

## ASX RELEASE

15 May 2023

ASX Code: GIB



## Ellendale Project Reports Excellent New Diamond Valuations

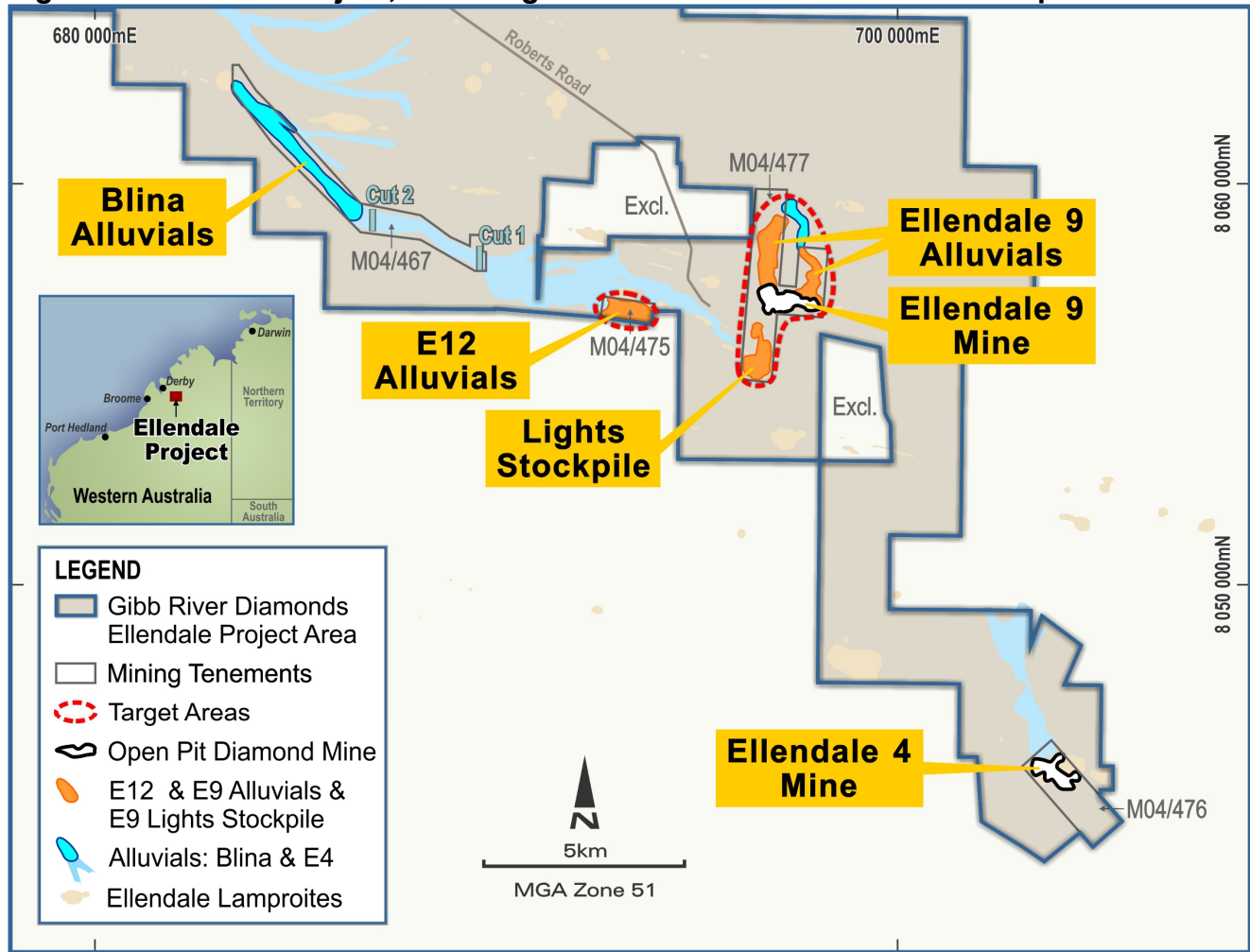
### HIGHLIGHTS

- A new independent appraisal of diamonds from the Company's Ellendale 9 Lights Stockpile, reports diamonds with a value of **US\$1,443 per carat** from sample LS2 (one of four bulk samples).
- The Company's Ellendale 12 Alluvial Prospect reports a diamond value of **US\$796 per carat**
- The E9 East Alluvials report a value of **US\$828 per carat**
- Further excellent pricing of diamonds from various other Lights Stockpile samples, Alluvials and E9 and E4 lamproite pipes are also included in this report
- The Company considers the updated valuations in this report to be very attractive in terms of pricing and that this report re-inforces the inherent value of the Fancy Yellow diamond component for which the Ellendale mine is famous
- Various resource studies are underway over the four main target areas in the vicinity of Ellendale 9, with the aim of delivering a profitable diamond mining operation. The diamond valuations in this report will greatly assist these studies moving forward. These studies will be released to the ASX once complete.

### Ellendale 9: Yellow Diamonds from the East Lobe (Far East Pit)



**Figure 1: Ellendale Project, including diamond valuation areas in this report**



## 1.0 Updated Ellendale Diamond Valuations

Gibb River Diamonds Limited ('GIB' or the 'Company') is pleased to announce updated diamond valuations for the Ellendale Project. This includes valuations from the main prospect areas and stockpiles at Ellendale which have been the focus of most of the historic sampling and mining. These areas are:

- E9 Main Lights Stockpile
- E9 West Lights Stockpile
- E9 Sound Barrier Lights Stockpile
- E12 Alluvials
- E9 West Alluvials
- E9 East Alluvials
- Blina Alluvials
- E9 Pit West Lobe
- E9 Pit East Lobe
- E9 Pit Combined
- E4 Pit
- E4 Satellite

This report includes valuations from the four main target areas which the Company considers offer the best opportunities to re-establish production at Ellendale. These areas are the E9 Lights Stockpiles; E12 Alluvials; E9 West Alluvials and the E9 East Alluvials.

These are the areas which are currently receiving the main focus of the Company in terms of resource and permitting work. This valuation review is important as it helps GIB to make commercial decisions regarding mine planning and development priorities within these priority areas and the Ellendale Project more broadly.

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. GIB considers IDVI to be a reputable, experienced, independent and qualified expert for the purposes of this valuation.

IDVI was responsible for sorting, grading, valuing and selling diamonds from the previously operating Ellendale Diamond Project which includes the Blina Prospect, from 2002 to 2015. IDVI's pricing system was used throughout this period and is utilised to provide this 2023 valuation.

The original valuation or sale prices for these previously mined diamond parcels have been used as the basis for this valuation, these prices were then compared to the estimated current market to generate this 2023 valuation.

Previous operators of the Ellendale mine had a contract to sell the Fancy Yellow component of their production to Laurelton Diamonds (the jeweller Tiffany & Co), this agreement was based on a percentage premium above the diamond market pricing. 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

The Company consider the updated valuations in this report to be very attractive in terms of pricing. Highlights include valuations from bulk sample LS2 from the Ellendale 9 Lights Stockpile of **US\$1,443 per carat**; from the E12 Alluvials (close to E9) a value of **US\$796 per carat**; and from the E9 East Alluvials of **US\$828 per carat**.

Much of this high pricing is driven by the Fancy Yellow diamond component in the valuation parcel. Previous production from the Ellendale 9 lamproite pipe reported 11.5% of diamonds as 'Fancy Yellow'. Typically diamond mines worldwide produce less than 0.1% Fancy Yellow diamonds, so Ellendale is truly exceptional in this regard.

Furthermore, of these Fancy Yellow diamonds at Ellendale, 62% are classified as 'vivid' or 'Intense', the strongest graded yellow colours and the most sought after stones<sup>6</sup>. It is the rarity and exceptional value of these remarkable yellow diamonds which is driving the GIB program to recommence production at Ellendale.

Tables 1, 2 and 3 summarise the most recent May 2023 valuations of diamonds recovered from bulk sampling on the following GIB Ellendale Prospect areas, these are grouped by geological provenance as follows (Figures 1 & 2):

- **Lights Stockpiles:** diamonds derived from the discards from previous mining and processing operations. During the previous processing operations, the ore was separated via specific gravity into two streams by a Dense Media Separator (DMS) cyclone. The heavier diamond bearing material, known as 'Heavies' or 'concentrate', was sent to X-ray Flowsort machines for diamond separation. The lighter fraction, called the 'Lights' were stockpiled for possible future treatment. These Lights still contain diamonds (at a lower grade), that were not recovered by the initial DMS treatment. The Main Lights Stockpile at E9 is extensive and sits on GIB's mining lease application M04/477.
- **Alluvials:** there are extensive occurrences of alluvial diamonds at Ellendale. These are ancient diamond bearing rivers or palaeochannels. This report includes the valuation of diamonds recovered from previous mining or trial mining from the following prospects: E12 Alluvials; E9 West Alluvials; E9 East Alluvials and Blina Alluvials.
- **Hard Rock Sources/Lamproite Pipes:** diamonds derived from the mining of primary lamproite pipe bodies (hard rock) at Ellendale. These lamproite pipes are E9 (which has been split into the E9 East Lobe and E9 West Lobe for the purpose of this pricing report), E4 and the E4 Satellite pipe (E4S).

**Table 1: Lights Stockpiles Diamond Valuations – 2023**

Lights Sample	Prospect	Price per carat US\$	Weight (carats)	Value US\$
LS1	Main Lights	\$1,101	225.7	\$248,496
LS2	Main Lights	\$1,443	92.1	\$132,900
LS3	Main Lights	\$710	189.0	\$134,190
LS4	Main Lights	\$433	161.1	\$69,756
LS5	Sound Barrier	\$532	143.2	\$76,182
LS6	Sound Barrier	\$81	19.3	\$1,563
LS7	West Lights	\$398	149.2	\$59,382

**Table 2: Alluvial Diamond Valuations – 2023**

Alluvial Channel	Price per carat US\$	Weight (carats)	Value US\$
E12 Alluvials	<b>796</b>	428.3	\$340,927
E9 East Alluvials	<b>828</b>	832.8	\$689,567
E9 West Alluvials	<b>252</b>	27,298.8	\$6,879,290
Blina Alluvials	<b>555</b>	1,497.5	\$831,135

**Table 3: Hard Rock Diamond Valuations – 2023**

Pipe	Price per carat US\$	Weight (carats)	Value US\$
E9 East	\$1,045	16,551.3	\$17,296,109
E9 West	\$644	10,152.0	\$6,537,888
E9 (Average)	\$788	38,748.5	\$30,533,818
E4	\$211	136,127.2	\$28,722,839
E4 Satellite	\$218	864.4	\$188,439

*NB: all diamonds recovered above were in the in the 1.5-16mm range. The only exception to this were diamonds recovered from the Blina Alluvials Pit 82 which were recovered in the 1.2 to 14mm range. Diamond breakage data is not available.*

The latest E9 price valuation is based on the original Kimberley Diamond Company (KDC) modelling of 38,748.5 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.

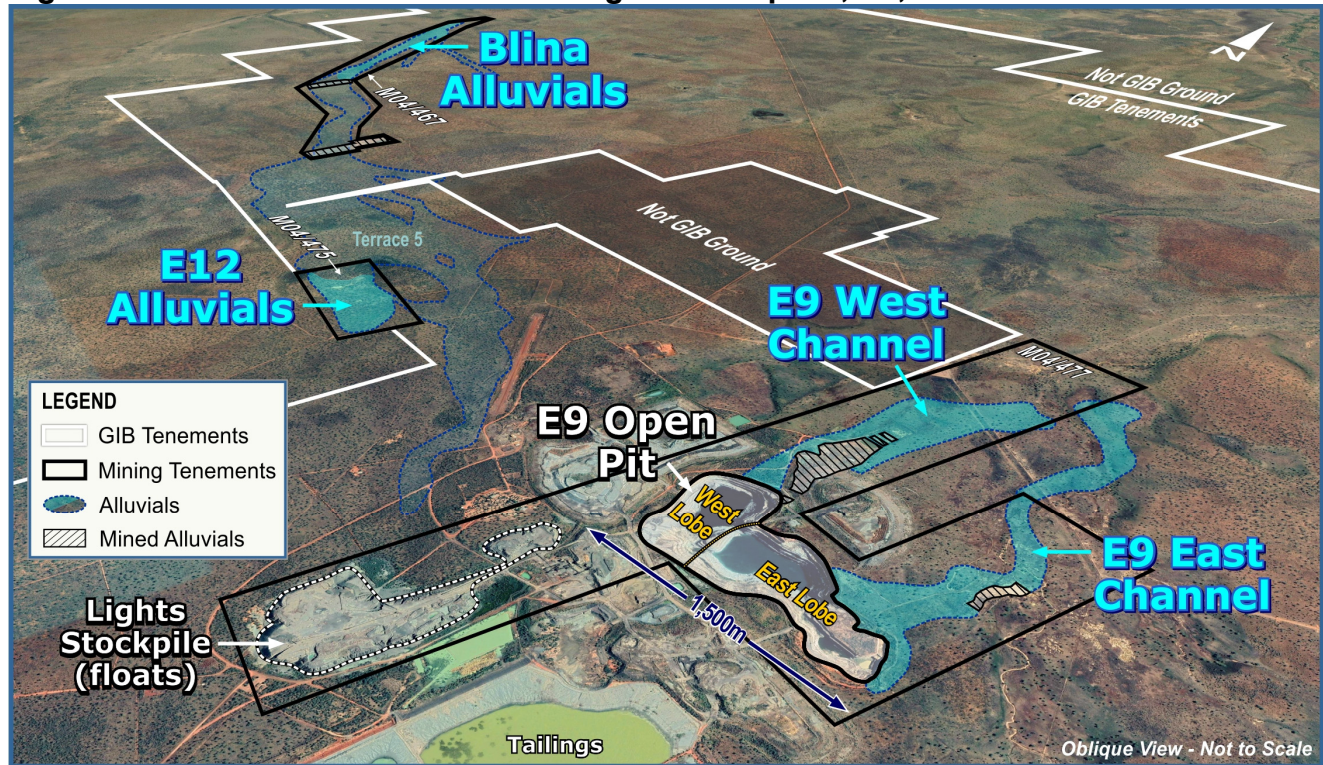
The latest E9 East Lobe and E9 West Lobe price estimates are based on the modelling of discreet goods mined from these specific lobes within the E9 pit; 16,551.3 carats from the East Lobe and 10,152.0 carats from the West Lobe. The key difference in the pricing is the Fancy Yellow component with approximately 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 136,127.2 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 864.4 carats recovered from a bulk sample mined in 2013<sup>3</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 5.1carats, with the largest stone at 2.07carats.

This report is only a diamond valuation report and does not cover resources or exploration sampling.

**Figure 2: Diamond Valuation Areas – Lights Stockpiles, E9, E12 Alluvials and Blina**



### 3.0 Diamond Valuation Background

The IDVI market valuation is based upon the most recent available diamond pricing and uses data from diamonds mined and/or bulk sampled from the Lights Stockpiles, E9 pipe, E4 pipe and E4 satellite pipe (E4S), E9 West and East Alluvials, E12 Alluvials and Blina Alluvials; see Figures 1 and 2.

This updated appraisal has been based on:

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

### 3.1 Price Sensitivity

The price sensitivity varies between the valuation parcels based on:

- The volume of diamonds processed. The larger the diamond parcel size, the greater the confidence in the predicted repeatability of the diamond production. Smaller parcel sizes have a lower level of confidence in the repeatability in producing similar diamonds. (The parcel size is the total weight of diamonds (in carats) in the parcel).

- Length of time since the diamonds were processed. The mining activity at Ellendale finished in 2015, some of the samples in this report date back to 2006. Given the length of these periods, any extrapolation of prices to the present time will have an element of risk.
- Pricing sensitivity of the Fancy Yellow component. Worldwide, less than 0.1% of diamonds mined are Fancy Yellow. Therefore, actual sales data for Fancy Yellow diamonds is limited, and unlike white diamonds there is no detailed polished index which makes extrapolation of prices more difficult. IDVI's valuation system was used throughout the Ellendale production, which at the time accounted for around 50% of the world's Fancy Yellow diamonds, so provides a comprehensive basis for this work.
- Current volatile market conditions. Recently the rough diamond market has gone through a volatile period, making diamond valuations less certain.

#### **4.0 Summary and Lookahead**

The Board is very pleased with the updated valuation data for the Ellendale Diamond Project. These valuations confirm the uniqueness and value of the Fancy Yellows at Ellendale.

The high valuation prices for diamonds recovered from previous testing of the Main Lights Stockpile samples LS1, LS2 and LS3 is of particular interest as this stockpile area is one of the Company's main development targets at Ellendale. The high valuation for diamonds recovered from the E12 alluvials, at US\$796 per carat, is also exciting, especially as this area is in proximity (~3km) to the E9 pit and the Main Lights Stockpile.

The Company is actively seeking the grant of the three mining license applications M04/475, M04/476 and M04/477 (Figure 1), which cover the main portions of the historic workings at E4 and E9, the Main Lights Stockpiles together with the highly prospective E12 alluvials. This process is moving forward.

Resource and other studies are underway over the four main target areas in the vicinity of Ellendale 9 with the aim of delivering a profitable diamond mining operation. These areas are the E9 Lights Stockpiles, E9 West Alluvials, E9 East Alluvials and the E12 Alluvials. The diamond valuations in this report will greatly assist these studies moving forward. These studies will be released to the ASX once complete.

Jim Richards  
Executive Chairman

Enquiries To: Mr Jim Richards +61 8 9422 9555

## References - including Table 1 JORC information:

<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 and 23 December 2019

<sup>2</sup>Blina Diamond Project, Fancy Yellows Value Increases by 131% to US 3,391 per carat; POZ ASX Release dated 6 November 2017

<sup>3</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

<sup>4</sup>Blina Diamond Project, Fancy Yellows Value Increases by 131% to US 3,391 per carat; POZ ASX Release dated 6 November 2017

<sup>5</sup>Ellendale 9 East Diamond Values Increase 20% to US\$750/carats; GIB ASX Release dated 3 March 2020

<sup>6</sup>Ellendale 9 Diamond Assessment Reports Vivid and Intense Fancy Yellows; GIB ASX Release dated 25 May 2020

<sup>7</sup>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





## INDEPENDENT DIAMOND VALUERS INTERNATIONAL PTY LTD

### Ellendale/Blina Diamond Project, Western Australia:

#### Diamond Re-Valuation May 2023

### 1.0 Context

Independent Diamond Valuers International ('IDVI') has been requested to provide an updated valuation for the Lights Stockpiles, Alluvial Channels and Hard Rock components of the Ellendale/Blina Diamonds project 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 updated appraisal has been based on

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

### 2.0 Price Sensitivity

The price sensitivity varies between the valuation parcels based on:

- The volume of diamonds processed. The larger the diamond parcel size, the greater the confidence in the predicted repeatability of the diamond production. Smaller parcel sizes have a lower level of confidence in the repeatability in producing similar diamonds. (The parcel size is the total weight of diamonds (in carats) in the parcel).
- Length of time since the diamonds were processed. The mining activity at Ellendale finished in 2015, some of the samples in this report date back to 2006. Given the length of these periods, any extrapolation of prices to the present time will have an element of risk.

# INDEPENDENT DIAMOND VALUERS INTERNATIONAL PTY LTD

- Pricing sensitivity of the Fancy Yellow component. Worldwide, less than 0.1% of diamonds mined are Fancy Yellow. Therefore, actual sales data for Fancy Yellow diamonds is limited, and unlike White Diamonds there is no detailed polished index which makes extrapolation of prices more difficult. IDVI's valuation system was used throughout the Ellendale production, which at the time accounted for around 50% of the worlds Fancy Yellow Diamonds, so provides a comprehensive basis for this work.
- Current volatile market conditions. Recently the rough diamond market has gone through a volatile period, making diamond valuations less certain.

## **2.1 Lights Stockpiles**

These samples were processed in 2013 by Kimberley Diamond Company (KDC). Due to the relatively small diamond parcel sizes which were evaluated, IDVI believe these results to be sufficient only for an indicative valuation. The relatively small diamond parcel sizes evaluated from the Lights Stockpiles have a higher pricing sensitivity regarding how replicable these results are, reducing the pricing certainty on any future sale of this production.

Of note, the pricing and Fancy Yellow component of the Main Lights Stockpile (LS1-LS4 in Table 1) is very similar to the main E9 pit results from mining.

## **2.2 Alluvial Channels**

These diamond samples were all processed between 2006-2008. Due to the significant time elapsed since all the Alluvials were last mined, this makes the valuation insufficient for pricing certainty on any future sales of this production.

The significantly larger volumes of diamonds mined from the E9 West Alluvials provide more pricing certainty and a lower price sensitivity when compared to the volumes of the other Alluvial channels.

## **2.3 Hard Rock**

The E9 and E4 hard rock valuations are based on initial IDVI modelling and mining data between 2002 and 2015. This data is considered by IDVI to be sufficient for an indicative valuation and has the lowest pricing sensitivity, although the length of time between when it was last sold and the current volatile market produces some reservation to the pricing certainty for any future sales of this production.

## **2.4 Market Conditions**

The rough diamond market had been consolidating in the latter half of 2019 but has been in a constant state of fluctuation since the 2020 Covid crisis when prices decreased dramatically. In 2021 prices increased before a spike in early 2022 sent prices above the previous of 2011 peak rough diamond prices, however the peak that was reached was not sustained with a substantial retreat before once again stabilising somewhat in 2023. The effect of US sanctions on Russian Rough Diamond production is also problematic making some diamond categories within the market more reactive to availability.

These conditions make any valuation problematic and any prices produced in this report may not be replicable.

## **2.5 Pricing Opportunity**

Kimberley Diamond Company's (KDC) Ellendale mine was contracted to sell the Fancy Yellow component of their production to Laurelton Diamonds (the jeweller Tiffany & Co), this agreement was based on a percentage premium above the diamond market pricing. 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. May 2023 Valuations**

All values are in US Dollars.

All diamonds recovered were in the in the 1.5-16mm range. The only exception to this were diamonds recovered from the Blina Alluvial Pit 82 which were recovered in the 1.2 to 14mm range.

The original valuation or sale prices for the diamond parcels have been used as the basis for this valuation and then compared to the estimated current market. The data from the E12 alluvials, E9 East alluvials and E9 West alluvials is only available on a \$ per carat basis from the sales data between 2006 to 2008, therefore a generic index price was used to compare it to the current estimated valuation price.

For the Lights Stockpiles, the original 2013 detailed valuations were used allowing for a more targeted approach in revaluing to current price estimates.

# INDEPENDENT DIAMOND VALUERS INTERNATIONAL PTY LTD

Table 1: Lights Stockpiles Diamond Valuations 2023

Lights Parcel	Lights Stockpile	Price per Carat US\$	Weight Carats	Total Value US\$
LS1	Main Lights	\$1,101	225.7	\$248,496
LS2	Main Lights	\$1,443	92.1	\$132,900
LS3	Main Lights	\$710	189.0	\$134,190
LS4	Main Lights	\$433	161.1	\$69,756
LS5	Sound Barrier	\$532	143.2	\$76,182
LS6	Sound Barrier	\$81	19.3	\$1,563
LS7	West Lights	\$398	149.2	\$59,382

Table 2: Alluvial Diamond Valuations 2023

Alluvial Channels	Price per Carat US\$	Weight Carats	Total Value US\$
E12 Alluvials	\$796	428.3	\$340,927
E9 East Alluvials	\$828	832.8	\$689,567
E9 West Alluvials	\$252	27,298.8	\$6,879,290
Blina Alluvials	\$555	1,497.5	\$831,135

Table 3: Hard Rock Diamond Valuations 2023

Pipe	Price per Carat US\$	Weight Carats	Total Value US\$
E9 East	\$1,045	16,551.3	\$17,296,109
E9 West	\$644	10,152.0	\$6,537,888
E9 (Average)	\$788	38,748.5	\$30,533,818
E4	\$211	136,127.2	\$28,722,839
E4 Satellite	\$218	864.4	\$188,439

#### **4.0 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.paulzimnisky.com/>

Rod Criddle  
Director



INDEPENDENT DIAMOND VALUERS INTERNATIONAL PTY LTD

<http://idviptyltd.com>

idviptyltd@gmail.com