MANAGEMENT'S DISCUSSION AND ANALYSIS OF

GB MINERALS LTD.

For the Three and Six Months Ended December 31, 2016

(Expressed in Canadian Dollars)

Dated as of February 23, 2017

This Management Discussion and Analysis ("**MD&A**") of the unaudited condensed interim consolidated financial condition, results of operations and cash flows of GB Minerals Ltd. (the "**Company**") is for the three and six months ended December 31, 2016 and 2015. This MD&A should be read in conjunction with the Company's unaudited condensed interim consolidated financial statements and related notes thereto for the three and six months ended December 31, 2016 and 2015 (the "**Q2 Financial Statements**"), the audited annual consolidated financial statements and related notes thereto for the years ended June 30, 2016 and June 30, 2015 (the **"Annual Financial Statements"**) and previously filed management's discussions and analysis.

The financial information in this MD&A is derived from the Q2 Financial Statements which have been prepared in Canadian Dollars (unless otherwise noted), in accordance with International Financial Reporting Standards ("**IFRS**") applicable to interim financial reporting. The content of this MD&A has been approved by the board of directors of the Company (the "**Board**"), on the recommendation of its audit committee (the "**Audit Committee**"). This MD&A is dated February 23, 2017 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 and on the Company's website at www.gbminerals.com.

DESCRIPTION OF BUSINESS

The Company was incorporated under the British Columbia Business Corporations Act on July 24, 2007 and commenced trading on the TSX Venture Exchange ("**TSXV**") initially as a Capital Pool Company. On June 11, 2010, the Company completed a qualifying transaction to become a tier 2 mining issuer. The Company is a mineral exploration and development company focusing on developing its 100% owned Farim phosphate project located in Guinea-Bissau, West Africa (the "**Farim Project**"). It is currently trading on the TSXV under the symbol "GBL".

OVERVIEW AND HIGHLIGHTS

Major Events

On October 6, 2016, the Company announced the completion of a rights offering (the "**Rights Offering**") which it had originally announced on August 30, 2016. Pursuant to the Rights Offering which consisted only of a "basic subscription privilege" (as such term is defined in National Instrument 45-106 – Prospectus Exemptions), 338,310,626 common shares of the Company ("**Common Shares**") were issued at a price of $0.055 per Common Share for aggregate gross proceeds of approximately $18.6 million. 231,475,764 Common Shares were issued to persons who were insiders of the Company prior to the closing of the Rights Offering, and 106,834,862 Common Shares were issued to all other persons. Upon closing of the Rights Offering, there were 1,089,419,050 Common Shares issued and outstanding.

The intended use of the net proceeds of the Rights Offering, as indicated in the Rights Offering circular dated August 30, 2016, was to repay debt obligations and to fund the ongoing development of the Farim Project, including pre-engineering, procurement and construction management ("**Pre-EPCM**") activities and detailed engineering, procurement and construction management ("**EPCM**") activities.

On October 14, 2016, the Company repaid debt obligations consisting of four promissory notes held by A.B. Aterra Resources Ltd. ("**Aterra Resources**") totalling approximately $3.7 million plus interest in full (refer note 4 of the Q2 Financial Statements).

On October 27, 2016, MBAC Fertilizer Corp. (**"MBAC"**) acquired indirect ownership of 341,470,265 Common Shares (the **"Acquired Shares"**) pursuant to the implementation of a plan of compromise and arrangement of MBAC under the Companies' Creditors Arrangement Act (Canada) (the **"Restructuring"**). Pursuant to the Restructuring, MBAC indirectly acquired the Acquired Shares through the acquisition of Zaff LP from Zaff LLC in exchange for the issuance to Zaff LLC of 853,675,665 common shares of MBAC. On December 16, 2016 the shareholders of MBAC approved a name change of the company to Itafos. As of February 23, 2017 Itafos owned 31.34% of the issued and outstanding Common Shares. Itafos is currently trading on the TSXV under the symbol "IFOS".

RESOURCES

Background of the Farim Project

The Farim Project is located in the northern part of central Guinea-Bissau, West Africa, approximately 25 kilometres south of the Senegal border, five kilometres west of the town of Farim and some 120 kilometres northeast of Bissau, the capital of Guinea-Bissau, on a 30.6 km^2 mining lease license granted by the Government of Guinea-Bissau to GB Minerals AG, a wholly owned subsidiary of the Company registered in Switzerland, in May 2009.

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 2015 Feasibility Study

The Farim Project is estimated to contain measured resources of 105.6 million dry tonnes at an average grade of 28.4% P_2O_5 and additional inferred resources of 37.6 million dry tonnes at an average grade of 27.7% P_2O_5. The measured resources are estimated to include 44.0 million dry tonnes of reserves based on a 25 year mine plan at 1.75 million tonnes per annum ("**mtpa**") of mine production at the following run-of-mine ("**ROM**") grades: 30.0% P_2O_5, 2.6% Al_2O_3, 41.0% CaO, 4.7% Fe_2O_2, and 10.6% SiO_2. It is expected the phosphate ore will be beneficiated for a final phosphate rock concentrate production of 1.32 mtpa at a 34.0% P_2O_5 product grade having a 3% moisture content.

Summary of Global Resource Estimate*

Classification	Million Tonnes	Grade (% P_2O_5)
Measured Resource	105.6	28.4
Indicated Resource	-	-
Total Measured and Indicated	**105.6**	**28.4**
Inferred	37.6	27.7

**Source: 2015 Feasibility Study titled "NI 43-101 Technical Report on the Farim Project" dated effective September 14, 2015. The Company cautions that mineral resources that are not mineral reserves have not been analyzed to demonstrate economic viability.*

The Company also holds a production license in relation to the Farim Project. The Company is planning an open pit mining operation consisting of two pits: the South Pit which is expected to operate up to year eight and the North Pit which will be mined thereafter. The assessment of surface mineable phosphate matrix reserves within the Farim Project area was based on a 25 year mine plan and corresponding open pit design. The pit design was developed based on a pit optimization exercise that delineated the most economical 44 million tonnes of ROM material to feed a 25 year mine plan at a rate of 1.75 mtpa on a dry basis, with final beneficiated phosphate rock concentrate production expected to reach 1.32 mtpa for a minimum period of 25 years. The 2015 Feasibility Study also assumes that production will occur 12 months per annum.

With regards to the process plant design, it is planned that the ore will be beneficiated by scrubbing (both drum and attrition) followed by particle sizing to remove the fraction under 20 µm. This new beneficiation process should result in a 34.0% P_2O_5 product grade and final mass recovery of 75.5% as confirmed by a pilot scale test on a one tonne sample that took place in May 2015. After passing through the process plant, the final production of phosphate concentrate, based on 1.75 mtpa of ROM feed has been estimated at 1.32 mtpa.

It is expected the final product will be trucked approximately 75 kilometres from the mine-site to a port to be constructed as part of the project, where the ore will be directly loaded onto ships of up to 35,000 dead weight tonnes. The product will also be further dried at the port area for a final moisture content of 3%.

The initial capital expenditure is estimated at US$193.8 million (excluding owners' costs); the life of mine operating costs are estimated at US$52.13 per tonne of final concentrate. The resulting net present value based on a discount rate of 10% for the Farim Project is estimated at US$437 million after tax. The after tax internal project rate of return is estimated at 34.5%. The current projected payback period has been estimated at 4.3 years.

The phosphate rock price assumptions have been provided by CRU with a long-term price of US$123 per tonne for Moroccan FOB K10 phosphate rock concentrate from 2019 onward. The Company has assumed a premium over Morocco FOB K10 of 9.7% for the first eight years of production and a premium of 4.7% thereafter. The lower premium will be used until bench scale tests for the material from year eight onward have been completed and confirm that a higher premium is achievable.

Farim Project Key Highlights:

- Process improvements resulting in reduced process plant operating and capital costs
- Final product grade of 34.0%[1]
- Overall mass recovery of 75.5%[1]
- Pilot plant test performed on a one tonne sample, representative for the first seven years of mining
- Initial 25 year mine life based solely on reserves
- Mine production of 1.75 mtpa
- Final phosphate rock production of 1.32 mtpa[1]
- Initial capital costs of US$193.8 million
- Cumulative net cash flow of US$1.9 billion (post-tax)
- Net present value of US$437 million[2] (post-tax) based on a discount rate of 10%
- Tax effected internal rate of return of 34.5% based on long term phosphate rock price of US$123 per tonne with a 4.3 year pay-back period
- Low cost position with an average life of mine cash operating costs of US$52 per tonne of final concentrate
- Average cash cost for first seven years of production of US$46 per tonne of final concentrate
- Average EBITDA for first seven years of production of US$110 million per annum
- Improved logistics including the construction of a new port and use of existing local highway
- 19 months from the start of detailed engineering to production, with longest lead item of 11 months from ordering

[1] *All tonnages and quality data refer to dry tonnes. Per tonne data refers to final concentrate tonnage.*
[2] *Additional sensitivities are shown in tables 22-5 to 22-9 of the 2015 Feasibility Study.*

The DAP Test Work

In order to verify that the final phosphate rock concentrate produced at the Farim Project is amenable to phosphoric acid and diammonium phosphate ("**DAP**") production, the Company commissioned acidulation tests in late 2015. Using various samples generated from the pilot plant test performed in May 2015, continuous phosphoric acid tests were performed on blended material ranging in grade from 30.2% P_2O_5 to 33.3% P_2O_5.

Key Highlights:

- Continuous phosphoric acid tests resulted in merchant grade of 50% to 52% P_2O_5
  - Minor Element Ratio (defined as (%Fe2O3 + %Al2O3 + %MgO)/%P2O5 and is a measure of the impurity level) ranging between 0.045 and 0.051, significantly below the recommended limit of 0.085 for producing high-analysis fertilizers such as DAP
  - CaO/P_2O_5 ratios contained in the Farim phosphate deemed amongst the world's lowest at 1.41 resulting in low sulphuric acid consumption and less phosphogypsum production, to the benefit of customers

- Successful DAP production using unclarified phosphoric acid
  - Total nitrogen ranging from 18.1% to 18.6%
  - Available P_2O_5 ranging from 50.1%% to 50.4%

Environmental and Social Impact Assessment

The environmental baseline studies and the environmental and social impact assessment **("ESIA")** for the project site required to advance the Farim Project have been completed and were submitted to the Ministry of Energy, Industry and Natural Resources of Guinea-Bissau (the "**MNR**") in December 2014.

Since the submission of the ESIA for the mine, further work was commissioned for the road and port areas, and to account for any modifications to the original mine plan. In September 2015, the additional work on the ESIA for the mine, road, and port area ("**2015 ESIA**") was completed and prepared in accordance with Equator Principles III; International Finance Corporation ("**IFC**") Performance Standards on Social and Environmental Sustainability; air, noise, and water quality standards adopted by the IFC, established by the World Health Organization, or by other jurisdictions; and International Council of Mining and Metals best industry practice guidance documents on community development planning and mine closure.

An updated version of the ESIA which includes the port and a larger mining footprint was submitted to the Government of Guinea-Bissau for approval in March 2016.

Mineral Rights Expenditures and Balances

	Farim Project
Balance as at June 30, 2016	**77,395,690**
Additions – capitalized exploration expenditures:	
Amortization	23,182
Asset retirement obligations	(6,227)
Drilling and exploration	83,407
EPCM	237,073
Feasibility	(2,598)
Foreign exchange adjustments	(34,337)
License and permits	252,893
Overheads	59,398
Pre-EPCM works	1,581,720
Resettlement	435,840
Salaries	84,915
Balance as at December 31, 2016	**$ 80,110,956**

RESULTS OF OPERATIONS AND SELECTED FINANCIAL INFORMATION

As at December 31, 2016, the Company had working capital of $10,831,302 (June 30, 2016 – negative working capital $1,886,384). The Company reported a net loss of $2,889,538 for the period ended December 31, 2016 (December 31, 2015 - $5,175,921).

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

For the three months ended December 31, 2016 compared to the three months ended December 31, 2015

The Company's net loss for the three months ended December 31, 2016 was $1,548,426 (December 31, 2015 –$2,843,452).

Management and consulting fees totalled $549,987 (December 31, 2015 – $419,575), which included administrative consulting, financial consulting, management consulting, and project operations consulting. Management and consulting fees increased as compared with the prior comparative quarter, mainly due to increased rates of consulting fees and amounts previously paid as salary now paid as consulting fees.

Professional fees (audit and legal) decreased significantly to $432,717 (December 31, 2015 - $967,785). The decrease in legal fees in the quarter was mainly due to the settlement, on July 8, 2016, of the lawsuit by GBM Minerals Engineering Consultants Limited ("**GBMMEC**") against the Company's wholly owned subsidiary, GB Minerals Holdings Ltd. (the "**Lawsuit**").

Salaries and wages totalled $92,881 (December 31, 2015 - $240,569). Salaries and wages decreased compared with the prior comparative quarter due to amounts previously paid as salary now paid as consulting fees, an employee settlement expense and accumulated social security payments recognized in the prior comparative quarter, partially offset by an increase in headcount and salaries for operations in Guinea-Bissau.

The Company earned $11,113 in net interest income in the period compared to net interest expense of $471,336 in the three months ended December 31, 2015. The decrease in interest expense in the current quarter is due to the settlement of debt owing to GBMMEC on July 8, 2016 and the repayment of all outstanding promissory notes and convertible debentures on October 14, 2016. The Company earns interest income on its excess cash balances which it invests in Canadian Guaranteed Investment Certificates ("**GICs**").

General and administrative expenses totalled $151,006 (December 31, 2015 - $139,009), which included rent, insurance, repair and maintenance, security, fuel, and other items for day-to-day business operations. General and administrative expenses increased in the period to December 31, 2016 relative to the prior year mainly due to overall increased activity.

Gain on foreign exchange totalled $125,887 (December 31, 2015 – loss of $119,183) mainly due to a favourable fluctuation in the value of the Canadian Dollar as compared to the United States Dollar, in which the Company holds a significant portion of its cash.

The Company recorded a loss on the settlement of convertible debentures of $103,319 for the period ended December 31, 2016, representing the non-accreted equity component of the convertible notes with a face value of $1,000,000 due to Aterra Resources.

For the six months ended December 31, 2016 compared to the six months ended December 31, 2015

The Company's net loss for the six months ended December 31, 2016 was $2,889,538 (December 31, 2015 –$5,175,921).

Management and consulting fees totalled $1,089,427 (December 31, 2015 – $770,347), which included administrative consulting, financial consulting, management consulting, and project operations consulting. Management and consulting fees increased as compared with the prior comparative period, mainly due to increased rates of consulting fees and amounts previously paid as salary now paid as consulting fees.

Professional fees (audit and legal) decreased significantly to $688,829 (December 31, 2015 - $1,723,565). The decrease in legal fees in the period was mainly due to the settlement of the Lawsuit on July 8, 2016.

Salaries and wages totalled $169,727 (December 31, 2015 - $367,052). Salaries and wages decreased compared with the prior comparative period due to amounts previously paid as salary now paid as consulting fees, an employee settlement expense and accumulated social security payments recognized in the prior comparative period, partially offset by an increase in headcount and salaries for operations in Guinea-Bissau.

Net interest expense decreased significantly to $116,353 (December 31, 2015 - $937,332). The decrease in net interest expense in the six months to December 31, 2016 was due to the settlement of debt owing to GBMMEC on July 8, 2016 and the repayment of all outstanding promissory notes and convertible debentures on October 14, 2016. The Company earns interest income on its excess cash balances which it invests in Canadian GICs.

General and administrative expenses totalled $305,953 (December 31, 2015 - $269,295), which included rent, insurance, repair and maintenance, security, fuel, and other items for day-to-day business operations. General and administrative expenses increased in the period to December 31, 2016 relative to the prior comparative period mainly due to overall increased activity.

Gain on foreign exchange totalled $143,518 (December 31, 2015 – loss of $289,775) mainly due to a favourable fluctuation in the value of the Canadian Dollar as compared to the United States Dollar, in which the Company holds a significant portion of its cash.

The Company recorded a loss on the settlement of convertible debentures of $103,319 for the period ended December 31, 2016, representing the non-accreted equity component of the convertible notes with a face value of $1,000,000 due to Aterra Resources Ltd.

FINANCIAL POSITION AND LIQUIDITY

The Company's total assets as at December 31, 2016 amounted to $94,454,885 (June 30, 2016 - $93,237,545). Cash and cash equivalents totalled $13,591,869 as at December 31, 2016 (June 30, 2016 - $14,636,777). In the period ended December 31, 2016, the Company raised gross proceeds of approximately $18.6 million from the Rights Offering, paid $3.7 million to Aterra Resources to settle all outstanding promissory notes and convertible debentures, and settled its debt with GBMMEC which included a payment of $5,541,466. The Company also used its available cash to fund expenses and development of the Farim Project and to meet the Company's financial obligations and operations commitments.

During the period ended December 31, 2016, the Company reduced its funds held in escrow to $11,684 (June 30, 2016 - $792,236) as a result of the settlement of the Lawsuit which had required funds being held in escrow by the Company's litigation counsel as security for GBMMEC's costs in relation to the Lawsuit.

Other receivables amounted to $93,442 (June 30, 2016 - $42,382). During the period ended December 31, 2016, other receivables increased due to increased goods and services tax refund receivable from the Canada Revenue Agency.

Prepaid expenses as at December 31, 2016 amounted to $396,294 (June 30, 2016 - $210,551) which mainly consisted of the prepayment of a mining licence and a deposit payment for the works to be completed prior to the commencement of the engineering, procurement and construction stage of the Farim Project.

As at December 31, 2016, the carrying value of mineral rights totalled $80,110,956 (June 30, 2016 - $77,395,690).

The Company's total liabilities as at December 31, 2016 amounted to $10,190,071 (June 30, 2016 - $24,503,634). The decrease in total liabilities was mainly due to the repayment of promissory notes and convertible debentures payable to Aterra Resources which had a book value of $3,624,429 as at June 30, 2016, the settlement of debt payable to GBMMEC ($6,194,024) and a reduction in accounts payable.

Shareholders' equity as at December 31, 2016 was $84,264,814 (June 30, 2016 - $68,733,911). For the six month period ended December 31, 2016, the increase in the total shareholders' equity was primarily due the net proceeds received from the Rights Offering ($18,449,089) and partially offset by a net loss of $2,889,538.

RESULTS OF CASH FLOW

The Company's ending cash and cash equivalents as at December 31, 2016 amounted to $13,591,869 (June 30, 2016 - $14,636,777). Cash used in operating activities of $8,686,324 for the six month period ended December 31, 2016 increased from the cash outflow of $3,194,615 for the prior comparative period due to a net loss of $2,889,538 (December 31, 2015 - $5,175,921) combined with an increase in non-cash working capital of $6,037,627 (December 31, 2015 - $1,325,991 decrease in working capital) and partially offset by a favourable movement in non-cash items in the amount of $240,841 (December 31, 2015 - $655,315).

For the six month period ended December 31, 2016, cash used in investing activities totalled $1,568,630 (December 31, 2015 - $3,156,657), of which $1,468,192 were due mineral right expenditures incurred on the Farim Project.

For the six month period ended December 31, 2016, the cash provided by financing activities was $9,207,529 compared to $5,883,549 in the six month period ended December 31, 2015. The net inflow from financing activities was due to the completion of the Rights Offering in October 2016 ($18,449,089 net of costs), offset by the settlement of notes and convertible notes payable ($3,700,000) and settlement of debt to GBMMEC ($5,541,466).

SELECTED ANNUAL INFORMATION

The financial results for the years ended June 30, 2016, 2015, and 2014 are as follows:

	2016	2015	2014
Revenue	$ Nil	$ Nil	$ Nil
Total net loss	$ 7,515,340	$ 7,554,188	$ 4,871,967
Total net loss per share (basic and diluted)	$ 0.02	$ 0.04	$ 0.08
Total assets	$ 93,237,545	$ 78,755,854	$ 72,330,589
Total long-term liabilities[1]	$ 6,934,310	$ 6,902,278	$ 7,009,066
Total liabilities	$ 24,503,634	$ 29,327,400	$ 29,839,489
Shareholders' equity	$ 68,733,911	$ 49,428,454	$ 42,491,100
Cash dividends per Common Share	$ Nil	$ Nil	$ Nil

1) Total long-term liabilities include deferred income tax liability of $6,829,023 at June 30, 2016.

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

Quarter ended	Total revenue	Net loss (income)	Basic and diluted loss per Common Share
December 31, 2016	$Nil	$1,548,426	$0.00
September 30, 2016	$Nil	$ 1,341,112	$0.00
June 30, 2016	$Nil	<$ 587,662>	<$0.00>
March 31, 2016	$Nil	$2,927,080	$0.01
December 31, 2015	$Nil	$2,843,452	$0.01
September 30, 2015	$Nil	$2,332,469	$0.01
June 30, 2015	$Nil	$2,235,665	$0.01
March 31, 2015	$Nil	$2,541,734	$0.01

The quarterly variations have been relatively similar unless noted otherwise in the quarterly variations summarized herein: the decrease of $3,514,742 from the March 31, 2016 quarter to the June 30, 2016 quarter can be mainly attributed to the deduction of $2,365,060 in legal fees and the reduction of $985,281 in interest expense as a result of an adjusting subsequent event relating to the settlement of the Lawsuit on July 8, 2016. The increase of $1,928,774 from the June 30, 2016 quarter to the September 30, 2016 quarter can be mainly attributed to the net gain on the settlement of debt payable. The net losses for the periods ended September 30, 2016 and December 31, 2016 are significantly lower than each quarter from March 31, 2014 to March 31, 2016 mainly due to the settlement of debt resulting in a significant reduction in interest expense and professional fees compared to previous periods.

SEGMENTED INFORMATION

As at December 31, 2016, the Company had total assets of $94,454,885 (June 30, 2016 - $93,237,545). The Company incurred a net loss of $2,889,538 for the period ended December 31, 2016 (December 31, 2015 - $5,175,921).

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

The following table summarizes the segmented information as at December 31, 2016:

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

OFF BALANCE-SHEET ARRANGEMENTS

The Company has no off balance-sheet arrangements.

CAPITAL RESOURCES AND GOING CONCERN

As at December 31, 2016, the Company had working capital of $10,831,302 (June 30, 2016 – negative working capital $1,866,384), and incurred a net loss of $2,889,538 for the six months ended December 31, 2016 (December 31, 2015 - $5,175,921). Despite positive working capital, the Company currently does not have sufficient cash on hand to fully fund its planned exploration and development programs for the next 12 months. Its ability to continue operations is dependent on obtaining sufficient external financing to realize the recoverability of its investment in its mineral rights which is dependent upon the existence of economically recoverable reserves and upon future profitable production.

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

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

FINANCING ACTIVITIES

On July 14, 2016, the Company closed a non-brokered private placement of 265,328,536 Common Shares at a price of $0.055 per Common Share and raised aggregate gross proceeds of $14,593,070. The Common Shares were subscribed by Zaff LP and issued subject to a four-month hold period from the date of issuance. No finder's fee was paid in connection with this private placement.

On August 12, 2016, the Company and Aterra Resources entered into agreements (the "**Amendment Agreements**") to amend the terms of the then outstanding notes payable initially payable on demand on May 31, 2016, July 31, 2016, and November 30, 2016, and the convertible note initially payable on demand on January 31, 2017 as described in note 4 of the Financial Statements. Pursuant to the Amendment Agreements, the notes payable and convertible note would become payable on demand from August 31, 2017, provided that if the Company were to complete any combination of one or more offerings of rights to subscribe for Common Shares and/or private placements of Common Shares or other equity securities of the Company that result in aggregate gross proceeds to the Company exceeding US$10 million, the Company would repay the principal amount and all accrued and unpaid interest thereon following the completion of the earliest transaction that would result in such aggregate gross proceeds exceeding US$10 million.

Following the filing, on August 30, 2016, of the Rights Offering notice and Rights Offering circular, the Company announced on October 6, 2016, the completion of the Rights Offering and that it had issued 338,310,626 Common Shares at $0.055 per Common Share for aggregate gross proceeds of approximately $18.6 million. A finder's fee of $55,340 was paid to an arm's length broker in relation to the Rights Offering. Part of the proceeds raised from the Rights Offering was used to repay the outstanding convertible note, notes payable, along with accrued interests, and material balances owing to Aterra Resources.

As of February 23, 2017, Aterra owned an aggregate of 46.5% of the issued and outstanding Common Shares and Itafos (formerly MBAC Fertilizer Corp.), following its acquisition of Zaff LP, owned 31.34% of the issued and outstanding Common Shares.

USE OF PROCEEDS

The Company funds its operations from the proceeds of loan transactions, private placements of Common Shares and the Rights Offering:

Transaction closing date	**Gross proceeds**	**Common Shares issued**	**Shares converted**	**Planned and actual use of proceeds**	**Use of proceeds other than planned**
July 14, 2016	$14,593,070	265,328,536	N/A	Expenses and development of the Farim Project, to meet the Company's financial obligations and operations commitments, to fund the settlement of the Lawsuit and for additional working capital	The actual use of the proceeds of this private placement corresponds to the intended use of such proceeds as stated in the Company's news release dated July 14, 2016
October 6, 2016	$18,607,084	338,310,626	N/A	Expenses and development of the Farim Project, to meet the Company's financial obligations and operations commitments, for additional working capital, and to repay the outstanding convertible note, notes payable, and material balances owing to Aterra Resources	The actual use of the proceeds of this rights offering corresponds to the intended use of such proceeds as stated in the Rights Offering circular and the Company's news release dated October 6, 2016

RELATED PARTY BALANCES AND TRANSACTIONS

For the period ended December 31, 2016, the Company paid or accrued management and consulting fees of $511,843 (December 31, 2015 - $449,393), $103,410 of which were paid or accrued to Monmouth Ltd., a company controlled by Owen Ryan, an officer and director of the Company (December 31, 2015 - $78,000); $306,233 of which were paid or accrued to Aluso Capital Limited, a company controlled by Luis da Silva, an officer and director of the Company (December 31, 2015 - $231,000); $72,200 of which were paid or accrued to Artisan Consulting Ltd, a company controlled by Angel Law, an officer of the Company (December 31, 2015 - $76,000); $30,000 of which were paid or accrued to Cultivar Consulting Inc., a company controlled by Damien Forer, an officer of the Company (December 31, 2015 - $Nil); and $Nil to De Jong Capital LLC, a company controlled by Brent de Jong, a director of the Company (December 31, 2015 - $64,393).

For the period ended December 31, 2016, the Company paid or accrued director fees of $81,927 (December 31, 2015 - $60,000) to Kirill Zimin, a former director of the Company, and to the following directors of the Company: Walter Davidson, Brent de Jong, Robert Edwards and Boris Granovsky.

For the period ended December 31, 2016, the Company expensed interest of $152,991 (December 31, 2015 - $319,188) on promissory notes held by Aterra Resources.

On October 6, 2016, the Company completed a Rights Offering as described in note 6 of the Q2 Financial Statements whereby the following related parties participated:

Related Party Participant	Value ($)	# Shares
A.B. Aterra Investments Limited	7,511,564	136,573,898
A.B. Aterra Resources	4,904,636	89,175,199
Aluso Capital Limited	141,167	2,566,667
Monmouth Limited	170,867	3,106,667
Angel Law	2,933	53,333

Other transactions with related parties are described under the section entitled 'Financing Activities' in this MD&A.

FINANCIAL INSTRUMENTS

The Company's financial instruments include cash and cash equivalents, funds held in escrow, other receivables, and accounts payable and accrued liabilities. 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 the Company faces, 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 10 of the Q2 Financial Statements presents information about the Company's exposure to each of the aforementioned risks and the Company's objectives, policies and processes for measuring and managing these risks.

CRITICAL ACCOUNTING POLICIES, ESTIMATES AND JUDGEMENTS

The Company's significant accounting policies, estimates and judgements are described in note 2 of the Annual Financial Statements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

For the three and six month periods ended December 31, 2016 and the comparative periods ended December 31, 2015, the Company incurred the following costs and expenses:

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Six Months Ended December 31, 2016	Six Months Ended December 31, 2015
Capitalized exploration expenditures:				
Amortization	$ 14,535	$ 4,633	$ 23,182	$ 9,277
Asset Retirement Obligations	(9,379)	981	(6,227)	7,408
Drilling and exploration	70,648	96,556	83,407	194,279
Environmental	-	27,100	-	460,051
EPCM	221,683	-	237,073	-
Feasibility	(2,598)	137,178	(2,598)	941,840
Foreign exchange adjustments	(87,209)	8,423	(34,337)	103,420
Freight and transportation	-	-	-	4,353
Licence and permits	125,333	128,841	252,893	258,375
Overheads	30,090	15,332	59,398	17,169
Pre-EPCM works	1,268,798	58,970	1,581,720	58,790
Resettlement	394,523	12,279	435,840	12,279
Salaries	40,010	72,275	84,915	144,482
Travel	-	16,077	-	25,892
	$ 2,066,434	**$ 578,654**	**$ 2,715,266**	**$ 2,237,795**

	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Six Months Ended December 31, 2016	Six Months Ended December 31, 2015
General and administrative expenses:				
Fuel	$ 6,749	$ 14,129	$ 16,486	$ 28,157
Insurance	7,771	7,613	14,578	15,880
Other operations	60,033	47,486	120,220	82,521
Rent	43,364	38,878	84,054	76,514
Repair and maintenance	16,539	14,083	37,305	32,657
Security	16,549	16,821	33,309	33,566
	$ 151,005	**$ 139,009**	**$ 305,953**	**$ 269,295**
Management and consulting fees:				
Administrative	$ 21,411	$ 107,365	$ 43,476	$ 127,520
Financial	(95,276)	2,540	25,618	9,053
Management	266,242	192,500	511,843	385,000
Project operations	216,513	117,170	427,490	248,774
	$ 408,890	**$ 419,575**	**$ 1,008,427**	**$ 770,347**
Professional fees (audit and legal):				
Audit	$ 11,090	$ 17,724	$ 11,090	$ 17,724
Legal - Corporate	126,632	141,093	222,116	284,934
Legal – Project financing	294,818	179,454	374,727	179,454
Legal - Litigation	177	629,514	80,896	1,241,453
	$ 432,717	**$ 967,785**	**$ 688,829**	**$ 1,723,565**

OUTSTANDING SHARE DATA

The Company has an unlimited number of Common Shares authorized for issuance without par value.

As of December 31, 2016 and February 23, 2017, there were 1,089,419,050 Common Shares issued and outstanding and 14,684,500 incentive stock options issued and outstanding.

The fully diluted number of Common Shares as of December 31, 2016 and February 23, 2017 were 1,104,103,550.

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 of the Company;

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

(d) certain directors and officers of the Company, in addition to devoting a portion of their time to the business and affairs of the Company, may be engaged or may engage in the future in other projects or businesses, and as such, it is possible that conflicts of interest may arise from time to time.

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

The Company's Farim Project is in the exploration and development phase although reserves are disclosed in the 2015 Feasibility Study. At this stage, favourable results, estimates and studies are subject to a number of risks, including, but not limited to, the difficulties inherent to the scaling-up of operations and to achieving expected metallurgical recoveries; the possibility that cost estimates may increase in the future; and the possibility that difficulties may be met in the procurement of the electrical power and water required for the Farim Project.

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, 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.

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.

In addition, the mineral resource and mineral reserve figures referred to in this MD&A are estimates and no assurances can be given that the indicated levels of minerals will be produced. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. While the Company believes that the mineral resource and mineral reserve estimates in respect of its Farim Project are well established, by their nature mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such mineral resource and mineral reserve estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

Financing Risks

Although the Company was able to obtain adequate financing in the past, there is no assurance that it will continue to obtain adequate financing in the future or that the terms of such financing will be favourable, which could result in delays or indefinite postponement of further exploration and development of the Farim Project and may lead to the loss of the underlying mineral rights.

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 efforts 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 it has sufficient access to cash to meet current and foreseeable financial requirements.

The Company currently has sufficient cash available to settle its current liabilities as they fall due and to continue with its exploration and development programs for the immediate future. The Company's immediate and long term continuance are dependent upon obtaining sufficient external financing (predominantly through the issuance of equity and/or debt) to realize the recoverability of its investment in it mineral rights which is subject to 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, which would limit its ability to advance its business plan and carry on current activities. As at and for the six month period ended December 31, 2016, the Company had working capital of $10,831,302 (June 30, 2016 – negative working capital of $1,886,384) and a net loss of $2,889,538 (December 31, 2015 - $25,175,921). The material uncertainty surrounding the raising of additional financing can cast significant doubt about the Company's ability to continue as a going concern.

As at the balance sheet date of December 31, 2016, the Company has not generated any revenue from mining operations. Accordingly, the Q2 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 was not appropriate.

Political Risk

The Company's mineral property, which it holds through its wholly-owned subsidiary, GB Minerals AG, is located in Guinea-Bissau, West Africa, and is subject to changes in political conditions and regulations in that country. Guinea-Bissau has been subject to political instability, and changes and uncertainties may occur to existing governmental regulations affecting mineral exploration and mining activities. The activities of GB Minerals AG, the holder of the mineral rights to the Farim Project, 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. GB Minerals 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 of GB Minerals AG's activities or of maintaining the mineral rights. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, 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 GB Minerals AG are uncertain if all necessary permits will be obtained in a timely manner or if they will be maintained on acceptable terms. Future changes in applicable laws and regulations 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 GB Minerals AG, has represented that it has valid title to its mineral property with the Government of Guinea-Bissau, and the Company has obtained a formal opinion on title to the property. However, it remains possible that the property may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

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

Fluctuating Price and Currency

While the Company raises its equity primarily in Canadian Dollars, it conducts its principal business and operation activities in, and maintains certain accounts, in Canadian Dollars, United States Dollars, British Pounds, Euros, Swiss Francs, and Central African Francs. GB Minerals AG's operations in Guinea-Bissau make it subject to foreign currency fluctuations which 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 possessing greater financial resources and technical facilities 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 their combination may result in the Company not receiving adequate return on invested capital or in the Company 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 the environmental legislation in West Africa will not adversely affect the Company's operations. Environmental risks may exist which are unknown at present and which may 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.

OUTLOOK

Following the positive results of the 2015 Feasibility Study, the Company completed several equity and debt fundraisings with existing shareholders and a new key investor, JP Morgan Asset Management UK which acquired approximately 8% of the Common Shares, and raised approximately $25.3 million in total. More recently, the Company completed the Rights Offering and raised approximately $18.6 million which allowed it to clear its debt obligations, resulting in a clean capital structure, and to focus on the early works before advancing with EPCM activities.

An extensive drilling campaign in the Farim Project's mine area was concluded in June 2016. This drilling campaign included geotechnical, hydrogeological, geochemical and metallurgical sampling recommended in the 2015 Feasibility Study. Additionally, the Company recently completed the required in-land geotechnical holes at the proposed port location in Ponta Chugue.

As a result of the analysis from the geochemical drilling, the overburden storage dumps and tailings pond design are being finalized. The conceptual hydrogeological model has also been completed based on the hydrogeological drilling and test work. The mine plan will be modified to reflect the information obtained from the drill campaign and associated analysis. Finally, metallurgical drilling should continue throughout the next several quarters to generate additional sizeable customer samples.

Work has also begun along the Geba River to collect additional data for the marine portion of the port area and portions of the navigation route including river bathymetry, geophysical testing and sediment sampling. This work is near complete and will be used to prepare navigational simulations along the future shipping routes. A sedimentation study along the same routes as well as the port area will also be completed once the field work is finished.

In addition, the Company has commissioned a geotechnical drilling program in the Geba River in order to finalize the designs of the shiploader that is expected to be used for the purposes of the Farim Project.

Resettlement related processes for the people affected by the Farim Project ("PAPs") are progressing. The Company has recently completed the entitlement framework as well as the implementation of a fully functional grievance mechanism. The work currently underway includes pursuing on-going stakeholder engagement with the resettlement working group, finalizing the new host site location, completing an asset survey program to confirm compensation for the PAPs, and finalizing architectural designs and town planning for the new host sites.

The current and recently completed work during 2016 has been performed in conjunction with several top tier consulting firms, namely Knight Piésold Limited for hydrogeological, geochemical and geotechnical site investigations, Golder Associates Ltd for geological modelling, KEMWorks Technology Inc. for metallurgical analysis, Nomad Socio Economic Management and Consultancy (Pty) Ltd and rePlan Inc. for resettlement studies, and WF Baird and Associates Coastal Engineers Ltd. and EGS International Ltd. for hydrographic, geophysical and meteocean investigations along the Geba River.

The Company also continues to progress discussions on project financing and appointed a Vice President Commercial in 2016 with 35 years of phosphate and fertilizer experience to further enhance its team and strengthen offtake discussions in its chosen markets. The key objectives of the Company remain focused on maximizing shareholder value by advancing debt and equity financing discussions; pursuing the discussions with partners in contracting sales and broadening offtake partner discussions that may lead to advanced capital for the development of the Farim Project; and working with the Government of Guinea-Bissau to finalize all necessary licenses and permitting.

DISCLOSURE CONTROLS AND INTERNAL CONTROLS ON FINANCIAL REPORTING

The Company's management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that (i) the Q2 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 Q2 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 Company's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations made herein. 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.

QUALIFIED PERSON

Dan Markovic, P.Eng., a Qualified Person in the meaning of NI 43-101, is one of the Qualified Persons responsible for the 2015 Feasibility Study, and has read and approved the relevant technical information contained in this MD&A.

Jamie Knez, P.Eng. of KEMWorks in Lakeland Florida, who is a Qualified Person as defined in NI 43-101, supervised and worked on, and is responsible for the technical information in the DAP Test Work report which the Company announced on January 12 and 13, 2016 and contained in this MD&A. Ms. Knez is independent from the Company.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain information contained in this MD&A relating to the Company is forward-looking information that may relate to future events or the Company's future performance. All information other than information of historical fact is forward-looking information. The use of any of the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "predict" and "potential" and similar expressions are intended to identify forward-looking information. This information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. No assurance can be given that this information will prove to be correct and such forward-looking information should not be unduly relied upon. Furthermore, this information speaks only as of the date of this MD&A.

The forward-looking statements in this MD&A include, among other things, statements or information relating to: the Farim Project (including the quantity and quality of mineral resource and mineral reserve estimates), the potential to upgrade inferred mineral resources, the ability of the Company to develop the Farim Project into a commercially viable mine and the proposed new plans relating thereto regarding operations and mine design, estimates relating to tonnage, grades, recovery rates, future phosphate production, future cash flows, life of mine estimates, expectations regarding production, estimates of capital and operating costs, estimates of revenues and pay-back periods, estimates of net present values and internal rates of return, expectations regarding operating parameters, construction activities, transportation methods, the results of phosphoric acid and DAP Test Work, expectations regarding the potential environmental and socio-economic impacts of the Farim Project, expectation that all licences/permits will be able to be obtained, when required as well as the other forecasts, estimates and expectations relating to the Farim Project included in this MD&A, the future market price of commodities, strategic plans, production targets, timetables, the continued listing of the Common Shares on the TSXV, financing plans and alternatives, anticipated sources of funding, and targets, goals, objectives and plans associated therewith.

With respect to forward-looking information contained in this MD&A, assumptions have been made regarding, among other things: general business, economic and mining industry conditions; interest rates and foreign exchange rates; mineral resource and mineral reserve estimates; geological and metallurgical assumptions (including with respect to the size, grade and recoverability of mineral resources and mineral reserves) and cost estimates on which the mineral resource and mineral reserve estimates are based; the parameters and assumptions employed in the 2015 Feasibility Study, (including but not limited to, those relating to construction, future mining and operating costs, processing and recovery rates, net present values and internal rates of return, timing for the commencement of production, tax and royalty rates, future phosphate prices, metallurgical rates, pit design, operations and management, grades and the base case analysis); the supply and demand for commodities and the level and volatility of the prices of phosphate; market competition; the ability of the Company to raise sufficient funds from capital markets and/or debt to meet its future obligations and planned activities; the business of the Company; the political environment and legal and regulatory frameworks in Guinea-Bissau with respect to, among other things, the ability of the Company to obtain, maintain, renew and/or extend required permits, licenses, authorizations and/or approvals from the appropriate regulatory authorities and the ability of the Company to continue to obtain qualified staff and equipment in a timely and cost-efficient manner to meet its demand. Assumptions used in the preparation of such information, although considered reasonable by the Company at the time of preparation, may prove to be incorrect. Actual results could differ materially from those anticipated in the forward-looking information contained in this MD&A as a result of the risk factors, including: risks normally associated with exploration and development of mineral properties; the inability of the Company to obtain required financing when needed and/or on acceptable terms or at all; political risks; risks related to the Company's title to its mineral properties; changes in exchange rates and commodity prices; competitive conditions in the mineral exploration and mining industry; risks related to environmental regulations; and future unforeseen liabilities and other factors.

Disclosure herein of exploration information and of mineral resources and mineral reserves is derived from the 2015 Feasibility Study. Information relating to "mineral resources" and "mineral reserves" is deemed to be forward-looking information as it involves the implied assessment based on certain estimates and assumptions that the mineral resources and mineral reserves can be profitable in the future. Such estimates are expressions of judgment based on knowledge, mining experience, analysis of drilling results and industry practices. Valid estimates made at a given time may significantly change when new information becomes available. By their nature, mineral resource and mineral reserve estimates are imprecise and depend, to a certain extent, upon statistical inferences which may ultimately prove unreliable. If such estimates are inaccurate or are reduced in the future, this could have a material adverse impact on the Company. Accordingly, readers should not place undue reliance on forward-looking information. Mineral resources that are not mineral reserves do not have demonstrated economic viability. Due to the uncertainty that may be attached to inferred mineral resources, it cannot be assumed that all or any part of an inferred mineral resource will be upgraded to an indicated or measured mineral resource as a result of continued exploration. The forward-looking information included in this MD&A is expressly qualified by this cautionary statement and is made as of the date of this MD&A. The Company does not undertake any obligation to publicly update or revise any forward-looking information except as required by applicable securities laws.