



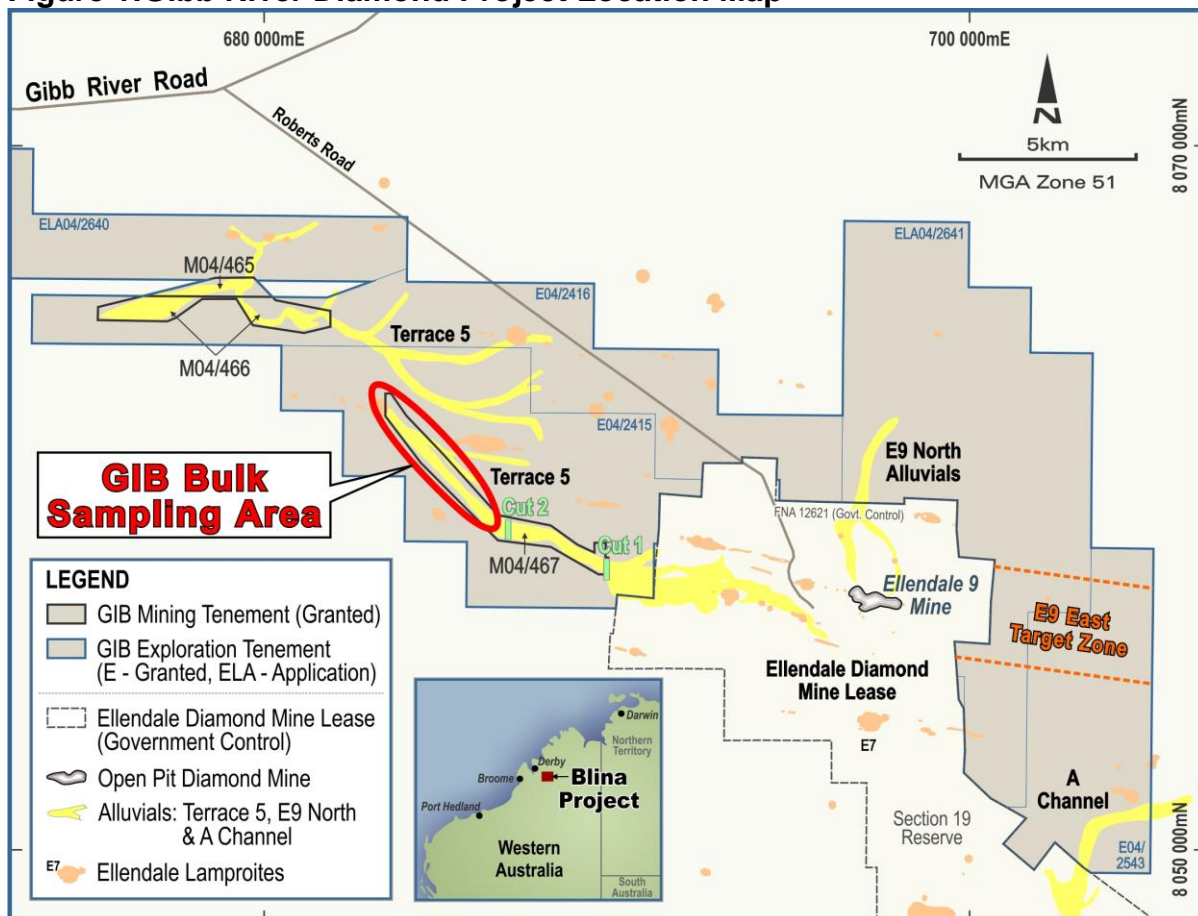
**QUARTERLY REPORT**

**Period Ending 30 September 2019**

**Highlights**

- New trenching and geochemical sampling program of the Blina Diamond Project is planned to commence in mid-November. An excavator has been secured for this work.
- Site visits to Blina scheduled for late November with parties from China, Singapore and Australia. Attendees include potential investors, diamond retailers and traders, leading academics and media.
- Negotiations with multiple parties are ongoing for the sale of the Highland Plains phosphate deposit.
- The Company’s bid for the Ellendale Diamond Mine lease (under government control) is awaiting a decision by the Department of Mines, Industry Regulation & Safety (DMIRS).

**Figure 1:Gibb River Diamond Project Location Map**



## 1.0 Blina Diamond Project Summary and Funding

Gibb River Diamonds Limited ('GIB' or the 'Company') operates its 100% owned Blina Alluvial Diamond Project in the Ellendale diamond field of the West Kimberley, WA. The Blina Project is fully permitted, the major processing plant equipment has already been purchased, the project is 'shovel ready' and the Company is debt free.

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.

This capital required is a modest \$2.5 million and the Company aims to raise this capital through the sale of GIB's wholly owned Highland Plains phosphate deposit. A sale option which was previously held over Highland Plains expired on 14 June 2019 and GIB is free to deal on the project.

During the quarter, funds were paid to GIB by a previous option holder ILS Resources Inc. ('ILS') as detailed in the [ASX Release](#) dated 15 July 2019. These funds were not accepted by GIB as they were insufficient and were received after the option had expired, these funds were returned to ILS.

GIB is currently in negotiations with various parties over the sale of the Highland Plains project and the Company remains optimistic a deal will be secured on favourable terms.

## 2.0 Upcoming Trenching Program

An upcoming field trenching program has been planned for mid-November at the Blina Diamond Project. The aims of this program are:

- Test the continuity along strike of the prospective river gravels.
- Correlate trench geology to interpreted Ground Penetrating Radar (GPR) trap site targets.
- Test the quality and prospectivity of the target gravels in terms of sedimentological factors: clast size, sorting, rounding etc.
- Provide geochemical samples to ascertain lamproitic affinities of the gravels. This is done mainly through the lamproite pathfinder elements niobium and zirconium. This assists in interpreting whether the gravels are lamproitic (volcaniclastic) or sedimentary (alluvial) in origin.
- Provide outcrop of target gravels for viewing by the investor field trip group.

An excavator has already been secured for the above work which will be supervised by the Company geologists.

## 3.0 Investor Field Trip

During the previous quarter the Company attracted considerable interest in the Blina Diamond Project, including from parties in China, Singapore and Australia. As a result GIB has organised a site visit to view the Blina project site, recent trenching activities and prospective diamondiferous gravels.

A diverse group of people including potential investors, diamond retailers and traders, leading academics and media will attend a site visit in late November. The trip offer proved popular and was heavily oversubscribed.

#### 4.0 Ellendale Mining Lease Bid Update

On 29 November 2018 GIB lodged a bid for the former Ellendale Diamond Mine and mining lease under a State Government Expressions of Interest (EOI) process. GIB believes it is very well placed to take control of this area (Section 19 Reserve in Figure 1) and that this acquisition would be transformative for the Company providing enormous synergies with GIB's surrounding Blina Diamond Project, including funding opportunities for combined development.

The State government has recently been in communication with the Company regarding this lease, however a decision is still pending and the Company awaits an outcome with interest. 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 2018<sup>4</sup>.

#### 5.0 Summary and Lookahead

The Company is pleased to have received considerable interest from diamond related parties regarding the late November field trip to the Blina Diamond Project. The upcoming trenching program complements this trip and will also provide greater understanding of how Ground Penetrating radar tracks the bedrock geology of the area.

GIB continues to focus and work towards securing funding for the Blina Diamond Project through the sale of the Highland Plains phosphate project and the Company remains optimistic a deal will be secured.

The Company has \$1.06 million in cash and continues to take a prudent approach to capital allocation.

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 granted mining leases and various exploration leases with an area of 246.3 km<sup>2</sup>, 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 500m<sup>1</sup>. 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 technology<sup>2</sup> over proven diamondiferous channels at Terrace 5. A Company trenching program has also discovered extensive areas of un-sampled, shallow and highly prospective alluvial gravels<sup>3</sup> 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.*

## References:

<sup>1</sup>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](#)

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

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

<sup>4</sup>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.*

*<sup>A</sup>The 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
E04/2519	WA	Withdrawn	0%	0%	100%	Application
E04/2526	WA	Withdrawn	0%	0%	100%	Application
E04/2543	WA	Granted	100%	0%	0%	Granted
E04/2640	WA	Application	100%	0%	0%	Application
E04/2641	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
E69/2820	WA	Granted	20%	0%	0%	JV with Alloy Resources Limited
L04/98	WA	Granted	100%	0%	0%	Granted: vol partial surr to retain 69.3ha
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

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%: