

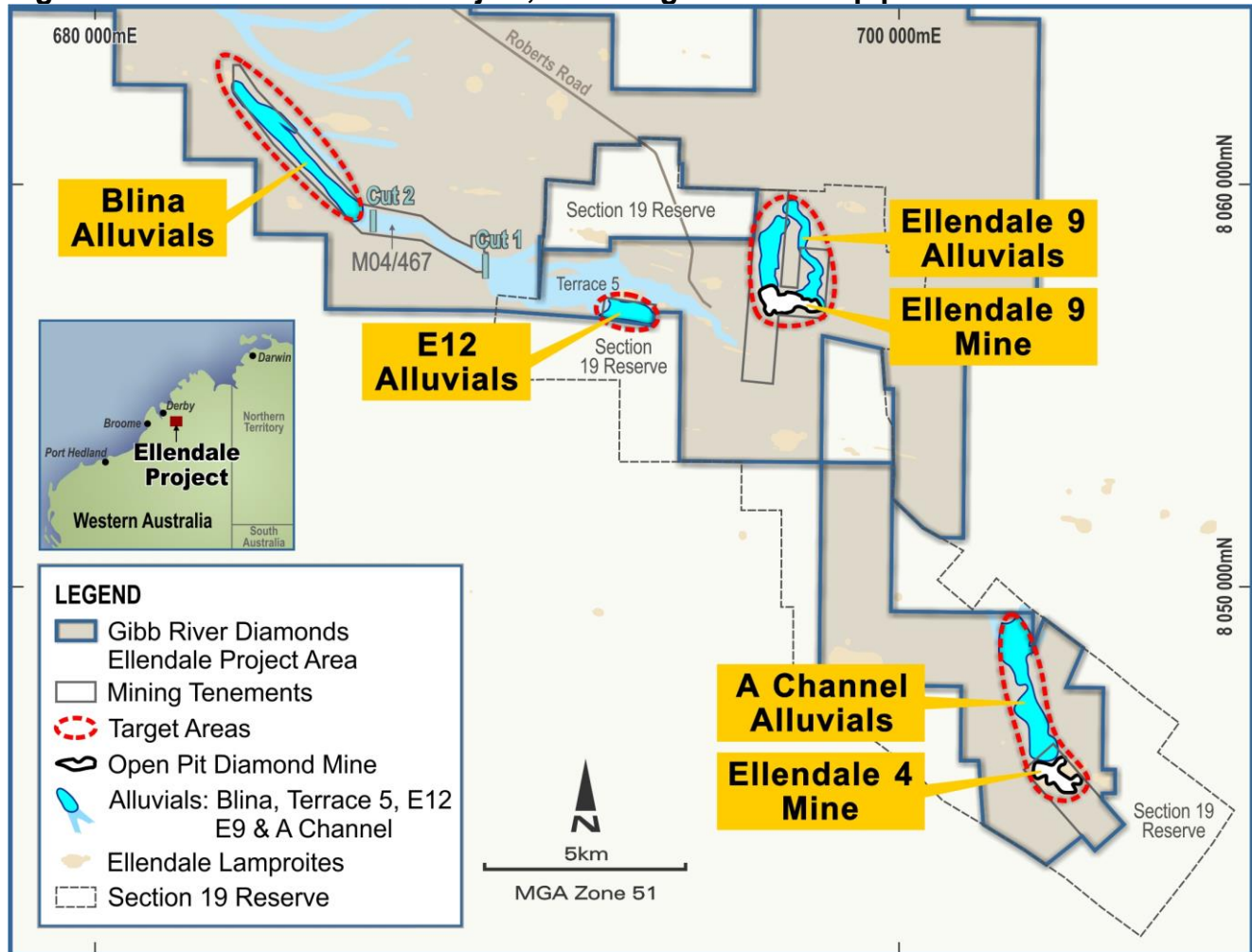
First Ellendale 9 Diamond Assessment Reports Vivid and Intense Fancy Yellows

- First published independent assessment of the Ellendale 9 pipe historic diamond production from the recently acquired Ellendale Project reports 11.5% of diamonds are 'Fancy Yellow'. Typically diamond mines produce less than 0.1% Fancy Yellow diamonds.
- Of the Ellendale 9 Fancy Yellow diamonds, 62% are classified as 'vivid' or 'Intense', the strongest graded yellow colours.
- The East Lobe of the Ellendale 9 pipe produced 16% Fancy Yellow stones, an exceptionally high proportion. The East Lobe also reports a larger average stone size than the West Lobe.
- The Fancy Yellow diamonds at Ellendale are reported as unique and highly sought after due to a consistency of colour tone which allows for precise stone matching for large jewellery pieces.
- As a result of the observations in this report, the Company is now preferentially targeting the Ellendale 9 East Lobe and the associated Eastern alluvials in our mine permitting process.

Figure 1: Ellendale 9 East Lobe Diamond Parcel (Far East Pit)



Figure 2: Ellendale Diamond Project, including Ellendale 9 pipe



1.0 Ellendale 9 Diamonds Assessment Report

Gibb River Diamonds Limited ('GIB' or the 'Company') is pleased to announce the first published independent diamond assessment report for Ellendale 9 diamonds from GIB's (100%) Ellendale Diamond Project.

This report is important as it provides, for the first time, detailed information and clarity as to what makes Ellendale diamonds such a unique and highly sought-after product. Data in this report is from the Ellendale 9 pipe (E9) as this pipe produced the highest percentage of Fancy Yellow diamonds and was the most extensively mined. During production, E9 was one of the highest dollars per carat mines in the world. (The Ellendale 4 pipe produced a lesser percentage of Fancy Yellow diamonds, however an assessment of these stones is beyond the scope of this report).

To determine the value of rough diamond production, three main factors are considered: size (carat weight), quality (clarity) and colour, essentially the 4C's minus the cut. The data used for this document was taken from selections of diamonds from the E9 pipe with the aim providing a production profile representative of the past production. By their nature, diamondiferous pipes contain geological variations that affect the distribution, quantity and quality of the diamonds produced, hence the information in this report can be used as an estimate of what average production may be from Ellendale 9 in the future.

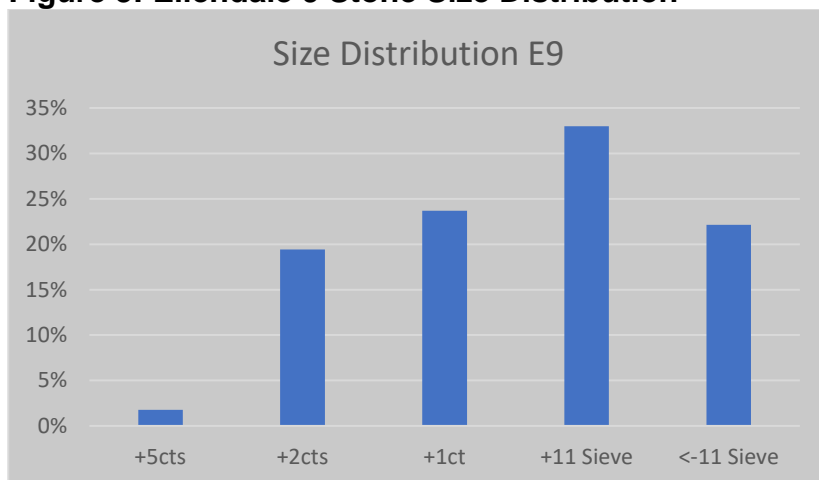
The original Ellendale 9 Diamond Assessment report was commissioned and paid for by GIB and was compiled by Independent Diamond Valuers International ('IDVI'). IDVI was responsible for sorting, grading, valuing and selling diamonds from the previously operating Ellendale 4 and 9 Diamond Mines and also the alluvial diamonds from the E9 West Channel, E9 East Channel, E12 Channel and Blina Prospect alluvials. This ASX Release is based closely on the original IDVI report⁸.

Previous operators of the Ellendale 9 mine had a contract to sell the Fancy Yellow component of their production to Laurelton Diamonds (the jeweller Tiffany & Co), this agreement was based on a percentage premium above the IDVI price book. It is uncertain if similar premium prices can be achieved with any future Fancy Yellow goods. However, there is a potential opportunity to capitalise on the uniqueness of these Fancy Yellow goods to sell at above market prices as demonstrated by KDC's arrangement with Tiffany & Co.

2.0 Size Distribution

Size distribution is the starting point for any grading process. Ellendale 9 has fewer small diamonds than most mines with an average stone size of close to half a carat (Figure 3). The mine is not renowned for extremely large stones, with the largest diamond recovered being 17 carats. There is some size distribution variance within the E9 pit with the East Lobe having a higher average stone size as can be seen in Figure 7, which shows slightly higher numbers in all size categories above 1 carat for the East lobe.

Figure 3: Ellendale 9 Stone Size Distribution



NB: A DTC size 11 sieve is a 3.454mm round aperture. Plus 11 sieve-size diamonds at Ellendale approximates to stones larger than 0.30 to 0.66 of a carat, depending on shape

3.0 Quality

The E9 pipe produces approximately 40% Gem quality diamonds, which in production terms is considered high when compared to world diamond output of between 20-30% Gem quality diamonds. This is in part due to the partially resorbed nature of many of the diamonds of which very few are macled stones or crystals (sharp edged stone).

The Quality component of diamonds includes shape and inclusions (piques, cracks, etc) and are important factors in determining price. Besides Ellendale's high component of Gem material, the gem proportion consists of diamonds that are predominantly dodecahedron or rounded makeable, shapes that are predisposed to being sawn or polished to produce high yielding polished stones with an estimated SI/I quality or better. Cushion, oval and pear shape cuts have been popular to maximise the outcome from an Ellendale rough diamond and it was not unusual for the yield to be between 40-60% from rough to polished, which can be considered high by world standards.

The Near Gem component of the diamond population consists of a wide range of diamond qualities that require more extensive work to produce a polished stone, which will be either smaller and/or poorer in quality than that produced from the gem component. This may include splitting at least once to extract a piece of diamond for manufacture, through to heavily included stones likely to produce a low quality gem.

The industrial quality component is predominantly poor quality diamonds that will be used for industrial purposes or to extract very low quality/yielding polished.

Figure 4: Ellendale 9 Diamond Quality



4.0 Colour

The Colour distribution in Ellendale 9's production is 11.5% Fancy Yellow diamonds. Strong yellow colours by definition are called Fancy Yellow (FY) and become rarer as the intensity of the Yellow colour increases from Fancy through Intense to Vivid.

The key value component of the Ellendale 9 diamonds is in their colour, specifically the high proportion of unique Fancy Yellow diamonds. The Fancy Yellow stones shown in Figures 5 and 6 are the Tiffany Quality Fancy Yellows, known as TQ. These goods were sold under an offtake agreement which previous operators had with Tiffany & Co. These TQ stones were defined by:

- Colour: rough estimated to produce Fancy, Intense and Vivid.
- Quality: Gem and simple cleaving stones.
- Size: stones being of DTC +11 sieve size (~0.3-0.66ct) and upwards.

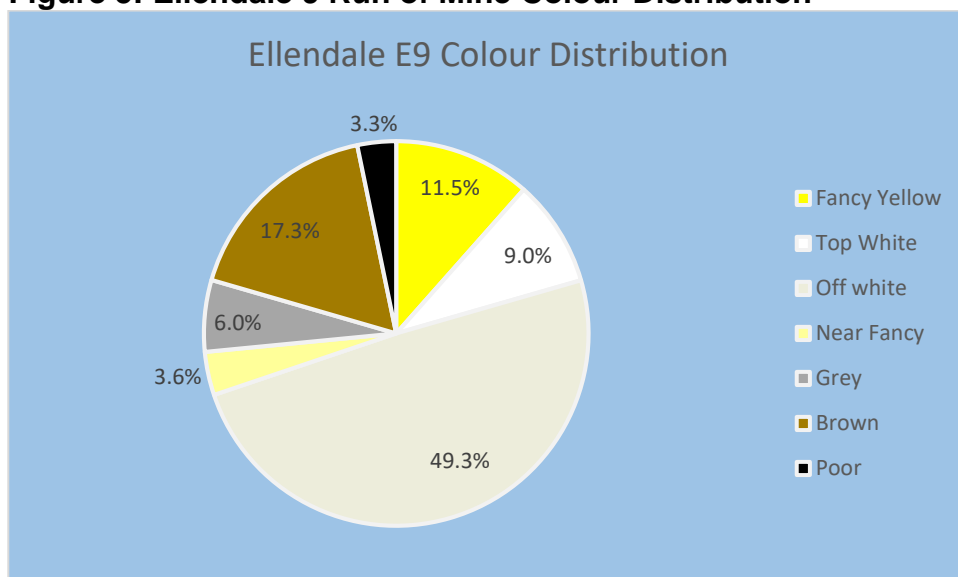
Fancy Yellow diamonds smaller than +11 and poorer quality Fancy Yellows were used to enhance the pricing on smaller sized white parcels. Any stones under +11 sieve size are not included in the statistics in Figures 5 and 6. Any future production may include marketing of these smaller Fancy Yellow diamonds as a separate identity.

Typically mines produce less than 0.1% Fancy Yellow, yet the Fancy Vivid alone from the E9 pit accounts for approximately 2.5% of production. The consistency of the yellow hue within the E9 production is renowned with very few diamonds having a secondary colour.

The distribution of Fancy Yellow colours in Figure 6 are of estimated polished colour outcomes from E9 rough diamonds. A conclusive colour can only be determined once polished as the type and quality of cut can alter the final colour result.

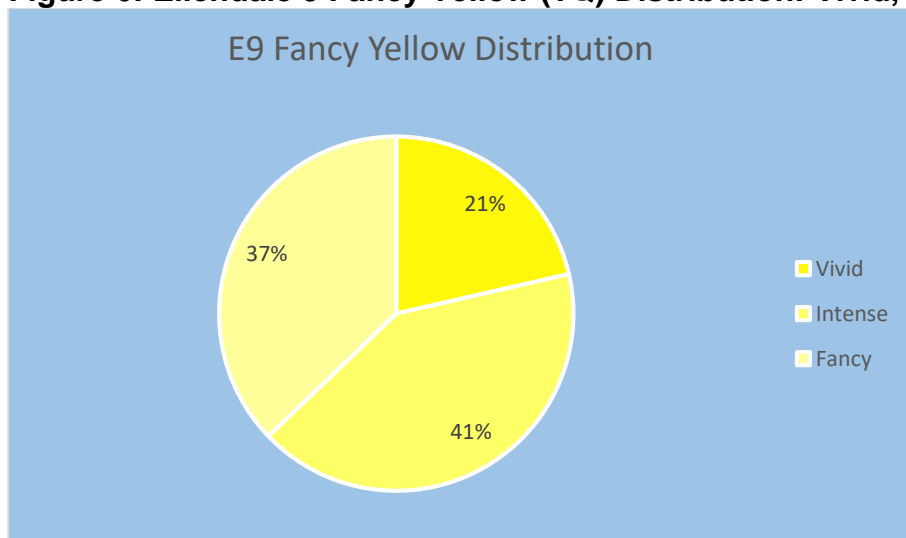
The Gemological Society of America (GIA) found in a study in 2005 that world-wide only 6% of Fancy Yellow diamonds graded were classified Vivid Yellow. At Ellendale 9, that number is 21%.

Figure 5: Ellendale 9 Run of Mine Colour Distribution



All Fancy Yellows are TQ

Figure 6: Ellendale 9 Fancy Yellow (TQ) Distribution: Vivid, Intense and Fancy



4.1 E9 East Lobe v West Lobe

The Ellendale 9 pipe has a number of geological phases which affect diamond grade and type. In previous work, Ellendale 9 was often separated into two lobes, E9 West Lobe and E9 East Lobe (Figure 8) and this model has been adopted for this report. When comparing the mined diamonds within each lobe, the East Lobe clearly has higher value diamonds, indicated by:

- A higher percentage of Fancy Yellow (TQ) diamonds in the East Lobe (16%) compared to 9% in the West Lobe.
- a larger stone size distribution in the East Lobe compared to the West Lobe
- fewer poor quality, small diamonds in the East Lobe compared to the West Lobe

Figure 7: Ellendale 9 East versus West Lobe Diamond Comparison

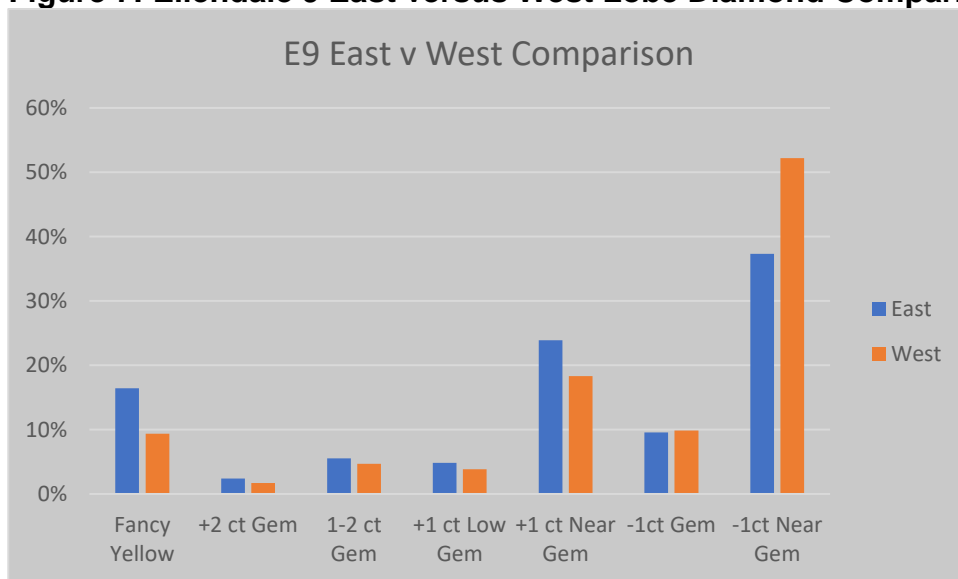


Figure 8: E9 West and East Lobes



Figure 9: Ellendale 9 Diamonds: Fancy Yellows from the East Lobe (Far East Pit)



4.2 Ellendale Fancy Yellows: A Unique Point of Difference

The colour phenomenon of yellow diamonds is caused by trace amounts of nitrogen substituting for carbon in the diamond crystal lattice. This results in the diamond crystal selectively absorbing blue light and selectively transmitting yellow light. This will cause those nitrogen-bearing diamonds to have a yellow colour.

For the purposes of previous IDVI Ellendale literature and for this report, the Fancy, Intense and Vivid descriptions fit into the broader generic 'Fancy Yellow' classification. The Gemological Institute of America (GIA) classification of 'Fancy Light' is not classified as a Fancy Yellow diamond by IDVI for Ellendale goods. All assortment descriptions are for rough diamond estimates of likely polished outcomes.

The Fancy Yellow diamonds at Ellendale are unique and highly sought after for a number of reasons including:

- The Fancy Yellows are a most desirable yellow tone without a darker modifying colour. For this reason, the GIA terms Fancy Dark and Fancy Deep are not typically used for Ellendale goods
- They have a consistency of colour tone which allows for precise stone matching for large jewellery pieces, the variability is in the saturation (intensity of yellow)
- Stones are high yielding (when cut)
- The Fancy Yellow from Ellendale 9 total around 11.5% of production, with the Fancy Vivid alone being 2.5% of production
- During its mine life, Ellendale supplied around half of the world's production of Fancy Yellow diamonds, providing surety of supply

The above characteristics were recognised by Tiffany’s & Co who entered into an offtake agreement in 2008 to purchase the whole of the Ellendale Fancy Yellow production from Ellendale 9. This agreement continued until E9 production ceased in 2015.

Apart from the Fancy Yellows sold to Tiffany (TQ), there is also a range of goods that did not meet the colour or quality specifications, these were sold with the remainder of the commercial diamonds. However, many of these diamonds either polish as Light Fancy Yellow or in the S-Z colour range and have the same attributes in terms of high yielding and consistency of colour, allowing them to be utilised in matching sets of diamond jewellery.

These diamonds have historically been graded on the GIA white range D to Z. Comparing the colour saturation of these non-TQ stones with other Fancy colours there is a significant opportunity to market the more intensely coloured goods into a more desirable branded product.

Figure 10: Diamond Grading Colour Charts



5.0 Conclusion

This important report documents, for the first time, why Ellendale Fancy Yellow diamonds are such a highly sought-after commodity by the world’s diamantaires. Their unique yellow colour with a large percentage in the Intense and Vivid category made the Ellendale mine unmatched in its production profile.

The combination of colour, consistency, quality and size of the Fancy Yellows allowed matching jewellery sets to be designed. This luxury appeal proved to be attractive for the world class Tiffany & Co brand to secure an offtake agreement with previous mine owners which led to a considerable price enhancement for the Run of Mine production. As a result, the Company believes there is considerable scope for the branding of future Ellendale production.

Because of the higher proportion of Fancy Yellow Stones and of larger stones from the E9 East Lobe indicated in this report, the Company is now preferentially targeting the East Lobe and the associated Eastern alluvials in our mine permitting process.

Jim Richards
Executive Chairman

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References:

¹Further detailed information including the Table 1 (JORC Code, 2012 Edition) and references are available on the POZ ASX Release dated 2 October 2015 [click here](#) and 23 December 2019 [click here](#)

²Blina Diamond Project, Gamechanger GPR Survey; POZ ASX Release dated 18 October 2017 [click here](#)

³Trenching Discovers New Gravel Targets at Blina; POZ ASX Release dated 6 August 2018 [click here](#)

⁴POZ to Bid For the Ellendale Diamond Mine; POZ ASX Release dated 4 September 2018 [click here](#)

⁵Record 2018/8 Geology, Resources and Exploration Potential of the Ellendale Diamond Project, West Kimberley, Western Australia (Geological Survey of Western Australia); by G. Boxer and G. Rocket. 2018 [click here](#)

⁶Blina Diamond Project, Fancy Yellows Value Increases by 131% to US 3,391 per carat; POZ ASX Release dated 6 November 2017 [click here](#)

⁷Ellendale 9 East Diamond Values Increase 20% to US\$750/carats; GIB ASX Release dated 3 March 2020 [click here](#)

⁸Ellendale 9 Diamond Assessment Report; by IDVI (unpublished). May 2020

Bulletin 132 (Geological Survey of Western Australia); The kimberlites and lamproites of Western Australia by A.L. Jaques, J.D. Lewis and C.B. Smith. 1986.

Competent Persons Statement

The information in this report that relates to previously reported exploration results is based on information compiled by Mr. Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Richards is a Director of Gibb River Diamonds Limited. Mr. Richards has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr. Richards consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.

The information in this report that relates to diamond assessments and descriptions was compiled by Mr Rod Criddle, a Director of Independent Diamond Valuers International ('IDVI'). IDVI has been responsible for sorting, grading, valuing and selling diamonds from the Ellendale 9 Diamond Mine (now closed) and the Blina Project, including Terrace 5 goods, from 2002 to 2015. IDVI's pricing system was used throughout this period and is utilised to provide previous valuations. GIB considers IDVI to be a reputable, independent, experienced and qualified expert for the purposes of this assessment. The assessment is an independent assessment. Mr Criddle consents to the diamond valuation information contained in this report being released by GIB.