



1660 – 401 West Georgia Street Vancouver, B.C. V6B 5A1
Telephone: (604) 569-0721 Fax: (604) 569-1617

NEWS RELEASE

PLAINS CREEK ANNOUNCES POSITIVE FEASIBILITY STUDIES FOR 1 MILLION TONNE/YEAR BENEFICIATED ROCK CONCENTRATE PROJECT AND 1.3 MILLION TONNE/YEAR DIRECT SHIPPING PHOSPHATE ROCK PROJECT FOR THE FARIM PHOSPHATE PROJECT, GUINEA-BISSAU, WEST AFRICA

October 9, 2012 – Vancouver, British Columbia: Plains Creek Phosphate Corporation (“**Plains Creek**”, the “**Company**”) (**TSX-V: PCP**) is pleased to announce the positive results of the 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 prepared by GBM Minerals Engineering Consultants Limited (“**GBMMEC**”) in conjunction with Golder Associates Limited (“**Golder**”), GEEEM Consultants and Tropica Environmental, all of whom are independent of the Company.

These two production alternatives address the first phase of development of the GB Minerals AG (“**GBMAG**”) Farim Phosphate Project (the “**Project**”) in Guinea-Bissau, West Africa. The second phase is to mine and process the remainder of the Project’s phosphate deposit including the production of 2 Million tonnes per year of beneficiated phosphate rock concentrate with an open pit mine, processing plant, pipeline, and port construction, which will be assessed in a separate feasibility study.

Background

The Project is located in the northern part of central Guinea-Bissau, West Africa, approximately 25 km south of the Senegal border, approximately 5 km west of the town of Farim and some 120 km north of Bissau, the capital of Guinea-Bissau. The Project consists of a high grade sedimentary phosphate deposit of one continuous phosphate bed (known as the FPA layer), which extends over a known surface area of approximately 40 km².

Studies and investigations have been underway on the Project since February 2011 and as work progressed a number of alternative production scenarios have been investigated in order to maximize the project value, reduce time to production, minimize development capital and accommodate the phosphate market demand. As a result, GBMAG and the Company are now targeting the two-phased development of the Project as an open pit mining operation.

Three production scenario alternatives for the progressive development of the Project, depending on the phosphate market conditions, the economic and political climate in Guinea-Bissau, and the availability of capital and skilled manpower to develop the Project have been investigated as follows:

Phase One

- 1.3 Million tonne per year Direct Shipping Option (DSO) Phosphate Rock product production alternative;
- 1 Million tonne per year Beneficiated Phosphate Rock Concentrate product (BPRC) production alternative; and

Phase Two

- 2 Million tonne per year Phosphate Rock Concentrate production alternative, which includes an open pit mine, processing plant, pipeline, and port construction to be assessed in a separate feasibility study.

Mining Agreement, Mining Lease and Production License

A Mining Agreement was negotiated in May 2009 in terms of which GBMAG was granted a Mining Lease and a Production License by the Guinea-Bissau Government, which includes the Project. Included within this Mining Agreement are numerous permissions and incentives that have influenced the development and production plans for the Project.

Mineral Resources

As previously announced by the Company on 5th September 2012, the Mineral Resource Estimate for the Project was completed by the Qualified Person, Dr. Marcelo Godoy of Golder in Santiago, Chile. Dr. Godoy meets the requirements of a Qualified Person for the purposes of NI 43-101 reporting and is independent from the Company.

The Mineral Resource Estimate defines a Measured Resource of 64.6 Mt at an average grade of 29.11% P₂O₅, an Indicated Resource of 28.1 Mt at an average grade of 27.68% P₂O₅ and an Inferred Resource of 18.3 Mt at an average grade of 28.66% P₂O₅. No recoveries or dilution factors have been considered in this estimate and the estimate is strictly in situ, in accordance with NI 43-101 reporting guidelines for resources.

Mining Plan

Within the Project, areas having a Measured and Indicated Resource of 32.60 million tonnes of phosphate rock have been identified with an average P₂O₅ grade in excess of 30%, and favorable mining stripping ratios, which are suitable for either a BPRC Project or a DSO Project.

A 25 year mine plan has been prepared as part of the Feasibility Studies for either the BPRC production alternative which produces 1 Million tonnes per year of phosphate rock concentrate at an average grade of 33.1% P₂O₅ and 1.6% Fe₂O₃ and 1.4% Al₂O₃; or the DSO production alternative which produces 1.3 Million tonnes per year of phosphate rock at an average grade of 30.4 % P₂O₅ and 4.4% Fe₂O₃ and 2.5% Al₂O₃.

A. 1 Million Tonnes Per Year BPRC Project Feasibility Study Overview

1 Million Tonne Per Year BPRC Project - Process Flow

The BPRC Project Feasibility Study encompasses the following general process flow:

- Annual production rate of 1 Million tonnes per year of beneficiated phosphate rock concentrate.
- Contractor mining.
- Removal of overburden by a combination of excavators and trucks.
- The average strip ratio over the 25 year mine plan is 7.4:1 [bank cubic meters (bcm) overburden : tonne phosphate rock ("Matrix")]. The average thickness of phosphate deposit within the 25 year mine plan is approximately 4 meters over the life of the BPRC Project. Average annual overburden production is 3.6 Million cubic meters.
- 1.3 Million tonnes per year of Run of Mine (ROM) phosphate matrix removed by excavator and truck to a 130,000 tonne ROM pad for storage and beneficiation. The ROM pad is located some 1.5 km from the open pit and adjacent to the barge loading facility at an area known as Canico, on the River Cacheu.
- ROM phosphate matrix is removed from the ROM pad and processed in the beneficiation plant to produce a phosphate rock concentrate product which is stockpiled at Canico in a 30,000 tonne stockpile which feeds a conveyor for barge loading. Recoveries of 78% by weight, have been determined from metallurgical test work and process design, which will result in the production of approximately 1 million tonnes per year of phosphate rock concentrate product.

- Barges of up to 3,500 tonnes capacity will be moored to a pontoon at Canico. A set of four barges will form a flotilla that will be maneuvered by a ‘Pusher’ tug to a barge marshalling area at Bolor in the River Cacheu estuary.
- The barges will then be maneuvered by tug to an offshore trans-shipment point offshore in the Atlantic Ocean, where the phosphate rock will be loaded onto carriers (bulk carrier vessel of up to 28,000 tonnes capacity) by its own ship’s gear.
- The battery limit for the BPRC Project is the phosphate rock concentrate product loaded into the hold of the bulk carriers.
- Phosphate rock concentrate product will also be available for supply to the in-country market as a direct application fertilizer.

1 Million Tonnes Per Year BPRC Project – Economic Analysis Key Criteria and Highlights

A summary of the project parameters is provided in Table 1, below. A pre-tax cash flow projection has been generated for a 25 year mine life using the estimated capital and operating costs that are summarized in Table 2, further below.

All amounts in US dollars

Table 1: Summary of Physical Parameters of the BPRC Project

Physical Parameter	Value
Mine Life	25 Years
Construction Period	2 Years
Operation	304 days per year
Production Rate	1,300,000 ROM tonnes per year phosphate matrix
Total Life of Mine Product Production	25 million tonnes phosphate rock concentrate
Average Product Grade	33.1% P ₂ O ₅ @ 1.6% Fe ₂ O ₃ and 1.4 % Al ₂ O ₃
Annual Product Sales	1,000,000 tonnes phosphate rock concentrate
Revenue Guidance Estimate	\$150 USD per tonne of phosphate rock concentrate FOB

Table 2: Summary of BPRC Project Costs

Operating Costs	Life of Mine
Mining	\$ 47.35 per tonne phosphate rock concentrate
Marine	\$5.92 per tonne phosphate rock concentrate
Personnel	\$4.42 per tonne phosphate rock concentrate
Electricity	\$9.62 per tonne phosphate rock concentrate
Reagents	\$ 0.23 per tonne phosphate rock concentrate
Fuel	\$3.64 per tonne phosphate rock concentrate
Maintenance	\$ 2.68 per tonne phosphate rock concentrate
Total	\$ 73.87 USD per tonne phosphate rock concentrate

Units	2013	2014	2015	2016	2017	2018	2019	2020-2038
Sales USD \$ '000	0	0	150,000	150,000	150,000	150,000	150,000	3,000,000
Cost of Sales:								
Operating cost USD \$/t	0	0	67.17	67.05	69.42	69.44	71.04	75.10
Total operating cost USD \$ '000	0	0	67,168	67,051	69,417	69,437	71,042	1,502,584
EBITDA USD \$ '000	0	0	82,832	82,949	80,583	80,563	78,958	1,497,416
CAPEX USD \$ '000	41,000	123,169	12,945	3,779	6,255	3,779	5,593	92,629
Net cash flow before tax and royalties USD \$ '000	(41,000)	(123,169)	69,887	79,170	74,328	76,784	73,365	1,404,787

Considering the BPRC Project on a stand-alone basis, the undiscounted pre-tax cash flow totals US\$ 1.614 billion over the 25 year mine life. Operating cash flow averages US\$ 71.13 million per year and simple payback of total preproduction capital is achieved after approximately 2 years of operation.

EBITDA as disclosed in the table above is a non-GAAP financial measure and does not have a standardized meaning and is therefore unlikely to be comparable to similar measures presented by other issuers.

The Project has a 10 year tax holiday as part of its Mining Agreement.

The Internal Rate of Return (IRR) is 41%. Pre-tax Net Present Value (NPV) at various discount rates is shown in Table 5, below.

Table 5: Pre-tax NPV Sensitivity to Discount Rate

Rate	NPV
0 % (Undiscounted)	USD \$1,614 million
5 %	USD \$764 million
10 %	USD \$402million
15 %	USD \$226 million
20 %	USD \$131 million
25 %	USD \$40 million

The Company expects to receive the finalized figures for its reserves estimates shortly, which will be disclosed once received and will be included in the finalized Feasibility Studies.

B. 1.3 Million Tonnes Per Year DSO Project Feasibility Study Overview

1.3 Million Tonnes Per Year DSO Project - Process Flow

The DSO Project Feasibility Study encompasses the following general process flow:

- Annual production rate of 1.3 Mt per year of phosphate rock product.
- Contractor mining.
- Removal of overburden by a combination of excavators and trucks.

- The average strip ratio over the 25 year mine plan is 7.4:1 [bank cubic meters (bcm) overburden : tonne phosphate rock (“Matrix”)]. The average thickness of phosphate deposit within the 25 year mine plan is approximately 4 meters over the life of the DSO Project. Average annual overburden production is 3.6 Million cubic meters.
- 1.3 million Tonnes per annum of Run of Mine (ROM) phosphate matrix removed by excavator and truck and transported to a 130,000 tonne ROM pad for storage and blending. The ROM pad is located some 1.5 km from the open pit and adjacent to the barge loading facility at Cancio, on the Cacheu River. Phosphate rock is transferred from the ROM pad to the barge loading facility by front end loader.
- Barges having sizes of up to 3,500 tonnes capacity will be moored to a pontoon at Cancio. A set of four barges will form a flotilla that will be maneuvered by a ‘Pusher’ tug to a barge marshalling area at Bolor in the River Cacheu estuary.
- The barges will then be maneuvered by tug to an offshore trans-shipment point offshore in the Atlantic Ocean, where the phosphate rock product will be loaded onto carriers (bulk carrier vessel of 28,000 tonnes capacity) by its own ship’s gear.
- The battery limit of this DSO option is phosphate rock product loaded into the hold of the bulk carriers.
- ROM phosphate rock product will also be available for supply to the in-country market as a direct application fertilizer.

1.3 Million Tonne Per Year DSO Project – Economic Analysis Key Criteria and Highlights

A summary of key criteria is provided in Table 6, below. A pre-tax cash flow projection has been generated for a 25 year mine life using estimated capital and operating costs, which are summarized in Table 7, further below.

All amounts in US dollars

Table 6: Summary of Physical Parameters of the DSO Project

Physical Parameter	Value
Mine Life	25 Years
Construction Period	2 Years
Operation	304 days per year
Production Rate	1,300,000 ROM tonnes per year phosphate product
Total Life of Mine Production	32.99 million tonnes phosphate product
Average Product Grade	30.4 % P ₂ O ₅ @ 2.5% Al ₂ O ₃ ; 4.4% Fe ₂ O ₃
Annual Product Sales	1,300,000 tonnes phosphate product
Revenue Guidance Estimate	\$110 USD per tonne of phosphate FOB (Port Cacheu)

Table 7: Summary of DSO Project Costs

Operating Costs	Life of Mine
Mining	\$ 36.03 per tonne of phosphate product
Marine	\$ 4.49 per tonne of phosphate product
Personnel	\$ 3.19 per tonne of phosphate product
Fuel and Electricity	\$ 0.66 per tonne of phosphate product

Maintenance	\$ 1.34 per tonne of phosphate product
Total	\$ 45.71 USD per tonne of phosphate product
Capital costs (life of mine)	Life of Mine
Pre-production stripping (incl. mobilisation)	USD \$ 10.98 million
Mine, Marine & Infrastructure (incl. contingency)	USD \$ 98.18 million
Total Mine Capital Cost	US\$ 109.16 million
Sustaining	USD \$ 95.32 million
Closure	USD \$ 0.71 million
Total Life of Mine Capital Cost (incl. contingency)	USD \$ 205.18 million
Contingencies	17.46%
Accuracy	+/-15%
Royalties 2%	2 %

Capital costs have been further estimated as follows:

Table 8: DSO Project CAPEX Estimate (Area Breakdown)

Area #	Area Name	Fixed Capital [M USD]	Contingency [M USD]	Total Capital [M USD]	Percent Total [M USD]
000	Project General	22.75	3.73	26.45	24%
100	Mine	28.51	5.3	33.81	31%
300	Product Handling & Transport	41.70	7.20	48.90	45%
	Total	92.96	16.23	109.16	100%

Capital estimates include mine facilities and infrastructure, mining equipment, dewatering wells, stockpile loader, dyke construction, stockpile area, ex-pit haul road construction and barges.

Table 9: Cash Flow Analysis

Units	2013	2014	2015	2016	2017	2018	2019	2020-2038
Production:								
ROM '000 tonne	0	0	1,300	1,300	1,300	1,300	1,300	1,300
Price Phosphate product USD \$ / t	0	0	110	110	110	110	110	110
Sales USD \$ '000	0	0	143,000	143,000	143,000	143,000	143,000	2,860,000
Cost of Sales:								
Operating cost USD \$/t	0	0	41	41	42	42	44	47
Total operating cost USD \$ '000	0	0	52,762	52,750	55,027	55,039	56,631	1,213,633
EBITDA USD \$ '000	0	0	90,238	90,250	87,973	87,961	86,369	1,646,367

Units	2013	2014	2015	2016	2017	2018	2019	2020-2038
CAPEX USD \$ '000	27,000	82,157	12,628	3,461	5,937	3,461	5,275	65,265
Net cash flow before tax and royalties USD \$ '000	(27,000)	(82,157)	77,611	86,789	82,036	84,500	81,093	1,581,103

Considering the DSO Project on a stand-alone basis, the undiscounted pre-tax cash flow totals US\$ 1.884 billion over the 25 year mine life. Operating cash flow averages US\$ 79.73 million per year and simple payback of total preproduction capital is achieved after approximately 18 months of operation.

EBITDA as disclosed in the table above is a non-GAAP financial measure and does not have a standardized meaning and is therefore unlikely to be comparable to similar measures presented by other issuers.

The Internal Rate of Return (IRR) is 65%. Pre-tax Net Present Value (NPV) at various discount rates is shown in Table 10, below.

Table 10: Pre-tax NPV Sensitivity to Discount Rate

Rate	NPV
0 % (Undiscounted)	USD \$1.884 million
5 %	USD \$923 million
10 %	USD \$511 million
15 %	USD \$309million
20 %	USD \$199 million
25 %	USD \$132 million

The Company expects to receive the finalized figures for its reserves estimates shortly, which will be disclosed once received and will be included in the finalized Feasibility Studies.

Mining

The same mining plan is used for the BPRC and DSO Projects.

The majority of the annual rainfall over the Project area is concentrated in the period from July through September, and the Project mine plan will carry out mining activities for 10 months out of the year to avoid the possible inefficiencies of mining during the higher rainfall months. Installed mining equipment capacity has been designed to produce the annual plan phosphate requirements and associated waste stripping within the 10 drier months of the year.

Key design elements of the mining plan are water management and haul road maintenance. All mining areas must be fully dewatered in advance of mining activities. The proximity of the mine to the River Cacheu will require the construction of a protection dyke to prevent in-pit flooding.

Contractor mining has been selected for the excavator/truck mining method for the mining plan based on flexibility, lower initial capital, lower investment risk, grade control, and the ability to blend quality for required product specifications. Contractor mining has been proposed to minimize capital investment and to shorten the period to production which could arise from the availability of mining capital equipment and the shortage of in country manpower skills.

The remote nature of the Project, with the lack of power supply, precludes the use of electric mining equipment and all mining equipment selected for the Project will use diesel mobile equipment.

The mining method uses excavators and trucks to handle 100% of the overburden and phosphate. Waste will be stripped and removed with 11 m³ to 12 m³ bucket front-end loaders or small hydraulic excavators matched with 50 ton haul trucks. The phosphate will be mined with 3 m³ to 4 m³ bucket class backhoes matched with 35 ton trucks.

The mining operation in both the 1.0 Million Tonnes Per Year BPRC and the 1.3 Million Tonnes Per Year DSO Feasibility Study options will mine phosphate matrix and will require an overburden storage facility capable of holding 4 Mm³, to be used for the first 3 to 4 years of operations before back filling of the mined out areas takes place. The facility will be approximately 25 m high with a footprint of 1,000 meters by 1,500 meters.

Beneficiation

The BPRC Project has a four stage beneficiation process – screening, hydrocyclones, magnetic separators and dewatering, and will require a tailings management facility (TMF) capable of holding 4 Mm³. A site selection study of eight possible tailings storage locations has indicated a preferred location to the west of the open pit, 2 km northwest of the beneficiation plant.

For the DSO Project, the ROM phosphate will be mined, blended if necessary, and will be directly shipped with limited treatment or processing (if any).

Project Infrastructure

The infrastructure requirements associated with the DSO and/or BPRC projects include the mine infrastructure, mine camp, offices, workshops, water treatment facilities, diesel or heavy oil power generation and water supply.

River Transport and Loading

The river transport and loading activities are common to the Feasibility Studies of both the BPRC Project and the DSO Project.

Transfer of the phosphate product, either DSO phosphate rock from the ROM pad to the loading facility located on the Cacheu River at Canico, or the beneficiated phosphate rock concentrate product from the product stockpile into the barges and the transport down the river to a bulk solids carrier at the River Cacheu estuary, will be undertaken by the Company.

A barge loading facility will be constructed on the Cacheu River at Canico. The selected site is located adjacent to the mining operation/beneficiation site to minimise haulage. Phosphate product will be stockpiled and transferred to the barge loading facility by a front end loader.

The loading facility will receive the phosphate discharged from a front end loader into a feed hopper. The hopper will feed a conveyor system to load 3,000 to 3,500 tonne capacity non-propelled barges. Sets of barges will then transport the products with the aid of a pusher tug down the River Cacheu to a seagoing barge unloading vessel. The unloading vessel will be anchored at a point accessible to the bulk solids carriers to transfer phosphate from the barges.

The barges will be unloaded by the seagoing vessel anchored beyond the shallow waters (+ 12 meter deep) approximately 20 km offshore in the Atlantic Ocean from Bolor, and the seagoing vessel will be equipped with clam shell unloaders. The vessel is assumed to be able to unload five full barges (i.e. two sets) into the cargo ship per day. A seagoing vessel of 28,000 tonne capacity has been assessed and concluded feasible for the unloading of phosphate at the trans-shipment point identified.

Recommendations

The results of the two Feasibility Studies show that both the BPRC and the DSO Projects are robust from a technical and economic standpoint at the selected long term phosphate prices, GBMMEC has recommended that the Company and GBMAG continue to advance either of the two projects to the engineering design and construction stages and to seek the necessary project financing and off-take agreements.

Qualified Persons

Dr. Marcelo Godoy, MAusIMM (CP) of Golder in Santiago, Chile, who is a Qualified Person as defined in NI 43-101, prepared and is responsible for the Mineral Resource Estimate for the Farim Phosphate Project as disclosed in this news release. In addition, the following other Qualified Persons prepared (or supervised and approved the preparation thereof) and are responsible for other parts of the Feasibility Studies, which are referred to in this news release: Michael Short, FIMMM, CEng. of GBMMEC, Ian Jackson, B.Eng, ACSM, CEng., MIMMM (CP) of GBMMEC, Richard Elmer, C.Eng., MIMMM (CP) of Golder, and Terry Kremmel, PE (MO and NC), SME (CP) of Golder. All of these Qualified Persons are independent from the Company.

About Plains Creek Phosphate Corporation

Plains Creek Phosphate Corporation is a Canadian mining and exploration company focused on advancing the Farim Phosphate Project in Guinea-Bissau, West Africa. The Farim Phosphate Project currently comprises a phosphate deposit consisting of one continuous flat lying phosphate bed with a Mineral Resource estimate, disclosed in the Company's technical report on the preliminary economic assessment ("PEA") of the Farim Phosphate Project in accordance with National Instrument 43-101, which defines a Measured Resource of 64.6 MT at an average grade of 29.11% P₂O₅, an Indicated Resource of 28.1 Mt at an average grade of 27.68 % P₂O₅, and an Inferred Resource of 18.3 Mt at an average grade of 28.66 % P₂O₅. The PEA entitled, "Technical Report on the Preliminary Economic Assessment of the Direct Shipping Option of the Farim Phosphate Project, Guinea-Bissau – An NI 43-101 Report" dated effective September 5, 2012 was authored by the Qualified Persons listed above and was filed on SEDAR and is publicly available under the Company's profile at www.sedar.com. A two-phased development is planned for the Farim Phosphate Project as an open pit mining operation. Phase One consists of a 1.3 Mt per year phosphate rock product direct shipping option project or a 1.0 Mt per year beneficiated phosphate rock concentrate project and Phase Two consists of the production of 2.0 Mt per year of phosphate rock concentrate and includes a beneficiation plant and associated infrastructure, pipeline and port.

The Company's shares are listed on the TSX Venture Exchange under the trading symbol "PCP". For additional information, please visit us at www.plainscreek.com.

For further information please contact:

Carson Phillips
Vice-President, Corporate Development and Director
Telephone: (604) 569-0721 E-mail: cphillips@plainscreek.com

ON BEHALF OF THE BOARD

(Signed) "Carson Phillips"

Carson Phillips
Vice-President, Corporate Development and Director

Cautionary Statement

Statements in this release may be viewed as forward-looking statements. Such statements involve risks and uncertainties that could cause actual results to differ materially from those projected. There are no assurances the Company can fulfill such forward-statements and the Company undertakes no obligation to update statements. Such forward looking statements are only predictions; actual events or results may differ materially as a result of risks facing the Company, some of which are beyond the Company's control. In addition, pursuant to National Instrument 43-101, the Company cautions that mineral resources that are not mineral reserves do not have demonstrated economic viability.

The reader should be cautioned that there are risks that could affect the potential development of the Project's mineral resources, which include: the political instability in Africa and Guinea-Bissau in particular, which is where the Project is located; and that additional financing will be required to ultimately develop the Project and the ability to obtain such financing on favorable terms will be affected by prevailing market conditions. A more detailed discussion of such risks are outlined in the Company's Management's Discussion & Analysis, its PEA and its Filing Statement dated February 22, 2011, all of which are filed under the Company's profile on SEDAR at www.sedar.com.

NEITHER TSX VENTURE EXCHANGE NOR ITS REGULATION SERVICES PROVIDER (AS THAT TERM IS DEFINED IN THE POLICIES OF THE TSX VENTURE EXCHANGE) ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.