**MANAGEMENT'S DISCUSSION AND ANALYSIS OF**

# GB MINERALS LTD.

(Formerly Plains Creek Phosphate Corp.)

**For the Three and Nine Months Ended March 31, 2013 and 2012**

**(Expressed in Canadian dollars)**

**Dated as of May 27, 2013**

This Management Discussion and Analysis ("MD&A") of the consolidated financial condition, results of operations, and cash flows of GB Minerals Ltd. ("GBML" or the "Company") (formerly Plains Creek Phosphate Corp.) are for the three and nine months ended March 31, 2013 and 2012. This MD&A should be read in conjunction with the Company's unaudited interim consolidated financial statements and related notes thereto for the three and nine months ended March 31, 2013 and 2012 and with the Company's audited consolidated financial statements and related notes for the year ended June 30, 2012.

The financial information in this MD&A is derived from the Company's unaudited interim consolidated financial statements which have been prepared in Canadian dollars unless otherwise noted, in accordance with International Accounting Standard as issued by the International Accounting Standards Board. The content of this MD&A has been approved by the Board of Directors, on the recommendation of its Audit Committee. This MD&A is dated May 27, 2013 and is current to date, unless otherwise noted.

Additional information relating to the Company is available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com as well as the Company's website at www.gbminerals.com.

## DESCRIPTION AND HISTORY OF BUSINESS

The Company was incorporated under the British Columbia Business Corporations Act on July 24, 2007 under the name of Resource Hunter Capital Corp. ("RHC"). The Company is a TSX Venture Exchange (the "Exchange") Tier 2 listed mineral exploration and development company focusing on developing the Farim Phosphate Project located in Guinea-Bissau, West Africa (the "Farim Project").

Resource Hunter Capital Corp. ("RHC") entered into a letter of agreement dated August 17, 2010 (the "Letter Agreement") which was amended on September 30, 2010, November 16, 2010, and January 20, 2011, with PCM, a private corporation incorporated in the province of Ontario on February 23, 2010 and continued pursuant to the laws of British Columbia effective November 25, 2010, with respect to the acquisition by RHC of PCM (the "RTO Transaction"). On February 25, 2011, RHC and PCM completed the RTO Transaction which has been accounted for as a reverse takeover of net assets in accordance with the Company's accounting policies on reverse takeover transactions that do not constitute a business combination. As a result, RHC carries on the business of Plains Creek Mining Limited. RHC changed its name to Plains Creek Phosphate Corp. ("PCP") effective May 16, 2011 and subsequently to GB Minerals Ltd. trading under the symbol "GBL" effective March 28, 2013.

## OVERVIEW AND HIGHLIGHTS

### Major Events

On February 22, 2011, RHC filed a National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101") technical report on the preliminary economic assessment of the Farim Project dated February 10, 2011 (the "Farim Technical Report"). The Farim Technical Report conforms to NI 43-101. The purpose of the Farim Technical Report is to provide a preliminary assessment of the economic potential of the Farim Project as well as to provide the Farim Technical Report for the Filing Statement for the proposed listing of the Company on the Exchange for the RTO Transaction. The qualified persons of the Farim Technical Report are as follows:

- John S. Warwick, BSc (hons), PIMMM, CEng, EurIng (mining), of IMC Group Consulting Ltd.;
- Andre Lambert, BSc, MIMMM, EurGeol, of IMC Group Consulting Ltd.;
- Alex Mitchell, MIMMM, CEng, of GBM Minerals Engineering Consultants Ltd.; and
- Michael Short, FIMMM, CEng, of GBM Minerals Engineering Consultants Ltd.

Concurrent with the closing of the RTO Transaction, PCM completed a brokered private placement of 184,827,614 (9,241,381 after a share consolidation on March 28, 2013) common shares (the "PCM Shares") at a price of $0.13 per PCM Share for gross proceeds of $24,027,590 (the "Concurrent Financing") and concurrently completed an acquisition of a 50.1% ownership interest in GB Minerals AG ("GBM AG"), a Swiss company that owns 100% of the Farim Project, comprised of mining agreements and exploration licenses of a significant phosphate mineral property located in West Africa.

Under the Concurrent Financing, M Partners Inc. (the "Agent") acted on behalf of PCM. The Agent received a 4% cash commission, 7,393,105 (369,655 after a share consolidation on March 28, 2013) common shares (the "Agent's Shares") of PCM and 14,786,209 (739,310 after a share consolidation on March 28, 2013) broker's warrants (the "Broker Warrants") as part of its corporate finance and success fees for the Concurrent Financing. Each Broker's Warrant entitled the Agent to purchase one PCM Share at a price of $0.13 per PCM Share for a period of 12 months.

On February 25, 2011, RHC and PCM completed the RTO Transaction which has been accounted for as a reverse takeover transaction that does not constitute a business combination. The RTO Transaction was structured as an amalgamation between a wholly owned subsidiary of RHC and PCM whereby on the closing date of the RTO Transaction, all of the issued and outstanding securities in the capital of PCM where exchanged on a one-for-one basis for like securities of the Company. The outstanding convertible securities of PCM, including warrants and options, (the "PCM Convertible Securities") were exchanged for like corresponding convertible securities of the Company having the same terms as are set out in the documentation of the PCM Convertible Securities. As a result of the RTO Transaction, the business of PCM became the business of the Company.

As a result of the RTO Transaction completed on February 25, 2011, the Company owns a 50.1% ownership interest in GBM AG of Switzerland, which in turns own 100% of the mining agreements and exploration licenses to develop the Farim Project located in Guinea-Bissau, West Africa. The Company through its wholly-owned subsidiary PCM, which acquired a 50.1% ownership interest in GBM AG pursuant to a share purchase agreement between PCM and WAD Consult AG ("WAD") as most recently amended on February 18, 2011 (the "Share Purchase Agreement"). As consideration for the 50.1% ownership of GBM AG, PCM paid €9,000,000 in cash and issued 101,000,000 (5,050,000 after a share consolidation on March 28, 2013) common shares to WAD (the "Acquisition"). The PCM Shares issued to WAD were subsequently exchanged on a one-for-one basis for common shares of the Company under the RTO Transaction. Through PCM, the Company also has the option to acquire a further 49.9% ownership of GBM AG under a shareholders' agreement (the "Shareholders' Agreement") governing the ownership of GBM AG, including:

(i) the option to acquire an additional 24.9% of GBM AG (to bring its total ownership up to 75%) at a purchase price of €13,500,000 by December 31, 2012, conditional upon arrangement of financing to bring the Farim Project into production; and

(ii) the option to acquire an additional 25% of GBM AG (to bring its total ownership up to 100%) at a purchase price of €13,500,000 by December 31, 2015, conditional upon commencement of production on the Farim Project

PCM was the operator of the Farim Project and operating costs of GBM AG in respect of the Farim Project will be financed by the Company on behalf of PCM (as the Company is the sole owner of PCM) until December 2011. Thereafter, PCM (and the Company as the sole owner of PCM) has and will finance operating expenses and capital costs of GBM AG in respect of the Farim Project by the way of a shareholder loan to GBM AG, pursuant to the terms of the Share Purchase Agreement. Pursuant to the Share Purchase Agreement, the Company was required to complete a definitive feasibility study by December 31, 2012.

Pursuant to the RTO Transaction on February 25, 2011, RHC acquired all of the issued and outstanding shares of PCM, including those issued pursuant to the Concurrent Financing and the Acquisition, and issued 331,320,719 (16,566,036 after a share consolidation on March 28, 2013) common shares to the shareholders of PCM and 15,012,709 (750,635 after a share consolidation on March 28, 2013) warrants to holders of PCM warrants on February 25, 2011. The Company had 344,940,678 (17,247,034 after a share consolidation on March 28, 2013) and 387,877,088 (19,393,854 after a share consolidation on March 28, 2013) common shares issued and outstanding as at June 30, 2011 and June 30, 2012, respectively.

On September 13, 2012, the Company filed a technical report entitled, "Technical Report on the Preliminary Economic Assessment of the Direct Shipping Option of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" dated effective September 5, 2012 (the "DSO PEA") on SEDAR. This was the first step in the development of GBM AG's Farim Project located in Guinea-Bissau, West Africa. The DSO PEA was prepared by GBM Minerals Engineering Consultants Limited ("GBMMEC") in conjunction with Golder Associates (U.K.) Ltd. ("Golder"), all of whom are independent of the Company and GB Minerals AG.

On or about November 23, 2012, the Company filed on SEDAR its two feasibility studies (the "Feasibility Studies") for its two respective production alternatives: firstly, the 1 Million tonne per year Beneficiated Phosphate Rock Concentrate ("BPRC") Project; and secondly, the 1.3 Million tonne per year Direct Shipping Option ("DSO") Phosphate Rock Project dated effective November 2, 2012. The Feasibility Studies were prepared for GB Minerals AG and the Company by GBM Minerals Engineering Consultants Limited ("GBMMEC") in conjunction with Golder Associates Limited ("Golder"), W.F. Baird & Associates Ltd. ("Baird"), GEEEM Consultants and Tropica Environmental, all of whom are independent of the Company and GB Minerals AG. The qualified persons of the Feasibility Studies are as follows:

- Dr. Marcelo Godoy, MAusIMM (CP) of Golder in Santiago, Chile, who is a Qualified Person as defined in NI 43-101, prepared and is responsible for the Mineral Resource Estimate for the Farim Project;
- Terry Kremmel, PE (MO and NC), SME (CP) of Golder, who is a Qualified Persons as defined in NI 43-101, prepared and is responsible for the Mineral Reserve Estimate for the Farim Project;
- Michael Short, FIMMM, CEng. of GBMMEC, who is a Qualified Persons as defined in NI 43-101, prepared (or supervised and approved the preparation thereof) and are responsible for other parts of the Feasibility Studies;
- Richard Elmer, C.Eng., MIMMM (CP) of Golder, who is a Qualified Persons as defined in NI 43-101, prepared (or supervised and approved the preparation thereof) and are responsible for other parts of the Feasibility Studies;
- Dr. Martin Preene, CEng FICE, CGeol FGS, CSci CEnv C.WEM FCIWEM (CP) of Golder, who is a Qualified Persons as defined in NI 43-101, prepared (or supervised and approved the preparation thereof) and are responsible for other parts of the Feasibility Studies;
- Hendrik J.H. Otto, Pr Eng (SA) of Golder, who is a Qualified Persons as defined in NI 43-101, prepared (or supervised and approved the preparation thereof) and are responsible for other parts of the Feasibility Studies; and
- Matthew Clark, PE CEng PMP (QP) of Baird, who is a Qualified Persons as defined in NI 43-101, prepared (or supervised and approved the preparation thereof) and are responsible for other parts of the Feasibility Studies.

Those two production alternatives address the first phase of development of GBM AG's Farim Project in Guinea-Bissau, West Africa. The second phase would contemplate mining and processing of 2 Million tonnes per year of BPRC with an open pit mine, processing plant, pipeline, and port construction, which would be assessed in a separate feasibility study.

On November 26, 2012, the Company received comments from British Columbia Securities Commission ("BCSC") on the Feasibility Studies filed on November 23, 2012. As a result, on January 17, 2013 the Company filed a new, single current technical report for the feasibility study on the Company's Farim Phosphate Project entitled, "Feasibility of the Beneficiated Phosphate Rock Concentrate of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" dated effective December 19, 2012 (the "Report"). The Report supercedes the previously filed technical reports entitled, "Feasibility of the Beneficiated Phosphate Rock Concentrate of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" and the "Feasibility Study of the Direct Shipping Option of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report", each dated effective November 2, 2012 (the "Previous Reports"). The Report was prepared further to comments received from the British Columbia Securities Commission (the "BCSC") on November 26, 2012. In particular, the Report has made the following changes from the Previous Reports to address BCSC comments and meet the requirements of NI 43-101:

• disclosure is amended to show power costs separately from the combined water and power costs, including disclosure of gross power consumption and power cost individually and in more detail, using standard industry measures, with explanations of the basis for estimation;

• an after-tax economic analysis has been provided, with a detailed analysis of applicable taxes and royalties and the basis for assumption of those applicable taxes which provides reasonable grounds for certainty; and

• product pricing has been clarified to a level of certainty supported by quotes, contracts, agreements or industry information.

The Report was prepared by the following qualified persons who are responsible for the entirety of the Report with respect to their respective sections of the Report: Michael Short, BE, FIMMM, CEng, Richard Elmer, CEng, MIMMM (CP), Dr. Martin Preene, CEng, Dr. Marcelo Godoy, MAusIMM (CP), Terry Kremmel, PE (MO and NC), SME (CP), Hendrik J.H. Otto, PrEng (SA) and Matthew Clark, P.E., CEng, PMP (QP). All of the foregoing qualified persons are independent from the Company pursuant to NI 43-101.

On April 4, 2013 the Company acquired the remaining 49.9% of the shares of its 50.1%-owned subsidiary, GB Minerals AG ("GB"), which owns 100% of the Farim Phosphate Project mineral property in Guinea-Bissau, West Africa (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, Plains Creek Mining Limited, GB, Aterra Investments Limited ("Aterra") and WAD Consult AG ("WAD") dated February 22, 2013 (the "Agreement"). The Acquisition allowed the Company to consolidate ownership of its phosphate mineral property and opened up opportunities for further advancing the project. Pursuant to the Agreement, Aterra was issued 9,661,200 of the Company's common shares and now holds a total of 11,067,450 common shares of the Company, representing 27.7% of the issued and outstanding shares of the Company on an undiluted basis and WAD was issued an aggregate of 10,950,000 common shares (the "WAD Shares") of the Company and now holds 16,000,000 common shares of the Company representing 40% of the issued and outstanding shares of the Company on an undiluted basis. The WAD Shares are subject to a lock-up and shareholders agreement (the "Lock-Up Agreement") between WAD and the Company dated April 4, 2013 (the "Closing Date"), and will be held in escrow and released to WAD in accordance with the terms of the Lock-Up Agreement set out below. Pursuant to the terms and conditions of the Lock-Up Agreement WAD has agreed not to sell, transfer, create any Lien on or otherwise dispose of any of the WAD Shares until the first anniversary of the Closing Date, and thereafter such shares may only be sold, transferred, made subject to any lien or otherwise disposed of as follows:

(i) 2,737,500 WAD Shares at any time following the expiration of 1 year from the Closing Date;

(ii) an additional 2,737,500 WAD Shares at any time following the expiration of 15 months from the Closing Date;

(iii) an additional 1,875,000 WAD Shares at any time following the expiration of 18 months from the Closing Date; and

(iv) an additional 3,600,000 WAD Shares at any time following the expiration of 21 months from the Closing Date (the "Final Tranche Shares").

In addition, to secure certain contingent indemnity obligations of WAD to the Company and Aterra related to the Acquisition, the Final Tranche Shares are also subject to a share pledge for a period that could potentially extend beyond the maximum 21 month escrow period under the Lock-Up Agreement.

**Corporate**

On February 25, 2011, Mr. Glenn Laing replaced Mr. Carson Phillips as the Company's President and Chief Executive Officer upon completion of the RTO Transaction; and Mr. Carson Phillips was appointed as the Company's Vice President of Corporate Development. Ms. Angel Law remains as the Company's current Chief Financial Officer and has held the position since May 28, 2010.

All the resolutions proposed at the Annual and Special and General Meeting of the shareholders of the Company held on April 21, 2011 (the "AGM") were duly passed. At the AGM, each of Mr. Glenn Laing, Mr. Carson Philips, Mr. Guocai Liu, Mr. James Xiang, the Hon. John Reynolds, and Mr. Paul Jones were elected to the Board of Directors (the "Board"), and SF Partnership LLP, Chartered Accountants, was appointed as auditor of the Company.

On August 10, 2011, the Company announced that it engaged Byron Capital Markets Ltd. ("Byron") to provide certain strategic advisory services to assist in commercialization of the Company's mineral property assets. Further to this engagement, the TSX Venture Exchange has approved the agreement between the parties for payment of the $250,000 advisory services fee by way of the issuance of common shares (the "Shares") of the Company following the end of the term of the engagement on July 23, 2011. Under the terms of the engagement, the Company would be entitled to pay the advisory fee by issuance of Shares at a deemed price equal to the greater of the Discounted Market Price (as that term is defined in Exchange policies) and $0.13 per Share, as determined on the last day of the term. Accordingly, on August 18, 2011, the Company issued 1,923,077 (96,154 after a share consolidation on March 28, 2013) Shares at a deemed price of $0.13 per Share as payment for the $250,000 advisory services fee.

On January 17, 2012, the Company appointed Mr. Kirill Zimin to the board of directors of the Company, and Mr. John Reynolds resigned from the board of directors of the Company on April 10, 2012.

On June 15, 2012, all the resolutions proposed at the Annual and Special and General Meeting of the shareholders of the Company were duly passed. At the AGM, each of Mr. Glenn Laing, Mr. Carson Philips, Mr. Guocai Liu, Mr. James Xiang, Mr. Kirill Zimin, and Mr. Paul Jones were elected to the Board, and SF Partnership LLP, Chartered Accountants, was appointed as auditor of the Company.

On January 30, 2013, the board of directors of the Company appointed Mr. Owen Ryan as a new director, executive chairman, interim president and chief executive officer. Mr. Glenn Laing and Mr. Carson Phillips have stepped down from their executive positions and did not seek re-election at the next annual general meeting of shareholders, which was scheduled for March 25, 2013. Mr. Laing has entered into a consultancy agreement with the company to provide advisory services as and when requested.

On March 25, 2013, all the resolutions proposed at the Annual and Special and General Meeting of the shareholders of the Company were duly passed. At the AGM, each of Mr. Owen Ryan, Mr. Kirill Zimin, Mr. Walter Davidson, Mr. Luis G. Cabrita da Silva, Mr. Leonce Aspelin, and Mr. Paul Jones were elected to the Board; and Mr. Glenn Laing, Mr. Carson Phillips, Mr. James Xiang, and Mr. Guocai Liu resigned from the Board of the Company on March 25, 2013. SF Partnership LLP, Chartered Accountants, was appointed as auditor of the Company. 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. Effective March 28, 2013, the Company's name which was previously Plains Creek Phosphate Corp. has been changed to GB Minerals Ltd., and the trading of its common shares continues on the TSX Venture Exchange on a consolidated basis under the new symbol "GBL". All figures for common shares outstanding and earning per share have been adjusted retrospectively. In addition, pursuant to the consolidation of the Company's outstanding common shares, stock options, and share purchase warrants on a 20-to-1 basis, the exercise price of the stock options and share purchase warrants are to be multiplied by a 1-to-20 basis.

**RESOURCES**

**Background and History of the Farim Project**

The Farim Project is located in the northern part of central Guinea-Bissau, West Africa, approximately 25 km south of the Senegal border, approximately 5 km west of the town of Farim and some 120 km Northeast of Bissau, the capital of Guinea-Bissau, and on a 30.6km$^2$ Mining Lease License with a Production License granted by the Guinea-Bissau Government and surrounded by an Exploration License owned by GB Minerals AG. The Farim Project consists of a high grade sedimentary phosphate deposit of one continuous phosphate bed, which extends over a known surface area of approximately 40 km$^2$.

The Farim phosphate deposit occurs within the Middle Eocene Lutetien Formation in a Cenozoic sedimentary basin that extends from Morocco in the north through Mauritania, Senegal, Guinea-Bissau and into Guinea to the south. The basin hosts a number of important phosphate deposits and accounts for almost 25% of world production.

As disclosed in the Farim Technical Report dated February 10, 2011, the Farim Project drill hole database contains 165 diamond drill holes that total 9,046 meters. Several historic holes have been completed in the vicinity of Farim. Measured and Indicated Resources of phosphate amount to 84 million tonnes at a grade of 29.9% $P_2O_5$ with a cut-off thickness of 1.5 m and a stripping ratio cut-off of less than 20 to 1 and an average thickness of 3.3 m. Also Inferred Resources amount to 44 million tonnes at a grade of 29.6% $P_2O_5$ with a cut-off thickness of 1.5 m (average thickness of 2.63 m) and a stripping ratio of less than 20 to 1. A total of 68 million tonnes of Measured and Indicated Resources at a grade of 29.9% $P_2O_5$ with a cut-off of 1.5 m and average thickness of 3.3 m has been defined on the northern side of the Cacheu River as being suitable for a mining area. The Cacheu River bisects the deposit.

**Summary of Mineral Resources (as of October 2010)***

| Classification | Tonnes ('000) | Grade (% $P_2O_5$) | Average Thickness (m) |
|---|---|---|---|
| Measured Resource | 68,754,000 | 29.88 | 3.43 |
| Indicated Resource | 15,070,000 | 30.06 | 2.84 |
| **Total Measured and Indicated** | **83,824,000** | **29.90** | **3.29** |
| Inferred | 43,648,000 | 29.60 | 3.29 |

**Source – NI 43-101 Technical Report on the Preliminary Economic Assessment (the "PEA") of the Farim Project, Guinea-Bissau dated February 10, 2011, prepared by the qualified persons of IMC Group Consulting Limited and GBM Minerals Engineering Consultants Limited. Pursuant to NI 43-101, the Company cautions that mineral resources that are not mineral reserves do not have demonstrated economic viability.*

The Farim Project has been granted a Mining Lease License and a Production License by the Guinea-Bissau Government, in which GBM AG signed an exclusive and comprehensive production agreement (the "Production Agreement") with the government of Guinea-Bissau in 2009 which outlines the terms and conditions under which the mining process may start and be conducted. The Production Agreement includes the production licenses and the Mining Lease and Licenses as well as an incentive agreement.

On February 22, 2011, RHC filed on SEDAR a NI 43-101 Technical Report on the preliminary economic assessment of the Farim Project, Guinea-Bissau.

## Operations Update of the Farim Project

**Feasibility Studies**

The Company has undertaken the preparation of bankable feasibility studies for the Farim Phosphate deposit. It was announced that previous studies of the proposed mining method for the Farim Project have been based on a wet mining method of using dredges to excavate the unconsolidated sand / silt overburden and the underlying phosphate horizon.

Investigations by Golder, the Company's mining engineering consultants, have recognised that a dry mining method using trucks, shovels and draglines may be a more efficient and more practical method of mining the Farim phosphate deposit. In order to confirm the dry mining option recommendations additional hydrogeological and geotechnical drilling and field work has been carried out. Drilling programs started in May 2011 and completed in February 2012. Geotechnical laboratory testwork had been proceeding at the same time as the drill programs.

On September 13, 2012, the Company filed the a technical report entitled, "Technical Report on the Preliminary Economic Assessment of the Direct Shipping Option of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" dated effective September 5, 2012 (the "DSO PEA") on SEDAR. This was the first step in the development of the GBM AG's Farim Project located in Guinea-Bissau, West Africa. The DSO PEA was prepared by GBM Minerals Engineering Consultants Limited ("GBMMEC") in conjunction with Golder, all of whom are independent of the Company and GB Minerals AG.

On or about November 23, 2012, the Company filed on SEDAR its two feasibility studies (the "Feasibility Studies") for its two respective production alternatives: firstly, the 1 Million tonne per year Beneficiated Phosphate Rock Concentrate ("BPRC") Project; and secondly, the 1.3 Million tonne per year Direct Shipping Option ("DSO") Phosphate Rock Project dated effective November 2, 2012. The Feasibility Studies were prepared for GB Minerals AG and the Company by GBM Minerals Engineering Consultants Limited ("GBMMEC") in conjunction with Golder Associates Limited ("Golder"), W.F. Baird & Associates Ltd. ("Baird"), GEEEM Consultants and Tropica Environmental, all of whom are independent of the Company and GB Minerals AG. Those two production alternatives address the first phase of development of GBM AG's Farim Project in Guinea-Bissau, West Africa. The second phase would contemplate mining and processing of 2 Million tonnes per year of BPRC with an open pit mine, processing plant, pipeline, and port construction, which would be assessed in a separate feasibility study.

On November 26, 2012, the Company received comments from British Columbia Securities Commission ("BCSC") on the Feasibility Studies filed on November 23, 2012. As a result, on January 17, 2013 the Company announced the filing of a new, single current technical report for the feasibility study on the Company's Farim Phosphate Project entitled, "Feasibility of the Beneficiated Phosphate Rock Concentrate of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" dated effective December 19, 2012 (the "Report"). The Report supercedes the previously filed technical reports entitled, "Feasibility of the Beneficiated Phosphate Rock Concentrate of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" and the "Feasibility Study of the Direct Shipping Option of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report", each dated effective November 2, 2012 (the "Previous Reports"). The Report was prepared further to comments received from the British Columbia Securities Commission (the "BCSC") on November 26, 2012. In particular, the Report has made the following changes from the Previous Reports to address BCSC comments and meet the requirements of NI 43-101:

• disclosure is amended to show power costs separately from the combined water and power costs, including disclosure of gross power consumption and power cost individually and in more detail, using standard industry measures, with explanations of the basis for estimation;

• an after-tax economic analysis has been provided, with a detailed analysis of applicable taxes and royalties and the basis for assumption of those applicable taxes which provides reasonable grounds for certainty; and

• product pricing has been clarified to a level of certainty supported by quotes, contracts, agreements or industry information.

The Report was prepared by the following qualified persons who are responsible for the entirety of the Report with respect to their respective sections of the Report: Michael Short, BE, FIMMM, CEng, Richard Elmer, CEng, MIMMM (CP), Dr. Martin Preene, CEng, Dr. Marcelo Godoy, MAusIMM (CP), Terry Kremmel, PE (MO and NC), SME (CP), Hendrik J.H. Otto, PrEng (SA) and Matthew Clark, P.E., CEng, PMP (QP). All of the foregoing qualified persons are independent from the Company pursuant to NI 43-101.

The Company announced that considering beneficiated phosphate rock production for the Farim Phosphate Project on a stand-alone basis, the undiscounted pre-tax cash flow totals US $1.526 billion over a 25 year mine life and US

$1.220 billion on a post-tax basis. Pre-tax operating cash flows averages US $67.69 million per year and US $55.42 million per year post-tax. Simple payback of the pre-production capital investment is achieved after approximately two years of operation on a pre-tax and post-tax basis. The internal rate of return is 37.69% pre-tax compared to 35.87% post-tax. At a discount rate of 15%, the net present value of the project is US $208 million pre-tax compared to US $175 million post-tax. Minor refinements to the capital and operating cost estimates changes certain economic figures only slightly from the pre-tax scenario considered in the Previous Report for the beneficiated phosphate rock alternative.

There has been no change in the Report from the Previous Reports with respect to the stated mineral resources or mineral reserves estimates. However, the economic assessment has changed somewhat as the analysis has been conducted on a post-tax basis, as described above. Most significantly, the Company decided to focus on the feasibility study for beneficiated phosphate rock production rather than the direct shipping option ("DSO") of phosphate matrix mining product due to an anomaly identified in testwork for anticipated moisture levels for the dewatered matrix. The relationship between the transshipable moisture limit and the matrix moisture levels requires further evaluation of the DSO influence whether the DSO is technically feasible and, even if the DSO is technically feasible, local regulatory conditions may also inhibit the potential for the DSO. Consequently, consideration of beneficiated phosphate rock production, rather than the DSO, has been the focus of the feasibility study. In the result, the Report demonstrates that beneficiated phosphate rock production at the project is both economically attractive and technically robust.

The authors of the Report have recommended that the Company and GB Minerals AG continue to advance the project for beneficiated phosphate rock production to the engineering design and construction stages and to seek the necessary project financing and off-take agreements.

In addition, the Company is currently continuing its environmental baseline studies at the Farim Project that relate particularly to the use of the Cacheu River to barge phosphate product to the offshore transhipment point. The studies once concluded will provide the information previously identified as work in progress and necessary to complete the Environmental Study Impact Assessment (the "ESIA") to Equator Principle and World Bank standards. These baseline studies are principally an extension of past environmental work that includes river ecology and morphology for both the wet and dry seasons.

The Farim Project currently comprises a phosphate deposit consisting of one continuous flat lying phosphate bed with a Mineral Resource estimate, disclosed in the Company's Feasibility Studies on the Project in accordance with National Instrument 43-101, which defines a Measured Resource of 64.6 MT at an average grade of 29.11% P2O5, an Indicated Resource of 28.1 Mt at an average grade of 27.68 % P2O5, and an Inferred Resource of 18.3 Mt at an average grade of 28.66 % P2O5 and states total proven and probable reserves of 33.0 Mt (dry) with an average ROM P2O5 grade of 30.4%. The Measured and Indicated Resource estimates stated above are inclusive of the resources comprising the Proven and Probable Reserve estimates. The Feasibility Studies are authored by the Qualified Persons listed above, are filed on SEDAR and are publicly available under the Company's profile at www.sedar.com. A two-phased development is planned for the Project as an open pit mining operation. Phase One consists of a 1.0 Mt per year beneficiated phosphate rock concentrate project and Phase Two consists of the production of 2.0 Mt per year of phosphate rock concentrate and includes a beneficiation plant and associated infrastructure, pipeline and port.

**Mineral Rights Expenditures and Balances**

| | Farim Phosphate Project (Guinea Bissau) | Total |
|---|---|---|
| **Balance as at February 23, 2010** | - | - |
| Additions – capitalized exploration expenditures | - | - |
| Write-off – capitalized exploration expenditures | - | - |
| **Balance as at June 30, 2010** | - | - |
| Acquisition of GB Minerals AG | $ 60,508,764 | $ 60,508,764 |
| Additions - capitalized exploration expenditures | 1,345,441 | 1,345,441 |
| Write-off – capitalized exploration expenditures | - | - |
| **Balance as at June 30, 2011** | 61,854,205 | 61,854,205 |
| Additions - capitalized exploration expenditures | 11,190,864 | 11,190,864 |
| Write-off – capitalized exploration expenditures | - | - |
| **Balance as at June 30, 2012** | $ 73,045,069 | $ 73,045,069 |
| Additions - capitalized exploration expenditures | 7,731,216 | 7,731,216 |
| Write-off – capitalized exploration expenditures | - | - |
| **Balance as at March 31, 2013** | **$ 80,776,285** | **$ 80,776,285** |

## RESULTS OF OPERATIONS AND SELECTED FINANCIAL INFORMATION

As at March 31, 2013, the Company had a negative working capital of $10,823,513 (June 30, 2012 - $7,671,691), and reported a deficit of $12,752,152 (June 30, 2012 - $10,707,474).

**Operating and Administrative Expenses**

| | Three Months Ended March 31, 2013 | Three Months Ended March 31, 2012 | Nine Months Ended March 31, 2013 | Nine Months Ended March 31, 2012 |
|---|---|---|---|---|
| General and administrative | $ 137,560 | $ 230,212 | $ 393,576 | $ 611,918 |
| Management and consulting fees | 258,362 | 196,225 | 634,905 | 856,067 |
| Director fees | 25,400 | 87,000 | 89,400 | 87,000 |
| Stock options compensation | 86,129 | - | 86,129 | - |
| Finders' fees | 21,500 | - | 21,500 | - |
| Professional fees (audit and legal) | 237,404 | 115,737 | 418,805 | 276,431 |
| Financial Advisory | 164,779 | 396,045 | 239,447 | 577,406 |
| Travel | 46,435 | 188,913 | 220,076 | 455,495 |
| Salaries and wages | 72,558 | 72,531 | 178,761 | 232,479 |
| Investor relations | 54,743 | 94,643 | 134,239 | 247,699 |
| Amortization | 1,142 | 16,082 | 3,771 | 38,209 |
| Filing and transfer agent fees | 26,924 | 27,398 | 34,650 | 39,021 |
| Loss (gain) on foreign exchange | (534,150) | (36,880) | (306,307) | (48,122) |
| Interest expense (income) | 300,129 | (12,068) | 297,343 | (25,052) |

| | **Three Months Ended March 31, 2013** | **Three Months Ended March 31, 2012** | **Nine Months Ended March 31, 2013** | **Nine Months Ended March 31, 2012** |
|---|---|---|---|---|
| Other comprehensive loss (gain) : | | | | |
| Currency translation differences | $ (7,910) | $ 52,036 | $ 58,304 | $ (43,078) |

**For the three months ended March 31, 2013**

The Company's comprehensive loss for the three months ended March 31, 2013 was $891,005 (March 31, 2012 - $1,427,874). Comprehensive loss attributable to non-controlling interest for the period was $108,596 (March 31, 2012 - $310,761). Administration and general expenses totalled $137,560 (March 31, 2012 - $230,212), management and consulting fees amounted to $258,362 (March 31, 2012 – $196,225), professional audit and legal fees totalled $237,404 (March 31, 2012 – $115,737), financial advisory fees totalled $164,779 (March 31, 2012 - $396,045) director fees amounted to $25,400 (March 31, 2012 - $87,000), salaries and wages totalled $72,558 (March 31, 2012 - $72,531), travel expenses totalled $46,435 (March 31, 2012 - $188,913), and investor relations expenses totalled $54,743 (March 31, 2012 - $94,643). Gain on foreign exchange totalled $534,150 (March 31, 2012 – $36,880) due to favourable fluctuations in the value of Canadian dollar as mainly compared to the British Pound in which the Company has a significant portion of the accounts payable and accrued liabilities balance payable in British Pound in the current period as compared with the prior comparative quarter. General and administrative expenses decreased as compared with the prior comparative quarter due to a significant decrease in general administrative operating costs of GB Minerals AG. Management and consulting fees increased due to an additional executive consultant retained in the current period as compared with the prior comparative quarter. Professional audit and legal fees significantly increased as compared with the prior comparative quarter due to an increased amount of legal work done on various sizeable agreements pertaining to the resolutions of the management information circular filed on SEDAR on February 26, 2013. Financial advisory fees decreased significantly due to decreased number of financial advisors retained as compared with the prior comparative quarter. Director fees have been charged and accrued in accordance to the Company's compensation policy for the Company's board of directors. The Company's salaries and wages stay relatively the same as compared with the prior comparative quarter. The Company substantially decreased the level of investor relation and travel activities as compared with the prior comparative quarter.

**For the nine months ended March 31, 2013**

The Company's comprehensive loss for the nine months ended March 31, 2013 was $2,504,598 (March 31, 2012 - $3,305,473). Comprehensive loss attributable to non-controlling interest for the period was $430,710 (March 31, 2012 - $581,371). Administration and general expenses totalled $393,576 (March 31, 2012 - $611,918), management and consulting fees amounted to $634,905 (March 31, 2012 – $856,067), professional audit and legal fees totalled $418,805 (March 31, 2012 – $276,431), financial advisory fees totalled $239,447 (March 31, 2012 – $577,406), director fees amounted to $89,400 (March 31, 2012 - $87,000), salaries and wages totalled $178,761 (March 31, 2012 - $232,479), travel expenses totalled $220,076 (March 31, 2012 - $455,495), and investor relations expenses totalled $134,239 (March 31, 2012 - $247,699). Gain on foreign exchange totalled $306,307 (March 31, 2012 – $48,122) due to favourable fluctuations in the value of Canadian dollar as mainly compared to the British Pound in which the Company has a significant portion of the accounts payable and accrued liabilities balance payable in British Pound in the current period as compared with the prior comparative quarter. General and administrative expenses significantly decreased as compared with the prior comparative quarter due to a significant decrease in general administrative operating costs of GB Minerals AG and GB Minerals SARL. Management and consulting fees decreased significantly as there was a $250,000 non-cash consulting fee paid in the form of common shares to Byron to provide certain strategic advisory services in the prior comparative quarter; in addition, certain specific financial advisory services had been reclassified to a separate category of its own as compared with the prior comparative quarter. Professional audit and legal fees significantly increased as compared with the prior comparative quarter due to an increased amount of legal work done on various sizeable agreements pertaining to the resolutions of the management information circular filed on SEDAR on February 26, 2013. Financial advisory fees decreased significantly due to decreased number of financial advisors retained as compared with the prior comparative quarter. Director fees have been charged and accrued in accordance to the Company's compensation policy for the Company's board of directors. The Company's salaries and wages decreased as compared with the prior comparative quarter as the Company capitalized part of the salaries and wages incurred in Guinea-Bissau that were directly related to exploration activities as compared with the prior comparative quarter. The Company substantially decreased the level of business traveling and investor relation activities as compared with the prior comparative quarter.

**Financial results for the quarters ended March 31, 2013, 2012, and 2011:**

| | 2013 | 2012 | 2011 |
|---|---|---|---|
| Revenue | $Nil | $Nil | $Nil |
| Total net loss (income) | $898,915 | $1,375,838 | $813,447 |
| Total net loss per share (basic and diluted) | $0.05 | $0.07 | $0.05 |
| Total assets | $82,511,029 | $70,666,158 | $69,479,049 |
| Total long-term liabilities | $16,260,422 | $9,499,876 | $9,499,876 |
| Total liabilities | $28,668,079 | $13,808,939 | $10,787,201 |
| Shareholders' equity (deficiency) | $53,842,950 | $56,857,219 | $58,691,788 |
| Cash dividends per share | $Nil | $Nil | $Nil |

**SUMMARY OF QUARTERLY RESULTS FOR EACH OF THE LAST EIGHT QUARTERS:**

| Quarter ended | Total revenue | Net loss (income) | Basic and diluted loss (earnings) per share |
|---|---|---|---|
| March 31, 2013 | $Nil | $898,915 | $0.05 |
| December 31, 2012 | $Nil | $920,203 | $0.05 |
| September 30, 2012 | $Nil | $627,176 | $0.03 |
| June 30, 2012 | $Nil | $919,250 | $0.05 |
| March 31, 2012 | $Nil | $1,375,838 | $0.07 |
| December 31, 2011 | $Nil | $937,102 | $0.05 |
| September 30, 2011 | $Nil | $1,035,611 | $0.06 |
| June 30, 2011 | $Nil | $3,808,821 | $0.23 |

**OFF BALANCE-SHEET ARRANGEMENTS**

The Company has no off balance-sheet arrangements.

## LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2013, the Company had negative working capital of $10,823,513, compared to $7,671,691 as at June 30, 2012. Prior to December 31, 2010, PCM issued 6,100,000 (4,934,395 after share consolidation on February 16, 2011 and subsequently 246,720 after share consolidation on March 28, 2013) common shares at $0.05 per share for net proceeds of $305,000 and 16,000,000 (12,942,675 after share consolidation on February 16, 2011 and subsequently 647,134 after a share consolidation on March 28, 2013) common shares at $0.05 per share for net proceeds of $796,596, and immediately prior to the closing of the RTO Transaction on February 25, 2011, PCM completed a brokered private placement of 184,827,614 (9,241,381 after a share consolidation on March 28, 2013) common shares at a price of $0.13 per common shares for aggregate gross proceeds of $24,027,590.

The Company retained the services of GBM Engineering Minerals Consultants Limited ("GBME") to prepare a feasibility study on the Farim Phosphate Project. The feasibility study entitled, "Feasibility of the Beneficiated Phosphate Rock Concentrate of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" dated effective December 19, 2012 (the "Report") was completed. As of March 31, 2013, the Company has incurred costs of $16,052,973 (£ 10,303,177 and €129,248) for the services provided by GBME and its subconsultants.

In addition, upon surrendered of the operating lease agreement on rental of office space located on #1660 – 401 West Georgia Street, Vancouver, BC on March 31, 2013. The Company has committed $26,090 (June 30, 2012 – $239,763) to future minimum payments as at March 31, 2013 under a new Canadian operating service agreement on the rental of an office space located at #1500 – 701 West Georgia Street, Vancouver, BC.

The Company actively monitors its liquidity to ensure at its best effort 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 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 no source of revenue, and has significant cash requirements to meet its administrative overhead and maintain its exploration and evaluation properties and development programs. Since inception, the Company's activities have been funded through equity financings. 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.

## FINANCING ACTIVITIES

Prior to December 31, 2010, PCM issued 6,100,000 (4,934,395 after share consolidation on February 16, 2011 and subsequently 1,011,146 after a share consolidation on March 28, 2013) PCM Shares at $0.05 per PCM Share for net proceeds of $305,000 and 16,000,000 (12,942,675 after share consolidation on February 16, 2011 and subsequently 647,134 after a share consolidation on March 28, 2013) PCM Shares at $0.05 per PCM Share for gross proceeds of $800,000. PCM paid finder's fee of $14,000 (8% of $175,000 subscribed through an agent). PCM issued 80,000 (64,715 after share consolidation on February 16, 2011 and subsequently 3,236 after a share consolidation on March 28, 2013) agent's warrants (8% of 1,000,000 PCM Shares subscribed through an agent). Each agent's warrant is exercisable into one PCM Share of the Company at a price of $0.10 for a period of two years from the date of grant with a fair value of $1,464. PCM also issued 200,000 (161,785 after share consolidation on February 16, 2011and subsequently 8,089 after a share consolidation on March 28, 2013) agent's warrants (8% of 2,500,000 PCM Shares subscribed through an agent), and each such warrant is exercisable into one PCM Share of the Company at a price of $0.10 for a period of one year from the date of grant with a fair value of $1,940. Concurrent with the closing of the RTO Transaction, PCM completed a brokered private placement of 184,827,614 (9,241,381 after a share consolidation on March 28, 2013) PCM Shares at a price of $0.13 per PCM Shares for aggregate gross proceeds of $24,027,590. PCM paid a commission of $961,104 in cash, issued 7,393,105 (369,655 after a share consolidation on March 28, 2013) PCM Shares at a fair value of $961,104, and issued 14,786,209 (739,310 after a share consolidation on March 28, 2013) broker's warrants with a fair value of $313,468.

On June 8, 2011, the Company issued 56,626 (2,831 after a share consolidation on March 28, 2013) common shares of the Company at $0.1236 per Share for exercise of 56,626 of broker warrants (70,000 before a share consolidation on February 16, 2011) for gross proceeds of $7,000.

On July 4, 2011, the Company issued 255,000 (12,750 after a share consolidation on March 28, 2013) Shares at $0.10 per Share for exercise of 255,000 options for gross proceeds of $25,500.

On July 18, 2011, the Company issued 133,333 (6,666 after a share consolidation on March 28, 2013) common shares at $0.075 per share for prior year's subscription in which the gross proceeds in the amount of $10,000 was already paid to the Company in the prior year.

On July 24, 2011, the Company issued 1,923,077 (96,154 after a share consolidation on March 28, 2013) common shares at the price of $0.13 per share pursuant to an advisory services agreement between the Company and Byron which was approved by the Exchange on July 15, 2011.

On January 17, 2012, the Company issued 20,312,500 (1,015,625 after a share consolidation on March 28, 2013)units at a price of $0.08 per Unit raising gross proceeds of $1,625,000 pursuant to the closing of the first tranche of its brokered private placement. Each unit consists of one share of the Company and one-half of one warrant. Each whole warrant entitles the holder thereof to purchase one share at a price of $0.11 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 fees of $40,000 respectively in cash and issued 1,218,750 (60,938 after a share consolidation on March 28, 2013) broker's warrants to the agent at a fair value of $22,425. The securities issued in connection with this first tranche offering are subject to a statutory four-month hold period expiring May 18, 2012.

On March 8, 2012, the Company announced the closing of the second tranche of its brokered private placement of 20,312,500 (1,015,625 after a share consolidation on March 28, 2013) units at a price of $0.08 per unit raising gross proceeds of $1,625,000. Each unit consists of one share of the Company and one-half of one warrant. Each whole warrant entitles the holder thereof to purchase one share at a price of $0.11 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-pockets costs of $67,800 respectively in cash and issued 1,218,750 (60,938 after a share consolidation on March 28, 2013) broker's warrants in the fair value of $22,547. The securities issued in connection with this second tranche offering are subject to a statutory four-month hold period expiring July 9, 2012.

On January 15, 2013, the Company closed the first tranche of its non-brokered private placement (the "Private Placement") of senior secured convertible debentures (the "Debentures") of the Company for gross proceeds of $1,000,000. The Debentures have a face value of $1,000, each bearing interest of 10% per annum, fully secured by the assets of the Company. The Debentures all rank pari passu in priority among each of them 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 meet certain restructuring requirements pursuant to the terms of the Debentures on January 31, 2013 and March 15, 2013, respectively, or fails to pay the principal amount of the Debentures when they become due and payable. The Company will use the proceeds of the Private Placement for property payments on its Farim Phosphate mineral property and for related in-country expenses in Guinea-Bissau and for additional working capital. The Debentures are subject to a statutory four-month hold period from the date of issuance.

On February 6, 2013, the Company closed the second tranche of its non-brokered private placement (the "Private Placement") of senior secured convertible debentures (the "Debentures") of the Company for gross proceeds of $500,000. The Debentures have a face value of $1,000, each bearing interest of 10% per annum, fully secured by the assets of the Company. The Debentures all rank pari passu in priority among each of them 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 meet certain restructuring requirements pursuant to the terms of the Debentures on March 31, 2013, respectively, or 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.

On March 22, 2013, the Company closed the third tranche of its non-brokered private placement (the "Private Placement") of senior secured convertible debentures (the "Debentures") of the Company for gross proceeds of $430,000. The Debentures have a face value of $1,000, each bearing interest of 10% per annum, fully secured by the assets of the Company. The Debentures all rank pari passu in priority among each of them 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 meet certain restructuring requirements pursuant to the terms of the Debentures on March 31, 2013, respectively, or fails to pay the principal amount of the Debentures when they become due and payable. The Company paid finder's fee of $21,500 in connection with the Private Placement. The Debentures are subject to a statutory four-month hold period from the date of issuance.

On April 4, 2013, the Company closed the final tranche of its $3,000,000 non-brokered private placement (the "Private Placement") of senior secured convertible debentures (the "Debentures") of the Company for gross proceeds of $1,070,000. The Debentures have a face value of $1,000, each bearing interest of 10% per annum, fully secured by the assets of the Company. The Debentures all rank pari passu in priority among each of them 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. The Company paid finder's fee of $3,500 in connection with this final tranche of the Private Placement.

## OUTLOOK 2013

The first quarter of calendar 2013 has been characterised by significant corporate and financial restructuring to better position the company such that is will be in a stronger position to advance its Farim phosphate project. Firstly there have been both management and Board changes. Secondly, this process, which included the raising of $3 million of convertible debt financing, secured the support of the financially strong and committed shareholders who have a keen desire to see the project advance to production in the shortest time possible.

The Company has started a social program of works which includes drilling for new water wells and refurbishing existing wells for the villages in Farim and its adjacent area. Additionally, we are working with the local communities to identify how we might support their social infrastructure and ensure that they derive benefit from the project development while at the same time minimising the impact that it might have on their day-to-day activities.

The Company is currently continuing its environmental baseline studies at the Farim Project that relate particularly to the use of the Cacheu River to barge phosphate product to the offshore transhipment point. The studies once concluded will provide the information previously identified as work in progress and necessary to complete the Environmental Study Impact Assessment (the "ESIA") to Equator Principle and World Bank standards. These baseline studies are principally an extension of past environmental work that includes river ecology and morphology for both the wet and dry seasons. Additionally, a contract to complete the social studies along the Cacheu River will shortly be awarded to a local contractor that has previously provided input into this process. The target completion time frame of the ESIA is expected be towards the end of the fourth quarter of calendar year 2013.

Consideration of beneficiated phosphate rock production, rather than the direct shipped ore (DSO), has been the focus of the feasibility study entitled "Feasibility of the Beneficiated Phosphate Rock Concentrate of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" dated effective December 19, 2012 and filed on SEDAR on January 17, 2013. This focus is due to an anomaly identified in test work for anticipated moisture levels for the dewatered matrix. The Company is nonetheless continuing to assess the viability of the DSO project by evaluating the post dewatering in-situ moisture content of the phosphate host material. The purpose of the evaluation is to confirm whether or not the in-situ water content is below the shipping Transportable Moisture Limit (the "TML").

The Company is currently proceeding with a non-brokered private placement to raise aggregate gross proceeds of up to $7 million to meet funding requirements for the environmental baseline studies, completion of the ESIA, continuation of social program of works in Farim, immediate financial obligations and additional working capital. The Company will be analyzing further funding options for the remaining capital requirements to complete the first phase of development of the Farim Project.

## RELATED PARTY BALANCES AND TRANSACTIONS

For the period ended March 31, 2013, the Company paid or accrued $476,000 (March 31, 2012 - $355,000) for management and consulting fees, of which $156,000 (March 31, 2012 - $Nil) was paid or accrued to an officer and director of the Company, $180,000 (March 31, 2012 - $220,000) was paid or accrued to Silverbridge Capital Corp., $90,000 (March 31, 2012 - $90,000) to CJP Management Inc., and $50,000 (March 31, 2012 - $45,000) to Artisan Consulting Ltd., in which these companies or individuals are related by virtue of common directors and officers. In addition, for the period ended March 31, 2013, the Company issued to its directors, officers, and companies related by virtue of directors and officers in common non-cash stock-based compensation in the fair value of $86,129 (March 31, 2012 - $Nil). These transactions are in the normal course of operations and at the exchange rate agreed to by the related parties.

As at March 31, 2013, advances received from WAD Consult AG, a minority interest holder of GB Minerals, and subordinated shareholders amounted to $830,436 (June 30, 2012 - $764,057). The advances are interest bearing at 4% per annum, are unsecured and due on demand. On April 4, 2013, the Company issued 1,250,000 common shares (being equivalent of pre-consolidated 25,000,000 common shares) to WAD Consult AG which is equivalent to $500,000 in exchange for the assignment of the issuance by WAD Consult AG to the Company or advances received from WAD Consult AG.

As at March 31, 2013, the Company has received a total aggregate amount of $200,000 (the "Principal Amount") (June 30, 2012 - $Nil) from a shareholder of the Company in exchange for a promissory note. The Principal Amount is secured by a pledge in favor of the lender of the Principal Amount of all the Company's shares of its subsidiary PCM. Under the provision of the promissory note, the Principal Amount shall remain outstanding and bear an interest at the rate of 10% per annum. No such interest shall be payable if the promissory note is delivered to the Company, free of escrow conditions, for cancellation as consideration for the issuance of convertible secured debentures of the Company on or prior to April 15, 2013 (the convertible secured debentures of the Company were issued on April 4, 2013). In addition, as at March 31, 2013, the Company received from a shareholder $800,000 (June 30, 2012 - $Nil) which represents a financial security deposit held in trust until it is delivered to the Company, free of escrow conditions, for cancellation as consideration for the issuance of convertible secured debentures to a shareholder of the Company on April 4, 2013.

As at March 31, 2013, the Company has a restricted cash balance of $800,000 (June 30, 2012 - $Nil) received from a shareholder of the Company representing a financial security deposit held in trust until it is delivered to the Company, free of escrow conditions, for cancellation as consideration for the issuance of secured convertible debentures of the Company on April 4, 2013.

## FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, restricted cash, other receivable, notes receivable, prepaid expense, bank indebtedness, financial security deposits, accounts payable and accrued liabilities, notes payable, current portion of debt payable, convertible debentures, and advances from related parties. The carrying values of these financial instruments approximate their fair values due to their relatively short periods to maturity.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities. The Company has exposure to credit risk, liquidity risk and market risk as a result of its use of financial instruments. Note 19 to the interim unaudited consolidated financial statements for the periods ended March 31, 2013 presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing these risks.

## CRITICAL ACCOUNTING POLICIES, ESTIMATES, AND JUDEMENTS

The Company's critical accounting estimates are defined as those estimates that have a significant impact on the portrayal of its financial position and operations and that require management to make judgements, assumptions and estimates in the application of IFRS. Judgments, assumptions and estimates are based on historical experience and other factors that management believes to be reasonable under current conditions. As events occur and additional information is obtained, these judgements, assumptions and estimates may be subject to change. The Company's significant accounting policies can be found in note 2 of the Company's consolidated financial statements. The Company believes the followings are the critical accounting estimates used in the preparation of its consolidated financial statements.

**Use of Estimates**
The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Such estimates related to unsettled transactions and events as of the date of the consolidated financial statements. Accordingly, actual results may differ from these estimated amounts as future confirming events occur. Significant estimates used in the preparation of the consolidated financial statements include, but are not limited to, the review of asset carrying values and estimated useful lives, valuation of share-based payment reserves, warrant reserves, and recoverability of deferred tax assets.

**Intangible assets: mineral rights**
Under IFRS, the Company defers all cost relating to the acquisition and exploration of its mineral properties after the legal right to explore a property has been obtained, but before technical feasibility and commercial viability of the property has been established. Any revenues received from such properties are credited against the costs of the property. When commercial production commences on any of the Company's properties, any previously capitalized costs would be charged to operations using unit-of-production method. The Company reviews the carrying value of its mineral properties for recoverability when events or changes in circumstances indicate that the properties may be impaired. If such a condition exists and the carrying value of a property exceeds the estimated net recoverable amount, provision is made for the impairment in value.

The existence of uncertainties during the exploration stage and the lack of definitive empirical evidence with respect to the feasibility of successful commercial development of any exploration property does create measurement uncertainty concerning the estimate of the amount of impairment to the value of any mineral property. The Company relies on its own or independent estimates of further geological prospects of a particular property and also considers the likely proceeds from a sale or assignment of the rights before determining whether or not impairment in value has occurred.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The allocation of the Company's assets into CGUs requires judgement. 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. 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.

**Share-based payment – Options Reserve**
The Company uses the fair value method, utilizing the Black-Scholes 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 employees 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. The fair value of options is estimated using the Black-Scholes pricing model based on estimates and assumptions for expected life of the options, expected volatility, risk-free interest rate and dividend yield. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates could be material in future periods.

**Share-based payment – Warrants Reserve**
The Company uses the fair value method, utilizing the Black-Scholes pricing model, for valuing warrants. The fair value of warrants is estimated using the Black-Scholes pricing model based on estimates and assumptions for expected life of the warrants, expected volatility, risk-free interest rate and dividend yield. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates could be material in future periods.

**Income tax**
The future income tax provision is based on the liability method. Future income taxes arise from the recognition of the tax consequences of temporary differences by applying enacted or substantively enacted tax rates applicable to future years of differences between the financial statement carrying amounts and the tax bases of certain assets and liabilities. The Company records a valuation allowance against any portion of those future income tax assets to the extent that it is more than likely that future income tax assets will not be realized. As a result, future earnings are subject to significant management judgement.

## CHANGES IN ACCOUNTING POLICIES INCLUDING INTITIAL ADOPTION OF IFRS

The Company's significant accounting policies are set out in note 2 of the Company's unaudited interim consolidated financial statements for the periods ended March 31, 2013.

## NEW ACCOUNTING STANDARDS AND RECENT PRONOUNCEMENTS

A number of new standards, and amendments to standards and interpretations, are not yet effective for the period ended March 31, 2013, and have not been applied in preparing these interim unaudited 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 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.<br>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.<br><br>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.<br><br>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, 2015 |

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

## RISKS AND UNCERTAINTIES

The Company's securities should be considered a highly speculative investment and investors should carefully consider all of the information disclosed in the Company's Canadian regulatory filings prior to making an investment in the Company.

### General

Resource exploration and development is a speculative business, characterized by a number of significant risks including, among other things, unprofitable efforts resulting not only from the failure to discover mineral deposits but also from finding mineral deposits, which, though present, are insufficient in quantity and/or quality to return a profit from production.

The Company is in the resource sector and as such is exposed to a number of risks and uncertainties that are not uncommon to other companies in the same industry. Some of the current risks include the following:

(a) The Company has no history of earnings and will not generate earnings until production commences.

(b) Any future equity financings by the Company for the purposes of raising additional capital may result in substantial dilution to the holdings of existing shareholders;

(c) There can be no assurance that an active and liquid market for the Shares will develop and investors may find it difficult to resell their Shares;

(d) The directors and officers of the Company will devote a portion of their time to the business and affairs of the Company and some of them are or will be engaged in other projects or businesses, and as such, conflicts of interest may arise from time to time.

### The Company's Business is subject to Exploration and Development Risks

All of the Company's mineral properties are in the exploration and development stage and although reserves are disclosed in the Company's Feasibility Studies filed on SEDAR. At this stage, favourable results, estimates and studies are subject to a number of risks, including, but not limited to:

- the difficulties inherent in scaling up operations and achieving expected metallurgical recoveries;
- the possibility of cost estimates increasing in the future; and
- the possibility of difficulties procuring needed supplies of electrical power and water.

Estimates of reserves, resources, and production costs can also be affected by such factors as environmental permit regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions.

Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. The long-term profitability of the Company's operations will be related to the cost and success of its exploration programs, which may be affected by a number of factors beyond the Company's control.

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of mineral resources, any of which could result in work stoppages, damage to property, and possible environmental damage.

Hazards such as unusual or unexpected formations and other conditions such as fire, power outages, labour disruptions, flooding, cave-ins, landslides and the inability to obtain suitable machinery, equipment or labour are involved in mineral exploration, development and operation. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material, adverse effect on the Company's financial position.

The Company will continue to rely upon consultants and others for exploration and development expertise. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis. The economics of developing mineral properties is affected by many factors including the costs of operations, fluctuations in markets, allowable production, importing and exporting of minerals and environmental protection.

**Political Risk**

The Company's property, through its shareholding in GBM AG, is located in Guinea-Bissau, West Africa, and will be subject to changes in political conditions and regulations in that country. In the past, Guinea-Bissau has been subject to political instability, changes and uncertainties, which may cause changes to existing governmental regulations affecting mineral exploration and mining activities. GBM AG's activities are subject to extensive laws and regulations governing worker health and safety, employment standards, waste disposal, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters.

Guinea-Bissau regulators have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards. GBM AG's mineral exploration and mining activities in Guinea-Bissau may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase the costs related to GBM AG's activities or maintaining its Licenses. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, and expropriation of property, environmental legislation and mine safety.
A number of other approvals, licenses and permits may be required for various aspects of mine development. While the Company will use its best efforts to ensure title to the Licenses and access to surface rights continue into the future, these titles or rights may be disputed, which could result in costly litigation or disruption of operations. The Company and GBM AG are uncertain if all necessary permits will be maintained on acceptable terms or in a timely manner. Future changes in applicable laws and regulation or changes in their enforcement or regulatory interpretation could negatively impact current or planned exploration and development activities on the Farim Project. Any failure to comply with applicable laws and regulations or failure to obtain or maintain permits, even if inadvertent, could result in the interruption of exploration and development operations or material fines, penalties or other liabilities.

**No Assurance to Title**

The Company, through GBM AG, has represented that it has valid title to its properties and its party to the Production Agreement with the government of Guinea-Bissau, and the Company has obtained a formal opinion on title to the property and the validity of the Production Agreement. However, it remains possible that the property and Production Agreement may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

**Financing Risks**
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.

**Liquidity Risks and Going Concern**
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. 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.

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 to the public), to realize the recoverability of its investment in it 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; and 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. As at March 31, 2013, the Company had a negative working capital of $10,823,513 (June 30, 2012 - $7,671,691). As at the balance sheet date March 31, 2013, the Company has not received any revenue from mining operations. Accordingly, the 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.

**Fluctuating Price and Currency**
The Company raises its equity primarily in Canadian dollars and will conduct its principal business and operation activities in and proposes to maintain certain accounts in Canadian dollars, British Pounds, Euros, Swiss francs, and Central African francs. GBM AG's operations in Guinea-Bissau make it subject to foreign currency fluctuation and such fluctuations may adversely affect the Company's financial position and operating results.

**Competition**
The mineral industry is intensely competitive in all its phases. The Company competes with many companies processing greater financial resources and technical facilities than itself for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees and service providers. In addition, there is no assurance that a ready market will exist for the sale of commercial quantities of phosphate. Factors beyond the control of the Company may affect the marketability of any substances discovered. These factors include market regulations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combinations of these factors may result in the Company not receiving adequate return on invested capital or losing its investment capital.

**Environmental Risk**
Environmental legislation on a global basis is evolving in a manner that will ensure stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessment of proposed development and a higher level of responsibility for companies and their officers, directors and employees.

There is no assurance that future changes to environmental legislation in West Africa will not adversely affect the Company's operations. Environmental risks may exist on properties in which the Company holds interests which are unknown at present and which have been caused by previous or existing owners or operators. Furthermore, future compliance with environmental reclamation, closure and other requirements may involve significant costs and other liabilities.

**Other Risk**

On January 17, 2013, the Company announced the filing of a new, single current technical report for the feasibility study on the Company's Farim Phosphate Project entitled, "Feasibility of the Beneficiated Phosphate Rock Concentrate of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" dated effective December 19, 2012 (the "Report"). The Report supercedes the previously filed technical reports entitled, "Feasibility of the Beneficiated Phosphate Rock Concentrate of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report" and the "Feasibility Study of the Direct Shipping Option of the Farim Phosphate Project, Guinea-Bissau, An NI 43-101 Report", each dated effective November 2, 2012 (the "Previous Reports"). The Report was prepared further to comments received from the British Columbia Securities Commission (the "BCSC") on November 26, 2012.

Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Actual results may differ materially from those currently anticipated in such statements.

## DISCLOSURE ON INTERNAL CONTROLS

Management has established processes to provide them sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the consolidated financial statements do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, as of the date of and for the periods presented by the consolidated financial statements; and (ii) the consolidated financial statements fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), this Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's accounting policies.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in this certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

## ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

For the periods ended March 31, 2013 and the comparative period ended March 31, 2012, the Company incurred the following costs and expenses:

| | **Three Months Ended March 31, 2013** | **Three Months Ended March 31, 2012** | **Nine Months Ended March 31, 2013** | **Nine Months Ended March 31, 2012** |
|---|---|---|---|---|
| Capitalized exploration expenditures | $817,381 | $2,724,050 | $7,731,216 | $6,793,153 |
| Expensed pre-exploration and development costs | $Nil | $Nil | $Nil | $Nil |
| General and administrative expenses | $137,560 | $230,212 | $393,576 | $611,918 |
| Management and management fees | $258,362 | $196,225 | $634,905 | $856,067 |
| Professional fees (audit and legal) | $237,404 | $115,737 | $418,805 | $276,431 |
| Financial advisory | $164,779 | $396,045 | $239,447 | $577,406 |
| Salaries and wages | $72,558 | $72,531 | $178,761 | $232,479 |
| Investor relations | $54,743 | $94,643 | $134,239 | $247,699 |

**OUTSTANDING SHARE DATA**
The Company has an unlimited number of common shares authorized for issuance without par value. As at March 31, 2013 and May 27, 2013, there were 19,393,854 and 40,005,054 common shares issued and outstanding respectively, 1,354,500 incentive stock options outstanding, and 1,137,500 warrants outstanding.

With completion of the RTO Transaction, the Company had 344,634,052 (17,231,703 after a share consolidation on March 28, 2013) common shares issued and outstanding (on an undiluted basis) as at the date of the reverse takeover transaction on February 25, 2011, and 19,393,854 common shares issued and outstanding for the period ended March 31, 2013. As at March 31, 2013, the principals of the Company collectively held 125,274,281 (6,263,714 after a share consolidation on March 28, 2013) common shares, 121,708,281 (6,085,414 after a share consolidation on March 28, 2013) of which are subject to a Tier 2 Value Security Escrow Agreement. Included in such common shares are 101,000,000 (5,050,000 after a share consolidation on March 28, 2013) common shares issued to WAD Consult as part consideration of 50.1% interest in GB Minerals AG; in addition, 5,257,962 (262,898 after a share consolidation on March 28, 2013) common shares held by non-principals of the Company are subject to a Tier 2 Value Security Escrow Agreement as the date of the reverse takeover transaction on February 25, 2011. The escrowed shares held by principals of the Company are subject to a 36 month escrow release period from the completion of the reverse takeover transaction with 10% released upon completion of the reverse takeover transaction and 15% of such escrowed shares released on the 6, 12, 18, 24, 30, and 36 month anniversaries of the completion of the reverse takeover transaction. The escrowed shares held by non-principals of the Company are subject a 4 month escrow release period from the completion of the reverse takeover transaction with 20% released upon completion of the reverse takeover transaction and 20% released every month thereafter.

On April 4, 2013 the Company acquired the remaining 49.9% of the shares of its 50.1%-owned subsidiary, GB Minerals AG ("GB"), which owns 100% of the Farim Phosphate Project mineral property in Guinea-Bissau, West Africa (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, Plains Creek Mining Limited, GB, Aterra Investments Limited ("Aterra") and WAD Consult AG ("WAD") dated February 22, 2013 (the "Agreement"). The Acquisition allowed the Company to consolidate ownership of its phosphate mineral property and opened up opportunities for further advancing the project. Pursuant to the Agreement, Aterra was issued 9,661,200 of the Company's common shares and now holds a total of 11,067,450 common shares of the Company, representing 27.7% of the issued and outstanding shares of the Company on an undiluted basis and WAD was issued an aggregate of 10,950,000 common shares (the "WAD Shares") of the Company and now holds 16,000,000 common shares of the Company representing 40% of the issued and outstanding shares of the Company on an undiluted basis. The WAD Shares are subject to a lock-up and shareholders agreement (the "Lock-Up Agreement") between WAD and the Company dated April 4, 2013 (the "Closing Date"), and will be held in escrow and released to WAD in accordance with the terms of the Lock-Up Agreement set out below. Pursuant to the terms and conditions of the Lock-Up Agreement WAD has agreed not to sell, transfer, create any Lien on or otherwise dispose of any of the WAD Shares until the first anniversary of the Closing Date, and thereafter such shares may only be sold, transferred, made subject to any lien or otherwise disposed of as follows:

(i) 2,737,500 WAD Shares at any time following the expiration of 1 year from the Closing Date;

(ii) an additional 2,737,500 WAD Shares at any time following the expiration of 15 months from the Closing Date;

(iii) an additional 1,875,000 WAD Shares at any time following the expiration of 18 months from the Closing Date; and

(iv) an additional 3,600,000 WAD Shares at any time following the expiration of 21 months from the Closing Date (the "Final Tranche Shares").

In addition, to secure certain contingent indemnity obligations of WAD to the Company and Aterra related to the Acquisition, the Final Tranche Shares are also subject to a share pledge for a period that could potentially extend beyond the maximum 21 month escrow period under the Lock-Up Agreement.

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements in this MD&A, particularly statements regarding future economic performance and finances, plans, expectations and objectives of management, may constitute "forward-looking" statements which reflect our current views with respect to future events and financial performance. When used in this MD&A, such forward-looking statements use words such as "may", "will", "expect", "believe", "anticipate", "plan", "intend", "estimate", "project", "continue" and other similar terminology of a forward-looking nature or negatives of those terms. These forward-looking statements are based on certain assumptions by management, certain of which are set out herein. The forward-looking statements appearing in this MD&A reflect current expectations regarding future events and operating performance and speak only as of the date of this MD&A.

Although management believes that the expectations reflected in such forward-looking statements are reasonable, all forward-looking statements address matters that involve known and unknown risks, uncertainties and other factors and should not be read as guarantees of future performance or results. Accordingly, there are or will be a number of significant factors which could cause our actual results, performance or achievements expressed or implied by such forward-looking statements. Factors that could cause actual future results, performance or achievements to differ materially include, but are not limited to, all hazards and risks normally incidental to exploration, development and production of mineral resources, political instability and changes to existing government regulations including environmental regulations, ability to obtain adequate financing in future, the impact of global financial crisis, foreign currency fluctuations, ability to identify and integrate future acquisitions, reliance on key personnel and competition with other mineral industry companies for mineral concessions, claims, leases, and other mineral interests as well as for the recruitment and retention of qualified employees and service providers and existence of a ready market for sale of commercial quantities of phosphate.

*Additional information on the Company can be found on SEDAR at www.sedar.com.*