

ASX RELEASE

31 January 2019

ASX Code: GIB



QUARTERLY REPORT

Period Ending 31 December 2018

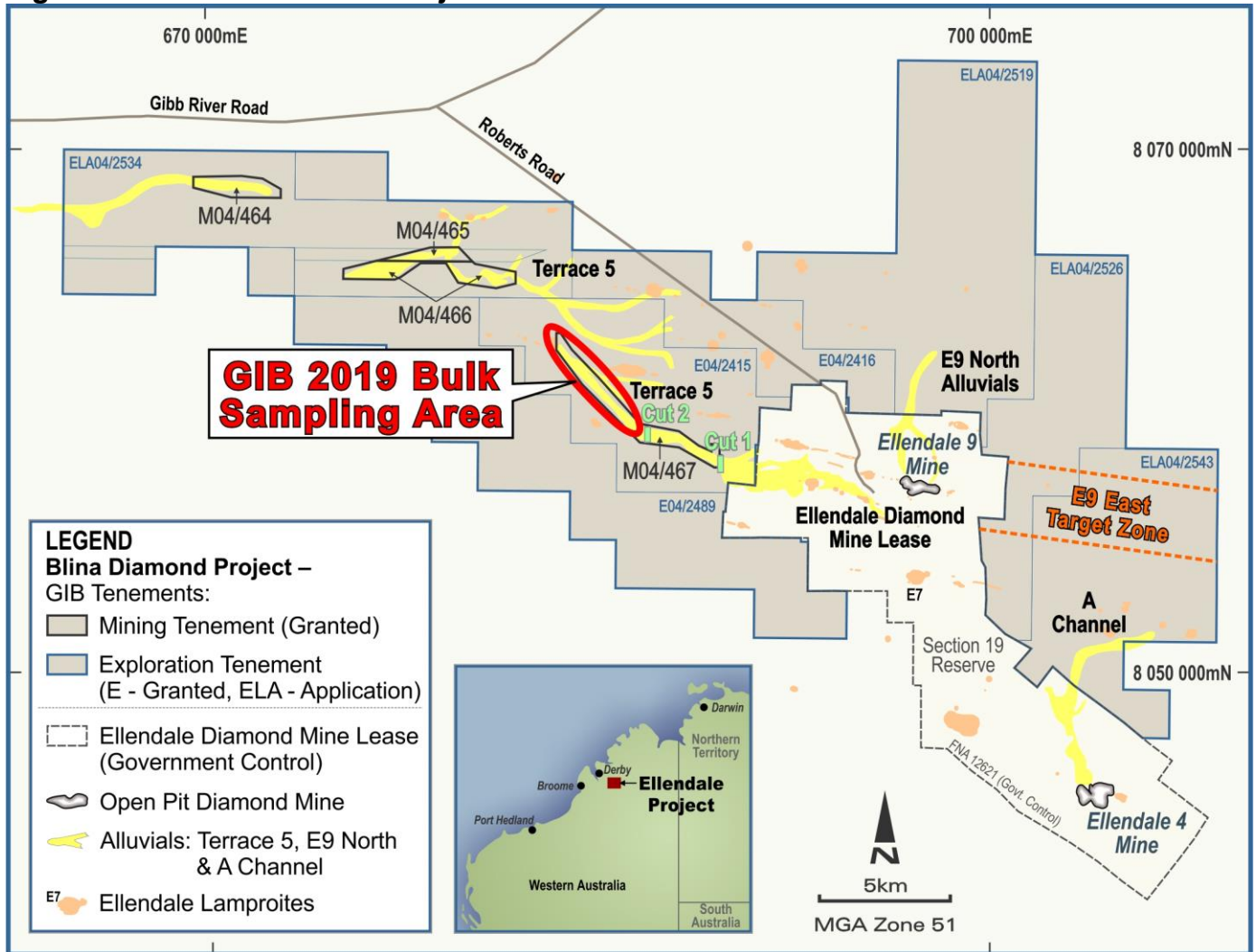
Highlights

- Blina Diamond Project (GIB 100%) advanced to shovel ready status with the granting of the Company's Mining Proposal and Project Management Plan to allow mining
- Mr Richards presented at the Gem Rendezvous conference in Singapore and attended an event organized by the Diamond Exchange of Singapore. As a result of these activities, negotiations with a sophisticated Asian investor syndicate are ongoing.
- The Company's bid for the Ellendale Diamond Mine lease (currently under government control) is presently being assessed by the Department of Mines, Industry Regulation & Safety (DMIRS).
- The Company's Sortex diamond recovery machine is now fully operational. The plant has been tested with tracer beads and ready for transport to site for the start of operations.
- Company name changed to Gibb River Diamonds Limited (ASX: GIB). New website is operational gibbriverdiamonds.com
- Company Executive Chairman, Mr Richards, will be a speaker at the RIU Explorers Conference in Fremantle, WA, on the afternoon of 19 February.
- Mr Richards will attend meetings with diamond industry representatives at the Hong Kong International Diamond, Gem and Pearl Show in late February, and also hold further meetings with the syndicate who toured the Blina Project during the quarter.

Photo: Company-owned diamond recovery Sortex machine, complete and ready for shipping to site. South African *Flowsort* staff completed the final wiring and commissioning of this plant. South American alluvial diamond expert and geologist Mr Seth Blume is second from left.



Figure 1: Blina Diamond Project Location & Tenements



1.0 Mine Permitting Complete – Blina Project ‘Shovel Ready’

During the December quarter, Gibb River Diamonds Limited (‘GIB’ or the ‘Company’) was granted the Mining Proposal to permit mining at the Blina Diamond Project (GIB 100%) by the Department of Mines, Industry Regulation and Safety (DMIRS).

The Blina Project Management Plan (safety case document) was lodged with DMIRS in October and the Company received the ‘Approval To Commence Mining Operations’ letter from DMIRS on 7 December.

The Works Approval licence (to build the plant and tailings storage facility (TSF)) has been assessed by the Department of Water and Environmental Regulation (DWER) and was also granted during the quarter.

These three permits allow camp construction, plant and TSF construction, bulk sampling, trial mining and full scale mining (as required) to proceed and as such the project can be considered ‘shovel ready’. This is a major step forward for the Blina project and provides certainty around our future mining operations.

No further permitting is required for bulk sampling or mining operations to commence.

2.0 Singapore Trip and Investor Tour of Blina Minesite

During the quarter, Mr Richards presented at the Gem Rendezvous conference in Singapore and also attended an event organized by the Diamond Exchange of Singapore. This included a talk by diamond industry commentator Martin Rapaport.

These activities generated strong interest in the Blina project, resulting in a sophisticated Asian investor syndicate touring the Blina minesite in a trip led by Mr Richards in late November. Negotiations with this group are ongoing.

3.0 Diamond Recovery Sortex Machine Completed

Engineering work on the Company’s Sortex diamond recovery machine was completed during the quarter. The plant has been tested with tracer beads and is fully operational and ready for shipment to the project site. South African *Flowsort* technician Reggie Naidoo and Australian *Flowsort* representative Bill Houwen completed the final wiring, calibration and commissioning of this plant. An explanatory video on the operation of this equipment is available on the GIB website, [click here](#).

This equipment is critical to the efficient operating of the GIB diamond recovery plant and the completion of this work is another important step for the Company.



4.0 Ellendale Mining Lease Bid Update

The former Ellendale Diamond Mine and mining lease are currently under State government control (Section 19 reserve in Figure 1). A bid process was initiated earlier this year which called for Expressions of Interest (EOI) from parties seeking to gain control over the former Ellendale mining lease area.

On 29 November GIB lodged a bid for the Ellendale lease under the EOI process. GIB believes it is very well placed to take control of this area and that the acquisition of the Ellendale Diamond Mine lease would be transformative for the Company and would provide enormous synergies with the surrounding GIB Blina Diamond Project.

The State government have not committed to a fixed timeline for this EOI process, however indications are that a Company may be selected in the second quarter of 2019.

Full details of this process and further information on the former Ellendale mining lease area can be found in the GIB [ASX Release](#) dated 4 September 2018⁴.

5.0 Corporate: Name Change

On 26 November, the Company traded on the ASX under its new name Gibb River Diamonds Limited (from POZ Minerals Limited); the new ASX code is GIB. The new corporate logo is included at the top of this report and the updated website is now online at gibbriverdiamonds.com. The new company enquiry email, info@gibbriverdiamonds.com, is operational.

Gibb River Diamonds Limited is named after the world renowned Gibb River Road, which provides access to the Company's diamond project area. Travelling the Gibb River Road in the Kimberley region is one of Australia's foremost adventure travel experiences. GIB's directors believe the new Company name will better facilitate branding, sales and marketing of the unique diamonds from this area, especially the famous Fancy Yellows.

6.0 Corporate: Promotional Events

With a view to raising the required capital for the upcoming bulk sampling and trial mining programs, GIB Executive Chairman Mr Jim Richards, will attend various conferences and hold meetings with diamond industry representatives during the next quarter.

Mr Richards will be a speaker at the RIU Explorers Conference on the afternoon of 19 February.

Mr Richards will also attend the Hong Kong International Diamond, Gem and Pearl Show in late February, and also hold further meetings with the syndicate who toured the Blina Project during the quarter.

7.0 Summary and Lookahead

During the last quarter, the granting of the final permitting at Blina was a major step forward for the Project. With bulk sampling and mining now fully permitted, this provides certainty around our future operations. The considerable corporate interest generated from the recent promotional trip to Singapore together with having a 'shovel ready' project is extremely helpful as GIB seeks to lock in the final funding requirements prior to mobilisation of sampling and trial mining equipment to the field.

GIB Executive Chairman Jim Richards commented: *"The core focus of Gibb River Diamonds is to initiate bulk sampling and trial mining operations at the Blina Diamond Project in the Kimberley region of Western Australia. With permitting to mine now secured, this next exciting phase of operations is now scheduled to commence as soon as funding is in place."*

Gibb River Diamonds is well placed to progress its activities with a cash balance of approximately \$1.51 million (31 December 2019).

Jim Richards
Executive Chairman

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About Gibb River Diamonds

Gibb River Diamonds Limited operates the Blina Diamond Project in the Ellendale Diamond Province of WA's Kimberley Region. The project consists of four granted mining leases and various exploration leases with an area of 436 km², situated 110km east of Derby.

A diamond bearing alluvial palaeochannel named Terrace 5 extends over some 40km of the GIB project area, with channel widths of 200m to 500m¹. The largest diamond recovered to date from Terrace 5 weighed 8.43 carats, with high quality stones larger than two carats common. A significant number of the diamonds are high value Fancy Yellows.

The Company has defined numerous high grade targets using the latest in Ground Penetrating Radar technology² over proven diamondiferous channels at Terrace 5. A recent Company trenching program has also discovered extensive areas of un-sampled, shallow and highly prospective alluvial gravels³ which also require testing.

GIB is pursuing a program of systematic bulk sampling of these prospective gravel targets to define the extent and grade of the diamondiferous gravels, which will lead into trial mining of the best grades.



This 8.43 carat Fancy Yellow diamond was previously recovered from Terrace 5 GIB tenements

References:

¹Further detailed information including the Table 1 (JORC Code, 2012 Edition) and references are available on the GIB ASX Release dated 9 October 2015, [click here](#)

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

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

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

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

The information in this report that relates to current and previously reported exploration results and the JORC Exploration Target 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 GIB 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.

^AThe Company is not aware of any new information or data that materially affects the information included in the previously reported exploration and production data (JORC 2004) and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement/year have not materially changed

No New Information

To the extent that the announcement contains references to prior technical information, exploration results and mineral resources; these have been cross referenced to previous market announcements made by the Company. These had been disclosed to JORC 2012 standard. Unless explicitly stated, no new information is contained. The Company confirms that it is not aware of any new information or data that materially affects the information included in the relevant market announcements that assumptions and technical parameters underpinning the relevant market announcement continue to apply and have not materially changed.

Appendix A - Interests In Mining Tenements

Table 1: Western Australia

Lease	State	Status	Held at end of quarter %	Acquired during the quarter %	Disposed of during the quarter %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
E04/2415	WA	Granted	100%	0%	0%	Granted
E04/2416	WA	Granted	100%	0%	0%	Granted
E04/2489	WA	Granted	100%	0%	0%	Granted
E04/2519	WA	Application	100%	0%	0%	Application
E04/2526	WA	Application	100%	0%	0%	Application
E04/2534	WA	Application	100%	0%	0%	Application
E04/2543	WA	Application	100%	100%	0%	Application
M04/464	WA	Granted	100%	0%	0%	Granted
M04/465	WA	Granted	100%	0%	0%	Granted
M04/466	WA	Granted	100%	0%	0%	Granted
M04/467	WA	Granted	100%	0%	0%	Granted
E38/3038	WA	Surrendered	0%	0%	100%	Granted
E69/2820	WA	Granted	20%	0%	0%	JV with Alloy Resources Limited
E69/3401	WA	Application	100%	0%	0%	Sold to 979 920 01 Pty Ltd
E80/5134	WA	Application	100%	0%	0%	Application
E80/5258	WA	Application	100%	0%	0%	Application
L04/98	WA	Granted	100%	0%	0%	Granted
L04/99	WA	Granted	100%	0%	0%	Granted
L04/100	WA	Granted	100%	0%	0%	Granted
L04/105	WA	Granted	100%	0%	0%	Granted
LO4/106	WA	Granted	100%	0%	0%	Granted
L04/107	WA	Granted	100%	0%	0%	Granted

Table 1: Western Australia (Continued)

Lease	State	Status	Held at end of quarter %	Acquired during the quarter %	Disposed of during the quarter %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
P04/273	WA	Application	100%	0%	0%	Application
P04/274	WA	Application	100%	0%	0%	Application
P04/275	WA	Application	100%	0%	0%	Application

Table 2: Northern Territory

Lease	Mineral Field	Location	Status	Held at end of quarter %	Acquired during the quarter %	Disposed of during the quarter %	Beneficial interests in farm-in or farm-out agreements at the end of the quarter
EL25068	NT	Highland Plains	Granted	100%	0%	0%	GIB 100%: