ASX RELEASE
31 January 2020
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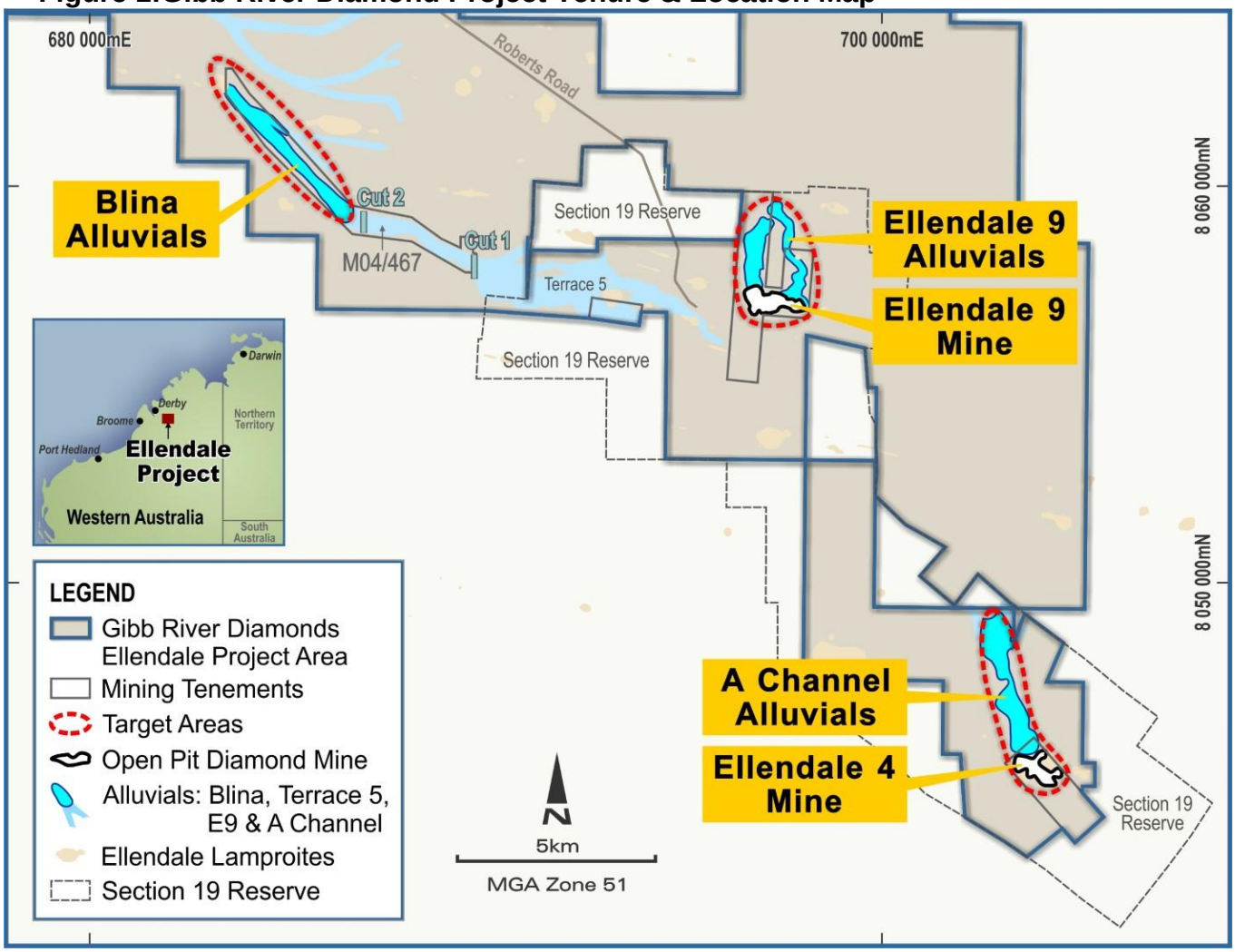
QUARTERLY REPORT
Period Ending 31 December 2019

Highlights

- Acquisition of leases over the Ellendale Diamond Mine and Project area, located in the West Kimberley region of Western Australia.
- Tenure secured over the two hard rock mines at E4 and E9 and all of the previous extensive alluvial mines and prospects.
- Numerous targets for follow up include E9 Alluvials; Blina Alluvials; the existing E4 and E9 open pits and A Channel Alluvials.
- Fully permitted Blina Alluvials on granted mining leases to be developed first.
- Company will be attending the RIU Explorers Conference in Fremantle from 18-20 February.

Figure 1:Gibb River Diamond Project Tenure & Location Map



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1.0 Ellendale Diamond Project Summary

Gibb River Diamonds Limited ('GIB' or the 'Company') owns the mining leases (100%) which cover the Ellendale Diamond Project in the West Kimberley, WA. The Ellendale Project has been one of the world's foremost diamond producers with past production of approximately 1.3 million carats. This included the annual supply of over 50% of the world's Fancy Yellow diamonds, which were the subject of a special marketing agreement between the former operator and Tiffany & Co.

The Company's aim at Ellendale is to progress and permit areas which can be brought into profitable production as quickly as possible. A number of exciting targets align with this aim including:

- E9 Alluvials
- Blina Alluvials
- Dredging mineralisation within the existing E4 and E9 pits
- A Channel Alluvials
- Numerous other alluvial and hard rock targets

A summary of these targets and JORC Table 1 can be found in the GIB ASX release dated 23 December 2019.

The Blina Alluvial Project is first cab off the rank, it is fully permitted, the major processing plant equipment has already been purchased and the project is 'shovel ready'. The project consists of a diamond bearing alluvial palaeochannel with channel widths of 200m to 500m[1]. 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.

Blina Project financing is required to mobilise and commission the plant and equipment, conduct site works, install a camp and have operational capital to conduct four months of bulk sampling operations including trial mining of the best sampled grades. The capital required is a modest $2.5 million and the Company is currently looking at ways to raise this capital, including through the sale of GIB's wholly owned Highland Plains phosphate deposit. The Company is debt free.

For further information regarding grades and historical production from the Blina Project alluvials[1,2&3], click here, click here and click here

2.0 Ellendale Diamond Project Leases Acquisition

During the quarter GIB was invited by the Honourable Bill Johnston, WA Minister for Mines, to apply for various GIB nominated mining leases over the Ellendale Diamond Mine and Project area under the EOI process run by the State Government. GIB can confirm that the two exploration licenses have already been applied for and the remaining three mining leases and eleven prospecting licenses are currently being pegged.

This acquisition delivers GIB leases over the Ellendale Diamond Project through the pegging of standard tenements and brings with it no environmental or other legacy liabilities.

These leases cover the most prospective ground at Ellendale (Figure 1), including the two previous hard rock mines at E4 and E9 and all of the previous extensive alluvial mines, workings and prospects. GIB will ensure that the grant of the key tenements is expedited as swiftly as possible.

3.0 E9 Alluvials Target

Extensive areas of alluvials have been previously defined to the north of the E9 open pit. Some of these E9 North Alluvials have been mined and have demonstrated excellent grades, which includes the production of the E9 signature Fancy Yellow diamonds.

Table 1: Historic Mining and Exploration at the E9 Alluvials

Area	Volume m^3	Diamond Size Distribution		Number Diamonds	Total Carats	av Stone Size (ct)	Grade cphm3	Largest Stone (ct)	Year Mined
		+3.35mm	-3.35mm						
E9 West	109,396	24,985	49,943	74,928	26,481	0.35	24.2	11.4	2005-2008
E9 East	25,434	2,143	3,220	5,363	2,307	0.43	9.1	9.06	2007-2008

Diamonds recovered in the -14 to +1.5mm size fraction for West and -14 to +1.2mm size fraction for East

Figures 2, 3 and 4 illustrate the areas mined and the target areas which are still unmined. Sample pit grades in unmined areas are shown, although these areas are mostly unsampled and require follow up pitting. The solid green line is the alluvial target zone determined by Nb/Y geochemistry (<0.95) from termite mound sampling, which proved to be a highly effective method in tracking alluvials derived from E4 and E9. GIB is using this data and historic pit sampling/mining to re-interpret the prospective alluvial channels for future bulk sampling/trial mining operations.

GIB believe these areas are very underdone in terms of exploration and are extremely prospective, with shallow gravels and high grades in previous pits which were not mined or followed up. Large areas adjacent to previous high grade mining also indicate a Nb/Y anomaly, but have not been bulk sampled.

These areas are wide open for the use of the latest in ground penetrating radar (GPR) to define new channel targets and the most prospective trap site areas within existing channels. This new technology has the potential to break open this area for new interpretations and discoveries, as it did for the Blina Alluvials[2].

GIB is excited by the potential of these areas, especially as the E9 East alluvials are open in all directions of the previous mining and the E9 West alluvials are open to the north and east. The largest stone recovered from the E9 East Alluvials was a 9.06 carat yellow gem (Boxer 2018).

E9 Alluvials West and East Channels

Mr Richards standing on the area cleared and permitted for mining by KDC on the E9 West Alluvials. This area was not mined and is a stand-up target for GIB

E9 West Alluvials. Excellent gravels at the edge of the mined block on the E9 West Alluvials

	
View from the northern edge of the E9 N-East 1 mining block, looking south along the channel bed (photo by GMI Rockett)	Diamonds recovered from the E9 East alluvials 2008 mining campaign. Note the high proportion of larger stones and Fancy Yellows. Largest stone is 9.06 carats (photo by JB Ward).

Figure 2: E9 Alluvials West and East Channel Targets

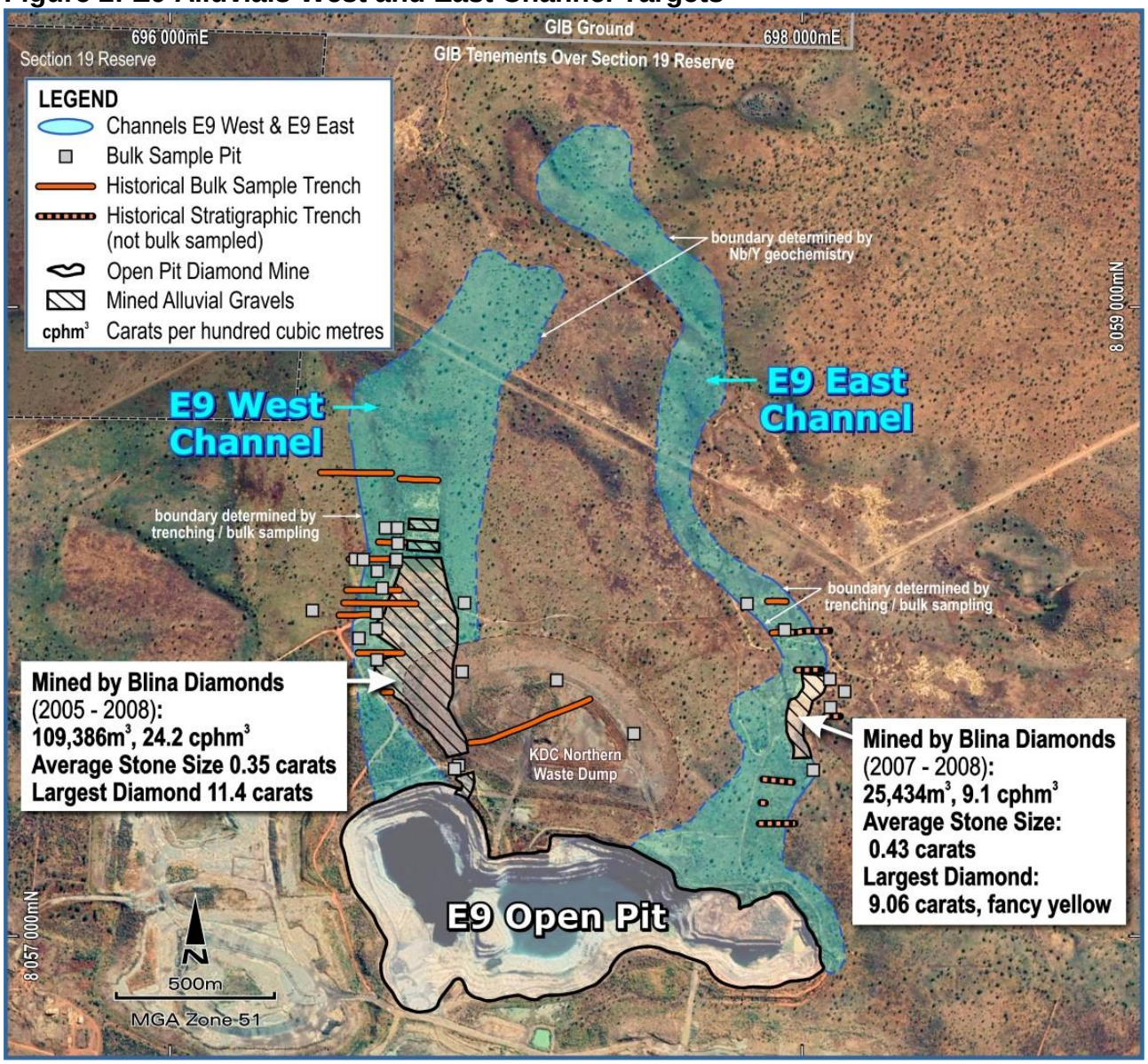


Figure 3: E9 Alluvials West Channel Targets

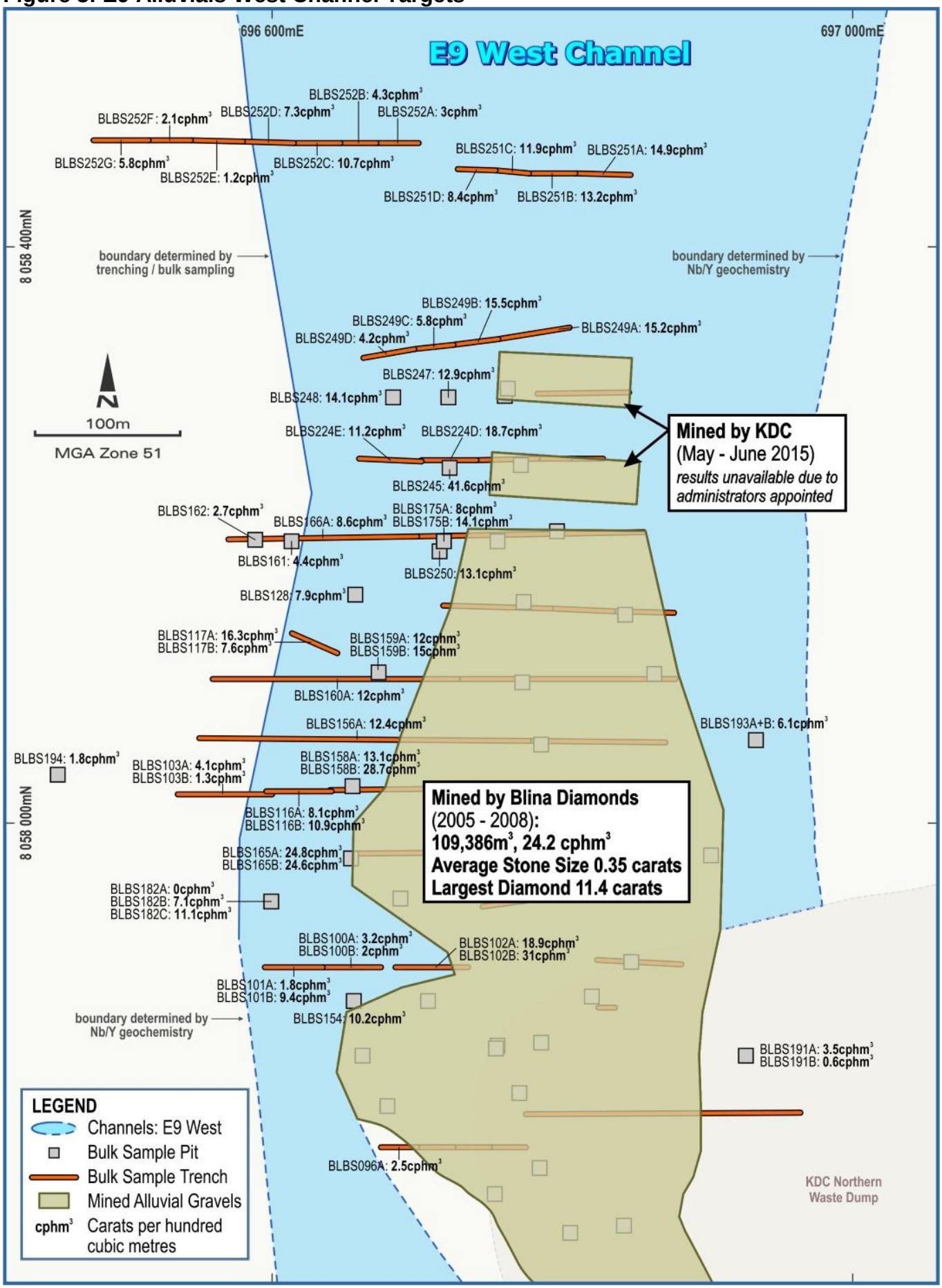
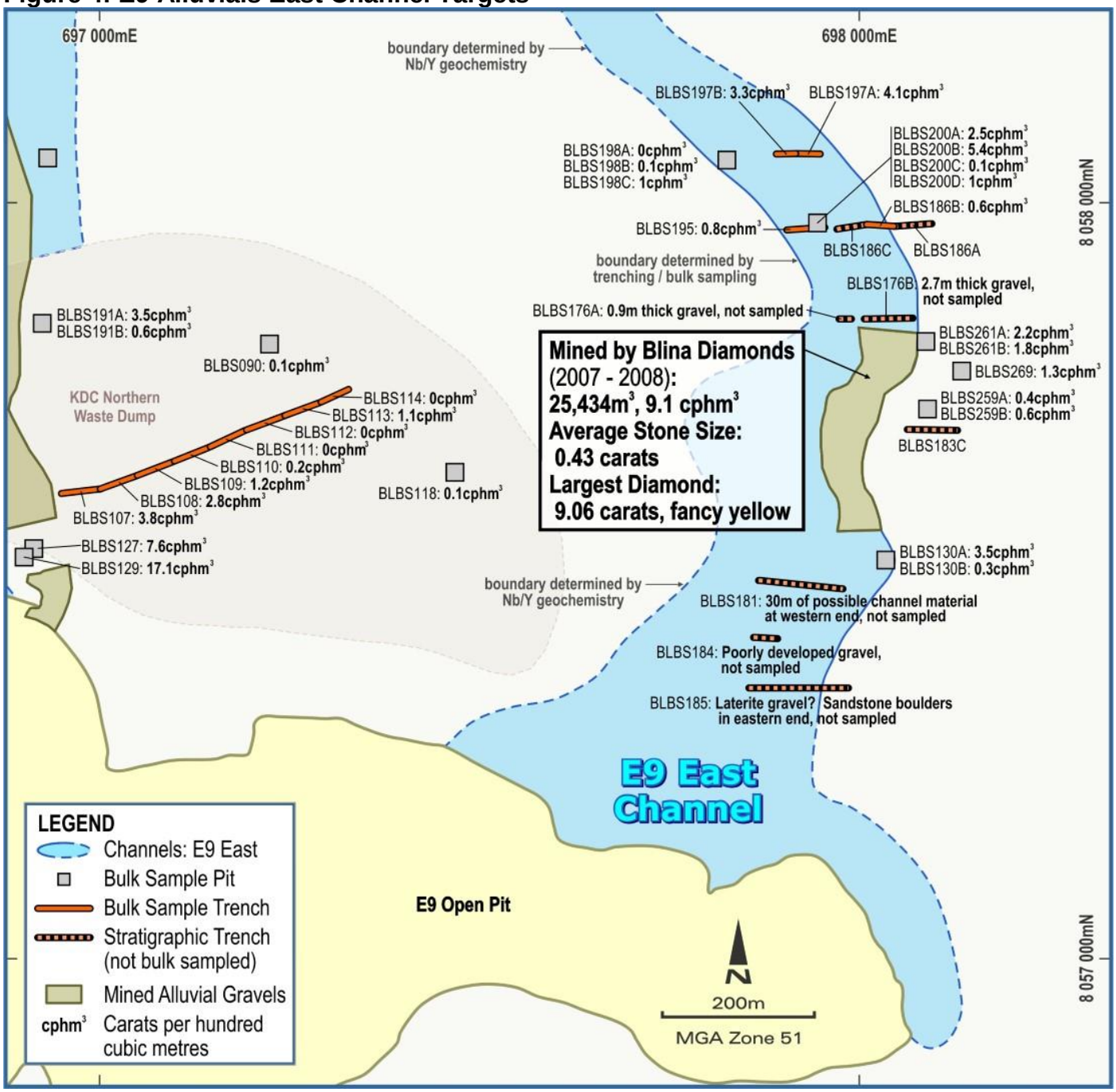


Figure 4: E9 Alluvials East Channel Targets



4.0 Blina Phase 2 Trenching Operations

In mid-November 2019, the Company completed a successful follow-up trenching program which took place at the Blina Diamond Project. The aims of this program were to follow up on the Phase 1 Trenching program and:

- Confirm the shallowest target gravels for follow up bulk sampling.
- Correlate the gravel bedrock occurrences with GPR results
- To ascertain the efficacy of GPR as a mapping technique of alluvial bedrock contours on ultra-shallow targets.
- Provide access to alluvial gravels for viewing by the investor site visit party.

A total of five trenches were excavated for 64 metres in length. All the trenches have been logged and recorded, Trench 17 was partially backfilled for safety purposes. The remaining shallower trenches remain open and these have been bunded for safety purposes.

These trenching operations successfully targeted the shallowest areas of the highly prospective Terrace 5 gravels at Blina. All of the trenches encountered prospective gravels at depths of between 0.4 and 1.1 metres from surface with gravel thicknesses of between 0.5 and 2.0 metres. No water was encountered in any of the trenches.

The lateritic overprinting of the alluvial gravels which was observed in the Phase 1 trenching program is also seen in the Phase 2 trenches. This chemical weathering has also affected some of the original feldspar-rich gravel clasts which have been saprolitised (turned to clay). During processing, these (now clay) clasts would break up in the trommel and be discharged to the tailings. This lessens the volume of material going through the diamond Sortex machine and should facilitate a greater throughput of material through the plant (which currently bottlenecks at the Sortex).

Variable bedrock geology in places was encouraging for potential high grade trap sites. The trenching geology is still being assessed in conjunction with the Ground Penetrating Radar data and further information will follow as regards targeting of the high grade trap sites for the upcoming bulk sampling program.

Phase 2 Trenching Program 2

<table>
<tr><td>  </td><td>  </td></tr>
<tr><td>Excavating Trench 13</td><td>Investor site visit: viewing shallow alluvial gravels at Trench 13</td></tr>
<tr><td>  </td><td>  </td></tr>
<tr><td>Trench 17: Shallow alluvial gravels extend from 1-3 metres below surface</td><td>Trench 17: Mottled Zone laterite overprint of alluvial gravels. Gravels include saprolitised clasts</td></tr>
</table>

Figure 5: Phase 2 Trenching Program (in red)

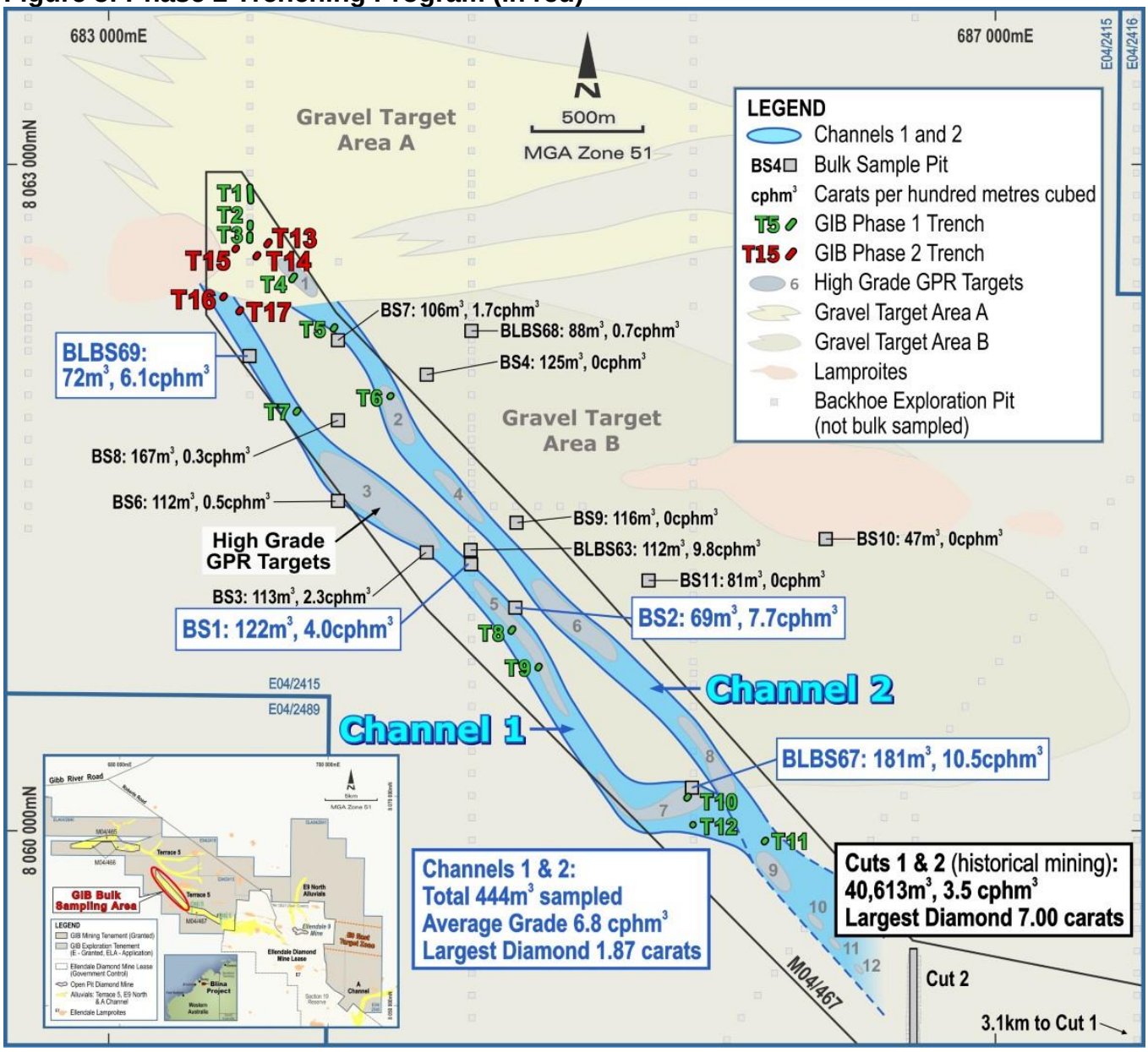


Table 1: Summary of Phase 2 Trenching Results

Trench Number	Area	Gravel Depth from Surface		Gravel Thickness		Trench Length
		From (m)	To (m)	From (m)	To (m)	(m)
Trench 13	Area A	0.7	0.8	0.5	1.0	17
Trench 14	Area A	0.7	0.7	1.0	2.0	13
Trench 15	Area A	0.4	0.6	1.2	1.3	11
Trench 16	Channel 1	1.2	1.4	1.1	1.3	13
Trench 17	Channel 1	1.0	1.1	1.9	1.9	10
Total						**64**

5.0 Investor Site Visit

From 26 to 28 November 2019, the Company hosted an investor site visit to view recent trenching activities and prospective diamondiferous gravels at the Blina Diamond Project.

The trip attracted considerable interest and included Professor Andy Shen of the Gemmological Institute, China University of Geosciences, Wuhan; Mr Tay Thay Sun of the Far East Gemmological Institute in Singapore and Mr Rami Baron, President of the Diamond Dealers Club of Australia who sits on the Executive Council of the World Federation of Diamond Bourses; as well as other leading diamantaires and diamond specialists.

6.0 Summary and Lookahead

GIB believes there is enormous potential for the new Ellendale leases to deliver a profitable diamond mining operation and this potential is currently being assessed by GIB. There are numerous exciting opportunities available at Ellendale which GIB has acquired for simply the cost of pegging the leases, with no legacy liabilities. Mining of the old pits using dredging techniques and near term processing of the E9 alluvials are especially attractive targets.

This magnificent opportunity allows the Company to develop this exciting area with its huge potential and move towards our goal of becoming Australia's next diamond producer.

With the Blina Alluvial Targets fully permitted for mining and 'shovel ready' (pending funding), the Company is in an excellent position to set up an immediate diamond pipeline of development projects. GIB is looking forward to an active 2020.

GIB will be attending the RIU Explorers Conference in Fremantle from 18-20 February. Shareholders are welcome to catch up with Mr Richards at the Company booth.

The Company has $1.01 million in cash and continues to take a prudent approach to capital allocation.

Jim Richards
Executive Chairman

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Note 6 to Appendix 5B:
Payments to related parties of the entity and their associates: During the quarter $59,000 was paid to Directors and associates for salaries superannuation and consulting fees.

References:

[1]Further 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

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

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

[4]POZ 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.

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
E04/2543	WA	Granted	100%	0%	0%	Granted
E04/2640	WA	Application	100%	0%	0%	Application
E04/2641	WA	Application	100%	0%	0%	Application
E04/2665	WA	Application	100%	100%	0%	Application
E04/2666	WA	Application	100%	100%	0%	Application
M04/465	WA	Granted	100%	0%	0%	Granted
M04/466	WA	Granted	100%	0%	0%	Granted
M04/467	WA	Granted	100%	0%	0%	Granted
E69/2820	WA	Granted	20%	0%	0%	JV with Alloy Resources Limited
L04/98	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 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%: