GIBB RIVER

DIAMONDS

GIB geologists Jim Richards and Michael Denny at the Edjudina Gold Project

ANNUAL REPORT

For the year ending 30 June 2021

ABN 51 129 158 550

Dear Fellow Shareholders,

I am pleased to present the Annual Report of Gibb River Diamonds Limited (‘GIB’ or the ‘Company’) for the year ended 30 June 2021. At the start of this financial year with the Company acquired of an Option[1] to purchase 100% of the Edjudina Gold Project (E31/1179) located in the heart of the Eastern Goldfields of WA.

This important purchase was followed by four drilling campaigns with a total of 382 holes drilled for 15,312 metres, resulting in very significant exploration success at multiple prospect sites. The highlight being the discovery of the Neta Lodes Prospect with some outstanding drilling results including 36 metres at 3.97 g/t from 4 metres.

Edjudina quickly proved to be an excellent strategic acquisition and on 2 December 2020, the Company exercised the Option and now owns 100% of the Project, with no private royalties. The Company will continue to drill and develop Edjudina in the year ahead.

The Company announced on 24 March 2021, the sale of a two year Option agreement with ASX listed Burgundy Diamond Mines Limited (ASX: BDM), which confers the right for Burgundy to acquire 100% of the Ellendale Diamond Project, WA.

GIB believes the Ellendale Option sale was an excellent deal for our shareholders. The deal has already provided significant funding for the Company and with the potential for considerably more should the Option be exercised. Under this scenario, GIB will retain excellent upside exposure through a 1.5% gross revenue royalty on any diamonds obtained from the Ellendale tenements.

GIB holds a 20% equity interest in tenement E69/2820 which lies approximately 100km north-east of Wiluna, WA. This holding may prove to be a significant asset should the operator Strickland Metals Limited (ASX: STK) enjoy exploration success on this area. The 20% GIB equity interest is free carried to completion of Bankable Feasibility Study.

The Company is well funded with $2.3 million cash on hand as of 30 June 2021 and is in an excellent financial position to continue the drilling and development of the Edjudina Gold Project.

Yours Sincerely

Jim Richards
Executive Chairman

Gibb River Diamonds Limited
ABN 51 129 158 550

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West Perth WA 6005

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1.0 Edjudina Gold Project GIB 100%

During the 2021 financial year, GIB acquired an Option[1] to purchase 100% of the Edjudina Gold Project (E31/1179), in the heart of the Eastern Goldfields of WA. An initial drilling campaign was conducted on the property which resulted in a major new shallow gold discovery named Neta Lodes, with several other exciting prospects being delineated. As a result of this exploration success, on 2 December 2020, GIB exercised the Option to acquire 100% of the Edjudina Project.

The Edjudina Gold Project is 145km north east of Kalgoorlie and is located in the heart of the Eastern Goldfields of WA. The project comprises multiple parallel lines of nearly continuous historic gold workings over a 13km strike in which high grade veins have been worked[1]. A haul road owned and operated by Northern Star Resources Limited runs through the north of the project tenement directly to the Carosue Dam milling complex 45 km to the south-west (Figure 1).

In this financial year, four drilling campaigns have been conducted with a total of 382 holes drilled for 15,312 metres. These carefully placed holes have resulted in very significant exploration success at multiple prospect sites, the highlight being the discovery of the Neta Lodes Prospect with some outstanding drilling results including 36 metres at 3.97 g/t from 4 metres.

Figure 1: Edjudina Gold Project – Location Map

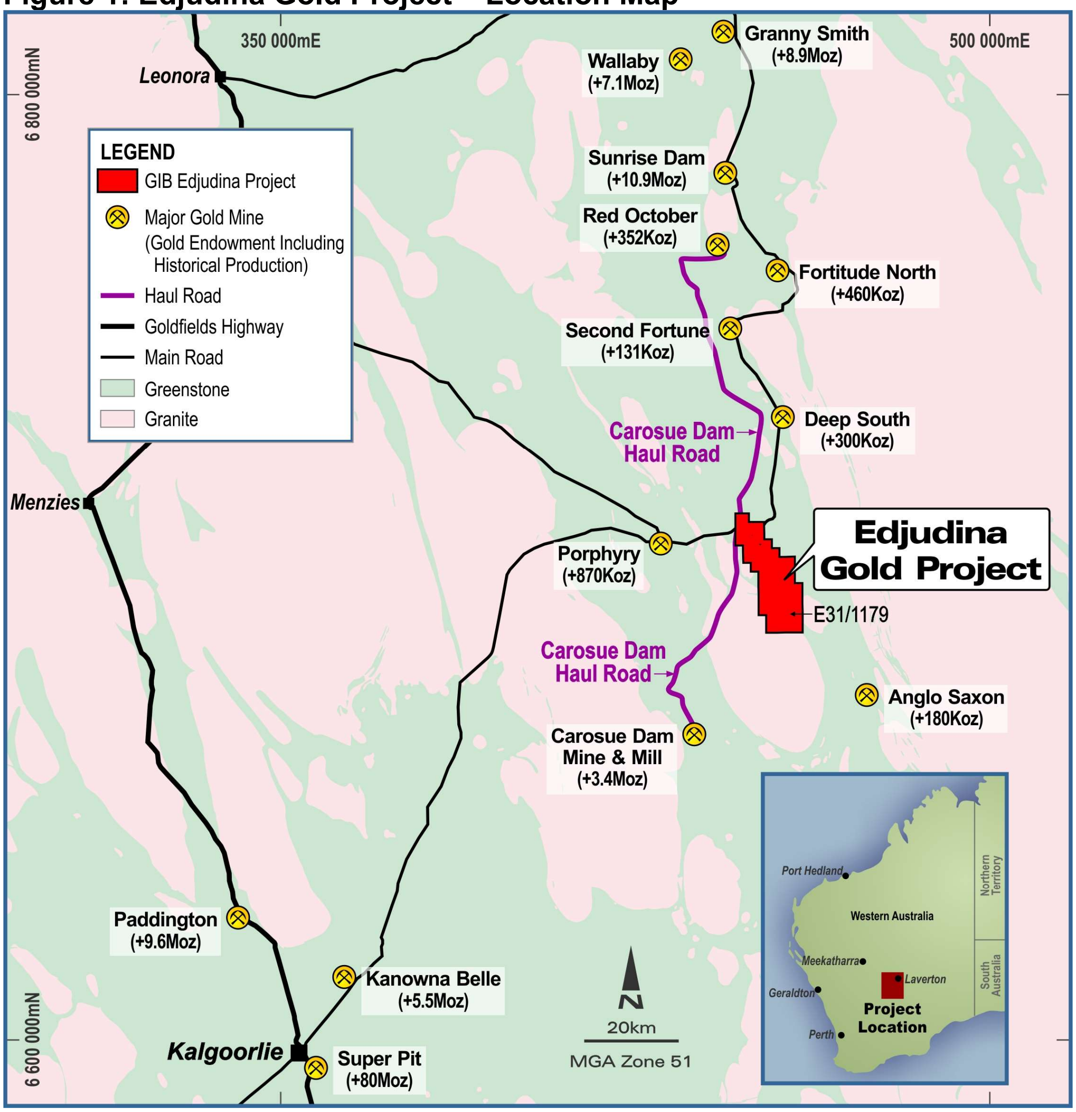
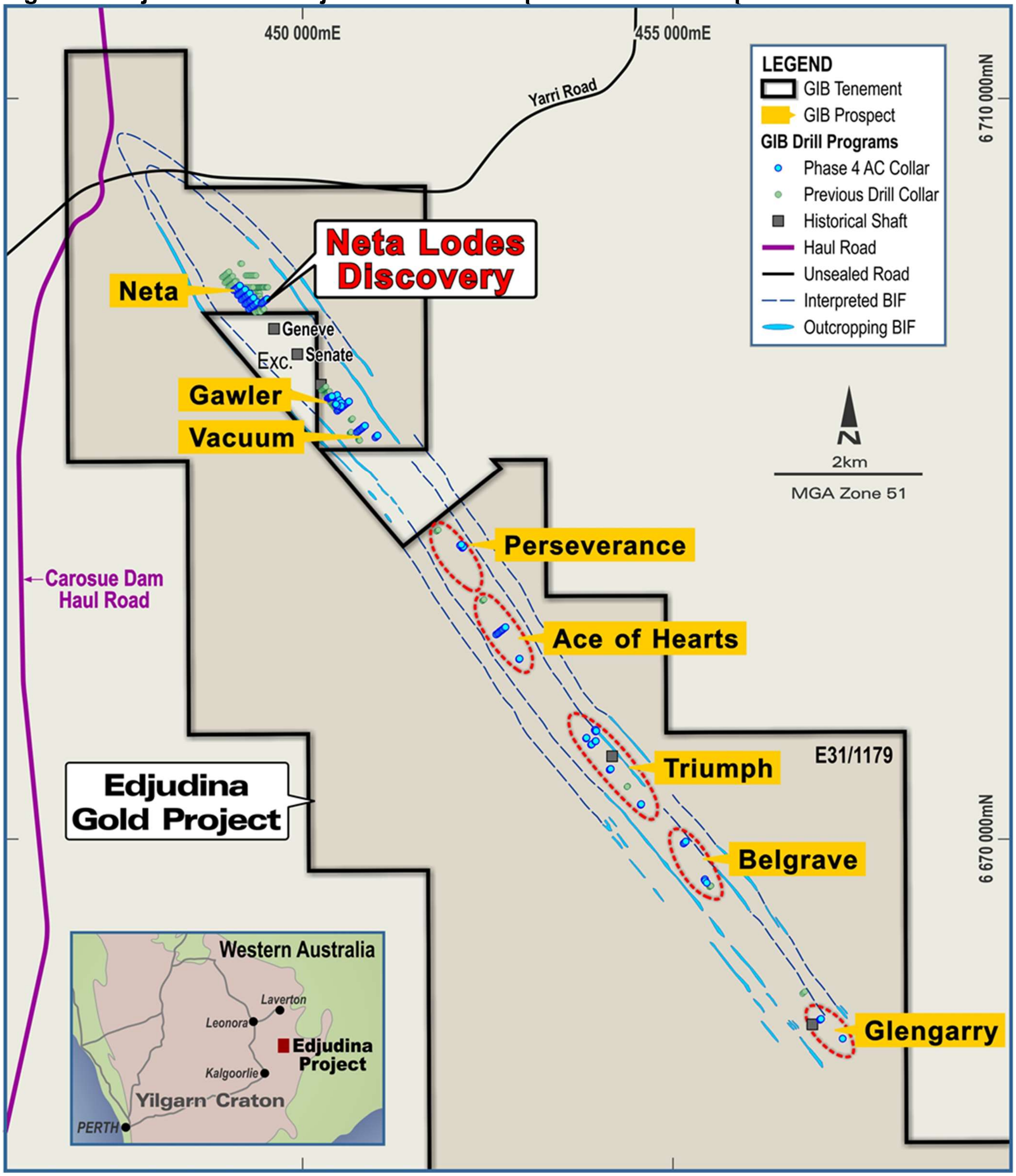


Figure 2: Edjudina Gold Project – Drilled Prospects Location Map



1.1 Neta Lodes Discovery - Geology and Mineralisation

The new Neta Lodes gold discovery is centered on a series of lodes mainly to the west of the historic Neta mineshaft. These lodes are named the Lasker; Anand; Carlsen; Fischer; Smyslov; Petrosian and Tal Lodes, after former World Chess Champions. The prospect is an exciting discovery which displays mineralisation from surface, with grades, geometry and location which indicate potential for bulk open pit mining.

This newly discovered lode mineralisation is named the ‘Neta Lodes’ and is markedly different from the material reportedly mined at the historic underground Neta gold mine and also as reported from workings on the rest of the Edjudina Line, which was a series of high grade quartz boudins with minor gangue mineralisation[2].

The Neta Lodes mineralisation is hosted in phyllite with strong argillic-hematite-limonite alteration, there is minor quartz veining and silica flooding. The material is predominantly highly fissile and can be easily broken up in the hand. Despite the strong alteration, the original phyllitic texture often remains and the mineralisation appears to be a replacement style of the calcareous (and in parts carbonaceous) phyllite, with rare overprinted quartz veining.

The most recent Phase 4 drilling has successfully demonstrated the following:

- Previous GIB drilling of the Carlsen Lode mineralisation has defined a higher grade core (>10 gram metres) with a strike of 60 metres which provides excellent potential for starter material for mining[6]. The Phase 4 step-out drilling at Carlsen (Figure 4) has extended this higher grade core by a further 15m to the north; results include 18m @ 1.63 g/t from 21m.
- Extensions to Neta mineralisation 300 metres to the north to link up with the Staunton area; includes 18m @ 0.43 g/t from 3m. This mineralisation shows up as two discrete lodes of alteration. Drilling so far, has discovered lower grade mineralisation. Follow-up infill drilling will target high-grade, Carlsen-like pods of mineralisation.

  NB (Sections A and C are available in the GIB ASX release dated 28 June 2021).

Figure 3: Plan view of the ‘Neta Lodes’ gold discovery at Edjudina

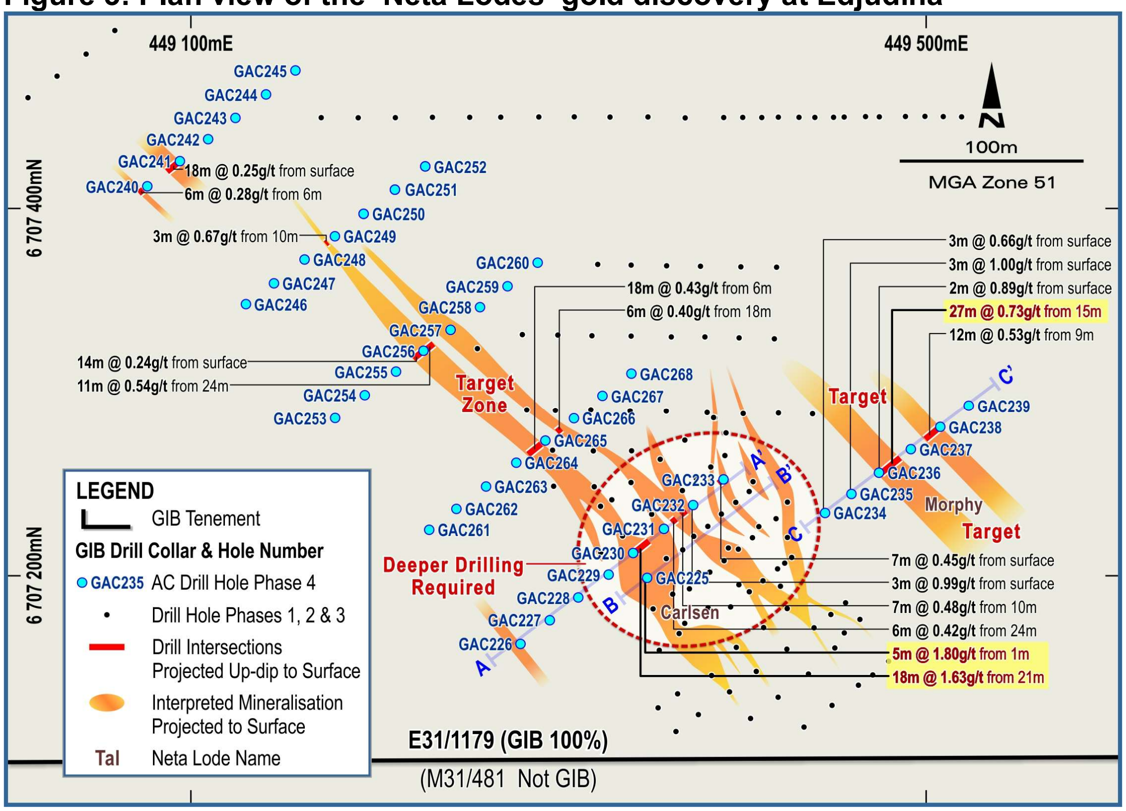
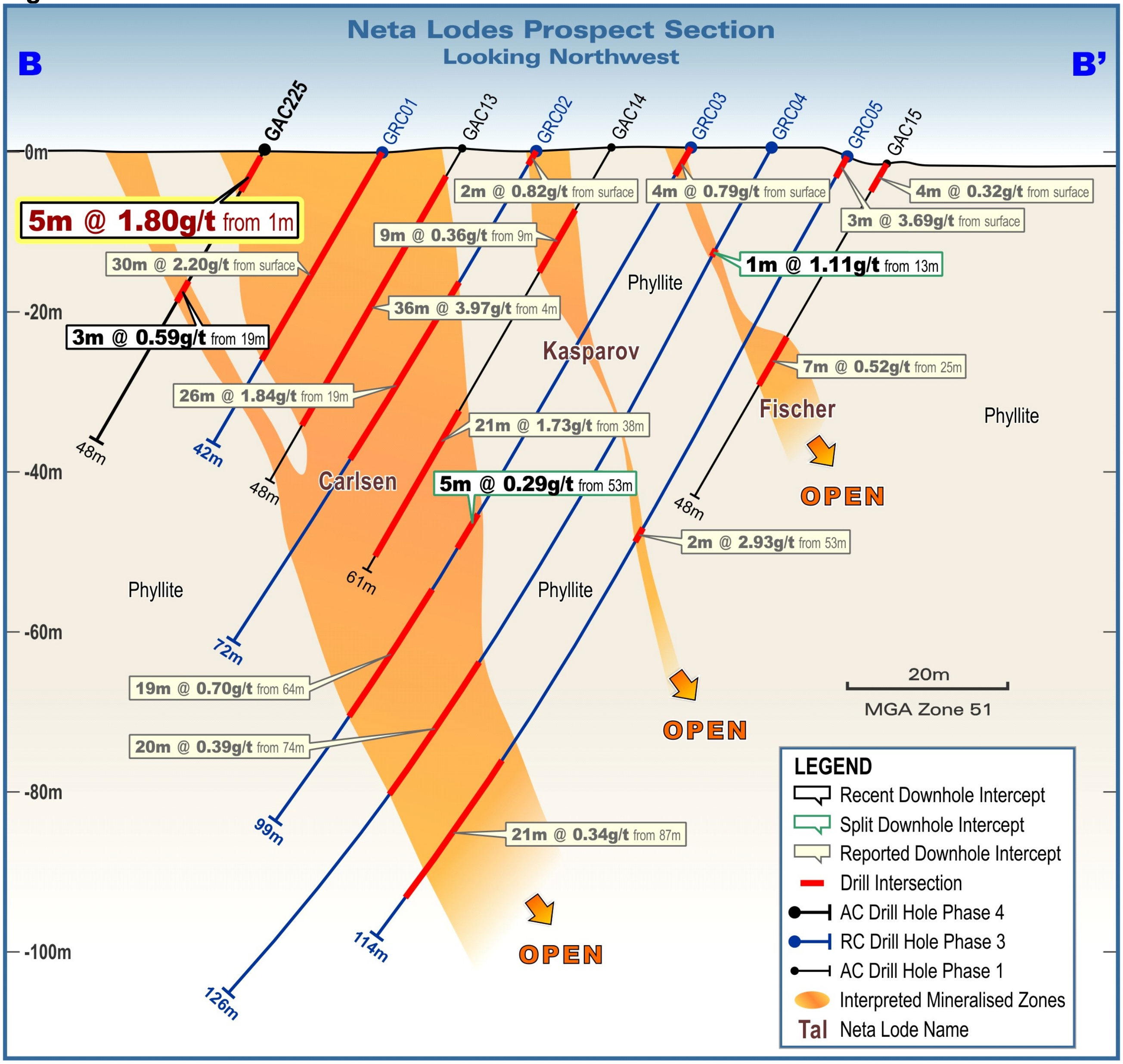


Figure 4: Neta Lodes – Section B-B'



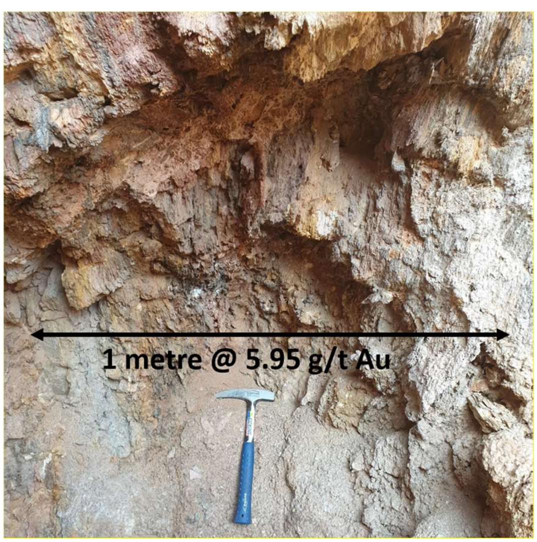


Photo 1:

Neta Lodes

Channel sample in old timers pit assayed 1 metre at 5.95g/t

Note the strong argillic/limonite alteration

This is the up dip extension of the Carlsen Lode

Photo 1 was taken in an old-timers pit and illustrates the mineralisation style. In these and other nearby workings, the dip is sub-vertical. Pits such as these at Neta were most helpful in evaluating the prospectivity of the area for drill targeting.

1.2 Perseverance Prospect

The Phase 4 drilling campaign discovered high grade quartz vein mineralisation at the Perseverance Prospect, this includes 2m @ 11.83g/t from 22m with the up-dip component running at 6.39g/t in another hole (partially stoped).

Two target areas have been defined using drilling, old workings, old reports and mineral alteration; these targets have been named Perseverance West and Perseverance East (Figure 5). There is considerable strike potential of 450m and 375m at these two targets respectively and these areas now require follow-up drilling. Some of the extensive old workings are visible in Figure 5. Transported cover in this area adds to the prospectivity.

Figure 5: Perseverance Prospect Plan – Phase 4 Drill Results

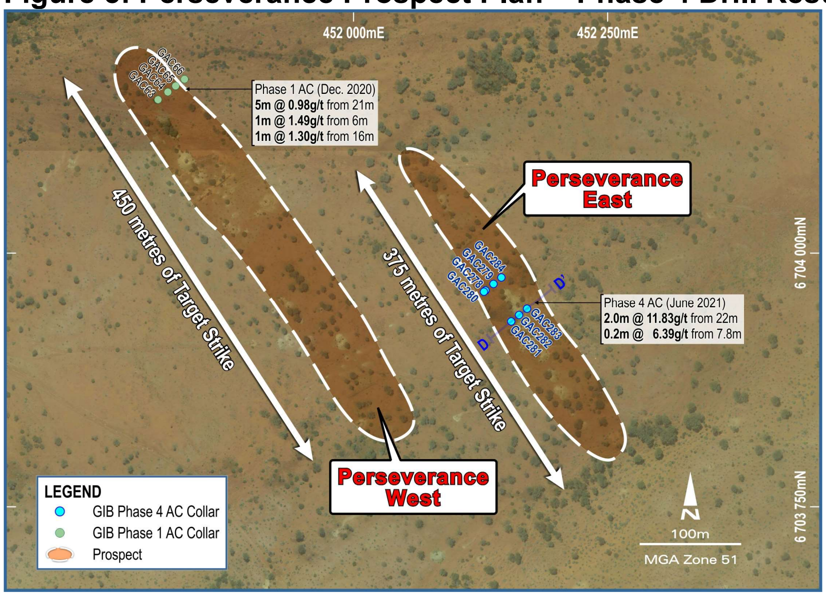
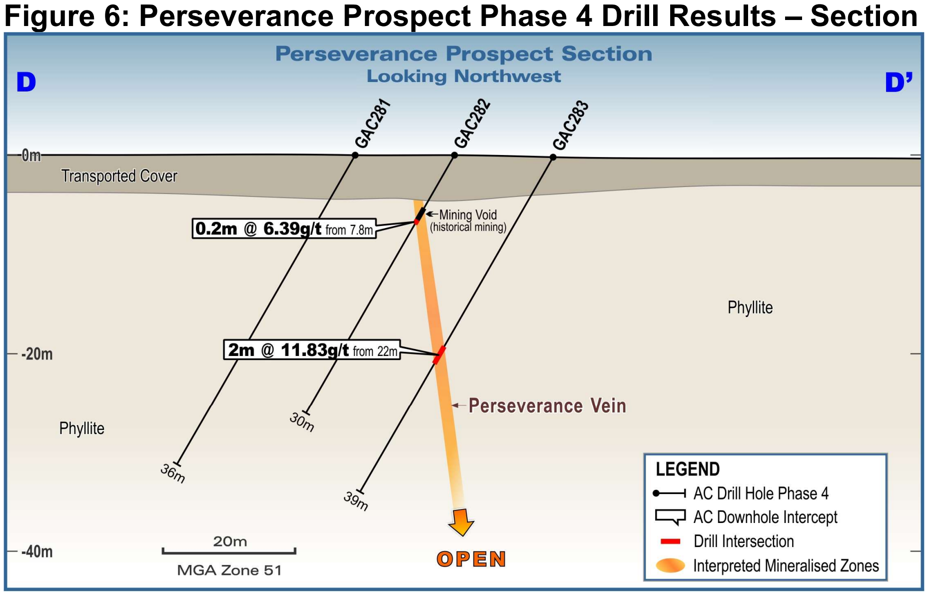


Figure 6: Perseverance Prospect Phase 4 Drill Results – Section D



1.3 Edjudina - Further Work

With the knowledge gained from the Company's first four drilling programs at Edjudina, there are a number of programs that now need to be carried out in order to further develop the project, these include:

- Peg a Mining Lease over the Neta Prospect: the excellent drilling results to date at Neta now justify the pegging of a Mining Lease over this prospect with a view to continuing to define and develop this mineralised body.
- Deeper infill RC drilling at Neta to better define the geometry of the mineralised body
- Further metallurgical testwork at Neta to test partially oxidised and fresh material
- Follow up RC and aircore drilling at Perseverance; Gawler and parts of Neta
- Mapping of the numerous old workings and further assessing previous soil geochemistry and acquiring further remote sensing data to generate new drill targets
- Aircore drill testing of new targets along the 13km of strike, with the aim of finding Neta style lookalikes and new quartz vein systems
- Aircore drilling under the numerous areas of alluvial cover to discover new mineralised systems hidden from the previous artisanal miners

These are the current objectives of Company at the Edjudina Gold Project.

2.0 Ellendale Diamond Project GIB 100% (under option)

The Company announced on 24 March 2021, the sale of a two year Option agreement with ASX listed Burgundy Diamond Mines Limited (ASX: BDM), which confers the right for Burgundy to acquire 100% of the Ellendale Diamond Project, WA.

Burgundy is a Western Australian based company with a highly-credentialed management team, focused on global diamond exploration and project development.

2.1 Ellendale Option Transaction Structure

The total transaction consideration is $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 second and third payments are required to proceed with the transaction and are at Burgundy's election. The first payment of cash ($1.7 million plus GST) and BDM shares (4 million) was paid and issued to GIB on the 24 March 2021.

The Company notes that BDM has recently received binding commitments to raise $49.7 million dollars in new capital (BDM ASX announcement dated 26 July 2021). The Board of GIB believes this capital raise by BDM increases the likelihood that BDM will exercise their Option over the Ellendale Diamond Project.

BDM also stated in the same announcement their intention to bring '…the Ellendale Diamond Project into production in 2022.' This would be a significant positive for GIB as the Company holds a 1.5% gross revenue royalty on any diamonds obtained from the Ellendale tenements, including during the Option period.

The Company wishes Burgundy every success in their endeavor and we continue to assist them during the Option period.

3.0 Iroquois Zn/Pb Project JV Update (GIB 20% Free-carry to BFS)

GIB holds a 20% equity interest in tenement E69/2820 which lies approximately 100km north-east of Wiluna, WA. This legacy asset dates back to a deal done with Strickland Metals Limited (ASX: STK - formerly Alloy Resources Limited) in 2011. GIB was named Phosphate Australia Limited at that time. The 20% GIB equity interest is free carried to completion of Bankable Feasibility Study (BFS).

E69/2820 hosts the Iroquois Zinc-Lead Project which GIB drilled and reported to the ASX on 7 November 2011[8]. This ASX announcement is available on the GIB website[8]. No substantial work has taken place since that time.

E69/2820 is highly prospective for Zn-Pb-Ag-Mn mineralisation of a similar style recently defined by Rumble Resources Ltd (ASX: RTR) at their Earaheedy Project some 30km to the north-west of Iroquois.

The Board of GIB is looking forward to STK progressing the Iroquois Zn-Pb Project and believe GIB's 20% free-carry to BFS on this asset has the potential to add significant value to the Company.

4.0 Highland Plains Phosphate Project (Northern Territory) GIB 100%

The Highland Plains Phosphate Project in the NT has a JORC (2004) Code Inferred Resource of 53 million tonnes at 16% P_2O_5 (ASX release 31 March 2009). The Project is 100% owned by GIB and has no private royalties.

Discussions have taken place with various parties during the year with a view to the sale of Highland Plains.

5.0 Sale of Legacy Gold Royalty Interests

On 23 February 2021, the Company announced the sale of three legacy gold royalties to Vox Royalty Corp. (TSXV: VOX) for a total cash consideration of $325,000.

The royalty portfolio which has been sold comprises a 1% Net Smelter Return royalty over the following projects:

- Bulgera Gold Project (E52/3276 and E52/3316) operated by Norwest Mineral Limited (ASX: NWM)
- Comet Gold Project (near Cue, E20/908) operated by Accelerate Resources Limited (ASX: AX8)
- Mount Monger Gold Project (E25/525) operated by AX8

These royalties were legacy assets held within GIB. The Company is pleased with this royalty sale to VOX, the significant cash consideration of $325,000 was used to fund the drilling at the Edjudina Gold Project.

(This royalty deal does not cover the Edjudina Gold Project which is free from any private royalties.)

6.0 Summary

Building on the very successful Phase 4 Aircore drilling campaign at the Edjudina Gold Project, a Phase 5 drilling program is currently being planned. Work is also moving forward on the pegging of a mining lease over the Neta Lodes discovery; mapping of the numerous old workings; further assessing previous soil geochemistry; and acquiring further remote sensing data to generate new drill targets.

Burgundy Diamond Mines is a serious player in the diamond space and have shown considerable commitment to progressing the Ellendale Project, the Board considers this activity increases the likelihood of the Ellendale Project Option being fully exercised, which in turn would provide a significant source of funding for GIB to use to progress the Edjudina Gold Project and to consider potential acquisitions.

GIB had $2.3 million cash on hand as of 30 June 2021 and is in an excellent financial position to continue drilling at the Edjudina Gold Project. Further cash and share payments will be received by the Company should the Ellendale option be extended and/or exercised.

Jim Richards
Executive Chairman

Enquiries To: Mr Jim Richards +61 8 9422 9555

References:

[1]GIB Acquires Option to Purchase the Historic and High Grade Edjudina Gold Project in the Eastern Goldfields of WA; GIB ASX Release dated 16 July 2020

[2]Triumph Project Exploration Report; Nexus Minerals Limited dated 15 August 2019

[3]Major Drilling discovery at Edjudina; GIB ASX Release dated 8 October 2020

[4]Excellent Metallurgical Recoveries from Bottle Roll Testing of the Neta Lodes Gold Discovery; GIB ASX Announcement dated 26 November 2020

[5]Neta Lodes Prospect Strike doubles; GIB ASX Announcement dated 21 December 2020

[6]Phase 3 Drilling Expands Gold Discovery at Edjudina; GIB ASX Announcement dated 6 April 2021

[7]Phase 4 Drilling Discovers New Shallow Lodes at Edjudina, WA; GIB ASX Announcement dated 28 June 2021

[8]Iroquois Lead-Zinc Prospect (WA). First Drilling Results; Phosphate Australia Limited (now GIB) ASX Announcement dated 7 November 2011

For a further list of references for the Edjudina Gold Project used in previous releases refer to GIB ASX Announcement dated 25 August 2020

Appendix A – Mineral Resources and Ore Reserves (MROR) Statement

Summary

This statement represents the Mineral Resources and Ore Reserves (MROR) statement for Gibb River Diamonds Limited as at 30 June 2021.

This MROR statement has been compiled and reported in accordance with the guidelines of the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (2012 JORC Code).

This statement is to be reviewed and updated annually in accordance with Section 15 of the 2012 JORC Code. The nominated annual review date for this MROR statement is 30 June 2020. The information in this statement has been extracted from the relevant reports as indicated below in each Mineral Resource table. The Company's Mineral Resources remained unchanged in 2021 at Highland Plains.

The Highland Plains Mineral Resource Estimates (MRE)'s were prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The Company confirms that the form and context in which the Competent Person's findings are presented here have not been materially modified.

Mineral Resources

The Highland Plains Phosphate Project in the NT has a JORC Code (2004) Inferred Resource of 53 million tonnes at 16% P_2O_5 with a lower grade cut-off of 10% P_2O_5.

Contained within the Global Resource (above) is estimated an Inferred Resource of 7million tonnes at 23% P2O5 above a 20% P2O5 cut-off, confined to the western portion of the Global Resource.

The Project is 100% owned by GIB and has no private royalties.

The Highland Plains Mineral Resource was first reported 31 March 2009 in accordance with the 2004 JORC Code (available to view at www.gibbriverdiamonds.com). The original report was prepared by Cube Consulting Pty Ltd.

Governance Summary

The Mineral Resource estimate listed in this report are subject to GIB's governance arrangements and internal controls. GIB's Mineral Resource estimate is derived by a Competent Person (CP) with the relevant experience in the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking and has been classified and reported in accordance with the JORC Code.

Competent Persons Statement and Disclaimer

The information in this report that relates to previously reported exploration results at the Ellendale Diamond Project 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 the Highland Plains Mineral Resource is based on information compiled by Jim Richards who is a member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Jim 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 they are 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. Mr Richards consents to the inclusion in this report of the Information, in the form and context in which it appears.

The interpretations and conclusions reached in this report are based on current geological theory and the best evidence available to the authors at the time of writing. It is the nature of all scientific conclusions that they are founded on an assessment of probabilities and, however high these probabilities might be, they make no claim for complete certainty. Any economic decisions that might be taken on the basis of interpretations or conclusions contained in this report will therefore carry an element of risk.

It should not be assumed that the reported Exploration Results will result, with further exploration, in the definition of a Mineral Resource.

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)” and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the Company’s prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

Appendix B - Interests In Mining Tenements at June 30 2021

Table 1: Western Australia

Lease	State	Status	Held at June 30 2021 - %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
E04/2415	WA	Granted	100%	Granted: Under Option to BDM
E04/2416	WA	Granted	100%	Granted: Under Option to BDM
E04/2665	WA	Granted	100%	Application: Under Option to BDM
E04/2666	WA	Granted	100%	Application: Under Option to BDM
E04/2685	WA	Application	100%	Application: Under Option to BDM
M04/465	WA	Granted	100%	Granted: Under Option to BDM
M04/466	WA	Granted	100%	Granted: Under Option to BDM
M04/467	WA	Granted	100%	Granted: Under Option to BDM
M04/475	WA	Application	100%	Application: Under Option to BDM
M04/476	WA	Application	100%	Application: Under Option to BDM
M04/477	WA	Application	100%	Application: Under Option to BDM
P04/277-287	WA	Granted	100%	Granted: Under Option to BDM
E69/2820	WA	Granted	20%	JV with Alloy Resources Limited
L04/98	WA	Granted	100%	Granted: Under Option to BDM
L04/100	WA	Granted	100%	Granted: Under Option to BDM
L04/105	WA	Granted	100%	Granted: Under Option to BDM
LO4/106	WA	Granted	100%	Granted: Under Option to BDM
L04/107	WA	Granted	100%	Granted: Under Option to BDM
L04/115	WA	Granted	100%	Granted: Under Option to BDM
L04/116	WA	Granted	100%	Granted: Under Option to BDM
E31/1179	WA	Granted	100%	Exercised Option to acquire 100%

Table 2: Northern Territory

Lease	Mineral Field	Location	Status	Held at June 30 2021 - %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
EL25068	NT	Highland Plains	Granted	100%	GIB 100%:

GIBB RIVER DIAMONDS LIMITED
ABN 51 129 158 550

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2021

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CORPORATE DIRECTORY

Directors
Jim Richards
Executive Chairman

Tom Reddicliffe
Non-Executive Director

Grant Mooney
Non-Executive Director
& Company Secretary

ASX Code
GIB

ABN
51 129 158 550

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West Perth WA 6005
Phone: +61 (8) 9226 0085

Share Registry
Link Market Services
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250 St George's Terrace
Perth WA 6000
Phone: 1300 554 474
Fax: +61 (8) 9211 6660

Auditors
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000
Phone: +61 (8) 9227 7500

DIRECTORS' REPORT
30 JUNE 2021

The Directors present their report together with the financial report on Gibb River Diamonds Limited ("GIB" or "the Company") for the year ended 30 June 2021. In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows.

DETAILS OF DIRECTORS

The names and particulars of the directors of the Company holding office during the year and to the date of this report are:

MR JAMES (JIM) RICHARDS
B.Sc. Hons (Geology), MAusIMM
Executive Chairman

Jim Richards is a geology graduate of the University of London. He is a Perth based Company director and geologist with 24 years' experience in exploration for a wide variety of commodities.

Prior to the ASX listing of Phosphate Australia Limited (now Gibb River Diamonds Limited), Mr Richards was the chief executive officer and director of United Minerals Corporation NL ("UMC"). At UMC, Mr Richards led the technical team that discovered the high-grade iron 'Railway Deposit' in the Pilbara. BHP Billiton acquired the Railway Deposit in February 2010 by a take-over of UMC for AUD$204 million.

Mr Richards has considerable overseas experience including running his own alluvial diamond dredging operation in Guyana, South America and work on the Omai gold project (that became a major mine) also in Guyana. Other resources work includes operating in Indonesia and two years spent in both Laos and Pakistan.

Previous employers and clients have included Newmont Mining Corporation, BHP Billiton Limited and Woodside Energy Limited. Prior to his corporate career, Mr Richards served as a regular officer in the British Army Parachute Regiment.

MR GRANT MOONEY
B.Bus, CA
Non-executive Director & Company Secretary

Grant Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney serves as a director to several ASX listed companies across a variety of industries including technology and resources. He is a director of Carnegie Clean Energy Limited, Aurora Labs Limited, Accelerate Resources Limited, Riedel Resources Limited, SRJ Technologies Limited and Talga Group Limited. Mr Mooney is a member of Chartered Accountants Australia and New Zealand.

MR TOM REDDICLIFFE
BSc (Hons), MSc (Geol), FAusIMM
Non-executive Director

Tom Reddicliffe is a geologist with some 36 years of largely Australian focused diamond exploration and evaluation experience having graduated with an Honours degree in geology in 1974 from the University of Queensland. He is currently a Fellow of the Australian Institute of Mining and Metallurgy.

Mr Reddicliffe joined Ashton Mining Limited in 1976, and worked with the AEJV exploration teams at both Ellendale and Argyle. He was appointed the Australian Exploration Manager of Ashton Mining Limited in 1991 and remained in that position up until Ashton was taken over by Rio Tinto in late 2000. During his position as exploration manager with Ashton Mining Limited, Mr Reddicliffe was credited with discovering the Merlin diamond pipes in the Northern Territory in 1993 which became a renowned producer of large, good quality white diamonds. Merlin produced Australia's largest diamond - the 104.73 carat gemstone Jungiila-Bunajina.

After his tenure with Ashton Mining Limited, Mr Reddicliffe joined Striker Resources (renamed North Australian Diamonds Limited in 2004) as Technical Director from 2003 and was appointed CEO in 2007. Mr Reddicliffe stepped down from the Board of North Australian Diamonds Limited in mid-2011.

DIRECTORS' REPORT
30 JUNE 2021

DIRECTORSHIP OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the three years immediately before the end of the year are as follows:

Director	Company	Period of directorship
Grant Mooney	Accelerate Resources Limited	1 June 2017 to present
	Barra Resources Limited	29 November 2002 to 18 August 2021
	Carnegie Clean Energy Limited	19 February 2008 to present
	Riedel Resources Limited	31 October 2018 to present
	Talga Group Limited	20 February 2014 to present
	Aurora Labs Limited	25 March 2020 to present
	SRJ Technologies Limited	2 June 2020 to present
Tom Reddicliffe	Errawarra Resources Limited	1 April 2021 to present

DIRECTORS' SHARE AND OPTION HOLDINGS

At the date of this report, the direct and indirect interest of the Directors in the shares and options of the Company were:

Director	Ordinary Shares	Options (Unlisted)
James Richards *(i)*	41,683,222	2,000,000
Grant Mooney *(ii)*	9,273,888	2,000,000
Tom Reddicliffe *(iii)*	Nil	2,000,000

(i) *James Richards holds 33,339,515 shares in his own name. Llangurig Super Pty Ltd <Jim Richards Super Fund A/c>, in which James Richards is a director and beneficiary holds 8,344,077 shares and 2,000,000 unlisted options.*

(ii) *Grant Mooney holds 2,238,888 shares in his own name. Samantha Mooney, spouse of Grant Mooney holds 13,333 shares and Mooney & Partners Pty Ltd of which Grant Mooney is the sole director holds 1,145,000 shares. Ocean Flyers Pty Ltd <S&G Mooney Super Fund>, in which Grant Mooney is a director and beneficiary holds 5,876,667 shares. Grant Mooney holds 2,000,000 options in his own name.*

(iii) *Tom Reddicliffe holds 2,000,000 options in his own name.*

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration.

OPERATING RESULTS

The profit from ordinary activities after income tax of the Company for the year ended 30 June 2021 was $1,976,790 (2020 loss: ($521,620)).

DIRECTORS' REPORT
30 JUNE 2021

REVIEW OF OPERATIONS

The Company is pleased to present its annual Review of Operations for the year ended 30 June 2021.

1.0 Edjudina Gold Project (Western Australia) GIB 100%

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

As a result of the success of the drilling at Edjudina, the Company exercised its option and acquired 100% of the Edjudina Gold Project (tenement E31/1179). The project vendors have been paid the Option Exercise Fee of $330,000 cash and have been issued 5,500,000 GIB shares (escrowed for one year) and 5,500,000 GIB Options.

The Company is very pleased with progress at Edjudina and especially the discovery of the higher grade cores at the Neta Lodes Prospect which have returned some excellent drilling results. GIB will continue to progress drilling programs at Edjudina with the aim of adding value through discovery.

2.0 Ellendale Diamond Project (Western Australia) GIB 100%

On 24 March 2021, the Company announced the execution of a two year Option agreement with ASX listed Burgundy Diamond Mines Limited (ASX: BDM), which confers the right for Burgundy to acquire 100% of the Ellendale Diamond Project, WA.

This Option covers all tenements pegged by GIB in the Ellendale Diamond Province, including over the historic Ellendale Diamond Mine and Blina Diamond Project and the associated data.

The total transaction consideration is $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 second and third payments are required to proceed with the transaction and are at Burgundy’s election. The first payment of cash ($1.7 million plus GST) and BDM shares (4 million) was paid and issued to GIB on the 24 March 2021.

3.0 Horse Well Gold Project (Western Australia) GIB 20%

GIB retains a 20% interest in E69/2820 which which lies approximately 100km north-east of Wiluna, WA. The 20% GIB project equity is free carried up to the completion of a bankable feasibility study. This tenement is a part of Strickland Metals Ltd, ASX:STK (formerly Alloy Resources Limited), Horse Well Gold Project and also covers the historic Iroquois Zn/Pb Project. The tenement is currently being explored by STK.

4.0 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% P2O5. 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 interested parties with a view to the sale of Highland Plains.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than described elsewhere in this report, there was no significant change in the state of affairs of the Company during the year.

SIGNIFICANT EVENTS SUBSEQUENT TO END OF YEAR

There was no matters or circumstance subsequent to the end of the year that has significantly affected the operations of the Company, the results of operations or the state of affairs in future financial years.

DIRECTORS' REPORT
30 JUNE 2021

FUTURE DEVELOPMENTS

The Company intends to continue mineral exploration activities while considering new project acquisitions and joint venture opportunities.

ENVIRONMENTAL REGULATION

The Company is required to carry out its activities in accordance with the Mining Laws and regulations in the areas in which it undertakes its exploration activities. The Company is not aware of any matter that requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

SHARE OPTIONS

At the date of this report, the following options are outstanding in respect of unissued ordinary shares in Gibb River Diamonds:

Number of Shares Under Options	Exercise Price	Expiry Date
500,000	9.0 cents	20 November 2021
6,000,000	7.5 cents	30 November 2023
1,000,000	7.5 cents	30 November 2023
5,500,000	9.0 cents	22 November 2022
1,000,000	9.0 cents	22 November 2022

No shares (2020: Nil) were issued during or since the end of the financial year as a result of the exercise of options.

INDEMNIFYING OFFICER OR AUDITOR

During the year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company secretary and all executive officers of the Company and related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the amount of the premium.

The Company has not indemnified or agreed to indemnify the auditor of the Company or of any related body corporate against a liability incurred as the auditor.

DIVIDENDS

No dividends have been paid or declared since the start of the year, and the directors do not recommend the payment of a dividend in respect of the year.

DIRECTORS' MEETINGS

There were five (5) Directors' meetings held during the year ended 30 June 2021. The names of directors who held office during the year and their attendance at Board meetings is detailed below:

Director	Number Attended	Number Eligible to Attend
Jim Richards	5	5
Grant Mooney	5	5
Tom Reddicliffe	5	5

There were also four (4) circular resolution passed by the Board of Directors during the year. (2020: two (2))

As at the date of this report an Audit Committee of the Board of Directors did not exist due to the Directors of the Board having a close involvement in the operations of the Company. There are no other sub-committees of the Board.

DIRECTORS' REPORT
30 JUNE 2021

REMUNERATION REPORT (AUDITED)

This report details the amount and nature of remuneration of each director of the Company. Other than directors, there were no executive officers of the Company during the year.

Remuneration Policy

The remuneration policy is to provide a fixed remuneration component and a specific equity related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities, which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives. At this point in the Company's development, the Board does not believe it is appropriate to link director and executive officers' remuneration with Company performance.

The remuneration policy in regards to settling terms and conditions for the executive directors has been developed by the Board taking into account market conditions and comparable salary levels for companies of similar size and operating in similar sectors.

Directors receive a superannuation guarantee contribution required by the Government, which during the year was 9.5% and do not receive any other retirement benefit.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payment to the non-executive directors and reviews their remuneration annually, based on market practices, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. Fees for non-executive directors are not linked to the performance of the economic entity.

The following were Key Management Personnel of the Company during the year:

- James Richards *(Executive Chairman)*
- Grant Mooney *(Non-Executive Director and Company Secretary)*
- Mark Thompson *(Non-Executive Director) (resigned 24 March 2020)*
- Tom Reddicliffe *(Non-Executive Director) (appointed 24 March 2020)*

Details of remuneration provided to Key Management Personnel during the year are as follows:

		Short-term employee benefits		Post-employment benefits	Share-based payments		
		Salary & Fees $	Bonus $	Super-annuation $	Options $	Total $	% of Total consisting of Options
James Richards	**2021**	**140,000**	**-**	**13,300**	**206,600**	**359,900**	**57%**
	2020	133,333	-	12,667	-	146,000	0%
Mark Thompson (resigned)	**2021**	**-**	**-**	**-**	**-**	**-**	**0%**
	2020	14,624	-	1,389	-	16,013	0%
Grant Mooney [(1)]	**2021**	**64,750**	**-**	**2,138**	**206,600**	**273,488**	**76%**
	2020	61,667	-	2,058	-	63,725	0%
Tom Reddicliffe	**2021**	**22,500**	**-**	**2,138**	**206,600**	**231,238**	**89%**
	2020	4,083	-	388	-	4,471	0%
TOTAL	**2021**	**227,250**	**-**	**17,576**	**619,800**	**864,626**	**72%**
TOTAL	2020	213,707	-	16,502	-	230,209	0%

(1) Amounts paid to Grant Mooney include Director's fees of $22,500 (2020: $21,667) and fees paid to a related party, Mooney & Partners, in respect of company secretarial services totalling $42,250 plus GST (2020: $40,000 plus GST).

There are no contracts to which a Director is a party or under which the Director is entitled to a benefit other than as disclosed in the financial report.

REMUNERATION REPORT (AUDITED) (CONTINUED)

Value of options issued to Key Management Personnel

During the financial year, the following share-based payment arrangements were in existence for Key Management Personnel:

Options Series	Grant Date	Expiry Date	Grant Date Fair Value	Vesting Date
Issued 1 December 2020 exercisable @ $ 0.075	1/12/2020	30/11/2023	$0.1033	1/12/2020

There were 6,000,000 (2020: Nil) options issued to Key Management Personnel during the year.

The Board reviews the remuneration packages of all key management personnel on an annual basis. The maximum remuneration of non-executive Directors is to be determined by Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. At present the maximum aggregate remuneration of non-executive Directors is $400,000 per annum. The apportionment of non-executive Director Remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. Remuneration is not linked to specific service or performance criteria. Directors' fees were substantially reduced during the year as a result of COVID-19.

Remuneration levels, shares and options granted are not dependent upon any performance criteria as the nature of the Company's operations are exploration, and they are not generating profit.

The Company did not use remuneration consultants during the year or prior year.

Key management personnel equity holdings
Fully paid ordinary shares issued by Gibb River Diamonds Limited

The movement during the reporting year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each specified director is as follows:

Director	Opening Balance 1 July 2020	Granted as compensation	Received on exercise of options	Other movement during the year	Closing Balance 30 June 2021
James Richards (i)	35,349,735	-	3,000,000	1,750,000	40,100,285
Grant Mooney (ii)	9,073,888	-	1,000,000	(800,000)	9,273,888
Tom Reddicliffe	-	-	-	-	-

Executive unlisted share options issued by Gibb River Diamonds Limited
The movement during the reporting year in the number of unlisted options over ordinary shares in the Company held, directly, indirectly or beneficially, by each specified director is as follows:

2021

Director	Balance as at beginning of year 1 July 2020	Exercised	Granted as compensation	Balance vested at 30 June 2021	Vested but not exercisable	Vested and exercisable 30 June 2021
James Richards *(i)*	3,000,000	(3,000,000)	2,000,000	**2,000,000**	-	2,000,000
Grant Mooney *(ii)*	1,000,000	(1,000,000)	2,000,000	**2,000,000**	-	2,000,000
Tom Reddicliffe *(iii)*	-	-	2,000,000	**2,000,000**	-	2,000,000

(i) James Richards holds 32,183,068 shares in his own name. Llangurig Super Pty Ltd <Jim Richards Super Fund A/c>, in which James Richards is a director and beneficiary holds 3,166,667 shares and 3,000,000 unlisted options.

(ii) Grant Mooney holds 2,238,888 shares in his own name. Samantha Mooney, spouse of Grant Mooney holds 13,333 shares and Mooney & Partners Pty Ltd of which Grant Mooney is the sole director holds 1,145,000 shares. Ocean Flyers Pty Ltd <S&G Mooney Super Fund>, in which Grant Mooney is a director and beneficiary holds 5,676,667 shares. Grant Mooney holds 1,000,000 options in his own name.

(iii) Tom Reddicliffe holds 1,000,000 options in his own name.

DIRECTORS' REPORT
30 JUNE 2021

REMUNERATION REPORT (AUDITED) (CONTINUED)

Services Agreements

Executive Chairman James (Jim) Richards has an employment contract commencing on 1 October 2013 which continues on a month by month basis with one month's termination notice. The Contract provides for a director's fee of $180,000 per annum plus statutory superannuation, but this fee was reduced to $160,000 plus statutory superannuation on 1/8/13 as part of cost reductions in the Company. This was reduced to $80,000 plus superannuation on 1/3/2020 as part of further cost reductions in the Company. On 1 September 2020 the fee was reinstated to $160,000 plus statutory super.

Non-Executive Director Grant Mooney has a Services Agreement commencing on 14 October 2008 which continues on a month by month basis with one month's termination notice. The Contract provides for a director's fee of $45,000 per annum plus statutory superannuation, but this fee was reduced to $25,000 per annum plus statutory superannuation on 1/8/13 as part of cost reductions in the Company. This was reduced to $15,000 per annum plus superannuation on 1/3/2020 as part of further cost reductions in the Company. On 1 September 2020 the fee was reinstated to $25,000 plus statutory super.

Non-Executive Director Tom Reddicliffe has a letter of appointment for no fixed term commencing on 24 March 2020. The Contract provides for a director's fee of $15,000 per annum plus statutory superannuation. On 1 September 2020 the fee was increased to $25,000 plus statutory super.

Mooney & Partners Pty Ltd, a company associated with Grant Mooney has a services contract with the Company to provide company secretarial and administrative services to the Company for a period of 3 years commencing on 1 September 2009 which expired on 1 September 2012 and continues on a month by month basis with one month's termination notice. The Contract provides for an annual fee of $96,000 per annum plus GST, but this fee was reduced to $48,000 per annum plus GST on 1/8/13 as part of cost reductions in the Company. This fee was reduced to $24,000 per annum plus GST on 1/3/2020. On 1 September 2020, the fee was reinstated to $48,000 per annum plus GST.

No director or member of senior management are entitled to any termination payment apart from remuneration payable up to and including the termination date and any amounts payable due upon accrued leave.

END OF REMUNERATION REPORT

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to such proceedings during the year.

NON-AUDIT SERVICES

During the year there were no non-audit services provided by HLB Mann Judd, nor its related entities.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 8.

Signed on 29 September 2021 in accordance with a resolution of the Board, made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Directors:

Jim Richards

JAMES RICHARDS
Executive Chairman

Grant Mooney

GRANT MOONEY
Non-executive Director

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Gibb River Diamonds Limited for the year ended 30 June 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
29 September 2021

D I Buckley
Partner

hlb.com.au

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 $	30 June 2020 $
Interest	3	2,375	12,766
Government Grant income	3	77,000	60,500
Other income	3	3,267,257	156,835
Total Income		**3,346,632**	**230,101**
Exploration expenditure expensed		(82,641)	(34,459)
Impairment of exploration expenditure	12	(20,085)	(74,557)
Employee benefits expense	6	(121,946)	(129,245)
Accounting, tax and audit		(48,418)	(69,155)
Corporate advisory		-	(3,000)
Company secretarial		(42,000)	(40,000)
Depreciation expense	4	(36,464)	(9,435)
Rental expenses	4	(16,037)	(51,605)
Administration expenses		(130,037)	(99,775)
Share based payments	4	(830,107)	(218,552)
Net fair value loss on financial assets at fair value through profit or loss	11	(42,107)	(21,938)
Total Expenses		**(1,369,842)**	**(751,721)**
Profit/(Loss) before income tax expense		1,976,790	(521,620)
Income tax benefit/(expense)	5	-	-
Profit/(Loss) after income tax expense		**1,976,790**	**(521,620)**
Other comprehensive income		-	-
Total Comprehensive Income/(Loss) for the year		**1,976,790**	**(521,620)**
		Cents	**Cents**
Basic earnings/(loss) per share (cents per share)	23	0.972	(0.291)
Diluted earnings/(loss) per share (cents per share)	23	0.953	(0.291)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	30 June 2021 $	30 June 2020 $
CURRENT ASSETS			
Cash and cash equivalents	8	2,317,256	683,106
Trade and other receivables	9	59,023	28,524
Prepayments		28,828	15,975
TOTAL CURRENT ASSETS		2,405,107	727,605
NON-CURRENT ASSETS			
Property, plant and equipment	10	452,507	426,032
Environmental bond		21,859	21,859
Financial assets at fair value through profit or loss	11	1,267,063	76,912
Exploration and evaluation expenditure	12	4,632,648	1,826,365
TOTAL NON-CURRENT ASSETS		6,374,077	2,351,168
TOTAL ASSETS		**8,779,184**	**3,078,773**
CURRENT LIABILITIES			
Trade and other payables	13	115,211	51,042
Lease liability	14	25,206	-
Provisions	15	89,052	63,308
TOTAL CURRENT LIABILITIES		229,469	114,350
NON-CURRENT LIABILITIES			
Lease liability	14	8,402	-
TOTAL NON-CURRENT LIABILITIES		8,402	-
TOTAL LIABILITIES		**237,871**	**114,350**
NET ASSETS		**8,541,313**	**2,964,423**
EQUITY			
Issued capital	17	18,175,635	15,749,292
Reserves	18	1,250,650	547,443
Accumulated losses	19	(10,884,972)	(13,332,312)
TOTAL EQUITY		**8,541,313**	**2,964,423**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Ordinary Shares $	Options Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2019	**15,749,292**	**328,891**	**(12,810,692)**	**3,267,491**
Loss for the year	-	-	(521,620)	(521,620)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	**-**	**-**	**(521,620)**	**(521,620)**
Options expensed for the year	-	218,552	-	218,552
Balance as at 30 June 2020	**15,749,292**	**547,443**	**(13,332,312)**	**2,964,423**
Balance as at 1 July 2020	**15,749,292**	**547,443**	**(13,332,312)**	**2,964,423**
Profit for the year	-	-	1,976,790	1,976,790
Other comprehensive income	-	-	-	-
Total comprehensive income for the year	-	-	1,976,790	1,976,790
Shares issued for the year	1,839,000	-	-	1,839,000
Options expensed for the year	-	1,340,257	-	1,340,257
Options exercised for the year	616,500	(166,500)	-	450,000
Options expired unexercised	-	(470,550)	470,550	-
Share issue costs	(29,157)	-	-	(29,157)
Balance as at 30 June 2021	**18,175,635**	**1,250,650**	**(10,884,972)**	**8,541,313**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2021

	Note	30 June 2021 $	30 June 2020 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(420,630)	(424,974)
R&D refund received		-	156,835
Government grants received		77,000	60,500
Interest received		364	14,594
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	8	**(343,266)**	**(193,045)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(13,779)	(49,665)
Payments for exploration and evaluation expenditure		(1,093,548)	(347,030)
Payments for tenement acquisition		(440,000)	-
Receipt for sale of royalty		325,000	-
Receipt for option fee payment	16	1,700,000	-
NET CASH FLOWS PROVIDED BY/(USED IN) INVESTING ACTIVITIES		**477,673**	**(396,695)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		1,096,500	-
Proceeds from exercise of options		450,000	-
Share issue costs		(29,157)	-
Payments for leases		(17,600)	
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES		**1,499,743**	**-**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD		1,634,150	(589,740)
Cash and cash equivalents at the beginning of the year		683,106	1,272,846
Cash and cash equivalents at the end of the year	8	**2,317,256**	**683,106**

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 1. CORPORATE INFORMATION

Gibb River Diamonds Limited is a for-profit company limited by shares domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited.

The address of the registered office and the principal place of business are disclosed on the contents page.

The nature of the operations and principal activities of the Company are described in Note 20 and the Review of Operations at the front of the annual report.

Note 2. SUMMARY OF ACCOUNTING POLICIES

(a) Statement of Compliance

The Financial Report for the Company for the year ended 30 June 2021 was authorised for issue in accordance with a resolution of the Directors on 29 September 2021.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. For the purposes of preparing the financial report the Company is a for-profit entity.

The financial statements have been prepared on a historical cost basis, except for selected non-current assets, financial assets which have been measured at fair value as explained in the relevant accounting policies. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The functional currency is Australian Dollars and rounding is made to the nearest dollar.

Accounting policies have been consistently applied to all financial years presented unless specially stated below.

(c) Adoption of New and Revised Standards

In the year ended 30 June 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 annual reporting period. The Company has assessed the impact of these new standards and has determined that there is no material impact on the financial statements.

Standards and Interpretations in issue not yet effective

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the year ended 30 June 2021. There are none which have a material impact on the Company.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments that have original maturities of 4 months or less, readily convertible to known amounts of cash and are subject to insignificant risk of changes in values.

(e) Employee benefits

Employee benefits provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within one year are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits expected to be settled beyond one year are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

<u>Defined contribution plans</u>
Contribution to defined contribution superannuation plans are expensed when incurred.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables. Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items credited or debited to profit or loss (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(h) Payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the term of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting year.

The following estimated useful lives are used in the calculation of depreciation:

- Furniture & Fittings - 10 years
- Vehicles - 12 years
- Plant & equipment - 3 years
- Buildings & improvements - 7 years

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(j) Provisions

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

(k) Revenue recognition

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Rental income

Rental income is recognised in the period in which it is earned.

(l) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting term, based on the Company's estimate of shares that will eventually vest.

In relation to the acquisition of assets the fair value of the equity issued is used to approximate the fair value of the asset acquired where the fair value of the project has not otherwise been determined reliably.

(m) Exploration and evaluation

Exploration and evaluation expenditure costs are accumulated in respect of each separate area of interest.

Exploration and evaluation costs are carried forward where the right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest, or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves and active and significant operations, in, or in relation to, the area of interest are continuing.

These assets are considered for impairment on a six-monthly basis, depending on the existence of impairment indicators including:

- the period for which the Company has the right to explore in the specific area has expired during the year or will expire in the near future, and is not expected to be renewed;
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned;
- exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Company has decided to discontinue such activities in the specific area; and
- sufficient data exists to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

Accumulated costs in relation to an abandoned area are written off in full against profit/(loss) in the year in which the decision to abandon the area is made.

Projects are classified as held for sale if their carrying amount will be recovered, principally through a sales transaction rather than through continued use. They are measured at the lower of their carrying value and fair value less costs of disposal. The asset must be available for immediate sale in their present condition and their sale must be highly probable.

When a decision is made to proceed with development in respect of a particular area of interest, the accumulated costs for the relevant area of interest are tested for impairment and the balance is then transferred to development assets.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(n) Development Costs

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

(o) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the cost of removing facilities, abandoning sites/wells and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal and other requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date. The initial estimate of the restoration and rehabilitation provision relating to exploration, development and milling/production facilities is capitalised into the cost of the related asset and depreciated/amortised on the same basis as the related asset, unless the present obligations arises from the production of inventory in the year, in which case the amount is included in the cost of production for the year. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(p) Financial instruments

<u>Debt and equity instruments</u>

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

<u>Transaction costs on the issue of equity instruments</u>

Transactions costs arising on the issue of equity instruments are recognised directly in equity as reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments and which would not have been incurred had those instruments not been issued.

<u>Recognition and derecognition</u>

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

<u>Classification and initial measurement of financial assets</u>

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.
The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

SUMMARY OF ACCOUNTING POLICIES (Continued)

(p) Financial instruments (continued)

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(p) Financial instruments (continued)

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.
Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derecognition of financial assets

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all of the risks and rewards of control of the asset.

(q) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(r) Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentive received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Short-term leases (less than 12 months) and low value leases are not included in lease accounting and are expensed as incurred.

(s) Leased assets

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease of, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option where the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index rate are expensed in the period to which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest rate method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 2. SUMMARY OF ACCOUNTING POLICIES (Continued)

(t) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on the grant date historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Share based payments

The values of amounts recognised in respect of share-based payments have been estimated based on the grant date fair value of the options. To estimate the fair value an option pricing model has been used. There are many variable assumptions used as inputs into the model (which have been detailed in Note 17. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised.

Exploration expenditure

Exploration expenditure is capitalised where the Company holds a current tenement. The Company capitalises expenditure relating to exploration and evaluation where it is considered likely to be recoverable or where the activities have not reached a stage which permits a reasonable assessment of the existence of resources or reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the view that such expenditure should not be written off since feasibility studies in such areas have not yet concluded.

Coronavirus (COVID-19) pandemic

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the Company based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the Company operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the Company unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(u) Research and Development expenditure

From 1 July 2016, the Australian Government has provided a tax incentive for eligible research and development expenditure. Management has assessed its research and development activities and expenditures to determine which are likely to be eligible under the scheme.

The Company records the benefit of this credit only when all qualifying research has been performed and the Company has obtained sufficient evidence from the relevant government authority that the credit will be granted.

(v) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(w) Earnings per share

Basic earnings per share is calculated as net profit/(loss) attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings per share is calculated as net profit/loss attributable to members of the parent, adjusted for:

- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 3. Income

	Note	30 June 2021 $	30 June 2020 $
Interest received from financial institutions		2,375	12,766
Total Revenue		2,375	12,766
Government Grant Funding			
Cashflow boost		50,000	50,000
Jobkeeper		27,000	10,500
Total Government Grant funding		77,000	60,500
Other Income			
Option fees	16	2,932,257	-
Other fees		10,000	-
Royalty sale		325,000	-
Tax incentive for Research & Development expenditure		-	156,835
Total other income		3,267,257	156,835
Total Income		3,346,632	230,101

Note 4. Profit/(Loss)

Expenses	30 June 2021 $	30 June 2020 $
Depreciation of non-current assets	36,464	9,435
Rental expense on operating leases	16,037	51,605
Share based payment expenses	830,107	218,552

Note 5. Income Tax

Income tax expense

		30 June 2021 $	30 June 2020 $
(a)	The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:		
	Profit/(Loss) from continuing operations before tax	1,976,790	(521,620)
	Income tax expense/(benefit) calculated at 30% (2020: 27.5%)	**593,037**	**(143,445)**
	Non-deductible expenses	249,162	61,108
	Non assessable income	(15,000)	(56,880)
	Temporary differences not brought to account as a deferred tax asset	(383,960)	(77,612)
	Tax losses not brought to account as a deferred tax asset/(realisation of prior tax losses not bought to account)	(443,239)	216,829
	Income tax benefit at effective rate of 0% (2020: 0%)	-	-
(b)	**Exploration**		
	Exploration and Evaluation	849,099	448,200
	Add: Other	8,779	4,689
	Recognised deferred tax liabilities	857,878	452,889
(c)	**Deferred tax assets**		
	Temporary differences	225,001	218,174
	Tax losses – revenue	632,878	234,715
	Recognised deferred tax assets	857,878	452,889
	The deferred tax assets and deferred tax liabilities are recognised and fully offset.		
	Not recognised:		
	Unrecognised temporary tax losses	-	-
	Unrecognised tax losses	8,368,910	10,425,727
	Total deferred tax assets not recognised	8,368,910	10,425,727
	Tax effect of unrecognised tax losses	2,510,673	2,867,075

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 5. Income Tax (continued)

The net deferred tax asset arising from the tax losses has not been recognised as an asset in the Statement of Financial Position because recovery is not probable.

The taxation benefit of tax losses not brought to account will only be obtained if:

(i) assessable income is derived of a nature and of an amount sufficient to enable the benefits to be realised;
(ii) conditions for deductibility imposed by the law are complied with; and
(iii) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Note 6. Key Management Personnel Compensation

The compensation paid to Key Management Personnel of the Company is set out below. Please refer to the remuneration report in the directors' report for further information:

	30 June 2021 $	30 June 2020 $
Short-term employee benefits	227,250	213,707
Post-employment benefits	17,576	16,502
Share-based payments	619,800	-
	864,626	230,209

The compensation paid to employees of the Company is set out below. It is less than the total amount paid to Key Management Personnel due to the allocation of exploration costs to capitalised Exploration and Evaluation expenditure.

Employee compensation

	30 June 2021 $	30 June 2020 $
Wages, salaries excluding allocation to exploration	112,327	98,410
Superannuation	9,619	30,835
Total as per employee benefit expense	121,946	129,245
Share-based payments	750,764	218,552
Total employee compensation	872,710	347,797

Note 7. Auditor's Remuneration

Amounts received, or due and receivable by the auditors, HLB Mann Judd, for audit or review of the financial report	23,567	22,550

Note 8. Cash and Cash Equivalents

Cash at bank and on hand[1]	2,317,256	683,106

[1] Cash at Bank includes $45,000 (2019: $45,000) held as security for credit cards. The term of the deposit is greater than 4 months however the amount is not material to reclassify.

CASH FLOW INFORMATION

Reconciliation of the loss from continuing operations after income tax to the net cash flows from operating activities.

Profit/(Loss) from continuing operations after income tax	1,976,790	(521,620)
- Impairment of exploration expenditure	20,085	74,557
- Revaluation of financial assets	42,107	21,938
- Shares and options received	(1,232,257)	-
- Non-operating income reclassified to investing	(2,025,000)	-
- Depreciation expense	36,464	9,435
- Share based payments	830,107	218,552
- Employee benefits accrued/(paid out)	25,744	(17,945)
- (Increase)/Decrease in debtors	(12,853)	13,018
- (Increase)/Decrease in prepayments	(30,499)	6,432
- Increase/(Decrease) in trade creditors	26,046	2,588
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(343,266)	(193,045)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 9. Trade and Other Receivables

Current	30 June 2021 $	30 June 2020 $
Trade debtors	17,336	2,447
Other debtors	40,410	25,000
Interest receivable	1,277	1,077
	59,023	28,524

There is no expected credit loss at balance date.

There are no overdue but not impaired trade and other receivables.

Note 10. Property, Plant & Equipment

	30 June 2021 $	30 June 2020 $
Cost	611,858	548,919
Accumulated depreciation	(159,351)	(122,887)
	452,507	426,032
Land and Buildings	93	156
Plant and Equipment	418,060	425,289
Fixtures & Fittings	746	587
Right of use asset	33,608	-
	452,507	426,032

	Land & buildings	Plant & equipment	Fixtures & Fittings	Right of use asset	Total
Cost					
Balance as at 30 June 2019	**443**	**493,273**	**10,053**	**-**	**503,769**
Additions	-	45,150	-	-	45,150
Disposals	-	-	-	-	-
Balance as at 30 June 2020	**443**	**538,423**	**10,053**	**-**	**548,919**
Additions	-	12,527		50,412	62,939
Disposals	-	-	-	-	-
Balance as at 30 June 2021	**443**	**550,950**	**10,053**	**50,412**	**611,858**
Accumulated Depreciation					
Balance as at 30 June 2019	**(223)**	**(104,737)**	**(8,492)**	**-**	**(113,452)**
Depreciation	(64)	(8,397)	(974)	-	(9,435)
Disposals	-	-	-	-	-
Balance as at 30 June 2020	**(287)**	**(113,134)**	**(9,466)**	**-**	**(122,887)**
Depreciation	(63)	(19,756)	159	(16,804)	(36,464)
Disposals	-	-	-	-	-
Balance as at 30 June 2021	**(350)**	**(132,890)**	**(9,307)**	**(16,804)**	**(159,351)**
Net written down value 30 June 2020	**156**	**425,289**	**587**	**-**	**426,032**
Net written down value 30 June 2021	**93**	**418,060**	**746**	**33,608**	**452,507**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 11. Financial Assets at fair value through profit or loss

Equity financial assets are recognised and all gains and losses are reflected in profit or loss.

	30 June 2021 $	30 June 2020 $
Listed shares [(1)]	1,267,063	76,812
Unlisted Options [(2)]	-	100
	1,267,063	76,912

The net loss from financial assets at fair value through profit or loss for the year being the difference in closing values of listed share and unlisted options was $42,107 (2020: $21,938).

[(1)] Listed shares are valued at fair value according to closing ASX share price on last trading day of each period.
[(2)] Unlisted options are valued using the Black-Scholes method at the issue date. The options are exercisable at $0.25, expiring on 30 April 2021. They are valued using a risk-free rate of 1.5% and 100% volatility. The unlisted options expired unexercised during the year.

Note 12. Exploration and Evaluation Expenditure

Exploration and evaluation phase:	30 June 2021 $	30 June 2020 $
Opening balance exploration and evaluation expenditure	1,826,365	874,109
Exploration and evaluation expenses capitalised during year	2,826,368	347,030
Less: Impairment	(20,085)	(74,557)
Less: transfer to assets held for sale	-	(22,737)
Add: transfer back from assets held for sale	-	702,520
Closing balance exploration and evaluation expenditure	4,632,648	1,826,365

During the year the Directors recognised an impairment on previously capitalised expenditure on specific tenements due to the tenements no longer being held.

The Company's title to certain mining tenements is subject to Ministerial approval and may be subject to outcomes of native title issues (Refer Note 25).

Included within amounts capitalised were share-based payments for acquisitions totalling $510,150. Refer to notes 16, 17 and 18 for further details.

The recoupment of costs carried forward in relation to areas of interest in the exploration and evaluation phase is dependent on the successful development and commercial exploitation or sale of the respective area.

Note 13. Trade and Other Payables

	30 June 2021 $	30 June 2020 $
Trade creditors	26,968	10,354
Other creditors	88,243	40,688
	115,211	51,042

The average credit period on purchases is 30 days. There is no interest charged on payables.

Note 14. Lease Liability

	30 June 2021 $	30 June 2020 $
Current liability	25,206	-
Non-Current Liability	8,402	-
Total Lease liability	33,608	-

AASB 16 has been adopted during the period, refer Note 1 for details.

Balance on initial application	50,412	-
Principal repayments	(17,600)	-
Add finance charges	796	-
	33,608	-

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 15. Provisions

	30 June 2021 $	30 June 2020 $
Employee entitlements – annual & long service leave accrued	89,052	63,308

Note 16. Non-cash investing and financing activity

	30 June 2021 $	30 June 2020 $
Additions to the right-of-use assets	50,412	-
Shares and Options issued for the acquisition of the Edjudina project[1]	1,252,650	-
Shares in listed company received on granting option to acquire Ellendale project[2]	1,160,000	-

[1] Issue of 5,500,000 shares and 5,500,000 options for the acquisition of the Edjudina Project. The shares were valued at $742,500 (refer to note 17) and the options were valued at $486,750 (refer note 18). In addition, 1,000,000 options were issued to acquire a data pack for the Ellendale project. The options were valued at $23,400 (refer note 18). The amounts above have been capitalised to exploration and evaluation expenditure during the year.

[2] On 24 March 2021, the Company 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. The first payment upon entering the agreement the Company received $1.7 million cash and 4,000,000 ordinary shares in Burgundy Diamonds Limited, which were initially valued at $1,232,257 but were revalued to $1,160,000 at year end.

Note 17. Issued Capital

(a) Issued Shares	Number	$
Opening Balance 1 July 2019	179,079,445	15,749,292
Closing Balance 30 June 2020	**179,079,445**	**15,749,292**
Opening Balance 1 July 2020	**179,079,445**	**15,749,292**
Share purchase plan 8 September 2020	21,930,000	1,096,500
Exercise of options 28 October 2020	5,000,000	616,500
Shares issued at deemed price of $0.135 1 December 2020[1]	5,500,000	742,500
Share issue costs	-	(29,157)
Closing Balance 30 June 2021	**211,509,445**	**18,175,635**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

[1] Issued to acquire the Edjudina Gold Project: the shares were valued at the date on which control passed to the Company.

Note 17. **Issued Capital (continued)**

(b) Options on Issue

Details of options on issue during the year are detailed below.

Expiry date	10 Oct 2020 [1]	26 Oct 2020 [2]	20 Feb 2021 [3]	20 Nov 2021 [4]	28 Nov 2022 [5]	28 Nov 2022 [6]	30 Nov 2023 [7]	Weighted average exercise price $	Weighted average contractual life remaining Months
Exercise Price	**$0.05 Consultant**	**$0.09 Directors & Employee**	**$0.05 Consultant**	**$0.09 Employee**	**$0.09 Vendor**	**$0.09 Vendor**	**$0.075 Directors & Employee**		
Opening 1/7/20	6,000,000	5,500,000	3,000,000	500,000	-	-	-	0.066	10.84
Exercised	-	(5,000,000)	-	-	-	-	-	0.090	-
Expired	(6,000,000)	(500,000)	(3,000,000)	-	-	-	-	0.520	-
Issued	-	-	-	-	5,500,000	1,000,000	7,000,000	0.082	-
Closing 30/6/21	-	-	-	500,000	5,500,000	1,000,000	7,000,000	0.082	31.03

The above-mentioned options have the following key terms:

1 *Consultants' options are exercisable at $0.05 each, by the expiry date noted above. The options vest immediately.*

2 *Directors' and Employees' options are exercisable at $0.09 each, by the expiry date noted above. The options vest immediately, and were settled in equity.*

3 *Consultants' options are exercisable at $0.05 each, by the expiry date noted above. The options vest immediately.*

4 *Employees' options are exercisable at $0.09 each, by the expiry date noted above. The options vest immediately.*

5 *Vendor options are exercisable at $0.09 each, by the expiry date noted above. The options are subject to a 6 month escrow period. Issued to acquire the Edjudina Gold Project.*

6 *Vendor options are exercisable at $0.09 each, by the expiry date noted above. Issued to acquire a data pack in relation to the Ellendale Diamond project.*

7 *Director and Employees' options are exercisable at $0.075 each, by the expiry date noted above. The options vest immediately.*

The weighted average contractual life of options remaining as at 30 June 2021 is 31.03 months (2020: 4.57 months).

Note 18. **Reserves**

Nature and purpose of reserves

Share option reserve

This reserve is used to record the value of equity benefits provided to employees, consultants and Directors as part of their remuneration.

	30 June 2021 $	30 June 2020 $
Opening Balance	547,443	328,891
Options expensed during year	1,340,257	218,552
Less options exercised during the year	(166,500)	
Less expired options	(470,550)	-
Closing balance	1,250,650	547,443

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 as at the grant date. The following inputs were used:

INPUT	DIRECTOR & EMPLOYEE OPTIONS [7]	VENDOR OPTIONS [5]	VENDOR OPTIONS [6]
Exercise price	$0.075	$0.09	$0.09
Share price	$0.14	$0.14	$0.051
Grant date	1/12/20	1/12/20	29/5/20
Expected volatility (i)	100%	100%	100%
Expiry date	30/11/23	28/11/22	28/11/22
Expected dividends	Nil	Nil	Nil
Risk free interest rate	0.25%	0.25%	0.25%
Value per option	$0.1033	$0.0885	$0.0234
Number of options	7,000,000	5,500,000	1,000,000
Value of options	$723,100	$486,750	$23,400

(i) Volatility using the Black & Scholes method was determined by reviewing similar companies for a similar period.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 19. Accumulated losses

	30 June 2021 $	30 June 2020 $
Balance at the beginning of the year	(13,332,312)	(12,810,692)
Net profit/(loss) for the year	1,976,790	(521,620)
Transfer from share option reserve (expired options)	470,550	-
Balance at the end of the year	(10,844,972)	(13,332,312)

Note 20. Statement of Operations by Segment

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 this is the only operating segment. The Company is predominantly involved in mineral exploration and development.

Note 21. Related Party Transactions

(a) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 6 to the financial statements.

(b) Transactions with director related entities

During the year, Mooney & Partners Pty Ltd, a company associated with Grant Mooney was paid for Company secretarial services provided to the Company totalling $42,250 (2020: $40,000). This amount is included in Mr Mooney's remuneration in the remuneration report.

Note 22. Financial Instruments

(a) Overview

The Company's principal financial instruments comprise receivables, payables, cash and short-term deposits. The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and commodity prices risk.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. All financial assets and liabilities are held at amortised cost, with the exception of financial assets at fair value through profit or loss (Note 11).

(b) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective average interest rates in classes of financial assets and liabilities is as follows:

2021	Average Effective Interest Rate %	Fixed Interest Rate $	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial assets:					
Operating accounts	-	-	-	9,673	9,673
Savings accounts	0.01%	-	272,695	-	272,695
Term deposits	0.10%	2,034,888	-	-	2,034,888
Receivables	-	-	-	59,023	59,023
Financial assets	-	-	-	1,267,063	1,267,063
		2,034,888	**272,695**	**1,335,759**	**3,643,342**
Financial liabilities:					
Accounts payable	-	-	-	115,211	115,211
Lease Liability current	-	-	-	25,206	25,206
Lease Liability non- current	-	-	-	8,402	8,402
		-	-	148,819	148,819

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 22. **Financial Instruments (continued)**

2020	Average Effective Interest Rate %	Fixed Interest Rate $	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial assets:					
Operating accounts	-	-	-	16,075	16,075
Savings accounts	0.25%	-	234,423	-	234,423
Term deposits	1.52%	432,608	-	-	432,608
Receivables	-	-	-	28,524	28,524
Financial assets	-	-	-	76,912	76,912
		432,608	**234,423**	**121,511**	**788,542**
Financial liabilities:					
Accounts payable	-	-	-	51,042	51,042
		-	**-**	**51,042**	**51,042**

The Company's exposure to interest rate risks is not material.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	2021 $	2020 $
Cash and cash equivalents	2,317,256	683,106
Trade and other receivables	59,023	28,524
	2,376,279	**711,630**

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due, by insuring sufficient liquid funds are available on short term maturities.

The maturity of all current financial assets and liabilities is less than six months. The only other is the non-current lease liability which is not material.

(e) Commodity price risk

The Company is exposed to commodity price risk. Commodity prices can be volatile and are influenced by factors beyond the Company's control. As the Company is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

(f) Fair Value

The net fair value of financial assets and financial liabilities approximate their carrying value. Net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3: unobservable inputs for the asset or liability

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 22. Financial Instruments (continued)

(f) Fair Value (continued)

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis.

30 June 2021	Level 1	Level 2	Level 3	Total
Financial Assets:				
Listed Shares	1,267,063	-	-	1,267,063
Unlisted Options	-	-	-	-
Net fair value:	**1,267,063**	**-**	**-**	**1,267,063**

30 June 2020	Level 1	Level 2	Level 3	Total
Financial Assets:				
Listed Shares	76,812	-	-	76,812
Unlisted Options	-	100	-	100
Net fair value:	**76,812**	**100**	**-**	**76,912**

There were no transfers between Level 1 and Level 2 in 2021.
Fair values of these listed securities have been estimated by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy above.

Note 23. Earnings per Share

	2021 Cents	2020 Cents
Basic earnings/(loss) per share (cents per share)	0.972	(0.291)
Diluted earnings/(loss) per share (cents per share)	0.953	(0.291)

Basic Earnings per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2021 $	2020 $
Profit/(loss) after income tax expense	1,976,790	(521,620)

	2021 No.	2020 No.
Weighted average number of ordinary shares	203,428,157	179,079,445
Weighted average number of dilutive ordinary shares	207,493,911	N/A

Note 24. Significant Events Subsequent to Year End

There was no matter or circumstance subsequent to the end of the year that has significantly affected the operations of the Company, the results of operations or the state of affairs in future financial years.

Note 25. Contingent Liabilities

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). There is no information at balance date known to Directors which would result in an impairment trigger or potential loss of tenements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

Note 26. 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 commitment projected for the next 12 months if it is to retain all of its present interests in mining and exploration properties is $60,000 (2020: $144,000).

Note 27. Option Agreement with Burgundy Diamond Mines Limited

During the period 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 period 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. (Note 16)

The second payment is to be made within one year of entering into the Option, 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.

DIRECTORS' DECLARATION

1. In the opinion of the directors of Gibb River Diamonds Limited ("the Company")

    a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

        i. giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year then ended; and

        ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

    b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

    c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2021.

This declaration is signed in accordance with a resolution of the Board of Directors.

JAMES RICHARDS
Executive Chairman

GRANT MOONEY
Non-Executive Director

Dated this 29th day of September 2021

INDEPENDENT AUDITOR'S REPORT

To the members of Gibb River Diamonds Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Gibb River Diamonds Limited ("the Company") which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and

b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit 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* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

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Key Audit Matter	How our audit addressed the key audit matter
Carrying amount of exploration and evaluation expenditure Refer to Note 12	
In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources,* the Company capitalises all exploration and evaluation expenditure, including acquisition costs and subsequently applies the cost model after recognition. Our audit focussed on the Company's assessment of the carrying amount of the capitalised exploration and evaluation asset, as this is one of the most significant assets of the Company.	Our procedures included but were not limited to the following: ▪ We obtained an understanding of the key processes associated with management's review of the carrying values of each area of interest; ▪ We considered the Directors' assessment of potential indicators of impairment; ▪ We obtained evidence that the Company has current rights of tenure to its areas of interest; ▪ We examined the exploration budget for the year ending 30 June 2022 and discussed with management the nature of planned ongoing activities; ▪ We substantiated a sample of expenditure incurred to supporting documentation; and ▪ We examined the disclosures made in the financial report.
Ellendale Diamond Project Sale Option Refer to Note 3 and 16	
During the year the Company sold a two year option agreement to Burgundy Diamond Mines Limited, which upon exercise of the agreement will confer the right for Burgundy Diamond Mines Limited to acquire 100% of the Ellendale Diamond Project. The cash and shares components of the consideration consist of three staged payments over two years with the first payment being received during the period. This consisted of a $1.7 million plus GST cash payment and 4 million Burgundy Diamond Mines Limited ordinary shares. This transaction is considered to be a key audit matter due to the significance of the transaction to users of the financial report.	Our procedures included but were not limited to the following: ▪ We reviewed management's position on the revenue recognised for the first payment; ▪ We considered management's recognition of the shares received in accordance with AASB 9 *Financial Instruments*; ▪ We assessed management's position on any potential future payments; ▪ We examined the disclosures made in the financial report.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the remuneration report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Gibb River Diamonds Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
29 September 2021

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 24 September 2021.

Spread of Holdings			Number of holders	Ordinary Shares
1	-	1,000	70	33,061
1,001	-	5,000	168	550,429
5,001	-	10,000	286	2,372,727
10,001	-	100,000	694	26,471,521
100,001	-	and over	270	176,581,707

Total Number of Holders: 1,488

Number of shareholders holding less than a marketable parcel: 320

SUBSTANTIAL SHAREHOLDERS

Shareholder Name	Number of Shares
James Richards	32,783,068

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

STATEMENT OF QUOTED SECURITIES / TOTAL SHARES ON ISSUE

Listed on the Australian Securities Exchange are 211,509,445 fully paid shares.

COMPANY SECRETARY

The name of the Company Secretary is Grant Jonathan Mooney.

REGISTERED OFFICE

The registered office is at Suite 4, 6 Richardson Street, West Perth, Western Australia 6005.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement as at 30 June 2021 as approved by the Board can be viewed at http://www.gibbriverdiamonds.com/irm/content/corporate-governance.aspx?RID=269.

TWENTY LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITIES (as at 24 SEPTEMBER 2021)

ORDINARY FULLY PAID SHARES

Shareholder Name	Number of Shares	Percentage of Capital
Mr James Mcarthur Richards	32,783,068	15.91
Llangurig Super Pty Ltd <Jim Richards Super Fund A/C>	8,344,077	4.05
Mr Philip Andrew Pilcher	7,134,341	3.46
Szabo Trading Pty Ltd <No 2 A/C>	6,831,520	3.32
Ocean Flyers Pty Ltd <S & G Mooney Super Fund A/C>	5,876,667	2.85
Mr Ianaki Semerdziev	3,756,452	1.82
Mrs Anne Marie Hutchings	3,700,000	1.80
Bnp Paribas Nominees Pty Ltd Six Sis Ltd <Drp A/C>	3,572,333	1.73
Szabo Trading Pty Ltd	2,579,256	1.25
Mr Dale Leonard Andrews & Mrs Jillian Patricia Andrews <Dog Star S/F A/C>	2,492,000	1.21
Mr Grant Jonathan Mooney	2,238,882	1.09
Mr Alan Paul Cartmell	2,000,000	0.97
Mr Paul Sciancalepore & Mrs Pauline Sciancalepore	2,000,000	0.97
Corona Land Holdings Pty Ltd <Humberston Super Fund A/C>	1,983,333	0.96
Lateral Minerals Pty Ltd <Sungold Super A/C>	1,766,667	0.86
Mr Timothy Stuart Quick	1,665,010	0.81
Mr Grant Stephen Bambry	1,600,000	0.78
Hsbc Custody Nominees (Australia) Limited	1,546,054	0.75
Mr Warwick Crumblin & Mrs Mary Crumblin	1,500,000	0.73
Z&M Consolidated Pty Ltd <The Z And M Super Fund A/C>	1,500,000	0.73
Bnp Paribas Nominees Pty Ltd <Ib AU Noms Retailclient Drp>	1,359,023	0.66
Total	**97,510,262**	**47.33**

HOLDERS OF SECURITIES IN AN UNQUOTED CLASS
OPTIONS

Option Holder Name	Employee Options Expiring 26 Oct 2020 @ 9.0 cents each	Consultant Options Expiring 28 November 2022 @ 9.0 cents each	Director & Employee Options Expiring 30 November 2023 @ 7.5 cents each	Total	Percentage of Options
Nexus Minerals Limited	-	5,000,000	-	5,000,000	36.0
Llangurig Super Pty Ltd	-	-	2,000,000	2,000,000	14.0
Thomas Reddicliffe	-	-	2,000,000	2,000,000	14.0
Mr Grant Jonathan Mooney	-	-	2,000,000	2,000,000	14.0
Krsp Pty Ltd	-	1,000,000	-	1,000,000	7.0
Ms Kylie Louise Tame	-	-	750,000	750,000	5.0
Michael Brian Denny	500,000	-	-	500,000	4.0
Coxsrocks Pty Ltd	-	500,000		500,000	4.0
Tamara Maxine Gray	-	-	-	250,000	2.0
Total	**500,000**	**6,500,000**	**7,000,000**	**14,000,000**	**100**

102
Wilkie Bros.
~~Walter Newland~~
~~& T.H. Potts~~
379,000a
B56
Common
33m
B56
31m
32m
34m
35m
Gnamma Hole
Quandong
No 2 Well
1629
102
Walter Newlan