Consolidated Financial Statements of

GB MINERALS LTD.

(An exploration stage company)
(Formerly Plains Creek Phosphate Corp.)

For the Years Ended June 30, 2013 and 2012

(Expressed in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
GB Minerals Ltd.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **GB Minerals Ltd.** and its subsidiaries, which comprise the consolidated statements of financial position as at June 30, 2013 and June 30, 2012, and the consolidated statements of loss and comprehensive loss, cash flows and changes in equity for the years ended June 30, 2013 and June 30, 2012, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparations and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of **GB Minerals Ltd.** and its subsidiaries as at June 30, 2013 and June 30, 2012, and its financial performance and its cash flows for the years ended June 30, 2013 and June 30, 2012 in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that **GB Minerals Ltd.** incurred a net loss of $21,553,191 for the year ended June 30, 2013 and, as of that date, the company's current liabilities exceed current assets by $13,661,572. These conditions, along with other matters as set forth in Note 1, indicate the existance of a material uncertainty that may cast significant doubt about **GB Minerals Ltd.'s** ability to continue as a going concern.

SF Partnership, LLP

Toronto, Canada
October 25, 2013

LICENSED PUBLIC ACCOUNTANTS

GB MINERALS LTD.
(An exploration stage company)
(Formerly Plains Creek Phosphate Corp.)
Consolidated Statement of Financial Position
(Expressed in Canadian dollars)

	June 30, 2013	June 30, 2012
ASSETS		
Current Assets		
Cash and cash equivalents	$ 175,122	$ 14,733
Other receivable	23,305	232,664
Notes receivable (note 4)	-	883,000
Prepaid expenses	20,047	70,492
	218,474	1,200,889
Equipment (note 5)	138,023	202,687
Intangible assets:		
Other assets	255	620
Mineral rights (note 6)	68,583,031	73,045,069
Total Assets	$ 68,939,783	$ 74,449,265

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

GB MINERALS LTD.
(An exploration stage company)
(Formerly Plains Creek Phosphate Corp.)
Consolidated Statement of Financial Position
(Expressed in Canadian dollars)

	June 30, 2013	June 30, 2012
LIABILITIES & SHAREHOLDERS' EQUITY		
Current Liabilities		
Bank indebtedness	$ 26	$ 3,302
Accounts payable and accrued liabilities	4,586,655	8,105,221
Notes payable (note 7)	500,000	-
Current portion of debt payable (note 8)	5,995,125	-
Convertible debentures (note 9)	2,798,240	-
Advances from related parties (note 10)	-	764,057
	13,880,046	8,872,580
Long-term portion of debt payable (note 8)	5,934,896	-
Provision for reclamation and rehabilitation (note 13b)	54,480	43,357
Deferred income tax liability (note 11)	6,949,838	9,499,876
	26,819,260	18,415,813
Shareholders' Equity		
Share capital (note 12)	47,469,513	40,035,887
Share-based payment reserve – options (note 12)	2,041,137	1,949,596
Share-based payment reserve - warrants (note 12)	615,859	615,859
Fair value of convertible feature on convertible debentures (note 9)	292,865	-
Cumulative Translation Reserve	(56,700)	60,656
Deficit	(8,242,151)	(10,707,474)
Shareholders' Equity	42,120,523	31,954,524
Non-Controlling Interest	-	24,078,928
Total Shareholders' Equity	42,120,523	56,033,452
Total Liabilities and Shareholders' Equity	$ 68,939,783	$ 74,449,265

Commitments and Contractual Arrangements (note 13)

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 consolidated financial statements.

GB MINERALS LTD.
(An exploration stage company)
(Formerly Plains Creek Phosphate Corp.)
Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Year Ended June 30, 2013	Year Ended June 30, 2012
Expenses		
Management and consulting fees	$ 801,111	$ 989,511
Interest expense (income)	704,359	(36,340)
Professional fees (audit and legal)	653,106	369,051
General and administrative	539,348	920,273
Travel	282,716	600,118
Financial advisory	247,460	700,734
Salaries and wages	222,252	202,528
Director fees	121,400	115,000
Investor relations	117,120	323,286
Stock options compensation	91,541	-
Filing and transfer agent fees	43,602	42,755
Finders' fees	25,000	-
Amortization	4,909	3,993
Loss (Gain) on foreign exchange	(50,438)	36,892
Loss before other loss	3,803,486	4,267,801
Other expense (income)		
Impairment of intangible assets (note 3)	18,253,131	-
Loss (Gain) on debt settlement (note 10)	(503,426)	-
Net Loss before income taxes	21,553,191	4,267,801
Deferred income taxes	-	-
Net Loss	21,553,191	4,267,801
Other Comprehensive Loss (Income)		
Currency translation differences translating foreign operations	149,230	(72,325)
Currency translation differences translating non-controlling interest	28,540	(72,036)
Comprehensive Loss	$ 21,730,961	$ 4,123,440
Comprehensive Loss (Income) attributable to:		
Controlling equity holders	$ 21,296,201	$ 3,461,479
Non-controlling interest	434,760	661,961
	$ 21,730,961	$ 4,123,440
Weighted Average Number of Shares Outstanding	24,253,527	18,179,709
Loss per Share – basic and diluted	$ 0.89	$ 0.23

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

GB MINERALS LTD.
(An exploration stage company)
(Formerly Plains Creek Phosphate Corp.)
Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Year Ended June 30, 2013	Year Ended June 30, 2012
Operating Activities:		
Net (loss) for the period	$ (21,553,191)	$ (4,267,801)
Adjustments for non-cash items:		
Amortization (note 5)	4,909	3,993
Impairment of intangible assets (note 3)	18,253,131	-
Gain on settlement of debt (note 10b)	(503,426)	
Shares issued for consulting services	-	250,000
Stock options compensation	91,541	-
Convertible debentures – amortization (note 9)	91,307	-
Warrants issued for consulting services	-	(5,800)
Interest expense (income)	613,052	(23,234)
Unrealized foreign exchange adjustment	(35,008)	-
Changes in non-cash working capital:		
Other receivable	210,552	(67,585)
Prepaid expenses	50,526	2,223,043
Accounts payable and accrued liabilities	1,691,305	882,353
Net Cash used in Operating Activities	(1,085,302)	(1,005,031)
Investing Activities:		
Additions in mineral rights (note 6)	(9,327,075)	(4,372,903)
Notes receivable	883,000	(883,000)
Purchase of equipment	(873)	(171,973)
Disposal of equipment	4,538	-
Net Cash used in Investing Activities	(8,440,410)	(5,427,876)
Financing Activities:		
Bank indebtedness	(3,276)	3,302
Issuance of convertible debentures (note 9)	3,000,000	-
Notes payable (note 7)	500,000	-
Issuance of common shares (net of costs) (note 3 and 10)	-	3,007,200
Exercise of options	-	25,500
Advances from related parties	-	8,986
Proceeds from debt payable (note 8)	6,188,113	-
Net Cash Provided by Financing Activities	9,684,837	3,044,988
Impact of foreign exchange on cash	1,264	11,423
Net increase (decrease) in cash and cash equivalents	160,389	(3,376,496)
Cash and cash equivalents - beginning of period	14,733	3,391,229
Cash and cash equivalents - end of period	$ 175,122	$ 14,733

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

GB MINERALS LTD.
(An exploration stage company)
(Formerly Plains Creek Phosphate Corp.)
Consolidated Statement of Changes in Equity
(Expressed in Canadian dollars)

	Number of Common Shares[1]	Common Shares	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, 2011	**17,247,034**	**$37,053,456**	**$ 1,949,596**	**$ 321,391**	**$ -**	**$ 24,740,889**	**$ (11,669)**	**$ (7,173,670)**	**$ 56,879,993**
Private placement	2,031,250	3,250,000	-	-	-	-	-	-	3,250,000
Shares issued for prior year's subscription	6,666	-	-	-	-	-	-	-	-
Share issue cost – in cash	-	(242,800)	-	-	-	-	-	-	(242,800)
Share issue cost – brokers' warrants	-	(44,972)	-	44,972	-	-	-	-	-
Shares issued for consulting services	96,154	250,000	-	-	-	-	-	-	250,000
Shares issued for exercise of options	12,750	25,500	-	-	-	-	-	-	25,500
Warrants expired	-	1,940	-	(7,740)	-	-	-	-	(5,800)
Warrants valuation – subscription warrants	-	(149,298)	-	149,297	-	-	-	-	(1)
Warrants valuation – warrants extension	-	(107,939)	-	107,939	-	-	-	-	-
Other comprehensive gain	-	-	-	-	-	72,036	72,325	-	144,361
Loss for the period	-	-	-	-	-	(733,997)	-	(3,533,804)	(4,267,801)
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**
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	-	-	-	-	-	(406,220)	-	-	(406,220)
Other comprehensive loss attributable to non-controlling interest up to April 4, 2013	-	-	-	-	-	(28,540)	-	-	(28,540)
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
Convertible debentures – equity portion	-	-	-	-	292,865	-	-	-	292,865
Other comprehensive loss	-	-	-	-	-	-	(149,230)	-	(149,230)
Loss for the period	-	-	-	-	-	-	-	(21,146,971)	(21,146,971)
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**

[1] 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.

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

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 6).

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 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.

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

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 June 30, 2013, the Company had negative working capital of $13,661,572 (June 30, 2012 - $7,671,691) and net loss of $21,553,191 (June 30, 2012 - $4,267,801). Accordingly, 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.

2. Significant Accounting Policies

a) Statement of compliance with IFRS

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") on a historical cost convention. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

2. Significant Accounting Policies (Cont'd)

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 consolidated statements.

The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as at October 25, 2013, the date the Board of Directors approved these consolidated financial statements for issue.

Presentation of the consolidated statements of financial position differentiates between current and non-current assets and liabilities. The consolidated statements of loss and comprehensive loss are prepared using the functional classification.

c) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, GBM Holdings (formerly Plains Creek Mining Limited) and its wholly owned subsidiary, GBM AG and its wholly owned subsidiary GBM SARL. 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.

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 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 AG and GBM Holdings, are the Canadian dollar, and the functional currency of its wholly owned subsidiary, GBM SARL, is the Central Africa 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.

2. Significant Accounting Policies (Cont'd)

d) Functional currency translation (Cont'd)

i) Functional and presentation currency (cont'd)

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 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, 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 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.

2. Significant Accounting Policies (Cont'd)

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 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) Cash and cash equivalents

Cash and cash equivalents include cash on deposit and highly liquid short-term interest bearing investment accounts held with reputable financial institutions that are readily convertible to known amounts of cash with original maturities of less than 90 days.

h) Equipment

Equipment is stated at cost less accumulated amortization and accumulated impairment losses, if any. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. The carrying amount of a replaced asset is derecognized when replaced. Repairs and maintenance costs are charged to the statement of loss during the period in which they are incurred.

The major categories of equipment are amortized on a declining balance basis as follows:

Machinery and equipment	30%
Vehicles	30%
Furniture	30%

The Company allocates the amount initially recognized in respect of an item of equipment to its significant parts and amortizes separately each such part. Residual values, method of amortization and useful lives of the assets are reviewed annually and adjusted if appropriate.

Gains and losses on disposals of equipment are determined by comparing the proceeds with the carrying amount of the asset and are included as part of other gains and losses in the statement of loss and comprehensive loss during the period.

2. Significant Accounting Policies (Cont'd)

i) Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

At initial recognition, the Company classifies its financial instruments in the following categories depending on the purpose for which the instruments were acquired:

i) Financial assets and liabilities at fair value through profit or loss

A financial asset or liability is classified in this category if acquired principally for the purpose of selling or repurchasing in the short-term. Derivatives are also included in this category unless they are designated as hedges. The Company at this time does not have any financial instruments in this category.

Financial instruments in this category are recognized initially and subsequently at fair value. Transaction costs are expensed in the statement of loss. Gains and losses arising from changes in fair value are presented in the statement of loss within other gains and losses in the period in which they arise. Financial assets and liabilities at fair value through profit and loss are classified as current except for the portion expected to be realized or paid beyond twelve months of the balance sheet date, which is classified as non-current.

ii) Available-for-sale investment

Available-for-sale investments are non-derivatives that are either designated in this category or not classified in any of the other categories. The Company at this time does not have any financial instruments in this category.

Available-for-sale investments are recognized initially at fair value plus transaction costs and are subsequently carried at fair value. Gains or losses arising from changes in fair value are recognized in other comprehensive loss. Available-for-sale investments are classified as non-current, unless the investment matures within twelve months, or management expects to dispose of them within twelve months.

2. Significant Accounting Policies (Cont'd)

i) Financial instruments (Cont'd)

Interest on available-for-sale investments, calculated using the effective interest method, is recognized in the statement of loss as part of interest expense or income. Dividends on available-for-sale equity instruments are recognized in the statement of loss as part of other gains and losses when the Company's right to receive payment is established. When an available-for-sale investment is sold or impaired, the accumulated gains or losses are moved from accumulated other comprehensive loss to the statement of loss and included in other gains and losses.

iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's loans and receivables are comprised of cash and cash equivalents, other receivable, and notes receivable and are included in current assets due to their short-term nature. Loans and receivables are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method less a provision for impairment, if any.

iv) Held to maturity investments

Held to maturity investments are non-derivative financial assets with no fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured originally at fair value and then subsequently at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, the financial asset is measured at the estimated present value of future cash flows discounted at the entity's original effective interest rate. Any changes to the carrying amount of the investment are recognized in the statement of loss and comprehensive loss. The Company at this time does not have any held to maturity investments.

vi) Other financial liabilities

Other financial liabilities at amortized cost are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. Other financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

The Company has classified its bank indebtedness, accounts payable and accrued liabilities, notes payable, debt payable, convertible debentures, and advances from related parties as other financial liabilities.

2. Significant Accounting Policies (Cont'd)

j) Impairment of financial assets

At each reporting date, the Company assesses whether there is objective evidence that a financial asset is impaired. If such evidence exists, the Company recognizes an impairment loss, as follows:

i) Financial assets carried at amortized cost

The loss is the difference between the amortized cost of the financial assets and the present value of the estimated future cash flows, discounted using the instrument's original effective interest rate. The carrying amount of the asset is reduced by this amount either directly or indirectly through the use of an allowance account. The amount of the impairment is recognized in net loss.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognized.

k) Revenue recognition

Revenue will be recorded when the fair value of the consideration is received or receivable and will be recognized to the extent that it is probable that the economic benefits will flow to the Company and when the revenue can be reliably measured.

Interest income is recognized as it accrues using the effective interest rate method.

l) Non-controlling interests

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Their share of net loss and comprehensive loss is recognized directly in equity. Changes in the parent company's ownership interest in subsidiaries that do not result in a loss of control are accounted for as an equity transaction.

m) Comprehensive income or loss

Comprehensive loss is the change in equity of an enterprise during a period from transactions, events and circumstances other than those under the control of management and the owners. It includes all changes in equity during a period except those resulting from investments by owners and distributions to owners. The Company reports comprehensive loss in its consolidated statement of loss and comprehensive loss and in its consolidated statement of equity.

2. Significant Accounting Policies (Cont'd)

n) Income taxes

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in profit and loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred taxes are recorded using the statement of financial position liability method. Under the statement of financial position liability method, deferred tax assets and liabilities are recognized for future tax consequences attributable to unused tax losses and unused tax credits and differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The following temporary differences are not provided for: initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that affects neither accounting nor taxable loss and is not a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. Future tax assets and liabilities are measured using the enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the unused tax losses and unused tax credits and temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Any such reduction will be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

o) Identifiable intangible assets

The Company's intangible assets include computer software that is not required for the operation of the on-site hardware and mineral rights with finite useful lives. Acquired computer software assets are capitalized and amortized on a declining balance basis as follows:

Software	50%

Mineral Rights

The Company is in the exploration and development stage and defers all expenditures related to its mineral rights until such time as the property is put into commercial production, sold or abandoned. Under this method, the amounts reported represent costs incurred to date less amounts amortized and/or written off, and do not necessarily represent present or future values.

2. Significant Accounting Policies (Cont'd)

o) Identifiable intangible assets (Cont'd)

i) Pre-Exploration

Pre-exploration costs in areas where a legal right to explore has not been obtained are expensed as incurred.

ii) Exploration and evaluation expenditures

Exploration and evaluation ('E&E') costs incurred after the legal right to explore is obtained, but before technical feasibility and commercial viability of the project have been demonstrated are capitalized as E&E assets. These include the costs of acquiring the licenses and directly attributable general and administrative costs. All applicable costs are capitalized as either tangible or intangible E&E assets depending on the nature of the assets acquired. The costs are accumulated in cost centers by exploration area.

iii) Development and production costs

When technical feasibility and commercial viability of a property is established and the Company determines that it will proceed with development, all E&E costs attributable to that area are reclassified to construction in progress within property, plant and equipment or as intangible assets depending on the nature of the expenditure. If economically recoverable ore deposits are developed, the capitalized costs of the related property will be amortized using the unit-of-production method following the commencement of production.

p) Impairment of non-financial assets

Non-financial assets are reviewed for impairment if there is any indication that the carrying amount may not be recoverable. If any such indication is present, the recoverable amount of the asset is estimated in order to determine whether an impairment exists. Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Any intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

A CGU recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

2. Significant Accounting Policies (Cont'd)

p) Impairment of non-financial assets (Cont'd)

If the recoverable amount of an asset or CGU is estimated to be less than its carrying amount, the carrying amount is reduced to the recoverable amount. Impairment is recognized immediately in profit or loss. Where an impairment subsequently reverses, the carrying amount is increased to the revised estimate of recoverable amount but only to the extent that this does not exceed the carrying value that would have been determined if no impairment had previously been recognized.

Industry specific indicators for an impairment review on mineral rights and capitalized exploration related expenditures arise typically when one of the following circumstances applies:

- Substantive expenditure on further exploration and evaluation activities is neither budgeted nor planned;
- Title to the asset is compromised;
- Adverse changes in variations in commodity prices and markets; and
- Variations in the exchange rate for the currency of operation

For the year end June 30, 2013, the Company has incurred an impairment loss of $18,253,131 (June 30, 2012 - $Nil), reducing the amount of the mineral properties due to the revaluation of its previously-held interests in GBM AG as described in note 3. If the discount rate associated with the Company's mineral properties was increased by 1%, a further impairment loss of $4,655,207 would have to be recognized.

q) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss (refer to note 13b).

2. Significant Accounting Policies (Cont'd)

q) Restoration, rehabilitation and environmental obligations (Cont'd)

Decommissioning costs are also adjusted for changes in estimates. Those adjustments are accounted for as a change in the corresponding capitalized cost, except where a reduction in costs is greater than the unamortized capitalized cost of the related assets, in which case the capitalized cost is reduced to nil and the remaining adjustment is recognized in profit or loss.

The operations of the Company have been, and may in the future be, affected from time to time in varying degrees by changes in environmental regulations, including those for site restoration costs. Both the likelihood of new regulations and their overall effect upon the Company are not predictable.

r) Share-based payments

The Company has a stock-based compensation plan, which is described in note 12. The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense and an increase to share-base payment reserve. Any consideration paid by individuals on the exercise of stock options or purchase of stock is credited to share capital plus the amounts originally recorded as share base payment reserve. An individual is classified as an employee when they are an employee for legal purposes, or primarily performing services similar to the services that would be provided by a legal employee.

s) Non-monetary transactions

Transactions with no cash consideration are measured at the fair value of either the asset given up or the asset received, whichever is more reliably determinable.

t) Loss per share

Basic loss per share is calculated by dividing the net loss available to common shareholders by the weighted average number of shares outstanding during the period. Diluted earnings per share reflect the potential dilution of securities that could share in earnings of an entity. In a loss year, potentially dilutive common shares are excluded from the loss per share calculations as the effect would be anti-dilutive.

2. Significant Accounting Policies (Cont'd)

u) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate fair values of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange for control of the acquiree. Transaction costs directly attributable to the acquisition are expensed. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at fair values at the date of acquisition, irrespective of the extent of any non-controlling interest.

Goodwill is initially measured as the excess of the fair value of consideration paid over the fair value of the net identifiable tangible and intangible assets acquired. If the fair value of consideration paid is less than the fair value of the net identifiable tangible and intangible assets acquired, the difference is recognized directly in the consolidated statement of loss and comprehensive loss as a gain or bargain purchase.

v) New accounting standards and recent pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the year ended June 30, 2013, and have not been applied in preparing these 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:

International Accounting Standards		Effective Date
IAS 1 – Presentation of Financial Statements	In June 2011, the International Accounting Standard Board (IASB) issued an amendment to International Accounting Standard (IAS) 1, which requires entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.	January 1, 2013
IAS 27 – Separate Financial Statements	As a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 28 has been amended to include joint ventures in its scope to address the changes in IFRS 10 to IFRS 13.	January 1, 2013

2. Significant Accounting Policies (Cont'd)

v) New accounting standards and recent pronouncements (Cont'd)

International Accounting Standards		Effective Date
IAS 32 – Financial Instruments: Presentation	The objective of this Standard is to establish principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses, and gains; and the circumstances in which financial assets and financial liabilities should be offset. The principles in this Standard complement principles for recognizing and measuring financial assets and financial liabilities in IFRS 9, and for disclosing information about them in IFRS 7. Concurrent with the amendments to IFRS 7, the IASB also amended IAS 32 to clarify the existing requirements for offsetting financial instruments in the balance sheet.	January 1, 2014
IFRS 9 – Financial Instruments	IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely. Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments – Recognition and Measurement, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.	January 1, 2015

2. Significant Accounting Policies (Cont'd)

v) New accounting standards and recent pronouncements (Cont'd)

International Accounting Standards		Effective Date
IFRS 9 – Financial Instruments	IFRS 9 is effective for annual periods beginning on or after January 2015 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its consolidated financial statements or whether to early adopt any of the new requirements.	January 1, 2015
IFRS 10 – Consolidated Financial Statements	IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 Consolidation - Special Purpose Entities and parts of IAS 27 Consolidated and Separate Financial Statements.	January 1, 2013
IFRS 12 – Disclosure of Interests in Other Entities	IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.	January 1, 2013
IFRS 13 – Fair Value Measurement	IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.	January 1, 2013

2. Significant Accounting Policies (Cont'd)

v) New accounting standards and recent pronouncements (Cont'd)

International Accounting Standards		Effective Date
IFRIC 20 - Stripping Costs in the Production Phase of a Mine	IFRIC 20 clarifies the requirements for accounting for the costs of stripping activity in the production phase when two benefits accrue: (i) useable ore that can be used to produce inventory and (ii) improved access to further quantities of material that will be mined in future periods. IFRIC 20 is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted and includes guidance on translation for pre-existing stripping assets. The Company does not anticipate that IFRIC 20 will impact its results of operations or financial position until it enters the production phase.	January 1, 2013

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.

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.

3. Acquisition of GB Minerals AG (Cont'd)

Details of the purchase consideration and the net assets acquired are as follows:

Purchase consideration		
Fair value of 9,661,200 shares paid to Aterra for 24.9%	$	3,500,000[1]
Fair value of 9,700,000 shares paid to WAD for 25%		3,514,056[2]
Total value of 49.9% of GBM AG		**7,014,056**
		49.9%
Implied value of 100% of GBM AG	**$**	**14,056,225**
Fair value of assets and liabilities acquired:		
Assets		
Cash	$	74,767
Other Receivables		9,936
Mineral Properties		28,488,312
Machinery and equipment		28,406
Software		382
Vehicles		112,550
Furniture		9,184
Liabilities		
Accounts payable and accrued liabilities		(1,305,347)
Advances - WAD		(452,842)
Advances – GB Minerals Holdings Ltd.		(5,959,286)
Deferred tax liability		(6,949,838)
Total fair value of net assets as at April 4, 2013	**$**	**14,056,225**

The Company expensed costs of $256,427 related to the transaction described above in its financial statements.

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[1] *As stated in note 3, Aterra agreed to purchase and WAD agreed to sell 6,100,500 GBM AG common shares (representing 24.9% ownership in GBM AG) for an aggregate purchase price of $3,500,000. Subject to the agreement, Aterra immediately thereafter sold to the Company, and the Company purchased from Aterra, the 6,100,500 GBM AG common shares in consideration of 9,661,200 newly issued common shares of the Company implying a fair value paid of $0.36227383761 per common share of the Company or an aggregate fair value of $3,500,000 consideration paid.*

[2] *As stated in note 3, the Company purchased from WAD 6,125,000 GBM AG common shares (representing 25% ownership in GBM AG) for an aggregate of 9,700,000 newly issued common shares of the Company. Based on an implied fair value as noted above of $0.36227383761 per common share of the Company, the fair value of the consideration transferred is determined to be $3,514,056.*

3. Acquisition of GB Minerals AG (Cont'd)

Re-measurement of previously held equity interest to its acquisition-date fair value

The Company recognized a loss as a result of measuring at fair value on April 4, 2013 its 50.1% equity interest in GBM AG held prior to the acquisition date. This loss has been included in other losses and is calculated as follows

Impairment on previously acquired assets		
Consideration paid for previously acquired 50.1%	$	25,295,300
Less: implied fair value of 50.1%		(7,042,169)[3]
Total impairment on previously acquired assets	**$**	**18,253,131**

4. Notes Receivable

As at June 30, 2013, the Company has advanced a total aggregate amount of $Nil (June 30, 2012 - $883,000) to an entity in exchange for a promissory note. The note was unsecured, due on demand and bore interest at 7%. The Company received a total aggregate amount of $883,000 for settlement of the promissory notes on July 12, 2012, plus $25,943 of interest on November 29, 2012.

[3] *Prior to April 4, 2013, the Company held 12,274,500 GBM AG common shares (representing 50.1%) which were acquired on February 25, 2011. At April 4, 2013 these had a fair value derived based on the fair value of the 49.9% acquired on this date or $7,014,056 divided by the 49.9% interest acquired and multiplied by the 50.1% interest held or $7,042,169.*

GB MINERALS LTD.
(An exploration stage company)
(Formerly Plains Creek Phosphate Corp.)
Notes to the Consolidated Financial Statements
For the years ended June 30, 2013 and 2012
(Expressed in Canadian dollars)

5. Equipment

	Machinery and equipment*	Vehicles*	Furniture	Total
	$	$	$	$
Cost				
Balance at June 30, 2011	10,395	102,295	-	112,690
Additions during the period	39,012	137,175	21,210	197,397
Foreign exchange adjustments	(1,599)	(16,238)	(886)	(18,723)
Balance at June 30, 2012	47,808	223,232	20,324	291,364
Additions during the period	-	-	873	873
Disposals during the period	-	-	(4,538)	(4,538)
Foreign exchange adjustments	557	889	(1,824)	(378)
Balance at June 30, 2013	**48,365**	**224,121**	**14,835**	**287,321**
Accumulated amortization				
Balance at June 30, 2011	3,119	30,688	-	33,807
Additions during the period	7,987	48,190	3,686	59,863
Foreign exchange adjustments	(500)	(4,384)	(109)	(4,993)
Balance at June 30, 2012	10,606	74,494	3,577	88,677
Additions during the period	10,903	45,640	3,369	59,912
Foreign exchange adjustments	269	1,137	(697)	709
Balance at June 30, 2013	**21,778**	**121,271**	**6,249**	**149,298**
Net book value				
June 30, 2013	**26,587**	**102,850**	**8,586**	**138,023**
June 30, 2012	37,202	148,738	16,747	202,687
June 30, 2011	7,276	71,607	-	78,883

**The usage of machinery and equipment, and vehicles are related to exploration activities, and of the $59,912 of amortization incurred in the period of June 30, 2013 (June 30, 2012 - $54,870), $4,544 (June 30, 2012 - $3,577) was charged to the statement of loss, and the remaining difference of $55,368 (June 30, 2012 - $51,293), was capitalized as exploration expenditures.*

6. Mineral Rights

<u>*Farim Phosphate Project*</u>

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 production 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.

6. Mineral Rights (Cont'd)

	June 30, 2013	June 30, 2012
Balance of exploration assets - beginning of the period	$ 73,045,069	$ 61,854,205
Expenditures capitalized during the period	9,374,463	11,341,371
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	(47,388)	(150,507)
Change in future tax liability	(2,550,038)	-
Balance of exploration assets – end of the period	**$ 68,583,031**	**$ 73,045,069**

7. Notes Payable

As at June 30, 2013, the Company has received a total aggregate amount of $500,000 (June 30, 2012 - $Nil) from an existing shareholder of the Company in exchange for a promissory note. The note is due on demand provided that no such demand may be made until the earlier of (i) November 27, 2013 and (ii) the occurrence of an event of default on convertible debentures issued to this same shareholder on April 4, 2013 (see note 9d). 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 July 1, 2013).

8. 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, 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.

As at June 30, 2013, the debt outstanding is $11,930,021 (£7,464,430) (June 30, 2012 - $Nil), of which $5,995,125 (June 30, 2012 - $Nil) is due and payable within the next twelve-month period, and the remaining balance of $5,934,896 (June 30, 2012 - $Nil) 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 $999,188 (£625,000) from January 1, 2013 to December 31, 2015. As at June 30, 2013, the Company is committed to principal repayments as follows:

Year ended June 30, 2014	$ 5,995,125
Year ended June 30, 2015	3,995,624
Year ended June 30, 2016	1,939,272
	$11,930,021

8. Debt Payable (Cont'd)

During the year, the Company agreed with GBMMEC to postpone the first two quarterly installments until a further agreement could be reached to amend the settlement deed. This agreement was entered into on July 26, 2013 as described in note 18e.

9. 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.

9. 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.

9. 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.

9. Convertible Debentures (Cont'd)

d) Convertible Debentures $1,000,000 (cont'd)

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.

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.

10. Advances from Related Parties

a) Advances from Related Parties

As at June 30, 2013, advances received from WAD, the minority interest holder of GBM AG, and subordinated shareholders amounted to $Nil (June 30, 2012 - $764,057). The advances were interest bearing at 4% per annum, unsecured and due on demand.

b) Exchanged GB Minerals AG Debt

On April 4, 2013, the Company issued 1,250,000 common shares to WAD equivalent to a fair value of $452,843 in exchange for the assignment of the issuance by WAD to the Company or advances received from WAD (the "GBM AG Debt") (refer to note 10a). WAD assigned to GBML the GBM AG Debt in consideration of GBML issuing and delivering to WAD 1,250,000 common shares.

Exchanged GB Minerals Debt		
Book value of liability	$	864,708[4]
Less: Settlement amount		452,843[5]
Gain on Settlement	**$**	**411,866**
Add: Gain on write-off of accounts payable to WAD		91,560
Total Gain	**$**	**503,426**

11. Income Taxes and Deferred Tax

In assessing the realization of the Company's deferred income tax assets, management considers whether it is probable that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of deferred income tax assets considered realizable could change materially in the near term based on future taxable income generated during the carry-forward period.

(a) Deferred Income Tax Assets and Liabilities

Deferred income tax assets and liabilities:	June 30, 2013	June 30, 2012
Non-capital tax losses carried forward	$ 2,413,536	$1,743,539
Exploration and development expenses	35,323	294,627
Financing fees	509,868	593,419
Unrealized gains on foreign exchange	(36,655)	-
Total gross deferred income tax assets	2,922,072	2,631,585
Valuation allowance	(2,922,072)	(2,631,585)
Deferred income tax assets	$ -	$ -

[4] *Balance of WAD's advance to GBM AG as at April 4, 2013.*
[5] *Settlement amount represents the fair value of the balance of WAD's advance to GBM AG as at April 4, 2013.*

11. Income Taxes and Deferred Tax (Cont'd)

(a) Deferred Income Tax Assets and Liabilities (Cont'd)

The Company's deferred income tax liability of $6,949,838 is attributable to differences between the book value and the tax value at acquisition of GBM AG.

(b) Non-capital Losses

As at June 30, 2013 the Company can carry forward Canadian non-capital losses to reduce taxable income in future years of approximately $9,168,316 expiring as follows:

Year 2027	$ 116,090
Year 2028	$ 74,853
Year 2029	$ 918,766
Year 2030	$1,515,796
Year 2031	$1,099,158
Year 2032	$2,545,442
Year 2033	$2,898,211

As at June 30, 2013 the Company can carry forward Swiss non-capital losses to reduce taxable income in future years of approximately $816,482 expiring as follows:

Year 2018	$ 337,782
Year 2019	$ 478,700

(c) Income Tax Reconciliation

	Year Ended June 30, 2013	Year Ended June 30, 2012
Income tax recovery expected at statutory rates	$ (5,388,298)	$ (1,098,959)
Foreign jurisdiction tax rate difference	(1,302)	75,395
No tax benefit of losses due to foreign jurisdiction tax holiday	160,410	254,967
Effect of changes in enacted rate and other	(48,859)	(73,934)
Permanent difference	83,654	(245)
Impairment of mineral rights	4,563,283	-
Future benefit on financing fees	-	(551,258)
Valuation allowance	290,487	1,461,585
Prior year adjustments	340,625	(67,551)
Income taxes (recovery)	$ -	$ -

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12. 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, 2011	17,247,034	$ 37,053,456
Private placement (b)(v)(vii)	2,031,250	3,250,000
Share issue costs – in cash (b)(v)(vii)	-	(242,800)
Share issue costs – brokers' warrants (b)(v)(vii)	-	(44,972)
Issued for consulting services (b)(iii)	96,154	250,000
Issued on exercised of stock options (b)(i)	12,750	25,500
Issued on exercise of prior year's subscription (b)(ii)	6,666	-
Warrants valuation – brokers' warrants expired (b)(iv)	-	1,940
Warrants valuation – subscription warrants (b)(v)(vii)	-	(149,298)
Warrants valuation – warrants extension (b)(vi)	-	(107,939)
Balance, June 30, 2012	19,393,854	$ 40,035,887
Shares issued for acquisition of 49.9% of GB Minerals AG (b)(viii)	19,361,200	7,014,056
Shares issued for exchanged GB Minerals AG's debt (b)(ix)	1,250,000	452,843
Shares issue costs – filling fees (b)(viii)(ix)	-	(33,273)
Balance, June 30, 2013	**40,005,054**	**$ 47,469,513**

[1]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 and are presented on a post-consolidation basis.

i) On July 4, 2011, options allowing for the purchase of up to 12,750 shares in aggregate were exercised for gross proceeds in the amount of $25,500.

ii) On July 18, 2011, the Company issued 6,666 common shares at the price of $1.50 per share.

12. Share Capital (Cont'd)

(b) *Issued and outstanding (Cont'd)*

iii) On July 24, 2011, the Company issued 96,154 common shares at the price of $2.60 per share pursuant to an advisory services agreement between the Company and Byron Securities which was approved by the TSX Venture Exchange on July 15, 2011.

iv) On December 31, 2011, 8,089 warrants were expired.

v) On January 17, 2012, the Company announced the closing of the first tranche of its brokered private placement of 1,015,625 units at a price of $1.60 per unit raising gross proceeds of $1,625,000. Each unit consisted of one common share of the Company and one-half of common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $2.20 for a period of 18 months from the date of issuance. Under this first tranche, the Company paid a commission of $67,500 and consulting fee of $40,000 respectively in cash and issued 60,937 broker warrants at a fair value of $22,425.

vi) On February 25, 2012, 739,310 broker's warrants issued on February 25, 2011 were extended to November 25, 2012 with an additional fair value of $107,939.

vii) On March 8, 2012, the Company announced the closing of the second tranche of its brokered private placement of 1,015,625 units at a price of $1.60 per unit raising gross proceeds of $1,625,000. Each unit consists of one common share of the Company and one-half of common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of $2.20 for a period of 18 months from the date of issuance. Under this second tranche, the Company paid a commission of $67,500 and out-of-pocket cost of $67,800 respectively in cash and issued 60,937 broker's warrants at a fair value of $22,547.

viii) On April 4, 2013, the Company issued 19,361,200 common shares at the fair value price of $0.36 (rounded) per share pursuant to the acquisition of the remaining 49.9% of GBM AG's shares that the Company did not already indirectly own from Aterra and WAD pursuant to the 2013 SPEA (refer to note 3).

ix) On April 4, 2013, the Company issued 1,250,000 common shares to WAD equivalent to fair value of $452,843 in exchange for the assignment of the issuance by WAD to the Company of advances received from WAD (refer to note 10a).

12. Share Capital (Cont'd)

(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 July 4, 2011, options allowing for the purchase of up to 12,750 shares in aggregate were exercised for gross proceeds in the amount of $25,500.

iii) On January 31, 2012, 5,000 incentive stock options at a price of $4.40 each were cancelled.

iv) On January 30, 2013, the following incentive stock options were expired or forfeited:

a) 55,250 at a price of $2.00 each.

b) 27,500 at a price of $2.60 each.

c) 812,500 at a price of $3.00 each.

v) 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% will vest and become exercisable on July 31, 2013 and be recorded as share-based payment reserve.

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12. Share Capital (Cont'd)

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

vi) 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 12(c)(v). 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% will vest and become exercisable on July 31, 2013 and be recorded as share-based payment reserve.

vii) On June 25, 2013, 150,000 incentive stock options at a price of $3.00 each forfeited.

viii) On June 26, 2013, 37,500 incentive stock options at a price of $3.00 each were forfeited.

As at June 30, 2013, the Company had 1,167,000 (June 30, 2012 – 1,249,750) stock options outstanding. The following table summarizes information about stock options outstanding:

	Number[1]	Weighted average exercise price[1]
Balance, June 30, 2011	1,267,500	$ 3.00
Stock options exercised (c)(ii)	(12,750)	2.00
Stock options cancelled (c)(iii)	(5,000)	4.40
Balance, June 30, 2012	1,249,750	3.00
Stock options expired (c)(iv)	(55,250)	2.00
Stock options expired (c)(iv)	(27,500)	2.60
Stock options forfeited (c)(iv)	(812,500)	3.00
Stock options granted (c)(v)	965,000	0.20
Stock options granted (c)(vi)	35,000	0.20
Stock options forfeited (c)(vii)	(150,000)	3.00
Stock options forfeited (c)(viii)	(37,500)	3.00
Balance, June 30, 2013	**1,167,000**	**$ 0.58**

[1]Effective 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.

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12. Share Capital (Cont'd)

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

The following table summarizes the options outstanding and exercisable at June 30, 2013.

Options outstanding at June 30, 2013	Exercise price	Options exercisable at June 30, 2013	Expiry date
22,000	$2.00	22,000	September 24, 2015
10,000	2.60	10,000	February 28, 2021
135,000	3.00	135,000	March 24, 2021
965,000	0.20	482,500	January 30, 2018
35,000	0.20	17,500	March 25, 2018
1,167,000	$0.58	667,000	

(d) Warrant Reserve

As at June 30, 2013, the Company had 1,137,500 (June 30, 2012 – 1,877,215) warrants outstanding. The following table summarizes information about warrants outstanding:

	Number[1]	Amount
Balance, June 30, 2011	914,804	$ 321,391
Warrants expired (d)(i)(ii)(iii)(iv)	(175,089)	(7,740)
Warrants issued for brokers' warrants (b)(v)(vii)	121,875	44,972
Warrants issued for subscription (b)(v)(vii)	1,015,625	149,297
Warrants extension (b)(vi)	-	107,939
Balance, June 30, 2012	1,877,215	$ 615,859
Warrants expired (d)(v) and (vi)	(739,715)	-
Balance, June 30, 2013	**1,137,500**	**$ 615,859**

[1]*Effective 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 December 31, 2011, 8,089 warrants were expired.

ii) On February 14, 2012, 75,000 warrants were expired.

iii) On June 2, 2012, 12,500 warrants were expired.

iv) On June 11, 2012, 79,500 warrants were expired.

v) On September 17, 2012, 404 warrants were expired.

vi) On November 25, 2012, 739,311 warrants were expired.

12. Share Capital (Cont'd)

(d) Warrant Reserve (Cont'd)

The following table summarizes the warrants outstanding and exercisable at June 30, 2013.

Warrants outstanding at June 30, 2013	Exercise price	Warrants exercisable at June 30, 2013	Expiry date
507,812	$2.20	507,812	July 17, 2013
507,812	2.20	507,812	September 8, 2013
60,938	1.60	60,938	January 17, 2014
60,938	1.60	60,938	March 17, 2014
1,137,500	$2.00	1,137,500	

13. Commitments and Contractual Arrangements

a) Upon surrender of the operating lease agreement for rental of office space located on #1660 – 401 West Georgia Street, Vancouver, BC, the Company has committed $13,045 (June 30, 2012 – $239,763) to future minimum payments as at June 30, 2013 under a new 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 June 30, 2013 is $54,480 (June 30, 2012 - $43,357). 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.

14. Capital Management

As at June 30, 2013, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of $47,469,513 (June 30, 2012 - $40,035,887), share-based payment reserve for options of $2,041,137 (June 30, 2012 – 1,949,596), share-based payment reserve for warrants of $615,859 (June 30, 2012 - $615,859), non-controlling interest of $Nil (June 30, 2012 - $24,078,928), and deficit of $8,242,151 (June 30, 2012 - $10,707,474).

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 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.

15. Related Party Transactions

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

	Year Ende June 30, 2013	Year Ended June 30, 2012
Management and consulting fees	$ 602,500	$ 460,000
Share-based payments, non-cash (note 12 c(v)(vi))	91,541	-
Interest expense	137,933	-
Gain on settlement of debt (note 10)	503,426	-
Total	$ 1,335,400	$ 460,000

For the year ended June 30, 2013, the Company paid or accrued management and consulting fees of $255,000 (June 30, 2012 - $Nil) to an officer and director of the Company, $180,000 (June 30, 2012 - $280,000) to Silverbridge Capital Corp., $90,000 (June 30, 2012 - $120,000) to CJP Management Inc., and $77,500 (June 30, 2012 - $60,000) to Artisan Consulting Ltd.

As at June 30, 2013, management fees to related parties of $163,417 (June 30, 2012 - $100,542) were included in accounts payable and accrued liabilities.

For the year ended June 30, 2013, the Company expensed interest of $137,933 (June 30, 2012 - $Nil) to a shareholder on the Note Payable described in note 7 and Convertible Debentures described in notes 9a and 9d. As at June 30, 2013, $137,993 (June 30, 2012 - $Nil) was included in accounts payable and accrued liabilities.

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

16. 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.

	North America	Europe	Africa	Total
Assets	$ 178,416	$ 16,335	$ 68,745,032	$ 68,939,783
Net Loss	1,954,580	718,284	18,880,327	21,553,191

17. 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 June 30, 2013, the Company's financial instruments consist of cash and cash equivalents, other receivable, notes receivable, bank indebtedness, accounts payable and accrued liabilities, notes payable, debt payable, convertible debentures and advances from related parties. 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, notes receivable, bank indebtedness, accounts payable and accrued liabilities, notes payable, convertible debentures, and advances from related parties 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 $5,934,896. Further information regarding liquidity risk is set out in note 1.

17. 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 June 30, 2013 (June 30, 2012 - $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 $11,930,021 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 $500,000 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 June 30, 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 $768,296 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.

18. Subsequent Events

a) On July 17, 2013, the Company issued a note payable for a total aggregate amount of $200,000 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) November 27, 2013 and (ii) the occurrence of an event of default on convertible debentures issued to this same shareholder on April 4, 2013 (refer to note 9d). Under the provision of the promissory note, the principal amount shall remain outstanding 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).

b) On August 8, 2013, the Company granted an aggregate 2,833,000 incentive stock options to directors, officers and employees of the Company pursuant to the Company's stock option plan subject to the policies of the TSX Venture Exchange. All of the stock options are exercisable at a price of $0.20 per share for a period of seven years.

c) On August 7, 2013, the Company issued a note payable for a total aggregate amount of $1,000,000 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) March 31, 2015 and (ii) the occurrence of an event of default on convertible debentures issued to this same shareholder on April 4, 2013 (refer to note 9d). Under the provision of the promissory note, the principal amount shall remain outstanding 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).

d) 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 in consideration of the notes payable described in note 7, note 18a and note 18c as well as additional cash consideration. Upon closing of this non-brokered private placement, this shareholder now owns an aggregate of 47.4% of the issued and outstanding common shares of the Company. The proceeds of this non-brokered private placement are for property payments on the Company's Farim Phosphate mineral property and for related in-country expenses in Guinea-Bissau and for additional working capital. The shares are subject to a four-month hold period from the date of issuance.

18. Subsequent Events (Cont'd)

e) On August 30, 2013, the Company settled an aggregate principal amount of $3.6 million of the long-term debt described in note 8 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. 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.

f) On September 26, 2013, 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) November 27, 2013 and (ii) the occurrence of an event of default on convertible debentures issued to this same shareholder on April 4, 2013 (refer to note 9d). Under the provision of the promissory note, the principal amount shall remain outstanding 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).

g) On October 8, 2013, the Company announced agreements to settle an aggregate $248,025 in outstanding debt owed to two creditors, $200,000 in connection with advisory work related to project financing provided to the Company and $48,025 owed to a creditor for advisory services provided to the Company, by the issuance of a total of 620,063 common shares of the Company at a deemed price of $0.40 per Share. The shares will be subject to a four month holding period and the issuance of the shares will be subject to the approval of the TSX Venture Exchange.

h) On October 23, 2013, the Company has exercised its rights in the settlement deeds with GBMMEC as described in note 8 and has undertaken the analysis to "review GBMMEC's unpaid invoices to request clarification" for the purpose of price validation.

19. 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 June 30, 2012 have been re-classified to conform with current period's financial statements presentation.