



GIBB RIVER

DIAMONDS

Gibb River Diamonds Limited

ABN 51 129 158 550

Interim Financial Report

31 December 2019

TABLE OF CONTENTS

DIRECTORS' REPORT.....	3
AUDITOR'S INDEPENDENCE DECLARATION	5
CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	6
CONDENSED STATEMENT OF FINANCIAL POSITION.....	7
CONDENSED STATEMENT OF CASH FLOWS.....	8
CONDENSED STATEMENT OF CHANGES IN EQUITY.....	9
NOTES TO THE INTERIM FINANCIAL STATEMENTS.....	10
DIRECTORS' DECLARATION	15
INDEPENDENT AUDITOR'S REVIEW REPORT	16

GIBB RIVER DIAMONDS LIMITED

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT

Your Director's submit their report for the half-year ended 31 December 2019.

DIRECTORS

The names of the Gibb River Diamonds Ltd (the "Company" or "GIB") Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr James (Jim) Richards – Non Executive Chairman

Mr Grant Mooney – Non Executive Director and Company Secretary

Mr Mark Thompson – Non Executive Director

OPERATING RESULTS

The loss from ordinary activities after tax of the Company for the half-year ended 31 December 2019 was \$196,451 (2018: \$400,195).

REVIEW OF OPERATIONS

Gibb River Diamonds Limited (GIB) is pleased to present its half yearly Review of Operations for the six-month period ended 31 December 2019.

1.0 Blina Diamond Project (Western Australia)

GIB 100%

During the half year, the Company acquired leases over the Ellendale Diamond Mine and Project area, located in the West Kimberley region of Western Australia.

GIB was invited by the Honourable Bill Johnston, WA Minister for Mines to apply for various GIB nominated mining leases at Ellendale under an EOI process run by the State Government. GIB has already applied for two exploration licenses, with mining and prospecting licenses to be pegged pending surveyor availability.

These leases cover the most prospective ground at Ellendale (Figure 1), including the two previous hard rock mines at E4 and E9 and all of the previous extensive alluvial mines, workings and prospects.

The Ellendale Project has been one of the world's foremost diamond producers with past production of approximately 1.3 million carats. This included the annual supply of over 50% of the world's Fancy Yellow diamonds, which were the subject of a special marketing agreement between the former operator and Tiffany & Co.

GIB now owns these leases outright, covering most prospective diamond bearing ground in Australia and with no private royalties. This magnificent opportunity allows the Company to develop this exciting area with its huge potential and move towards our goal of becoming Australia's next diamond producer.

The Blina Alluvials Target is a part of the Ellendale Project. It's proven diamondiferous alluvial channel derives its diamonds from the E9 pipe. This project has been successfully progressed by GIB in recent times and now has granted mining leases and is fully permitted. An alluvial diamond processing plant, including Sortex machines, has been purchased and the project is 'shovel ready'. This equipment would be suitable for both the Blina and E9 North alluvials.

Project financing (A\$2.5 million) is required to mobilise and commission the plant and equipment, conduct site works, install a camp and have capital to conduct four months of bulk sampling operations including trial mining of the best sampled grades.

2.0 Horse Well Gold Project (Western Australia)

GIB 20%

GIB retains a 20% interest in E69/2820 which is free carried up to the completion of a bankable feasibility study. This tenement is a part of Alloy Resources Limited (ASX: AYR) Horse Well Gold Project which lies approximately 50km north-east of the major Jundee gold mine. This project is currently being explored by AYR <http://www.alloyres.com/projects/horse-well-gold-project>.

GIBB RIVER DIAMONDS LIMITED

INTERIM FINANCIAL REPORT

DIRECTORS' REPORT (CONTINUED)

REVIEW OF OPERATIONS (CONTINUED)

3.0 Highland Plains Phosphate Project (Northern Territory)

GIB 100%

The Highland Plains Phosphate Project has a JORC compliant Inferred Resource of 53 million tonnes at 16% P₂O₅. Substantial amounts of drilling and scoping study work have been done at Highland Plains with proposed solutions for beneficiation to higher grades and product transport logistics using a slurry pipeline.

GIB is currently seeking interested parties with a view to the sale of Highland Plains.

DIVIDENDS

No dividends have been paid or declared since the start of the period and the Directors do not recommend the payment of a dividend in respect of the financial half-year.

EVENTS AFTER BALANCE DATE

No matters or circumstances have arisen since the end of the half-year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

We have obtained an independence declaration from the lead auditor of Gibb River Diamonds Limited, HLB Mann Judd, which is included on page 5.

Signed in accordance with a resolution of the Directors



JAMES RICHARDS

Chairman

Dated: 12 March 2020



GRANT MOONEY

Non-Executive Director/Company Secretary

Competent Persons Statement

¹ The Company is not aware of any new information or data that materially affects the information included in the previous announcement (JORC 2004) and that all of the previous assumptions and technical parameters underpinning the estimates in the previous announcement have not materially changed.

The information in this report that relates to Mineral Resources at the Highland Plains Phosphate Project is based on information compiled by Jim Richards who is a Member of the Australasian Institute of Mining and Metallurgy (AusIMM). Mr Richards is a director of Gibb River Diamonds Limited, and 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 a competent Person as defined in the December 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the JORC Code). Mr Richards consents to the inclusion in this report of the Information, in the form and context in which it appears.

The information in this report that relates to previously reported Exploration is based on information compiled by Mr Jim Richards who is a Member of The Australasian Institute of Mining and Metallurgy. Mr Richards is a Director of Gibb River Diamonds Ltd. 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 (the JORC Code). 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.



AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Gibb River Diamonds Limited for the half-year ended 31 December 2019, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) any applicable code of professional conduct in relation to the review.

Perth, Western Australia
12 March 2020

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner

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GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT

CONDENSED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

	NOTE	31 December 2019 \$	31 December 2018 \$
Interest income	5	8,244	14,077
Other income from ordinary activities	5	157,085	190,000
Total Other Income		165,329	204,077
Exploration expenses		18,321	(6,520)
Exploration written off		1,715	-
Employee benefits expense		69,488	79,046
Accounting and audit		45,193	59,360
Corporate advisory fees		-	1,950
Company secretarial expenses		24,000	24,000
Depreciation expense		2,012	1,773
Rental expenses		27,099	28,478
Administration expenses		50,278	72,033
Share based payments		109,874	107,852
Net fair value loss on financial assets at fair value through profit or loss		13,800	236,300
Total Expenses		(361,780)	(604,272)
Loss for the period before income tax benefit		(196,451)	(400,195)
Income tax benefit	5	-	-
Loss for the period after income tax benefit		(196,451)	(400,195)
Other Comprehensive Income/(Loss)		-	-
Total Comprehensive Loss for the period		(196,451)	(400,195)
		Cents	Cents
Basic loss per share (cents per share)		(0.110)	(0.223)
Diluted loss per share (cents per share)		(0.110)	(0.223)

The accompanying notes form part of the financial statements.

GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT

CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	NOTE	31 December 2019 \$	30 June 2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents		1,014,282	1,272,846
Trade and other receivables		31,877	34,956
Prepayments		22,494	28,993
Assets classified as held for sale	8	693,268	679,783
Total Current Assets		1,761,921	2,016,578
Non-Current Assets			
Property, plant and equipment		388,306	390,317
Environmental Bond		21,859	21,859
Financial assets at fair value through profit or loss	6	85,050	98,850
Exploration and evaluation expenditure	7	1,064,227	874,109
Total Non-Current Assets		1,559,442	1,385,135
TOTAL ASSETS		3,321,363	3,401,713
LIABILITIES			
Current Liabilities			
Trade and other payables		50,766	52,970
Provisions		89,683	81,252
TOTAL LIABILITIES		140,449	134,222
NET ASSETS		3,180,914	3,267,491
EQUITY			
Issued capital	9	15,749,292	15,749,292
Reserves	10	438,765	328,891
Accumulated losses		(13,007,143)	(12,810,692)
TOTAL EQUITY		3,180,914	3,267,491

The accompanying notes form part of the financial statements.

GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT

CONDENSED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2019

	31 December 2019	31 December 2018
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(218,276)	(221,438)
Interest received	8,280	9,767
Receipt of research and development refund	156,835	210,040
	<hr/>	<hr/>
NET CASH FLOWS USED IN OPERATING ACTIVITIES	(53,161)	(1,631)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	-	(82,596)
Payments for assets held for sale	(9,485)	-
Payments for exploration, evaluation and development expenditure	(195,918)	(257,255)
Receipt of tenement sale option fees	-	176,000
	<hr/>	<hr/>
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(205,403)	(163,851)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issue of shares	-	-
Share issue expenses	-	-
	<hr/>	<hr/>
NET CASH FLOWS FROM FINANCING ACTIVITIES	-	-
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD	(258,564)	(165,482)
	<hr/>	<hr/>
Cash and cash equivalents at the beginning of the period	1,272,846	1,670,857
	<hr/>	<hr/>
Cash and cash equivalents at the end of the period	1,014,282	1,505,375
	<hr/>	<hr/>

The accompanying notes form part of the financial statements.

GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT

CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 DECEMBER 2019

	Ordinary Shares \$	Share Option Reserve \$	Available- for-sale financial assets Reserve \$	Accumulated Losses \$	Total \$
Balance 1 July 2019	15,749,292	328,891	-	(12,810,692)	3,267,491
Loss for the period	-	-	-	(196,451)	(196,451)
Total comprehensive loss for half year	-	-	-	(196,451)	(196,451)
Expense options previously issued	-	109,874	-	-	109,874
Balance as at 31 December 2019	15,749,292	438,765	-	(13,007,143)	3,180,914
	Ordinary Shares \$	Share Option Reserve \$	Available- for-sale financial assets Reserve \$	Accumulated Losses \$	Total \$
Balance at 1 July 2018	15,749,292	165,877	(167,500)	(11,815,151)	3,932,518
Adjustment from adoption of AASB 9 (refer Note 2)	-	-	167,500	(167,500)	-
Adjusted balance 1 July 2018	15,749,292	165,877	-	(11,982,651)	3,932,518
Loss for the period	-	-	-	(400,195)	(400,195)
Total comprehensive loss for half year	-	-	-	(400,195)	(400,195)
Expense options previously issued	-	106,990	-	-	106,990
Expired options being transferred	-	(52,920)	-	52,920	-
Employee options issued	-	862	-	-	862
Balance as at 31 December 2018	15,749,292	220,809	-	(12,329,926)	3,640,175

The accompanying notes form part of the financial statements.

GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

1. CORPORATE INFORMATION

The financial report of Gibb River Diamonds Limited (the "Company") for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the directors on 12 March 2019.

Gibb River Diamonds Limited is a company incorporated in Australia and limited by shares which are publicly traded on the Australian Securities Exchange Limited (ASX Code: GIB).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These condensed interim financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134 'Interim Financial Reporting', Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

This condensed half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, it cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Gibb River Diamonds Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

(b) Basis of preparation

The interim financial statements have been prepared on a historical cost basis, except for the revaluation of certain financial instruments to fair value. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the interim report, the half-year has been treated as a discrete reporting period.

The accounting policies and methods of computation adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for the impact of the new and revised standards effective 1 July 2019 outlined in Note 1(c) below.

(c) Adoption of new and revised Accounting Standards

In the period ended 31 December 2019, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Group and effective for the current reporting period. Those which may have a material impact on the Group in the future are set out below.

GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)
(c) Adoption of new and revised Accounting Standards (continued)

AASB 16 Leases

Change in accounting policy

AASB 16 Leases supersedes AASB 117 Leases. The Company has adopted AASB 16 from 1 July 2019 which has resulted in changes in the classification, measurement and recognition of leases. The changes result in almost all leases where the Company is the lessee being recognised on the Statement of Financial Position and removes the former distinction between 'operating' and 'finance' leases. The new standard requires recognition of a right-of-use asset (the leased item) and a financial liability (to pay rentals). The exceptions are short-term leases and leases of low value assets.

The Group has adopted AASB 16 using the modified retrospective approach under which the reclassifications and the adjustments arising from the new leasing rules are recognised in the opening Condensed Statement of Financial Position on 1 July 2019. Under this approach, there is no initial impact on accumulated losses, and comparatives have not been restated.

Impact on adoption of AASB 16

All Group leases have a term of less than 12 months or relate to low value assets and the Company has applied the optional exemptions to not capitalise these leases and instead account for the lease expense on a straight-line basis over the lease term.

Therefore, the adoption of AASB 16 resulted in the recognition of right-of-use assets of \$nil and lease liabilities of \$nil in respect of all operating leases.

The net impact on accumulated losses on 1 July 2019 was \$nil.

Standards and Interpretations in issue not yet adopted

The Directors have also reviewed all of the new and revised Standards and Interpretations in issue not yet adopted for the period ended 31 December 2019. As a result of this review the Directors have determined that there is no material impact of the Standards and Interpretations in issue not yet adopted on the Group and, therefore, no change is necessary to Group accounting policies.

(d) Significant accounting judgements and key estimates

The preparation of interim financial reports requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

In preparing this interim report, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial report for the year ended 30 June 2019.

3. FINANCIAL RISK MANAGEMENT

Other aspects of the Company's financial risk management objectives and policies are consistent with that disclosed in the annual financial report as at and for the year ended 30 June 2019.

4. SEGMENT INFORMATION

The Company has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Company operates solely in the natural resources exploration industry in Australia and has determined that there are no operating segments. The Company is predominantly involved in exploration for diamonds, gold and phosphate.

GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

5. OTHER INCOME FROM ORDINARY ACTIVITIES

	31 December 2019	31 December 2018
	\$	\$
Interest received from financial institutions	8,244	14,077
Tax incentive for Research & Development expenditure	156,835	-
Other income	250	190,000
Total other income	165,329	204,077

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Equity financial assets are recognised at fair value through profit or loss and are classified as fair value through profit or loss financial assets.

	31 December 2019	30 June 2019
	\$	\$
Listed shares ⁽¹⁾	84,250	96,250
Unlisted options ⁽²⁾	800	2,600
	85,050	98,850

(1) Listed shares are valued at fair value according to closing ASX share price on last trading day of each period.

(2) Unlisted options are valued using the Black-Scholes method at the issued date. The options are exercisable at \$0.25, expiring on 30 April 2021. They are valued using a risk-free rate of 0.75% (June 2019 1.5%) and 100% volatility. The unlisted options have been revalued at balance date.

7. EXPLORATION AND EVALUATION EXPENDITURE

	Half-year to 31 December 2019	Year to 30 June 2019
	\$	\$
Opening balance	874,109	1,241,857
Exploration and evaluation capitalised during period	191,833	372,756
Less: Impairment	(1,715)	(60,721)
Less: Transfer to assets held for sale	-	(679,783)
Closing balance	1,064,227	874,109

8. ASSETS CLASSIFIED AS HELD FOR SALE

	Half-year to 31 December 2019	Year to 30 June 2019
	\$	\$
Opening Balance	679,783	-
Transfer from Exploration and Evaluation Expenditure ⁽¹⁾	-	679,783
Additional expenditure	13,485	-
Closing balance	693,268	679,783

(1) In November 2018 the Company granted an Option to sell 100% of its wholly owned Highland Plains Phosphate Project in the Northern Territory to a private Canadian company, ILS Resources Inc (formerly P2O5 Resources Inc ('P2O5')). The initial Option fee payment of \$100,000 (plus GST) was received and a further \$100,000 (plus GST) was paid in March 2019. The option has expired. A further party is still indicating active interest in the project and communication is ongoing.

GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

9. ISSUED CAPITAL

	Number of shares	\$
Opening Balance 1 July 2018	179,079,445	15,749,292
Closing Balance 30 June 2019	179,079,445	15,749,292
Opening Balance 1 July 2019	179,079,445	15,749,292
Closing Balance 31 December 2019	179,079,445	15,749,292

10. RESERVES

	No of Options	For the 6 months ended 31 December 2019 \$	For the 12 months ended 30 June 2019 \$
Opening Balance		328,891	165,877
Movements:			
Consultant Options issued 16/10/2017	6,000,000	24,996	49,581
Directors Options issued 26/10/2017	5,000,000	27,928	55,399
Employees' Options issued 26/10/2017	500,000	2,793	5,540
Consultant Options issued 20/02/2018	3,000,000	51,273	101,714
Employees' Options issued 07/11/2018	500,000	2,884	3,700
Less expired options		-	(52,920)
Closing Balance	15,000,000	438,765	328,891

10. COMMITMENTS AND CONTINGENCIES

In June 1992 the High Court of Australia held in the Mabo case that the common law of Australia recognises a form of native title. The full impact that the Mabo decision may have on tenements held by the Company is not yet known. The Company is aware of native title claims that have been lodged with the National Native Title Tribunal ("the Tribunal") over several areas in the Northern Territory in which the Company holds interests. The native title claims have been accepted by the Tribunal for determination under section 63(1) of the Native Title Act 1993 (Commonwealth).

Operating Lease Commitment:

The Company entered into a rental agreement commencing 16 May 2018 for a period of 24 months to 15 May 2020. This is considered a short-term lease as there are less than 12 months remaining as at 31 December 2019.

<u>Office Rental</u>	31 December 2019 \$	31 December 2018 \$
Due within 1 year	19,447	58,869
Due 2 to 5 years	-	22,199
Total	19,447	81,068

Exploration Expenditure Commitments

The Company has minimum statutory commitments as conditions of tenure of certain mining tenements. Whilst these obligations may vary, a reasonable estimate of the minimum commitments if it is to retain all of its present interests in mining and exploration properties is \$164,300 (30 June 2019: \$186,000).

GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT
NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2019

11. RELATED PARTY TRANSACTIONS WITH DIRECTOR RELATED ENTITIES

During the half year, a company associated with Grant Mooney was paid for company secretarial services provided to the Company totalling \$24,000 (2019: \$24,000).

Arrangements with other related parties continue to be in place. For details of these arrangements, refer to the 30 June 2019 annual financial report.

12. EVENTS AFTER THE BALANCE DATE

No matters or circumstances have arisen since the end of the half year which have significantly affected or may significantly affect the operations or the state of affairs of the Company in the future financial year.

13. FAIR VALUE MEASUREMENT OF FINANCIAL ASSETS

Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the fair value hierarchy, as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- **Level 3:** inputs for the asset or liability that is not based on observable market data (unobservable inputs)

The Company's financial assets and financial liabilities measured and recognised at fair value at 31 December 2019 and 30 June 2019 on a recurring basis are as follows:

	Level 1	Level 2	Level 3	Total
31 December 2019				
Listed equities	84,250	-	-	84,250
Unlisted options	-	800	-	800
Total	84,250	800	-	85,050
30 June 2019				
Listed equities	96,250	-	-	96,250
Unlisted options	-	2,600	-	2,600
Total	96,250	2,600	-	98,850

The methods of valuation are the same as at 30 June 2019.

The carrying amounts of financial assets and financial liabilities not measured at fair value on a recurring basis approximates their fair value at balance date.

GIBB RIVER DIAMONDS LIMITED

INTERIM FINANCIAL REPORT

DIRECTORS' DECLARATION

In accordance with a resolution of the Directors of Gibb River Diamonds Limited, we declare that:

- (a) the financial statements and notes of the entity are in accordance with the *Corporations Act 2001*, including:
 - i. give a true and fair view of the Company's financial position as at the 31 December 2019 and of its performance for the half-year ended; and
 - ii. comply with Australian Accounting Standards (AASB 134 *Interim Financial Reporting*);
- (b) In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



JAMES RICHARDS
Chairman



GRANT MOONEY
Non-Executive Director/Company Secretary

Perth, 12 March 2020



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gibb River Diamonds Limited

Report on the Condensed Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Gibb River Diamonds Limited ("the company"), which comprises the condensed statement of financial position as at 31 December 2019, the condensed statement of profit or loss and other comprehensive income, the condensed statement of changes in equity and the condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Gibb River Diamonds Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the company's financial position as at 31 December 2019 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the company's financial position as 31 December 2019 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with

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GIBB RIVER DIAMONDS LIMITED
INTERIM FINANCIAL REPORT



Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

A handwritten signature in blue ink that reads 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

Perth, Western Australia
12 March 2020

A handwritten signature in blue ink that reads 'D I Buckley'.

D I Buckley
Partner