GIBB RIVER DIAMONDS LIMITED
ABN 51 129 158 550

FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2023

CONTENTS

CORPORATE DIRECTORY

Directors
Jim Richards
Executive Chairman

Tom Reddicliffe
Non-Executive Director

Grant Mooney
Non-Executive Director
& Company Secretary

ASX Code
GIB

ABN
51 129 158 550

Website & Email
Website: www.gibbriverdiamonds.com
Email: info@gibbriverdiamonds.com

Principal Place of Business
Ground Floor
1/16 Ord Street
West Perth WA 6005
Phone: +61 (8) 9422 9555
Fax: +61 (8) 9422 9599

Registered Office
Suite 4, 6 Richardson Street
West Perth WA 6005
Phone: +61 (8) 9226 0085

Share Registry
Link Market Services
Level 12 QV1 Building
250 St George's Terrace
Perth WA 6000
Phone: 1300 554 474
Fax: +61 (8) 9211 6660

Auditors
HLB Mann Judd (WA Partnership)
Level 4, 130 Stirling Street
Perth WA 6000
Phone: +61 (8) 9227 7500

DIRECTORS' REPORT
30 JUNE 2023

The Directors present their report together with the financial report on Gibb River Diamonds Limited ("GIB" or "the Company") for the year ended 30 June 2023. In order to comply with the provisions of the Corporations Act 2001, the Directors' report is as follows.

DETAILS OF DIRECTORS

The names and particulars of the directors of the Company holding office during the year and to the date of this report are:

MR JAMES (JIM) RICHARDS
B.Sc. Hons (Geology), MAusIMM
Executive Chairman

Jim Richards is a geology graduate of the University of London. He is a Perth based Company director and geologist with 24 years' experience in exploration for a wide variety of commodities.

Prior to the ASX listing of Phosphate Australia Limited (now Gibb River Diamonds Limited), Mr Richards was the chief executive officer and director of United Minerals Corporation NL ("UMC"). At UMC, Mr Richards led the technical team that discovered the high-grade iron 'Railway Deposit' in the Pilbara. BHP Billiton acquired the Railway Deposit in February 2010 by a take-over of UMC for AUD$204 million.

Mr Richards has considerable overseas experience including running his own alluvial diamond dredging operation in Guyana, South America and work on the Omai gold project (that became a major mine) also in Guyana. Other resources work includes operating in Indonesia and two years spent in both Laos and Pakistan.

Previous employers and clients have included Newmont Mining Corporation, BHP Billiton Limited and Woodside Energy Limited. Prior to his corporate career, Mr Richards served as a regular officer in the British Army Parachute Regiment.

MR GRANT MOONEY
B.Bus, CA
Non-executive Director & Company Secretary

Grant Mooney is the principal of Perth-based corporate advisory firm Mooney & Partners, specialising in corporate compliance administration to public companies. Mr Mooney has gained extensive experience in the areas of corporate and project management since commencing Mooney & Partners in 1999. His experience extends to advice on capital raisings, mergers and acquisitions and corporate governance.

Currently, Mr Mooney serves as a director to several ASX listed companies across a variety of industries including technology and resources. He is a director of Carnegie Clean Energy Limited, Aurora Labs Limited, Accelerate Resources Limited, Riedel Resources Limited, and Talga Group Limited. Mr Mooney is a member of the Chartered Accountants Australia and New Zealand. He was a previous Director of Greenstone Resources Limited (formally Barra Resources Limited), until his resignation on 18 August 2021, and SRJ Technologies Limited, until his resignation on 17 January 2023.

MR TOM REDDICLIFFE
BSc (Hons), MSc (Geol), FAusIMM
Non-executive Director

Tom Reddicliffe is a geologist with some 36 years of largely Australian focused diamond exploration and evaluation experience having graduated with an Honours degree in geology in 1974 from the University of Queensland. He is currently a Fellow of the Australian Institute of Mining and Metallurgy.

Mr Reddicliffe joined Ashton Mining Limited in 1976, and worked with the AEJV exploration teams at both Ellendale and Argyle. He was appointed the Australian Exploration Manager of Ashton Mining Limited in 1991 and remained in that position up until Ashton was taken over by Rio Tinto in late 2000. During his position as exploration manager with Ashton Mining Limited, Mr Reddicliffe was credited with discovering the Merlin diamond pipes in the Northern Territory in 1993 which became a renowned producer of large, good quality white diamonds. Merlin produced Australia's largest diamond - the 104.73 carat gemstone Jungiila-Bunajina.

After his tenure with Ashton Mining Limited, Mr Reddicliffe joined Striker Resources (renamed North Australian Diamonds Limited in 2004) as Technical Director from 2003 and was appointed CEO in 2007. Mr Reddicliffe stepped down from the Board of North Australian Diamonds Limited in mid-2011. Mr Reddicliffe is he current Executive Chairman of Errawarra Resources Limited (appointed non-Executive director 2 November 2020) and is Executive Director of GreenTech Metals Limited.

DIRECTORS' REPORT
30 JUNE 2023

DIRECTORSHIP OF OTHER LISTED COMPANIES

Directorships of other listed companies held by directors in the three years immediately before the end of the year are as follows:

Director	Company	Year of directorship
Grant Mooney	Accelerate Resources Limited	1 June 2017 to the present
	Carnegie Clean Energy Limited	19 February 2008 to the present
	Riedel Resources Limited	31 October 2018 to present
	Talga Resources Limited	20 February 2014 to the present
	Aurora Labs Limited	25 March 2020 to the present
	Greenstone Resources Limited	29 November 2002 to 19 August 2022
	SRJ Technologies Limited	2 June 2020 to 17 January 2023
Tom Reddicliffe	Errawarra Resources Limited	2 November 2020 to the present
	GreenTech Metals Limited	24 March 2021 to the present

DIRECTORS' SHARE AND OPTION HOLDINGS

At the date of this report, the direct and indirect interest of the Directors in the shares and options of the Company were:

Director	Ordinary Shares	Options (Unlisted)
James Richards *(i)*	41,683,592	12,000,000
Grant Mooney *(ii)*	9,400,516	6,000,000
Tom Reddicliffe *(iii)*	Nil	6,000,000

(i) *James Richards holds 33,339,515 shares and 5,000,000 unlisted options in his own name. Llangurig Super Pty Ltd <Jim Richards Super Fund A/c>, in which James Richards is a director and beneficiary holds 8,344,077 shares and 7,000,000 unlisted options.*

(ii) *Grant Mooney holds 2,238,888 shares in his own name. Samantha Mooney, spouse of Grant Mooney holds 13,333 shares and Mooney & Partners Pty Ltd of which Grant Mooney is the sole director holds 1,271,628 shares. Ocean Flyers Pty Ltd <S&G Mooney Super Fund>, in which Grant Mooney is a director and beneficiary holds 5,876,667 shares. Grant Mooney holds 6,000,000 options in his own name.*

(iii) *Tom Reddicliffe holds 6,000,000 options in his own name.*

PRINCIPAL ACTIVITIES

The principal activity of the Company is mineral exploration.

OPERATING RESULTS

The loss from ordinary activities after income tax of the Company for the year ended 30 June 2023 was $683,912 (2022 restated: $988,735).

DIRECTORS' REPORT
30 JUNE 2023

REVIEW OF OPERATIONS

The Company is pleased to present its annual Review of Operations for the year ended 30 June 2023.

1.0 Ellendale Diamond Project (Western Australia) GIB 100%

On 24 March 2023, the Company regained 100% control of the Ellendale Diamond Project, WA. This was as a result of an Option agreement with ASX listed Burgundy Diamond Mines Limited (ASX: BDM) expiring.

The Company is seeking to re-establish diamond production at Ellendale and is well advanced in achieving the grant of the three key mining license applications M04/475, M04/476 and M04/477 which cover the main portions of the historic workings at Ellendale.

Updated diamond valuations from Ellendale were published during the year.

2.0 Edjudina Gold Project (Western Australia) GIB 100%

During the year, the Company conducted an Aircore drill program over the Edjudina Gold Project located in the Eastern Goldfields region of Western Australia. Metallurgical testing of the Neta Prospect was also conducted and reported on during the year.

Both of these programs at Edjudina were successful and have assisted in the compilation of the Mineral Resource Estimate at the Neta Prospect which is pending.

3.0 Iroquois Zinc Lead Project (Western Australia) GIB 20%

GIB retains a 20% interest in E69/2820 which lies approximately 100km north-east of Wiluna, WA. The 20% GIB project equity is free carried up to the completion of a bankable feasibility study. This tenement is a part of Strickland Metals Limited's (ASX:'STK'; previously Alloy Resources Limited) historic Earaheedy Zn-Pb Project. Drilling conducted during the year on this project by STK met with considerable success, further drilling and an IP survey is planned for the September quarter.

4.0 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% P_2O_5. Substantial amounts of drilling and scoping study work have been done by GIB 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 an equity partner or trade sale for Highland Plains.

MATERIAL BUSINESS RISKS

The Company's principal activity is mineral exploration and development and companies in this industry are subject to many and varied kinds of risks. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage such risks to the extent possible and practical. Following are the material business risks which the Company believes are most important in the context of the Company's business.

Exploration and Development Risks

Few mineral properties which are explored are ultimately developed into producing mines. There can be no guarantee that the estimates of quantities and qualities of minerals disclosed will be economically recoverable. Mineral exploration is speculative in nature and there can be no assurance that any minerals discovered will result in the definition of a mineral resource.

The economics of developing gold and other mineral properties is affected by many factors, including the cost of operations, variations in the grade of minerals mined, fluctuations in metal markets, costs of processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. The long-term success of the Company depends on its ability to explore, develop and commercially produce minerals from its mineral properties and to locate and acquire additional properties worthy of exploration and development for minerals.

Changes to legislation and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on the Company and cause increases in capital expenditures or production costs or reduction in levels of production at any future producing properties or require abandonment or delays in the development of new mining properties.

DIRECTORS' REPORT
30 JUNE 2023

Permits and licenses

The activities of the Company will be subject to government approvals, various laws governing exploration, development, production taxes, labour standards and occupational health, mine safety, toxic substances and other matters, including issues affecting local native populations. Amendments to current laws and regulations governing operations and activities of exploration and mining, or more stringent implementation thereof, could have a material adverse impact on the business, operations and financial performance of the Company. Further, the mining licenses and permits issued in respect of the Company's mineral properties may be subject to conditions which, if not satisfied, may lead to the revocation of such licenses. In the event of revocation, the value of the Company's investments in its mineral properties may decline.

Access to Financing

The Company is at the exploration and development stage with no revenue currently being generated from activities on its mineral properties. The Company may therefore have to raise the capital necessary to undertake or complete future exploration and development work, including drilling programs and a feasibility study. There can be no assurance that debt or equity financing will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to the Company. Moreover, future activities may require the Company to alter its capitalisation significantly. An inability to access sufficient capital for operations could have a material adverse effect on the Company's financial condition, results of operations or prospects. In particular, failure to obtain such financing on a timely basis could cause the Company to delay its planned exploration and development activities or not pursue further acquisition opportunities.

Title risks

The Company's mineral properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

Volatility of metal and diamond prices

The market price of diamonds, precious or base metals is volatile and is affected by numerous factors that will be beyond the Company's control. Sustained downward movements in metal market prices could render less economic, or uneconomic, some or all of the mining and/or exploration activities to be undertaken by the Company.

Mineral Resource estimates

Mineral resources that are not mineral reserves do not have demonstrated economic viability and there is no assurance that they will ever be mined or processed profitably. Due to the uncertainty which may attach to mineral resources, there is no assurance that mineral resources will be upgraded to proven and probable ore reserves as a result of continued exploration.

Environmental risks

All phases of the mining business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of international conventions and state and municipal laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with mining operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with environmental legislation can require significant expenditures and a breach may result in the imposition of fines and penalties.

Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company’s development and production activities, as well as on its ability to fund those activities.

Climate risk

There are a number of climate-related factors that may affect the Company's operations and proposed activities. In particular:

(i) the emergence of new or expanded regulations associated with the transitioning to a lower-carbon economy and market changes related to climate change mitigation. The Company may be impacted by changes to local or international compliance regulations related to climate change mitigation efforts, or by specific taxation or penalties for carbon emissions or environmental damage. These examples sit amongst an array of possible restraints on industry that may further impact the Company and its profitability; and

(ii) climate change may cause certain physical and environmental risks that cannot be predicted by the Company, including events such as increased severity of weather patterns and incidences of extreme weather events and longer-term physical risks such as shifting climate patterns.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Other than described elsewhere in this report, there was no significant change in the state of affairs of the Company during the year.

SIGNIFICANT EVENTS SUBSEQUENT TO END OF YEAR

During July and August 2023, the Company sold 6,305,622 shares in Burgundy Diamond Mines at an average price of $0.244, netting $1,535,558. At the date of this report the Company still holds 2,694,378 shares in Burgundy Diamond Mines.

Other than above, there was no other matter or circumstance subsequent to the end of the year that has significantly affected the operations of the Company, the results of operations or the state of affairs in future financial years.

FUTURE DEVELOPMENTS

The Company intends to continue mineral exploration activities while considering new project acquisitions and joint venture opportunities.

ENVIRONMENTAL REGULATION

The Company is required to carry out its activities in accordance with the Mining Laws and regulations in the areas in which it undertakes its exploration activities. The Company is not aware of any matter that requires disclosure with respect to any significant environmental regulation in respect of its operating activities.

SHARE OPTIONS

At the date of this report, the following options are outstanding in respect of unissued ordinary shares in Gibb River Diamonds:

Number of Shares Under Options	Exercise Price	Expiry Date
6,000,000	7.5 cents	30 November 2023
1,000,000	7.5 cents	30 November 2023
1,250,000	10.0 cents	1 March 2024
9,000,000	11.0 cents	31 August 2025
9,000,000	8.5 cents	31 August 2026
3,000,000	9.0 cents	1 December 2024

No shares (2022: Nil) were issued during or since the end of the financial year as a result of the exercise of options.

INDEMNIFYING OFFICER OR AUDITOR

During the year, the Company paid a premium in respect of a contract insuring the directors of the Company, the Company secretary and all executive officers of the Company and related body corporate against a liability incurred as such a director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the amount of the premium.

The Company has not indemnified or agreed to indemnify the auditor of the Company or of any related body corporate against a liability incurred as the auditor.

DIRECTORS' REPORT
30 JUNE 2023

DIVIDENDS

No dividends have been paid or declared since the start of the year, and the directors do not recommend the payment of a dividend in respect of the year.

DIRECTORS' MEETINGS

There were five (5) Directors' meetings held during the year ended 30 June 2023. The names of directors who held office during the year and their attendance at Board meetings is detailed below:

Director	Number Attended	Number Eligible to Attend
Jim Richards	5	5
Grant Mooney	5	5
Tom Reddicliffe	5	5

There were also four (4) circular resolutions passed by the Board of Directors during the year. (2022: four (4))

As at the date of this report an Audit Committee of the Board of Directors did not exist due to the Directors of the Board having a close involvement in the operations of the Company. There are no other sub-committees of the Board.

REMUNERATION REPORT (AUDITED)

This report details the amount and nature of remuneration of each director of the Company. Other than directors, there were no key management personnel of the Company during the year.

Remuneration Policy

The remuneration policy is to provide a fixed remuneration component and a specific equity related component. The Board believes that this remuneration policy is appropriate given the stage of development of the Company and the activities, which it undertakes and is appropriate in aligning director objectives with shareholder and business objectives. At this point in the Company's development, the Board does not believe it is appropriate to link director and executive officers' remuneration with Company performance.

The remuneration policy in regards to settling terms and conditions for the executive directors has been developed by the Board taking into account market conditions and comparable salary levels for companies of similar size and operating in similar sectors.

Directors receive a superannuation guarantee contribution required by the Government, which during the year was 10.5% and do not receive any other retirement benefit.

The Board policy is to remunerate non-executive directors at market rates for comparable companies for time, commitment and responsibilities. The Board determines payment to the non-executive directors and reviews their remuneration annually, based on market practices, duties and accountability. Independent external advice is sought when required. The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at a General Meeting. Fees for non-executive directors are not linked to the performance of the Company.

The following were Key Management Personnel of the Company during the year:

- James Richards *(Executive Chairman)*
- Grant Mooney *(Non-Executive Director and Company Secretary)*
- Tom Reddicliffe *(Non-Executive Director) (appointed 24 March 2020)*

DIRECTORS' REPORT
30 JUNE 2023

REMUNERATION REPORT (AUDITED) (CONTINUED)

Details of remuneration provided to Key Management Personnel during the year are as follows:

		Short-term employee benefits		Post-employment benefits	Share-based payments		
		Salary & Fees $	Bonus $	Super-annuation $	Options $	Total $	Performance %
James Richards	**2023**	**250,000**	**-**	**26,355**	**180,500**	**456,855**	**40%**
	2022	175,000	-	17,500	250,000	442,500	56%
Grant Mooney (1)	**2023**	**83,000**	**-**	**3,675**	**72,200**	**158,875**	**45%**
	2022	78,000	-	3,000	100,000	181,000	55%
Tom Reddicliffe	**2023**	**35,000**	**-**	**3,675**	**72,200**	**110,875**	**65%**
	2022	30,000	-	3,000	100,000	133,000	75%
TOTAL	**2023**	**368,000**	**-**	**33,705**	**324,900**	**726,605**	**45**
TOTAL	2022	283,000	-	23,500	450,000	756,500	59%

(1) Amounts paid to Grant Mooney include Director's fees of $35,000 (2022: $30,00) and fees paid to a related party, Mooney & Partners Pty Ltd, in respect of company secretarial services totalling $48,000 plus GST (2022: $48,000 plus GST).

There are no contracts to which a Director is a party or under which the Director is entitled to a benefit other than as disclosed in the financial report.

Value of options issued to Key Management Personnel

During the financial year, the following share-based payment arrangements were in existence for Key Management Personnel:

Options Series	Grant Date	Expiry Date	Grant Date Fair Value	Vesting Date
Issued 17 November 2022 exercisable @ $0.085	17/11/2022	31/08/2026	$0.0361	17/11/2022
Issued 12 November 2021 exercisable @$ 0.11	12/11/2021	31/8/2025	$0.05	12/11/2021
Issued 1 December 2020 exercisable @ $0.075	1/12/2020	30/11/2023	$0.1033	1/12/2020

There were 9,000,000 (2022: 9,000,000) options issued to Key Management Personnel during the year. Refer to Note 19 of the financial statements for the valuation assumptions.

The Board reviews the remuneration packages of all key management personnel on an annual basis. The maximum remuneration of non-executive Directors is to be determined by Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. At present the maximum aggregate remuneration of non-executive Directors is $400,000 per annum. The apportionment of non-executive Director Remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. Remuneration is not linked to specific service or performance criteria. Directors' fees were substantially reduced during the previous year as a result of COVID-19 and they were revised during the current year.

Remuneration levels, shares and options granted are not dependent upon any performance criteria as the nature of the Company's operations are exploration, and they are not generating profit.

The Company did not use remuneration consultants during the year or prior year.

DIRECTORS' REPORT
30 JUNE 2023

REMUNERATION REPORT (AUDITED) (CONTINUED)

Key management personnel equity holdings

Fully paid ordinary shares issued by Gibb River Diamonds Limited

The movement during the reporting year in the number of ordinary shares in the Company held, directly, indirectly or beneficially, by each specified director is as follows:

Director	Opening Balance 1 July 2022	Granted as compensation	Received on exercise of options	Other movement during the year	Closing Balance 30 June 2023
James Richards (i)	41,683,592	-	-	-	41,683,592
Grant Mooney (ii)	9,400,510	-	-	-	9,400,510
Tom Reddicliffe	-	-	-	-	-

Executive unlisted share options issued by Gibb River Diamonds Limited

The movement during the reporting year in the number of unlisted options over ordinary shares in the Company held, directly, indirectly or beneficially, by each specified director is as follows:

Director	Balance as at beginning of year 1 July 2022	Exercised	Granted as compensation	Balance vested at 30 June 2023	Vested but not exercisable	Vested and exercisable 30 June 2023
James Richards *(i)*	7,000,000	-	5,000,000	**12,000,000**	-	12,000,000
Grant Mooney *(ii)*	4,000,000	-	2,000,000	**6,000,000**	-	6,000,000
Tom Reddicliffe *(iii)*	4,000,000	-	2,000,000	**6,000,000**	-	6,000,000

(i) *James Richards holds 33,339,515 shares in his own name and 5,000,000 unlisted options. Llangurig Super Pty Ltd <Jim Richards Super Fund A/c>, in which James Richards is a director and beneficiary holds 8,344,077 shares and 7,000,000 unlisted options.*

(ii) *Grant Mooney holds 2,238,882 shares in his own name. Samantha Mooney, spouse of Grant Mooney holds 13,333 shares and Mooney & Partners Pty Ltd of which Grant Mooney is the sole director holds 1,271,628 shares. Ocean Flyers Pty Ltd <S&G Mooney Super Fund>, in which Grant Mooney is a director and beneficiary holds 5,876,667 shares. Grant Mooney holds 6,000,000 options in his own name.*

(iii) *Tom Reddicliffe holds 6,000,000 options in his own name.*

Services Agreements

Executive Chairman James (Jim) Richards has an employment contract commencing on 1 October 2013 which continues on a month by month basis with one month’s termination notice. The Contract provides for a director’s fee of $180,000 per annum plus statutory superannuation, but this fee was reduced to $160,000 plus statutory superannuation on 1/8/13 as part of cost reductions in the Company. This was reduced to $80,000 plus superannuation on 1/3/2020 as part of further cost reductions in the Company. On 1 September 2020 the fee was reinstated to $160,000 plus statutory superannuation. On 1 January 2022 the directors fee was revised to $190,000 plus statutory superannuation. On 1 July 2022 the directors fee was revised to $250,000 plus statutory superannuation.

Non-Executive Director Grant Mooney has a Services Agreement commencing on 14 October 2008 which continues on a month by month basis with one month’s termination notice. The Contract provides for a director’s fee of $45,000 per annum plus statutory superannuation, but this fee was reduced to $25,000 per annum plus statutory superannuation on 1/8/13 as part of cost reductions in the Company. This was reduced to $15,000 per annum plus superannuation on 1/3/2020 as part of further cost reductions in the Company. On 1 September 2020 the fee was reinstated to $25,000 plus statutory superannuation. On 1 January 2022 the directors fee was revised to $35,000 plus statutory superannuation.

Non-Executive Director Tom Reddicliffe has a letter of appointment for no fixed term commencing on 24 March 2020. The Contract provides for a director’s fee of $15,000 per annum plus statutory superannuation. On 1 September 2020 the fee was increased to $25,000 plus statutory super. On 1 January 2022 the directors fee was revised to $35,000 plus statutory superannuation.

Mooney & Partners Pty Ltd, a company associated with Grant Mooney has a services contract with the Company to provide company secretarial and administrative services to the Company for a period of 3 years commencing on 1 September 2009 which expired on 1 September 2012 and continues on a month by month basis with one month’s termination notice. The Contract provides for an annual fee of $96,000 per annum plus GST, but this fee was reduced to $48,000 per annum plus GST on 1/8/13 as part of cost reductions in the Company. This fee was reduced to $24,000 per annum plus GST on 1/3/2020. On 1 September 2020, the fee was reinstated to $48,000 per annum plus GST.

No director or member of senior management are entitled to any termination payment apart from remuneration payable up to and including the termination date and any amounts payable due upon accrued leave.

END OF REMUNERATION REPORT

DIRECTORS' REPORT
30 JUNE 2023

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of the court to bring proceedings on behalf of the Company or intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to such proceedings during the year.

NON-AUDIT SERVICES

During the year there were no non-audit services provided by HLB Mann Judd, nor its related entities.

AUDITOR’S INDEPENDENCE DECLARATION

A copy of the auditor’s independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 10.

Signed on 27 September 2023 in accordance with a resolution of the Board, made pursuant to Section 298(2) of the Corporations Act 2001.

On behalf of the Directors:

JAMES RICHARDS
Executive Chairman

GRANT MOONEY
Non-executive Director

AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Gibb River Diamonds Limited for the year ended 30 June 2023, 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 audit; and

b) any applicable code of professional conduct in relation to the audit.

Perth, Western Australia
27 September 2023

D I Buckley
Partner

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 $	Restated 30 June 2022 $
Revenue			
Interest	4	16,576	1,873
Other income	4	-	2,210,000
Total Revenue		**16,576**	**2,211,873**
Exploration expenditure expensed		(765,391)	(1,112,826)
Employee benefits expense	7	(211,625)	(196,384)
Accounting, tax and audit		(46,056)	(61,367)
Company secretarial		(48,000)	(48,000)
Depreciation expense	5	(56,570)	(48,155)
Rental expenses	5	(13,161)	(20,721)
Administration expenses		(114,810)	(107,325)
Share based payments	5	(397,500)	(480,625)
Net loss on disposal of fixed assets		-	(18,329)
Net fair value gain/(loss) on financial assets at fair value through profit or loss	11	952,625	(1,106,876)
Total Expenses		**(700,488)**	**(3,200,608)**
Loss before income tax expense		(683,912)	(988,735)
Income tax benefit/(expense)	6	-	-
Loss after income tax expense		**(683,912)**	**(988,735)**
Other comprehensive income		-	-
Total Comprehensive Loss for the year		**(683,912)**	**(988,735)**
		Cents	**Cents**
Basic loss per share (cents per share)	24	(0.32)	(0.47)
Diluted loss per share (cents per share)	24	(0.32)	(0.47)

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	30 June 2023 $	Restated 30 June 2022 $
CURRENT ASSETS			
Cash and cash equivalents	9	759,034	2,109,364
Trade and other receivables	10	60,116	29,885
Prepayments		23,265	42,420
TOTAL CURRENT ASSETS		842,415	2,181,669
NON-CURRENT ASSETS			
Property, plant and equipment	11	223,705	217,183
Environmental bond		21,859	21,859
Financial assets at fair value through profit or loss	12	2,322,813	1,370,188
TOTAL NON-CURRENT ASSETS		2,568,377	1,609,230
TOTAL ASSETS		**3,410,792**	**3,790,899**
CURRENT LIABILITIES			
Trade and other payables	13	70,758	198,056
Lease liability	14	27,530	29,048
Provisions	15	198,361	137,483
TOTAL CURRENT LIABILITIES		296,649	364,587
NON-CURRENT LIABILITIES			
Lease liability	14	-	25,757
TOTAL NON-CURRENT LIABILITIES		-	25,757
TOTAL LIABILITIES		**296,649**	**390,344**
NET ASSETS		**3,114,143**	**3,400,555**
EQUITY			
Issued capital	17	18,175,635	18,175,635
Reserves	18	1,601,225	1,713,875
Accumulated losses	19	(16,662,717)	(16,488,955)
TOTAL EQUITY		**3,114,143**	**3,400,555**

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Issued Capital $	Options Reserve $	Accumulated Losses $	Total $
Balance as at 1 July 2021 (Restated)	**18,175,635**	**1,250,650**	**(15,517,620)**	**3,908,665**
Loss for the year	-	-	(988,735)	(988,735)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(988,735)	(988,735)
Options expired unexercised	-	(17,400)	17,400	-
Options expensed for the year	-	480,625	-	480,625
Balance as at 30 June 2022	**18,175,635**	**1,713,875**	**(16,488,955)**	**3,400,555**
Balance as at 1 July 2022	**18,175,635**	**1,713,875**	**(16,488,955)**	**3,400,555**
Loss for the year	-	-	(683,912)	(683,912)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the year	-	-	(683,912)	(683,912)
Options expired unexercised	-	(510,150)	510,150	-
Options expensed for the year	-	397,500	-	397,500
Balance as at 30 June 2023	**18,175,635**	**1,601,225**	**(16,662,717)**	**3,114,143**

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	30 June 2023 $	Restated 30 June 2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,280,873)	(1,502,202)
Receipts of option fee		-	1,100,000
Interest paid		(1,404)	-
Interest received		14,389	1,640
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	9	**(1,267,888)**	**(400,562)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(52,863)	(3,611)
Receipt from sale of property, plant and equipment		-	220,000
NET CASH FLOWS (USED IN)/PROVIDED BY INVESTING ACTIVITIES		**(52,863)**	**216,389**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	-
Proceeds from exercise of options		-	-
Share issue costs		-	-
Payments for leases		(29,579)	(23,719)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(29,579)**	**(23,719)**
NET DECREASE IN CASH AND CASH EQUIVALENTS HELD		(1,350,330)	(207,892)
Cash and cash equivalents at the beginning of the year		2,109,364	2,317,256
Cash and cash equivalents at the end of the year	9	**759,034**	**2,109,364**

The accompanying notes form part of these financial statements.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 1. CORPORATE INFORMATION

Gibb River Diamonds Limited is a for-profit company limited by shares domiciled and incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange Limited.

The address of the registered office and the principal place of business are disclosed on the contents page.

The nature of the operations and principal activities of the Company are described in Note 21 and the Review of Operations at the front of the annual report.

Note 2. VOLUNTARY CHANGE OF ACCOUNTING POLICY

The financial statements have been prepared incorporating retrospective application of a voluntary change in accounting policy relating to exploration and evaluation expenditure.

The new exploration and evaluation expenditure accounting policy is to expense all exploration and evaluation expenditure as incurred. Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure prior to securing legal rights to explore an area, is expensed to profit or loss as incurred.

The previous accounting policy was that expenditure on exploration and evaluation activities in relation to areas of interest which had not reached a stage which permitted reasonable assessment of the existence or otherwise of economically recoverable reserves were capitalised as incurred.

The new accounting policy was adopted on 30 June 2023 and has been applied retrospectively. The Directors believe that the change in accounting policy will provide more relevant information and no less reliable information to users of the financial statements. Both the previous and the new accounting policy are compliant with AASB 6 Exploration for Evaluation of Minerals Resources, which permits a choice of accounting policy.

The impact of the change in accounting policy on the Statement of Profit or Loss, and other Comprehensive Income, Statement of Financial Position and Statement of Cash Flow, is included in the following tables.

	30/06/2022	Increase/ Decrease	30/6/2022 Restated		1/07/2021	Increase/ Decrease	1/7/2021 Restated
Statement of Financial Position (extract)							
Capitalised tenement costs	5,597,429	(5,597,429)	$ -		4,632,648	(4,632,648)	$ -
Accumulated losses	(10,891,526)	(5,597,429)	(16,488,955)		(10,884,972)	(4,632,648)	(15,517,620)
Statement of Profit or Loss and other Comprehensive Income (extract)							
Exploration expenditure impaired	(5,170)	5,170	-				
Exploration expensed	(142,875)	(969,951)	(1,112,826)				
Loss for the year	(23,954)	(964,781)	(988,735)				
Total Comprehensive Loss for the year	(23,954)	(964,781)	(988,735)				
Loss per share	(0.01)	(0.46)	(0.47)				
Statement of Changes in Equity (extract)							
Loss for the year	(23,954)	(964,781)	(988,735)				
Accumulated Losses at end of year	(10,891,526)	(5,597,429)	(16,488,955)				
Statement of Cash Flows (extract)							
Payments to Suppliers and employees	(532,251)	(969,951)	(1,502,202)				
Receipt for option fee payment	-	1,100,000	1,100,000				
Net cash (used in) operating activities	**(530,611)**	**130,049**	**(400,562)**				
Payments for exploration and evaluation expenditure capitalised	(969,951)	969,951	-				
Receipt for option fee payment	1,100,000	(1,100,000)	-				
Net cash provided by investing activities	**346,438**	**(130,049)**	**216,389**				

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 3. SUMMARY OF ACCOUNTING POLICIES

(a) Statement of Compliance

The Financial Report for the Company for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the Directors on 27 September 2023.

The financial report complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS).

(b) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. For the purposes of preparing the financial report the Company is a for-profit entity.

The financial statements have been prepared on a historical cost basis, except for selected non-current assets and financial assets which have been measured at fair value as explained in the relevant accounting policies. Historical cost is based on the fair values of the consideration given in exchange for goods and services.

The functional currency is Australian Dollars and rounding is made to the nearest dollar.

Accounting policies have been consistently applied to all financial years presented unless specially stated below.

(c) Adoption of New and Revised Standards

In the year ended 30 June 2023, the Directors have reviewed all of the new and revised Standards and Interpretations issued by the AASB that are relevant to the Company and effective for the current annual reporting period. The Company has assessed the impact of these new standards and has determined that there is no material impact on the financial statements.

Standards and Interpretations in issue not yet effective

The Directors have also reviewed all Standards and Interpretations in issue not yet effective for the year ended 30 June 2023. There are none which have a material impact on the Company.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in banks and investments in money market instruments that have original maturities of 4 months or less, readily convertible to known amounts of cash and are subject to insignificant risk of changes in values.

(e) Employee benefits

Employee benefits provisions are made for benefits accruing to employees in respect of wages and salaries, annual leave, and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits expected to be settled within one year are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits expected to be settled beyond one year are measured as the present value of the estimated future cash outflows to be made by the Company in respect of services provided by employees up to reporting date.

<u>Defined contribution plans</u>

Contribution to defined contribution superannuation plans are expensed when incurred.

(f) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except:

i. where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. for receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.
Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Note 3. SUMMARY OF ACCOUNTING POLICIES (Continued)

(g) Income tax

Current tax

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by reporting date. Current tax for current and prior years is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred tax

Deferred tax is accounted for using the liability method. Temporary differences are differences between the tax base of an asset or liability and its carrying amount in the balance sheet. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year(s) when the asset and liability giving rise to them are realised or settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year

Current and deferred tax is recognised as an expense or income in the profit or loss, except when it relates to items credited or debited to profit or loss (whether in other comprehensive income or directly in equity), in which case the deferred tax is also recognised outside profit or loss, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(h) Payables

Trade payables and other accounts payable are recognised when the Company becomes obliged to make future payments resulting from the purchase of goods and services.

(i) Property, plant and equipment

Plant and equipment and leasehold improvements are stated at cost less accumulated depreciation and impairment. Cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation is provided on property, plant and equipment and is calculated on a straight line basis so as to write off the net cost of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the term of the lease or estimated useful life, whichever is the shorter, using the straight line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting year.

The following estimated useful lives are used in the calculation of depreciation:

- Furniture & Fittings - 10 years
- Vehicles - 12 years
- Plant & equipment - 3 years
- Buildings & improvements - 7 years

(j) Provisions

Provisions are recognised when the Company has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that recovery will be received and the amount of the receivable can be measured reliably.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 3. SUMMARY OF ACCOUNTING POLICIES (Continued)

(k) Revenue recognition

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

Rental income

Rental income is recognised in the period in which it is earned.

(l) Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant. Fair value is measured by use of a Black-Scholes model. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting term, based on the Company's estimate of shares that will eventually vest.

In relation to the acquisition of assets the fair value of the equity issued is used to approximate the fair value of the asset acquired where the fair value of the project has not otherwise been determined reliably.

(m) Exploration and evaluation

The new exploration and evaluation expenditure accounting policy is to expense all exploration and evaluation expenditure as incurred. Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure prior to securing legal rights to explore an area, is expensed to profit or loss as incurred. Refer to Note 2 for further details of the change in accounting policy.

(n) Development Costs

Development costs related to an area of interest are carried forward to the extent that they are expected to be recouped either through sale or successful exploitation of the area of interest.

Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production commences. When production commences, carried forward development costs are amortised on a units of production basis over the life of the economically recoverable reserves.

(o) Provision for restoration and rehabilitation

A provision for restoration and rehabilitation is recognised when there is a present obligation as a result of exploration, development, production, transportation or storage activities undertaken, it is probable that an outflow of economic benefits will be required to settle the obligation, and the amount of the provision can be measured reliably. The estimated future obligations include the cost of removing facilities, abandoning sites/wells and restoring the affected areas.

The provision for future restoration costs is the best estimate of the present value of the expenditure required to settle the restoration obligation at the reporting date, based on current legal and other requirements and technology. Future restoration costs are reviewed annually and any changes in the estimate are reflected in the present value of the restoration provision at each reporting date. The initial estimate of the restoration and rehabilitation provision relating to exploration, development and milling/production facilities is capitalised into the cost of the related asset and depreciated/amortised on the same basis as the related asset, unless the present obligations arises from the production of inventory in the year, in which case the amount is included in the cost of production for the year. Changes in the estimate of the provision for restoration and rehabilitation are treated in the same manner, except that the unwinding of the effect of discounting on the provision is recognised as a finance cost rather than being capitalised into the cost of the related asset.

(p) Financial instruments

Debt and equity instruments

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangements.

Transaction costs on the issue of equity instruments

Transactions costs arising on the issue of equity instruments are recognised directly in equity as reduction of the proceeds of the equity instruments to which the costs relate. Transaction costs are the costs that are incurred directly in connection with the issue of those equity instruments, and which would not have been incurred had those instruments not been issued.

;

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 3. SUMMARY OF ACCOUNTING POLICIES (Continued)

(p) Financial instruments (continued)

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with AASB 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

For the purpose of subsequent measurement, financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- equity instruments at fair value through other comprehensive income (FVOCI)
- debt instruments at fair value through other comprehensive income (FVOCI).

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.
The classification is determined by both:

- the entity's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

- they are held within a business model whose objective is to hold the financial assets to collect its contractual cash flows
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments as well as listed bonds that were previously classified as held-to-maturity under IAS 39.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorised at fair value through profit and loss. Further, irrespective of business model financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

The category also contains an equity investment. The Company accounts for the investment at FVTPL and did not make the irrevocable election to account for the investment in unlisted and listed equity securities at fair value through other comprehensive income (FVOCI). The fair value was determined in line with the requirements of AASB 9, which does not allow for measurement at cost.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss.

The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 3. SUMMARY OF ACCOUNTING POLICIES (Continued)

(p) Financial instruments (continued)

Impairment of financial assets

AASB 9's impairment requirements use more forward-looking information to recognise expected credit losses – the 'expected credit loss (ECL) model'. This replaced AASB 139's 'incurred loss model'.

Instruments within the scope of the new requirements included loans and other debt-type financial assets measured at amortised cost and FVOCI, trade receivables, contract assets recognised and measured under AASB 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

Recognition of credit losses is no longer dependent on the Company first identifying a credit loss event. Instead the Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Level 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Level 2').
- 'Level 3' would cover financial assets that have objective evidence of impairment at the reporting date.
- '12-month expected credit losses' are recognised for the first category while 'lifetime expected credit losses' are recognised for the second category.

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade and other receivables and contract assets

The Company makes use of a simplified approach in accounting for trade and other receivables as well as contract assets and records the loss allowance as lifetime expected credit losses. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial instrument. In calculating, the Company uses its historical experience, external indicators and forward-looking information to calculate the expected credit losses using a provision matrix.

The Company assesses impairment of trade receivables on a collective basis as they possess shared credit risk characteristics, they have been grouped based on the days past due.

Classification and measurement of financial liabilities

The Company's financial liabilities include borrowings, trade and other payables and derivative financial instruments.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Derecognition of financial assets

A financial asset is derecognised when the rights to receive cash flows from the asset have expired or the Company has transferred substantially all of the risks and rewards of control of the asset.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 3. SUMMARY OF ACCOUNTING POLICIES (Continued)

(q) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its tangible and intangible non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash inflows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised in profit or loss immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised in profit or loss immediately.

(r) Right of Use Assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentive received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

(s) Leased assets

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease of, if that rate cannot be readily determined, the Company’s incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option where the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index rate are expensed in the period to which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest rate method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

(t) Critical Accounting Estimates and Judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on the grant date historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Company.

Share based payments

The values of amounts recognised in respect of share-based payments have been estimated based on the grant date fair value of the options. To estimate the fair value an option pricing model has been used. There are many variable assumptions used as inputs into the model (which have been detailed in Note 19. If any of these assumptions or estimates were to change this could have a significant effect on the amounts recognised.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 3. SUMMARY OF ACCOUNTING POLICIES (Continued)

(u) Research and Development expenditure

From 1 July 2016, the Australian Government has provided a tax incentive for eligible research and development expenditure. Management has assessed its research and development activities and expenditures to determine which are likely to be eligible under the scheme.

The Company records the benefit of this credit only when all qualifying research has been performed and the Company has obtained sufficient evidence from the relevant government authority that the credit will be granted.

(v) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options for the acquisition of a new business are not included in the cost of acquisition as part of the purchase consideration.

(w) Earnings/(loss) per share

Basic earnings/(loss) per share is calculated as net profit/(loss) attributable to members of the Company, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted earnings/(loss) per share is calculated as net profit/loss attributable to members of the parent, adjusted for:
- costs of servicing equity (other than dividends) and preference share dividends;
- the after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

Note 4. Revenue

	30 June 2023	30 June 2022
Interest received from financial institutions	16,576	1,873
	16,576	1,873
Other Income		
Option fees	-	2,210,000
	-	2,210,000
Total Revenue	16,576	2,211,873

Note 5. Profit/(Loss)

Expenses	30 June 2023 $	30 June 2022 $
Depreciation of non-current assets	56,568	48,155
Rental expense on operating leases	13,161	20,721
Share based payment expenses	397,500	480,625

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 6. Income Tax

Income tax expense

		30 June 2023 $	Restated 30 June 2022 $
(a)	The prima facie income tax expense on pre-tax accounting loss from operations reconciles to the income tax expense as follows:		
	Loss from continuing operations before tax	(683,912)	(988,735)
	(Benefit) calculated at 30% (2022: 25%)	**(205,174)**	**(247,184)**
	Non-deductible expenses	121,730	120,391
	Temporary differences not brought to account as a deferred tax asset	(321,017)	232,120
	Tax losses not brought to account as a deferred tax asset/(realisation of prior tax losses not bought to account)	404,461	(105,327)
	Income tax benefit at effective rate of 0% (2022: 0%)	-	-
(b)	**Deferred tax liabilities**		
	Add: Other	16,013	15,955
	Recognised deferred tax liabilities	16,013	15,955
(c)	**Deferred tax assets**		
	Temporary differences	16,013	15,595
	Recognised deferred tax assets	16,013	15,595

The deferred tax assets and deferred tax liabilities are recognised and fully offset.

	30 June 2023 $	Restated 30 June 2022 $
Not recognised:		
Unrecognised temporary differences	2,621,414	3,605,249
Unrecognised tax losses	10,496,946	9,241,724
Total deferred tax assets not recognised	13,118,360	12,846,973
Tax effect of unrecognised deferred tax assets	2,969,897	3,211,743

The net deferred tax asset arising from the tax losses has not been recognised as an asset in the Statement of Financial Position because recovery is not probable.

The taxation benefit of tax losses not brought to account will only be obtained if:

(i) assessable income is derived of a nature and of an amount sufficient to enable the benefits to be realised;
(ii) conditions for deductibility imposed by the law are complied with; and
(iii) no changes in tax legislation adversely affect the realisation of the benefit from the deductions.

Note 7. Management & Employee Personnel Compensation

The compensation paid to Key Management Personnel of the Company is set out below. Please refer to the remuneration report in the directors' report for further information:

	30 June 2023 $	30 June 2022 $
Short-term employee benefits	368,000	283,000
Post-employment benefits	33,705	23,500
Share-based payments	324,900	450,000
	726,605	756,500

The compensation paid to employees of the Company is set out below. It is less than the total amount paid to Key Management Personnel due to the allocation of certain compensation exploration costs.

Employee compensation

	30 June 2023 $	30 June 2022 $
Wages, salaries excluding allocation to exploration	191,666	152,735
Superannuation	19,959	43,649
Total as per employee benefit expense	211,625	196,384
Share-based payments	397,500	480,625
Total employee compensation	609,125	677,009

Note 8. Auditor's Remuneration

	30 June 2023 $	30 June 2022 $
Amounts received, or due and receivable by the auditors, HLB Mann Judd, for audit or review of the financial reports	25,944	24,487

Note 9. Cash and Cash Equivalents

Cash at bank and on hand[(1)]	759,034	2,109,364

[(1)] Cash at Bank includes $45,000 (2022: $45,000) held as security for credit cards. The term of the deposit is greater than 4 months however the amount is not material to reclassify.

CASH FLOW INFORMATION

Reconciliation of the loss from continuing operations after income tax to the net cash flows from operating activities.

	30 June 2023 $	Restated 30 June 2022 $
Loss from continuing operations after income tax	(683,912)	(988,755)
- Revaluation of financial assets	(952,625)	1,106,875
- Non-operating income	-	(1,210,000)
- Loss on disposal of property, plant and equipment	-	18,329
- Depreciation expense	56,570	48,155
- Share based payments	397,500	480,625
- Employee benefits accrued/(paid out)		
- (Increase)/Decrease in debtors	19,155	(13,592)
- (Increase)/Decrease in prepayments	(30,231)	29,069
- Increase/(Decrease) in trade creditors and provisions	(74,345)	128,712
NET CASH FLOWS (USED IN) OPERATING ACTIVITIES	(1,267,888)	(400,562)

Note 10. Trade and Other Receivables

Current	30 June 2023 $	30 June 2022 $
Trade debtors	-	4,216
Other debtors	57,260	25,000
Interest receivable	2,856	669
	60,116	29,885

There is no expected credit loss at balance date.

There are no overdue but not impaired trade and other receivables.

Note 11. Property, Plant and Equipment

	30 June 2023 $	30 June 2022 $
Cost	477,870	384,778
Accumulated depreciation	(224,165)	(167,595)
	223,705	217,183
Land and Buildings	-	31
Plant and Equipment	151,721	163,057
Motor Vehicles	40,979	-
Fixtures & Fittings	417	580
Right of use asset	30,588	53,515
	223,705	217,183

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 11. Property, Plant and Equipment (continued)

	Land & buildings	Plant & equipment	Motor Vehicles	Fixtures & Fittings	Right of use asset	Total
Cost						
Balance as at 30 June 2021	**443**	**550,950**	**-**	**10,053**	**50,412**	**611,858**
Additions	-	3,283	-	-	58,379	61,662
Disposals/reversal on lease termination	-	(238,329)	-	-	(50,412)	(288,741)
Balance as at 30 June 2022	**443**	**315,904**	**-**	**10,053**	**58,379**	**384,779**
Additions	-	4,814	43,243	-	15,034	63,091
Disposals/reversal on lease termination	-	-	-	-	-	-
Balance as at 30 June 2023	**443**	**320,718**	**43,243**	**10,053**	**73,413**	**447,870**

	Land & buildings	Plant & equipment	Motor Vehicles	Fixtures & Fittings	Right of use asset	Total
Accumulated Depreciation						
Balance as at 30 June 2021	**(350)**	**(132,890)**	**-**	**(9,307)**	**(16,804)**	**(159,351)**
Depreciation	(63)	(19,957)	-	(164)	(27,971)	(48,155)
Disposals/reversal on lease termination	-	-	-	-	39,910	39,910
Balance as at 30 June 2022	**(443)**	**(152,847)**	**-**	**(9,471)**	**(4,865)**	**(167,596)**
Depreciation	(30)	(16,150)	(2,264)	(165)	(37,960)	(56,569)
Disposals/reversal on lease termination	-	-	-	-	-	-
Balance as at 30 June 2023	**(443)**	**(168,997)**	**(2,264)**	**(9,636)**	**(42,825)**	**(224,165)**
Net written down value 30 June 2022	**31**	**163,057**	**-**	**580**	**53,515**	**217,183**
Net written down value 30 June 2023	**-**	**151,721**	**40,979**	**417**	**30,588**	**223,705**

Note 12. Financial Assets at fair value through profit or loss

Equity financial assets are recognised at fair value and all fair value gains and losses are reflected in profit or loss.

	30 June 2023 $	30 June 2022 $
Listed shares (1)	2,322,813	1,370,188
	2,322,813	1,370,188

The net gain from financial assets at fair value through profit or loss for the year being the difference in closing values of listed share and unlisted options was $952,625 (2022 net loss: $1,106,875).

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

Note 13. Trade and Other Payables

	30 June 2023 $	30 June 2022 $
Trade creditors	20,802	126,443
Other creditors	49,956	71,613
	70,958	198,056

The average credit period on purchases is 30 days. There is no interest charged on payables.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 14. Lease Liability

	30 June 2023 $	30 June 2022 $
Current liability	27,530	29,048
Non-Current Liability	-	25,757
Total Lease liability	27,530	54,805
Balance on initial application/Opening balance	54,805	33,608
Principal repayments	(39,363)	(26,311)
Add finance charges	1,578	1,728
Adjustments to lease on signing new lease	10,510	45,780
	27,530	54,805

Note 15. Provisions

	30 June 2023 $	30 June 2022 $
Employee entitlements – annual & long service leave	198,361	137,483

Note 16. Non-cash investing and financing activity

	30 June 2023 $	30 June 2022 $
Additions to the right-of-use assets	15,034	7,966
Total	15,034	7,966

Note 17. Issued Capital

(a) **Issued Shares**

	Number	$
Opening Balance 1 July 2021	**211,509,445**	**18,175,635**
No Movements		
Closing Balance 30 June 2022	**211,509,445**	**18,175,635**
No Movements		
Closing Balance 30 June 2023	**211,509,445**	**18,175,635**

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

Note 18. Options on Issue

Details of options on issue during the year are detailed below.

Expiry date	22 Nov 2022 [1]	22 Nov 2022 [2]	30 Nov 2023 [3]	1 March 2024 [4]	12 Nov 2024 [5]	31 Aug 2026 [6]	1 Dec 2024 [7]	Weighted average exercise price $	Weighted average contractual life remaining Months
Exercise Price	**$0.09 Vendor**	**$0.09 Vendor**	**$0.075 Directors & Employee**	**$0.10 Employees**	**$0.11 Directors**	**$0.085 Directors**	**$0.09 Employees**		
Opening 1/7/2022	5,500,000	1,000,000	7,000,000	1,250,000	9,000,000	-	-	0.094	21.66
Expired	(5,500,000)	(1,000,000)	-	-	-	-	-	0.09	-
Issued	-	-	-	-	-	9,000,000	3,000,000	0.086	32.01
Closing 30/6/2023	-	-	7,000,000	1,250,000	9,000,000	9,000,000	3,000,000	0.091	23.36

The above-mentioned options have the following key terms

1 *Vendor options are exercisable at $0.09 each, by the expiry date noted above. The options are subject to a 6 month escrow period. Issued to acquire the Edjudina Gold Project.*

2 *Vendor options are exercisable at $0.09 each, by the expiry date noted above. Issued to acquire a data pack in relation to the Ellendale Diamond project,*

3 Director and Employees' *options are exercisable at $0.075 each, by the expiry date noted above. The options vest immediately.*

4 Employees' *options are exercisable at $0.10 each, by the expiry date noted above. The options vest immediately.*

5 Director *options are exercisable at $0.011 each, by the expiry date noted above. The options vest immediately.*

6 Director *options are exercisable at $0.085 each, by the expiry date noted above. The options vest immediately.*

7 Employees' *options are exercisable at $0.09 each, by the expiry date noted above. The options vest immediately.*

The weighted average contractual life of options remaining as at 30 June 2023 is 23.36 months (2022: 21.66 months).

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 19. Reserves

Nature and purpose of reserves

Options reserve

This reserve is used to record the value of equity benefits provided to employees, consultants and Directors as part of their remuneration.

	30 June 2023 $	30 June 2022 $
Opening Balance	1,713,875	1,250,650
Options expensed during year	397,500	480,625
Less options exercised during the year	-	-
Less expired options (Nil Value)	(510,150)	(17,400)
Closing balance	1,601,225	1,713,875

The Options Reserve arises as the share options granted vest over the vesting period. Amounts are transferred out of the reserve and into issued capital when the options are exercised.

Using the Black & Scholes options valuation and methodology, the fair value of the options was calculated as at the grant date. The following inputs were used:

INPUT	EMPLOYEE OPTIONS	DIRECTOR OPTIONS	DIRECTOR OPTIONS	EMPLOYEE OPTIONS
Exercise price	$0.010	$0.11	$0.085	$0.09
Share price	$0.064	$0.090	$0.058	$0.057
Grant date	2/3/2022	11/11/2021	17/11/2022	1/12/2022
Expected volatility (i)	84.33%	84.33%	100%	100%
Expiry date	1/03/2024	22/11/2022	31/08/2026	1/12/2024
Expected dividends	Nil	Nil	Nil	Nil
Risk free interest rate	0.10%	0.10%	0.285%	0.285%
Value per option	$0.02	$0.05	$0.036	$0.024
Number of options	1,250,000	9,000,000	9,000,000	3,000,000
Value of options	$30,625	$450,000	324,900	72,600

(i) Volatility using the Black & Scholes method was determined by reviewing similar companies for a similar period.

Note 20. Accumulated losses

	30 June 2023 $	Restated 30 June 2022 $
Balance at the beginning of the year	(16,448,995)	(15,517,620)
Net loss for the year	(683,912)	(988,735)
Transfer from share option reserve (expired options)	510,150	17,400
Balance at the end of the year	(16,662,717)	(16,488,955)

Note 21. Statement of Operations by Segment

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 this is the only operating segment. The Company is predominantly involved in mineral exploration and development.

Note 22. Related Party Transactions

a) Key management personnel compensation

Details of key management personnel compensation are disclosed in Note 7 to the financial statements.

b) Transactions with director related entities

During the year, Mooney & Partners Pty Ltd, a company associated with Grant Mooney was paid for Company secretarial services provided to the Company totalling $48,000 (2022: $48,000). This amount is included in Mr Mooney's remuneration in the remuneration report.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 23. Financial Instruments

(a) Overview

The Company's principal financial instruments comprise receivables, payables, cash, equity investments and short-term deposits. The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and commodity prices risk.

This note presents information about the Company's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and the management of capital. All financial assets and liabilities are held at amortised cost, with the exception of financial assets at fair value through profit or loss (Note 12).

(b) Interest rate risk

The Company's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective average interest rates in classes of financial assets and liabilities is as follows:

2023	Average Effective Interest Rate %	Fixed Interest Rate $	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial assets:					
Operating accounts	-	-	-	29,486	29,486
Savings accounts	-	-	122,357	-	122,357
Term deposits	-	607,190	-	-	607,190
Receivables	-	-	-	60,116	60,116
Financial assets	-	-	-	2,322,813	2,322,813
		607,190	**122,357**	**2,412,415**	**3,141,962**
Financial liabilities:					
Accounts payable	-	-	-	70,953	70,953
Lease Liability current	4.6%	27,530	-	-	27,530
		27,530	**-**	**70,953**	**98,483**

2022	Average Effective Interest Rate %	Fixed Interest Rate $	Floating Interest Rate $	Non-Interest Bearing $	Total $
Financial assets:					
Operating accounts	-	-	-	154,079	154,079
Savings accounts	0.01%	-	359,361	-	359,361
Term deposits	0.89%	1,595,923	-	-	1,595,923
Receivables	-	-	-	29,885	29,885
Financial assets	-	-	-	1,370,188	1,370,188
		1,595,923	**359,361**	**1,554,152**	**3,509,436**
Financial liabilities:					
Accounts payable	-	-	-	198,056	198,056
Lease Liability current	4.6%	29,048	-	-	29,048
Lease Liability non- current	4.6%	25,757	-	-	25,757
		54,805	**-**	**198,056**	**252,861**

The Company's exposure to interest rate risks is not material.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. This arises principally from cash and cash equivalents and trade and other receivables.

There are no significant concentrations of credit risk within the Company. The carrying amount of the Company's financial assets represents the maximum credit risk exposure, as represented below:

	2023 $	2022 $
Cash and cash equivalents	759,034	2,109,364
Trade and other receivables	60,116	29,885
	819,150	**2,139,249**

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 23. Financial Instruments (continued)

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Board's approach to managing liquidity is to ensure, as far as possible, that the Company will always have sufficient liquidity to meet its liabilities when due, by insuring sufficient liquid funds are available on short term maturities.

The maturity of all current financial assets and liabilities is less than six months. The only other is the non-current lease liability which is not material.

(e) Commodity price risk

The Company is exposed to commodity price risk. Commodity prices can be volatile and are influenced by factors beyond the Company's control. As the Company is currently engaged in exploration and business development activities, no sales of commodities are forecast for the next 12 months, and accordingly, no hedging or derivative transactions have been used to manage commodity price risk.

(f) Fair Value

The net fair value of financial assets and financial liabilities approximate their carrying value. Net fair value and carrying amounts of financial assets and financial liabilities are disclosed in the statement of financial position and in the notes to and forming part of the financial statements.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three (3) levels of a fair value hierarchy. The three (3) levels are defined based on the observability of significant inputs to the measurement, 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 or indirectly
- Level 3: unobservable inputs for the asset or liability

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis.

30 June 2023	Level 1	Level 2	Level 3	Total
Financial Assets:				
Listed Shares	2,322,813	-	-	2,322,813
Net fair value:	**2,322,813**	**-**	**-**	**2,322,813**

30 June 2022	Level 1	Level 2	Level 3	Total
Financial Assets:				
Listed Shares	1,370,188	-	-	1,370,188
Net fair value:	**1,370,188**	**-**	**-**	**1,370,188**

There were no transfers between Level 1 and Level 2 in 2022 or 2023.

Fair values of these listed securities have been estimated by reference to quoted bid prices in active markets at the reporting date and are categorised within Level 1 of the fair value hierarchy above.

At balance date the majority of the Company's equity price risk relates to its holding in Burgundy Diamond Mines Limited. The 12 month volatility of the Burgundy stock was 89%.

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2023

Note 24. Earnings/(loss) per Share

	2023 Cents	Restated 2022 Cents
Basic loss per share (cents per share)	(0.32)	(0.47)
Diluted loss per share (cents per share)	(0.32)	(0.47)

Basic Loss per Share

The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:

	2023 $	Restated 2022 $
Loss after income tax expense	(683,912)	(988,735)

	2023 No.	2022 No.
Weighted average number of ordinary shares	211,509,445	211,509,445
Weighted average number of dilutive ordinary shares	211,509,445	211,509,445

Note 25. Significant Events Subsequent to Year End

During July and August 2023, the Company sold 6,305,622 shares in Burgundy Diamond Mines at an average price of $0.244, netting $1,535,558. At the date of this report, the Company still holds 2,694,378 shares in Burgundy Diamond Mines.

Other than above, there was no matter or circumstance subsequent to the end of the year that has significantly affected the operations of the Company, the results of operations or the state of affairs in future financial years.

Note 26. Contingent Liabilities

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). There is no information at balance date known to Directors which would result in an impairment trigger or potential loss of tenements.

Note 27. 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 commitment projected for the next 12 months if it is to retain all of its present interests in mining and exploration properties is $115,980 (2022: $85,000).

DIRECTORS' DECLARATION

1. In the opinion of the directors of Gibb River Diamonds Limited ("the Company")

   a. the accompanying financial statements and notes are in accordance with the Corporations Act 2001 including:

      i. giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year then ended; and

      ii. complying with Australian Accounting Standards, the Corporations Regulations 2001, professional reporting requirements and other mandatory requirements.

   b. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

   c. the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board.

2. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

This declaration is signed in accordance with a resolution of the Board of Directors.

JAMES RICHARDS	**GRANT MOONEY**
Chairman	Non-executive Director

Dated this 27th day of September 2023

INDEPENDENT AUDITOR'S REPORT
To the Members of Gibb River Diamonds Limited

REPORT ON THE AUDIT OF THE FINANCIAL REPORT

Opinion

We have audited the financial report of Gibb River Diamonds Limited ("the Company") which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our report.

HLB Mann Judd (WA Partnership) ABN 22 193 232 714
Level 4, 130 Stirling Street, Perth WA 6000 / PO Box 8124 Perth BC WA 6849
T: +61 (0)8 9227 7500 **E:** mailbox@hlbwa.com.au

Key Audit Matter	How our audit addressed the key audit matter
Voluntary Change in Accounting Policy Refer to Note 2	
During the year, the Company changed its accounting policy regarding its treatment of exploration and evaluation expenditure. In previous financial years, exploration and evaluation expenditure in relation to areas of interest which had not reached a stage which permitted reasonable assessment of the existence or otherwise of economically recoverable reserves, was capitalised. The Company then assessed whether any indicators of impairment existed which would require the Company to assess capitalised exploration and evaluation expenditure for impairment. The new accounting policy is to expense exploration and evaluation expenditure as incurred. The change in accounting policy resulted in the restatement of affected 2022 balances and the disclosure of the restatement of balances reported in the 2022 financial report. The change in accounting policy was a key audit matter due to the size and scope of the change and impact on the presentation of the financial statements.	Our procedures included but were not limited to the following: • We considered the appropriateness of the change in accounting policy ensuring that the disclosure requirements set out in AASB 108 were complied with, including that the change provided more relevant financial information to the users of the financial report; • We reconciled the restated balances to the prior year audited balances ensuring that the change was correctly calculated; and • We ensured the change in accounting policy was appropriately disclosed.

Information Other than the Financial Report and Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE REMUNERATION REPORT

Opinion on the Remuneration Report

We have audited the Remuneration Report included within the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Gibb River Diamonds Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

HLB Mann Judd

HLB Mann Judd
Chartered Accountants

D I Buckley
Partner

Perth, Western Australia
27 September 2023

ADDITIONAL INFORMATION

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report. The information was prepared based on share registry information processed up to 20 September 2023.

Spread of Holdings			Number of holders	Ordinary Shares
1	-	1,000	73	30,829
1,001	-	5,000	152	494,004
5,001	-	10,000	255	2,131,843
10,001	-	100,000	660	25,112,590
100,001	-	and over	250	183,740,179

Total Number of Holders: 1,390

Number of shareholders holding less than a marketable parcel: 646

SUBSTANTIAL SHAREHOLDERS

Shareholder Name	Number of Shares
James Richards	32,783,068

VOTING RIGHTS

All ordinary shares carry one vote per share without restriction. Options for ordinary shares do not carry any voting rights.

STATEMENT OF QUOTED SECURITIES / TOTAL SHARES ON ISSUE

Listed on the Australian Securities Exchange are 211,509,445 fully paid shares.

COMPANY SECRETARY

The name of the Company Secretary is Grant Jonathan Mooney.

REGISTERED OFFICE

The registered office is at Suite 4, 6 Richardson Street, West Perth, Western Australia 6005.

CORPORATE GOVERNANCE

The Company's Corporate Governance Statement as at 30 June 2023 as approved by the Board can be viewed at
http://www.gibbriverdiamonds.com/irm/content/corporate-governance.aspx?RID=269

TWENTY LARGEST HOLDERS OF EACH CLASS OF QUOTED EQUITY SECURITIES (as at 20 September 2023)

ORDINARY FULLY PAID SHARES

Shareholder Name	Number of Shares	Percentage of Capital
MR JAMES MCARTHUR RICHARDS	32,783,068	15.5
BNP PARIBAS NOMS PTY LTD <DRP>	9,981,708	4.72
LLANGURIG SUPER PTY LTD <JIM RICHARDS SUPER FUND A/C>	8,344,077	3.95
MR PHILIP ANDREW PILCHER	7,386,985	3.49
SZABO TRADING PTY LTD <NO 2 A/C>	6,831,520	3.23
OCEAN FLYERS PTY LTD <S & G MOONEY SUPER FUND A/C>	5,876,667	2.78
NEXUS MINERALS LIMITED	5,000,000	2.36
MRS ANNE MARIE HUTCHINGS	3,700,000	1.75
MR IANAKI SEMERDZIEV	3,656,000	1.73
SZABO TRADING PTY LTD	2,579,256	1.22
MR ALAN PAUL CARTMELL	2,500,000	1.18
MR DALE LEONARD ANDREWS & MRS JILLIAN PATRICIA ANDREWS <DOG STAR S/F A/C>	2,492,000	1.18
CITICORP NOMINEES PTY LIMITED	2,243,591	1.06
MR GRANT JONATHAN MOONEY	2,238,882	1.06
MR WARWICK CRUMBLIN & MRS MARY CRUMBLIN	2,000,000	0.95
BEARFIX PTY LTD	2,000,000	0.95
MR PAUL SCIANCALEPORE & MRS PAULINE SCIANCALEPORE	1,916,016	0.91
MR GRANT STEPHEN BAMBRY	1,612,000	0.76
MR TIMOTHY STUART QUICK	1,520,010	0.72
MR BRIAN JOHN SHARP	1,500,000	0.71
	106,161,780	**50.21**

HOLDERS OF SECURITIES IN AN UNQUOTED CLASS
OPTIONS

Option Holder Name	Director & Employee Options Expiring 30 November 2023 @ 7.5 cents each	Employee Options Expiring 1 March 2024 @ 10.0 cents each	Employee & Consultant Options Expiring 1 December 2024 @ 9.0 cents each	Director Options Expiring 31 August 2025 @ 11.0 cents each	Director Options Expiring 31 August 2026 @ 8.5 cents each	Total	Percentage of Options
MR JAMES MCARTHUR RICHARDS				5,000,000	5,000,000	10,000,000	0.34
THOMAS REDDICLIFFE	2,000,000			2,000,000	2,000,000	6,000,000	0.21
MR GRANT JONATHAN MOONEY	2,000,000			2,000,000	2,000,000	6,000,000	0.21
LLANGURIG SUPER PTY LTD	2,000,000					2,000,000	0.07
MS KYLIE LOUISE TAME	750,000					750,000	0.03
AUSTWIDE MINING TITLE MANAGEMENT PTY LTD			1,000,000			1,000,000	0.03
MICHAEL DENNY		750,000	1,000,000			1,750,000	0.06
TAMARA MAXINE GRAY	250,000	250,000	500,000			1,000,000	0.03
TYRONE BODY		250,000	500,000			750,000	0.03
Total	**7,000,000**	**1,250,000**	**3,000,000**	**9,000,000**	**9,000,000**	**29,250,000**	**100**