December, 2012 - \$Nil) to an officer and director of the Company, \$104,167 (December 31, 2012 - \$Nil) to an officer of the Company of which \$31,250 (December 31, 2012 - \$Nil) was included in the capitalization of exploration expenditures; and \$60,000 (December 31, 2012 - \$30,000) to Artisan Consulting Ltd, a company controlled by an officer of the Company.

For the period ended December 31, 2013, the Company issued 1,800,000 common shares at \$0.13 per share for an aggregate value of \$234,000 (December 31, 2012 - \$Nil) to an officer and director of the Company in consideration of services provided pursuant to a consulting agreement dated January 30, 2013.

For the period ended December 31, 2013, management fees to related parties of \$Nil (December 31, 2012 - \$138,850) were included in accounts payable and accrued liabilities as at December 31, 2013. Director fees of \$54,000 (December 31, 2012 - \$64,000) for the period ended December 31, 2013 were included in accounts payable and accrued liabilities as at December 31, 2013.

For the period ended December 31, 2013, the Company expensed interest of \$256,310 (December 31, 2012 - \$Nil) to a shareholder on the Note Payable described in note 6 and Convertible Debentures described in notes 8a, 8b, and 8d. As at December 31, 2013, the outstanding balance of interest payable and interest accrued to this shareholder was \$216,882 (June 30, 2013 - \$76,028).

These transactions are in the normal course of operations and at the exchange rate agreed to by the related parties.

13. Segmented Information

The Company operates in three reportable segments: North America, Europe and Africa. Segments are defined as components for which separate financial information is available and is regularly evaluated by the chief operating decision maker.

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, 2013 and 2012****(Expressed in Canadian dollars)****13. Segmented Information (Cont'd)**

	North America	Europe	Africa	Total
Assets	\$ 818,772	\$ 15,502	\$ 71,399,208	\$ 72,233,482
Net Loss	\$ 2,890,569	\$ 165,665	\$ 408,055	\$ 3,464,289

14. 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

As at December 31, 2013, the Company's financial instruments consist of cash and cash equivalents, other receivable, bank indebtedness, accounts payable and accrued liabilities, notes payable, debt payable, and convertible debentures. 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, other receivable, bank indebtedness, accounts payable and accrued liabilities, notes payable, and convertible debentures, approximate their carrying values due to the short-term nature of these instruments. The fair value of debt payable approximates carrying value due to the market interest rate.

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 at its best effort 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.

The Company will issue equity at its best effort to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. 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. However, 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 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. The Company has a long-term portion of debt payable maturing beyond one year of \$5,823,550. Further information regarding liquidity risk is set out in note 1.

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14. Financial Instruments (Cont'd)

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.

There is no allowance for doubtful accounts recorded as at December 31, 2013 (June 30, 2013 - \$Nil).

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 exposed to the risk that the value of financial instruments will change due to movement in market interest rates. The Company holds approximately \$9,128,425 of debt payable at an interest rate of 8.5% per annum, \$3,000,000 of convertible debentures at an interest rate of 10% per annum and \$2,000,000 of notes payable at an interest rate of 15% per annum.

(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, 2013, 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 approximately \$621,284 increase or decrease of foreign exchange or loss respectively.

(iii) Commodity price risk

The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices, particularly as they relate to base and phosphate, individual equity movements, and the stock market in general to determine the appropriate course of action to be taken by the Company.

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15. Subsequent Events

- a) The Company entered into a contract with GBM Minerals Engineering Consultants Limited (“GBMMEC”) in January 2010 for the provision of engineering consultancy services in relation to the Company’s Farim Phosphate Project in Guinea Bissau. GBMMEC and the Company entered into a Settlement Deed on January 30, 2013, and a further amended Settlement Deed on July 26, 2013 to address outstanding invoices from GBMMEC to the Company for the period up to and including February 1, 2013. Prior to October 25, 2013, in accordance with the terms of the amended Settlement Deed, the Company submitted to GBMMEC a request for clarification in respect of a certain invoices over the lifetime of the contract to clarify a significant portion of the overall billed amount. To date, the Company has not received a response to this Request.

On January 7, 2014, the Company announced that GBMMEC has commenced legal action against the Company in the United Kingdom claiming \$1,047,078 (£594,019) plus interest and costs for unpaid professional fees invoiced during the period from March to September, 2013 in respect of the above contract. The Company intends to defend the claim.

- b) On January 15, 2014, Alpha Infrastructure LLC (“Alpha”) became a significant shareholder of the Company pursuant to a private share sale with WAD. As a result of the acquisition, Alpha beneficially holds 14,339,446 shares of GBML. In connection with the acquisition, Mr. Leonce Aspelin has resigned as a director of GBML effective immediately and is coordinating with the Company to remove himself from positions with its subsidiaries. In addition, in connection to the acquisition, the Company issued a promissory note in the amount of \$119,450 (CHF 100,000) jointly to Leonce Aspelin and Roland Penetsdorfer for the sole purpose of settling various accounts payable items and accrued liabilities of GBM AG as at December 31, 2013. Under the provision of the promissory note, the principal amount bears no interest and shall be due and payable on its maturity date, which is the earlier of (i) the date that the Company receives its next financing; and (ii) June 30, 2014; provided however, that \$59,725 (CHF 50,000) of the principal amount shall not, in any event, become due and payable until such time as the Company has received all of the documents required to be provided by Geologie Exploitation Environment Expertise Mine (“GEEM”).
- c) On January 17, 2014, 60,937 warrants were expired.
- d) On January 21, 2014, the Company announced that Mr. Luis da Silva, an Independent Director of the Company, has been appointed President and Chief Executive Officer, effective immediately. Aligned with this appointment, Mr. Owen Ryan, the Interim President and Interim Chief Executive Officer, who has overseen the restructuring of the group over the past twelve months, will remain as Chairman.

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- e) On February 7, 2014, the Company issued a note payable for a total aggregate amount of \$500,000 to an existing shareholder of the Company in exchange for a promissory note. The principal amount is matured and due on demand provided that no such demand may be made until the earlier of (i) August 7, 2014 and (ii) the occurrence of an event of default on convertible debentures issued to this same shareholder on April 4, 2013 (see notes 8a, 8b, and 8d). Under the provision of the promissory note, the principal shall remain outstanding until demanded and bear an interest at the rate of 15% per annum. Interest shall be payable quarterly in arrears on the 1st day of each January, April, July, and October (beginning on April 1, 2014).
- f) On February 20, 2014, the Company announced that Mr. Brent de Jong and Mr. Robert Edwards have been appointed to the Board of Directors, effective immediately.

16. Comparative Figures

On March 25, 2013, the shareholders of the Company approved a consolidation of the Company's outstanding common shares on a 20-to-1 basis to reduce the issued and outstanding common shares from 387,877,088 to 19,393,854. Effective March 28, 2013, the Company's shares commenced trading on a consolidated basis under the symbol "GBL". All figures for common shares outstanding and earning per share have been adjusted retrospectively.

In addition, certain comparative figures for December 31, 2012 have been re-classified to conform with the condensed interim consolidated financial statements presentation for the current period.