

## ASX RELEASE

3 March 2020

ASX Code: GIB



### Ellendale 9 East Diamond Values Increase 20% to US\$750/carat

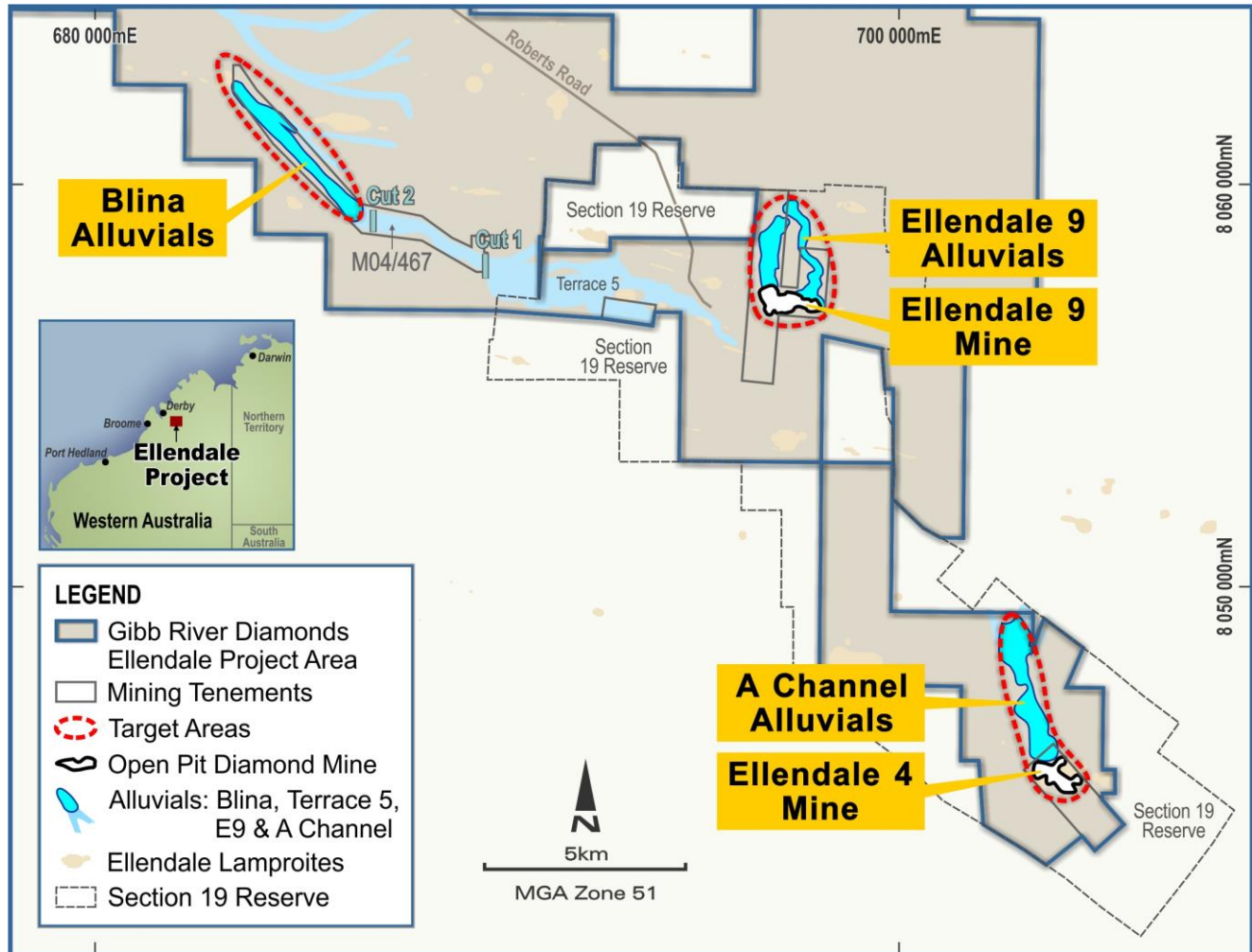
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- New independent appraisal of diamonds from the Company's Ellendale 9 East lobe reports a value of **US\$559 per carat** (A\$1,120 per carat), a 20% increase since 2008. This price was enhanced by the high number of Fancy Yellows
- The Company's Ellendale 9 deposit (average) reports a value of **US\$559 per carat** (A\$835 per carat), an 18% increase since 2008
- An updated valuation for Ellendale 4 diamonds was **US\$135 per carat** (A\$201 per carat) which is a 5% increase from 2008
- A diamond valuation for the unmined Ellendale 4 Satellite Pipe was **US\$137 per carat** (A\$204 per carat)
- The 11 year low Australian vs US dollar exchange rate significantly improves local currency pricing compared to previous years mining at Ellendale

#### Ellendale E9 Diamonds



**Figure 1: Ellendale Project, including diamond valuation areas in this report – E4 and E9 mines**



### 1.0 Updated Ellendale Diamond Valuation

Gibb River Diamonds Limited ('GIB' or the 'Company') is pleased to announce updated diamond valuations for the Ellendale Project. This review is important as it helps GIB to make commercial decisions regarding mine planning and development priorities at Ellendale.

This diamond valuation was commissioned and paid for by GIB and has been conducted by Independent Diamond Valuers International ('IDVI') to provide diamond valuation services to the Company. IDVI was responsible for sorting, grading, valuing and selling diamonds from the Ellendale Diamond Mine (now closed) and the Blina Project from 2002 to 2015. IDVI's pricing system was used throughout this period and is utilised to provide this valuation. GIB considers IDVI to be a reputable, experienced, independent and qualified expert for the purposes of this valuation.

Previous operators of the Ellendale mine had a contract to sell the Fancy Yellow component of their production to Laurelton Diamonds (the jeweler Tiffany & Co), this agreement was based on a percentage premium above the IDVI price book. It is uncertain if similar premium prices can be achieved with any future Fancy Yellow goods. However, there is a potential opportunity to capitalise on the uniqueness of these Fancy Yellow goods to sell at above market prices as demonstrated by KDC's arrangement with Tiffany's.

The full diamond valuation report by IDVI is attached as Appendix A.

## 2.0 Diamond Valuation Results

Table 1 summarises the most recent valuations based on a February 2020 price estimate of diamonds recovered from hard rock mining of various lamproite pipe bodies at Ellendale including E9 (average), E9 East Lobe, E9 West Lobe, E4 and E4 Satellite (E4S), with the weight of stones in the valuation as indicated.

The appraisals show a significant rise in valuation for E9 diamonds to **US\$559/carat**, an increase of **18%** from 2008 to February 2020. This price increase is mainly driven by the growth in prices for the Fancy Yellow diamonds<sup>6</sup> for which Ellendale is famous. Of particular interest is the current Australian dollar price of the E9 diamond valuation which is **A\$835/carat**. This result is considerably enhanced by the Australian dollar trading at 11-year lows to the US dollar.

The **E9 East** area (Figure 2) diamond valuation prices have fared especially well with a **20%** increase since 2008. This increase is in-part due the higher percentages of Fancy Yellow stones in the east lobe which runs at 16% Fancy Yellow (Ellendale West has 9% Fancy Yellows). The E9 East diamond valuation is the highest for the Ellendale field at **US\$750/carat (A\$1,120)**.

**Table 1: Ellendale 2020 Hard Rock Diamond Valuations comparative to 2008**

Pipe	2008	2020	% Increase	2020	Weight (carats)	Value US\$
	Price per carat US\$	Price per carat US\$	US\$ valuation 2008 to 2020	Price per carat A\$		
<b>E9</b>	\$457	<b>\$559</b>	<b>18%</b>	<b>A\$835</b>	38,748	\$21,672,163
<b>E9 East</b>	\$602	<b>\$750</b>	<b>20%</b>	<b>A\$1,120</b>	16,551	\$12,421,153
<b>E9 West</b>	\$374	<b>\$454</b>	<b>18%</b>	<b>A\$678</b>	10,152	\$4,612,372
<b>E4</b>	\$128	<b>\$135</b>	<b>5%</b>	<b>A\$201</b>	136,127	\$18,310,523
<b>E4S</b>	n/a	<b>\$137</b>	<b>n/a</b>	<b>A\$204</b>	864	\$118,032

*Diamonds recovered in the 1.5-16mm range.*

*Diamonds were collated into parcels for sale under commercial mining circumstances, not exploration ('Lots' in the attached IDVI report), resultantly the 'number of stones' data was not collated, only total weights in carats.*

*Diamond breakage data is not available.*

*Exchange Rates Feb 2020 1US\$=A\$0.67*

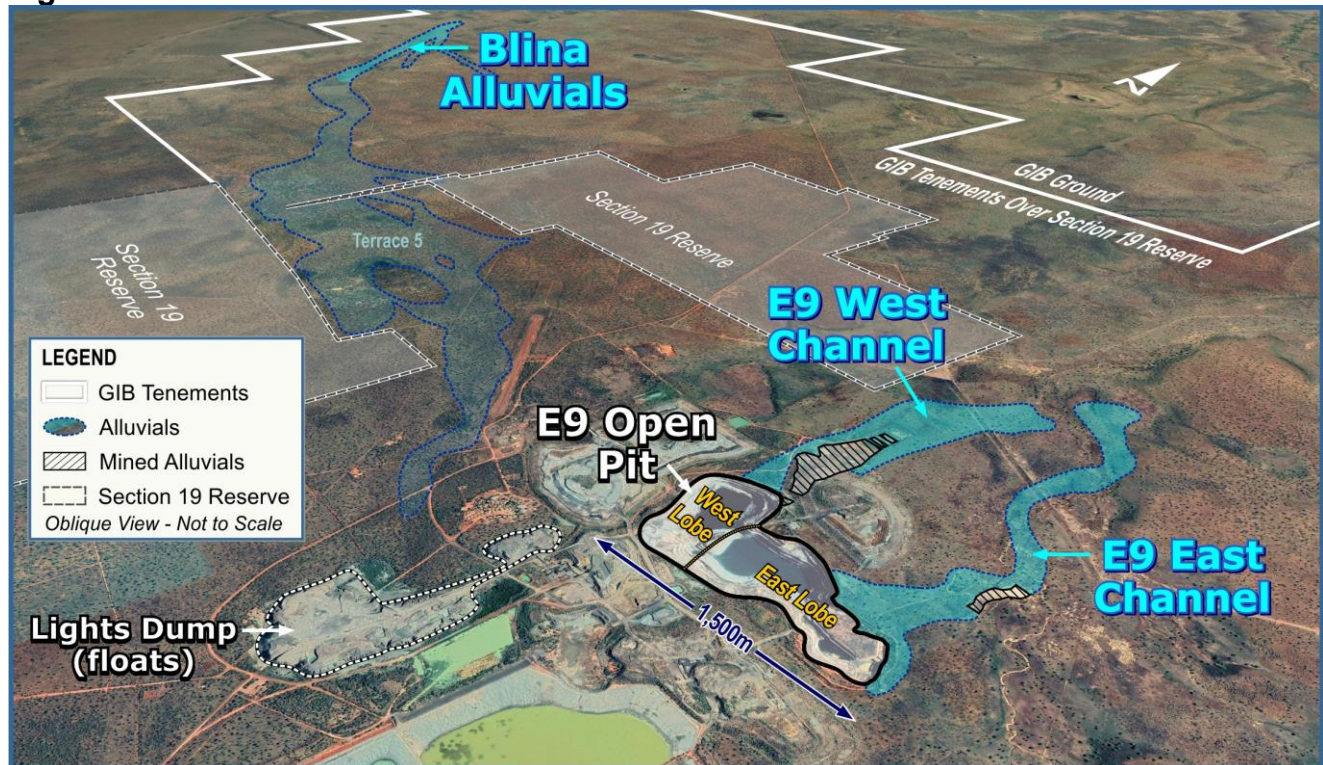
The latest E9 price valuation is based on the original Kimberley Diamond Company (KDC) modelling of 38,748 carats. The estimate is a combination of data from both East and West lobes, giving an approximate weighted average for run of mine production from E9.

The latest E9 East Lobe and E9 West Lobe price estimates are based on the modelling of discreet goods mined from these specific lobes within the E9 pit; 16,551 carats from the East Lobe and 10,152 carats from the West Lobe. The key difference in the pricing is the Fancy Yellow component with approximately 16% Fancy Yellow in the East Lobe compared to 9% in the West Lobe.

The E4 price estimate is based on the original Kimberley Diamond Company (KDC) modelling of 136,127 carats. The E4 pipe contains just over 1% Fancy Yellow and has less Vivid colours compared to E9.

The E4 Satellite Pipe price estimation is based on a sample of 864.35 carats recovered from a bulk sample mined in 2013<sup>5</sup>. The diamond volumes are significantly less than for the modelling of the diamond valuations for the other pipes. The Fancy Yellow component was 0.6% for a total of 5.11 carats, with the largest stone at 2.07 carats. Pricing data was collated on a size category basis.

**Figure 2: Diamond valuation areas – E9 West and East lobes**



### 3.0 Diamond Valuation Background

The IDVI market valuation is based upon the most recent available diamond pricing and uses data from diamonds mined from the E9 pipe including both East and West Lobes, the E4 pipe and bulk sampled diamonds from the E4 satellite pipe (E4S); see Figures 1 and 2.

This updated appraisal has been based on:

- The size, grading and pricing data from original valuations.
- IDVI's rough diamond valuer system.
- IDVI's updated rough diamond index.
- Paul Zimnisky (Diamond Analytics) rough Diamond index.
- Other diamond industry sources.

For comparison purposes, valuation data from 2008 for the same parcels has also been included. This data is based upon original 2008 modelling valuations.

Given that no sales of this product have occurred since 2015 and that the index information is based on generic sales data from a variety of sources, future sales results could vary significantly from those in the report. Prices are in US dollars as marked, Australian dollar equivalents are as indicated (rate US\$1.00=A\$0.67).

#### **4.0 Blina Project Diamond Valuation Summary**

The Board is very pleased with the updated valuation data for the Ellendale diamond field. The increases in the valuations of Ellendale diamonds since 2008 indicates the uniqueness and value of the Fancy Yellows in particular, which is the main component which is driving these price increases. For this reason, the Company is placing more emphasis on the Ellendale 9 area as this is the source of the best fancy yellow stones within the Ellendale field.

The Ellendale Project has been one of the world's largest diamond producers in the past. The Company continues to evaluate the enormous potential of our 100% owned Ellendale leases to deliver a profitable diamond mining operation. The increased and updated diamond valuations in this report provide an excellent basis for assessing the hard rock potential of our Ellendale leases in addition to the alluvial prospects.

Jim Richards  
Executive Chairman

Enquiries To: Mr Jim Richards +61 8 9422 9555

## References:

<sup>1</sup>Further detailed information including the Table 1 (JORC Code, 2012 Edition) and references are available on the POZ ASX Release dated 2 October 2015 [click here](#) and 23 December 2019 [click here](#)

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

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

<sup>4</sup>POZ to Bid For the Ellendale Diamond Mine; POZ ASX Release dated 4 September 2018 [click here](#)

<sup>5</sup>Record 2018/8 Geology, Resources and Exploration Potential of the Ellendale Diamond Project, West Kimberley, Western Australia (Geological Survey of Western Australia); by G. Boxer and G. Rocket. 2018 [click here](#)

<sup>6</sup>Blina Diamond Project, Fancy Yellows Value Increases by 131% to US 3,391 per carat; POZ ASX Release dated 6 November 2017 [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. 1986.

## Competent Persons Statements

*The information in this report that relates to previously reported exploration results 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 Gibb 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.*

*The information in this report that relates to diamond valuations was compiled by Mr Rod Criddle, a Director of Independent Diamond Valuers International ('IDVI'). IDVI has been responsible for sorting, grading, valuing and selling diamonds from the Ellendale Diamond Mine (now closed) and the Blina Project, including Terrace 5 goods, from 2002 to 2015. IDVI's pricing system was used throughout this period and is utilised to provide this valuation. POZ considers IDVI to be a reputable, independent, experienced and qualified expert for the purposes of this valuation. The valuation is an independent valuation. Mr Criddle consents to the diamond valuation information contained in his report in Appendix A being included in this report.*

## Appendix A: IDVI Independent Diamond Valuation Report



**Ellendale Diamond Project, Western Australia:**

**Diamond Re-Valuation February 2020**

**1.0 Context**

Independent Diamond Valuers International ('IDVI') has been requested to provide an updated valuation of the Ellendale Diamond Mine diamond data by Gibb River Diamonds Limited ('GIB'). IDVI has previously been responsible for sorting, grading, valuing and selling diamonds from the Ellendale Diamond Mine (now closed) and the Blina Alluvial Project from 2002 to 2015.

This revaluation is of the E9 pipe including both East and West Lobes, the E4 pipe and the E4 satellite pipe (E4S).

This updated appraisal has been based on

- The size, grading and pricing data from original 2008 modelling valuations.
- IDVI's rough diamond valuer system.
- IDVI's updated rough diamond index.
- Paul Zimmisky (Diamond Analytics) rough Diamond index.
- Other diamond industry sources.

Valuation data from Quarter 3 2008 for the same parcels has also been included for comparison purposes. This data is based upon original 2008 modelling valuations.

Given that no sales of this product have occurred since 2015 and that the index information is based on generic sales data from a variety of sources, future sales results could vary significantly from those in the report. All prices are in US dollars.

**2.0 Price Sensitivity**

The volumes of diamonds in the modelling (E9 East, E9 West, E4 and E4S) is considered sufficient for an indicative valuation result although not sufficient for pricing certainty on any future sale of this production, especially given the sensitivity of pricing of the Fancy Yellow component. IDVI believe the E4 satellite pipe valuation has a higher price sensitivity due to the smaller volume of a single bulk sample.

Kimberley Diamond Company's (KDC) Ellendale mine (now closed) had a contract to sell the Fancy Yellow component of their production to Laureilton Diamonds (the jeweller Tiffany & Co), this agreement was based on a percentage premium above the IDVI price book. It is uncertain if similar premium prices can be achieved with any future Fancy Yellow goods. However, there is a potential opportunity to capitalise on the uniqueness of these Fancy Yellow goods to sell at above market prices as demonstrated by KDC's arrangement with Tiffany's.

### **3.0 E9 Diamond Valuation**

The 2020 E9 price estimate is based on the original Kimberley Diamond Company (KDC) modelling of 38,748 carats in 2008, it is a combination of data from both East and West lobes, giving an approximate weighted average for run of mine production from E9. The LOT pricing is based on grouping of similar size/quality diamonds.

<b>E9 Combined East/West</b>			
<b>2008 Price</b>			
	Price/ct	Weight	Value
Fancy	\$2,958	4,244	\$12,551,915
LOT 1	\$1,159	813	\$942,047
LOT 2	\$356	1,640	\$584,393
LOT 3	\$420	1,595	\$669,965
LOT 4	\$124	7,835	\$969,682
LOT 6	\$224	3,974	\$891,084
LOT 7	\$58	18,648	\$1,087,190
<b>Total</b>	<b>\$457</b>	<b>38,748</b>	<b>\$17,696,277</b>

<b>E9 Combined East/West</b>			
<b>Feb 2020 Price Estimate</b>			
	Price/ct	Weight	Value
Fancy	\$3,845	4,244	\$16,317,489
LOT 1	\$1,377	813	\$1,119,152
LOT 2	\$423	1,640	\$694,259
LOT 3	\$444	1,595	\$707,483
LOT 4	\$123	7,835	\$959,985
LOT 6	\$237	3,974	\$940,985
LOT 7	\$50	18,648	\$932,809
<b>Total</b>	<b>\$559</b>	<b>38,748</b>	<b>\$21,672,163</b>

### **4.0 E9 East and E9 West Diamond Valuation**

The 2020 E9 East and E9 West lobe price estimates are based on the modelling (KDC) of discreet goods mined from these specific lobes within the E9 pit. The key difference in the pricing is the Fancy Yellow component with approximately 16% Fancy Yellow in the East compared to 9% in the West.



<b>E9 East Lobe</b>			
<b>2008 Price</b>			
LOT	Price/ct	Weight	Value
Fancy	\$2,854	2,720	\$7,761,430
LOT 1	\$1,167	394	\$459,415
LOT 2	\$328	919	\$301,559
LOT 3	\$389	802	\$311,783
LOT 4	\$119	3,954	\$471,058
LOT 6	\$196	1,586	\$310,756
LOT 7	\$57	6,177	\$353,739
<b>Total</b>	<b>\$602</b>	<b>16,551</b>	<b>\$9,969,740</b>

<b>E9 East Lobe</b>			
<b>Feb 2020 Price</b>			
LOT	Price/ct	Weight	Value
Fancy	\$3,710	2,720	\$10,089,859
LOT 1	\$1,386	394	\$545,785
LOT 2	\$390	919	\$358,252
LOT 3	\$410	802	\$329,243
LOT 4	\$118	3,954	\$466,348
LOT 6	\$207	1,586	\$328,158
LOT 7	\$49	6,177	\$303,508
<b>Total</b>	<b>\$750</b>	<b>16,551</b>	<b>\$12,421,153</b>

<b>E9 WEST Lobe</b>			
<b>2008 Price</b>			
LOT	Price/ct	Weight	Value
Fancy	\$2,665	951	\$2,535,589
LOT 1	\$1,289	174	\$224,323
LOT 2	\$381	474	\$180,918
LOT 3	\$337	390	\$131,642
LOT 4	\$128	1,859	\$237,973
LOT 6	\$195	1,002	\$195,103
LOT 7	\$56	5,301	\$296,089
	<b>\$374</b>	<b>10,152</b>	<b>\$3,801,637</b>

<b>E9 WEST Lobe</b>			
<b>Feb 2020 Price</b>			
LOT	Price/ct	Weight	Value
Fancy	\$3,465	951	\$3,296,266
LOT 1	\$1,531	174	\$266,496
LOT 2	\$453	474	\$214,931
LOT 3	\$356	390	\$139,014
LOT 4	\$127	1,859	\$235,593
LOT 6	\$206	1,002	\$206,029
LOT 7	\$48	5,301	\$254,044
	<b>\$454</b>	<b>10,152</b>	<b>\$4,612,373</b>

## **5.0 E4 Diamond Valuation**

The 2020 E4 price estimate is based on the original Kimberley Diamond Company (KDC) modelling of 136,127 carats from 2008. The E4 pipe contains just over 1% Fancy Yellow and has less Vivid colours compared to E9.

<b>E4</b>			
<b>2008 Price</b>			
	Price/ct	Weight	Value
Fancy	\$1,874	1,579	\$2,958,417
LOT 1	\$1,331	2,023	\$2,693,087
LOT 2	\$370	3,367	\$1,245,189
LOT 3	\$357	2,758	\$983,855
LOT 4	\$98	18,856	\$1,846,106
LOT 6	\$201	16,173	\$3,253,317
LOT 7	\$48	91,372	\$4,405,190
<b>Total</b>	<b>\$128</b>	<b>136,127</b>	<b>\$17,385,160</b>

<b>E4</b>			
<b>Feb 2020 Price</b>			
	Price/ct	Weight	Value
Fancy	\$2,248	1,579	\$3,550,100
LOT 1	\$1,581	2,023	\$3,199,387
LOT 2	\$439	3,367	\$1,479,284
LOT 3	\$377	2,758	\$1,038,950
LOT 4	\$97	18,856	\$1,827,645
LOT 6	\$212	16,173	\$3,435,503
LOT 7	\$41	91,372	\$3,779,653
<b>Total</b>	<b>\$135</b>	<b>136,127</b>	<b>\$18,310,523</b>

## **6.0 E4 Satellite pipe**

The E4 satellite pipe price estimation is based on a sample of 864.35 carats recovered from a bulk sample mined in 2013. The volumes are significantly less than for the modelling of the other pipes. The Fancy Yellow component was 0.6%, a total of carats 5.11, with the largest stone at 2.07cts. Pricing data was collated on a size category basis.

<b>E4 Satellite</b>			
<b>February 2020 Price</b>			
<b>Size</b>	<b>Price per carat</b>	<b>Weight (carats)</b>	<b>Value US\$</b>
8 carat	\$2,759	8.50	\$23,450
6 carat	\$56	6.03	\$336
4 carat	\$786	8.42	\$6,618
3 carat	\$1,049	3.49	\$3,661
8 grain	\$853	36.67	\$31,293
6 grain	\$140	33.48	\$4,704
4 grain	\$134	68.00	\$9,084
3 grain	\$79	72.07	\$5,711
+11 DTC	\$66	226.33	\$14,925
+9 DTC	\$57	160.94	\$9,135
+7 DTC	\$46	103.73	\$4,762
+5 DTC	\$33	121.04	\$3,961
+3 DTC	\$25	15.65	\$390
<b>Total</b>	<b>\$137</b>	<b>864.35</b>	<b>\$118,032</b>

## **7.0 Other Sources**

For further assessment of the market projecting forward we suggest the Bain and Co annual Diamond Report as well as the Rappaport Trade/IDEX and Zimnisky online sites for ongoing updates.

<http://www.diamonds.net/Prices/>

<http://www.idexonline.com/>

<http://www.paulzirnisky.com/>

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