



# **GIBB RIVER**

**DIAMONDS**

**Gibb River Diamonds Limited**

**ABN 51 129 158 550**

**Interim Financial Report**

**31 December 2021**

## **TABLE OF CONTENTS**

<b>DIRECTORS' REPORT.....</b>	<b>3</b>
<b>AUDITOR'S INDEPENDENCE DECLARATION .....</b>	<b>5</b>
<b>CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME ....</b>	<b>6</b>
<b>CONDENSED STATEMENT OF FINANCIAL POSITION.....</b>	<b>7</b>
<b>CONDENSED STATEMENT OF CASH FLOWS.....</b>	<b>8</b>
<b>CONDENSED STATEMENT OF CHANGES IN EQUITY.....</b>	<b>9</b>
<b>NOTES TO THE INTERIM FINANCIAL STATEMENTS.....</b>	<b>10</b>
<b>DIRECTORS' DECLARATION .....</b>	<b>15</b>
<b>INDEPENDENT AUDITOR'S REVIEW REPORT .....</b>	<b>16</b>

# GIBB RIVER DIAMONDS LIMITED

## INTERIM FINANCIAL REPORT

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### DIRECTORS' REPORT

Your Director's submit their report for the half-year ended 31 December 2021.

### DIRECTORS

The names of the Gibb River Diamonds Limited (the "Company" or "GIB") Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr James (Jim) Richards – Non-Executive Chairman  
Mr Grant Mooney – Non-Executive Director and Company Secretary  
Mr Tom Reddicliffe – Non-Executive Director

### OPERATING RESULTS

The loss from ordinary activities after tax of the Company for the half-year ended 31 December 2021 after income tax was \$977,931 (2020: \$873,138).

### REVIEW OF OPERATIONS

Gibb River Diamonds Limited is pleased to present its half yearly Review of Operations for the six-month period ended 31 December 2021.

#### **1.0 Blina Diamond Project (Western Australia) GIB 100%**

During the half year, the Company conducted two drill programs over the Edjudina Gold Project located in the Eastern Goldfields region of Western Australia.

These programs were successful in delineating additional gold mineralisation both at Neta and on additional project areas at Edjudina. Further drilling is planned for the next half-year based on these results.

A mining lease (M31/495) was pegged over the Neta Lodes discovery.

#### **2.0 Ellendale Diamond Project (Western Australia) GIB 100%**

The Ellendale Project has been one of the world's foremost diamond producers with past production of approximately 1.3 million carats. This included the annual supply of over 50% of the world's Fancy Yellow diamonds, which were the subject of a special marketing agreement between the former operator and Tiffany & Co.

During the second half of 2020-2021, GIB sold a Two year Option agreement with Burgundy Diamond Mines Limited (BDM), which confers the right for Burgundy to acquire 100% of the Ellendale Diamond Project.

A total transaction consideration was for \$6.7 million in cash, 16 million BDM shares, and a 1.5% gross revenue royalty. The cash and shares component consist of three staged payments over two years; with the third payment to exercise the Option. The first payment (\$1.7 million plus GST) and BDM shares (4 million) was paid and issued to GIB on the 24 March 2021.

BDM will also pay GIB a 1.5% gross revenue royalty on the diamonds obtained from the tenements, including during the Option period.

The second payment to GIB of the Ellendale Option is due in late March 2022 with BDM to pay, at its election, \$1 million in cash (plus GST) and issue to GIB 5 million fully paid ordinary shares in BDM.

#### **2.0 Iroquois Zinc-Lead Project (Western Australia) GIB 20%**

GIB retains a 20% interest in E69/2820 (Iroquois Project) which is free carried up to the completion of a bankable feasibility study. This tenement is a part of Strickland Metals Ltd, ASX:STK (previously Alloy Resources Limited) Horse Well Gold Project which lies approximately 50km north-east of the major Jundee gold mine. High grade zinc-lead drilling results from the Iroquois Project were announced by Strickland Metals Limited on 14 October 2021. GIB is currently awaiting further results from pending assays.

# GIBB RIVER DIAMONDS LIMITED

## INTERIM FINANCIAL REPORT

### DIRECTORS' REPORT (CONTINUED)

#### 3.0 Highland Plains Phosphate Project (Northern Territory)

GIB 100%

The Highland Plains Phosphate Project has a JORC compliant Inferred Resource of 53 million tonnes at 16% P<sub>2</sub>O<sub>5</sub>. Substantial amounts of drilling and scoping study work have been done at Highland Plains with proposed solutions for beneficiation to higher grades and product transport logistics using a slurry pipeline. GIB is currently seeking strategic partners with a view to developing Highland Plains.

#### DIVIDENDS

No dividends have been paid or declared since the start of the financial period and the Directors do not recommend the payment of a dividend in respect of the financial half-year.

#### EVENTS AFTER BALANCE DATE

On 2 March 2022, the Company issued 1,250,000 unlisted options under the Employee Share Option Plan. The options have an exercise price of \$0.10 and an expiry date of 1 March 2024.

Other than the above, no matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial year.

#### AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from the lead auditor of Gibb River Diamonds Limited, HLB Mann Judd, which is included on page 5.

Signed in accordance with a resolution of the Directors



**JAMES RICHARDS**

Chairman

Dated: 15 March 2022



**GRANT MOONEY**

Non-Executive Director

#### Competent Persons Statement

<sup>1</sup> The Company is not aware of any new information or data that materially affects the information included in the previous announcement (JORC 2004) and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

The information in this report that relates to Mineral Resources at the Highland Plains Phosphate Project is based on information compiled by Jim Richards who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Richards is a director of Gibb River Diamonds Limited, and 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 a competent Person as defined in the December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Richards consents to the inclusion in this report of the Information, in the form and context in which it appears.

The information in this report that relates to previously reported Exploration is based on information compiled by Mr Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Richards is a Director of Gibb River Diamonds Ltd. 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 (the JORC Code). 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.

## AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Gibb River Diamonds Limited for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia  
15 March 2022



**D I Buckley**  
Partner

**hlb.com.au**

**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

**T:** +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

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HLB Mann Judd (WA Partnership) is a member of HLB International, the global advisory and accounting network.

**GIBB RIVER DIAMONDS LIMITED**  
**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	NOTE	31 December 2021 \$	31 December 2020 \$
Interest income	5	716	1,393
Other income from ordinary activities	5	-	87,000
<b>Total Other Income</b>		<b>716</b>	<b>88,393</b>
Exploration expenses		116,355	16,623
Exploration written off	7	4,262	8,234
Employee benefits expense		88,132	96,179
Accounting and audit		19,361	21,814
Company secretarial expenses		24,000	12,000
Depreciation expense		22,641	10,454
Rental expenses		10,446	10,760
Finance expenses		596	-
Administration expenses		52,604	65,048
Share based payments	9	450,000	830,107
Net fair value loss/(gains) on financial assets at fair value through profit or loss	6	190,250	(109,688)
<b>Total Expenses</b>		<b>(978,647)</b>	<b>(961,531)</b>
<b>Loss for the period before income tax expense</b>		<b>(977,931)</b>	<b>(873,138)</b>
Income tax benefit		-	-
<b>Loss for the period after income tax expense</b>		<b>(977,931)</b>	<b>(873,138)</b>
<b>Other Comprehensive Income/(Loss)</b>		-	-
<b>Total Comprehensive Loss for the period</b>		<b>(977,931)</b>	<b>(873,138)</b>
		<b>Cents</b>	<b>Cents</b>
Basic loss per share (cents per share)		(0.462)	(0.448)
Diluted loss per share (cents per share)		(0.462)	(0.448)

*The accompanying notes form part of the financial statements.*

**GIBB RIVER DIAMONDS LIMITED**  
**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	NOTE	31 December 2021 \$	30 June 2021 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents		1,559,587	2,317,256
Trade and other receivables		35,521	59,023
Prepayments		29,637	28,828
<b>Total Current Assets</b>		<b>1,624,745</b>	<b>2,405,107</b>
<b>Non-Current Assets</b>			
Property, plant and equipment		431,319	452,507
Environmental bond		21,859	21,859
Financial assets at fair value through profit or loss	6	1,076,813	1,267,063
Exploration and evaluation expenditure	7	5,024,964	4,632,648
<b>Total Non-Current Assets</b>		<b>6,554,955</b>	<b>6,374,077</b>
<b>TOTAL ASSETS</b>		<b>8,179,700</b>	<b>8,779,184</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		37,658	115,211
Lease liability		21,005	25,206
Provisions		107,655	89,052
<b>Total Current Liabilities</b>		<b>166,318</b>	<b>229,469</b>
<b>Non-Current Liabilities</b>			
Lease liability		-	8,402
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>8,402</b>
<b>TOTAL LIABILITIES</b>		<b>166,318</b>	<b>237,871</b>
<b>NET ASSETS</b>		<b>8,013,382</b>	<b>8,541,313</b>
<b>EQUITY</b>			
Issued Capital	8	18,175,635	18,175,635
Reserves	9	1,683,250	1,250,650
Accumulated losses		(11,845,503)	(10,884,972)
<b>TOTAL EQUITY</b>		<b>8,013,382</b>	<b>8,541,313</b>

*The accompanying notes form part of the financial statements.*

**GIBB RIVER DIAMONDS LIMITED**  
**INTERIM FINANCIAL REPORT**

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**CONDENSED STATEMENT OF CASH FLOWS**  
**FOR THE HALF YEAR ENDED 31 DECEMBER 2021**

	<b>31 December 2021 \$</b>	<b>31 December 2020 \$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(347,306)	(277,569)
Interest received	1,013	2,213
Receipt of government grants and funding	-	73,000
<b>NET CASH FLOWS USED IN OPERATING ACTIVITIES</b>	<b>(346,293)</b>	<b>(202,356)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payments for property, plant and equipment	(1,598)	(10,023)
Payments for exploration and evaluation expenditure	(396,578)	(980,537)
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>(398,176)</b>	<b>(990,560)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from the issue of shares	-	1,096,500
Payments for leases	(13,200)	450,000
Share issue expenses	-	(29,157)
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>(13,200)</b>	<b>1,517,343</b>
<b>NET (DECREASE)INCREASE IN CASH AND CASH EQUIVALENTS HELD</b>	<b>(757,669)</b>	<b>324,427</b>
Cash and cash equivalents at the beginning of the period	2,317,256	683,106
<b>Cash and cash equivalents at the end of the period</b>	<b>1,559,587</b>	<b>1,007,533</b>

*The accompanying notes form part of the financial statements.*



**GIBB RIVER DIAMONDS LIMITED**  
**INTERIM FINANCIAL REPORT**

**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

	Issued Capital	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance 1 July 2021</b>	<b>18,175,635</b>	<b>1,250,650</b>	<b>(10,884,972)</b>	<b>8,541,313</b>
Loss for the period	-	-	(977,931)	(977,931)
<b>Total comprehensive loss for half year</b>	<b>-</b>	<b>-</b>	<b>(977,931)</b>	<b>(977,931)</b>
Options expired unexercised during the half year	-	(17,400)	17,400	-
Options issued during the half year, expensed	-	450,000	-	450,000
<b>Balance as at 31 December 2021</b>	<b>18,175,635</b>	<b>1,683,250</b>	<b>(11,845,503)</b>	<b>8,013,382</b>

	Issued Capital	Share Option Reserve	Accumulated Losses	Total
	\$	\$	\$	\$
<b>Balance 1 July 2020</b>	<b>15,749,292</b>	<b>547,443</b>	<b>(13,332,312)</b>	<b>2,964,423</b>
Loss for the period	-	-	(873,138)	(873,138)
<b>Total comprehensive loss for half year</b>	<b>-</b>	<b>-</b>	<b>(873,138)</b>	<b>(873,138)</b>
Share purchase plan	1,096,500	-	-	1,096,500
Options exercised during the half year	616,500	(166,500)	-	450,000
Shares issued to Edjudina vendors	742,500	-	-	742,500
Options expired unexercised during the half year	-	(164,850)	164,850	-
Options issued during the half year, expensed	-	1,209,850	-	1,209,850
Expense options previously issued	-	107,007	-	107,007
Share issue costs	(29,157)	-	-	(29,157)
<b>Balance as at 31 December 2020</b>	<b>18,175,635</b>	<b>1,532,950</b>	<b>(14,040,600)</b>	<b>5,667,985</b>

*The accompanying notes form part of the financial statements.*

# **GIBB RIVER DIAMONDS LIMITED**

## **INTERIM FINANCIAL REPORT**

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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#### **1. CORPORATE INFORMATION**

The financial report of Gibb River Diamonds Limited (the “Company”) for the half-year ended 31 December 2021 was authorised for issue in accordance with a resolution of the directors on 15 March 2022.

Gibb River Diamonds Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange Limited (ASX Code: GIB).

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **(a) Statement of compliance**

These condensed half-year financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 ‘Interim Financial Reporting’, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (‘AASB’). Compliance with AASB 134 ensures compliance with IAS 34 ‘Interim Financial Reporting’.

This condensed half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2021 and any public announcements made by Gibb River Diamonds Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

##### **(b) Basis of preparation**

The interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new and revised standards effective 1 July 2021 outlined in Note 1(c) below.

##### **(c) Adoption of new and revised Accounting Standards**

In the period ended 31 December 2021, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current reporting period. There are none that have a material impact on the Company.

# GIBB RIVER DIAMONDS LIMITED

## INTERIM FINANCIAL REPORT

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2021. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Company and, therefore, no change is necessary to company accounting policies.

##### (d) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2021.

##### (e) Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses.

The judgements, estimates and assumptions applied in the interim financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual financial statements for the year ended 30 June 2021.

#### 3. FINANCIAL RISK MANAGEMENT

Other aspects of the Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial report as at and for the year ended 30 June 2021.

#### 4. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company operates solely in the natural resources exploration industry in Australia and has determined that there are no operating segments. The Company is predominantly involved in exploration for diamonds, gold and phosphate.

#### 5. OTHER INCOME FROM ORDINARY ACTIVITIES

	31 December 2021	31 December 2020
	\$	\$
Interest received from financial institutions	716	1,393
Cashflow boost and jobkeeper	-	77,000
Other income	-	10,000
<b>Total other income</b>	<b>716</b>	<b>88,393</b>

# GIBB RIVER DIAMONDS LIMITED

## INTERIM FINANCIAL REPORT

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### 6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Equity financial assets are recognised at fair value through profit or loss and are classified as fair value through profit or loss financial assets.

	Half-Year ended 31 December 2021 \$	Year ended 30 June 2021 \$
Listed shares <sup>(1)</sup>	1,076,813	1,267,063
	<b>1,076,813</b>	<b>1,267,063</b>

(1) Listed shares are valued at fair value according to closing ASX share price on the last trading day of each period. All financial assets are classified as Level 1 and there have been no transfers of financial assets between levels during the reporting periods.

#### 7. EXPLORATION AND EVALUATION EXPENDITURE

	Half-Year ended 31 December 2021 \$	Year ended 30 June 2021 \$
Opening balance	4,632,648	1,826,365
Exploration and evaluation capitalised during period	396,578	2,826,368
Less: Impairment	(4,262)	(20,085)
Closing balance	<b>5,024,964</b>	<b>4,632,648</b>

#### 8. ISSUED CAPITAL

	Number of shares	\$
<b>Opening Balance 1 July 2021</b>	<b>179,079,445</b>	<b>15,749,292</b>
Share purchase plan 8 September 2020	21,930,000	1,096,500
Issue of shares from exercise of options 28 October 2020	5,000,000	616,500
Shares issued to Edjudina vendors 1 December 2020	5,500,000	742,500
Share issue costs	-	(29,157)
<b>Closing Balance 30 June 2021</b>	<b>211,509,445</b>	<b>18,175,635</b>
No investments during the period		
<b>Closing Balance 31 December 2021</b>	<b>211,509,445</b>	<b>18,175,635</b>

#### 9. RESERVES

	Half-Year ended 31 December 2021 \$	Year ended 30 June 2021 \$
Opening Balance	1,250,650	547,443
Options expensed during the period	450,000	1,340,257
Less exercised options during the period	-	(166,500)
Less expired options during the period	(17,400)	(470,550)
<b>Closing Balance</b>	<b>1,683,250</b>	<b>1,250,650</b>

# GIBB RIVER DIAMONDS LIMITED

## INTERIM FINANCIAL REPORT

### NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021

#### 9. RESERVES (CONTINUED)

The share option reserve arises as the share options granted vest over the vesting period. Amounts are transferred out of the reserve and into issued capital when the options are exercised. Using the Black & Scholes options valuation and methodology, the fair value of the options was calculated. The following inputs were used:

INPUT	DIRECTORS' & EMPLOYEE OPTIONS	EDJUDINA VENDOR OPTIONS	ELLEDALE DATA PACK OPTIONS	DIRECTORS' OPTIONS
Exercise Price	\$0.075	\$0.09	\$0.09	\$0.11
Share price	\$0.14	\$0.14	\$0.051	\$0.09
Grant date	1/12/20	1/12/20	29/5/20	12/11/21
Expected volatility (i)	100%	100%	100%	84.33%
Expiry date	30/11/23	22/11/22	22/11/22	31/8/25
Expected dividends	Nil	Nil	Nil	Nil
Risk free interest rate	0.25%	0.25%	0.25%	0.10%
Value per option	\$0.1033	\$0.0885	\$0.0234	\$0.0475
Number of options	7,000,000	5,500,000	1,000,000	9,000,000
Value of options	\$723,100	\$486,750	\$23,400	\$450,000
Expensed to 31/12/21	\$723,100	\$486,750	\$23,400	\$450,000

(i) The expected price volatility is based on the historic volatility (based on the remaining life of options), adjusted for any expected changes to future volatility due to public available information.

#### 10. COMMITMENTS AND CONTINGENCIES

In June 1992 the High Court of Australia held in the Mabo case that the common law of Australia recognises a form of native title. The full impact that the Mabo decision may have on tenements held by the Company is not yet known. The Company is aware of native title claims that have been lodged with the National Native Title Tribunal ("the Tribunal") over several areas in the Northern Territory in which the Company holds interests. The native title claims have been accepted by the Tribunal for determination under section 63(1) of the Native Title Act 1993 (Commonwealth).

##### ***Exploration Expenditure Commitments***

The Company has minimum statutory commitments as conditions of tenure of certain mining tenements. Whilst these obligations may vary, a reasonable estimate of the minimum commitments if it is to retain all of its present interests in mining and exploration properties is \$60,000 (30 June 2021 \$60,000). Under the current agreement with Burgundy Diamond Mines Limited are responsible for meeting all tenement commitments relating to the Ellendale area.

#### 11. RELATED PARTY TRANSACTIONS WITH DIRECTOR RELATED ENTITIES

During the half year, a company associated with Grant Mooney were paid for company secretarial services provided to the Company totalling \$24,000 (2020: \$12,000).

Arrangements with other related parties continue to be in place. For details of these arrangements, refer to the 30 June 2021 annual financial report.

# **GIBB RIVER DIAMONDS LIMITED**

## **INTERIM FINANCIAL REPORT**

### **NOTES TO THE INTERIM FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2021**

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#### **12. EVENTS AFTER THE BALANCE DATE**

On 2 March 2022, the Company issued 1,250,000 unlisted options under the Employee Share Option Plan. The options have an exercise price of \$0.10 and an expiry date of 1 March 2024.

Other than the above, no matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial year.

#### **13. FINANCIAL INSTRUMENTS**

The Company has financial instruments which are not measured at fair value in the Statement of Financial Position. The carrying value of financial assets and liabilities at balance date approximate their fair value.

#### **14. OPTION AGREEMENT WITH BURGUNDY DIAMOND MINES LIMITED**

On 24 March 2021, Gibb River Diamonds Limited entered into a two-year Option agreement with Burgundy Diamond Mines Limited which confers the right for Burgundy to acquire 100% of the Ellendale Diamond Project, in the Kimberley Region of Western Australia.

The total transaction consideration is \$6.7 million in cash, 16 million Burgundy Diamond Mines Limited shares, and a 1.5% gross revenue royalty. The cash and shares component consist of three staged payments over two years; with the third payment to exercise the Option. The second and third payments are required to proceed with the transaction and are at Burgundy's election.

The first payment, which was made during the previous financial year upon entering into the Option agreement, Burgundy Diamond Mines Limited paid \$1.7 million in cash and issued 4 million fully paid ordinary shares in Burgundy Diamond Mines Limited to Gibb River Diamonds Limited.

The second payment is to be made within one year of entering into the Option (24 March 2022), with Burgundy Diamond Mines Limited to pay \$1 million in cash and issue 5 million fully paid ordinary shares in Burgundy Diamond Mines Limited to Gibb River Diamonds Limited.

The third payment is to be made within two years of entering into the Option and upon the exercise of the Option to purchase the Ellendale Diamond Project, with Burgundy Diamond Mines Limited to pay \$4 million in cash and issue 7 million fully ordinary shares in Burgundy Diamond Mines Limited to Gibb River Diamonds Limited.

Burgundy Diamond Mines Limited will pay Gibb River Diamonds Limited a 1.5% gross revenue royalty on the diamonds obtained from the tenements, including during the option period.

# GIBB RIVER DIAMONDS LIMITED

## INTERIM FINANCIAL REPORT

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### DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Gibb River Diamonds Limited, we declare that:

- (a) the financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:
  - i. give a true and fair view of the Company's financial position as at the 31 December 2021 and of its performance for the half-year ended; and
  - ii. comply with Australian Accounting Standards (AASB 134 *Interim Financial Reporting*);
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



**JAMES RICHARDS**  
Chairman



**GRANT MOONEY**  
Non-Executive Director

Perth, 15 March 2022

**INDEPENDENT AUDITOR'S REVIEW REPORT**

To the members of Gibb River Diamonds Limited

**Report on the Condensed Half-Year Financial Report**

*Conclusion*

We have reviewed the accompanying half-year financial report of Gibb River Diamonds Limited ("the company") which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gibb River Diamonds Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

*Basis for conclusion*

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's responsibilities for the review of the financial report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

*Responsibility of the directors for the financial report*

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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**HLB Mann Judd (WA Partnership) ABN 22 193 232 714**

Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849

T: +61 (0)8 9227 7500 E: mailbox@hlbwa.com.au

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*Auditor's responsibility for the review of the financial report*

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the company's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

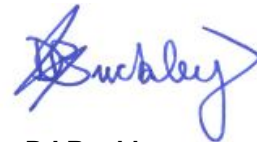
*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



**HLB Mann Judd**  
**Chartered Accountants**

**Perth, Western Australia**  
**15 March 2022**



**D I Buckley**  
**Partner**