



**GIBB RIVER DIAMONDS LIMITED**  
**ACN 129 158 550**

**NOTICE OF ANNUAL GENERAL MEETING  
AND  
EXPLANATORY STATEMENT**

For the Annual General Meeting to be held  
on Wednesday, 6 November 2019 at 10.00am (Western Standard Time) at  
HLB Mann Judd  
Level 4, 130 Stirling Street,  
Perth, Western Australia

This is an important document. Please read it carefully.  
Please speak to your professional advisers if you have any  
questions about this document or how to vote at the Meeting.

## TIME AND PLACE OF ANNUAL GENERAL MEETING AND HOW TO VOTE

### Venue

The Annual General Meeting of the Company will be held at:  
HLB Mann Judd  
Level 4, 130 Stirling Street,  
Perth, Western Australia

### Date & Time

Wednesday, 6 November 2019  
Commencing at 10.00 am (WST)

To vote by proxy, please complete and sign the enclosed Proxy Form and either:

1. post to:

Gibb River Diamonds Limited  
c/- LINK Market Services Ltd  
Locked Bag A14, Sydney South NSW 1235; or

2. facsimile to +61 2 9287 0309; or

3. lodge online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au), instructions as follows:

Select 'Investor Login' and in the "Single Holding" section enter Gibb River Diamonds Limited or the ASX code GIB in the Issuer name field, your Security Reference Number (SRN) or Holder Identification Number (HIN) (which is shown on the front of your proxy form), postcode and security code which is shown on the screen and click 'Login'. Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website;

so that it is received not later than 48 hours before the commencement of the Meeting.

**Proxy Forms received later than this time will be invalid.**

Notice is hereby given that the Annual General Meeting of the Shareholders of Gibb River Diamonds Limited will held at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia, on Wednesday, 6 November 2019 at 10:00am (WST) for the purpose of transacting the following business.

The attached Explanatory Statement is provided to supply Shareholders with information to enable Shareholders to make an informed decision regarding the Resolutions set out in this Notice. The Explanatory Statement is to be read in conjunction with this Notice.

## AGENDA

### GENERAL BUSINESS

#### Accounts and Reports

To receive and consider the Financial Report of the Company and the Report of the Directors and Auditor for the financial year ended 30 June 2019.

#### RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass with or without amendment, the following resolution as a non-binding **ordinary resolution**:

*"That the Remuneration Report for the financial year ended 30 June 2019 as set out in the 2019 Annual Report of the Company be adopted."*

**Short Explanation:** The Company is required to put a resolution to adopt the remuneration report of the Company at each annual general meeting. This is an advisory resolution only and does not bind the Directors or the Company.

The Company will disregard any votes cast (in any capacity) on this Resolution by or on behalf of either of the following persons (the "voter"):

- (a) a member of the key management personnel, details of whose remuneration are included in the remuneration report; or
- (b) a closely related party of such a member.

However, the voter may cast a vote on the Resolution as a proxy if the vote is not cast on behalf of a person described in paragraphs (a) or (b) and either:

- (c) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the Resolution; or
- (d) the voter is the Chair of the Meeting and the appointment of the Chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the Chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the key management personnel for the Company.

#### RESOLUTION 2 - RE-ELECTION OF DIRECTOR, MR MARK THOMPSON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, Mr Mark Thompson, who retires by rotation in accordance with Rule 7.3 of the Constitution of the Company, and being eligible offers himself for election, is hereby re-elected as a Director of the Company."*

**Short Explanation:** Mr Mark Thompson is a non-executive Director and is presented for re-election in accordance with the rotation requirements of the Constitution.

### RESOLUTION 3 - APPROVAL OF ADDITIONAL PLACEMENT CAPACITY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That, pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, approval is given for the Company to issue Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2, to be issued on the terms and conditions set out in the Explanatory Statement accompanying this Notice."*

**Short Explanation:** The Company seeks approval to issue an additional 10% of the Company's issued ordinary securities during a 12 month period in accordance with Listing Rule 7.1A.

The Company will disregard any votes cast on this Resolution by a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote cast on this Resolution if it is cast by a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or it is cast by the Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

### RESOLUTION 4 - AMENDMENT TO THE COMPANY'S CONSTITUTION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

*"That with effect from the close of the Meeting and in accordance with section 136(2) of the Corporations Act and for all other purposes, the Company's Constitution be modified by making the amendments described in the Explanatory Statement."*

### VOTING AND PROXIES

1. A Shareholder of the Company entitled to attend and vote is entitled to appoint not more than two proxies. Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the Shareholder's voting rights. If the Shareholder appoints two proxies and the appointment do not specify this proportion, each proxy may exercise half of the votes. A proxy need not be a Shareholder of the Company.
2. Where a voting exclusion applies, the Company need not disregard a vote if it is cast by the person who is entitled to vote in accordance with the directions on the proxy form or it is cast by Chair of the Meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.
3. The Chair of the Meeting will vote undirected proxies FOR all the proposed Resolutions.
4. The proxy form expressly authorises the Chair to exercise the proxy in relation to Resolution 1 (Adoption of Remuneration Report). Any undirected proxies held by a Director, any member of the key management personnel or any of their closely related parties will not be voted on Resolution 1. The voting exclusion statement for this Resolution addresses an exception to the undirected proxy position.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year 30 June 2019. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

5. In accordance with Regulation 7.11.37 of the Corporations Act, the Directors have set a date to determine the identity of those entitled to attend and vote at the Meeting. The date is Monday 4 November 2019 at 4:00pm (WST).

6. A proxy form is enclosed. If required it should be completed, signed and returned to the Company's share registry in accordance with the instructions on that form.

By order of the Board

A handwritten signature in black ink, appearing to read "Grant J. Mooney". The signature is written in a cursive style with a large initial 'G' and 'M'.

**GRANT J. MOONEY**  
Director and Company Secretary

Dated: 1 October 2019

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the Notice.

The Directors recommend that Shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

## **1. FINANCIAL STATEMENTS AND REPORTS**

The business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company is not required to provide a hard copy of the Company's annual financial report to Shareholders unless a Shareholder has specifically elected to receive a printed copy.

Whilst the Company will not provide a hard copy of the Company's annual financial report unless specifically requested to do so, Shareholders may view the Company annual financial report on its website at [www.gibbriverdiamonds.com](http://www.gibbriverdiamonds.com)

The Chairman will also provide Shareholders a reasonable opportunity to ask the auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the auditor in relation to the conduct of the audit.

## **2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT**

### **2.1 General**

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the Remuneration Report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The Remuneration Report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The Remuneration Report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2019.

A reasonable opportunity will be provided for discussion of the Remuneration Report at the Annual General Meeting.

### **2.2 Voting Consequences**

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution (a "Spill Resolution") that another general meeting be held within 90 days at which all of the Directors (other than the Managing Director) must go up for re-election.

### **2.3 Proxy restrictions**

If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Proxy Form for Resolution 1.

If you appoint a member of the key management personnel whose remuneration details are included in the Remuneration Report (who is not the Chairman) or a closely related party of that member as your proxy, and you do not direct that person on how to vote on this Resolution 1, the proxy cannot exercise your vote and your vote will not be counted in relation to this Resolution 1.

The Chairman intends to vote all undirected proxies in favour of Resolution 1. If the Chairman of the Meeting is appointed as your proxy and you have not specified the way the Chairman is to vote on Resolution 1, by signing and returning the proxy form you are giving express authorisation for the Chairman to vote the proxy in accordance with the Chairman's intention.

Key management personnel of the Company are the Directors and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's key management personnel for the financial year to 30 June 2019. Their closely related parties are defined in the Corporations Act, and include certain of their family members, dependants and companies they control.

## **2.4 Recommendation**

The Directors unanimously recommend that Shareholders vote in favour of adopting the Remuneration Report.

## **3. RESOLUTION 2 - RE-ELECTION OF DIRECTOR - MR MARK THOMPSON**

Rule 7.3 of the Constitution requires that at each annual general meeting, one-third of directors for the time being (rounded down to the nearest whole number) shall retire from office. This rule does not apply to the managing director. A retiring director is eligible for re-election.

Mr Mark Thompson retires as a Director of the Company in accordance with the requirements of the Constitution and being eligible, offers himself for re-election.

Mr Thompson is a non-executive Director of the Company. Details of the qualifications and experience of Mr Thompson is set out in the Company's 2019 Annual Report.

The Board recommends the re-election of Mr Thompson as a Director.

## **4. RESOLUTION 3 – ADDITIONAL PLACEMENT CAPACITY**

### **4.1 General**

Listing Rule 7.1 permits entities to issue 15% of its issued capital without shareholder approval in a 12 month period, subject to a number of exceptions.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution, to issue Equity Securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting ("**Additional Placement Capacity**").

The Company seeks Shareholder approval under Resolution 3 to be able to issue Equity Securities under the Additional Placement Capacity. The exact number of Equity Securities to be issued is not fixed and will be determined in accordance the formula prescribed in Listing Rule 7.1A.2 (set out below).

### **4.2 Requirements of Listing Rule 7.1A**

#### **(a) Eligible entities**

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity. The Company's market capitalisation at the date of this Notice of Meeting is \$5.72 million.

#### **(b) Shareholder approval**

Shareholders must approve the Additional Placement Capacity by special resolution at the annual general meeting and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote. A resolution under Listing Rule 7.1A cannot be put at any other shareholder meeting.

**(c) Equity Securities**

Equity Securities issued under the Additional Placement Capacity must be in the same class as an existing class of Equity Securities of the Company that are quoted on ASX.

As at the date of this Notice, the Company has one class of Equity Securities quoted on ASX being fully paid ordinary Shares.

**(d) Formula for calculating number of Equity Securities that may be issued under the Additional Placement Capacity**

If Resolution 3 is passed, the Company may issue or agree to issue, during the 12 month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

(AxD)-E

A	The number of shares on issue 12 months before the date of issue or agreement: <ul style="list-style-type: none"> <li>• plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;</li> <li>• plus the number of partly paid shares that became fully paid in the 12 months;</li> <li>• plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4;</li> <li>• less the number of fully paid shares cancelled in the 12 months.</li> </ul>
D	10%
E	The number of Equity Securities issued or agreed to be issued under Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

**(e) Interaction between Listing Rules 7.1 and 7.1A**

The Additional Placement Capacity under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 179,079,445 Shares on issue as at the date of this Notice. After this Meeting, the Company will be permitted to issue (as at the date of this Notice):

- 26,979,287 Equity Securities under Listing Rule 7.1 (assuming resolutions 3 & 4 are passed); and
- 17,907,944 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above). The effect of Resolution 5 will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

**4.3 Information for Shareholders as required by Listing Rule 7.3A****(a) Minimum price**

The issue price of the new Equity Securities will be no lower than 75% of the volume weighted average price (VWAP) for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 Business Days of the date above, the date on which the Equity Securities are issued.

**(b) Risk of economic and voting dilution**

If Resolution 3 is passed and the Company issues securities under the Additional Placement Facility, existing Shareholders' voting power in the Company will be diluted.

There is the risk that:



- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- two examples where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved by Shareholders in the future;
- two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

This table has been prepared on the following assumptions:

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.016 50% decrease in Issue Price	\$0.032 Issue Price	\$0.064 100% increase in Issue Price
Current 179,079,445 Shares	<b>10% Voting Dilution</b>	17,907,944 Shares	17,907,944 Shares	17,907,944 Shares
	<b>Funds raised</b>	\$286,527	\$573,054	\$1,146,108
50% increase in Variable A 268,619,168 Shares	<b>10% Voting Dilution</b>	26,861,917 Shares	26,861,917 Shares	26,861,917 Shares
	<b>Funds raised</b>	\$429,790	\$859,581	\$1,719,162
100% increase in Variable A 358,158,890 Shares	<b>10% Voting Dilution</b>	35,815,889 Shares	35,815,889 Shares	35,815,889 Shares
	<b>Funds raised</b>	\$573,054	\$1,146,108	\$2,292,217

- The Company issues the maximum number of Equity Securities available under the Additional Placement Capacity.
- No Options (including any Options issued under the Additional Placement Capacity) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the Additional Placement Capacity, based on that Shareholder's holding at the date of the Meeting.
- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the Additional Placement Capacity consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.

- (vii) The issue price is \$0.032 (3.2 cents), being the latest closing price of the Shares on ASX on 16 September 2019.

The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under listing rule 7.1.

**(c) Placement Period**

Shareholder approval of the Additional Placement Capacity under Listing Rule 7.1A is valid from 6 November 2019 (the date of this Meeting) and expires on the earlier of:

- 6 November 2020, which is 12 months after this Meeting;
- or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or 11.2 (disposal of the main undertaking), (the "**Placement Period**").

The Company will only issue and allot new securities during the Placement Period. The approval will cease to be valid in the event that Shareholders' approve a transaction under Listing Rules 11.1.2 or 11.2.

**(d) Purposes for which the new Equity Securities may be issued**

The Company may seek to issue new Equity Securities for the following purposes:

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated such acquisition), continued exploration and expenditure on the Company's current assets and for general working capital; or
- non-cash consideration for acquisition of new assets and investments or for the payment of goods and services provided to the Company. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

**(e) Allocation policy**

The Company's allocation policy for the issue of new Equity Securities under the Additional Placement Capacity will depend on the market conditions existing at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company;
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the Additional Placement Capacity will be a related party or associate of a related party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the Additional Placement Capacity and it is possible that their shareholding will be diluted.

If the Additional Placement Capacity is used to acquire new assets or investments then it is likely that the allottees will be the vendors of the new assets.

The Company will comply with the disclosure obligations under Listing Rule 7.1A(4) and 3.10.5A on the issue of any new securities.

**(f) Details of Equity Securities issued under earlier placement capacity approval**

The Company has previously received Shareholder approval for the Additional Placement capacity. Pursuant to Listing Rule 7.3A.6 the following information is provided to Shareholders:

- The total number of Equity Securities issued in the 12 months before this Meeting (that is, since 6 November 2018) is 500,000 employee options. The total number of Equity Securities on issue at 1 October 2019 was 179,079,445 Shares and 15,400,000 Options. The total number of Equity Securities issued in the 12 months since 6

November 2018 is 0.28% of the total number of Equity Securities on issue at 6 November 2019.

- The details for each separate issue of Equity Securities issued during the 12 months preceding the date of the Meeting are:
  1. On 20 November 2018, the Company issued 500,000 unlisted Options for nil consideration to employee Michael Denny pursuant to the Company's Employee Share Option Plan. The Options have an exercise price of 9 cents and an expiry date of 20 November 2021. The Company has valued the Options at the date of issue at 3.5 cents using the Black and Scholes option pricing model. At the date of this Notice of Meeting, the Options have a value of 1.0 cent using the Black and Scholes option pricing model.

**(g) Voting exclusion**

At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed Additional Placement Capacity. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

**5. RESOLUTION 4 – AMENDMENT TO THE COMPANY'S CONSTITUTION**

**5.1 Special Resolution**

Resolution 4 is a special resolution proposing to modify the Constitution by deleting the current rule 2.9 and inserting a new rule 2.9 in its place. Rule 2.9 concerns restricted securities.

Section 136 of the Corporations Act allows a company to modify its constitution by a special resolution passed at a general meeting of the company. A special resolution must be passed by at least 75% of the votes cast by Shareholders who are entitled to vote on the resolution.

**5.2 Reasons for the amendment to the Constitution**

In accordance with ASX's Public Consultation Paper of 28 November 2018 titled "*Simplifying, clarifying and enhancing the integrity and efficiency of the ASX Listing Rules*", the ASX proposed a number of changes to the Listing Rules.

One efficiency measure the ASX proposed was to amend the Listing Rules to give effect to a modified escrow regime to make aspects of the listing process and ongoing compliance with the Listing Rules more efficient.

ASX's modified escrow regime is to come into effect from 1 December 2019. A two-tiered escrow regime is to be introduced.

The first tier of escrow will involve ASX requiring certain more significant holders of restricted securities and their controllers to execute a formal escrow agreement in the form of an ASX compliant restriction agreement (Appendix 9A). The expectation is a restriction agreement requirement will be imposed on related parties, promoters, substantial holders, service providers and their associates.

However, for less significant holders, a second tier will apply where ASX will instead allow listed entities to rely on a provision in their constitution imposing appropriate escrow restrictions on the holder of restricted securities and to provide a notice to the holder of restricted securities in the form of a new Appendix 9C advising them of those restrictions. Securities in a class of quoted securities will be made the subject of a holding lock for the duration of the escrow period.

This two-tier escrow regime is to replace the current requirement where all holders of restricted securities must enter into a formal escrow agreement.

In order to provide a constitutional underpinning for ASX's modified escrow regime, the ASX is amending Listing Rule 15.12 (restricted securities) from 1 December 2019.

The new Listing Rule 15.12 requires the constitution of listed entities to reflect the modified escrow regime. This includes the constitution expressly providing for securities to be the subject of a holding lock where they are in a class of quoted securities and further providing that the holder of restricted securities will not be entitled to participate in any return of capital during the escrow period.

### 5.3 Amendment

The current rule 2.9 of the Company's Constitution does not provide for the ASX's modified escrow regime. A modification of the Constitution is therefore sought by deleting the current rule 2.9 and inserting a new rule 2.9 in its place which will be in the following terms:

"2.9 *Restricted Securities*

(a) *The Company must comply with the Listing Rules in respect of Restricted Securities.*

(b) *Notwithstanding the generality of Rule 2.9(a):*

(i) *a holder of Restricted Securities must not dispose of, or agree or offer to dispose of, the securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*

(ii) *if the securities are in the same class as quoted securities, the holder will be taken to have agreed in writing that the Restricted Securities are to be kept on the Company's issuer sponsored subregister and are to have a Holding Lock applied for the duration of the escrow period applicable to those securities;*

(iii) *the Company will refuse to acknowledge any disposal (including, without limitation, to register any transfer) of Restricted Securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX;*

(iv) *a holder of Restricted Securities will not be entitled to participate in any return of capital on those securities during the escrow period applicable to those securities except as permitted by the Listing Rules or ASX; and*

(v) *if a holder of Restricted Securities breaches a restriction deed or a provision of this Constitution restricting a disposal of those securities, the holder will not be entitled to any dividend or distribution, or to exercise any voting rights, in respect of those securities for so long as the breach continues."*

The new proposed rule provides the constitutional underpinning for ASX's modified escrow regime.

The changes to Listing Rule 15.12 (which are reflected in the above new rule) are proposed to take effect from 1 December 2019 and will apply to restricted securities after that date. Any restricted securities issued before 1 December 2019 must continue to comply with the provisions of Listing Rule 15.12 in force immediately prior to this date.

A copy of the Constitution with the amendment proposed will be made available for review by Shareholders at the office of the Company. A copy will be available for inspection at the Meeting.

The Directors recommend Shareholders vote to modify the Constitution to insert the new rule to ensure compliance with the Listing Rule changes.

**GLOSSARY**

In the Notice and this Explanatory Statement the following expressions have the following meanings:

<b>Additional Placement Capacity</b>	the capacity to issue additional Equity Securities by way of placement approved by Shareholders under Listing Rule 7.1A.
<b>ASX</b>	ASX Limited (ACN 008 624 691).
<b>Board</b>	the Board of Directors of the Company.
<b>Chair or Chairman</b>	the person appointed to chair the Meeting convened by this Notice.
<b>Company</b>	Gibb River Diamonds Limited (ACN 129 158 550).
<b>Constitution</b>	the constitution of the Company.
<b>Corporations Act</b>	the Corporations Act 2001 (Cth).
<b>Directors</b>	Directors of the Company from time to time.
<b>Equity Securities</b>	has the same meaning as in the Listing Rules.
<b>Explanatory Statement</b>	this Explanatory Statement.
<b>Listing Rules or ASX Listing Rules</b>	the listing rules of the ASX.
<b>Meeting</b>	the meeting convened by this Notice.
<b>Notice</b>	notice of meeting that accompanies this Explanatory Statement.
<b>Option</b>	an option to subscribe for a Share.
<b>Placement Period</b>	the period during which Shareholder approval under Listing Rule 7.1A is valid.
<b>Resolution</b>	a resolution referred to in the Notice.
<b>Share</b>	a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	a registered holder of Shares in the Company.
<b>WST</b>	Western Standard Time, Perth, Western Australia.
<b>\$</b>	Australian dollars unless otherwise stated.



# GIBB RIVER

DIAMONDS

ACN 129 158 550

## LODGE YOUR VOTE



### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)



### BY MAIL

Gibb River Diamonds Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235 Australia



### BY FAX

+61 2 9287 0309



### BY HAND

Link Market Services Limited  
1A Homebush Bay Drive, Rhodes NSW 2138



### ALL ENQUIRIES TO

Telephone: 1300 554 474

Overseas: +61 1300 554 474



X99999999999

## PROXY FORM

I/We being a member(s) of Gibb River Diamonds Limited and entitled to attend and vote hereby appoint:

### APPOINT A PROXY

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at **10:00am (WST) on Wednesday, 6 November 2019 at HLB Mann Judd, Level 4, 130 Stirling Street, Perth, Western Australia (the Meeting)** and at any postponement or adjournment of the Meeting.

**Important for Resolution 1:** If the Chairman of the Meeting is your proxy, either by appointment or by default, and you have not indicated your voting intention below, you expressly authorise the Chairman of the Meeting to exercise the proxy in respect of Resolution 1, even though the Resolution is connected directly or indirectly with the remuneration of a member of the Company's Key Management Personnel (**KMP**).

**The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.**

### VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting.

Please read the voting instructions overleaf before marking any boxes with an

#### Resolutions

	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-election of Director, Mr Mark Thompson	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval of Additional Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Amendments to the Company's Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



\* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

GIB PRX1901C



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

### YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

### APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

### DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form, including where the Resolution is connected directly or indirectly with the remuneration of KMP.

### VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

### APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

### SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

**Individual:** where the holding is in one name, the holder must sign.

**Joint Holding:** where the holding is in more than one name, either shareholder may sign.

**Power of Attorney:** to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

**Companies:** where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

### CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au).

### LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:00am (WST) on Monday, 4 November 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your vote. To use the online lodgement facility, shareholders will need their "Holder Identifier" - Securityholder Reference Number (SRN) or Holder Identification Number (HIN).



#### BY MOBILE DEVICE

Our voting website is designed specifically for voting online. You can now lodge your proxy by scanning the QR code adjacent or enter the voting link [www.linkmarketservices.com.au](http://www.linkmarketservices.com.au) into your mobile device. Log in using the Holder Identifier and postcode for your shareholding.

#### QR Code



To scan the code you will need a QR code reader application which can be downloaded for free on your mobile device.



#### BY MAIL

Gibb River Diamonds Limited  
C/- Link Market Services Limited  
Locked Bag A14  
Sydney South NSW 1235  
Australia



#### BY FAX

+61 2 9287 0309



#### BY HAND

delivering it to Link Market Services Limited\*  
1A Homebush Bay Drive  
Rhodes NSW 2138

\* During business hours (Monday to Friday, 9:00am–5:00pm)



### COMMUNICATIONS PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



#### ONLINE

[www.linkmarketservices.com.au](http://www.linkmarketservices.com.au)

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" Securityholder Reference Number (SRN) or Holder Identification Number (HIN).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.  
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**