



Interim Consolidated Financial Statements of

Plains Creek Phosphate Corporation

(An exploration stage company)

For the Three Months Ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

(Unaudited)

Plains Creek Phosphate Corp.

**Unaudited Interim Consolidated Financial Statements
For the three months ended September 30, 2012 and 2011**

Notice of No Auditor Review of Interim Consolidated Financial Statements

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

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

Plains Creek Phosphate Corporation
(An exploration stage company)
Interim Consolidated Statement of Financial Position
(Expressed in Canadian dollars)

	September 30, 2012 (Unaudited)	June 30, 2012 (Audited)
ASSETS		
Current Assets		
Cash	\$ 20,538	\$ 14,733
Other receivable	256,078	232,664
Notes receivable (note 5)	-	883,000
Prepaid expense	59,301	70,492
	\$ 335,917	\$ 1,200,889
Equipment (note 6)	175,568	202,687
Intangible assets:		
Other assets	485	620
Mineral rights (note 7)	76,191,204	73,045,069
Total Assets	\$ 76,703,174	\$ 74,449,265
LIABILITIES		
Current Liabilities		
Bank indebtedness	\$ -	\$ 3,302
Accounts payable and accrued liabilities	11,040,417	8,105,221
Advances from related parties (note 8)	713,635	764,057
	\$ 11,754,052	\$ 8,872,580
Provision for reclamation and rehabilitation (note 11)	43,357	43,357
Deferred Income Tax Liability (notes 4 and 9)	9,499,876	9,499,876
	\$ 21,297,285	\$ 18,415,813
Shareholders' Equity (Deficit)		
Share Capital (note 10)	\$ 40,035,887	\$ 40,035,887
Share-Based Payment Reserve (note 10)	1,949,779	1,949,596
Warrant Reserve (note 10)	615,676	615,859
Cumulative Translation Reserve	60,462	60,656
Deficit	(11,200,105)	(10,707,474)
Equity	\$ 31,461,699	\$ 31,954,524
Non-Controlling Interest	23,944,190	24,078,928
Total Equity	55,405,889	56,033,452
Total Liabilities and Equity	\$ 76,703,174	\$ 74,449,265

Commitments and Contractual Arrangements (note 11)

APPROVED ON BEHALF OF THE BOARD OF DIRECTORS:

Signed "Glenn Laing"
 Director

Signed "Carson Phillips"
 Director

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

Plains Creek Phosphate Corporation
(An exploration stage company)
Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011
Revenue	\$ -	\$ -
Expenses		
General and administrative	121,127	177,260
Management and consulting fees	147,772	495,064
Director fees	26,000	-
Professional fees	55,950	43,148
Travel	49,663	156,686
Loss on foreign exchange	135,311	6,032
Salaries and wages	42,712	80,773
Investor relations	46,049	75,934
Amortization	1,329	6,037
Filing and transfer agent fees	1,337	7,572
Loss before other loss	627,250	1,048,506
Other income		
Interest income	(74)	(12,895)
Net Loss before Income Taxes	627,176	1,035,611
Deferred income taxes (note 9)	-	-
Net Loss	\$ 627,176	\$ 1,035,611
Other Comprehensive Loss (Income)		
Currency translation differences translating foreign operations	194	(361)
Currency translation differences translating non-controlling interest	193	(360)
Comprehensive Loss	627,563	1,034,890
Comprehensive Loss attributable to:		
Controlling equity holders	\$ 492,825	\$ 820,044
Non-controlling interest	134,738	214,846
	\$ 627,563	\$ 1,034,890
Weighted Average Number of Shares Outstanding	387,877,088	345,387,461
Loss per Share – basic and diluted	\$ 0.00	\$ 0.00

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

Plains Creek Phosphate Corporation
(An exploration stage company)
Interim Consolidated Statements of Cash Flows (Unaudited)
(Expressed in Canadian dollars)

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011
Operating Activities:		
Net loss for the period	\$ (627,176)	\$ (1,035,611)
Adjustments for non-cash items:		
Amortization (note 6)	1,329	5,988
Shares issued for consulting services	-	250,000
Unrealized foreign exchange adjustments	116,495	(27,561)
Changes in non-cash working capital:		
Other receivable	(23,414)	(36,494)
Prepaid expenses	11,192	223,109
Accounts payable and accrued liabilities	(233,273)	242,259
Net Cash Used in Operating Activities	(754,847)	(378,310)
Investing Activities:		
Additions in mineral rights	(67,748)	(1,538,178)
Notes receivable	883,000	(485,000)
Purchase of equipment	(873)	-
Net Cash Provided by (Used in) Investing Activities	814,379	(2,023,178)
Financing Activities:		
Bank indebtedness	(3,302)	-
Proceeds from exercise of options	-	25,500
Proceeds from (repayments to) related parties	(50,422)	17,052
Net Cash (Used in) Provided by Financing Activities	(53,724)	42,552
Impact of foreign exchange on cash	(3)	721
Net increase (decrease) in cash and cash equivalents	5,805	(2,358,215)
Cash and cash equivalents - beginning of period	14,733	3,391,229
Cash and cash equivalents - end of period	\$ 20,538	\$ 1,033,014
Cash	\$ 20,538	\$ 672,950
Cash equivalents	-	360,064
	\$ 20,538	\$ 1,033,014

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

Plains Creek Phosphate Corporation
(An exploration stage company)
Interim Consolidated Statement of Changes in Equity (Unaudited)
(Expressed in Canadian dollars)

	Number of Common Shares ¹	Common Shares ¹	Share-Based Payment Reserve	Warrants Reserve	Non- Controlling Interest	Cumulative Translation Reserve	Deficit	Shareholders' Equity
Opening Balance	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Issued on inception (February 23, 2010)	1	1	-	-	-	-	-	1
Private placement	4,934,395	305,000	-	-	-	-	-	305,000
Founders' shares – issued for consulting services	20,222,929	25,000	-	-	-	-	-	25,000
Loss for the period	-	-	-	-	-	-	(1,781,636)	(1,781,636)
Balance – June 30, 2010	25,157,325	330,001	-	-	-	-	(1,781,636)	(1,451,635)
Private placement	12,942,675	800,000	-	-	-	-	-	800,000
Share issue cost – in cash	-	(14,000)	-	-	-	-	-	(14,000)
Warrants valuation – brokers' warrants	-	(3,404)	-	3,404	-	-	-	-
Balance – February 24, 2011	38,100,000	1,112,597	-	3,404	-	-	(1,781,636)	(665,635)
<i>Reverse takeover transaction (Note 3):</i>								
Private placements (concurrent financing)	184,827,614	24,027,590	-	-	-	-	-	24,027,590
Share issue cost – in agent commission	-	(2,385,675)	-	-	-	-	-	(2,385,675)
Share issue cost – in shares	7,393,105	961,104	-	-	-	-	-	961,104
Share issue cost – brokers' warrants	-	-	-	313,468	-	-	-	313,468
Shares issued for acquisition of GB Minerals AG	101,000,000	13,130,000	-	-	-	-	-	13,130,000
Recognition of 49.9% on acquisition of GB Minerals AG	-	-	-	-	25,194,321	-	-	25,194,321
Reverse takeover adjustments	-	-	-	-	-	-	(54,945)	(54,945)
Exchanged for Resource Hunter Capital common shares	(331,320,719)	-	-	-	-	-	-	-
Issued pursuant to acquisition	331,320,719	174,590	-	-	-	-	-	174,590
Resource Hunter Capital shares recognized	13,313,333	-	-	-	-	-	-	-
Stock-based compensation	-	-	1,948,315	-	-	-	-	1,948,315
Shares issued for consulting services	250,000	26,250	-	-	-	-	-	26,250
Warrants issued for consulting services	-	-	-	5,800	-	-	-	5,800
Shares issued for exercise of warrants	56,626	7,000	1,281	(1,281)	-	-	-	7,000
Other comprehensive loss	-	-	-	-	(11,622)	(11,669)	-	(23,291)
Loss for the period	-	-	-	-	(441,810)	-	(5,337,089)	(5,778,899)
Balance – June 30, 2011	344,940,678	37,053,456	1,949,596	321,391	24,740,889	(11,669)	(7,173,670)	56,879,993

	Number of Common Shares ¹	Common Shares ¹	Share-Based Payment Reserve	Warrants Reserve	Non- Controlling Interest	Cumulative Translation Reserve	Deficit	Shareholders' Equity
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¹ Under reverse takeover accounting the number of shares issued and outstanding is that of Plains Creek Phosphate Corporation (formerly Resource Hunter Capital Corporation), the legal parent. However, the share capital amount is that of the legal subsidiary Plains Creek Mining Limited plus the share capital transactions of the Company from the acquisition date of February 25, 2011 onwards.

Shares issued for prior year's subscription	133,333	-	-	-	-	-	-	-
Shares issued for consulting services	1,923,077	250,000	-	-	-	-	-	250,000
Shares issued for exercise of options	255,000	25,500	-	-	-	-	-	25,500
Other comprehensive gain	-	-	-	-	360	361	-	721
Loss for the period	-	-	-	-	(215,206)	-	(820,405)	(1,035,611)
Balance - September 30, 2011	347,252,088	\$37,328,956	1,949,596	321,391	24,526,043	(11,308)	(7,994,075)	56,120,603
Private placement	40,625,000	3,250,000	-	-	-	-	-	3,250,000
Share issue cost – in cash	-	(242,800)	-	-	-	-	-	(242,800)
Share issue cost – brokers' warrants	-	(44,972)	-	44,972	-	-	-	-
Warrants expired	-	1,940	-	(7,740)	-	-	-	(5,800)
Warrants valuation – subscription warrants	-	(149,298)	-	149,297	-	-	-	(1)
Warrants valuation – warrants extension	-	(107,939)	-	107,939	-	-	-	-
Other comprehensive gain	-	-	-	-	71,676	71,964	-	143,640
Loss for the period	-	-	-	-	(518,791)	-	(2,713,399)	(3,232,190)
Balance – June 30, 2012	387,877,088	40,035,887	1,949,596	615,859	24,078,928	60,656	(10,707,474)	56,033,452
Warrants expired	-	-	183	(183)	-	-	-	-
Other comprehensive gain	-	-	-	-	(193)	(194)	-	(387)
Loss for the period	-	-	-	-	(134,545)	-	(492,631)	(627,176)
Balance – September 30, 2012	387,877,088	\$40,035,887	\$ 1,949,779	\$ 615,676	\$ 23,944,190	\$ 60,462	\$ (11,200,105)	\$55,405,889

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

¹ Under reverse takeover accounting the number of shares issued and outstanding is that of Plains Creek Phosphate Corporation (formerly Resource Hunter Capital Corporation), the legal parent. However, the share capital amount is that of the legal subsidiary Plains Creek Mining Limited plus the share capital transactions of the Company from the acquisition date of February 25, 2011 onwards.

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

1. Nature and Continuance of Operations

Plains Creek Phosphate Corporation (formerly Resource Hunter Capital Corporation (“RHC”)) was incorporated in the Province of British Columbia on July 24, 2007 under the Business Corporations Act of British Columbia. RHC commenced trading on the TSX Venture Exchange as a Capital Pool Company. On June 11, 2010, it completed its Qualifying Transaction to become a tier 2 mining issuer with its common shares listed for trading under the symbol “RHC”. On February 25, 2011, RHC was acquired by Plains Creek Mining Limited (“PCM”) in a reverse takeover transaction (see note 3). As a result, these interim consolidated financial statements reflect the financial position, operating results and cash flows of the Company’s legal subsidiary, PCM. RHC changed its name to Plains Creek Phosphate Corporation (“PCP” or the “Company”). The Company’s registered address is 700 – 595 Burrard Street, PO Box 49290, Three Bentall Centre, Vancouver, BC V7X 1S8.

On February 25, 2011, the Company acquired a 50.1% interest in a Swiss company GB Minerals AG (“GBM AG”) and its wholly owned subsidiary GB Minerals SARL (“GBM SARL”) by cash and the issuance of shares. As a result of this transaction, the Company acquired control of GBM AG which owns the mineral rights in the Farim Phosphate Project in Guinea-Bissau (see notes 4 and 7).

The Company’s principal business activities include the acquisition and exploration of the mineral rights located in Guinea-Bissau. At the balance sheet dated September 30, 2012, the Company has not yet determined whether the property contains mineral reserves that are economically recoverable (refer to note 16).

These interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) applicable to a going concern, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

While the Company currently does not have sufficient cash on hand to continue with its exploration 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 its mineral rights which is dependent upon the existence of economically recoverable reserves and upon future profitable production. As at September 30, 2012, the Company had a negative working capital of \$11,418,135 (June 30, 2012 - \$7,671,691). As at the balance sheet date September 30, 2012, the Company has not received any revenue from mining operations and is considered to be in the exploration stage (refer to note 16). Accordingly, these interim consolidated financial statements do not reflect adjustments to the carrying value of assets, liabilities, the reported expenses and balance sheet classifications used that might be necessary if the going concern assumption were not appropriate.

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

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies

a) Statement of compliance with IFRS

These interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") using accounting policies consistent with IFRS.

These interim consolidated financial statements have been prepared on a historical cost convention. In addition, these interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

b) Basis of presentation

These interim consolidated financial statements have been prepared in accordance with IAS 34 and may not include all the information required for full annual audited financial statements. They should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended June 30, 2012 prepared in accordance with IFRS.

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

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as at November 26, 2012, the date the Board of Directors approved these interim consolidated financial statements for issue.

The standards that will be effective in the annual financial statements for the year ending June 30, 2013 are subject to change and may be affected by additional interpretation(s). Accordingly, the accounting policies for the annual period that are relevant to these interim consolidated financial statements will be determined only when the annual financial statements are prepared for the year ending June 30, 2013.

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

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

c) Basis of consolidation

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

d) Functional currency translation

i) Functional and presentation currency

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

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

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

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

d) Functional currency translation (Cont'd)

ii) Transactions and balances

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

e) Measurement uncertainty

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

Significant areas requiring the use of estimates and assumptions include the review of asset carrying values and estimated useful lives, valuation of share-based payment reserves, warrant reserves, and recoverability of deferred tax assets. By their nature, these estimates and assumptions are subject to measurement uncertainty, and the impact of changes in estimates in the interim consolidated financial statements of future periods could be material. These assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings (loss) in the periods in which they become known.

f) Significant accounting judgements

The critical judgments that the Company's management has made in the process of applying the Company's accounting policies, apart from those involving estimations (note 2(e)), that have the most significant effect on the amounts recognized in the Company's consolidated financial statements are related to the economic recoverability of the mineral properties, level of componentization, cash-generating units, definition of segments and related parties, impairment of financial assets, the determination of functional currency for the Company and its subsidiaries, provision for reclamation and obligation, the determination that the reverse acquisition of RHC (note 3) represents an acquisition of an asset rather than a business combination and the assumption that the Company will continue as a going concern.

g) Cash and cash equivalents

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

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

h) Equipment

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

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

Machinery and equipment	30%
Vehicles	30%
Furniture	30%

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

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

i) Financial instruments

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

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

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

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Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

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

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

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

ii) Available-for-sale investment

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

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

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

iii) Loans and receivables

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

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(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

i) Financial instruments (Cont'd)

iv) Held to maturity investments

Held to maturity investments are non-derivative financial assets with no fixed or determinable payments and fixed maturities that the Company's management has the intention and ability to hold to maturity. These assets are measured originally at fair value and then subsequently at amortized cost using the effective interest rate method. If there is objective evidence that the investment is impaired, the financial asset is measured at the estimated present value of future cash flows discounted at the entity's original effective interest rate. Any changes to the carrying amount of the investment are recognized in the statement of loss.

v) Financial liabilities at amortized cost

Financial liabilities at amortized cost are recognized initially at the amount required to be paid less, when material, a discount to reduce the financial liabilities to fair value. Subsequently, the financial liabilities are measured at amortized cost using the effective interest method. Financial liabilities are classified as current liabilities if payment is due within twelve months. Otherwise, they are presented as non-current liabilities.

vi) Other financial liabilities

Other financial liabilities are non-derivative liabilities recognized initially at fair value, net of transaction costs, and are subsequently stated at amortized cost each period. The Company has classified accounts payable and accrued liabilities, and advances from related parties as other financial liabilities.

j) Impairment of financial assets

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

i) Financial assets carried at amortized cost

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

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Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

j) Impairment of financial assets (Cont'd)

ii) Available-for-sale financial assets

The impairment loss is the difference between the original cost of the asset and its fair value at the measurement date, less any impairment losses previously recognized in the statement of loss. This amount represents the cumulative loss in accumulated other comprehensive loss that is reclassified to net loss.

Impairment losses on financial assets carried at amortized cost are reversed in subsequent periods if the amount of the loss decreases and the decreases can be related objectively to an event occurring after the impairment was recognized. Impairment losses on available-for-sale equity instruments are not reversed.

k) Revenue recognition

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

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

l) Non-controlling interests

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

m) Comprehensive income or loss

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

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(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

n) Income taxes

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

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

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

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

Flow-through shares are a unique Canadian tax incentive which is the subject of specific guidance under prior period GAAP however there is no equivalent IFRS guidance. Under terms of the flow-through agreements, the income tax deductions attributable to the capital expenditures are renounced to the subscribers. To recognize the foregone tax benefits to the Company, the carrying value of the shares issued is reduced by the tax effect of the tax benefits renounced to subscribers. The Company recognizes the foregone tax benefit at the time of the renouncement, provided there is reasonable assurance that the expenditures will be incurred.

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

o) Identifiable intangible assets

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

Software	50%
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Mineral Rights

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

i) Pre-Exploration

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

ii) Exploration and evaluation expenditures

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

iii) Development and production costs

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

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

p) Impairment of non-financial assets

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

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

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

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

- Substantive expenditure on further exploration and evaluation activities is neither budgeted or planned;
- Title to the asset is compromised;
- Adverse changes in variations in commodity prices and markets; and
- Variations in the exchange rate for the currency of operation

The Company has determined that its non-financial assets are not impaired as at September 30, 2012.

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Notes to the Interim Consolidated Financial Statements (Unaudited)

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(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

q) Restoration, rehabilitation and environmental obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when the environmental disturbance is caused by the exploration or development of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, along with a corresponding liability as soon as the obligation to incur such costs arises. The timing of the actual rehabilitation expenditure is dependent on a number of factors such as the life and nature of the asset, the operation license conditions and, when applicable, the environment in which the mine operates. Discount rates using a pre-tax rate that reflects the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight line method. The corresponding liability is progressively increased as the effect of discounting unwinds creating an expense in profit or loss (refer to note 11c).

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

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

r) Share-based payments

The Company has a stock-based compensation plan, which is described in note 10. The Company uses the fair value method, utilizing the Black-Scholes option pricing model, for valuing stock options granted to directors, officers, consultants and employees. The estimated fair value is recognized over the applicable vesting period as stock-based compensation expense and an increase to share base payment reserve. Any consideration paid by 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. An individual is classified as an employee when they are an employee for legal purposes, or primarily performing services similar to the services that would be provided by a legal employee.

s) Non-monetary transactions

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

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

t) Loss per share

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

u) Reverse takeover accounting transactions that do not constitute business combinations

IFRS does not provide guidance with respect to reverse takeover transactions that do not constitute a business combination. As a result management has applied IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which allows the creation of an accounting policy. Reverse takeover transactions that do not constitute a business combination are accounted for as a recapitalization whereby the number of shares issued and outstanding is that of the legal parent and whereas the share capital amount is that of the legal subsidiary plus the share capital transactions of the Company from the date of the transaction onwards. The fair value of share-based consideration provided by the legal subsidiary to the legal parent to effect the transaction is equal to the fair value of the net assets of the legal parent. Costs associated with these types of reverse takeover transactions are split into components and treated as a reduction of equity where costs have been incurred preceding the reverse takeover transaction. Costs that are not associated with the raising of capital are expensed as incurred.

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

v) New accounting standards and recent pronouncements

A number of new standards, and amendments to standards and interpretations, are not yet effective for the three months ended September 30, 2012, and have not been applied in preparing these consolidated financial statements. The following standards and interpretations have been issued by the International Accounting Standards Board and the International Financial Reporting Interpretations Committees with effective dates relating to the annual accounting periods starting on or after the effective dates as follows:

International Accounting Standards		Effective Date
IAS 1 – Presentation of Financial Statements	In June 2011, the International Accounting Standard Board (IASB) issued an amendment to International Accounting Standard (IAS) 1, which requires entities to separate items presented in other comprehensive income (“OCI”) into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.	January 1, 2013
IAS 12 – Income Taxes	In December 2010, IAS 12 Income Taxes was amended to introduce an exception to the existing principle for the measurement of deferred tax assets or liabilities arising on investment property measured at fair value. As a result of the amendments, SIC 21, Income Taxes – Recovery of Revalued Non-depreciable Assets, will no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC 21, which is withdrawn.	January 1, 2012
IAS 27 – Separate Financial Statements	As a result of the issue of the new consolidation suite of standards, IAS 27 Separate Financial Statements has been reissued, as the consolidation guidance will now be included in IFRS 10. IAS 27 will now only prescribe the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. IAS 28 has been amended to include joint ventures in its scope to address the changes in IFRS 10 to IFRS 13.	January 1, 2013

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

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

		Effective Date
IAS 32 – Financial Instruments: Presentation	The objective of this Standard is to establish principles for presenting financial instruments as liabilities or equity and for offsetting financial assets and financial liabilities. It applies to the classification of financial instruments, from the perspective of the issuer, into financial assets, financial liabilities and equity instruments; the classification of related interest, dividends, losses, and gains; and the circumstances in which financial assets and financial liabilities should be offset. The principles in this Standard complement principles for recognizing and measuring financial assets and financial liabilities in IFRS 9, and for disclosing information about them in IFRS 7. Concurrent with the amendments to IFRS 7, the IASB also amended IAS 32 to clarify the existing requirements for offsetting financial instruments in the balance sheet.	January 1, 2014
IFRS 7 – Financial Instruments: Disclosure	In October 2010, the IASB issued amendments to IFRS 7 that improve the disclosure requirements in relation to transferred financial assets. The amendments are effective for annual periods beginning on or after July 1, 2011, with early adoption permitted. The Company does not anticipate this amendment to have a significant impact on its consolidated financial statements.	January 1, 2012
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.	January 1, 2015

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

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

		Effective Date
IFRS 9 – Financial Instruments (Cont'd)	<p>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.</p> <p>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.</p>	January 1, 2015
IFRS 10 – Consolidated Financial Statements	<p>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.</p>	January 1, 2013
IFRS 12 – Disclosure of Interests in Other Entities	<p>IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.</p>	January 1, 2013
IFRS 13 – Fair Value Measurement	<p>IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.</p>	January 1, 2013

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Cont'd)

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

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

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

3. Reverse Takeover Transaction

On February 25, 2011, PCM acquired RHC in a reverse takeover transaction. Prior to the transaction RHC had 13,313,333 common shares outstanding. RHC acquired 331,320,719 common shares of PCM in return for its net assets. RHC then issued 331,320,719 of its common shares to the original shareholders of PCM.

This transaction was accounted for as a reverse takeover transaction that does not constitute a business combination. For accounting purposes, the legal parent company (RHC) in the reverse takeover transaction is deemed to be a continuation of the legal subsidiary (PCM) which is regarded as the acquirer. Accordingly, the interim consolidated financial statements reflect the significant accounting policies of PCM. As a result, these interim consolidated financial statements reflect the financial position, operating results and cash flows of PCM, as at and for the three months ended September 30, 2012, and for the comparative prior period September 30, 2011. The operating results of RHC have been included commencing February 25, 2011.

Under reverse takeover accounting, the purchase cost of RHC's net assets and the allocation of costs to the Company's assets and liabilities are as follows:

Net assets acquired at fair value:		
Cash	\$	54,945
Accounts receivable		561,380
Prepaid expense		6,864
Accounts payable and accrued liabilities		(448,599)
	\$	174,590

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

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(Expressed in Canadian dollars)

4. Acquisition of GB Minerals AG

On February 25, 2011, the Company acquired 50.1% of GBM AG's common shares for total consideration of \$25,295,300. Under the terms of the transaction, the shareholders of GBM AG received €9,000,000 (CAD\$12,165,300) in cash and 101,000,000 common shares of the Company representing approximately 29% of the 344,634,052 outstanding shares of the Company as at the date of the reverse takeover transaction on February 25, 2011.

The fair value of the consideration transferred by the Company and the net assets of GBM AG acquired is as follows:

Cash	\$	12,165,300
101,000,000 common shares		<u>13,130,000</u>
Fair value of 50.1% ownership interest	\$	25,295,300
Implied fair value of non-controlling interest		<u>25,194,321</u>
Implied fair value of 100% ownership interest	\$	<u>50,489,621</u>
Net Assets acquired		
Cash	\$	3,664
Mineral rights		60,508,763
Prepaid expenses		68,672
Accounts payable and accrued liabilities		(275,250)
Advances from shareholder		(316,352)
Deferred tax liability		<u>(9,499,876)</u>
	\$	<u>50,489,621</u>

The Company has the right to acquire a further 49.9% ownership of GBM AG under a shareholders' agreement governing the ownership of GBM as follows:

(i) the right 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 (CAD\$17,072,100) by December 31, 2012, conditional upon arrangement of financing to bring the project into production; and

(ii) the right to acquire an additional 25% of GBM AG (to bring its total ownership up to 100%) at a purchase price of €13,500,000 (CAD\$17,072,100) by December 31, 2015, conditional upon commencement of production.

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

5. Notes Receivable

As at September 30, 2012, the Company has advanced a total aggregate amount of \$Nil (the "Principal Amount") (June 30, 2012 - \$883,000) to an entity with common directors in exchange for promissory notes. The Principal Amount is unsecured and due on demand. Under the provision of promissory notes, the Principal Amount shall remain outstanding and bear no interest for the first 90 days. After the initial interest-free period, the Principal Amount shall bear interest thereon, calculated and compounded annually at the rate of 7% per annum. The Company received a total aggregate amount of \$883,000 for settlement of promissory note on July 12, 2012.

6. Equipment

	Machinery and equipment*	Vehicles*	Furniture	Total
	\$	\$	\$	\$
Cost				
Balance at June 30, 2011	10,395	102,295	-	112,690
Additions during the year	39,012	137,175	21,210	197,397
Foreign exchange adjustments	(1,599)	(16,238)	(886)	(18,723)
Balance at June 30, 2012	47,808	223,232	20,324	291,364
Additions during the periods	-	-	873	873
Foreign exchange adjustments	(3,085)	(15,987)	(778)	(19,850)
Balance at September 30, 2012	44,723	207,245	20,419	272,387
Accumulated amortization				
Balance at June 30, 2011	3,119	30,688	-	33,807
Additions during the year	7,987	48,190	3,686	59,863
Foreign exchange adjustments	(500)	(4,384)	(109)	(4,993)
Balance at June 30, 2012	10,606	74,494	3,577	88,677
Additions during the periods	2,998	11,878	1,233	16,109
Foreign exchange adjustments	(1,096)	(6,761)	(110)	(7,967)

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

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(Expressed in Canadian dollars)

6. Equipment (Cont'd)

Balance at September 30, 2012	12,509	79,610	4,700	96,819
<hr/>				
Net book value				
September 30, 2012	32,214	127,635	15,719	175,568
June 30, 2012	37,202	148,738	16,747	202,687
June 30, 2011	7,276	71,607	-	78,883

*The usage of machinery and equipment, and vehicles are related to exploration activities, and of the \$16,109 of amortization incurred in the period of September 30, 2012 (September 30, 2011 - \$6,037), \$1,329 (September 30, 2011 - \$6,037) was charged to the statement of loss, and the remaining difference of \$14,780 (June 30, 2012 - \$51,293), was capitalized as exploration expenditures.

7. Mineral Rights

Farim Phosphate Project

The Company through its subsidiary GBM AG owns 100% of the mineral rights of the Farim Phosphate Project located in the northern part of central Guinea-Bissau of West Africa, approximately five kilometers west of Farim and one hundred and twenty kilometers north of Bissau. The project consists of a high grade sedimentary phosphate deposit of a continuous phosphate bed, which extends over a known surface area of approximately forty square kilometers. As well, GBM AG holds a production license, with the exclusive right to exploit, mine and commercialize the minerals for an initial period of twenty five years which may be extended for an additional twenty five years upon application.

	September 30, 2012	June 30, 2012
Balance of exploration assets - beginning of the period	\$ 73,045,069	\$ 61,854,205
Expenditures capitalized during the period:	3,337,606	11,341,371
Foreign exchange adjustments:	(191,471)	(150,507)
Balance of exploration assets – end of the period	\$ 76,191,204	\$ 73,045,069

Plains Creek Phosphate Corporation

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Notes to the Interim Consolidated Financial Statements (Unaudited)

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8. Advances from Related Parties

As at September 30, 2012, advances received from WAD Consult AG, the minority interest holder of GB Minerals AG, and subordinated shareholders amounted to \$713,635 (June 30, 2012 - \$764,057). The advances are interest bearing at 4% per annum, are unsecured and due on demand.

9. Income Taxes and Deferred Tax

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

(a) Deferred Income Tax Assets and Liabilities

No deferred tax asset has been recognized as the Company is reflecting uncertainties associated with realization of all deferred income tax assets.

The significant components of the Company's deferred tax assets are as follows:

Deferred income tax assets:	September 30, 2012	June 30, 2012
Non-capital tax losses carried forward	\$ 1,884,954	\$ 1,743,539
Exploration and development expenses	294,627	294,627
Financing fees	553,461	593,419
Total gross deferred income tax assets	\$ 2,733,042	\$ 2,631,585

The Company's deferred income tax liability of \$9,499,876 is attributable to differences between the book value and the tax value of mineral rights at the time of acquisition of GBM AG.

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

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(Expressed in Canadian dollars)

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

(b) Non-capital Losses

As at September 30, 2012, the Company can carry forward Canadian non-capital losses to reduce taxable income in future years of approximately \$7,160,039 expiring as follows:

Year 2026	\$ 8,834
Year 2027	\$ 154,414
Year 2028	\$ 74,853
Year 2029	\$ 885,025
Year 2030	\$1,549,412
Year 2031	\$1,099,158
Year 2032	\$2,870,724
Year 2033	\$ 517,619

As at September 30, 2012 the Company can carry forward Swiss non-capital losses to reduce taxable income in future years of approximately \$351,000 expiring in year 2018 and \$479,000 expiring in year 2019 and \$120,100 expiring in year 2020.

(c) Income Tax Reconciliation

	Three Months Ended September 30, 2012	Three Months Ended September 30, 2011
Income tax recovery expected at statutory rates	\$ (156,794)	\$ (290,000)
Foreign jurisdiction tax rate difference	18,016	37,000
No tax benefit of losses due to foreign jurisdiction tax holiday	33,488	63,000
Temporary difference for which no increase (decrease) to deferred tax assets were recognized	(39,793)	-
Effect of changes in enacted rate and other	-	18,000
Permanent difference	3,668	-
Tax lossess for which no deferred tax asset was recognized	141,415	172,000
Income taxes (recovery)	\$ -	\$ -

Plains Creek Phosphate Corporation

(An exploration stage company)

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10. Share Capital

(a) *Authorized*

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

(b) *Issued and outstanding*

Issued common shares are as follows:

	Number of shares ¹	Amount ¹
Balance, opening, February 23, 2010	-	\$ -
Issued upon incorporation – February 23, 2010	1	1
Issued in private placement	4,934,395	305,000
Issued for consulting services	20,222,929	25,000
Balance, June 30, 2010	25,157,325	330,001
Issued in private placements	12,942,675	800,000
Share issue cost – in cash	-	(14,000)
Warrants valuation – brokers' warrants	-	(3,404)
Balance, February 24, 2011	38,100,000	1,112,597
<i>Reverse takeover transaction (Note 3)</i>		
Private placements	184,827,614	24,027,590
Issued shares as agent's commission	7,393,105	961,104
Shares issue cost in agent commission	-	(2,385,675)
Shares issued for GBM acquisition (Note 4)	101,000,000	13,130,000
Exchanged for Resource Hunter Capital Shares	(331,320,719)	-
Issued pursuant to acquisition	331,320,719	174,590
Resource Hunter Capital Shares recognized ²	13,313,333	-
Issued for consulting services	250,000	26,250
Issued on exercise of warrants	56,626	7,000
Balance, June 30, 2011	344,940,678	37,053,456
Issued for consulting services	1,923,077	250,000
Issued on exercise of stock options	255,000	25,500
Issued on exercise of prior year's subscription	133,333	-
Balance, September 30, 2011	347,252,088	37,328,956
Private placement	40,625,000	3,250,000
Share issue cost – in cash	-	(242,800)
Share issue cost – brokers' warrants	-	(44,972)
Warrants valuation – brokers' warrants expired	-	1,940
Warrants valuation – subscription warrants	-	(149,298)
Warrants valuation – warrants extension	-	(107,939)
Balance, June 30, 2012	387,877,088	40,035,887
Balance, September 30, 2012	387,877,088	\$ 40,035,887

Plains Creek Phosphate Corporation

(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

For the three months ended September 30, 2012 and 2011

(Expressed in Canadian dollars)

10. Share Capital (Cont'd)

(b) Issued and outstanding (cont'd)

¹Under reverse takeover accounting the number of shares issued and outstanding is that of Plains Creek Phosphate Corporation (formerly Resource Hunter Capital Corporation), the legal parent. However, the share capital amount is that of the legal subsidiary Plains Creek Mining Ltd. plus the share capital transactions of the Company from the acquisition date of February 25, 2011 onwards.

²Under reverse takeover accounting, the number of shares of Plains Creek Phosphate Corporation (formerly Resource Hunter Capital Corporation) is recognized as part of the issued and outstanding common shares of Plains Creek Mining Ltd. with a corresponding share capital amount of \$Nil.

The Company's legal subsidiary, PCM issued 24,999,999 (20,222,929 after a share consolidation on February 16, 2011) common shares at a value of \$0.01 per share or \$25,000 as compensation for consulting services provided by directors, shareholders, and consultants rendered on inception. This transaction was in the normal course of business and was recorded at the exchange value agreed upon by the related parties.

Prior to December 31, 2010, PCM issued 6,100,000 (4,934,395 after a share consolidation on February 16, 2011) common shares at \$0.05 per share for gross proceeds of \$305,000 and 16,000,000 (12,942,675 after a share consolidation on February 16, 2011) common shares at \$0.05 per share for gross proceeds of \$800,000. PCM paid finder's fee of \$14,000 (8% of \$175,000 subscribed through the agent). PCM issued 80,000 (64,715 after a share consolidation on February 16, 2011) agent's warrants (8% of 1,000,000 common shares subscribed through the agent). Each agent's warrant is exercisable into one common 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 a share consolidation on February 16, 2011) agent's warrants (8% of 2,500,000 common shares subscribed through the agent), and each such warrant is exercisable into one common 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.

On February 16, 2011, PCM consolidated its shares on a 4.71/3.81-to-1 basis to reduce the issued and outstanding shares from 47,100,000 to 38,100,000 common shares.

Concurrent with the closing of the transaction relating to the reverse takeover of RHC and the acquisition of GBM AG, PCM completed a brokered private placement of 184,827,614 common shares at a price of \$0.13 per common shares for aggregate gross proceeds of \$24,027,590. PCM paid a commission of \$961,104 in cash, issued 7,393,105 common shares at a fair value of \$961,104, and issued 14,786,209 broker's warrants with a fair value of \$313,468. In addition, PCM completed an acquisition of a 50.1% interest in GB Minerals AG concurrent with the reverse takeover transaction between PCM and RHC. In consideration for the 50.1% ownership of GB Minerals AG, Plains Creek paid €9 million

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10. Share Capital (Cont'd)

(b) Issued and outstanding (cont'd)

(CAD\$12,165,300) in cash and issued 101,000,000 common shares of Plains Creek to WAD Consult AG at a fair value of \$13,130,000.

On February 25, 2011, the Company acquired all of the issued and outstanding shares of PCM, including those issued pursuant to the concurrent financing and acquisition of 50.1% in GB Minerals, and issued 331,320,719 common shares to the shareholders of PCM and 15,012,709 warrants to holders of PCM warrants.

With completion of the reverse takeover transaction, the Company had 344,634,052 common shares issued and outstanding as at the date of the reverse takeover transaction on February 25, 2011. The principals of the Company collectively held 125,274,281 common shares, 121,708,281 of which are subject to a Tier 2 Value Security Escrow Agreement. Included in such common shares are 101,000,000 common shares issued to WAD Consult AG as part consideration of 50.1% interest in GB Minerals AG. In addition, 5,257,962 common shares held by non-principals of the Company are subject to a Tier 2 Value Security Escrow Agreement. 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.

With the completion of the reverse takeover transaction on February 25, 2011, costs of the reverse takeover transaction including share issuance costs were \$3,071,280 as at June 30, 2011 (June 30, 2010 - \$Nil), of which \$54,945 of these costs were charged to retained earnings and the remaining amount of \$2,961,388 were charged to the statement of loss and comprehensive loss.

On June 02, 2011, the Company issued to Appleton Exploration Inc. 250,000 units at a fair market value price of \$0.105 per unit (each unit comprised of a common share and one common share purchase warrant of the Company exercisable for 24 months after issuance) pursuant to an option termination agreement entered with Appleton Exploration Inc. on May 19, 2011 with respect to terminate the option to earn a minimum of 51% up to a maximum of 75% undivided interest in the Dora Property.

On June 08, 2011, the Company issued 56,626 common shares at \$0.12 per share for exercise of 56,626 broker warrants (70,000 before a share consolidation on February 16, 2011).

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10. Share Capital (Cont'd)

(b) Issued and outstanding (cont'd)

On July 04, 2011, options allowing for the purchase of up to 255,000 shares in aggregate were exercised for gross proceeds in the amount of \$25,500 (255,000 shares at the price of \$0.10 per share).

On July 18, 2011, the Company issued 133,333 common shares at the price of \$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 common shares at the price of \$0.13 per share pursuant to an advisory services agreement between the Company and Byron Securities which was approved by the TSX Venture Exchange on July 15, 2011.

On December 31, 2011, 161,785 warrants were expired.

On January 17, 2012, the Company announced the closing of the first tranche of its brokered private placement of 20,312,500 units at a price of \$0.08 per unit raising gross proceeds of \$1,625,000. Each unit consists of one common share of the Company and one-half of common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of \$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 fee of \$40,000 respectively in cash and issued 1,218,750 broker's warrants 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 which expired May 18, 2012.

On January 31, 2012, 100,000 stock options at a price of \$0.22 each were cancelled.

On February 14, 2012, 1,500,000 warrants expired.

On February 25, 2012, 14,786,209 broker's warrants issued on February 25, 2011 were extended to November 25, 2012 with an additional fair value of \$107,939.

On March 8, 2012, the Company announced the closing of the second tranche of its brokered private placement of 20,312,500 units at a price of \$0.08 per unit raising gross proceeds of \$1,625,000. Each unit consists of one common share of the Company and one-half of common share purchase warrant. Each whole warrant entitles the holder thereof to purchase one common share at a price of \$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-pocket cost of \$67,800 respectively in cash and issued 1,218,750 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 June 2, 2012 and June 11, 2012, 250,000 warrants and 1,590,000 broker's warrants expired.

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Notes to the Interim Consolidated Financial Statements (Unaudited)

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(Expressed in Canadian dollars)

10. Share Capital (Cont'd)

(c) Issued and outstanding (cont'd)

On September 17, 2012, 8,089 warrants were expired.

(d) Stock options and share-based payment

The Company has a stock option plan that allows for the issuance of options to purchase shares at specific prices for a specific period of time. The maximum number of shares issuable pursuant to options granted under the plan is limited to 10% of the total issued and outstanding common shares subject to shareholder approval. All directors, officers, employees, and consultants are eligible to participate in the plan. Options under the plan vest immediately. The option price under the plan will not be less than the market price of the common shares on the date of grant. The expiry date for each option will be set by the Board of Directors at the time of issue of the option but in any event will not be more than ten years after the grant date.

The Company had 1,900,000 options (post share consolidation) in the shares of RHC outstanding prior to the closing of the reverse take-over transaction as at February 25, 2011 which were fully vested. These options were assumed by the Company with the same terms as original options issued by RHC.

On April 21, 2011, the shareholders of the Company approved the adoption of a new rolling share option plan which made available for grant 27,750,000 options, of which 23,450,000 options have been granted, including 750,000 and 22,700,000 stock options granted respectively on February 28, 2011 and March 24, 2011. The assumptions utilized in determining the value of the 750,000 stock option granted to its directors was a share price of \$0.10, an exercise price of \$0.13, a risk-free interest rate of 3.4%, volatility of 40%, expected yield of nil, and an expected life of 10 years. The estimate of the fair value of the 750,000 options issued was \$36,975, which were fully vested and recorded as share-based payment reserve. The assumptions utilized in determining the value of the 22,700,000 stock options granted to its directors and consultants was a share price of \$0.15, an exercise price of \$0.15, a risk-free interest rate of 3.4%, volatility of 40%, expected yield of nil, and an expected life of 10 years. The estimate of the fair value of the 22,700,000 options issued was \$1,911,340 which are fully vested and recorded as share-based payment reserve.

On January 31, 2012, 100,000 incentive stock options at a price of \$0.22 each were cancelled.

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10. Share Capital (Cont'd)

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

As at September 30, 2012, the Company had 24,995,000 (June 30, 2012 – 24,995,000) stock options outstanding. The following table summarizes information about stock options outstanding:

	Number	Weighted average exercise price
Balance, opening, July 1, 2010	-	\$ -
Resource Hunter Capital Corp. options assumed in the reverse takeover transaction (note 3)	1,900,000	0.11
Stock options granted since the reverse takeover transaction	23,450,000	0.15
Balance, June 30, 2011	25,350,000	0.15
Stock options exercised	(255,000)	0.10
Balance, September 30, 2011	25,095,000	0.15
Stock options cancelled	(100,000)	0.22
Balance, June 30, 2012	24,995,000	0.15
Balance, September 30, 2012	24,995,000	\$ 0.15

The following table summarizes the options outstanding and exercisable at September 30, 2012.

Options outstanding	Exercise price	Options exercisable at September 30, 2012	Expiry date
355,000	\$ 0.10	355,000	December 28, 2012
1,190,000	0.10	1,190,000	September 24, 2015
750,000	0.13	750,000	February 28, 2021
22,700,000	0.15	22,700,000	March 24, 2021
24,995,000	\$ 0.15	24,995,000	

*Please refer to Consolidated Statement of Changes in Equity

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10. Share Capital (Cont'd)

(d) Warrant Reserve

The following is a summary of the changes in the Company's warrants during the periods:

	Number	Amount
Balance, opening and July 1, 2010	-	\$ -
Broker's warrants assumed	226,500	3,404
Balance, February 24, 2011	226,500	3,404
Reverse takeover transaction (Note 3)		
Resource Hunter Capital warrants recognized	3,090,000	-
Broker's warrants issued	14,786,209	313,468
Warrants issued for consulting services	250,000	5,800
Warrants exercised	(56,626)	(1,281)
Balance, June 30, 2011	18,296,083	\$321,391
Balance, September 30, 2011	18,296,083	\$321,391
Warrants expired	(3,501,785)	(7,740)
Warrants issued for brokers' warrants	2,437,500	44,972
Warrants issued for subscription	20,312,500	149,297
Warrants extension	-	107,939
Balance, June 30, 2012	37,544,298	615,859
Warrants expired	(8,089)	(183)
Balance, September 30, 2012	37,536,209	\$ 615,676

11. Commitments and Contractual Arrangements

- a) The Company retained the services of GBM Engineering Minerals Consultants Limited ("GBME") to prepare a feasibility study on the Farim Phosphate Project. The anticipated completion date of this bankable feasibility study is prior to the end of the fourth calendar year quarter of 2012 (refer to note 16) and the total estimated cost is \$7,424,312 (£ 4,678,500) plus taxes, out-of-pocket costs, and other general expenses. As of September 30, 2012, the Company incurred costs of \$12,726,312 (£ 7,931,601 and €129,248) for the services provided by GBME and its subconsultants. In the event that the Company would terminate its contract with GBME, the Company would be required to pay an early termination fee of \$1,031,485 (£ 650,000).

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(An exploration stage company)

Notes to the Interim Consolidated Financial Statements (Unaudited)

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11. Commitments and Contractual Arrangements (Cont'd)

- b) The Company has committed to future minimum payments at September 30, 2012 under a Canadian operating lease that includes the rental of office space and proportionate share of operating costs as follows:

Year	Office lease	Operating costs
2013	64,950	41,611
2014	64,950	41,611
2015	16,238	10,403
Total minimum payments	\$ 146,138	\$ 93,625

- c) Although the ultimate amount of the environmental rehabilitation provision is uncertain, the best estimate of these obligations is based on information currently available, including environmental management plans, demobilization and ecological restoration plans and applicable regulations. Significant environmental management activities include site restoration and environmental regulations.

The provision for environmental rehabilitation as at September 30, 2012 is \$43,357 (June 30, 2012 - \$43,357). The provision was determined using a discounted cash flow rate of 4% and an estimated life of mine of 20 years for the Farim phosphate mining property.

12. Capital Management

As at September 30, 2012, the capital structure of the Company consists of equity attributable to common shareholders and includes share capital of \$40,035,887 (June 30, 2012 - \$40,035,887), share-based payment reserve of \$1,949,779 (June 30, 2012 - 1,949,596), warrants reserve of \$615,676 (June 30, 2012 - \$615,859), non-controlling interest of \$23,944,190 (June 30, 2012 - \$24,078,928), and deficit of \$11,200,105 (June 30, 2012 - \$10,707,474).

The Company's objective when managing capital structure is to ensure sufficient financial resources exist to meet the Company's strategic exploration and business development objectives, and to ensure that the Company continues as a going concern.

The Company is an exploration stage company and is currently unable to self-finance its operations. The Company has relied on equity financing to raise sufficient funds to carry out its exploration and acquisition activities and pay its administrative costs. The Company intends to raise additional funds as required to carry out its planned activities.

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13. Related Party Transactions

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

	Three months Ended September 30, 2012	Three months ended September 30, 2011
Management and consulting fees	\$ 105,000	\$ 105,000
Share-based payments, non-cash	-	-
Total	\$ 105,000	\$ 105,000

For the three months ended September, 2012, the Company paid or accrued management and consulting fees of \$60,000 (September 30, 2011 - \$60,000) to Silverbridge Capital Corp., \$30,000 (September 30, 2011 - \$30,000) to CJP Management Inc., and \$15,000 (September 30, 2011 - \$15,000) to Artisan Consulting Ltd., which are included in accounts payable and accrued liabilities. These transactions are in the normal course of operations and at the exchange rate agreed to by the related parties.

14. Segmented Information

The Company operates in one reportable segment. Segments are defined as components for which separate financial information is available and is regularly evaluated by the chief operating decision maker.

15. Financial Instruments

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. process) or indirectly (i.e. derived from process); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company's cash and cash equivalents, other receivable, notes receivable, accounts payable and accrued liabilities, and advances from related parties are designated as level 1.

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

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Notes to the Interim Consolidated Financial Statements (Unaudited)

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15. Financial Instruments (Cont'd)

Fair value

As at September 30, 2012, the Company's financial instruments consist of cash and cash equivalents, other receivable, notes receivable, accounts payable and accrued liabilities, and advances from related parties. The fair values of cash and equivalents, other receivable, notes receivable, accounts payable and accrued liabilities, and advances from related parties approximate their carrying values due to the short-term nature of these instruments.

Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company takes steps to ensure that it has sufficient working capital and available sources of financing to meet future cash requirements for capital programs.

The Company will issue equity to ensure the Company has sufficient access to cash to meet current and foreseeable financial requirements. The Company actively monitors its liquidity to ensure that its cash flows and working capital are adequate to support its financial obligations and the Company's capital programs. The Company has no financial instruments maturing beyond one year. Further information regarding liquidity risk is set out in note 1.

Credit risk

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

There is no allowance for doubtful accounts recorded as at September 30, 2012 (June 30, 2012 - \$Nil).

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Notes to the Interim Consolidated Financial Statements (Unaudited)

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15. Financial Instruments (Cont'd)

Market risk

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

(i) Interest rate risk

The Company is exposed to the risk that the value of financial instruments will change due to movement in market interest rates. The Company does not hold interest-bearing debt with long-term maturities and therefore does not believe that its interest rate risk is significant.

(ii) Currency risk

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

For the three months ended September 30, 2012, a 5% increase or decrease on an annualized basis in the value of a Canadian dollar in relation to the GBP, CHF Franc, and CFA Franc would have resulted in approximately \$527,595 increase or decrease in foreign exchange or loss respectively.

(iii) Commodity price risk

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

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16. Subsequent Events

On October 15, 2012, the Company announced that it has appointed Nedbank Capital, a division of Nedbank Limited ("Nedbank Capital") and Ecobank Capital ("Ecobank") as financial advisors with a lead arranger mandate for the project financing of the GBM AG's Farim Project in Guinea-Bissau, West Africa. Nedbank and Ecobank (collectively, the "Advisors") will work in association with BMO Capital Markets who were appointed in October 2011 as the Company's financial advisor to assist the Company to obtain a strategic partner and off take agreements as part of the development of the Project. Pursuant to their engagement, the Advisors are collectively entitled to a monthly retainer of \$25,000 per month and a success fee of 3% of the project financing debt plus reimbursement for approved reasonable expenses. The off take agreements and/or a strategic partner are an integral part of the Nedbank / Ecobank financing package and to date the Company has been involved in advanced discussions with potential off takers and strategic partners.

On or about November 23, 2012, the Company filed on SEDAR two feasibility studies (the "Feasibility Studies") for two 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. The Feasibility Studies were previously announced on October 9, 2012 and have now been finalized and filed on SEDAR. The Feasibility Studies were prepared 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.

On November 26, 2012, the Company received comments from British Columbia Securities Commission ("BCSC") on the Feasibility Studies filed on or about November 23, 2012 stating that the Feasibility Studies are currently non-compliant under NI 43-101. Consequently, the Company plans to combine its two Feasibility Studies for the two production alternatives into a single technical report disclosing the both feasibility studies and clarifying certain disclosure to comply with the requests of the BCSC and the Company plans to issue a clarifying news release describing this in further detail. Until the Company has filed on SEDAR such a combined technical report which is compliant under NI 43-101, the mineral reserve estimates and other disclosure in the Feasibility Studies disclosed therein are unsupported by a compliant NI 43-101 technical report and should not be relied upon. Pursuant to NI 43-101, the Company cautions that mineral resources that are not mineral reserves do not have demonstrated economic viability.