

ASX RELEASE

31 July 2020

ASX Code: GIB



QUARTERLY REPORT

Period Ending 30 June 2020

Highlights

Ellendale Diamond Project (GIB 100%)

- First published assessment of historic Ellendale 9 pipe diamond production reports 11.5% of diamonds are 'Fancy Yellow'. Typically diamond mines produce less than 0.1% Fancy Yellow diamonds
- Of the Ellendale 9 Fancy Yellow diamonds, 62% are classified as 'vivid' or 'Intense', the strongest graded yellow colours
- WA Government lifts travel restrictions to Kimberley Region of WA, which includes Ellendale Diamond Project
- Field Trip to Ellendale in August 2020 to identify and ground truth targets for bulk sampling and trial mining
- Purchase of valuable Ellendale Diamond Project data

Edjudina Gold Project (Option to Acquire 100%)

- Option to Purchase 100% of the historic and high grade Edjudina Gold Project which covers tenement E31/1179 in the heart of the Eastern Goldfields of Western Australia (subsequent to end of quarter)
- Field trip to Edjudina Gold Project in early August 2020 for drill planning purposes



Edjudina Gold Project: line of historic workings near Triumph Prospect

1.0 Ellendale Diamond Project

GIB 100%

1.1 Ellendale 9 Diamond Assessment Report

During the quarter Gibb River Diamonds Limited ('GIB' or the 'Company') announced the first published independent diamond assessment report for Ellendale 9 diamonds from GIB's Ellendale Diamond Project.

This report is important as it provides, for the first time, detailed information and clarity as to what makes Ellendale diamonds such a unique and highly sought-after product. Data in this report is from the Ellendale 9 pipe (E9) as this pipe produced the highest percentage of Fancy Yellow diamonds and was the most extensively mined. During production, E9 was one of the highest dollars per carat mines in the world.

By their nature, diamondiferous pipes contain geological variations that affect the distribution, quantity and quality of the diamonds produced, hence the information in the report can be used as an estimate of what average production may be from Ellendale 9 in the future.

1.1.1 Diamond Colour

The colour distribution in Ellendale 9's production is 11.5% Fancy Yellow diamonds. Strong yellow colours by definition are called Fancy Yellow (FY) and become rarer as the intensity of the Yellow colour increases from Fancy through Intense to Vivid.

The key value component of the Ellendale 9 diamonds is in their colour, specifically the high proportion of unique Fancy Yellow diamonds. The Fancy Yellow stones shown in Figures 1 and 2 are the Tiffany Quality Fancy Yellows, known as TQ. These goods were sold under an offtake agreement which previous operators had with Tiffany & Co.

Typically mines produce less than 0.1% Fancy Yellow, yet the Fancy Vivid component alone from the E9 pit accounts for approximately 2.5% of production. The consistency of the yellow hue within the E9 production is renowned with very few diamonds having a secondary colour.

The distribution of Fancy Yellow colours in Figure 2 are of estimated polished colour outcomes from E9 rough diamonds. A conclusive colour can only be determined once polished as the type and quality of cut can alter the final colour result.

Figure 1: Ellendale 9 Run of Mine Colour Distribution

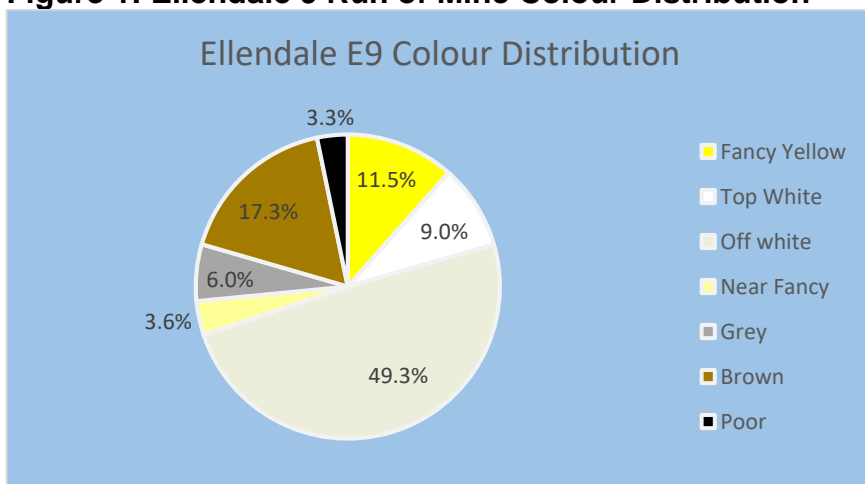


Figure 2: Ellendale 9 Fancy Yellow (TQ) Distribution: Vivid, Intense and Fancy

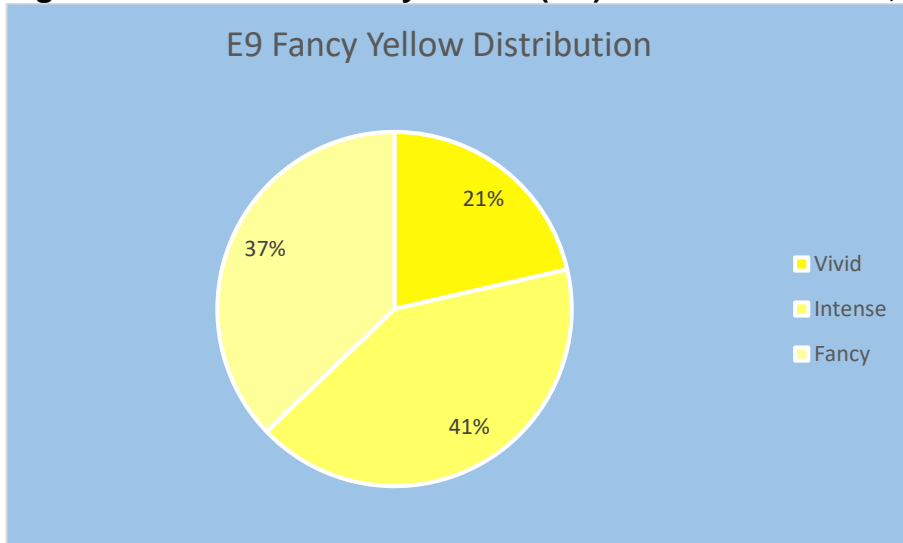


Figure 3: E9 West and East Lobes

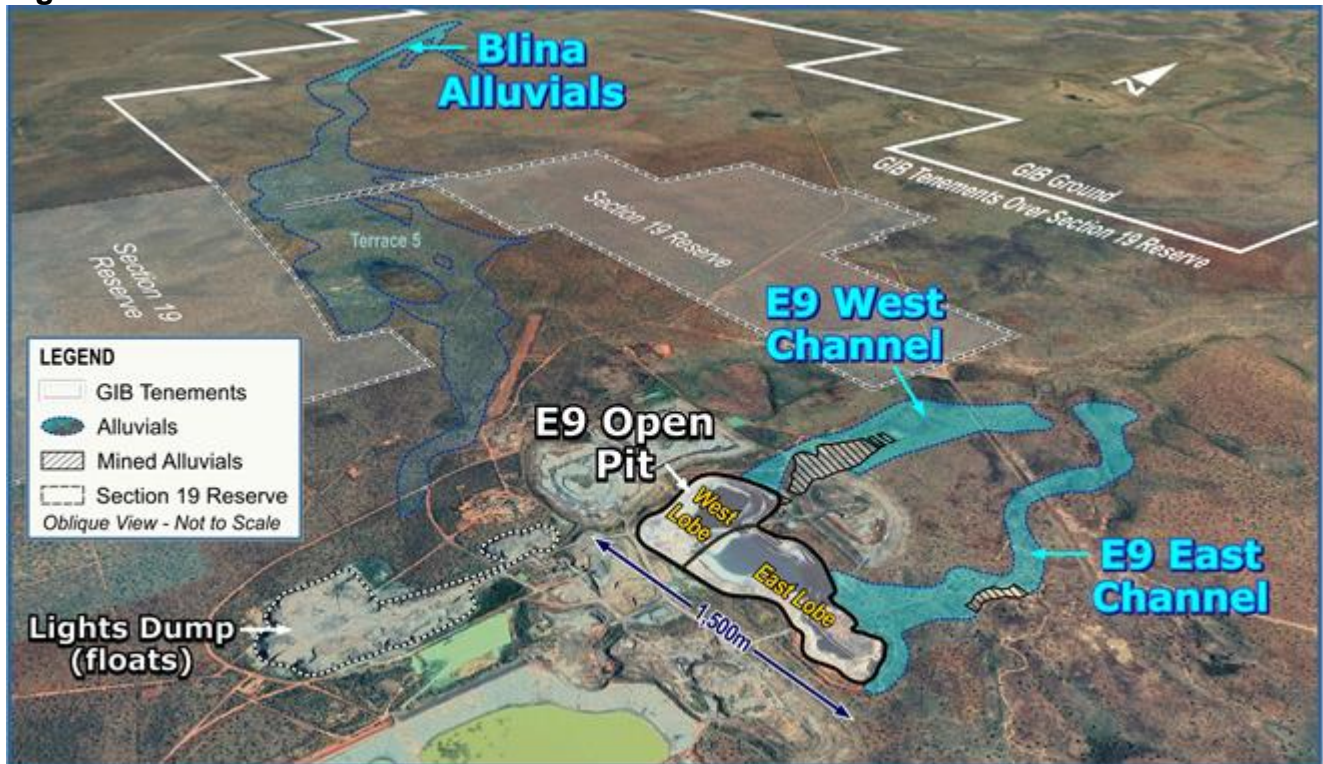


Figure 4: Ellendale 9 Diamonds: Fancy Yellows from the East Lobe (Far East Pit)



1.1.2 Diamonds Assessment Report Conclusion

This important report documents, for the first time, why Ellendale Fancy Yellow diamonds are such a highly sought-after commodity by the world's diamantaires. Their unique yellow colour with a large percentage in the Intense and Vivid category made the Ellendale mine unmatched in its production profile.

The combination of colour, consistency, quality and size of the Fancy Yellows allowed matching jewellery sets to be designed. This luxury appeal proved to be attractive for the world class Tiffany & Co brand to secure an offtake agreement with previous mine owners which led to a considerable price enhancement for the Run of Mine production. As a result, the Company believes there is considerable scope for the branding of future Ellendale production. For full details of this report view [ASX Release](#)

1.2 Ellendale Field Trip August 2020

The Company welcomes the recent lifting of travel restrictions for access to the Kimberley Region of WA. As a result of this development, the company will now conduct a field inspection of the E9 East and E9 West Channels (Figure 3) in August 2020, with the aim of identifying and ground truthing targets for bulk sampling and trial mining. Recently appointed GIB Director Mr Tom Reddicliffe will accompany Executive Chairman Jim Richards on this visit.

The E9 East Channel is being preferentially targeted because of the higher proportion of Fancy Yellow Stones found in the E9 East Lobe as indicated in the Diamond Assessment Report (above).

1.3 Ellendale Data Acquisition Deal

On 28 May, the Company announced the acquisition of the site server database from the previous Ellendale minesite operations which ceased in 2015. This dataset is proving to be extremely valuable for the assessment and planning of future operations at the Company's Ellendale Diamond Project.

This data was acquired from a private company (KRSP Pty Ltd) who had originally purchased the Ellendale minesite camp and buildings from the sites appointed administrator. In return for this data, GIB has paid to KRSP one million unlisted Share Options in GIB, the Options will be issued with a 30 month term and a strike price of nine cents. For details view [ASX Release](#)

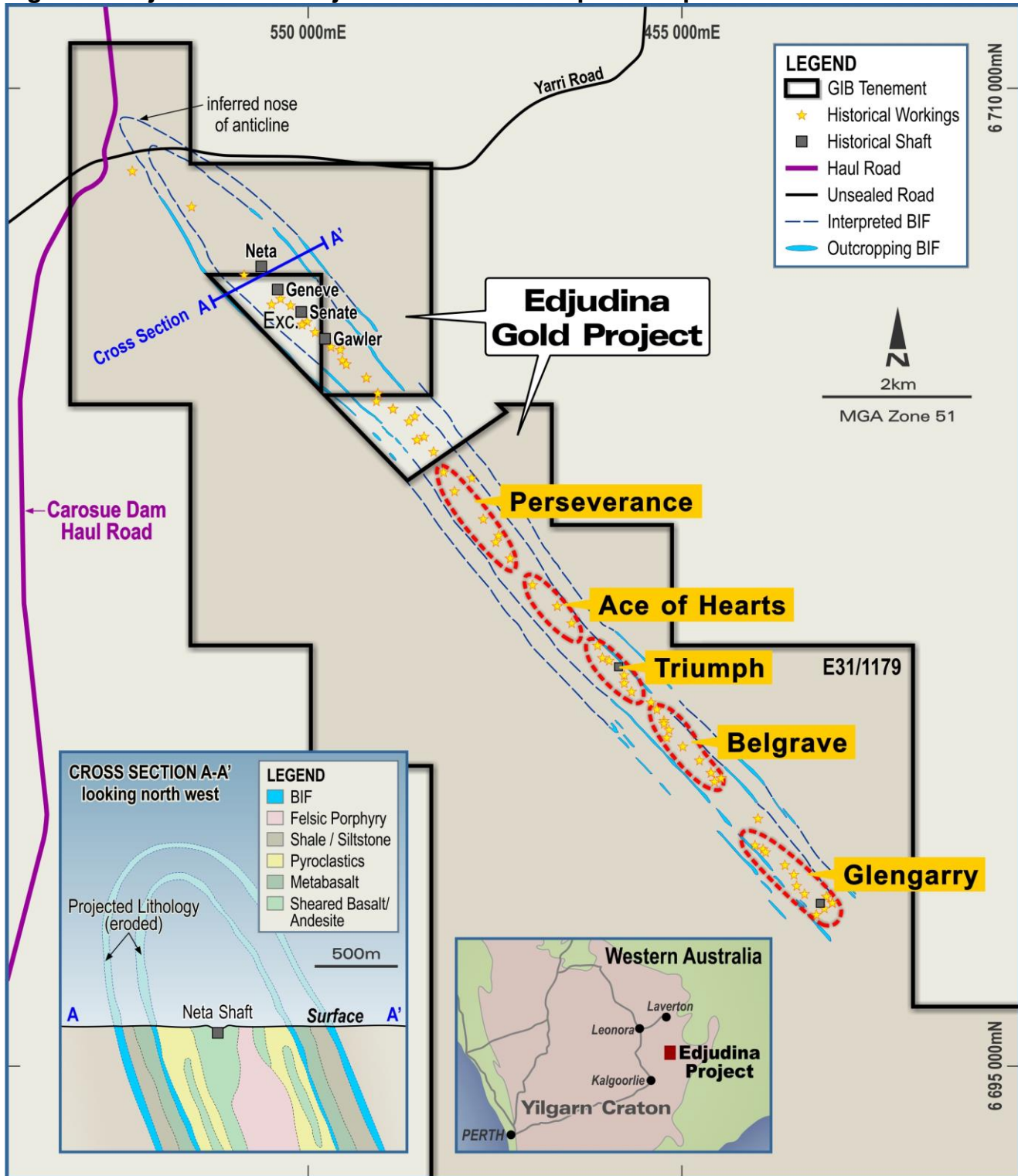
2.0 Acquisition of Option to Purchase the Historic Edjudina Gold Project

Subsequent to the end of the quarter GIB acquired an Option to Purchase 100% of the historic and high grade Edjudina Gold Project which covers tenement E31/1179 in the heart of the Eastern Goldfields of Western Australia.

The Edjudina Gold Project is 145km north east of Kalgoorlie and is accessible via a well maintained government gazetted laterite road which runs through the northerly end of the project tenement.

A haul road owned and operated by Saracen Gold Mines Pty Ltd ('Saracen') runs from the north of the project tenement directly to the Carosue Dam milling complex 45 km to the south-west (Figure 5).

Figure 5: Edjudina Gold Project – Historical Prospects Map



2.1 Edjudina Exercise of Option

For GIB to exercise the option at any time within six months of the Commencement Date, GIB will pay and issue to the Vendors:

- \$330,000 in cash
- 5,500,000 GIB shares
- 5,500,000 GIB Options

Shares would be escrowed for 12 months from the date of issue. Option terms are 9 cent strike with expiry on 28 November 2022.

Upon exercising the Option, GIB will acquire 100% of the Mineral Title E31/1179 which will then be transferred to GIB. The tenement is free of any private royalties. There are some historic tailings from previous treatment operations on E31/1179; NXM will retain the right to remove these tailings at any point up to two years from the exercise of the option.

2.2 Edjudina Historical Production

The historical production reported below covers the period 1898 to 1921, only limited production appears to have been achieved post 1921 and this is poorly documented. Of particular note is the exceptional grade of the historical production at 41.0 g/t Au.

There are hundreds of small, shallow prospecting and production pits dotted along the Edjudina Line. The majority of the deeper workings stop at the water table (approximately 34m).

The bulk of the historic production at Edjudina comes from the Paget area, which includes all of the areas north west of Perseverance on Figure 5. The main production shafts in the Paget area are Neta (122m deep), Geneve (34m deep); Senate (91m deep) and Gawler (122m deep). Of these, Neta and Gawler are on GIB optioned ground.

Table 1: Historic Gold Production from the Edjudina Line

Project Area	Ore Treated Tonnes	Grade g/t	Production Ounces Au
Paget Area ^A	21,818	47.2	33,094
Edjudina South Area ^B	8,102	24.5	6,382
Total	29,920	41.0	39,476

^A Some of the Paget area is on GIB optioned ground and some is held by two other parties. Two of the main producing shafts (Neta and Gawler) which are included in this historic Paget production data are on GIB optioned ground with other shafts including Geneve and Senate being on other parties ground (Figure 2). Due to the underground nature of the workings, it is unclear what production is attributable to which parties ground. This production data is from statistics obtained from the List of Cancelled Gold Mining Leases; WA Mines Department; 1954⁷.

^B The Edjudina South area production figures include the Edjudina Line of workings from Perseverance running south east to Glengarry (Figure 2). All of this area is included in the GIB optioned ground. This data is from WAMEX report A23808⁷

2.3 Edjudina Gold Project Lookahead

The primary aim at the Edjudina Gold Project is to conduct a maiden drilling program to test our best targets as quickly as possible so as to provide information for follow-up drilling. In order to achieve this, GIB has already conducted a field inspection of the project and a further trip will take place in early August to assess specific drill targets and for field sampling.

The planned Edjudina Project exploration program timeline is:

	Activity	Date
1	Field inspection of project – due diligence	Completed
2	Acquisition of Option over E31/1179	Completed
3	Compile several generations of exploration and mining information into a usable database	Ongoing
4	Generate initial drill targets/field checking	Ongoing
5	Lodge Program of Works (POW) with DMIRS ^c for drilling permissions	August 2020
6	Maiden drill program commences (pending POW and rig availability)	August/September 2020
7	Assess maiden drill program results	September/October 2020
	Conduct ongoing follow-up drilling	October 2020 onwards
8	Date by which Option must be exercised to acquire 100% of the Edjudina Gold Project	14 January 2021

^c Department of Mines, Industry Regulation and Safety

3.0 GIB Gold Royalty Interests

Shareholders are reminded that GIB holds a 1% Net Smelter Royalty over the following West Australian gold projects:

- Bulgera Gold Project (E52/3276 and E52/3316): operated by Norwest Minerals Limited (ASX 'NWM') who announced (8 April 2020) a JORC Indicated and Inferred Resource of 2.92 million tonnes grading 1.0 g/t for 93,880 ounces Au on the Project area; and
- Comet Gold Project (near Cue, E20/908): operated by Accelerate Resources Limited (ASX: 'AX8') who announced (2 July 2020) an upcoming drill program at the Project and;
- Mount Monger Project (E25/525): operated by Accelerate Resources Limited (ASX: 'AX8').

GIB will continue to follow the work programs on these quality projects and to report on any resulting benefits that may accrue to the Company.

4.0 Quarterly Summary

The Company is pleased that access to the Kimberley region has now been re-opened by the State Government. An upcoming field trip to assess targets for bulk sampling and trial mining will help progress the Ellendale Diamond Project.

The acquisition of the Edjudina Gold Project (subsequent to the end of the quarter) provides excellent project and commodity diversification for our project portfolio and complements our diamond interests.

The Company looks forward to advancing both our diamond and gold projects over the next few months.

Jim Richards
Executive Chairman

Enquiries To: Mr Jim Richards +61 8 9422 9555

Note 6 to Appendix 5B:

Payments to related parties of the entity and their associates: during the quarter \$27,000 was paid to Directors and associates for salaries superannuation and consulting fees.

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](#)

⁵Ellendale 9 East Diamond Values Increase 20% to US\$750/carat; GIB ASX Release dated 3 March 2020, [click here](#)

⁶Further Excellent Ellendale Diamond Valuations Up to US\$518 per carat (A\$773 per carat) from Alluvial Targets; GIB ASX Release dated 12 March 2020, [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.

⁷GIB 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, [click here](#)

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
E04/2665	WA	Application	100%	0%	0%	Application
E04/2666	WA	Application	100%	0%	0%	Application
E04/2667	WA	Application	100%	0%	0%	Application
E04/2668	WA	Application	100%	0%	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
M04/475	WA	Application	100%	0%	0%	Application
M04/476	WA	Application	100%	0%	0%	Application
M04/477	WA	Application	100%	0%	0%	Application
P04/277-287	WA	Applications	100%	0%	0%	Applications
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
L04/106	WA	Granted	100%	0%	0%	Granted
L04/107	WA	Granted	100%	0%	0%	Granted
L04/115	WA	Application	100%	0%	0%	Applications
L04/116	WA	Granted	100%	100%	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%: